

CHERRY HILL MORTGAGE INVESTMENT CORPORATION
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Updated as of November 14, 2024

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OUR BUSINESS AND OUR COMMITMENT TO ESG INITIATIVES

Cherry Hill and its Business and Operations

Cherry Hill Mortgage Investment Corporation (“Cherry Hill”) is a publicly traded residential mortgage REIT, founded in 2013 and headquartered in Tinton Falls, New Jersey. Cherry Hill is focused on proactively managing its portfolio, maintaining a strong balance sheet and preserving book value in multiple interest rate environments with the goal of maximizing stockholder returns.

Cherry Hill’s mission is to consistently generate attractive current yields and risk-adjusted total returns for our stockholders over the long term – primarily through dividend distributions and secondarily through capital appreciation. Cherry Hill seeks to obtain its objectives by selectively constructing and managing a targeted portfolio of residential mortgage assets consisting primarily of mortgage servicing rights (“MSRs”) and Agency RMBS. The mortgage loans underlying our MSRs conform to Fannie Mae and Freddie Mac conforming mortgage loan underwriting guidelines, and the Agency RMBS we invest in are issued by Fannie Mae and Freddie Mac. Cherry Hill believes Fannie Mae and Freddie Mac adhere to strong ESG principles that impact execution of their businesses. Fannie Mae’s discussion of ESG principles can be found at <https://www.fanniemae.com/about-us/esg> and Freddie Mac’s discussion of ESG principles can be found at <http://www.freddie.com>.

We believe our business model is consistent with ESG principles and broader societal goals. Our investment strategy provides private capital to the US housing market which helps to promote effective, efficient and broadly available mortgage financing and support a vibrant housing market and broad home ownership.

References in this ESG Report to “we,” “our” and “us” refer to Cherry Hill unless the context otherwise requires or indicates.

As of the date of this ESG Report, Cherry Hill has 5 employees, working in our Tinton Falls, New Jersey office.

Our Commitment to ESG Initiatives

We are committed to implementing what we believe to be the best ESG practices and policies. We have incorporated many ESG principles into our corporate culture over time. We understand that ESG practices can create value by improving the environment and the lives of our employees, our stockholders, our financing providers and our other business partners and the community and we recognize and understand that our ESG practices are increasingly important to maintaining these key relationships. To demonstrate our commitment, in April 2023, the Nominating and Corporate Governance Committee (“NCG Committee”) of Cherry Hill’s Board of Directors amended its charter to assume primary oversight of our efforts in ESG policies, activities, and communications. Together with the members of the NCG Committee, all of whom are independent in accordance with NYSE and SEC standards, we will assess our ESG practices with a goal of meeting or exceeding industry and peer standards over time.

ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

We are committed to environmental responsibility in our business operations. We strive to integrate environmental considerations into our planning and decision-making process, with the goal of promoting sound environmental practices internally and externally.

Our environmental initiatives undertaken to date include the following:

- Recycling paper, glass, plastic and aluminum cans, electronic equipment, batteries and ink cartridges.
- Reducing our carbon footprint through video conferencing as an alternative to business travel.
- Utilizing Energy Star ® certified products, printers and televisions.
- Reducing office paper usage by emphasizing electronic communications, record storage and signing up for e-statements and invoices.

SOCIAL RESPONSIBILITY

Our primary social impact comes from our investment activity. As a provider of housing capital, we can assist and strengthen the US housing market and those seeking homeownership. Through thoughtful investment and risk management, our focus on residential real estate finance can help to support homeownership for a broad and diverse spectrum of Americans. We take this duty seriously, as the benefits of homeownership are wide-reaching and well documented. Homeownership has long been understood as an important part of individual wealth creation and social mobility.

Improving homeownership rates stabilizes communities because homeowners are often engaged in and beneficial to their communities due to their financial and emotional investments in the space. The residential real estate market is an important part of the U.S. economy and investing in home mortgages allows our company to help support and improve this market and the economy as a whole.

We understand our responsibility to our business partners and to our community members. To each of these relationships, we bring a commitment to professional dignity and mutual respect.

Diversity and Inclusion

We believe that fostering an internal climate that is supportive and allows people of all backgrounds to flourish lends itself to the highest levels of team and company performance and facilitates the attraction and retention of best-in-class talent. We also believe it is inherently the right way to conduct business. We support an innovative, creative culture where people can bring their best and most authentic selves to work. Our employees may hold divergent opinions and we encourage them to voice their views.

Our aspiration is for our workforce to continually reflect the diversity of people and perspectives in today's evolving society. We are committed to equal employment opportunity for all job applicants, service providers and employees. No job applicant, service provider or employee will be discriminated against by us because of race, religion, color, sex, sexual orientation, gender, sexual/gender identity, age, disability, pregnancy, national origin, military or veteran status, or any other characteristic protected by applicable law.

Decisions regarding staffing, selection, and promotions are made by the officers of Cherry Hill on the basis of individual qualifications related to the requirements of the position. We endeavor to select qualified individuals from a diverse pool of candidates derived from broad outreach efforts when we are recruiting.

