C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

HASI makes investments in climate solutions by providing capital to leading companies in the energy efficiency, renewable energy, and other sustainable infrastructure markets. Our goal is to generate attractive risk-adjusted returns from a diversified portfolio of projects with long-term, predictable cash flows from proven technologies that reduce carbon emissions or increase resilience to climate change. 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.

Our investments have taken many forms, including equity, joint ventures, land ownership, lending, or other financing transactions.

Our investments are focused on three areas:

-Behind-the-Meter ("BTM"): distributed building or facility projects, which reduce energy usage or cost through the use of solar generation and energy storage or energy efficient improvements including heating, ventilation and air conditioning systems (“HVAC”), lighting, energy controls, roofs, windows, building shells, and/or combined heat and power systems;

-Grid-Connected ("GC"): projects that deploy cleaner energy sources, such as solar and wind to generate power where the off-taker or counterparty is part of the wholesale electric power grid; and

-Fuel, Transport, and Nature ("FTN"): upgraded transmission or distribution systems, water and storm water infrastructure, seismic retrofits and other projects, that improve water or energy efficiency, increase resiliency, positively impact the environment or more efficiently use natural resources.

We are internally managed, and our management team has extensive relevant industry knowledge and experience, dating back more than 30 years. We have long-standing relationships with the leading energy service companies (“ESCOs”), manufacturers, project developers, utilities, owners and operators. Our origination strategy is to use these relationships to generate recurring, programmatic investment and fee generating opportunities. Additionally, we have relationships with leading banks, investment banks, and institutional investors from which we are referred additional investment and fee generating opportunities.

We completed approximately $1.8 billion of transactions during 2022, compared to approximately $1.7 billion during 2021. As of December 31, 2022, we held approximately $4.3 billion of transactions on our balance sheet, which we refer to as our “Portfolio.” For those transactions that we choose not to hold on our balance sheet, we transfer all or a portion of the economics of the transaction, typically using securitization trusts, to institutional investors in exchange for cash and, in certain cases, residual interests in the trusts and ongoing fees. As of December 31, 2022, we managed approximately $5.5 billion in these trusts or vehicles that are not consolidated on our balance sheet. When we combine these assets with our Portfolio, as of December 31, 2022, we manage approximately $9.8 billion of assets, which we refer to as our “Managed Assets.”

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date
January 1 2022

End date
December 31 2022

Indicate if you are providing emissions data for past reporting years
Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for
4 years

Select the number of past reporting years you will be providing Scope 2 emissions data for
4 years

Select the number of past reporting years you will be providing Scope 3 emissions data for
4 years

C0.3

(C0.3) Select the countries/areas in which you operate.
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.
Equity share

C-CN0.7/C-RE0.7

(C-CN0.7/C-RE0.7) Which real estate and/or construction activities does your organization engage in?
Other real estate or construction activities, please specify (We are a capital provider taxed as a Real Estate Investment Trust (REIT). Our investments have taken many forms, including equity, joint ventures, land ownership, lending, or other financing transactions.)

