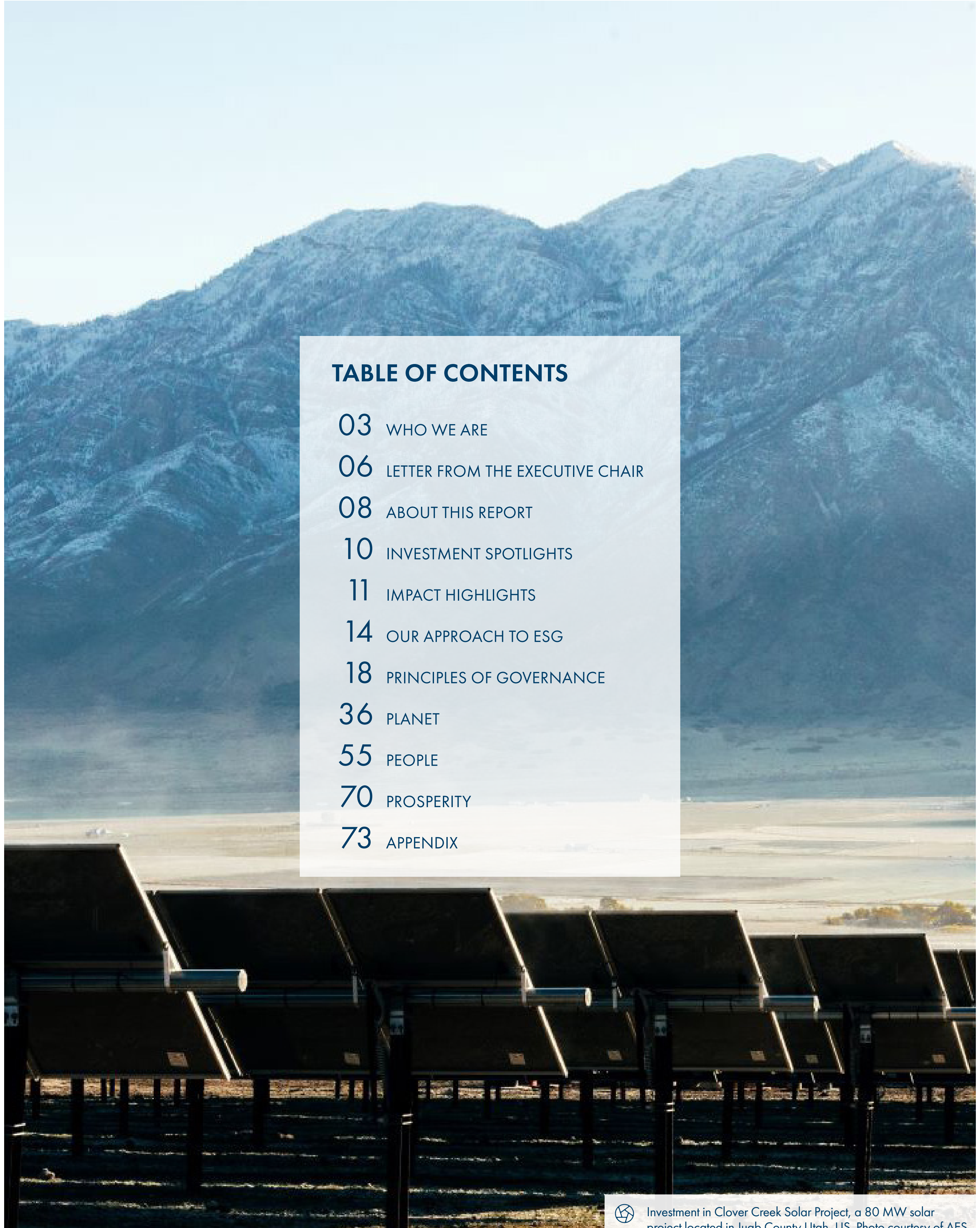
HASI

2022 Impact Report



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Investment in Clover Creek Solar Project, a 80 MW solar project located in Juab County Utah, US. Photo courtesy of AES

WHO WE ARE

Climate Positive Investors

HASI is a leading climate positive investment firm that actively partners with clients to deploy real assets that facilitate the energy transition. With more than $9 billion in managed assets, our vision is that every investment improves our climate future.

Our Values

1. Solve client problems

2. Embrace collaboration

3. Ask good questions

Investment Strategy

Our vision is that every investment should improve our climate future, which is why we require that all prospective investments are neutral-to-negative on incremental carbon emissions or have some other tangible environmental benefit, such as reducing water consumption.

Based on decades of investment experience across multiple interest rate and business cycles, intermittent governmental support for reducing carbon emissions, and several "boom and bust" cycles of business expansions in clean energy markets, we have created a climate-positive investment thesis based on the following tenets:

1) More efficient technologies are more productive and thus should lead to higher economic returns.
2) Lower portfolio risk is inherent in a portfolio of diverse investments, generated by trends of increasing decentralization and digitalization of energy assets, compared to a portfolio comprised solely of centralized utility-scale investments.
3) Investing in assets aligned with scientific consensus and universal social values will reduce potential regulatory and social costs through better internalization of externalities.
4) Assets that reduce carbon emissions represent an embedded option that may increase in value if regulations were to set a price on carbon emissions.

Our Impact

6.6 million
Cumulative metric tons of carbon dioxide (CO_2) avoided annually through our investments, the equivalent to eliminating emissions from over 1.4 million typical passenger vehicles

6.3 billion
Cumulative gallons of water saved annually from our investments, the equivalent to eliminating the annual water consumption of nearly 138,000 U.S. homes every year

~400,000
Quality jobs created by our investments in 48 states

~300,000
School children supported by our energy efficiency upgrades to educational facilities and transportation funded by our investments

~2 million
Veterans served by hospitals and other facilities that received energy efficiency upgrades funded by our investments

Deep Experience and Strong Partnerships

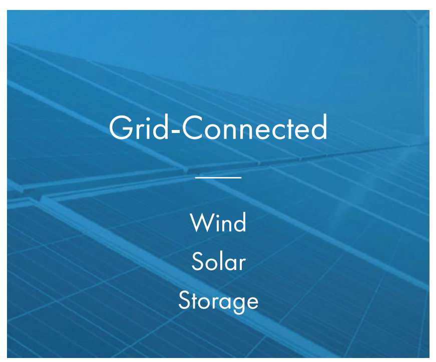
Our management team has deep industry knowledge and experience. We have long-standing relationships with the leading energy service companies (ESCOs), manufacturers, project developers, owners and operators. By developing flexible capital solutions to solve our clients' problems, we generate recurring, programmatic investment opportunities.

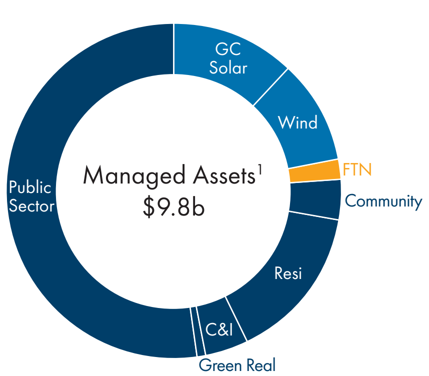
Our investments take many forms, including equity, joint ventures, land ownership, lending, and other financing transactions. In addition to Net Investment Income from our portfolio, we also generate ongoing fees through gain-on-sale securitization transactions, asset management and other services.

With a growing programmatic client base generating a vast pipeline of opportunities that have large funding requirements, we are exceedingly well-positioned to accelerate the global decarbonization transition.

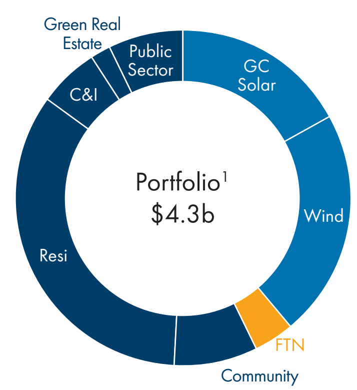
Managed Assets

Our highly diversified managed assets span three markets and multiple asset classes.





Managed Assets (% of Total)	Candidate	Portfolio (% of Total)
52%	Public Sector	7%
12%	GC Solar	17%
15%	Residential	34%
10%	Wind	22%
4%	C&I	6%
4%	Community	8%
1%	Green Reat Estate[2]	2%
2%	Fuel, Transport & Nature[3]	4%



(1) Balance Sheet Portfolio is a subset of Managed Assets; as of 12/31/22.
(2) Includes Freddie Mac and C-PACE investments.
(3) Includes all other asset classes that are not specifically designated as BTM or GC.

With Managed Assets across the U.S. that support >17 gigawatts (GW) of renewables, and >290 energy efficiency investments, we benefit from significant technological, geographic and resource diversity.[1]

>290 Energy Efficiency Investments

4.1 GW of Wind

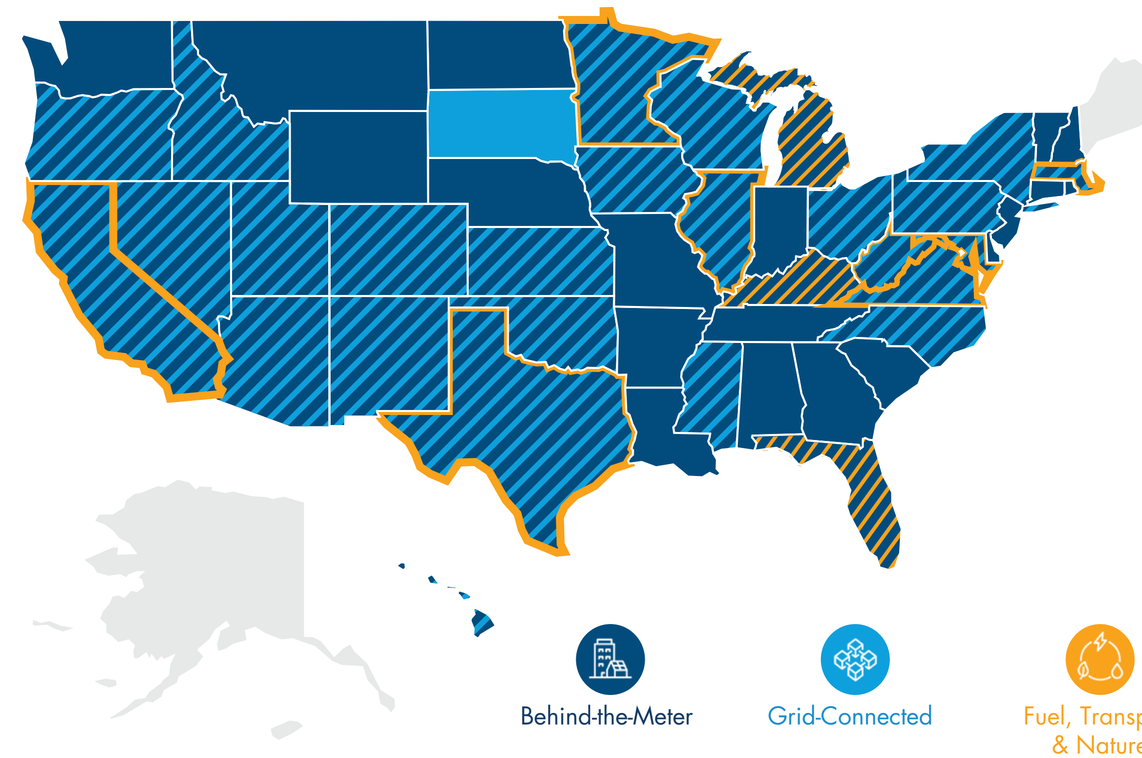
1.1 GW of Grid-Connected Solar

3.3 GW of Distributed Solar

8.6 GW Wind and Solar Land

375 Fleet Vehicles

2.7m MMBtu Annual Renewable Gas Capacity



LETTER FROM THE EXECUTIVE CHAIR

Dear Stakeholders:

I went back over my prior annual report letters to see how well they have told our story over these last 10 years, which is summarized below in five passages from those letters and three graphics.

We went public to offer investors a unique opportunity to earn superior risk-adjusted returns… investing in the enormous de-carbonization market… the defining issue of our time.

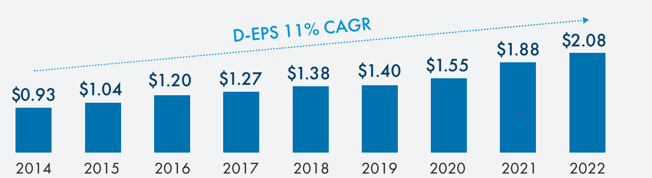
Our clients create these innovative engineered solutions… using our capital to ensure that economical assets are adopted at scale… waste less, are more diversified and reduce social friction.

We have built the business to prosper in various interest rate and commodity market environments… as well as public policy support.

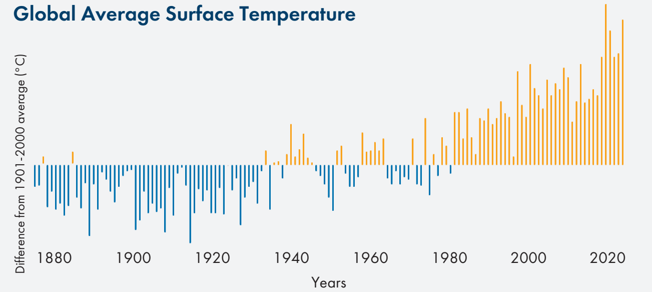
Our goal was to set the 'gold standard' for ESG… to produce tangible shareholder value… with rigorous carbon reporting… high employee retention… by embracing our broader ethos as a responsible corporate citizen.

Make no mistake we are losing the battle on climate change… 17 of the 18 warmest years occurred since 2001.

HASI Distributable Earnings per Share



Global Average Surface Temperature



Source: https://www.climate.gov/media/15021

Our vision has been unwavering and successful. We have stayed true to the mission of earning superior risk-adjusted returns investing on the right side of the climate change line. Although volatility in the capital markets has recently caused this success not to be reflected in our share price, our long-term total annual shareholder return of 14%[1] over the last 10 years still beats the S&P 500 over the same period. As our Investor Day in March showed, our expanded leadership team, led by Jeff Lipson, will continue to grow the business responsibly, produce superior returns, and maintain a commitment to the gold standard of corporate citizenship.

2022 Review and Outlook for 2023

We closed more than $1.8 billion in climate solutions investments in 2022, and grew our portfolio by 19% with a corresponding increase in Distributable Net Investment Income of 34%. As a result, HASI continued its strong financial performance in 2022, increasing Distributable Earnings per Share by 11%.

One of the key reasons that we have successfully grown our portfolio is that our strategy incorporates multiple asset classes. If we were reliant on a single asset class, our growth would unlikely be as consistent. Our newly rebranded FTN (Fuels, Transport & Nature) segment is providing further diversification and strong returns and complements our GC (Grid-Connected) and BTM (Behind-the-Meter) segments.

This diversity is the result of a significant number of clients that we work closely with, many of them involved in multiple asset classes, as well as our ability to pivot towards new opportunities quickly.

Likewise, our 12-month pipeline of greater than $4.5 billion is well balanced as our BTM pipeline is benefiting from increasing utility rates, our GC pipeline is primarily solar opportunities and our FTN pipeline is mostly RNG, fleet decarbonization and ecological restoration. This balanced profile allows investors to participate across the entire clean energy transition market.

The business outlook is the brightest it has ever been. The energy transition to a lower carbon world is accelerating with supportive public policy. The Inflation Reduction Act will positively affect our business as evidenced by our clients increasing their pipelines due to the long-term ITC/PTC policy certainty and tax credits for renewable fuels. Tax credits for battery storage have made standalone projects conducive for investment, an example of policy accelerating new, investable asset classes for us. Transferability of tax credits will expand the tax capacity available for renewable projects, as well as provide an opportunity for us to participate in those transactions. And finally, the Bipartisan Infrastructure Law and the CHIPS and Science Act provide a constructive policy backdrop for new transmission and onshoring manufacturing. In my over 40-year career, I never imagined this level and duration of policy support for the energy transition. This is unmitigated good news for HASI.

Because of this policy backdrop, our clients' aspirations are expanding, and we believe our tenured participation in this industry positions us well for continued programmatic investment with our top-tier client base. HASI has a proven strategy, executed by a mission-driven team committed to not only producing superior risk-adjusted returns, but also making a meaningful difference on climate.

ESG Progress

2022 marked the year that investors and regulators rightfully began to seriously demand standardization, rigor and transparency in ESG initiatives and reporting. Thankfully, HASI has been at the vanguard of these efforts since our IPO.

At HASI, we embed our purpose into our corporate mission: Every investment improves our climate future. This ensures ESG is a core aspect of our process – not an incidental byproduct. As a result, our thoughtful and rigorous ESG strategy focuses on issues most material to our business. We've made significant progress on each of the ESG fronts.

On the environmental front, we revamped our industry-leading CarbonCount metric to incorporate real-time emissions factors, ensuring we measure, report and understand the carbon emissions avoided by each and every one of our investments. This level of precision positions us in a class of our own among publicly traded U.S. financial institutions. In addition, with other leading corporates, we co-founded the Emissions First Partnership to improve corporate and investor emissions accounting by moving beyond megawatt-hour matching and focusing more on quantified emissions impact.

Recently, Maryland's new Governor Wes Moore was asked if he had appointed a historically diverse cabinet to "try to make a point." He replied, "No. I want to win."[2] There is strength, wisdom and competitive advantage in diversity and HASI continues to drive diversity and inclusivity within our workforce. Further, we established Business Resource Groups to foster support and mentorship among our employees, prosperity that will benefit them and ultimately our shareholders. The HASI Foundation expanded its reach and capability with the appointment of external Board members and made an impact at the intersection of climate change and social justice with over 10 generous grants.

Finally, we continued to enhance our corporate governance by separating the CEO and Chair roles and adding new directors to our board. Now, a majority of our independent directors comprise women and persons of color – exceedingly rare for US public companies.

To our mission-driven team, all of these accomplishments were essential to growing the long-term shareholder value reflective of the significant value we created for our clients, employees, and community – indeed, all of our stakeholders. We remain enormously proud of our team and our ability to grow our business while also making the world a better place.

Conclusion

HASI is in the best market, with the best clients, deploying the best business model. Do we have the best team? To paraphrase Governor Moore: I want to win, and I'd hate to compete with us. I thank this team for their intelligence, their hard work and commitment to the company mission.

Respectfully,

Jeffrey W. Eckel
Executive Chair
April 2023

(1) Estimated as of March 31, 2023.

(2) Governor Wes Moore's comments on March 27, 2023 to an audience at the Governor's Mansion assembled for Women's History Month, attended by myself.

ABOUT THIS REPORT

We are proud to present our fifth annual Impact Report, which details our approach, targets and performance across a broad array of material ESG issues.

At HASI, we have historically and consistently been a leader in transparent reporting and financially material and comparable ESG metrics.

In fact, we were the first U.S. public company to report the avoided emissions associated with each and every one of our investments – through our proprietary CarbonCount methodology, which we have recently improved to provide even more temporal and geographic granularity.

While few have followed our lead to date, we continue to engage with financial service firms, asset managers, and others to gain broader market adoption of this best-in-class metric for evaluating the efficiency by which capital investments avoid carbon emissions.

In 2018, under the direction of our Board and in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD), we became one of the first public companies to adopt TCFD and incorporate it into our SEC filings – with the goal of increasing the analytical rigor and transparency associated with our climate risks and opportunities.

Progress Toward Integrated Frameworks

As many stakeholders, investors, and companies have noted, however, the current lack of global standardized metrics regarding the material aspects of ESG stands in stark contrast to the well-established standards that exist for reporting on financial performance.

Thankfully over the last year, the tide has begun to turn as credible NGOs and government regulators have begun to establish frameworks and regulations that promote meaningful standardization and transparency and seek to combat green-washing, social-washing and/or purpose-washing.

European Union

The European Union has led the way by establishing multiple integrated regulations. First, the Sustainable Finance Disclosure Regulation (SFDR) imposes on EU-based asset managers, financial advisers and insurance providers comprehensive sustainability disclosure requirements covering a broad range of ESG metrics at both entity- and product-level. In addition, the Non-Financial Reporting Directive (NFRD) requires large publicly traded companies in the EU to publish reports on specific ESG areas of interest. Finally, both EU asset managers and companies subject to the aforementioned regulations are also subject to the EU Taxonomy, which is an investment tool that facilitates sustainable investment by identifying and defining, through the use of scientific criteria, activities that qualify as truly sustainable. While still imperfect, together when fully implemented, these complementary regulatory tools have the promise of giving material ESG metrics the transparency and rigor of traditional financial metrics. While HASI has no meaningful EU footprint, we have several EU-based investors and we eagerly comply with their information requests related to these regulations.

United States

More immediately relevant to HASI are the to-be-released U.S. Securities and Exchange Commission (SEC) regulations related to mandatory climate and other ESG disclosures. To support this effort, we have submitted formal written comments and participated in multiple discussions with SEC Commissioners often through the industry coalitions of which we are members. We have advocated for the final rule to include a few essential provisions:

1) Align to the greatest extent possible with TCFD with flexibility for alignment with the to-be-released International Sustainability Standards (ISSB) framework;
2) Climate disclosures should be made in financial filings – either Form 10-K or another appropriate form that is incorporated by reference into the Form 10-K;
3) Scope 1 and 2 emissions disclosure should be required and subject to attestation by an independent third party; and
4) As the Greenhouse Gas Protocol evolves, all GHG emission disclosures should encourage the most effective estimates of induced emissions and methods of carbon reduction.

International Sustainability Standards Board (ISSB)

With the support of several leading sustainability standards organizations, the ISSB was formed to develop – in the public interest – a comprehensive global baseline of high quality sustainability disclosure standards to help investors and other stakeholders assess how sustainability factors impact a company's balance sheet. The general sustainability-related standards are intended to complement general purpose financial reporting with more consistent and comparable information on broader sustainability issues. To comply with the standards, a company will be required to provide information about all "significant sustainability related risks and opportunities to which it is exposed" that would be necessary for users of the information to assess the company's enterprise value. The standards borrow the structure of the TCFD, in requiring information across the four areas of governance: strategy, risk management, and metrics and targets. While many unresolved issues remain – including double materiality, biodiversity and human capital considerations, among others – the final standards are currently expected to be released sometime in 2023.

We are very supportive of these and related efforts to reduce fragmentation and accelerate progress toward a broadly accepted ESG reporting standard that is in full alignment with the U.N. Sustainable Development Goals, and we look forward to reporting in accordance with the final SEC regulation and ISSB framework when available.

Until then, similar to the last two years, our 2022 Impact Report has been designed around the four pillars of the common metrics for consistent reporting of sustainable value creation as developed by the World Economic Forum's International Business Council: Principles of Governance, Planet, People and Prosperity.