Employee Well-Being and Benefits

In addition to offering competitive base salaries and discretionary, and in some instances performance-based cash bonuses for our employees, we are committed to continuously evaluating and ensuring the competitiveness of our benefits offerings so that we meet the various needs of each of our employees and their families. As of the date of this ESG Report, our employees are provided the following benefits:

- Medical insurance covering employee, spouse (including domestic partners) and dependent children;
- Dental insurance covering employee, spouse (including domestic partners) and dependent children;
- Health Savings Account (HSA);
- Healthcare and dependent FSA;
- Term life insurance;
- Leave policy that provides paid vacation, sick and personal days;
- 401(k) retirement plan, with a company match incentive;
- Flexible work hours and telework optionality;
- Vision insurance;
- Group voluntary term life insurance;
- Short-term disability insurance;
- Long-term disability insurance;
- Voluntary term accidental death and dismemberment coverage;

- Voluntary legal services;
- Voluntary pet insurance; and
- Employee Assistance Program (EAP).

Employee Engagement

We believe our greatest strength and most important assets are our employees, and their overall well-being is paramount. We ensure that our employees have a rewarding, supportive, and healthy working environment in which to thrive, and we endeavor to support their success in all things. We provide our employees with opportunities for growth and development, both in the personal and professional spheres, as well as a wide variety of resources to support their work and personal lives. We believe that the compensation and comprehensive benefits provided to our employees are thoughtfully designed to recognize and reward the professional skills of our employees, resulting in a low voluntary turnover rate.¹

- **Average Tenure of Current Employees:** 8.7 years; 42% of our employees have a tenure of over 10 years.
- **Average Annual Turnover Rate 2013-2024:** 2%

Employee Retention and Satisfaction

We want our employees to share and practice our commitment to sustainability. We also want them to be engaged to drive our business forward and to want to work with us for the long term. We care about the employment experience of our employees and care about them as individuals who are all motivated in different ways.

Employee Health and Safety

We are committed to fostering a safe and healthy working environment for all of our employees. We maintain a workplace that endeavors to be free from injury in compliance with the Occupational Safety and Health Administration (OSHA) standards and regulations.

Human Rights Statement

Principles. We are committed to the protection and advancement of human rights and to ensuring that our operations function with integrity. The principles outlined in this Human Rights Statement relate to and confirm key commitments and principles in our Code of Business

¹ Before November 14, 2024 Cherry Hill was externally managed by Cherry Hill Mortgage Management, LLC, which conducted Cherry Hill's day-to-day operations, relying on personnel employed by a third party. Effective as of the close of business on November 14, 2024, as part of Cherry Hill's management internalization, Cherry Hill began directly employing all such personnel previously employed by the third party service provider. The statement and information referenced below regarding tenure and turnover rely on information which includes such newly-hired employees in the years prior to their direct employment. Any reference in this ESG Report to activities or actions taken by our employees on or before November 14, 2024, means such activities or actions were taken by such individuals while working for us indirectly, as described herein.

Conduct and Ethics and in our Human Rights Policy which apply to our officers, directors, and employees. Our culture and policies establish standards whereby we do not tolerate violations of basic human rights of life, liberty, and security. We do not condone any inhumane treatment, particularly, sexual harassment, sexual abuse, verbal abuse, mental or physical coercion, corporal punishment, forced labor, child labor, human trafficking, and slavery.

Child Labor and Forced Labor. We stand firmly against forced labor, child labor, human trafficking, and slavery in any manifestation. Specifically, we maintain a zero-tolerance policy towards the use of unlawful child labor in our operations. We recognize the vulnerability of children and categorically prohibit employment practices that exploit children or infringe upon their rights to education, health, and development.

Discipline. We forbid any form of corporal punishment, mental or physical coercion, or verbal abuse.

Anti-Corruption. We prohibit corruption in all its forms, including extortion and bribery.

Freedom of Association and Right to Collective Bargaining. We also demonstrate our dedication to our employees through our labor policies. We are committed to protecting our employees' freedom of association and right to collective bargaining.

Compensation. We are committed to ensuring that all of our employees are compensated fairly and equitably, and are committed to paying all of our employees a living wage, which complies with all minimum wage and compensation requirements as mandated by applicable law, from the moment they are hired through the milestones of their career,

Non-Discrimination Policy

We advocate fairness and equality of opportunity. We make employment decisions (for example, hiring, promotions, job assignments, job training, promotions, benefits, terminations) without regard to a person's race, ethnicity, religion, sex, national origin, sexual orientation, gender identity, pregnancy or family status, age, disability, social class, veteran status, or any other status protected by the applicable federal, state or local laws (i.e., "Protected Status").