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a CUSIP number	41068X100

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?
Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board-level committee	As part of its Charter, the Nominating, Governance & Corporate Responsibility (NGCR) Committee periodically reviews the Company's strategies, activities, policies, and communications regarding sustainability and other environmental, social and governance ("ESG") related matters and makes recommendations. The Finance and Risk Committee of the board oversees environmental risk, including climate change induced risks, that have the potential to internalize within business. The committee receives periodic updates from ESG Staff Committee Leader, who reports directly to the Chairman and the CEO on development and execution of ESG initiatives. The Board formalized oversight of ESG policies, strategies, and activities through the NGCR in 2018, demonstrating commitment to ESG matters.
Chief Executive Officer (CEO)	Until March 1, 2023, the Chief Executive Officer was also the chairman of the Board of Directors. Our CEO, who now also sits on our Board of Directors (no longer as chairman however), oversees our strategies, activities, policies and communications regarding sustainability, climate-related issues and other environmental, social and governance ("ESG") related matters. The CEO receives periodic updates from the ESG staff committee leader.
Board Chair	Until March 1, 2023, HASI's CEO also served as Board Chair, so the information mentioned above also applies. Throughout 2022, our former Chair/CEO oversaw the strategies, activities, policies and communications regarding sustainability, climate-related issues and other environmental, social and governance ("ESG") related matters. The Chair/CEO received no less than quarterly updates from ESG Staff Committee Leader. CarbonCount is part of our investment analysis and our Investment Committee, which included the Board Chair, makes decisions to approve each investment, including in the last two years. In addition, our Board Chair made the decision to approve our internal carbon pricing methodology.
Other, please specify (Chief Investment Officer)	The Chief Investment Officer is included among the company's Named Executive Officers (NEOs) and is responsible for the company's investing activities. As part of the company's underwriting process, the officers also ensure that all investments adhere to the company's Sustainability Investment Policy. To meet the company's sustainability screen, a proposed investment must either reduce or be neutral on carbon emissions, or have some other tangible environmental benefit such as reducing water consumption. The officers oversee all analyses to this end, including the calculation of CarbonCount – a proprietary scoring tool for evaluating the efficiency by which the company's invested capital reduces carbon emissions.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Overseeing and guiding employee incentives Reviewing and guiding strategy Monitoring the implementation of a transition plan Overseeing and guiding scenario analysis Overseeing the setting of corporate targets Monitoring progress towards corporate targets Reviewing and guiding the risk management process	<Not Applicable>	The ESG Leadership Team typically meets monthly and reports to the Nominating, Governance and Corporate Responsibility (NGCR) Committee of the Board of Directors. The ESG Leadership Team discusses ESG issues during the scheduled Board meetings. The focused meetings alternatively lay emphasis on E, S and G issues to ensure robust Board-level management. The 2022 discussions covered topics ranging from climate justice, diversity, equity, inclusion, and anti-racism (DEIJA), and included discussions to strengthen relationships with all stakeholders. The ESG Leadership Team comprises representatives from internal departments including Legal, Strategic Initiatives and ESG, Accounting and Corporate Finance, and Human Resources. The larger ESG team includes representatives from departments including Legal, Strategic Initiatives and ESG, Accounting and Corporate Finance, Human Resources, the HASI Foundation Leadership Team, the DEIJA Working Group, the ESG Reporting Frameworks Committee, Investor Relations, Investments, Communications, and Portfolio Management. These respective teams meet regularly to review and discuss key ESG issues through reviewing quarterly data, processes, and scorecards. ESG performance metrics are a meaningful part of the employee compensation package, which is linked to the success in executing climate positive investments. Additionally, we are transparent toward pertinent ESG risks and disclosures by including the recommendations from Task Force on Climate-related Financial Disclosures ("TCFD") in our Form 10-K.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	Board member competence on climate-related issues is assessed through an appraisal of each board members' respective risk management expertise, energy industry experience, and sustainable finance knowledge. Based on these traits, at least three HASI Board Members all demonstrate particular competence on climate-related issues. Determination criteria to assess competence on climate-related issues include board members' backgrounds in Enterprise Risk Management, which encompasses ever more prevalent climate-related risks, and also experience with Power/Utility/Natural Resources Industries whose technologies present differential impacts and solutions to climate change and inform the sustainable finance posture emblematic of HASI's investing strategy.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee
Chief Executive Officer (CEO)

Climate-related responsibilities of this position
Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Managing climate-related acquisitions, mergers, and divestitures
Providing climate-related employee incentives
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
The Chief Executive Officer oversees the allocation, prioritization, and oversight of staff and company resources dedicated to the implementation and integration of climate-related issues into the broader Company strategy. Responsibilities include overseeing climate-related employee incentives, monitoring the Company's climate transition plan, guiding the firm's overall climate strategy and reviewing the budget expenditures necessary to support the Company's climate strategy. The CEO communicates progress on such activities to our Board of Directors, as climate-related issues are fully integrated into the Company's business operations.

Position or committee
Other C-Suite Officer, please specify (Chief Accounting Officer)

Climate-related responsibilities of this position
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
Members of the senior management team, including the Chief Accounting Officer and Chief Human Resources Officer, as well as the Vice President – Strategic Initiatives and ESG, the Vice President – Corporate Communications & Public Affairs, and Vice President & Deputy Chief Legal Officer, head the Company's ESG Leadership Team and are responsible for implementing strategies and disclosures on climate-related issues. Our Chief Accounting Officer is also responsible for the Company's implementation of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), recognizing the importance of quantifying the financial impact of climate-related risks and opportunities. With respect to implementing strategies and disclosures on climate-related issues, the ESG Leadership Team reports to the Chairman and Chief Executive Officer.