Further, for the tenth consecutive year, we have disclosed the avoided emissions resulting from each of our investments (see our Sustainability Report Card on page 46) while also continuing to advocate for standardized reporting of this metric by all financial service companies and asset managers through our membership in the Partnership for Carbon Accounting Financials (PCAF).

We continue to hope that our comprehensive reporting and advocacy on these and many other recommended metrics help to drive transparency and alignment among companies, investors and all stakeholders – with the ultimate goal of building a more sustainable inclusive global economy.

ESG Reporting Framework Alignment

The structure and content of this report are informed by CarbonCount, the Task Force on Climate-related Financial Disclosures (TCFD), the Partnership for Carbon Accounting Financials (PCAF), the Greenhouse Gas Protocol (GHGP), the International Business Council of the World Economic Forum and the United Nations Sustainable Development Goals (SDGs).

INVESTMENT SPOTLIGHTS

In 2022, we closed over $1.8 billion in transactions broadly diversified across our multiple asset classes.

FUELS, TRANSPORT & NATURE

>$125m

CARBONCOUNT: 0.20

Senior debt investment with Ameresco in a portfolio of operating Renewable Natural Gas Projects (RNG), including two Landfill Gas (LFG)-to-RNG plants and one Wastewater Treatment Biogas (WWTPB)-to-RNG plant. Our first investment in RNG brings continued programmatic deal flow with a leading energy service company partner.

GRID-CONNECTED

1.3 GW

CARBONCOUNT: 1.11

Minority stake, common equity investment with AES in an approximately 1.3 GW portfolio of 17 operating solar projects and one operating wind project located across six states, contracted with a diverse group of predominately investment-grade corporate, utility and municipal off-takers. Our investment in this high-quality portfolio expands our programmatic relationship with an industry-leading renewables company.

FUELS, TRANSPORT & NATURE

>$70m

CARBONCOUNT: 0.04

Senior debt and preferred equity investment with Zum, a leader in modern student transportation. Zum brings cleaner, safer and more reliable transportation to students in metropolitan school districts through technology, efficiency and electrification of bus fleets. Our first investment in transport opens additional opportunities in a large and growing market.

IMPACT HIGHLIGHTS

$1.8b invested in climate solutions

>600k MT[1] of incremental annual reductions in carbon emissions

>$1.85m social dividend declared to support HASI Foundation

Implemented Internal Price on Carbon

Launched CarbonCount 2.0

Co-Founded Emissions First Partnership

Published ESG Materiality Assessment

Published Policy Engagement Report

Established multiple Business Resource Groups

Recognized as A List by CDP

(1) Metric Tons

AWARDS & RECOGNITION

We have recently been honored and recognized by the following independent organizations around the world for our leadership on sustainable investing and ESG.

AWARDS

The Cleanie Awards®
2023 Clean Energy Investment Leader of the Year (Gold)

Fast Company
2022 World's Most Innovative Companies (Finance)

Real Leaders®
2023 and 2022 Top Impact Companies

ESG Investing
2022 Best Sustainability Reporting: Financials (Investment)

RATINGS

STATE STREET GLOBAL ADVISORS
R-Factor™
Leader
Top 10th Percentile

CDP DISCLOSURE INSIGHT ACTION
A LIST 2022
CLIMATE

SUSTAINALYTICS
Low Risk

Sustainability Award
Silver Class 2022
S&P Global

ISS ESG B+
Top 10th Percentile

MSCI ESG RATINGS AA
CCC B BB BBB A AA AAA

PROVEN TRACK RECORD

Our ESG Journey

2013

- First U.S. public company focused on climate positive investing
- Launched CarbonCount scoring tool
- First HASI Sustainable Yield Bond (SYB) issued for energy efficiency assets

2014

- Published first Sustainability Report Card

2015

- Issued first rated HASI SYB for real estate assets

2016

- Recognized by Climate Bonds Initiative as the Green Bonds Pioneer

2017

- One of first U.S. public companies to commit to Task Force on Climate-Related Financial Disclosures (TCFD)
- First U.S. public company to sign the "We Are Still In" declaration in support of climate action to meet the Paris Agreement

2018

- Formalized Board oversight of ESG strategies, activities, policies and communications
- Implemented TCFD recommendations and integrated into SEC filings
- Achieved 100% renewable energy procurement target
- Became a signatory to the U.N. Global Compact (UNGC)

2019

- Appointed Teresa M. Brenner Lead Independent Director
- Issued inaugural $500m corporate unsecured green bond
- Joined the UNGC's Business Ambition for 1.5°C: Our Only Future Campaign

2020

- Issued >$900m green bond
- Joined Partnership for Carbon Accounting Financials (PCAF)
- Declared Social Dividend of $1m to capitalize newly launched HASI Foundation

2021

- Invested $1.7b in climate solutions
- Raised >$1.5b in CarbonCount-based debt
- Enhanced DEIJA through expanded public disclosures and reported a majority of new hires as women or persons of color
- Joined Net Zero Asset Managers initiative
- Declared Social Dividend of $1.6m to support HASI Foundation

2022

- Invested $1.8b in climate solutions
- Launched CarbonCount 2.0
- Scope 1 and 2 Targets Validated by SBTi
- Declared $1.85m social dividend to support HASI Foundation
- Established multiple Business Resource Groups
- Published ESG Materiality Assessment
- Recognized as A List by CDP

OUR APPROACH TO ESG

Maintain our Purpose-Driven Social License to Operate

Since 2013, we have embedded purpose into our corporate mission: Every investment improves our climate future. This purpose has attracted mission-driven employees who are focused on collaboratively solving client problems to advance climate action.

In the face of intensifying climate and social externalities, maintaining our social license to operate has always been at the heart of our corporate strategy as it allows us to judiciously deploy capital, mitigate risks, capture opportunities and drive impact. As a result, we continue to generate value for both our shareholders and all our other stakeholders.

Our thoughtful, rigorous and socially attuned ESG approach embraces the concept of double materiality, focusing on both issues most material to our business and those environmental, social and governance externalities our business most impacts.

At HASI, ESG is a process – not an outcome

Focusing on embedding our purpose into our business model allows us to quantify both downside exposure and upside opportunities – all in support of future-proofing the company and delivering meaningful long-term impact. Third-party ESG scores and frameworks matter insofar as they highlight established and emerging best practices, drive investor and stakeholder engagement, support stakeholder engagement and promote global standardization of material disclosures, but we do not chase scores or framework alignment for their own sake.

Graphic sourced from: McKinsey, "How to Make ESG Real", August 2022

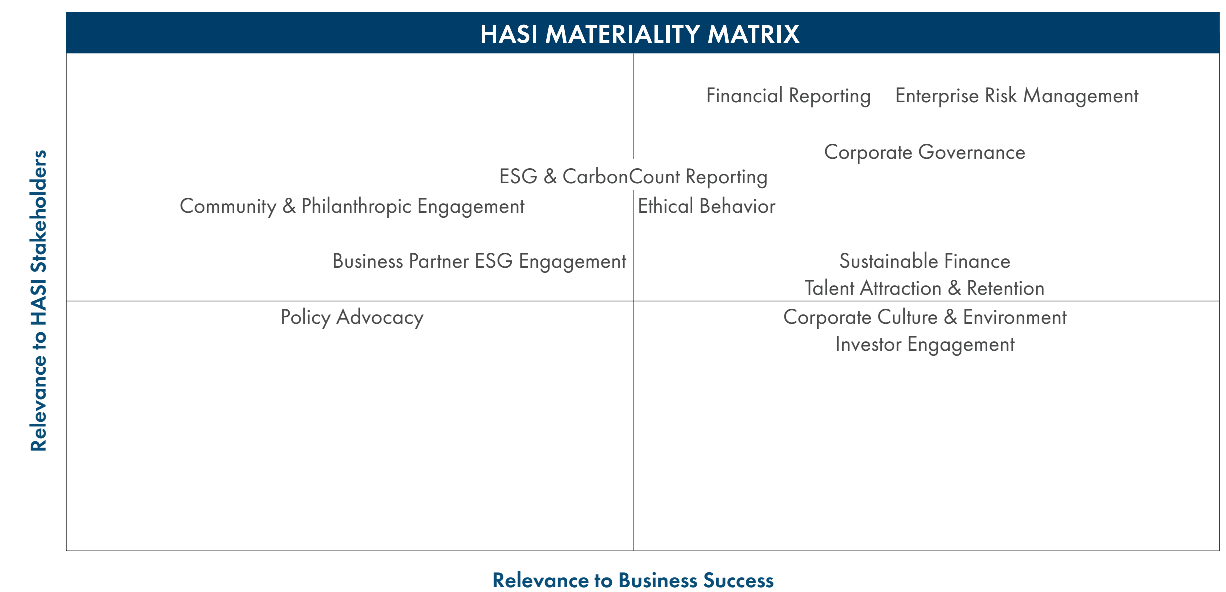
OUR APPROACH TO MATERIALITY

Transparently determining ESG materiality aligns the issues most relevant to our stakeholders and HASI's financial performance. Our materiality assessment categorizes the issues identified as important to stakeholders along the four sustainable value creation pillars developed by the World Economic Forum's International Business Council: Principles of Governance, Planet, People and Prosperity.

Materiality Assessment Methodology

To determine the materiality and priority of each of the ESG issues mapped on the materiality matrix, we gathered the perspectives of internal and external stakeholders. These formal conversations reinforced the baseline goals of our ESG program as they align with our financial goal of delivering superior risk-adjusted returns from our investments in climate solutions. Also guided by ESG frameworks including TCFD, PCAF, CDP, S&P and the U.N. Global Compact, our disclosure priorities informed the topics we have concluded are most material to our ESG goals.

Relying on the foundation of our proven Enterprise Risk Management program enhanced our Materiality Assessment methodology with necessary rigor. We mapped the following ESG issues by their respective relevance to HASI's stakeholders and business success. The results of HASI's Materiality Assessment are illustrated in the below Materiality Matrix. Prioritizing these ESG issues aligns HASI's long-term focus on sustainable business operations with dependably delivering value to our stakeholders.



Categories & Definitions Table

ESG Materiality Category	ESG Materiality Sub-Categories	Definition	Category	Associated Category for ERM
Enterprise Risk Management		Comprises our ongoing active asset management and portfolio monitoring processes that provide investment and cashflow oversight, capital market risk management and valuable insight into our origination, underwriting and structuring processes.	Governance	Quarterly Risk Assessment and Reporting to the Finance and Risk Committee of the Board of Directors
Corporate Governance	Board Diversity and Independence Executive Compensation DEIJA/Workforce Representation Targets Equal Pay Targets	Comprises our commitment to Board Diversity and Independence, Executive Compensation and internal targets for DEIJA/Workforce Representation and Equal Pay.	Governance	Organizational Design/Talent Management/ Corporate Leadership
Ethical Behavior	Whistleblower Policies Fraud/Misconduct Anti-Crime/KYC/CIP	Comprises our Whistleblower Policies, our stance against Fraud/Misconduct as well as our Anti-Crime/ KYC/CIP measures.	Governance	Fraud/Misconduct
Talent Attraction & Retention	Employee Satisfaction Employee Training Employee Compensation and Incentives	Comprises our commitment to measuring and enhancing Employee Satisfaction, providing adequate Employee Training as well as Employee Compensation and Incentives.	Social	Talent Management
Corporate Culture & Environment	Alignment to Core Values Employee Knowledge of and Engagement with ESG Issues	Comprises communication and training to align employees to HASI's core values and develop employee knowledge and understanding of key ESG issues and risks.	Social	Talent Management
ESG & CarbonCount Reporting	TCFD Assessment/Scenario Analysis GHG Emissions Reporting/ Reduction PCAF Disclosures ESG Integration into Financial Analysis	Comprises Transparency and Accountability regarding TCFD Assessment/Scenario Analysis, GHG Emissions Reporting/Reduction, PCAF Disclosures and ESG Integration into Financial Analysis by employing and reporting on the CarbonCount metric.	Governance	Financial and ESG Reporting
Business Partner ESG Engagement	Human Rights Diligence Mission Alignment to Energy Transition and Diversity Goals	Comprises human rights diligence, assessing the current practices of our business partners in relation to ESG issues, mission alignment to energy transition and diversity goals, sharing best practices with respect to ESG issues and transparent ESG reporting.	Environmental/ Social/ Governance	Headline/ Public Perception Strategic Investments
Sustainable Finance	Green Bonds Other Sustainability-Linked Financing Vehicles	Comprises ensuring that all debt HASI issues is dedicated to eligible green projects with adequate verification of alignment with our Green Bond Framework, developed in accordance with the ICMA's Green Bond Principles.	Environmental	Capital Markets/ Liquidity
Investor Engagement	Investor Activism/Proxy Voting	Comprises active voting of proxies on behalf of investors that involve specific ESG issues.	Governance	Compliance/ Regulatory/Org. Design
Policy Advocacy	Public Policy & Political Engagement	Comprises the lobbying efforts initiated by HASI and political contributions made by HASI's PAC to governments and institutions of political influence, its relationships with public authorities and its public policy and market influence.	Governance	Regulatory Risk/Strategic Investment/ Financial & ESG Reporting
Community & Philanthropic Engagement	Employee Engagement Philanthropy/Volunteerism	Comprises company-funded philanthropic initiatives and efforts to encourage employee volunteering in their local communities or making monetary contributions to charitable organizations.	Social	
Financial Reporting	Quarterly and Annual Financial Disclosures	Comprises the timely and accurate reporting of all Governance financial metrics required by the U.S. SEC.	Governance	

Strengths and Opportunities

Our ESG materiality assessment revealed key strengths and opportunities. Strengths include our unique capabilities to have a differential impact. Opportunities are the foundational expectations critical stakeholders require us to address in light of our specific business model.

Strengths

1) Drive decarbonization reporting and thought leadership
2) Support standardized ESG reporting and best practices
3) Engage business partners across the value chain on material ESG risks, opportunities and impact
4) Lead coordinated policy engagement on climate and ESG-related issues
5) Leverage mission-driven employee base to drive community impact

Opportunities

1) Mitigate material social and environmental risks associated with investments and operations
2) Ensure a diverse and inclusive workforce
3) Align executive and employee incentives with climate and ESG impact

ESG Goals

After delineating our strengths and opportunities, we developed specific corporate ESG goals.

Priority	Target	Progress
Advocacy	Co-Found Emissions First Partnership	**Complete**
Advocacy	Shape Inflation Reduction Bill	**Complete**
Advocacy	Update lobbying policy to explicitly align with Paris Accord Climate Goals	**Complete**
Climate	Implement Internal Price on Carbon	**Complete**
Climate	Update CarbonCount methodology using locational marginal emissions	**Complete**
Climate	Validate Scopes 1 and 2 science-based targets	**Complete**
Cybersecurity	Conduct Annual Incident Response Test as part of Business Continuity Plan	**Complete**
DEIJA	Establish Business Resources Groups	**Complete**
Governance	Complete and publish Materiality Assessment	**Complete**
Governance	Complete and publish Policy Engagement Report	**Complete**
Governance	Update multiple corporate ESG policies to align with emerging best practices	**Complete**
Philanthropy	Add three independent board members to HASI Foundation and draft and implement governance policies	**Complete**
Philanthropy	Contribute annual Social Dividend and Internal Carbon Fee to HASI Foundation	**Complete**
Philanthropy	Grant >$900k to more than 10 climate justice-aligned nonprofits	**Complete**
Climate	Assess nature-related physical and transition risks and opportunities in line with TNFD recommendations	**In process**
Climate	Join Equator Principles by way of full implementation of environmental and social risk management system in investment due diligence process	**In process**
Climate	Revamp Green Financing Framework	**In process**
Climate	Shape GHG Protocol Update (by way of Emissions First Partnership and other engagement)	**In process**
Climate	Revamp TCFD analysis and disclosures	**In process**
Climate	Set and validate Scope 3 science-based target	**In process**
ESG	Fully implement Business Partner ESG Program	**In process**
ESG	Implement ISSB reporting recommendations	**In process**
ESG	Require that each employee sets annual goals in support of corporate ESG objectives	**In process**
Philanthropy	Develop additional governance policies for HASI Foundation	**In process**
Social	Develop and implement social justice metrics for investments	**In process**

PRINCIPLES OF GOVERNANCE

STRATEGIC ESG INTEGRATION

For over 30 years, HASI has placed sustainability and, more specifically, deploying capital to drive climate positive investments at the core of our business model. In fact, our initial investment screen mandates that any proposed investment either reduce or at least have a neutral impact on carbon emissions or provide other tangible environmental benefits, such as reducing water consumption. As a result, since our IPO in 2013, we have invested more than $10 billion in assets that cumulatively avoid 6.6 million metric tons of carbon emissions and save over 6.3 billion gallons of water on an annual basis — all while generating superior risk-adjusted returns for our shareholders.

BOARD OF DIRECTORS

JEFFREY W. ECKEL
Executive Chair

JEFFREY A. LIPSON
President and CEO

TERESA M. BRENNER
Lead Independent Director
Chair, Nominating, Governance and Corporate Responsibility Committee

LIZABETH A. ARDISANA

CLARENCE D. ARMBRISTER

MICHAEL T. ECKHART

NANCY C. FLOYD

CHARLES M. O'NEIL
Chair, Finance and Risk Committee

RICHARD J. OSBORNE
Chair, Compensation Committee

STEVEN G. OSGOOD
Chair, Audit Committee

KIMBERLY A. REED

LEADERSHIP TEAM

JEFFREY A. LIPSON
President and CEO

STEVEN L. CHUSLO
Executive Vice President and Chief Legal Officer

KATHERINE MCGREGOR DENT
Senior Vice President and Chief Human Resources Officer

AMANUEL HAILE-MARIAM
Managing Director

JEFFREY Z. MARTIN
Senior Vice President and Chief Technology Officer

DANIEL K. MCMAHON, CFA
Executive Vice President, Co-Head – Portfolio Management and Head – Syndications

CHARLES W. MELKO, CPA
Senior Vice President, Treasurer and Chief Accounting Officer

SUSAN D. NICKEY
Executive Vice President and Chief Client Officer

MARC T. PANGBURN
Chief Financial Officer

ANNMARIE REYNOLDS
Managing Director

NATHANIEL J. ROSE, CFA
Executive Vice President and Co-Chief Investment Officer

RICHARD R. SANTOROSKI
Executive Vice President, Chief Risk Officer and Co-Head – Portfolio Management

DANIELA SHAPIRO
Managing Director

"Because ESG is an innate component of our business model, these essential values are naturally diffused throughout our business operations thereby enhancing the economic value generated by our core purpose. Our prioritization of material ESG issues has continued to deliver superior risk-adjusted returns – evidence that a thoughtful and rigorous approach to ESG is necessary for long-term prosperity."

TERESA M. BRENNER,
Lead Independent Director - Chair, Nominating, Governance and Corporate Responsibility Committee

Roles and Responsibilities

HASI Board of Directors

Nominating, Governance and Corporate Responsibility Committee

President and CEO

ESG Leadership Team

HASI Foundation Leadership Team — ESG Reporting Frameworks Committee — Diversity, Equity, Inclusion, Justice and Anti-Racism (DEIJA) Working Group

ROLE	RESPONSIBILITIES
Board of Directors	Formal Adoption of ESG strategy and oversight of implementation
Nominating, Governance and Corporate Responsibility Committee	Recommendation of new ESG policies and oversight of implementation
President and CEO	Prioritization and oversight of staff and company resources dedicated to the implementation of ESG initiatives
ESG Leadership Team	Reports to the Executive Chair, CEO and Nominating, Governance and Corporate Responsibility Committee and is responsible for informing strategy, setting performance milestones and designating responsibilities
Strategic Initiatives and ESG	Development of ESG strategy, execution of initiatives and integration of engagement with ESG rating agencies, ESG-focused investors and additional stakeholders
Corporate Finance	Tracking, verifying and reporting ESG metrics (including PCAF-aligned emissions metrics) in public financial filings
Legal	Review of ESG disclosures and ensuring validation of adherence to ESG policies
Human Resources	Development and implementation of DEIJA principles in employee recruitment, retention, promotion and engagement initiatives
HASI Foundation Leadership Team	Development and implementation of corporate philanthropic strategy
Diversity, Equity, Inclusion, Justice and Anti-Racism (DEIJA) Working Group	Development and implementation of DEIJA initiatives
ESG Reporting Frameworks Committee	Assessment of climate and social risks and opportunities on investments
Capital Markets	Execution of green and CarbonCount-based debt issuances
Investor Relations	Collection of investor feedback on ESG performance initiatives
Investments	CarbonCount assessments and monitoring of climate investment risks and opportunities
Communications and Public Affairs	Fostering and maintaining authentic and strategic stakeholder relationships in support of ESG strategy
Portfolio Management	Assessment of portfolio exposure to climate risks and opportunities

MANAGEMENT APPROACH

The Board of Directors works directly with our CEO, who guides the company's operations, which are executed by our officers and employees. Our Board comprises 11 members, 82% of whom are independent, elected annually by our shareholders. In addition, we separated the roles of CEO and Chair, in part a response to investor feedback. Our new Executive Chair role on the Board represents an effort toward alignment with governance best practices while providing continuity. Board members are active participants in one or more of the following committees: Audit, Compensation, Finance and Risk and Nominating, Governance and Corporate Responsibility (NGCR). In 2018, the Board took a major step forward in our commitment to ESG by formalizing its oversight of ESG strategies, activities, policies and communications through the NGCR committee. This highlights our strong commitment to ESG issues and leadership at the highest levels of our organization.

ESG GOVERNANCE

At HASI, we acknowledge the significance of considering, assessing and tracking ESG-related opportunities and risks as part of our broader vision and strategy. The Nominating, Governance and Corporate Responsibility Committee (NGCR) plays a vital role in regularly reviewing our strategies, activities and policies, including our Sustainability Investment Policy, Environmental Policies, Code of Business Conduct and Ethics, Human Rights Statement and Human Capital Management Policies. This ESG governance structure ensures that we remain aligned with our ESG goals and objectives.

BOARD DIVERSITY

HASI values the contribution that diversity brings to our Board of Directors. Diversity encompasses a wide range of factors, including but not limited to subject matter expertise, business experience, education, relevant skills, age, gender identity, race, ethnicity, LGBTQ+ identification, veteran status and disability.

Our expansion underscores the importance of maintaining the diversity of our Board members, with a focus on their unique strengths and competencies. Following a Board vacancy in 2022, we welcomed Lizabeth "Beth" Ardisana, the CEO and principal owner of technical and communication services firm ASG Renaissance LLC, to our Board and Audit Committee.

