2022 Social Impact Highlights
In 2021, Novogradac released its first Social Impact Report that explored in-depth who we are, what we do, what makes us unique, and where we plan to grow.

A year later, it is my pleasure to introduce the highlights of Novogradac’s Social Impact efforts in 2022.

This 2022 Social Impact Highlight summary provides updated information on the most materially relevant issues that our internal and external stakeholders believe to be essential for long-term success.

The employee engagement mechanisms we began launching in 2021 have taken root and have been well-received. We embraced the feedback collected from employees to make significant investments in our employee benefit programming. In 2022, Novogradac added child bonding benefits; shortened our 401k vesting schedule; and provided two firmwide salary increases, an additional five days of PTO for each employee, and two additional floating holidays. Our employees responded with a 9% increase in participation in employee engagement opportunities—demonstrating trust in our systems—and an 11% increase in agreeing with the statement that Novogradac is a Great Place to Work.

Novogradac continued to enhance firm governance. Our Management of Information Systems team led the firm to achieve SOC 2 Type 2 Certification in 2022, confirming that Novogradac is well-positioned to handle sensitive data with care. Our Events team also started measuring the impact our events have on the environment and began implementing initiatives to reduce our environmental footprint.

Our Social Impact Office continues to refine Building Opportunities: A Novogradac Student Development Initiative and engaged with 18 students from 8 states in 2022. Half of the participants identified as female, 56% identified as BIPOC, and 25% identified as being part of the LGBTQIA community. We are excited about the future of this program and look forward to continuing to encourage individuals from diverse backgrounds in learning more about the important tax credits and incentives Novogradac supports.

As you will see in the following pages, 2022 was a successful year for Novogradac. Looking ahead to the future, we welcome your suggestions and feedback so that we continue to grow and improve.

Michael J. Novogradac

To learn more, visit www.novoco.com/social-impact
Get to Know Novogradac

Novogradac’s purpose is to provide transformative services and solutions to build a better future for our communities.

Focus Areas
Community Development Financial Institutions
Historic Tax Credits
HUD: Multifamily and Public Housing
Investment Tax Credit

Services and Solutions
Tax and Audit Services
Advisory Services

Low-Income Housing Tax Credits
New Markets Tax Credits
Nonprofit Organizations
Opportunity Zones
Production Tax Credit

Litigation Support and Expert Witness Testimony
Market Analysis
Project Finance Advisory
Technical Accounting Advisory
Transaction Advisory
Valuation Advisory

Public Policy/Government
Renewable Energy
State and Local Taxes and Tax Credits

Education and Events
Conferences
Awards
Novogradac Working Groups
Publications
Podcasts
Resource Centers
Software
Trainings and Certifications

To learn more, visit www.novoco.com/social-impact
Social Impact at Novogradac

Social impact has always been in focus at Novogradac. The firm was founded due to the sustainable nature of the affordable housing field. Novogradac has been assisting developers and investors working with the low-income housing tax credit and has grown to assist clients with meeting the true intent of many socially beneficial state and federal tax incentives and programs.

Material Issues Relevant to our Stakeholders

Novogradac bases our social impact strategy on what is most material to the firm, as determined by a combination of various stakeholder engagement opportunities, including our materiality assessment and employee engagement survey, firm strategy and the Sustainability Accounting Standards Board (SASB) standards.

SASB Disclosure Topics for Professional Commercial Services:
Business Ethics • Data Security • Workforce Diversity & Engagement

Materiality Assessment Areas
Business Ethics and Integrity • Career Development and Growth • Climate Emissions from Operations • Community Development Education (training, workshops, publications) • Employee Well-being and Engagement • Skills-based Volunteerism and Mentoring • Thought Leadership • Trust and Transparency • Waste Reduction from Operations
Responsible Business

Business Ethics and Integrity

- 95% of employees feel management is honest and ethical in its business practices
- 94% of employees agree that clients would rate the service we deliver as “excellent”
- 88% of employees agree that management’s actions match its words

Quality Control in Accounting

The partner-led audit committees manage policies and procedures in the Novogradac Quality Control Manual to ensure compliance with the requirements of the Public Company Accounting Oversight Board (PCAOB) and the American Institute of Certified Public Accountants (AICPA).