Anti-Harassment Policy

We are committed to maintaining a work environment free of harassment which is based upon protected characteristics. We foster policies and practices to ensure that all of our employees work in an environment that is neither hostile nor discriminatory. Actions, words, jokes or comments based upon an individual's race, ethnicity, religion, sex, sexual orientation, gender identity, pregnancy or family status, national origin, age, veteran status, social class, physical or mental disability, or any other legally protected characteristic will not be tolerated. We further believe in and support all federal, state, and local guidelines regarding harassment and discrimination.

Equal Pay

Our policy is “equal pay for equal work” in compliance with applicable state law. It is our understanding that the compensation paid to our employees is based upon experience, seniority, educational-attainment, individual contribution, and company performance against goals.

“Compensation” refers to basic salary, bonuses, long-term equity incentives and other contractual benefits that are provided to our employees.

GOVERNANCE

Our Board of Directors

Cherry Hill strives to maintain a well-rounded and diverse Board that balances financial industry expertise with independence, and the institutional knowledge of longer-tenured directors with the fresh perspectives brought by newer directors. Cherry Hill’s directors bring to the Board a variety of skills and experiences developed across a broad range of industries, both in established and growth markets, and in each of the public, private, and not-for-profit sectors.

Committee Memberships					
Name	Age²	Director Since	AC	CC	NGC
Jeffrey B. Lown II President and CEO	60	2013			
Robert C. Mercer, Jr. Independent Director	76	2017	✓ (Chair)	✓	✓
Joseph P. Murin Lead Independent Director	74	2013	✓	✓	✓ (Chair)
Sharon Lee Cook Independent Director	63	2023	✓	✓ (Chair)	✓

- **Average Tenure of Directors:** 8 years
- **Average Age of Directors:** 68
- **Diversity of Directors by Gender:** 25%
- **Diversity of Directors by Race:** 25%

² As of January 1, 2024.

Director Diversity

In April 2023, Cherry Hill amended its Corporate Governance Guidelines to formalize its practice of seeking out highly qualified candidates of diverse gender, race and ethnicity, as well as taking into account other factors that promote principles of diversity and ensuring that women and other underrepresented candidates are included in each pool of Board candidates.

Compliance Training

All of our employees upon hire are required to acknowledge and certify our Code of Business Conduct and Ethics, Insider Trading Policy, Reg FD Policy and Whistleblower Policy. We conduct on-going training and require all our employees to recertify annually. Our training includes review of our Human Rights Policy and anti-corruption practices.

Cybersecurity Training

Our employees have been taking mandatory cybersecurity training since 2019. The courses in this program are designed to help employees identify and avoid common computer and network security risks, understand how security breaches can affect the company, remain vigilant and understand how to utilize available computer and network security resources.

Ethics and Integrity

We are committed to upholding the highest ethical standards in all business activities and transactions. This includes issues of anti-corruption, money-laundering and compliance with all applicable laws and regulations pertaining to the US Patriot Act and other national security related issues. The Cherry Hill Code of Business Conduct and Ethics is available for viewing on Cherry Hill's website at www.chmireit.com.

Reporting Violations

All of our employees are strongly encouraged to report misconduct and potential infractions in accordance with the procedures outlined in Cherry Hill's Code of Business Conduct and Ethics and Whistleblower policies.

Confidentiality

We will not retaliate or tolerate retaliation by any director or officer of Cherry Hill or any of our employees, directly or indirectly, against any person or group who, in good faith, makes a report or provides assistance to our management or any other person or group, including governmental, regulatory or law enforcement agency, investigating the allegations.

Cybersecurity

We are committed to the protection of our computer systems, software, networks, and other assets and devote significant resources to maintain a high level of security against cybersecurity threats. In order to address cybersecurity risks associated with our increasing reliance on technology, we have implemented a wide range of processes, procedures, and internal controls to

help mitigate cybersecurity risks and cyber intrusions which are periodically reviewed by Cherry Hill's Chief Financial Officer.

Making Cherry Hill a more cyber-secure environment is the responsibility of everyone with authorized access to our network. Training is a key component of our information security program. On a quarterly basis, all authorized users of our network are required to complete various online information security training modules to help them recognize data security threats and malicious activity. Each module engages the user and drives knowledge retention through embedded assessment activities. Additionally, all of our employees participate in an annual Cybersecurity Awareness Training session, focused on topics such as Security Essentials, Personally Identifiable Information Fundamentals, Phishing and Email Security, and Mobile Application Security.

In addition, our information security team highlights threat trends and shares data protection best practices. The information security team also disseminates security awareness content and regularly reminds our employees to remain diligent in protecting our data and systems.

We maintain policies to set expectations and have implemented procedures for monitoring, reporting, mitigating and escalating information security risk. We require users of our internal information technology resources to proactively report cybersecurity incidents. We also have a robust incident response plan to handle suspected loss of, or unauthorized access to, information.

Assessment and Oversight of Our Information Security Program

We regularly evaluate the effectiveness of our information security program. This assessment, which includes social engineering and vulnerability scanning, is conducted by our information security team and third-party industry experts. The program is further subject to internal audit, with results reported to our Board.