With our new Board member, herself a Hispanic and female business owner, we are well positioned to serve our clients, investors, and employees in realizing our vision for climate positive investing. In addition, HASI's focus on board diversity is bolstered by the membership of Kimberley A. Reed, who has served as an external director of Takeda Pharmaceutical Company Limited since June 2022, an independent director of Momentus Inc. since August 2021 and a distinguished fellow at the Council on Competitiveness since February 2021. Ms. Reed's experience in government and international finance, as well as her service on U.S. and non-U.S. public company boards, make her qualified to serve as a member of our Board of Directors. We believe that diversity is essential for our success and we will continue to strive for a more diverse and inclusive Board into the future.

» 82% Independent

» 36% Female

» 18% Racial or Ethnic Minority

ETHICAL BEHAVIOR

We maintain a strong commitment to upholding the highest standards of legal, moral and ethical conduct throughout our operations. Our Code of Business Conduct and Ethics outlines the ethical and legal expectations for our directors, officers and employees, who receive yearly training to ensure familiarity with these policies.

We also expect our business partners to abide by our Business Partner Code of Conduct, which sets the standards for ethical business practices, environmental responsibility, human rights, labor and health and safety for our agents, distributors, dealers, contractors, intermediaries, joint venture partners and suppliers. Our Business Partner Code of Conduct reinforces our commitment to operating with integrity and fairness throughout our affairs.

WHISTLEBLOWER POLICY

We maintain a confidential hotline for reporting potential violations and concerns relating to our Code of Business Conduct and Ethics as well as our policies addressing our accounting and auditing controls. Depending on the nature and departmental applicability of the concern, any whistleblower reports are respectively fielded by our Audit Committee, our Nominating, Governance and Corporate Responsibility Committee (NGCR) or our Chief Legal Officer.

All reports are taken seriously, we will fully investigate each allegation, and, when necessary, take appropriate action. Note that in our history as a public company (from 2013 through 2022), we have received zero reports on our confidential whistleblower hotline.

More details can be found in the Code of Business Conduct and Ethics available on our website.

CORPORATE POLICY UPDATES

In 2022, we reviewed our corporate ESG-related policies and initiated a review to ensure continued alignment with our organizational values as well emerging ESG best practices. This comprehensive corporate policy review and subsequent update encompassed the Code of Business Conduct and Ethics, Human Rights and Human Capital Management Policies, Privacy Policy and Sustainability Investment Policy. Because we recognized the opportunity to enhance specific policies pertinent to Human Rights as well as Human Capital Management, the Company made the decision to bifurcate each into its own respective policy document. Revisions, by policy document, include:

Code of Business Conduct and Ethics

- Clarified Compliance Procedures regarding Reporting Lines for any conduct or ethics violations.
- Underscored our commitment to the continuity of safe business operations with a Health and Safety section.
- Added explicit reference to Charitable Contributions alongside our policy regarding Bribes, Gifts and Gratuities.

Human Capital Management Policy

- Separated from Human Rights Policies into a standalone policy.
- Added commitment to local employment whenever possible, including job candidates limited by background as well as an explicit commitment to providing a living wage (as calculated by the Maryland Department of Labor) for all employees.
- Added Occupational Health and Safety section that alludes to internal controls and targets (e.g., goal of zero workplace injuries, etc.).

Human Rights Statement

- Separated from Human Capital Management Policy.
- Broadened our scope of addressable Human Rights issues.
- Outlined our Human Rights Assessment, Mitigation and Remedy strategy.

EXECUTIVE COMPENSATION

Balancing our shareholders' expectation for sustainable long-term growth and the ever-competitive market for executive talent, our approach to executive compensation rewards corporate performance. Our commitment to investing in climate solutions that either reduce carbon emissions or provide other tangible environmental benefits, such as reducing water consumption, provides an inherent link to sustainability goals as quantified by our CarbonCount metric on page 46.

For 2022, the total compensation of Jeffrey Eckel, our Executive Chair and former CEO, was approximately 30 times the total compensation of the median employee. Note that according to data compiled by Executive Paywatch, the average ratio of CEO-to-median-worker compensation for Russell 3000 companies in Maryland was 131-to-1 in 2022. For S&P 500 companies in Maryland, it was 207-to-1 in 2022.[1] Please refer to our most recent Proxy Statement for more detail.

» 30x CEO-to-Median-Employee Compensation

Executive Compensation Governance

Our Board of Directors' Compensation Committee has engaged Pay Governance LLC, a compensation consulting firm[2], to advise the Compensation Committee on certain annual bonus targets for our Named Executive Officers, including our CEO. Pay Governance also provides analysis and recommendations regarding base salaries, annual bonuses, long-term incentive compensation for our executive management team and the director compensation program for independent members of our Board of Directors. Pay Governance is also engaged to explore linking executive compensation with ESG and sustainability-related metrics most pertinent to our business performance.

(1) Internal calculations derived from Executive Paywatch (https://aflcio.org/ paywatch).

(2) Pay Governance reports directly to the Compensation Committee, which has determined that Pay Governance is independent pursuant to the Company's Compensation Committee charter.

CYBERSECURITY

Board Oversight of Cybersecurity

Cybersecurity and cyber resilience crucially support our organization's responsibility to our stakeholders by safeguarding the valuable information architecture we rely on to profitably operate.

As the global cyber risk landscape continually evolves, our Chief Technology Officer oversees the adaptation of our cybersecurity and training programs, under the guidance of the Finance and Risk Committee of our Board of Directors. Our cybersecurity program prioritizes the proactive identification and remediation of novel cyber threats in a manner consistent with our governance policies and internal controls. The Finance and Risk Committee of our Board of Directors and our Executive Leadership Team jointly oversee the governance of our information technology and cybersecurity program. The cybersecurity team, led by our Chief Technology Officer, reports updates to the Finance and Risk Committee of the Board of Directors no less than every six months, unless otherwise urgent.

Our Chief Technology Officer's skilled and high-performing team of technology professionals execute this department's day-to-day efforts.

Since HASI's move to our new office space, we have conducted an external verification of our digital environment with PwC, whose report on IT process and regulatory compliance was presented to the Audit Committee and the Finance and Risk Committee of the Board of Directors.

Furthermore, in anticipation of reporting and disclosure requirements with the U.S. Securities and Exchange Commission's (SEC) proposed rules on cybersecurity risk management, strategy, governance and incident disclosure by public companies, we have established a Deputy Chief Information Security Officer (Deputy CISO) role that will share responsibility for Board and Finance and Risk Committee cybersecurity briefings.

Cybersecurity Approach

Our focused cyber and information security strategy draws from operationally pragmatic components of the National Institute of Standards and Technology (NIST) Cybersecurity Common Standards Framework, Center for Internet Security (CIS) benchmarks as well as the Information Technology Infrastructure Library (ITIL). Our deliberately limited public disclosure of specific framework alignments is meant to minimize risks to our IT security.

Girding our cybersecurity infrastructure is a combination of our premier information technology stack supported by proven vendors whose services address the range of risks identified by our Board's Finance and Risk Committee, internal risk management team and internal cybersecurity team.

Consistent Vulnerability Testing

The Cybersecurity team conducts vulnerability analysis scans on a weekly basis to ensure that any identified vulnerabilities are swiftly addressed and remediated accordingly.

Additionally, the results of an externally verified penetration test conducted in late 2022 resulted in a clean report that showed no material breach or vulnerabilities. This clean report showcases the dexterous implementation of our incident response plan's procedures.

A Company Culture of Cybersecurity Awareness

We diffuse cybersecurity awareness throughout the company culture with educational training for all employees that utilizes a combination of instructor-led training, quarterly training modules, phishing identification courses, employee cyber-engagement events and ongoing testing to keep our entire organization well informed of emerging and relevant threats, including social engineering attack vectors.

Our cybersecurity team takes every attempt to infiltrate our IT infrastructure seriously and reports all attacks to authorities and relevant service providers. We continuously assess the evolving threats and risks in the cybersecurity domain to rapidly adjust our strategic approach and ensure preservation of our essential day-to-day business functions.

Cybersecurity for Incident Response Business Continuity

Our cybersecurity focus on incident response and business continuity leverages a multi-layered security and backup approach to redundantly safeguard our data and business assets from disruptive cyber threats. As part of our larger business continuity plan, which spans operational, physical and cyber risks, we have conducted cyber incident response training among leaders of all business groups to supplement this evolving effort.

The incident response exercise/drill presented company management with a cyber incident scenario that required respective departments to collaboratively strategize a response to this specific risk in an operationally technical capacity, which included developing a communication plan to the wider public, our investors and our business partners. Such cyber incident response exercises foster familiarity with calculated, organization-wide countermeasures and encourage individuals to view cyber risk response as a critical component to maintaining business continuity. Adopting this proven cyber risk mitigation approach sets a new standard for our cybersecurity program.

In 2022, we reported no data breaches affecting our network, business applications, customers or employees, including those involving Personal Identifiable Information (PII).

SHAREHOLDER ENGAGEMENT

Amended Bylaws to Enhance Shareholder Rights

In recent years, we have had discussions with certain shareholders and ESG rating agencies in which they noted that a provision in our bylaws was not in line with ESG best practices. This legacy provision gave our Board of Directors the exclusive power to adopt, alter or repeal any provision of our bylaws and make new bylaws.

In response, our Board of Directors amended our bylaws in late 2021 to now also permit shareholders to amend our bylaws by majority shareholder vote pursuant to a binding proposal submitted by a shareholder that satisfies ownership and other eligibility requirements of Securities Exchange Act Rule 14a-8.

We remain eager to ensure our governance provisions remain in line with emerging ESG best practices and that shareholders continue to have a meaningful voice on governance issues.

In 2022, we hosted over 175 meetings with over 70 existing investors, representing approximately 54% of our shares outstanding as of the end of the year.

For Your Reference

For additional information on our ESG strategy, policies and initiatives (including the below documents), please visit investors.hasi.com and hasi.com/ESG.

- Annual Report
- Proxy Statement
- Sustainability Investment Policy
- Environmental Policies
- Human Rights Statement
- Human Capital Management Policies
- Code of Business Conduct and Ethics
- Business Partner Code of Conduct
- Environmental Metrics
- Sustainability Report Card

MEMBERSHIP GROUP AFFILIATIONS

HASI actively participates as a member in a range of industry groups and other organizations. Through these partnerships, we seek to advance unified efforts on climate action, sustainable investing, clean energy deployment, voting rights and democracy reform, diversity, equity, inclusion, justice, anti-racism and more.

HASI executives serve in board leadership positions at several of these organizations, including the Alliance to Save Energy (ASE), American Clean Power Association (ACP), Ceres and the National Association of Energy Service Companies (NAESCO). The list below provides select examples of our memberships and partnerships.

- Alliance to Save Energy (ASE)
- American Clean Power Association (ACP)
- American Council on Renewable Energy (ACORE)
- Americans for a Clean Energy Grid (ACEG)
- Association of Defense Communities
- Association for Governmental Leasing and Finance
- Business for America
- CEO Action for Diversity and Inclusion
- Ceres
- Clean Energy Leadership Institute (CELI)
- Coalition for Renewable Natural Gas
- Ecological Restoration Business Association
- Energy Storage Solutions Consortium
- Emissions First Partnership
- Maryland Philanthropy Network
- National Association of Corporate Directors
- National Association of Energy Service Companies (NAESCO)
- Principles for Responsible Investment
- WATT Coalition
- Women of Renewable Industries and Sustainable Energy (WRISE)

POLICY ADVOCACY

Public Policy and Political Engagement

As a premier climate positive investor, we believe that we have a responsibility to meaningfully engage on a range of policy issues that align with our values. Through our partnerships with key allies, lobbying efforts and political giving, we advocate for policies that will help build a stronger, more just and sustainable U.S. economy.

Most of our corporate political activity takes place through trade associations, nonprofits and NGOs as a member company (see list on page 26). Our association memberships aid policy advocacy efforts that span a range of issues, including climate change, building and efficiency standards, defense authorizations, energy and environmental regulation, infrastructure, regulatory reform, energy tax incentives, trade, transportation, labor and democracy reforms.

Our lobbying efforts, which include in-person and virtual meetings, trade association initiatives, direct responses to Congressional bills and reports and sign-on letters, are designed to educate policymakers.

In 2022, HASI team members directly participated in over 30 meetings with U.S. legislators, Executive Branch officials and their staffs on topics such as comprehensive climate legislation, corporate ESG and climate disclosures, Energy Savings Performance Contracting (EPSC) and democracy reforms.

Additionally, through our employee-funded Climate Solutions Political Action Committee (Climate Solutions PAC), which launched in 2020, we make limited contributions to the campaigns of candidates for federal and state office who share our company's climate and clean energy priorities and other company values. The Climate Solutions PAC collects voluntary contributions from certain eligible employees and files a monthly public report of its receipts and disbursements with the Federal Election Commission.

In 2022, Climate Solutions PAC contributed $11,000 to candidate campaign committees. The company also reported $237,000 in expenses related to federal lobbying during the year. In January 2021, following the insurrection at the U.S. Capitol, our PAC suspended any future contributions indefinitely to members of Congress who voted against the 2020 election certification.

POLICY MISSION:

HASI advocates for policies that will harness private capital investment to address the climate crisis — creating jobs and boosting the economy through an accelerated build-out of sustainable and resilient infrastructure.

POLICY PRIORITIES:

- ➜ **Implement Climate Provisions:** Secure swift and favorable Treasury guidance and agency rulemaking for the implementation of provisions in the Inflation Reduction Act to maximize clean energy deployment and minimize market disruptions
- ➜ **Drive Demand:** Increase demand for climate positive projects via renewable energy and energy efficiency standards
- ➜ **Boost Investment:** Facilitate private investment in climate change mitigation and resilient infrastructure projects through public sector programs, agency procurement mandates, public-private partnerships and other policy instruments
- ➜ **Modernize the Grid:** Pursue common-sense permitting and siting reform at the state and federal level to enable an accelerated transition to a reliable, secure and clean electric grid
- ➜ **Reduce Regulatory Barriers:** Promote transmission build out and support wholesale power market reform to unlock the full potential of the Inflation Reduction Act
- ➜ **Drive ESG Credibility:** Support strong and credible ESG and climate reporting regulations at both the federal and state level in support of HASI mission and values
- ➜ **Reform Emissions Reporting:** Push to reform GHG public sector and corporate emissions reporting regulations to move beyond megawatt-hour matching and focus on the quantified emissions impact of electricity consumption and generation
- ➜ **Promote Democracy Reforms:** Build a healthier, more responsive democracy with a focus on enacting campaign finance reform, protecting & expanding voting rights and strengthening federal ethics laws

Advocacy Progress

Working with industry partners, we supported the development of several actions by federal and state governments that will accelerate the transition to a clean energy economy. These include:

Inflation Reduction Act

- Throughout the year, we engaged with federal policymakers regarding the need for a comprehensive climate reconciliation bill to catalyze the clean energy economy and build a carbon-free future.
- Following passage of the Inflation Reduction Act, we remained engaged with the Administration and provided comments on the Administration's implementation of the landmark climate law.

Federal Sustainability

- We supported the Administration's executive order adopting a target for the federal government to source 100 percent carbon pollution-free electricity on an annual basis by 2030 and urged the federal government to begin executing contracts for 24/7 carbon-free electricity.
- We engaged with federal agencies on the Administration's Climate Smart Buildings Initiative, a new government-wide effort focused on leveraging Energy Savings Performance Contracting.

ESG Investments

- We supported the new rule from the Department of Labor removing barriers to the consideration of ESG factors in retirement plan investments.
- We joined industry partners in writing a letter to state and federal lawmakers re-asserting that the incorporation of ESG issues into financial decision-making represents good corporate governance and sound investment practice.

Climate Disclosures

- We provided comments to the SEC supporting and providing feedback on its proposed rule to enhance and standardize climate-related disclosures for investors.

Net-Metering

- We worked with key industry allies to provide feedback on California's NEM 3.0 proposal to protect the state's strong distributed solar and storage markets.

Strengthening Democracy

- We worked with fellow corporate business stakeholders to support passage of the Electoral Count Reform Act, which will help to ensure the peaceful and orderly transition of power in future presidential elections.

BUSINESS FOR AMERICA

Because a functioning democracy is crucial to HASI's success, we are proud members of Business for America, a nonpartisan advocacy organization that galvanizes businesses of different sizes and industries to promote corporate civic responsibility. Through Business for America, HASI has met with policymakers and their respective staffs to advocate for reinforcing the strength of our democracy through election security and infrastructure measures. Such efforts ensure protection of the reliable political stability that forms the basis of our shared prosperity. In late 2022, HASI joined Business for America for a series of meetings with policymakers to galvanize support for the bipartisan Electoral Count Reform and Presidential Transition Improvement Act, which was successfully passed and enacted and seeks to safeguard our presidential election system against efforts to overturn the will of the people.

Political Contributions and Policymaker Engagement

Climate Solutions PAC Contributions

YEAR	CANDIDATE	STATE	OFFICE	AMOUNT
2022	Wes Moore	Maryland	Governor	$ 2,500
	Don Beyer	Virginia	U.S. House	$ 1,000
	Michael Bennet	Colorado	U.S. Senate	$ 2,500
	Joe Manchin	West Virginia	U.S. Senate	$ 2,500
	Lisa Murkowski	Alaska	U.S. Senate	$ 2,500
				$ 11,000
2021	Sean Casten	Illinois	U.S. House	$ 2,000
	Chuck Schumer	New York	U.S. Senate	$ 5,000
	Martin Heinrich	New Mexico	U.S. Senate	$ 2,500
	Brian Schatz	Hawaii	U.S. Senate	$ 3,500
	Chris Van Hollen	Maryland	U.S. Senate	$ 1,000
	Peter Welch	Vermont	U.S. House	$ 2,000
	Ron Wyden	Oregon	U.S. Senate	$ 3,500
				$ 19,500
2020	Sean Casten	Illinois	U.S. House	$ 1,000
	John Hickenlooper	Colorado	U.S. Senate	$ 500
	Mike Braun	Indiana	U.S. Senate	$ 1,000
	Brian Schatz	Hawaii	U.S. Senate	$ 1,000
				$ 3,500
2019				**$ 0**
2018				**$ 0**

Corporate Lobbying Expenditures

YEAR	TOTAL
2022	$ 237,000
2021	$ 258,000
2020	$ 76,000
2019	$ 63,250
2018	$ 95,000

Direct Policymaker Engagement

YEAR	ENGAGEMENT COUNTERPARTY	NUMBER OF MEETINGS	DISCUSSION TOPICS
2022	U.S. Senate	14	Climate Reconciliation Bill, Strengthening Democracy, Methane Fee, Carbon Border Tax
	U.S. House of Representatives	9	Clean Energy Tax Credits, Carbon Pricing, Trade Duties
	U.S. Securities and Exchange Commission	2	ESG and Climate Disclosures
	U.S. Executive Branch (EPA, DOE, CEQ, DoD)	6	Energy Savings Performance Contracting, Federal Building Performance Standards, Loan Programs, Federal Sustainability Planning
	TOTAL	**31**	
2021	U.S. Senate	29	Build Back Better, Carbon Fee & Dividend, Clean Energy Tax Package, Clean Electricity Performance Program (CEPP), Clean Energy and Sustainability Accelerator, Energy Savings Performance Contracting (EPSC), REIT Regulations, Voting Rights
	U.S. House of Representatives	10	Carbon Pricing, Comprehensive Climate Legislation, REIT regulations
	U.S. House of Representatives	10	Carbon Pricing, Comprehensive Climate Legislation, REIT regulations
	U.S. Securities and Exchange Commission	3	ESG and Climate Disclosures
	TOTAL	**46**	

CLIMATE LOBBYING

We commit to align our climate change lobbying and climate policy advocacy activity with the goal of restricting global temperature rise to 1.5°C above pre-industrial levels as outlined in the Paris Agreement. It is our belief that restricting global temperature rise to 1.5°C above preindustrial levels is the expected baseline corporate response to the global risks presented by climate change.

Members of our Leadership Team are ultimately responsible for charting our policy priorities and monitoring our climate change lobbying practices, whose direction is informed by periodic reviews that engage stakeholders who guide our positions on specific policy issues.

In line with this commitment, we publish an annual Policy Engagement Report which details our climate change lobbying activities as well as the activities of the associations and coalitions to which we belong.

ANTI-CRIME

In order to verify that entities with whom HASI enters into business relationships do not engage in money laundering or terrorism financing, we conduct due diligence through Know Your Customer/Customer Identification Process (KYC/CIP) protocols.

HASI Customer Identification Process

HASI CIP/KYC process where a lending institution supplies the funds for the transaction

HASI Customer Identification Process (CIP) uses a risk-based approach and involves both the Know Your Customer (KYC) elements required by the USA PATRIOT Act and the verification of the information provided by our clients. As a non-bank financial institution working with several banks and lending institutions in the United States, we employ this risk-based approach to assure both HASI and the lending institutions that we are not inadvertently working with a company that is engaged in terrorist financing or money laundering activities.

The Legal Department receives a counterparty CIP request from the bank to be completed that most often includes completion of a KYC/CIP notice or questionnaire and submission of documents which include, but are not limited to, the following:

- New Client Questionnaire (may be called Due Diligence Questionnaire, Customer Verification or similar name) which will include one or more of the following elements:
  - Full legal name of the entity
  - Address
  - Description of the type of business or commerce
  - Confirmation of source of funds and use for the named business
  - Ownership information including Beneficial Owners and Control Persons
  - Legal Representatives /Senior Managers (natural persons)
  - Legal Representatives (non-natural persons)
  - Country Questionnaire (as applicable)
- Certificate of Formation/Articles of Organization or any other organizational document for the entity in the state where the entity is formed. A Business Entity Search will be conducted if the Certificate of Formation or organizational document is not readily available.
- An executed Entity Operating Agreement
- Current W-9
- Entity Organizational Chart
- Certification of Beneficial Owner

Our CIP process also includes a required OFAC (Office of Foreign Assets Control) search of the Specially Designated Nationals and Blocked Persons List (SDN) as required by the USA Patriot Act as described below.

Internal CIP/KYC process when HASI funds a transaction directly

In the rare instance that HASI funds a transaction directly, we follow a similar process of acquiring KYC information from the client directly using in-house documents and searches. The Legal Department submits a customer identification process request to the counterparty that includes completion of a CIP notice or questionnaire and submission of several documents which include, but are not limited to, the following:

- HASI Know Your Customer Questionnaire that includes the following elements:
  - Full legal name of the entity
  - Address
  - Description of the type of business or commerce
  - Confirmation of source of funds and use for the named business
  - Ownership information including beneficial owners and control persons
  - Legal Representatives /Senior Managers (natural persons)
  - Legal Representatives (non-natural persons)
  - Country Questionnaire as applicable
- Certificate of Formation or other entity formation documents including a certificate of good standing in the state where the entity is registered. A Business Entity Search will be conducted if the Certificate of Formation is not readily available.
- An executed Entity Operating Agreement
- Current W-9
- Entity Organizational Chart
- Beneficial Ownership Certification

Additional Due Diligence where HASI funds a transaction

In addition to the steps outlined above where HASI acts as the lender, there may be instances when we are uncertain about whether we know the true identity of our client. In these instances, we may use nondocumentary means such as checking references with other financial institutions, verifying the client's information in public databases or using other means available at the time of the transaction. This additional due diligence would take place regardless of whether we conducted in-person or non-face-to-face meetings during our customer identification process.