The partner-led tax committees serve as technical resources for the firm and are responsible for the firm’s compliance with IRS and industry standards of practices. They receive news and changes from those sources and disseminate information to the firm, ensuring employees and partners are educated on changes and best practices.

Commitment to Ethics

Annually, employees sign an agreement to abide by the Novogradac Code of Business Ethics and Compliance Reporting Policy. There are multiple Pathways for our colleagues to reach out with work-related questions, concerns or suggestions:

- Team members and management
- Human Resources department and procedures, which includes anonymity
- Independently managed ethics and compliance hotline, which includes multiple access points

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Responsible Business

Customer Privacy and Data Security

Novogradac values the trust that our clients have placed in us to safeguard their data, and we take that responsibility seriously. We have implemented security and compliance controls and programs to ensure the continued integrity and confidentiality of our clients’ data and the continuity of our services.

In 2022 we:

- **Increased data security** with improved VPN software
- **Enhanced identity protection** with advanced multi-factor authentication
- **Increased employee efficiency** with modern single sign on security to software programs throughout the firm
- Undertook third party audit and completed SOC 2 Type II report
Responsible Business

Environment

Facilities

As a byproduct from changes Novogradac made during the Covid-19 pandemic, we have a greater number of colleagues working more frequently from home. This has allowed us to reduce our office footprint by over 6% and reduce the emissions associated with our employees commuting daily.

- Seven Novogradac offices are in ENERGY STAR® certified buildings
- Three Novogradac offices are in LEED certified buildings

Events

Novogradac hosted 11 conferences in 2022 and all of these included bulk beverage stations to reduce plastic and paper use and provided vegetarian meal offerings. Nine of these events used recyclable signage and eliminated all single use plastics.
Novogradac Colleagues

- 86% of employees agree that **Novogradac is a Great Place to Work**
- 94% of employees feel accepted for who they are at Novogradac
- 92% of employees know how their work contributes to the company’s success

Methodical approach to pay and promotions with alternative career paths.

Pay equity analysis performed annually.

**Total Novogradac Population**

**Race/Ethnicity**
- Racially/Ethnically Diverse: 36% in 2022, 33% in 2021
- White: 64% in 2022, 67% in 2021

**Gender Identity**
- Female: 48% in 2022, 45% in 2021
- Male: 52% in 2022, 55% in 2021

**Equality in the Path to Promotions**

**Promotion to Partner/Principal**

**Race/Ethnicity**
- Racially/Ethnically Diverse: 33% in 2022, 17% in 2021
- White: 67% in 2022, 83% in 2021

**Gender Identity**
- Female: 29% in 2022, 25% in 2021
- Male: 71% in 2022, 75% in 2021

Note: Data derived from self-identified responses

To learn more, visit [www.novoco.com/social-impact](http://www.novoco.com/social-impact)
Novogradac Colleagues

Diversity, Equity and Inclusion at Novogradac

- 95% of employees agree that Novogradac management is committed to diversity, equity & inclusion
- 98% of employees feel they are treated fairly regardless of their sexual orientation
- 97% of employees feel they are treated fairly regardless of their race
- 96% of employees feel they are treated fairly regardless of their gender
- 93% of women with children agree they are able to take time off when they think it’s necessary

Employee Resource Groups

Novogradac launched our first ERG in 2022, Novogradac Women & Allies.

- 20% of employees joined the ERG
- Mission “To provide an inclusive community that encourages professional and personal development opportunities, while creating awareness around issues facing women in the workplace”
- 110 employees attended first Novogradac Women & Allies meeting

There are plans to launch another ERG in 2023.

Annual DEI training taken by all employees

Training on Gender Identity and Pronouns
Novogradac Colleagues

Growth and Development

87% of employees feel they are offered training or development to further themselves professionally at Novogradac.

In 2022, Novogradac increased resources, including a new educator targeting the areas of systems and technology, security, and operations via education and training.

Opportunity Center

The Opportunity Center was launched as an online tool for employees to seek new growth and development opportunities. It is a more targeted, self-directed, emergent approach to finding productive and valuable uses for available time.

Investments in Employee Benefits

Novogradac heavily invested in employee benefits in 2022 based on newly established employee engagement mechanisms.

- New child bonding benefits
- 401k vesting schedule shortened
- Additional five days of PTO each year per employee
- Two additional firmwide floating holidays
- Two firmwide pay increases

Richard B. Hutchins Founders Scholarships

Created in honor of a founder of the firm and former executive committee member who was passionate about employee growth and development, the scholarship is a $1,000 award to five interns based on work accomplished during time with Novogradac. The Committee, representing diverse perspectives and business functions, select awardees based on predetermined objective criteria.

2022 Recipients

- 3 out of 5 recipients self-identify as female
- 3 out of 5 recipients self-identify as racially diverse

To learn more, visit www.novoco.com/social-impact
Community Engagement

Novogradac has a long history of making an impact in communities through the work we do and through our community engagement efforts.

Opportunities for Engagement and Education

Training

- Six public online LIHTC Property Compliance Workshops
- 43 Novogradac Community Development Certificates awarded
- 275 new Novogradac Property Compliance Certificates issued
- 2,024 total Novogradac Property Compliance Certificates issued

Publications

- 2.6 million pageviews of the Novogradac websites
- 22,376 downloads for the Tax Credit Tuesday podcast
- 34,000 unique Industry Alert email subscribers

Events

- 4,400+ attendees over 12 conferences
- Eight sessions focused on diversity, equity and inclusions topics

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Community Engagement

Opportunities for Change

Increasing Access and Representation in Accounting and Community Development Finance

Building Opportunities

Building Opportunities was designed to introduce accounting and real estate finance students to a career focused on building opportunities for their communities. Recipients receive time to connect with a Novogradac recruiter; up to 3 hours of mentoring with a Novogradac employee; 10+ hours of educational training resulting in the Novogradac Community Development Certificate; attendance to a Novogradac conference and pre-conference workshop; print copies of introduction books on 6 programs.

2022 highlights:

- **18 students** from **8 states**
- **50%** of program participants identify as **female**
- **56%** of program participants identify as **BIPOC**
- **25%** are part of the **LGBTQIA Community**

Open Access

Novogradac was a founding partner in the Open Access initiative in 2020. Now a nonprofit, Open Access’s mission is to increase representation of Latinx and Black professionals in the community development finance space.

Novogradac provided:

- Education for all **23 Fellows**
- Hosted an Open Access Fellow
- Provided **conference** and **pre-conference attendance** to all Fellows
- Additional **organizational support** for Open Access including space at our conferences

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Community Engagement

Donations and Matching Gifts

Novogradac has a **firm donation** and **matching gifts program**. We partner with three national non-profits to further the issues that are materially linked to our organization and what our employees want to support.

Our three non-profits we support through a mix of donations and matching gift programs are:

- [National Urban League](#)
- [American Red Cross](#)
- [Arbor Day Foundation](#)

Novogradac gave **$10,000 donations** to each of our three national community partners on Giving Tuesday.

Volunteerism

Novogradac colleagues are given **8 hours of firm paid leave** for volunteer projects each year.

Examples from around the US of office-led Day of Caring:

- Clean and organize supplies at Ronald McDonald House
- Handing out meals at a local food pantry
- Beautification project at City Hall
- Assisting individuals without homes to navigate local services to help them (phone; medical; dental; haircuts; etc.)

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