OFAC and Special Measures Searches

In addition to the document requests, HASI will also perform a sanctions list search of the entity and all named natural persons in the customer identification documents using the Sanctions List Search tool located on the Office of Foreign Assets Control (OFAC) website and any other U.S. Government lists available and required at the time of the engagement. HASI may also refer to the 311-Special Measures list maintained by the Financial Crimes Enforcement Network (FinCEN) if there is a concern about the regulatory status of a lending institution.

Senior Management Review

If an entity or individual is included in either the OFAC or Special Measures search results, senior management will be consulted regarding termination of the relationship.

Politically Exposed Persons (PEPs)

It is important to note that HASI only conducts business with domestic entities, or the U.S.-based offices or subsidiaries of select foreign companies. Therefore, our customer identification process does not include considerations for senior foreign political figures which are a subset of Politically Exposed Persons (PEP).

Further, HASI relies on the guidance in the Joint Statement on Bank Secrecy Act Due Diligence Requirements for Customers Who May Be Considered Politically Exposed Persons[1] which states that FinCEN and four banking agencies do not interpret the term "politically exposed persons" to include U.S. public officials.

If, in the future, HASI's business model changes to include working directly with foreign lenders and clients, we will update our customer identification process to include steps specific to evaluating the risk of working with these foreign entities and individuals as well as additional documentation we would be required to perform enhanced due diligence.

Record Keeping

HASI retains the evidence of our Customer Identification Process in our firm books and records by transaction for the life of the transaction and several years afterward. These records include the documents obtained in the process as well as results of online searches or other non-documentary evidence used to complete the customer identification process. Results of all regulatory searches conducted are retained in the appropriate transaction folder.

Process Assessment

Since HASI is a non-banking financial institution, we are not required to conduct an annual independent assessment of our customer identification process. However, since we work with lending institutions who, as financial institutions under the U.S. PATRIOT Act, are required to assess their programs, HASI reviews our process and requirements on a regular basis to ensure that our program is up to date, effective and adequately robust to meet current regulatory requirements.

HUMAN RIGHTS

Respect for human rights is a fundamental value of HASI. We strive to respect and promote human rights in accordance with the United Nations Guiding Principles on Business and Human Rights and the United Nations Global Compact in our relationships with our employees, suppliers and the communities where we operate.

Human Rights Assessment, Mitigation and Remedy

We conduct an annual internal human rights assessment. Our approach to this assessment allows us to map human rights risks by evaluating business partners and their respective policies. Business partners may be requested to provide an assessment of their respective political and regulatory environments, to ensure compliance with existing Human Rights and Human Capital Management Policies. To the extent that we become aware of violations or the risk of violations including but not limited to forced labor, child labor, human trafficking or discriminatory practices, including against employees, contractors, women, children and indigenous people, we will first engage with the business partner to understand their mitigation or management of these issues before determining the appropriate course of action regarding our business relationship going forward.

Diligence on Forced Labor

As affirmed in our Human Rights Statement, violations of basic human rights in any portion of our business activities value chain are unacceptable. The discovery of forced labor in the global solar supply chain forced us to develop safeguards in our business practices and investments as a means to uphold human rights standards beyond legal compliance.

To ensure, to the best of our organizational ability, that forced labor is not used to support the projects we finance, we review that our clients conduct forced labor diligence on their suppliers. Often through deep engagement with the American Clean Power and Solar Energy Industries Association (SEIA), our clients work to map their supply chains and verify, to the degree possible, product traceability to ensure that the manufacture of the solar components installed are not products of forced labor. To this end, we require from our clients diligence plans that provide information on their respective supply agreements, audits and codes of conduct.

Engagement on some combination of the following points informs our own forced labor diligence process:

- **Traceability protocol:** The SEIA Solar Supply Chain Traceability Protocol outlines the traceability requirements that vendors must implement to demonstrate that product being imported into the U.S. is free of forced labor. As signatories to the Protocol, our clients and their module suppliers have attested that their products do not include forced labor, do not include Hoshine Silicon Industry inputs and do not include inputs from the Xinjiang region of China. Additionally, we are signatories to the American Clean Power Forced Labor Prevention Pledge, which reaffirms our commitment to eradicating forced labor from any part of the solar industry value chain.
- **Third party audits:** Our clients generally engage with one or more of the three independent audit firms to support ongoing verification of the attestations made by their suppliers regarding their traceability programs, controls, and the traceability of the products provided to them.
- **Independent factory audits:** Our clients have conducted onsite independent audits of solar module suppliers as part of their ongoing reliability programs. These audits generally review process controls and onsite production. They are designed to ensure compliance with quality control standards, materials specifications and performance. In addition, many of our clients have added a Certificate of Compliance process requiring their suppliers to update their audit programs and contractual agreements. This also includes requirements for end-to-end material traceability of subcomponents and raw materials incorporated into solar products.
- **Contractual language:** Many of the Master Supply Agreements developed by our clients require that suppliers participate in Vendor Quality Management Programs. Such programs mandate and require independent oversight of supplier production processes, annual or more frequent factory audits and extensive third-party reliability testing.
- **Business Partner Code of Conduct:** In addition, our clients are subject to our Business Partner Code of Conduct. This document requires that they not use slave labor, forced labor, prison labor or indentured labor and requires that they will not support such human rights violations in their supply chains.

Though we acknowledge the inherent limitations in proving a negative (i.e., evidence of absence), we subject every transaction we finance to forced labor diligence. Working with global clients who also care to address this issue has allowed us to supplement our diligence work often with contractual language to create covenants, which advance both parties toward the goal of eliminating forced labor from the global solar supply chain.

To date, we have not discovered any indication of forced labor within any portion of our solar supply chain.

BUSINESS PARTNER ESG ENGAGEMENT

Our approach to Business Partner ESG Engagement focuses on identifying the environmental, social and governance issues most important to our stakeholders. Using our materiality assessment as a guide to determine which dimensions of our business partners' activities to evaluate, we conducted due diligence into the public disclosures associated with a variety of topics, including reputational or legal controversies. This process contributes in large part to our human rights assessment by proactively screening for any high-profile human rights risks we may inadvertently be exposed to through our business relationships with partner entities.

Scope of Engagement Assessment

In 2022, we conducted due diligence on our top 40 business partners as determined by transaction volume. This number of entities represents 100% of our most material business partners, which surpassed our 50% target threshold for program success. This list includes corporate finance parties, vendors, clients as well as legal partners. We considered the operational context of our supplier relationships including the history of our business relationship, the progress suppliers have made toward any stated climate-related objectives, including carbon information, how the nature of their respective business sector might influence or constrain their behavior as well as the regional factors that might inform our respective suppliers' climate-related postures.

Our Business Partner Engagement Program is an opportunity to proactively engage our value chain on climate-related issues as part of our supplier engagement strategy. While we operate solely in the U.S., and our suppliers and vendors are sometimes found to operate as multinational entities, the impact of conducting such supplier assessment activities is to ensure that our respective climate priorities are aligned.

(1) https://www.fincen.gov/sites/default/files/shared/PEP%20Interagency%20Statement_FINAL%20508.pdf

Engagement Strategy

Once we have selected specific business partners for comprehensive engagement, members of our team will initiate a discussion at least annually with the appropriate business partner personnel. These discussions include:

- Sharing organizational ESG values, including our expectation of aligning our practices in accordance with these values;
- Sharing best practices and ESG initiatives at our respective organizations; and
- Discussing the importance of transparent ESG reporting.

For business partners who share our beliefs and employ leading policies and practices, we will continue discussions on a periodic basis to learn from each other and seek out opportunities to collaborate on various initiatives. For those business partners, including suppliers and vendors, that are determined to have insufficient focus and initiatives to improve upon ESG policies and practices, we request direct discussions with their executive management to provide for the opportunity to align our ESG focus with our continued commercial relationship. In the event we cannot align our ESG focus, we may consider termination of the commercial relationship.

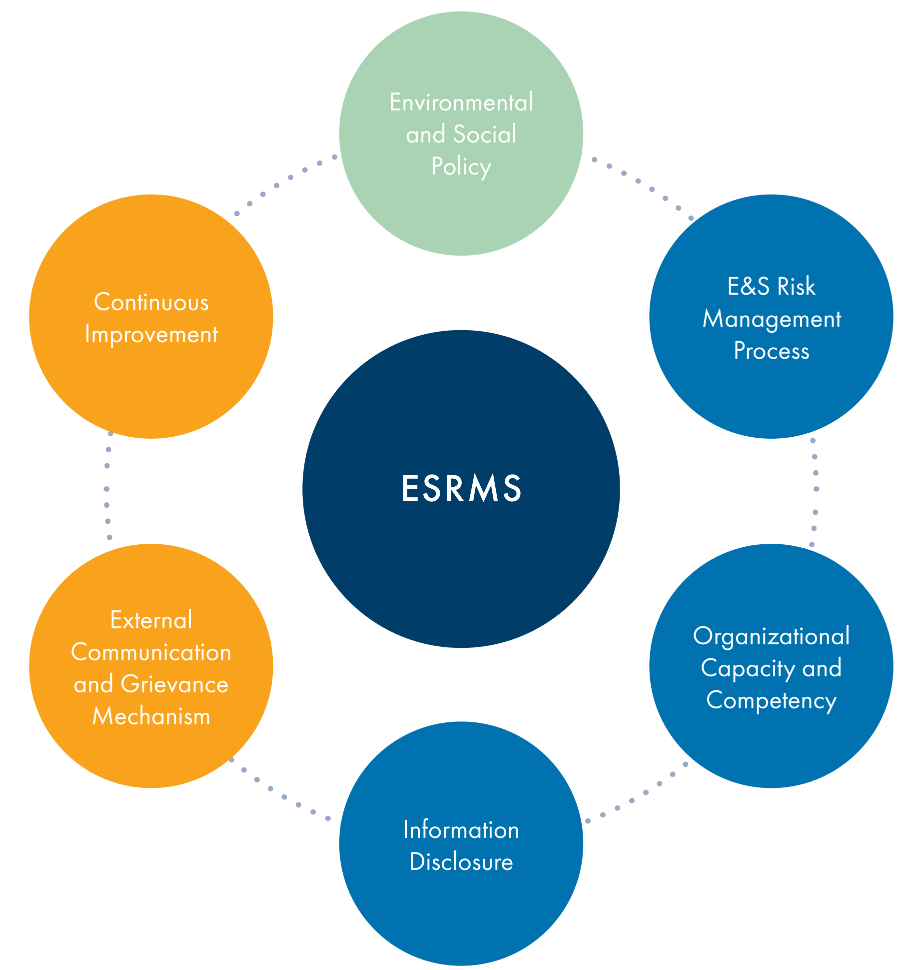
MANAGING ENVIRONMENTAL AND SOCIAL RISKS

As HASI's portfolio diversifies along with the emergence of new technologies, markets and opportunities, proactively evaluating environmental and social risk factors in tandem with enterprise risk is paramount. In alignment with the Equator Principles, HASI's Environmental and Social Risk Management System (ESRMS), which is currently in the process of being implemented, prioritizes the identification, oversight and mitigation of relevant environmental and social risks to which any project under consideration for financing may be subject. Standardizing and formalizing this process achieves the following objectives:

- Identifying, evaluating, mitigating and monitoring project environmental and social risks as part of customary due diligence efforts;
- Maximizing opportunities for environmental and social benefit from transactions;
- Aligning with mainstream financial institutions through integrating the Equator Principles framework into HASI's transaction process;
- Maintaining HASI's hard-earned reputation regarding the environmental and social performance of our transactions with clients, investors and stakeholders.

The manual and framework that underlie this system are dynamic and subject to iteration as circumstances dictate.

Elements of Environmental and Social Risk Management



PLANET

TCFD ASSESSMENT

In line with our long-standing commitment to environmental sustainability, HASI was among the first public companies to adopt the Task Force on Climate-Related Financial Disclosures (TCFD) starting in 2018. Enhancing the transparency and analytical rigor of our climate-related disclosures has enabled us to effectively manage emerging risks and create strategies that deliver attractive risk-adjusted returns for our shareholders.

The TCFD was established by the Financial Stability Board to promote consistent, climate-related financial disclosures that benefit all stakeholders.

TCFD recommendations are structured around four key themes: governance, strategy, risk management and metrics and targets. We align our core principles with the TCFD's thematic areas of focus, which are integrated into our management processes, decision-making and public disclosures, including our 2022 Form 10-K.

TCFD GOVERNANCE

HASI's Board is charged with officially adopting our ESG policies and monitoring climate-related opportunities and risks. The Nominating, Governance and Corporate Responsibility (NGCR) Committee of the Board evaluates the progress of our climate initiatives and ensuing disclosures on a quarterly basis. Our CEO is responsible for overseeing the execution of our environmental initiatives and ensuring internal resources are mobilized to forward our ESG goals.

An internal cross-functional ESG Leadership Team implements these strategies and policies, while an ESG Frameworks Reporting Committee meets quarterly to assess the environmental impact of our investments.

The success of our business strategy, focused on investing in solutions to climate change, is reflected in a portion of our employees' compensation, and beginning in 2023, we require each employee to set one specific ESG objective to support corporate ESG goals (including but not limited to TCFD reporting).

For additional information regarding our governance structure and ESG best practices, please see our 2022 Form 10-K item 1 – Business – Environmental and Social Responsibility and Corporate Governance and our proxy statement for our 2023 annual meeting.

TCFD STRATEGY

Given the scientific unanimity that human activities are the primary cause of climate change and its resultant extreme weather events, we are confident in our ability to generate attractive risk-adjusted returns by investing in and managing a portfolio of assets that avoid carbon emissions. Additionally, we see investment opportunities in infrastructure assets that can withstand and reduce the impact of these weather events. Our investments have verifiable, quantifiable impacts that often counter the consequences of climate change, the risks of which we consider to be material to our stakeholders.

Our Sustainability Investment Policy outlines the process of evaluating the environmental risks and opportunities associated with our investments. To pass our sustainability evaluation, a proposed investment must either reduce carbon emissions or offer other environmental benefits, such as reducing water usage. Our investment strategy is discussed further in Item 1 of our 2022 Form 10-K, "Business - Investment Strategy."

In 2018, we implemented formal policies to minimize the impact of our operations on the environment, such as purchasing 100% of our electricity from renewable energy sources. By the end of 2022, we also successfully reduced waste generation by 50% compared to 2017 by improving the collection and processing of recyclable waste. We host an annual e-waste recycling drive where employees are encouraged to bring in their outdated tech products to help divert these products from local landfills. In addition, our lightbulb recycling program offers employees an opportunity for the safe disposal of LED, CFL and incandescent light bulbs. To address food waste, we operate a composting program that diverted approximately 4,051 lbs of food waste in 2022, and we have eliminated carbon-intensive foods, such as beef and pork, from corporate events and the staff canteen.

TCFD CLIMATE RISK MANAGEMENT

Investing in climate solutions also necessitates vigilance for the climate change-induced risks our work seeks to mitigate. In mapping such risks to traditional financial services industry enterprise risk management categories, assets located in regions prone to flooding, wildfire or other climate change-related events are classified primarily as operational risks due to the variable impacts on investment cash flows. Climate risks we consider and actively monitor include:

- Wildfire risk in regions where a portion of our residential solar assets are exposed to damage from wildfire events;
- Weather events such as blizzards, tornadoes and lightning strikes, which have the potential to damage wind turbines or solar panels;
- Long-term changes in wind resources because of climate change events;
- Force majeure events that could diminish the ability of assets to deliver power under firm delivery offtake contracts, which could trigger financial liabilities.

Mitigants

To mitigate these risks, our due diligence process involves relying on independent experts to perform engineering and weather analyses, as well as insurance reviews.

After a transaction closes, we continue to track our portfolio's exposure to these environmental risks, regularly analyzing the impact of seasonal climate trends, such as drought, El Niño/La Niña and changes in wind patterns, as well as any major weather events that may negatively impact our assets. For example:

- While the largest share of our residential portfolio is located in California, less than 0.5% is located in "very high" wildfire risk California communities. As a result, we do not expect a material risk to the cash flows from wildfire events.
- Community solar is a growing segment of our portfolio and is currently located in geographic areas with low risks of flooding and wildfires.
- To mitigate extreme weather damages, we make conservative assumptions when underwriting our investment opportunities regarding performance and operational expenses that protect our returns from a certain level of unexpected potential performance or operation issues throughout investment life.

We continue to adjust our assumptions as the evolution and severity of relevant climate risks are assessed. We actively manage our existing portfolio to preemptively and proactively address any operational or maintenance issues.

In addition, to improve the resilience of our business operations, we have adopted cloud-based IT systems to enable remote work in the event of disruptions due to weather or other causes. The Board's Finance and Risk Committee oversees our risk management policies and procedures, including those related to environmental risks.

A more in-depth discussion of our environmental risk management can be found in our 2022 Form 10-K, Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Impacting our Operating Results – Impact of Climate Change on our Future Operations.

Where quantitative data is unavailable, HASI's ESG Reporting Frameworks Committee relies on stakeholder interviews, outputs of the scenario workshop discussion, desk research and benchmarking to inform the risk and opportunity timelines and financial impact level.

"Actively evaluating our exposure to climate-related risks ensures that we are able to address a range of adverse events and their potential impacts to the cashflows our climate positive investments generate."

RICHARD SANTOROSKI, Chief Risk Officer

TCFD SCENARIO ANALYSIS

In our implementation of TCFD and evaluation of the prospects and challenges linked to climate change, we have taken into account the Paris Agreement's goal to maintain the global average temperature below 2 degrees Celsius above pre-industrial levels and strive towards limiting the temperature increase to 1.5 degrees Celsius. In the analysis that follows, we have demonstrated the potential effects on our investment portfolio as of December 31, 2022, resulting from the physical impacts of climate change and the transition toward a low-carbon economy.

Risks and Opportunities

PHYSICAL

Given the assessments of the United Nations' Intergovernmental Panel on Climate Change (IPCC) and other leading climate research organizations regarding the probability of limiting the global temperature increase to 1.5 Celsius and likely serious climatic impacts even with aggressive emissions reduction initiatives, we believe our investment portfolio will be impacted by physical risks regardless of the actions taken. We assume the types of risks to which our investment portfolio is exposed are similar under either Scenario 1 or 2 (albeit at varying degrees of severity).

FLOODING STORMS EXTREME HEAT AND DROUGHT WILDFIRES SEA LEVEL RISE

TRANSITIONAL

A transition to a low-carbon economy may entail changes in market regulations, legal and regulatory frameworks and reputational risks and technology. The impact of these changes will vary by scenario. In Scenario 1, sufficient globally coordinated action is taken to limit the global temperature increase to 1.5 degrees Celsius above pre-industrial levels. In Scenario 2, global action is insufficient to prevent global temperatures from increasing more than 2 degrees Celsius above pre-industrial levels.

Additional information, including highlights of quantitative impacts, can be found in our 2022 Form 10-K in Item 1A. Risk Factors and Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Impacting our Operating Results – Impacts of climate change on our future operations.

MARKET REGULATORY LEGAL REPUTATION TECHNOLOGY

TCFD Scenario 1

Sufficient globally coordinated action is taken to limit the global temperature increase to 1.5 degrees Celsius above pre-industrial levels.

PHYSICAL

PORTFOLIO IMPACT

- Physical Asset Damage
- Reduced Power Generation Capacity
- Accelerated Operational Performance Degradation
- Natural Resource Price Volatility

BOTTOM LINE IMPACT

- Higher Operational Costs
- Higher Insurance Premiums
- Reduced and More Variable Cash Flows
- Increased Counterparty Default Risk
- Reduced Debt Capacity
- Diminished Long-Term Returns

STRATEGIC RESPONSE

- Strengthen Climate Risk Considerations in Underwriting Process
- Implement Proactive Operational Maintenance and Extreme Weather Protection Procedures
- Procure Insurance Coverages
- Augment Geographic and Technological Portfolio
- Support Continued Asset Diversity Through Investment Pipeline

TRANSITIONAL[1]

PORTFOLIO IMPACT

- Higher REC Prices
- Higher Energy Prices
- Greater Cost Competitiveness of Climate Positive Technologies
- More Attractive Growth in Total Addressable Market
- Greater Quantity of High-Quality Investment Prospects
- Degraded Competitor and Counterparty Creditworthiness

BOTTOM LINE IMPACT

- Increased Investment Volumes
- Higher Variable Cash Flows
- Lower Operational and Insurance Costs
- Higher Asset and Portfolio Level Debt Coverage Ratios
- Higher Long-Term Returns
- Higher EPS Growth Potential

STRATEGIC RESPONSE

- Optimize Investment Monetization and Debt Financing Strategy
- Optimize Investment Pricing Strategies
- Optimize EPS/DPS Growth and Payout Ratios
- Expand Climate Positive Investment Universe

(1) A transition to a low-carbon economy may entail changes in market regulations, legal and regulatory frameworks, reputational risks and technology. The impact of these changes will vary by scenario.

TCFD Scenario 2

Global action is insufficient to prevent global temperatures from increasing more than 2 degrees Celsius above pre-industrial levels.

PHYSICAL

PORTFOLIO IMPACT

- Physical Asset Damage
- Reduced Power Generation Capacity
- Accelerated Operational Performance Degradation
- Natural Resource Price Volatility

BOTTOM LINE IMPACT

- Higher Operational Costs
- Higher Insurance Premiums
- Reduced and More Variable Cash Flows
- Increased Counterparty Default Risk
- Reduced Debt Capacity
- Diminished Long-Term Returns

STRATEGIC RESPONSE

- Strengthen Climate Risk Considerations in Underwriting Process
- Implement Proactive Operational Maintenance and Extreme Weather Protection Procedures
- Procure Insurance Coverages
- Augment Geographic and Technological Portfolio
- Support Continued Asset Diversity Through Investment Pipeline

TRANSITIONAL[1]

PORTFOLIO IMPACT

- Greater Power Grid Instability
- Higher Power Prices Driven by Extreme Climate-Instigated Disruptions
- Greater Commodity and Natural Resource Price Levels and Volatility
- Increased Demand for Climate Positive Investments

BOTTOM LINE IMPACT

- Increased Investment Volumes
- Higher Long-Term Financial Returns

STRATEGIC RESPONSE

- Optimize Asset Monetization Strategy, Risk Management and Underwriting Processes
- Optimize Investment Pricing Strategy

(1) A transition to a low-carbon economy may entail changes in market regulations, legal and regulatory frameworks, reputational risks and technology. The impact of these changes will vary by scenario.

Transitional Opportunities

Scenario 1 Transitional Opportunities

	QUALITATIVE AND QUANTITATIVE OPPORTUNITIES
Higher Renewable Energy Credits ("RECs") prices	• Increased expected cash flows and financial returns for certain investments to the extent the RECs are sold at higher market prices. • Increased debt/lease service coverage ratio for the obligors of our renewable energy debt investments and solar real estate leases that sell RECs at higher market pricing. • Resulting cash flow increases allow us greater financial leverage and enhanced profitability.
Carbon Tax Increases (i) Power Prices, (ii) Operating Costs for Certain Entities and (iii) Competitiveness of Renewable Energy	• Resulting cash flow increases allow us greater financial leverage and enhanced profitability. • Increased energy cost savings from energy efficiency solutions. • An increase in the above items may increase the volume of assets available in which we can invest. • A carbon tax that increases the price of power by 10% may allow our wind equity investments to generate approximately 6% in additional cashflows over their life compared to the current baseline scenario.
Significant increase in research and development in renewable energy, energy storage and energy efficiency technologies by public and private entities	• More cost competitive renewable energy technologies may increase investment opportunities available to us.
Significant growth in positive public sentiment for sustainable infrastructure investment	• Increased demand for sustainable infrastructure investment would increase the volume of transactions in which we may invest, reduce our overall cost of capital and increase our profitability.

Scenario 2 Transitional Opportunities

	QUALITATIVE OPPORTUNITIES
No meaningful government policy to shift the trajectory of global climate change	• With the current trend of improved economics and cost competitiveness of climate solutions, a growth in demand may increase the volume of investment opportunities available to us, increase the number of transactions and positively affect our profitability.
Greater variability and instability in the commodity market	• Climate change-related impacts to the amount of potable water supplies, such as irregular rainfall and salt water intrusion, may drive increases in the price of water. These increases in cost may increase the demand for assets that increase water use efficiency, resulting in an increase in the volume of investment opportunities available to us, an increase in the number of transactions we process and increased profitability.

Physical Opportunities

Scenarios 1 and 2 Physical Opportunities

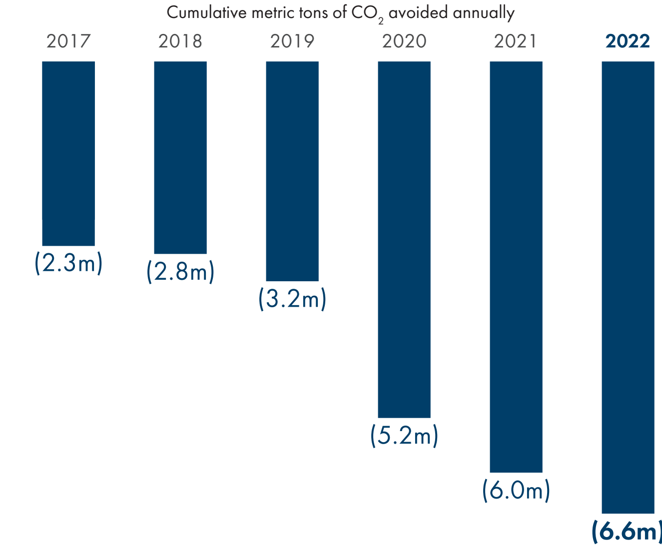
	QUALITATIVE OPPORTUNITIES
An increase in water scarcity potentially resulting in an increase in the price of water	• Climate change-related price increases to potable water supplies may increase the demand for assets that increase water-use efficiency resulting in an increase in the volume of investment opportunities available to us, which would increase the number of transactions we process and positively affect our profitability.

TCFD METRICS AND TARGETS

In assessing our operational and financial performance, we calculate the environmental profile of our business operations and infrastructure investments using a combination of well-established reporting protocols and proprietary tools for measuring carbon emissions and water savings.

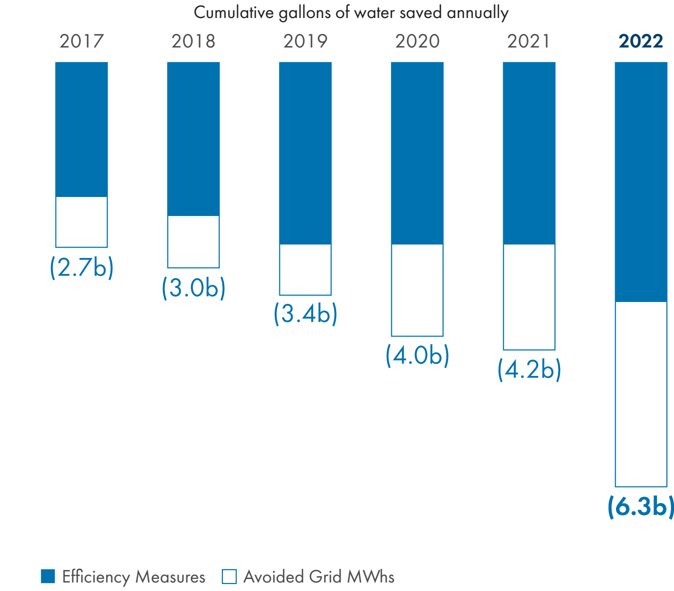
Carbon Reduction

Cumulative metric tons of CO_2 avoided annually



Water Savings

Cumulative gallons of water saved annually



carboncount®[1]

2022: 0.35

watercount®[2]

2022: 1,180

		Goal[3]	Performance[3]	Verification[4]
SCOPE 1 Direct Emissions	Emissions from operations that are owned or controlled by a reporting company.	0 MT	0 MT	Apex
SCOPE 2 Indirect Emissions	Emissions from the generation of purchased or acquired energy such as electricity, steam and heating and cooling consumed by a reporting company, but excluding the impact of the purchase of renewable energy credits.	0 MT	0 MT	Apex
SCOPE 3[5] Indirect Emissions	All other indirect emissions that occur in the value chain of a reporting company, including both upstream and downstream emissions, but excluding the emissions avoided as a result of our investments. (>600k MTs of CO_2 in 2022)		311 MT	Apex

(1) CarbonCount is a scoring tool that evaluates investments in U.S.-based energy efficiency and renewable energy projects to estimate the expected CO_2 emission reduction per $1,000 of investment.
(2) WaterCount is a scoring tool that evaluates investments in U.S.-based projects to estimate the expected water consumption reduction per $1,000 of investment.
(3) Expressed in metric tons (MT).
(4) In addition to our internal review, Apex Companies, LLC was commissioned as an independent organization to verify our GHG emissions reporting as estimated in accordance with GHG measurement and reporting protocols of the World Resources Institute (WRI) / World Business Council for Sustainable Development Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2) and Corporate Value Chain Accounting and Reporting Standard (Scope 3).
(5) Scope 3, Categories 1-14. See Science-Based Targets Initiative – Scope 3 Emissions Targets on page 44 of this Proxy Statement for additional reporting. Verification in progress.

SCIENCE-BASED TARGETS INITIATIVE

In 2021, we submitted Scope 1 and 2 emissions reduction targets for verification by the Science-Based Targets Initiative (SBTi). SBTi defines and promotes best practices in emissions reductions and net-zero targets in line with the latest climate science to provide companies with independent assessment and target validation. Decarbonizing with science-based targets solidifies our GHG emissions reduction roadmap, another key step to combat climate change that competitively positions us as leaders in the broader transition to a net-zero economy.

GHG PROTOCOL	TARGET	STATUS (2022)
Scope 1	Commitment to reduce absolute emissions 100% by 2030 from a 2019 base year	0 MT CO_2e
Scope 2 (market-based method)	Commitment to reduce absolute emissions 100% by 2030 from a 2019 base year	0 MT CO_2e
Scope 3 Categories 1-14	Plan to set target for all Category 1-14 emissions by EOY23	311 MT CO_2e
Category 15	Commitment to continue providing project finance in the power sector only for assets that result in avoided emissions and/or generate other environmental benefits (e.g., renewable electricity, energy storage, etc.) through 2030 Plan to set additional target for all Category 15 financed emissions by EOY23	42,604 MT CO_2e

Scope 3 Emissions Targets

Once we have finalized the quantification of the vast majority of our Scope 3, Category 15 (financed) emissions in line with the Partnership for Carbon Accounting Financials (PCAF) standards and in support of our Net-Zero Asset Managers (NZAM) commitment, we plan to set Scope 3 targets by the end of 2023. We expect to report our progress toward these targets in upcoming years.

		2022						
PORTFOLIO/SECURITIZED		TOTAL OUTSTANDING LOAN AND INVESTMENTS COVERED (X $M)	% OF TOTAL MANAGED ASSETS	EMISSIONS (tCO_2e)	EMISSION INTENSITY (tCO_2e/$M)	WEIGHTED DATA QUALITY SCORE[2]	AVOIDED EMISSIONS (tCO_2e)	AVOIDED EMISSION INTENSITY (tCO_2e/$M)
Securitized	Project Finance	0	0%		–	1		–
Portfolio	Project Finance	4,018	41%	42,175	10	3	2,563,514	2,019
Portfolio	Business Loans and Preferred Equity	24	0%	429	18	5		
	Total Portfolio Assessed	4,042	41%	42,604	11	3		
	Total Managed Assets Assessed	4,042	41%	42,604	11	3	2,563,514	2,019
Portfolio	Unassessed	307	3%					
Securitized	Unassessed	5,445	56%					
	Total Unassessed[1]	5,752	59%					
		9,794						

(1) Unassessed portion of our managed assets includes energy efficiency projects which employ solar power generation, electric storage or energy efficiency improvements such as heating, ventilation and air conditioning systems (HVAC), lighting, energy controls, roofs, windows, building shells and/or combined heat and power systems for which emissions data is not presently available.

(2) By its very nature, the calculation of greenhouse gas emissions is subject to various estimates and assumptions. In order to inform users of the emissions data as to the nature of the estimates and assumptions used, the PCAF standard prescribes Data Quality scores which reporting companies are to use (from 1 – 5, with 1 being the best quality data) reflecting the extent to which calculations are reliant on estimates and assumptions. We plan to increase our data quality scores in subsequent years as we increase our access to emissions data associated with our projects.

		2021						
PORTFOLIO/SECURITIZED		TOTAL OUTSTANDING LOAN AND INVESTMENTS COVERED (X $M)	% OF TOTAL MANAGED ASSETS	EMISSIONS (tCO_2e)	EMISSION INTENSITY (tCO_2e/$M)	WEIGHTED DATA QUALITY SCORE[2]	AVOIDED EMISSIONS (tCO_2e)	AVOIDED EMISSION INTENSITY (tCO_2e/$M)
Securitized	Other Sustainable Infrastructure (Securitized Assets)	3,288	37%	19,986	6	1		
Portfolio	Project Finance	3,394	39%	28,487	8	3	2,319,117	683
Portfolio	Business Loans and Preferred Equity	33	0%	579	18	5		
	Total Portfolio Assessed	3,427	39%	29,066	8	3		
	Total Managed Assets Assessed	6,715	76%	49,052	7	4	2,319,117	345
Portfolio	Unassessed	189	2%					
Securitized	Unassessed	1,875	21%					
	Total Unassessed[1]	2,064	24%					
		8,779						

(1) Unassessed portion of our managed assets includes energy efficiency projects which employ solar power generation, electric storage or energy efficiency improvements such as heating, ventilation and air conditioning systems (HVAC), lighting, energy controls, roofs, windows, building shells and/or combined heat and power systems for which emissions data is not presently available.

(2) By its very nature, the calculation of greenhouse gas emissions is subject to various estimates and assumptions. In order to inform users of the emissions data as to the nature of the estimates and assumptions used, the PCAF standard prescribes Data Quality scores which reporting companies are to use (from 1 – 5, with 1 being the best quality data) reflecting the extent to which calculations are reliant on estimates and assumptions. We plan to increase our data quality scores in subsequent years as we increase our access to emissions data associated with our projects.

SUSTAINABILITY REPORT CARD

CarbonCount is a decision tool that evaluates investments in renewable energy, energy efficiency and climate resilience projects to determine how efficiently they reduce CO_2 equivalent (CO_2e) emissions per $1,000 of investment.

HASI SUSTAINABILITY REPORT CARD 2022

MARKET	REGION	CARBONCOUNT 1.0	CARBONCOUNT 2.0	MARKET	REGION	CARBONCOUNT 1.0	CARBONCOUNT 2.0
BTM	National	2.91	2.91	BTM	Midwest	0.31	0.31
BTM	South	1.57	1.57	BTM	West	0.24	0.24
BTM	South	1.19	1.20	BTM	West	0.24	0.24
GC	National	1.11	0.98	BTM	South	0.23	0.23
GC	West	0.96	0.83	GC	South	0.22	0.22
GC	West	0.83	0.85	BTM	West	0.22	0.22
GC	West	0.83	0.55	BTM	West	0.21	0.21
BTM	South	0.78	1.34	FTN	Midwest	0.20	0.20
GC	West	0.67	0.69	BTM	West	0.15	0.15
BTM	National	0.50	0.50	BTM	West	0.09	0.09
GC	West	0.50	0.51	BTM	Midwest	0.04	0.04
GC	West	0.49	0.50	FTN	West	0.04	0.04
BTM	South	0.44	0.44	GC	National	0.00	0.00
GC	National	0.43	0.43	BTM	National	0.00	0.00
GC	West	0.38	0.39	BTM	National	0.00	0.00
BTM	South	0.35	0.35	BTM	National	0.00	0.00
BTM	Midwest	0.34	0.34	FTN	National	0.00	0.00
BTM	Midwest	0.34	0.34	BTM	South	0.00	0.00
BTM	West	0.33	0.33	BTM	National	0.00	0.00
BTM	Midwest	0.33	0.26	BTM	National	0.00	0.00
BTM	South	0.33	0.33	BTM	South	0.00	0.00
BTM	Northeast	0.32	0.32	BTM	National	0.00	0.00
BTM	Midwest	0.32	0.25				

TOTAL

CarbonCount 1.0 | CarbonCount 2.0	CarbonCount 1.0 | CarbonCount 2.0	WaterCount | Water Saved
615k | 586k	0.35 | 0.34	1,180 | ~2.0b
Metric Tons of CO_2 Avoided 2022 Investments	CarbonCount® 2022 Investments	Gallons of Water Saved 2022 Investments

BTM = Behind-the-Meter, which includes energy efficiency, C&I/ community/ residential solar and solar-plus-storage investments.
GC = Grid-Connected, which includes solar, solar-plus-storage, storage, solar land and onshore wind investments.
FTN = Fuels, Transport & Nature, which includes RNG, fleet decarbonization and ecological restoration.
CarbonCount is a decision tool that evaluates investments in U.S.-based renewable energy, energy efficiency and climate resilience projects to determine how efficiently they reduce CO_2 equivalent (CO_2e) emissions per $1,000 of investment. Learn more at www.hasi.com/esg/carboncount.
Estimated carbon savings are calculated using the estimated kilowatt hours ("kWh"), gallons of fuel oil, million British thermal units ("MMBtus") of natural gas and gallons of water saved as appropriate, for each project. The energy savings are converted into an estimate of metric tons of CO_2 equivalent emissions based upon the project's location and the corresponding emissions factor data from the U.S. Government, International Energy Administration and Locational Marginal Emissions factors. Portfolios of projects are represented on an aggregate basis.
Estimated water savings are calculated as the sum of the direct annual estimated water savings from energy efficiency measures such as low-flow water fixtures and the annual indirect water savings associated with the annual kWh generated and saved by our investments. The annual kWh of electricity generated and saved by our investments are multiplied by the amount of water withdrawn and not returned to local water systems based upon the project's location and the existing grid electricity generating units in that region. Indirect water savings is estimated using data prepared by the U.S. Government's Energy Information Administration and the Union of Concerned Scientists.

CARBONCOUNT 2.0

GREATER ACCURACY, GRANULARITY OF EMISSIONS MODELING

CarbonCount is a decision tool that evaluates investments in U.S.-based carbon-free energy, energy efficiency and climate resilience projects to determine how efficiently they reduce CO_2 equivalent (CO_2e)[1] emissions per $1,000 of investment. CarbonCount integrates forward-looking project assumptions, emissions factors and capital investment to produce a quantitative impact assessment for use by investors, developers, corporate buyers, policymakers and other stakeholders interested in most efficiently avoiding emissions that contribute to climate change.

At its core, CarbonCount is a capital efficiency metric. Given that carbon counts and capital is scarce, investors should prioritize investments with high-impact CO_2e emissions reductions. HASI uses CarbonCount to screen each new investment opportunity to ensure that every investment improves our climate future.

CarbonCount is also a crucial tool for businesses developing net-zero targets and clean energy procurement plans. It is imperative that such businesses use carbon-denominated measurements like CarbonCount to evaluate procurement and more accurately match emissions generated with emissions avoided. Many existing corporate net-zero targets use megawatt hours ("MWh") as the basis for calculating actual and avoided emissions through execution of renewable energy power purchase agreements (PPAs) and renewable energy credit (REC) purchases. However, simply relying on offsetting consumption at a particular time and location with PPAs and/or RECs – often generated at a different time and location – can lead to wide gaps between traditional emissions accounting and actual emissions impact.

As a result, many conflate reductions in GHG Protocol Scope 2 market-based inventories with reductions in actual emissions, which is often not the case. Such gaps distort the market signals that influence project siting, power market congestion and prices and can lead to a sub-optimal allocation of capital.

Leading the Evolution of Carbon Accounting

In early 2022, HASI launched a company-wide effort to reevaluate and modernize the CarbonCount calculation to improve its granularity and accuracy. CarbonCount will still be measured in metric tons of CO_2e avoided per $1,000 invested, achieving the objective of evaluating the efficiency of investing capital in avoiding emissions. CarbonCount 2.0 will now reflect a more sophisticated and accurate assessment of avoided emissions by reporting year-one avoided emissions informed by more granular emissions data.

The primary driver of the update is the availability of more accurate and granular emissions modeling through our partnerships with REsurety and WattTime – leaders in advanced emissions factor modeling. Rather than estimating avoided emissions on an average annual basis using the Environmental Protection Agency's (EPA's) eGRID emissions factors, the new CarbonCount 2.0 methodology assesses avoided emissions using locational marginal emissions factors that reflect the grid composition specific to each project's location at the time of generation.

CarbonCount 2.0 Methodology

Launched in early 2023, the CarbonCount 2.0 methodology more precisely evaluates the efficiency of new investments to avoid carbon emissions. The primary methodological update that improves the accuracy of the metric utilizes improved location-specific hourly grid emissions factors known as locational marginal emissions factors instead of relying solely on the EPA's eGRID average annual statewide emissions factors. Going forward, we will report this year-one CarbonCount informed by the location-specific hourly grid emissions factors.

(1) CO_2 equivalent emissions includes the impact of greenhouse gas emissions beyond CO_2 such as methane and normalizes impact in terms of units of CO_2 equivalent adjusting for the often higher global warming potential of such other greenhouse gas emissions per metric ton. For instance, one metric ton of methane is equivalent to approximately 30 metric tons of CO_2 in terms of global warming potential.

Locational Marginal Emissions

Locational Marginal Emissions is a measurement of the tons of carbon emissions avoided by generating 1 MWh of renewable energy or avoiding 1 MWh of consumption through energy efficiency, load management or load shifting measures at a specific location and time[2]. LME is calculated by identifying the specific generation asset that is being replaced by each incremental MWh of renewable energy.

LME is an important tool in assessing individual projects because seemingly identical renewable energy projects can have drastically different impacts on avoided carbon emissions.

There are two primary drivers of differences in LME across individual projects:

1) The grid's fuel mix varies by location and time of day; and

2) Transmission constraints and congestion limit some projects from delivering power to customers at various times and locations.

Generally, if deployment of a renewable energy project replaces primarily fossil fuel generation (e.g., coal, gas, oil), then such a project will have a relatively higher LME and greater avoided emissions. However, it is possible to deploy renewables in locations where they primarily replace other renewables, resulting in a lower LME and fewer avoided emissions.

In all situations where locational marginal emissions data is available, CarbonCount 2.0 will use LME factors to calculate metric tons of CO_2e avoided per MWh – replacing the EPA's eGRID state-wide annual average factors. By considering grid composition, project location and hourly generation profile, LME factors enable more accurate emissions modeling.

CarbonCount 2.0 Use Cases

By moving from average annual emissions factors to more granular LME factors, CarbonCount 2.0 aligns with cutting-edge emissionality modeling by industry leaders and repositions CarbonCount at the forefront of carbon reporting.

CarbonCount 2.0 can be used by:

1. **Investors** to assess and compare opportunities for quantifiable carbon impact;
2. **Developers** to site projects to maximize carbon impact;
3. **Corporate buyers** to ensure that the projects with which they contract more accurately mitigate the carbon impact of their consumption;
4. **Policymakers** to spur the regulations and infrastructure required to achieve net zero targets; and
5. **Other stakeholders** to detect and prevent greenwashing and hold industry accountable for our quantified carbon impact.

Because the goal of CarbonCount is to report the most accurate avoided emissions calculation possible, we anticipate further refinements to the calculation as additional data sources are developed. Below are specific areas we have identified for potential future improvements:

- Expansion of LME Data Availability
- Reporting Lifetime Avoided Emissions
- Embedded Emissions
- Expansion outside the United States
- Expansion to Additional Asset Classes

To learn more, check out Carbon Confidence in Climate Finance.

(2) https://resurety.com/wp-content/uploads/2022/03/REsurety-Locational-Marginal-Emissions-A-Force-Multiplier-for-the-Carbon-Impact-of-Clean-Energy-Programs.pdf

EMISSIONS FIRST PARTNERSHIP

Emissions First Partnership

The Paris Agreement commits countries to reduce greenhouse gas emissions to keep the global temperature rise below 1.5 degrees Celsius to avoid the worst impacts of climate change. Created by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), the GHG Protocol arose out of the need to help countries and companies account for, report and mitigate emissions. As the international standard for corporate accounting and reporting emissions, the GHG Protocol categorizes greenhouse gasses into Scope 1, 2 and 3 based on the source. In 2016, 92% of Fortune 500 companies responding to the Climate Disclosure Project (CDP) used the GHG Protocol directly or indirectly through a program based on the GHG Protocol.

Unfortunately, the current GHG Protocol guidance – last updated in 2015 – has not kept up with the increasing focus of many corporations in addressing decarbonization goals through a range of intervention approaches, technologies or the associated increasing emissions data availability. As a result, the guidance in its current form does not recognize investments in innovation towards more effective emission reduction methods.

In late 2022, in cooperation with corporate partners working to reduce their emissions with impactful clean energy projects, we co-founded the Emissions First Partnership. All members are motivated to minimize the GHG emissions impact from their electricity use. The term "Emissions First" is a recognition that the way in which organizations account for carbon emissions from electricity use should incentivize actions that maximize carbon reductions. Moving beyond megawatt-hour matching to focus on the quantified emissions impact of electricity consumption and generation is at the heart of this approach.

It is important to update the GHG Protocol accounting standards for corporate emissions to improve emissions accounting accuracy and ensure clean energy investments maximize electricity decarbonization. Our fellow member companies provide the following objectives and principles for consideration to update electricity GHG emissions accounting systems to accelerate grid decarbonization.

Objectives

Emissions accounting systems should evolve to prioritize decarbonization actions by:

- Giving electricity users, and their stakeholders, the most accurate view of the emissions impact of electricity use possible. This will in turn allow electricity users to make clear, high impact, demand-side GHG emission reduction decisions in their businesses (e.g., operating on cleaner electric grids, investing in energy efficiency, electric load shifting, optimizing the dispatch of electric vehicle fleets).
- Giving clean energy buyers the best data possible to maximize the emissions reduction impact of their investments – prioritizing action where and when it matters most.
- Giving stakeholders confidence that emission reduction claims made by organizations are accurate and impactful.

Emissions Accounting Principles

Prioritize Decarbonization

1) Recognize that the emissions impact of a megawatt-hour of electricity consumption or generation varies based on time and location. Move accounting beyond megawatt-hour matching to focus on the quantified emissions impact of each activity.

2) Take a global view recognizing that all GHG emissions impact the atmosphere and value clean energy procurement targeted to locations with maximum decarbonization impact irrespective of grid or market boundaries.

Value Grid Decarbonization Progress

3) Ensure that corporate clean energy procurement and utility-supplied clean energy are both quantified and incorporated in accounting systems.

Incentivize Innovation in the Emissions Data Ecosystem

4) Accommodate and favor continual improvements in data quality and availability.

5) Maintain the integrity and accuracy of the underlying emissions accounting data by embracing transparency and third-party verification.

Accounting Governance

6) As data and measurement complexity increases, ensure all organizations can continue accounting for and reporting on electricity emissions to their stakeholders.

7) Avoid penalizing clean energy procurement and planning already made by buyers under the current guidance through methodology changes that could disqualify, or significantly devalue, these projects and investments.

8) Ensure guidance is applicable to real-world scenarios by providing fair and consistent accounting treatment for all clean electricity technologies in addition to renewable energy procurement.

Over the past year, we've observed a growing number of projects and forums with a shared goal of building upon the existing foundational guidance for electricity emissions accounting.

Along with the growing number of publications with ideas for GHG accounting changes, we recognize the importance to work collaboratively with the companies and organizations actively developing and procuring renewable energy and other decarbonization solutions in the voluntary markets.

HASI INTERNAL CARBON PRICE

In keeping with our historic leadership on climate positive investing and absent a national or global policy-mandated carbon price, we affirmed in 2022 the best practice of investors and corporate issuers by establishing an internal price of carbon for the emissions associated with both business operations and investments. We believe instituting an internal carbon price encourages transparent emissions reporting and exemplifies and encourages long-term climate positive investments.

Methodology

According to a recent McKinsey analysis[1], approximately 30% of financial services firms surveyed have instituted an internal carbon price. Of these firms, the median fee per metric ton of CO_2e is just \$6 whereas the carbon price range required to meet Paris Agreement emissions goals is \$40 to \$80.

We have set an internal carbon price of \$100/tCO_2e, which is in line with current best-in-class internal corporate carbon prices and almost double the price of \$51/tCO_2e determined by the U.S. Government's Interagency Working Group on the Social Cost of Carbon.

At the end of each year, we sum the Scope 1, Scope 2 and Scope 3 (including Category 15) carbon emissions from the prior year. We then net the avoided emissions associated with our investments as of the end of the most recent year against only our Scope 3 Category 15 emissions, if any. If the result of this calculation is less than zero, we simply assign a value of zero to this subtotal. Note that we do not net avoided financed emissions (Scope 3 Category 15) against Scope 1 or Scope 2 emissions.

We strongly believe that all companies should report the avoided emissions associated with their investments. Further, allowing companies to net their avoided financed emissions against their Scope 3 Category 15 emissions supports the allocation of capital in accordance with long-term climate positive investment strategies.

HASI Internal Carbon Pricing Calculation (FY22)

Scope 1 Emissions (tCO_2e)	**0**
Scope 2 (Market-Based) Emissions (tCO_2e)	**0**
Scope 3 (Categories 1-14) Emissions (tCO_2e)	**311**
Scope 3 (Category 15) Emissions (tCO_2e)	**42,604**
Total Gross Emissions (tCO_2e)	**42,915**
"Scope 4" Avoided Financed Emissions (EOY22; tCO_2e)	**(615,000)**
Net Scope 3 (Category 15) Emissions (tCO_2e)	**(572,085)**
Total Net Emissions (tCO_2e)	**311**
HASI Internal Carbon Price (\$/tCO_2e)	**\$100**
HASI Internal Carbon Fee (FY22)	**\$31,100**

Use of Proceeds from Internal Carbon Fee

Each year, the total internal fee for CO_2 emissions is donated to the HASI Foundation as a component of the company's annual Social Dividend.

(1) McKinsey, The State of Internal Carbon Pricing (February 2021)

GREEN DEBT LEADERSHIP

Overview

For corporate unsecured debt, we typically pursue independent verification to ensure alignment with our Green Bond Framework, which has been developed in accordance with the ICMA's Green Bond Principles. Since 2013, we have raised approximately $8.7 billion of green debt, including securitizations and non-recourse and corporate issuances. In 2022, we issued more than $1.5 billion in green CarbonCount-based debt.

In late 2022, HASI closed a Term Loan A compliant with the Sustainability-Linked Loan Principles, which introduced the concept of an assurance provider for our proprietary CarbonCount metric and a subsequent reduction in interest rate if particular CarbonCount thresholds are achieved.

Green Debt Issuances

Sustainable Yield Bonds Off Balance Sheet

Securitizations typically of public sector receivables and managed off balance sheet

Sustainable Yield Bonds On Balance Sheet

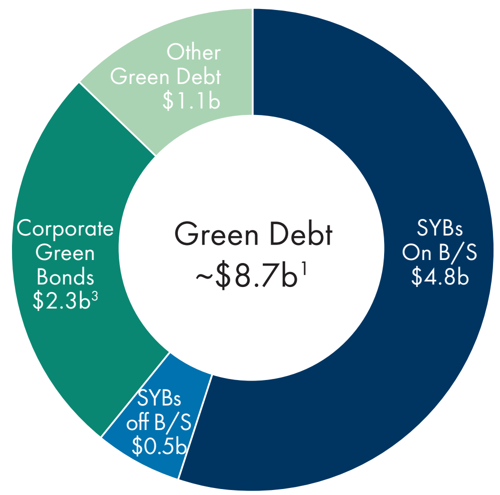
Non-recourse, asset-backed debt managed on balance sheet

Corporate Green Bonds

Senior unsecured or convertible bonds issued as corporate obligations

Other Green Debt

Syndicated Sustainability-Linked Unsecured Revolving Line of Credit and Term Loan A and Green Carbon Count Commercial Paper Program[2]



(1) From 2013 IPO through 12/31/22.

(2) Represents total commitments of our Sustainability-Linked Unsecured RLOC, Sustainability-Linked Term Loan A and Green Carbon Count Commercial Paper Program. As of 12/31/22, our outstanding debt under the Sustainability-Linked Unsecured RLOC, Sustainability-Linked Term Loan A and Green Carbon Count Commercial Paper Program was $0m, $383m and $0m, respectively.

(3) ICMA's Green Bond Principles applicable to corporate unsecured green bonds and convertible green bonds due 2023 but not necessarily to convertible green bonds due 2022

Corporate Green Bonds

SECURITY NAME	INDEPENDENT VERIFIER	CUSIP	MATURITY DATE	ISSUED VOLUME	COUPON RATE	CONVERSION PREMIUM	BOND TYPE	RATINGS	CarbonCount®[1]
HASI-GRB-002	Ernst and Young	418751 AB9	4/15/2025	$400,000,000	6.00%	N/A	Senior Unsecured	Moody's: Baa3 S&P: BB+ Fitch: BB+	2.01
HASI-GRB-003	Ernst and Young	418751 AD5	9/15/2030	$375,000,000	3.75%	N/A	Senior Unsecured	Moody's: Baa3 S&P: BB+ Fitch: BB+	0.35
HASI-GRB-004	Ernst and Young	41068X AD2	8/15/2023	$143,750,000	0.00%	27.50%	Convertible Senior Unsecured	S&P: BB+ Fitch: BB+	0.29
HASI-GRB-005	Ernst and Young	418751 AE3	6/15/2026	$1,000,000,000	3.38%	N/A	Senior Unsecured	Moody's: Baa3 S&P: BB+	0.39
HASI-GRB-006	In Process	418751 AG8	5/1/2025	$200,000,000	0%[2]	32.50%	Exchangeable Note	-	0.24

Green CarbonCount® Commercial Paper

SECURITY NAME	INDEPENDENT VERIFIER	MATURITY DATE	ISSUED VOLUME	DEBT TYPE	CarbonCount®[1]	AVOIDED EMISSIONS[3]	RENEWABLE OR AVOIDED GENERATION[3]	TECHNO-LOGY	GEO-GRAPHIC	MARKET
HASI-GCCP-001	Ernst and Young	3/10/2022	$50,250,000	Green Commercial Paper	1.66	0 (2021)	0 (2021)	Wind	National	GC

(1) This is the CarbonCount® metric resulting from the allocation of the net proceeds from this offering to specific Eligible Green Projects. CarbonCount® is the ratio of the estimated first year of metric tons of carbon emissions avoided (or that will be avoided) by the investment divided by the capital to be invested to understand the impact the investment is expected to have on climate change. In this calculation, we use emissions factor data, expressed on a CO_2 equivalent basis, from the U.S. Government or the International Energy Administration to estimate a project's energy production or savings to compute an estimate of metric tons of carbon emissions that will be avoided. In addition to carbon, we also consider other environmental attributes, such as water use reduction, stormwater remediation benefits or stream restoration benefits.

(2) The 2025 Exchangeable Senior Notes accrete to a premium at maturity equal to 3.25%. The accreted balance as of December 31, 2022, is $205 million. Upon any exchange, holders will receive a number of shares of our common stock based equal to the product of (1) the aggregate initial principal amount of the notes to be exchanged divided by $1,000 and (2) the applicable exchange rate.

(3) Avoided emissions and generation for 2021 are zero as the projects to which these proceeds were allocated were not placed in service until 2022.

BIODIVERSITY PROTECTION

We believe that biodiversity is at the heart of a healthy climate and that protecting our natural resources is critical to the wellbeing of future generations.

Context

It is increasingly clear that climate and nature are inextricably linked. Enabling the energy transition while managing the potential negative impacts on biodiversity is a complex challenge. For example, global mining exploration is accelerating as companies seek new deposits of lithium and copper for battery, transportation and other energy infrastructure. In fact, S&P Global Sustainable1 finds that approximately 5% of the more than 24,500 mining sites around the world are in what are called Key Biodiversity Areas (KBAs), which the scientific community has identified as contributing significantly to the global persistence of biodiversity. And of these mining sites that intersect with KBAs, nearly 30% are for extracting minerals that will be needed for the low carbon transition.[1]

Recognizing the need to halt a dangerous decline in biodiversity, roughly 190 nations agreed late last year to place 30% of global land and sea under protection. These countries also agreed to manage the remaining 70% of the planet to avoid losing areas of high importance to biodiversity and to ensure that businesses disclose biodiversity risks and impacts from their operations. In the U.S., President Biden signed an executive order to similarly place 30% of U.S. land and waters under protection – an initiative we strongly support.[2]

Our Approach

At HASI, we are committed to protecting biodiversity and natural ecosystems both in the geographies where our assets are located (throughout their entire useful life) and across our supply chain. To this end, we believe in safeguarding the forests, wetlands and other natural habitats where biodiversity thrives.

Risk Mitigation

As part of our Environmental and Social Risk Management System, which we are currently in the process of integrating into our investment due diligence process, we conduct environmental assessments to baseline key biodiversity and ecosystem sensitivities and identify and mitigate material risks, such as proximity to protected areas and endangered species. Further, as part of our Business Partner ESG Engagement Program, we assess and engage our business partners across the supply chain on material biodiversity risks and opportunities.

This year, we currently plan to adopt the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and assess and disclose physical and transition nature-related risks and opportunities. In addition, we plan to closely follow the efforts of the Science Based Targets Network, which is seeking to develop a framework to ensure company goals are shaped by the latest research. The ultimate goal of both of these initiatives is to support a shift in global financial flows away from nature-negative and toward nature-positive outcomes.

Going forward, we believe that companies that can demonstrate that they are better positioned to mitigate biodiversity risk can and should earn a lower cost of capital – not dissimilar from how some companies who are better managing the decarbonization transition are now able to access sources of lower-cost capital.

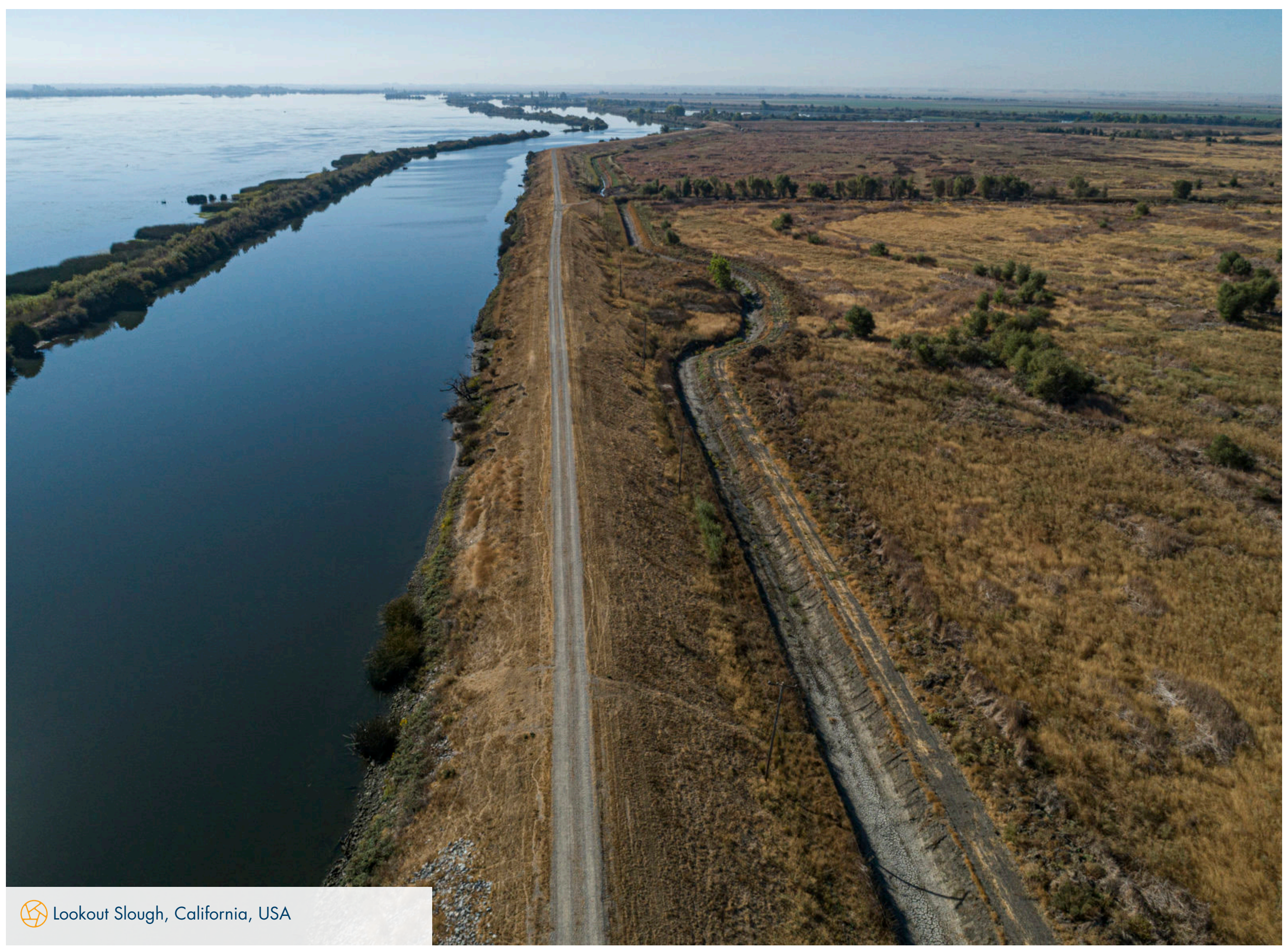
(1) Podcast: What recycling minerals could mean for biodiversity, energy transition goals https://www.spglobal.com/esg/podcasts/what-recycling-minerals-could-mean-for-biodiversity-energy-transition-goals

(2) NYT: Nearly Every Country Signs On to a Sweeping Deal to Protect Nature https://www.nytimes.com/2022/12/19/climate/biodiversity-cop15-montreal-30x30.htm

Opportunity Capture

We are committed to pursuing investment opportunities that support biodiversity. In 2022, we made our first investment with the primary objective of protecting biodiversity, which differentiates us from many other U.S.-based investors. Developed by our longstanding client Ecosystem Investment Partners (EIP), Lookout Slough is a multi-benefit project in the Sacramento-San Joaquin River Delta estuary in California, which seeks to enhance habitat conditions for fish and wildlife and improve flood control infrastructure. The project involves the creation of 3,200 acres of tidal marsh habitat beneficial to Delta Smelt fish, a cornerstone prey species in the greater Sacramento River and San Francisco Bay ecosystem, as well as other special-status fish and wildlife species, including the giant garter snake. In addition to supporting California in its efforts to comply with the requirements of the Endangered Species Act, the project involves levee modifications, grading, placement of fill material and revegetation to reduce flood risk in the region. Our investment of more than $40m is underpinned by cash flows generated by pay-for-performance contracts with the California Department of Water Resources.

Going forward, we plan to continue engagement with EIP and other leading clients in this space to source biodiversity-enhancing investment opportunities that offer superior risk-adjusted returns.



Lookout Slough, California, USA

PEOPLE

DIVERSITY, EQUITY, INCLUSION, JUSTICE AND ANTI-RACISM (DEIJA)

Mission Statement

HASI's recognition of the importance of diversity, equity, inclusion, justice and anti-racism is essential to the success of our business. Our company is more than just the sum of individual roles, skills and productivities. We are also a team that values the mutually reinforcing empowerment of people of all races, cultures, identities, gender expressions, sexual orientations and learning and engagement styles. By opening ourselves to the broadest range of talent, we improve both our company performance and our ability to attract and retain talent. We know it is inherently the right way to conduct business.

Strategic Implementation

Our comprehensive, values-driven approach to diversity, inclusion, equity, justice and anti-racism comprises initiatives that aim beyond legal compliance to foster an innovative, creative culture where every member of our team can bring their best and most authentic selves to work.

We incorporate our efforts throughout all levels of our organization by:

- informing our management training efforts through the work of the DEIJA Working Group to ensure they include, but are not limited to, a focus on multicultural leadership, understanding bias and anti-racism;
- supporting consistent conversations within our team and facilitated by outside experts to better learn from and understand our different respective experiences and perspectives;
- actively expanding the sourcing of our candidate pool to increase the breadth of its diversity;
- challenging our business partners to share our DEIJA values and practices;
- tracking, analyzing and furthering employee pay equity;
- ensuring our philanthropic efforts consider all views on how to address the intersection of climate and equity;
- regularly reviewing existing company policies and practices to make updates where and as needed to align our actions with our values; and
- consistently engaging on a corporate level in the protection of voting rights to support a vibrant democracy.

Goals and Metrics

We incorporate DEIJA factors into our business operations in part by examining the impact of our climate investments on local, especially disadvantaged, communities. Tracking internal talent metrics including workforce demographics, critical role pipeline and diversity data and engagement and inclusion indices informs our collective decision making with diverse perspectives. Our Human Resources team manages and reports these metrics to our executive officers and our Board of Directors on at least a quarterly basis.

Because transition planning is a foremost consideration in our recruiting strategy, identifying and developing our next generation of leaders means selectively onboarding the most qualified individuals from the diverse talent pool we actively recruit. We remain devoted to recruiting and promoting highly qualified women, persons of color and other underrepresented groups for management and Board positions. Of the new employees we hired in 2022, 36% were women and 67% were people from underrepresented racial, ethnic, and additional minority groups. In 2023, our Leadership Team also added two women and one person from an underrepresented group, raising the proportion of diverse representation among this team to 29% and 14%, respectively.

Focusing on diversity is a continuous effort that requires supporting our female and underrepresented employees in their onboarding, training, development and progression within the Company.

Currently, our Board of Directors is 36% female and 18% racial or ethnic minority. We recognize the need to improve representation across our organization and continue to keep qualified personnel top of mind as our needs mandate.

Workforce Representation

	BOARD OF DIRECTORS		LEADERSHIP TEAM		MANAGERIAL ROLES		WORKFORCE	
	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
Female	33%	33%	29%	17%	40%	37%	36%	37%
Racial or Ethnic Minority	22%	11%	14%	0%	30%	25%	33%	29%
LGBTQ+	0%	0%	0%	0%	3%	3%	3%	3%
Employees with Disabilities[1]	0%	0%	0%	0%	0%	0%	2%	2%

(1) Self-reported

2022 Workforce Age

AGE	2022	2021
18-24	2%	4%
25-34	33%	32%
35-44	39%	42%
45-54	16%	12%
55-64	7%	7%
65+	3%	3%

» 93% retention of our female employees in 2022

New Hires

	2022	2021
Female	36%	29%
Racial or Ethnic Minority	–	38%
Black/African American	18%	23%
Asian	14%	9%
Hispanic/Latino	25%	3%
Multiracial	–	3%
LGBTQ+	10%	3%

2022 Promotion Rates

AGE	2022	2021
18-24	0%	–
25-34	63%	37%
35-44	29%	26%
45-54	8%	26%
55-64	8%	11%
65+	0%	–

Board Oversight

In accordance with its charter, the Nominating, Governance and Corporate Responsibility Committee (NGCR) of our Board of Directors supervises all matters related to DEIJA, including identifying and vetting Director candidates (in anticipation of vacancies), helping formulate the company's DEIJA strategy and monitoring DEIJA performance metrics. The NGCR Committee meets at least quarterly to provide oversight, field updates and inform the DEIJA strategy's overall direction. In addition, the Committee's Chair periodically participates in meetings with investors particularly concerned with DEIJA-related topics.

Equal Pay

Our policy is "equal pay for equal work" in compliance with applicable state law. Compensation for our employees is based upon experience, seniority, educational attainment, individual contribution and company performance against goals. In 2021, we engaged with a pay auditing firm to assist with a thorough review of our equal compensation practices. The review has included an audit of both our job classifications and descriptions as well as the integration of multiple internal data sources needed for our analysis. Our goal is to identify potential gender pay gaps that we can then work to address. We anticipate reporting results from the equal pay audit sometime in 2023.

Company DEIJA Engagement

Part of HASI's commitment to climate justice and social equity means engaging employees of all backgrounds in our collective DEIJA efforts. Between the DEIJA Working Group, our new diversity-focused business resource groups (BRGs) and HASI Foundation service days and site visits, we seek to nurture a common understanding of the cultures and environments our employees represent. In these ways, we aspire to unify our employees by expanding their worldviews. Our DEIJA Working Group is comprised of team members from all departments who meet regularly with our equity consultant. Together, this team reviews our company policies and culture through a DEIJA lens and helps determine how best to implement changes to align with our DEIJA values and commitments.

DEIJA Recognition Dates

To honor the diversity of our employees' backgrounds and raise awareness among our entire employee base, HASI observes DEIJA Recognition Dates as an affirmation of our commitment to advancing diversity in the workplace and society at large. These celebrations include but are not limited to: Black History Month, International Women's Day, Islamic Heritage Month, LGBTQ+ Pride Month, Kwanzaa, Juneteenth, Hispanic Heritage Month and others.

Implicit Bias Training

To round our DEIJA initiatives with additional dimension, we have instituted annual implicit bias training for all team members and for all new hires as part of their onboarding activities. This multi-modal lesson plan focuses on questioning assumptions, breaking down bias and fostering dialogue to encourage intercultural understanding that serves our team's conscious efforts toward enhanced inclusivity. The multi-session training concludes with small-group sessions facilitated by our equity consultant.

Climate Justice

In early 2022, we adopted an organizational Climate Justice Statement to affirm our commitment to advancing social justice in tandem with our mission of investing in climate solutions.

HASI Climate Justice Statement

We recognize that the effects of pollution, environmental degradation, increased climate-fueled extreme weather events and the economic transition away from fossil fuels fall most heavily on marginalized communities in our society, especially communities of color. We know that the effects of climate change are already disproportionately impacting disadvantaged communities and these adverse outcomes will be exacerbated if we don't eliminate harmful greenhouse gas emissions. Equally so, we acknowledge the legacy of discriminatory policies in creating and perpetuating this imbalance.

We believe in every person's inherent worth and dignity and that we should all have access to clean water, clean air, healthy food, reliable shelter, resilient energy and good-paying jobs. We believe these disparities must be addressed while society works to accelerate the transition to a net-zero economy, both here in the United States and across the globe.

We know change will not happen without deliberate effort, and HASI recognizes our responsibility to act. That is why we are committed to advancing climate justice in our organization and through impactful engagement with the many stakeholders we serve.

With the above acknowledgment, we are determined to incorporate climate justice ideals and actions across our entire business, including in our process for underwriting investments, our engagement with business partners, our human capital strategy and our philanthropic and policy advocacy efforts. Our vision is that each investment improves our climate future. And to realize this vision, we aim to make progress in the following ways:

- In an effort to (1) acknowledge research that indicates growing up in a low-income community makes one less likely to have access to opportunities one will need to succeed later in life and (2) align with renewed government, industry and client efforts to drive investment in these disadvantaged communities, we are exploring methods to measure the social justice impact of our new investments. Our use of the developed metric could be similar to our CarbonCount score, which measures each investment's environmental impact.
- Updating our Business Partner Code of Conduct and continuing our Business Partner Engagement Program align our operational actions and commercial relationships on Environmental, Social and Governance ("ESG") best practices (including climate justice). We expect that our business partners hold the same beliefs and values as us, and we are focused on improving and maintaining their focus on ESG and the related reporting. Our goals with the Business Partner Engagement Program are to:
  - Identify and assess the current practices of our business partners concerning ESG matters;
  - Develop a rapport with key business partner contacts to share best practices on improving organizational standing for ESG matters; and
  - Establish and communicate the importance of transparent reporting on ESG matters.
- As part of our broader human capital strategy, we recognize that diversity, equity, inclusion, social justice and anti-racism are critical to the success of our business. We emphasize consistent conversations with experienced professionals, outside consultants and management training focused on situational leadership, understanding bias, diversity, equity, inclusion, social justice and anti-racism. We are also undertaking a review of existing company policies and practices and making updates where needed to align them with those areas of focus.
- Through the HASI Foundation launched in January 2021, we seek to accelerate a just transition toward an equitable, inclusive and climate positive future. Our foundation provides cash and in-kind support to programs that align with our three philanthropic priorities: (1) Climate Solutions for Disadvantaged Communities; (2) Climate Solutions Career Pathways; and (3) Local Impact.
- As part of our political advocacy efforts at a federal and state level, we have publicly established a key policy pillar reflecting our climate justice values and beliefs. Through direct and indirect lobbying efforts and association memberships, we advocate for a range of policy reforms that are necessary for building a healthier, more responsive democracy, which in turn facilitates ambitious climate action. These policies include, but are not limited to, the enactment of campaign finance reform, protecting and expanding voting rights and strengthening federal ethics laws.

BUSINESS RESOURCE GROUPS

Diversity is vital for HASI's ability to grow and innovate. Business Resource Groups (BRGs) are an integral component of HASI's commitment to create an inclusive culture and foster a sense of belonging in our community.

BRGs at HASI advance our collective goal to represent and support the communities in which we live and work. These groups provide their members with opportunities to play an important role in building a workplace that embodies our organization's values. BRG members play a role in shaping the Company's future by providing mentorship and guidance to new employees of various backgrounds, helping them navigate internal and external dynamics and policies to fuel their professional development. It is our aspiration that each of our employees may bring their own unique and authentic perspective to every aspect of their role.

BRGs established at HASI:

- THE BLACK PROFESSIONAL GROUP @ HASI
- HOLA! @ HASI
- Q+ @ HASI
- Women @ HASI

While each BRG operates autonomously with its own charter and specific objectives, example goals include fostering a culture of inclusivity, championing priorities specific to the given BRG, engaging the broader community and cultivating connection among allies, mentors and coaches.

In 2023, the launch year for our BRG initiative, each BRG seeks to autonomously finalize its charter, establish goals and measures of success as well as plan volunteer and community engagement strategies to expand their respective impacts within and beyond HASI. We plan to facilitate the founding of additional BRGs to ensure greater representation throughout our company culture as we strive to further enrich the experiences of our employees.

HEALTH AND WELL-BEING

Because our people represent the long-term health of our business, we endeavor to support the health and well-being of our full-time employees and their families with total rewards that address the varied needs of our growing workforce. Our organizational mission drives our attraction and recruitment of top talent who share our long-term vision. Opportunities for meaningful career growth in line with our mission are vital to support and advance the interests of all stakeholders in our organization.

Our fair remuneration policies ensure that our team members are well compensated. We also reward elite performance in multiple ways. Beyond the competitive base salaries and cash bonuses we offer, employees also generally receive a portion of their compensation in the form of equity grants tied to performance. Each employee who remains with the company for at least one year becomes a shareholder whose interest in the prosperity of our organization further distinguishes our compensation packages and employee retention efforts.

For all full-time employees, attractive non-salary benefits supplement the compelling career opportunities we offer. We continuously evaluate the competitiveness of our benefits offerings to meet the varying needs of our employees and their families. Despite a healthcare environment characterized by rising expenses, we continue to pay almost all employee healthcare insurance costs.

Health Plan Highlights and Total Rewards include:

- Medical/Prescription Drug Insurance
- Dental Insurance
- Vision Insurance
- Group Life/AD&D Insurance
- 401k Retirement Plan (including match and immediate vesting of individual contributions)
- Flexible unlimited vacation
- Tuition reimbursement
- Employee Assistance program (including mental health, wellness, legal, and financial tools and resources)
- Flu shot clinics in-office
- Leave policies including 11 paid holidays, maternity and paternity leave, wellness, legal and paid time off (including sick leave)
- $0 Employee Contribution to Health Plan

Inclusive Culture

Our efforts to foster a culture of inclusivity extend to the wellness benefits we offer our increasingly diverse employee base. Because we recognize that accommodating the varied needs of all employees maintains morale and improves retention, we offer the following the benefits:

- Infertility Treatment
- Adoption Assistance
- Egg-Freezing Coverage
- Contraception Coverage
- Nanny Network
- On-site breast-feeding/lactation room
- Gender Reassignment/Affirmation coverage
- Gender-inclusive restroom policy (encouraging employees to visit the restroom most consistent with their gender identity)

Measuring Employee Satisfaction

We conduct an annual Employee Satisfaction Measurement Survey to help us adapt our work environment to the varied needs of our employees. We believe that anonymously collecting such information via confidential personal surveys encourages our team to respond directly and honestly. This level of forthrightness enables us to more quickly make the necessary adjustments to ensure employee satisfaction. We report a 79% response rate for our Employee Satisfaction Measurement Survey.

	EMPLOYEE SATISFACTION METRICS AND RESULTS[1]
I feel encouraged and supported to speak up.	84%
If I raised concern about ethics and integrity, I am confident my employer would do what is right.	91%
My organization makes a positive impact on people and the planet.	93%
It is clear to me how my work contributes to our stated purpose.	93%
I feel I am contributing to the success of the company.	95%
Based on my experience, leadership consistently demonstrates the organization's stated values in everyday behavior.	86%
Based on my experience, leadership engages with the workforce about our culture and values in a meaningful way.	78%
I am clear on what is expected of me from a performance perspective.	92%
I receive timely feedback that strengthens my performance.	82%
I feel that I have an appropriate work-life balance.	76%
There is someone at work who encourages my development.	86%
The leadership at this company encourages diversity.	85%
Management shows that diversity is important through its actions.	82%
This company fosters a workplace that allows employees to be themselves at work without fear.	81%
This company respects individuals and values their differences.	90%
At this company, employees appreciate others whose backgrounds, beliefs and experiences are different from their own.	88%

(1) Results of February 2023 Employee Satisfaction Survey, excluding employees hired in 2023

Employee Stock Ownership Plan

To foster a collective sense of ownership commensurate with the work each of our employees contribute to our success, 100% of full-time employees are eligible for Employee Stock Ownership Plan (ESOP) participation within their first year.

» 112	» 100 %	» 4 years
Full-time employees	Employees eligible for Employee Stock Ownership Plan	Average employee tenure

SKILLS FOR THE FUTURE

Investing in the continuous professional development of our people builds toward our goal of creating an inclusive work environment that motivates everyone to deliver their best work.

Recognizing how important our people are to supporting the long-term health of our business drives us to recruit top talent — employees who share our passion for advancing climate solutions — in whose professional development we can invest. Initiatives such as tuition reimbursement for continuing education and professional development programs attest to our belief that opportunities for meaningful personal and professional advancement are key drivers of employee retention. Talented people who choose to elevate their careers at HASI experience a workplace that is at once collaborative, rewarding and transparent.

Our blended learning approach acknowledges that our people learn from a varied curriculum comprising experiences (at both work and in life), mentors, supportive managers as well as formal learning and training programs. We understand that learning is highly individualized and strive to provide professional guidance in ways most conducive to the specific needs of individual learners.

Managers hold performance conversations with their employees at least quarterly. These conversations ensure that employees receive the level of performance feedback they deserve. Insights gleaned during these performance discussions also enhance our approach to supporting employee development, clarifying expectations that align with the company's overarching objectives. We also facilitate continuous dialogue between these formal touchpoints.

Our dedication to cultivating our talent and supporting our employees encompasses various professional development opportunities, such as:

- Formal educational programs, advanced degrees and professional certifications, including in the fields of accounting and finance; and
- Internal trainings on DEIJA, implicit bias, leadership, finance, information technology, strategic thinking, managerial development and communication skills.

» 19	» 2,071	» $2,500
Average number of training hours per employee	Cumulative number of training hours	Average number of training dollars invested per employee

We have a formal employee mentorship program to encourage learning between all levels of team members and our more senior leaders. This mentorship program supports our formal succession planning procedures, which our Board continually oversees.

We also initiated a project, led by an interdepartmental working group, to assess and initiate the implementation of a new company-wide learning platform, with the desired goals of:

1. Increasing the scalability of our training and development opportunities
2. Providing learning pathways for team members working towards lateral or upward advancement in our team
3. Enhancing training delivery for varying learning styles

ENGAGEMENT

Engaged employees actuate our sustainability mission. Our people advance our business, recruit from their networks and grow their careers with us. We gather the company at least quarterly to inform our entire team about progress on our mission, strategic planning and financial results. We proactively seek team member input on how we can enhance our work environment and implement feedback on how we can positively influence our local communities.

Because our employees embody our organization, our employees are who ultimately uphold our purpose, values, strategy and talent leadership expectations.

Our employees characterize our company culture as collaborative, rewarding and transparent. People from all departments connect through:

Lunch and Learns

Monthly lunch and learn discussions about topics relevant to our business

Sailing Club

Our sailing club strengthens our bonds as a unified crew

Data & Analytics Club

This club covers coding and scripting, data modeling, machine learning, artificial intelligence, automation and other emerging trends

HASI team members at Navy football game.

EMPLOYEES IN ACTION

Walk the Watershed

HANNON ARMSTRONG PROUDLY SPONSORS WALK the WATERSHED RUN | WALK | BIKE | SWIM | PADDLE

HASI Collaborates with Chesapeake Bay Foundation to Walk the Watershed

Home to more than 18 million people and 3,000 species of plants and animals, the Chesapeake Bay watershed is a national treasure right in HASI's backyard. Yet environmental issues, compounded by climate change, have for decades degraded the water quality of Chesapeake Bay and its many tributaries, leading to devastating habitat loss and ecological destruction.

Robust engagement with the community through volunteering and fundraising is critical to restoring the Bay's habitat and working toward clean and healthy water for our region. That is why HASI was proud to join for the third time with the conservation group Chesapeake Bay Foundation (CBF) for their annual Walk the Watershed event.

A two-month fundraising event, Walk the Watershed organizes hundreds of community members to travel the lands that drain into the Chesapeake Bay. Each team of volunteers courts donations and walks 200 miles, a distance roughly equivalent to the Bay. At this year's event, the HASI team alone clocked an impressive 1,000 miles on foot and raised more than $10,000. In total, participants covered more than 9,447 miles, raising more than $53,000 for the CBF's various conservation initiatives, including tree plantings, oyster restoration and education outreach.

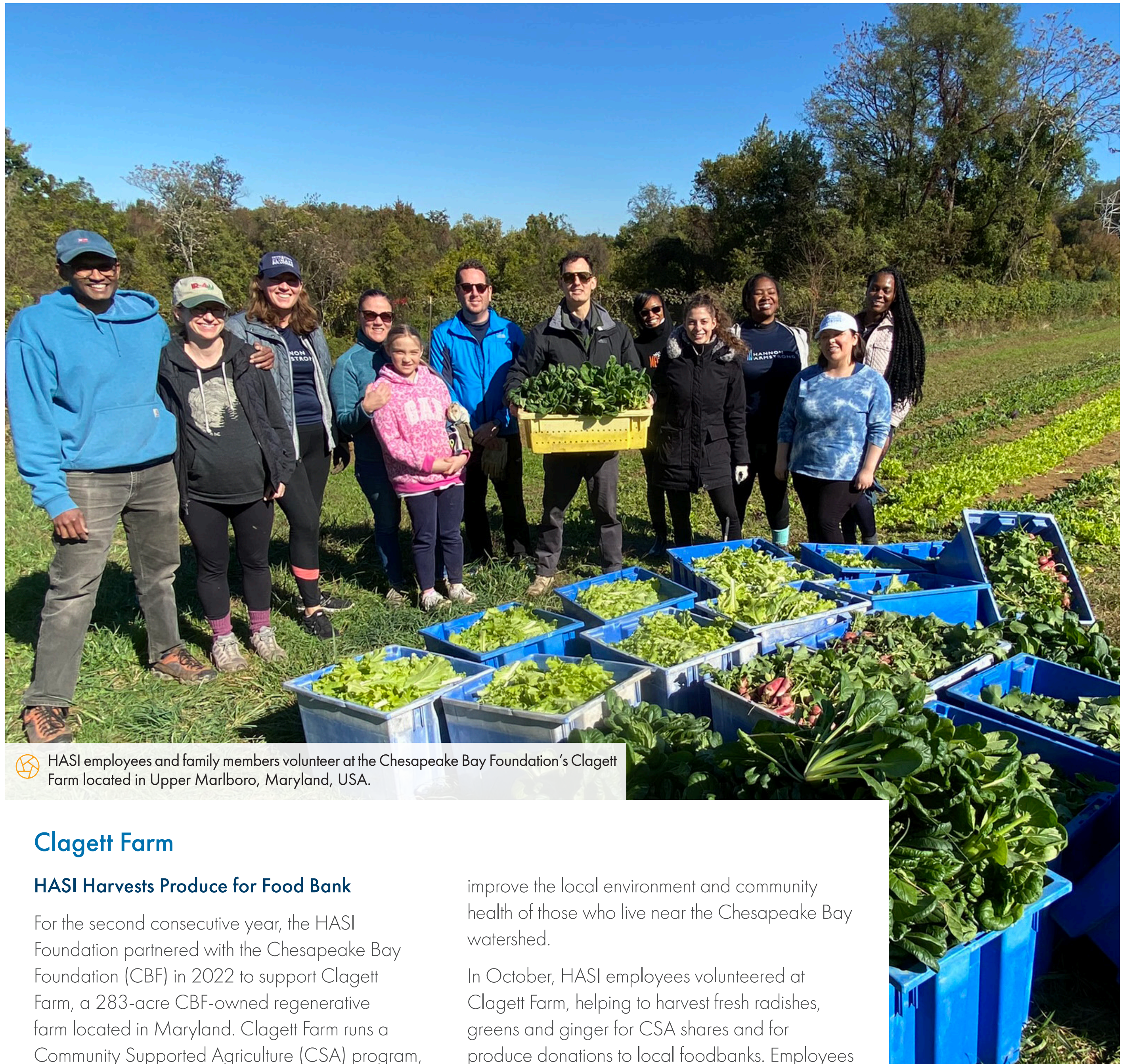
Together, the initiatives funded through this event will help restore healthy habitats and leave a legacy of clean water in the Chesapeake Bay. We are proud to have partnered with CBF along with volunteers from around the region to advance our shared mission to save the Bay.

HASI team members talk climate solutions with local students.

TPC Young Leaders

This seven-month afterschool program allows local Maryland middle school students to work collaboratively to discover who they are as individuals, find creative ways to develop leadership skills, serve their community and engage in workforce awareness experiences.

HASI employees joined the students one afternoon to discuss climate change and related technological and financial solutions. They also led the students in an exercise to evaluate and rate a series of potential climate solutions investments.



HASI employees and family members volunteer at the Chesapeake Bay Foundation's Clagett Farm located in Upper Marlboro, Maryland, USA.

Clagett Farm

HASI Harvests Produce for Food Bank

For the second consecutive year, the HASI Foundation partnered with the Chesapeake Bay Foundation (CBF) in 2022 to support Clagett Farm, a 283-acre CBF-owned regenerative farm located in Maryland. Clagett Farm runs a Community Supported Agriculture (CSA) program, raising and harvesting organic vegetables for more than 250 shareholders. The farm also conducts volunteer opportunities, individual farmer-to-farmer support and outreach and education events to advance regenerative agriculture and directly improve the local environment and community health of those who live near the Chesapeake Bay watershed.

In October, HASI employees volunteered at Clagett Farm, helping to harvest fresh radishes, greens and ginger for CSA shares and for produce donations to local foodbanks. Employees also learned about the Farm's regenerative farming techniques that help to combat climate change by reducing greenhouse gas emissions and increasing resilience to flooding.

GIVING BACK

HASI Foundation

"Our values create value for disadvantaged communities, empowering them to take on the climate crisis."

CHAD REED

Letter from the Executive Director

In the aftermath of the murder of George Floyd and the heat of the COVID-19 pandemic in 2020, we significantly increased our charitable contributions. Subsequently in early 2021, we created the HASI Foundation to add a long-term strategic lens to our maturing corporate philanthropy efforts targeted at the intersection of climate action and social justice.

This effort flowed from an organic expression of shared values that fits naturally within our culture of fierce curiosity and rigor about outcomes in climate investing. The foundation is funded by annual Social Dividends declared by HASI and the proceeds from an internal price on carbon assessed against HASI's Scope 1, 2 and 3 emissions (net of the avoided emissions resulting from investments). Over the last three years, HASI has contributed nearly $4.5 million to the foundation.

In 2022, we granted more than $900,000 to over 10 organizations – significantly exceeding the $300,000 we granted to five organizations in 2021. With local impact a core pillar of our strategy, we also started to co-chair the Maryland Philanthropy Network's Green Funders Group and participate in the Baltimore Sustainability and Resiliency Funding Roundtable.

By early 2023, we had formalized our employee-driven leadership structure and added multiple new board members, including three independents who have no prior affiliation with HASI. In addition, we built out several governance policies and selected an investment management firm to advise on our small but growing endowment.

Going forward, we encourage our employees to continue to push us to be more thoughtful and impactful in our strategic grantmaking as our commitment to both climate action and social justice remains as strong as ever.

Chad Reed
Executive Director

Leadership Team

Jeffrey Eckel
Board Director and President

Chad Reed
Executive Director

Kimberley Arigbede
Legal Officer

Charles Melko
Treasurer

Katherine Dent
Employee Engagement Officer

Dean Shuron
Program Officer

Hilary Langer
Program Officer

Gil Jenkins
Communications Officer

Tyler Broyles
Impact Reporting Officer

Board of Directors

Jeffrey Eckel
Board Director and President

Richard Chow
Board Director

Havaca Ganguly
Board Director

Jeffrey Lipson
Board Director

Tanya Millner
Board Director

Vision

We seek to accelerate a just transition toward an equitable, inclusive and climate positive future.

Focus Areas

Climate Solutions for Disadvantaged Communities

Support for organizations providing direct access to affordable energy efficiency, renewable energy and health-enhancing products and services to low-to-moderate income households and disadvantaged communities

Climate Solutions Career Pathways

Support for programs targeted at historically underrepresented communities and communities impacted by climate change and/or the energy transition that provide education on climate change impacts and training for careers in climate solutions

Local Impact

Support for organizations across the District of Columbia, Maryland and Virginia region that strengthen the social fabric and promote economic and climate resilience

2022 Grantees

In 2022, the HASI Foundation granted a total of more than $900,000 to the below organizations:

ORGANIZATION	PROGRAM	FOCUS AREA(S)
Southface	GoodUse	Disadvantaged Communities, Local Impact
Strategic Energy Innovations (SEI)	Climate Corps Fellowships	Career Pathways, Local Impact
Groundswell	Community Resilience Hub Program	Disadvantaged Communities, Local Impact
Morgan State University	Climate Solutions Scholarship Program	Career Pathways, Local Impact
Miami University	Climate Solutions Scholarship Program	Career Pathways, Local Impact
Rumie	Climate Change Action Leadership Library	Disadvantaged Communities
Native Renewables	Hozho Homes Program	Disadvantaged Communities
Chesapeake Bay Foundation	Clagett Farm	Disadvantaged Communities, Local Impact
Fair Chance	General Support	Disadvantaged Communities, Local Impact
Severn River Association	General Support	Local Impact
YWCA of Anne Arundel County	General Support	Disadvantaged Communities, Local Impact

HASI Foundation Grantee Spotlights

SEI Climate Corps Fellowships

Climate Corps Fellowships are a bridge-to-career fellowship program that recruits and places rising climate professionals with local governments, non-profits, educational institutions and for-profit partners to implement sustainability and resiliency projects.

With support from the HASI Foundation, SEI will:

- Train the region's climate and energy workforce of the future;
- Build capacity at Historically Black Colleges and Universities (HBCUs) and other universities serving historically underrepresented communities in the climate space to advance climate protection initiatives in the region.

UMBC

Bella Dastvan

Developing a best practice plan for management of invasive species on UMBC's 512-acre Campus.

Johnson C. Smith University

Aleena Oakley

Focusing on food security, recycling and greenhouse gas reductions on JCSU's campus, which has two solar arrays and a wind turbine.

University of Maryland Baltimore

Alexander Skoron

Developing a sustainability data dashboard for UMB to display energy, waste and procurement data and helping to integrate DEIJA into sustainability planning.

Community Resilience Hubs

Baltimore's Community Resiliency Hub Program is an innovative and impactful community-centered initiative that increases community capacity to prepare for, withstand and respond to natural hazard impacts and emergency situations.

HASI employees and community members visit the Stillmeadow Community Fellowship Resiliency Hub.

Community Resiliency Hubs are trusted, service-based non-profit community organizations (including faith-based) with strong leadership located in under-resourced neighborhoods. They provide essential resources and community support during times of crisis, including access to reliable power for essential devices; supplies, food and drinking water; and medications sensitive to temperature, among other things.

This ongoing collaborative effort involves many project partners, including a core team comprised of Groundswell (a nonprofit that builds community power through equitable solar projects and resilience centers); AF Mensah (a black-owned supplier of hardware, controls and battery O&M services); and Suncatch Energy (a black-owned solar and battery installation company).

A priority goal of the Program is to outfit Community Resiliency Hub partner organizations with solar power and battery back-up capabilities. This helps increase access to renewable energy and back-up power in LMI (low to moderate income) communities, reduces the utility cost burden for community organizations and provides community training and workforce development opportunities.

The HASI Foundation has provided Groundswell pre-development funding for the construction of multiple BTM solar arrays paired with battery storage for participating community-based organizations. These systems can be fully islanded and operate independently from local electrical distribution grid. Systems are designed to provide a 50% probability of lasting three full days in an off-grid scenario and power critical loads, including lighting, some refrigeration and plug loads for connectivity; some heating and cooling where feasible.

Excitingly, the Community Resiliency Hub Program is in an expansion phase due to an additional grant funding award from the Maryland Energy Administration (MEA) to assess solar power and battery storage feasibility for up to 30 community organizations interested in joining the Program. Four Community Resiliency Hubs already have solar and battery back-up capabilities.

PODCAST THOUGHT LEADERSHIP

In 2021, to bolster our mission-driven thought leadership, deepen employee and investor engagement and support our ESG and advocacy efforts, we launched Climate Positive – a biweekly podcast featuring candid conversations with the leaders, innovators and changemakers driving our climate positive future.

Hosted by Chad Reed (VP, Strategic Initiatives and ESG), Hilary Langer (Director, Middle Office) and Gil Jenkins (VP, Corporate Communications and Public Affairs), the podcast has featured during its over 40 episodes a diversity of guests, including business leaders, venture capitalists, nonprofit executives, authors, industry veterans and topics, including ESG investing, carbon removal, sustainable agriculture, ecosystem restoration, sustainable ocean farming, urban green building, emerging climate tech technologies and many more.

Climate Positive has also received notable industry recognition, including:

- Nominated for Top Clean Energy and Sustainability Podcast (People's Choice) at the Cleanie Awards
- Featured on Canary Media's Best of Playlist for Energy Climate Podcasts
- Ranked on Feedspot's Top 30 Climate Podcast

Climate Positive is available where you get your podcasts:

https://climate-positive.simplecast.com/

PROSPERITY

FINANCIAL PERFORMANCE

We closed more than $1.8 billion in climate solutions investments in 2022, and grew our portfolio by 19% with a corresponding increase in Distributable Net Investment Income of 34%. As a result, we continued our strong financial performance in 2022, increasing Distributable Earnings per Share by 11%.

Key Performance Indicators

		FY22	FY21	Growth (YOY)
EPS	GAAP	$1.51	$1.51	
	Distributable[1]	$1.88	$1.88	**+21%**
NII	GAAP-based	$11m	$11m	
	Distributable[1]	$134m	$134m	**+52%**
Portfolio Yield[1]		7.5%	7.5%	
Portfolio[2]		$3.6b	$3.6b	**+24%**
Managed Assets[1]		$8.8b	$8.8b	
Distributable ROE[3]		11.2%	11.2%	
Pipeline		**>$4b**	>$4b	
Transactions Closed		$1.7b	$1.7b	

carboncount®[4]

FY22	FY21
0.35	0.49

Incremental Annual Reduction in Carbon Emissions

FY22	FY21
~615k MT	~817k MT

watercount®[5]

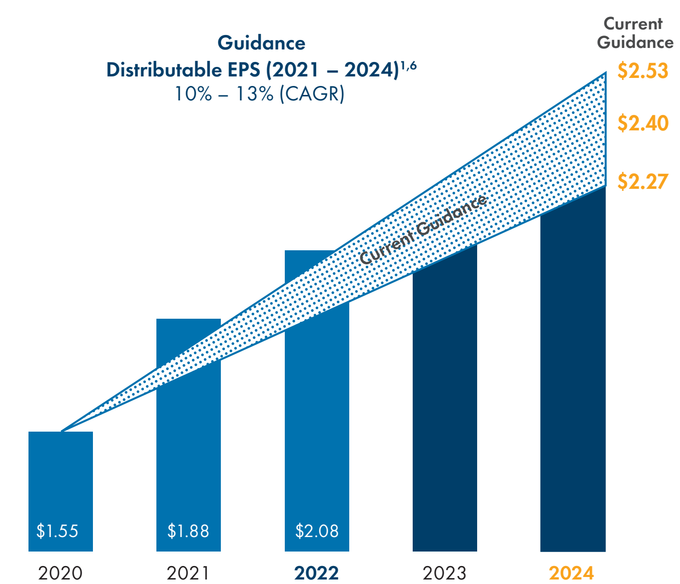
FY22	FY21
1,180	140

Incremental Annual Water Savings

FY22	FY21
~2.0b G	~228m G

Increase and Extension of Guidance

Distributable EPS



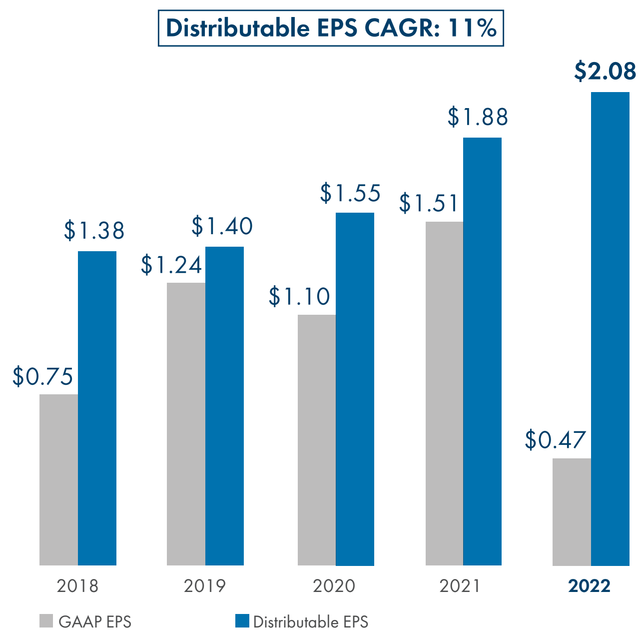
Expected Compounded Annual Growth

Distributable EPS (2021 – 2024)[6] : 10% – 13%
DPS: 5% – 8%

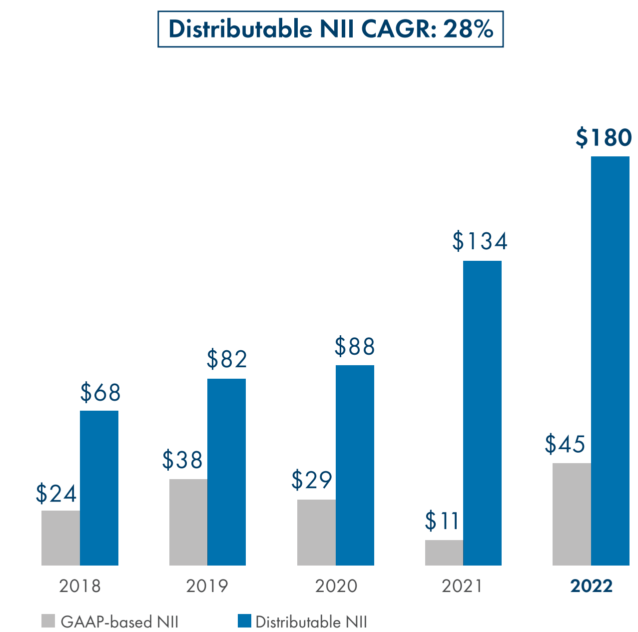
(1) See Item 7 to our Form 10-K, filed on February 21, 2023 with the SEC, for an explanation of Distributable Earnings, Distributable Net Investment Income, Portfolio Yield and Managed Assets, including reconciliations to the relevant GAAP measures, where applicable.
(2) GAAP-based.
(3) Distributable ROE is calculated using Distributable Earnings for the period and the average of the quarterly ending equity balances for the period.
(4) CarbonCount is a scoring tool that evaluates investments in U.S.-based energy efficiency and renewable energy projects to estimate the expected CO_2 emission reduction per $1,000 of investment.
(5) WaterCount is a scoring tool that evaluates investments in U.S.-based projects to estimate the expected water consumption reduction per $1,000 of investment.
(6) Relative to the 2020 baseline.

GROWTH HIGHLIGHTS

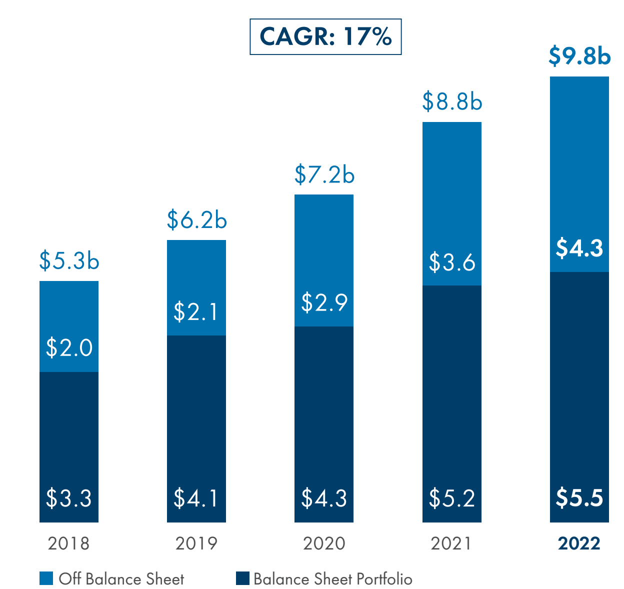
GAAP and Distributable EPS[1]



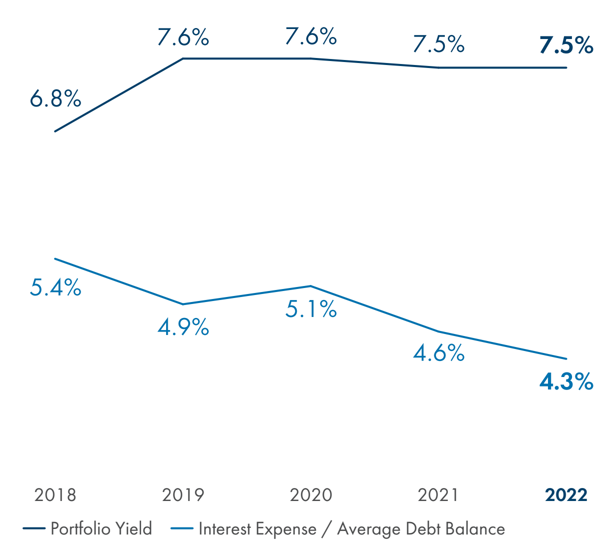
GAAP-based and Distributable NII[1]



Managed Assets[1]



Portfolio Yield[1] and Cost of Debt[2]



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(2) Excludes incremental interest expense related to debt payments.

APPENDIX

HASI ENVIRONMENTAL METRICS FOR FISCAL YEAR ENDING DECEMBER 31, 2022

	DECEMBER 31, 2022
REPORTING BOUNDARY	
% of Occupied Facilities Covered in Reporting	100.0%
Revenues Covered in Reporting	100.0%
Full Time Employees	112[1]
TOTAL ENERGY CONSUMPTION	
Total Annual Energy Consumption (MWh)	212
Total Annual Renewable Energy Consumption	212
Percentage of Total Energy Consumed Supplied by Renewable Energy	100.0%
Total Onsite Power Generated (MWh)	0
Self Generated Renewable Electricity	0
Onsite Fuel Used - Natural Gas (mmbtu)	0
Onsite Fuel Used - Oil/Diesel (mmbtu)	0
Onsite Fuel Used - Coal/Lignite (mmbtu)	0
Onsite Fuel Used - Biomass (mmbtu)	0
Renewable Energy Certificates (MWh)	117
Renewable Energy Purchased Under Power Purchase Agreement	0
Alternative Fuel Use %	0.0%
Solar % Total Energy	0.0%
Nuclear % Total Energy	0.0%
Biomass Fuel Use %	0.0%
GREENHOUSE GAS EMISSIONS REPORTED IN METRIC TONS OF CO_2 EQUIVALENT EMITTED OR (OFFSET) OVER ANNUAL REPORTING PERIOD	
Scope 1	0[2]
Scope 2 - Location Based	63[2]
Scope 2 - Market Based	0[2]
Scope 3 - Total (excluding Category 15 - Investments)	311
SCOPE 3 UPSTREAM - SUBTOTAL	**311**
Scope 3 Category 1 - Purchased Goods and Services	17
Scope 3 Category 2 - Capital Goods	0
Scope 3 Category 3 - Fuel and Energy Related Activities	0
Scope 3 Category 4 - Upstream Transportation and Distribution	0
Scope 3 Category 5 - Waste Generated in Operations	1[2]
Scope 3 Category 6 - Business Travel	226[2]
Scope 3 Category 7 - Employee Commuting	67[2]
Scope 3 Category 8 - Upstream Leased Assets	0
SCOPE 3 DOWNSTREAM - SUBTOTAL	**0**
Scope 3 Category 9 - Downstream transportation and distribution	0
Scope 3 Category 10 - Processing of sold products	0
Scope 3 Category 11 - Use of sold products	0
Scope 3 Category 12 - End of life treatment of sold products	0

HASI ENVIRONMENTAL METRICS FOR FISCAL YEAR ENDING DECEMBER 31, 2022

	DECEMBER 31, 2022
Scope 3 Category 13 - Downstream leased assets	0
Scope 3 Category 14 - Franchises	0
Direct CO_2 Emissions	0
Indirect CO_2 Emissions	374 [2]
Total CO_2 Emissions	0
Methane	0
Direct Nitrous Oxide Emissions	0
Direct Sulfur Hexafluoride Emissions	0
Direct Methane Emissions	0
Direct Nitrous Oxide Emissions	0
Direct SF6 Emissions	0
Direct HFC Emissions	0
Direct PFC Emissions	0
OTHER EMISSIONS REPORTED IN METRIC TONS	
Criteria Pollutants	0
HFC	0
PFC	0
SF6	0
VOC Emissions	0
SOx Emissions	0
NOx Emissions	0
Particulate Matter	0
HAPs	0
CO Emissions	0
ODS Emissions	0
Particulate Emissions	0
Gas Flaring	0
SO_2 Emissions	0
TOTAL WATER USE REPORTED IN KGALS	
Total Water Withdrawal for Corporate Uses	54
Municipal Water Use	54
Groundwater Withdrawals	0
Saltwater Withdrawals	0
Surface Water Withdrawals	0
Reclaimed Water Use	0
Total Water Recycled	0
Process Water Use	0
Water/Unit of Prod	0
Cooling Water Inflow	0
Cooling Water Outflow	0

HASI ENVIRONMENTAL METRICS FOR FISCAL YEAR ENDING DECEMBER 31, 2022

	DECEMBER 31, 2022
Water Discharged	0
Discharges to Water	0
Biological Oxygen Demand of Discharges	0
Chemical Oxygen Demand of Discharges	0
Nitrogen Discharges	0
Phosphorus Discharges	0
% Water Recycled	0
Water Stress Exposure %	0
TOTAL WASTE REPORTED IN METRIC TONS	
Total Paper Consumed	7
Waste Recycled	3
Hazardous Waste	0
Waste Sent to Landfills	23
Post-Consumer Recycled Paper as Percentage of Total Paper	100.0%
FINES	
Environmental Fines #	0
Environmental Fines $	$0
INVESTMENTS/COSTS	
Investments in Operational Sustainability	0
Certified Sites	0
Number of Sites	0
ISO 14001 Certified Sites	0
% Sites Certified	0

(1) As of 12/31/2022 we employed 112 people. During the period from 1/1/2022 to 12/31/2022, we calculated that an average of 32 people occupied the office each day, which figure we used for calculating Scope 3 emissions, water usage and office waste.

(2) FY22 Scope 1, Scope 2 and Scope 3 Emissions have been verified by Apex.

HASI U.N. SDGS TABLES

U.N. SDG	U.N. Target	Alignment with our Program
5 GENDER EQUALITY	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life; Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences.	Over the last two years, we have begun in earnest to track and report on several gender equality metrics impacting our employees, including the percentage of female employees at all levels of our company and associated compensation, to support gender equity. To promote the advancement of female leaders in a traditionally male-dominated industry, we launched a new internal program whereby our female Board members mentor high-achieving female managers and continue our multi-year sponsorship of Women of Renewable Industries and Sustainable Energy (WRISE) and the membership of our female executives in the Hawthorn Club. In addition, our benefits ensure access to sexual and reproductive healthcare.
6 CLEAN WATER AND SANITATION	By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally. Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.	Our portfolio includes investments in stormwater remediation and ecological restoration, which reduce pollution runoff into downstream waterways, restore wetlands and streams and ensure equitable access to clean water resources. We actively seek additional investment opportunities in this space to drive positive environmental and social impact through our client relationships with leading environmental development firms.
7 AFFORDABLE AND CLEAN ENERGY	By 2030, increase substantially the share of renewable energy in the global energy mix.	As a leading investor in climate positive infrastructure assets in the United States, we provide solutions to enable the deployment of more reliable, resilient and affordable clean energy. Our continued financing of community solar, which represents 8% (or approximately $344 million) of our $4.3 billion portfolio (as of the end of 4Q22), promotes the accessibility and adoption of clean energy for a diverse array of communities, typically at a discount to retail electricity rates. The community solar model provides customers with equal access to the benefits of clean energy — regardless of the specific physical structure or ownership status of their residence.
8 DECENT WORK AND ECONOMIC GROWTH	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants and those in precarious employment.	Industries related to the clean energy economy continue to experience steady growth in the United States and create new employment opportunities. We estimate our investments support nearly 400,000 jobs across 48 U.S. states. The HASI Foundation's Climate Solutions Scholarship program, which provides financial support to sustainability-focused undergraduate students from historically disadvantaged backgrounds at Morgan State and Miami Universities, further demonstrates our commitment to supporting high quality jobs in this sector.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	We invest in infrastructure that reduces dependence on vulnerable grid-connected energy and enhances the reliable supply of distributed clean energy. In 2022, our energy efficiency investments modernized aging infrastructure for residential, retail, industrial and government customers. Improved performance across these sectors saves money, reduces carbon emissions and enhances local infrastructure resilience. In addition, integrating proven battery energy storage systems into our projects allows for the deployment of intermittent renewable resources during off-peak hours.
10 REDUCED INEQUALITIES	By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, economic or other status. Adopt policies, especially fiscal, wage and social protection policies and progressively achieve greater equality.	The HASI Foundation is funded by an annual Social Dividend declared by HASI. The Foundation seeks to accelerate a just transition toward an equitable, inclusive and climate positive future, and focuses on three areas: Climate Solutions for Disadvantaged Communities, Climate Solutions Career Pathways and Local Impact. Last year, the Foundation supported multiple nonprofit organizations operating at the intersection of climate action and social justice. In addition, HASI supports organizations focused on removing discriminatory barriers to voting and other equity-enhancing democracy reforms. Our commitment to providing all employees and contractors with a living wage endeavors to advance economic equality.
11 SUSTAINABLE CITIES AND COMMUNITIES	By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	Our investments in energy efficiency, renewable energy, seismic retrofits and stormwater mitigation improve the sustainability of cities and communities. To provide these services to underserved markets, we actively leverage commercial property assessed clean energy (C-PACE) financing programs. In 2022, the expansion of our distributed solar investments brought commercial and industrial solar to cities across the United States.
13 CLIMATE ACTION	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. Integrate climate change measures into national policies, strategies and planning.	Climate action is the central pillar of our business model. Since our initial public offering in 2013, we have invested over $10 billion in climate solutions. To advance climate policy, our advocacy in 2022 included bipartisan lobbying of lawmakers to support meaningful climate legislation and carbon pricing. Our investment thesis attests to the business case for climate solutions.
15 LIFE ON LAND	Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements. Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.	Our portfolio includes investments in ecological restoration, which restores wetlands and streams. We actively seek additional investment opportunities in this space to drive positive environmental and social impact through our client relationships with leading environmental development firms.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote the rule of law at the national and international levels and ensure equal access to justice for all. Develop effective, accountable and transparent institutions at all levels. Promote and enforce non-discriminatory laws and policies for sustainable development.	Through our lobbying efforts, client engagement and support for advocacy organizations such as Business for America, we support pro-democracy reforms, such as reducing voting barriers, and bipartisan legislation to promote effective, accountable and transparent institutions that ensure responsiveness to climate risks and the peaceful transfer of power.

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Stock Listing
HASI
Sustainable Infrastructure Capital, Inc.'s common stock is listed on the New York Stock Exchange under the symbol "HASI".

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