Position or committee
Sustainability committee

Climate-related responsibilities of this position
Integrating climate-related issues into the strategy
Setting climate-related corporate targets

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
The ESG Leadership Team works with the Portfolio Management group of our organization to evaluate various climate-related risks and opportunities, including transitional risk and physical risk as well as opportunities related to mitigating and adapting to climate change. These two teams jointly develop various environmental policies and implement the recommendations of TCFD, for purposes of the scenario analysis and setting climate-related corporate targets.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Executive compensation is implicitly linked to ESG performance due to our focus on investments in climate solutions, which drive growth in key compensation-linked financial metrics.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive
Corporate executive team

Type of incentive
Monetary reward

Incentive(s)
Salary increase

Performance indicator(s)
Board approval of climate transition plan
Progress towards a climate-related target

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
The HASI Corporate Executive team is incentivized to make progress toward our climate goals with compensation increases approved by the Board. The Board takes into account both the financial and environmental performance of our climate solutions investments, including impacts on cashflows and the efficiency with which these investments avoid CO2, as calculated using CarbonCount.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
HASI's executive compensation is linked to making climate positive investments that pass our Sustainability Investment Policy screen, which mandates that all investments must either reduce or be neutral on carbon emissions, or have some other tangible environmental benefit such as reducing water consumption. Because our business plan relies on making profitable investments in climate solutions, our executive compensation is in part based on the financial performance of each of these climate positive investments, which financial performance is used to determine the monetary rewards for our executive team.

Entitled to incentive
All employees

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Implementation of an emissions reduction initiative
Energy efficiency improvement
Reduction in total energy consumption

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
All employees are incentivized with both short-term and long-term monetary rewards based upon corporate performance. The employee clean transportation incentive was launched in 2019 to incentivize employees towards the purchase or lease of zero-emission electric vehicles. Through the end of 2022, approximately 38% of employee survey respondents have chosen to adopt electric or hybrid-electric vehicles.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
This incentive contributes to our goal of reducing our Scope 3 emissions as we prepare to set a science-based Scope 3 target.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?
Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	
Medium-term	2	7	
Long-term	7	25	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

We define impacts to be of substantive financial or strategic significance when such impacts exceed a threshold of $1.0 million of financial implications on our business. Therefore, when identifying or assessing climate-related risks, risks and opportunities with potential financial implications above $1.0 million per year are considered substantive.

Quantifiable indicators that inform our identification and assessment of such substantive financial or strategic impacts include $USD revenue projections, climate scenario analysis measured by temperature fluctuations, increased insurance costs due to climate-related risk appraisals, and our portfolio's exposure to changes in the market price of power due to increased demand driven by climate change.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
HASI works together with the management team and employees from a variety of departments including Portfolio Management, Accounting, Legal, Investments, and in-house Engineering to identify material climate change risks and opportunities affecting our direct business operations, our upstream value chain, as well as downstream of our business operations as and when the company requires, but at least once a year.

Once identified, we stratify such climate-related risks and opportunities by their short-, medium-, or long-term impacts, before we run upside and downside scenarios on our cashflows to evaluate the nuances of particular physical risks. One such example of long-term time horizon climate risk identification, assessment, and response includes assuming an existing 100-year flood plain becomes a 10-year flood plain and that our assets in this 100-year flood plain would be subject to catastrophic flood effects during their useful life. By leveraging our internal enterprise risk management expertise to identify the risk, then applying the discipline of actuarial science to assess insurance premium fluctuations engendered by this flood-plain risk, we are in a position to respond to such a climate-related risk by adapting our short-, medium-, and long-term projections to this new financial reality as well as engineering physical safeguards to prolong the useful life of our investment in this climate scenario. By applying this assessment, identification, and response to our direct business operations, our upstream value chain, and downstream results, we adequately manage our exposure to climate-related risks.

Case Study: We evaluate transition risks/opportunities over a short-medium term horizon, with a multi-disciplinary management team, such as the implementation of a carbon tax and the impact due to an associated increase in the cost of wholesale electricity that would increase the returns on our preferred equity investments in utility-scale wind farms. We run upside and downside scenarios on our cashflows by evaluating the particular risks and potential opportunities. We also manage our exposure to the implementation of a carbon tax by investing exclusively in assets that offset carbon emissions (or are neutral on carbon emissions), which positions us to potentially benefit in the event that a carbon tax is implemented because all of our investments reduce or avoid carbon emissions.

Case Study: With respect to managing the physical risk of increased flooding events, we manage our exposure with a short-medium term horizon by ensuring we have insurance policies sufficient to cover the outstanding balance of our investment in the event of a catastrophic flood. HASI considers the risks associated with investing in low lying areas and the risk of asset impairment as a result of sea level rise. As an investor in wind assets, we pursue a geographically diversified portfolio of investments in order to mitigate the potential impacts of shifting wind patterns caused by climate change. We make these evaluations as part of our investment process. We have disclosed this in our Impact Report on page 38. This is also disclosed beginning on page 54 in our most recent Form 10-K filed with the SEC.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	This type of risk is relevant because we are directly exposed to regulation that could reduce demand for the projects in which we invest and are indirectly exposed to the repayment risk of investments that could be affected if appropriations for the projects are delayed or terminated. The projects in which HASI invests can depend in part on various U.S. federal, state or local governmental policies and incentives that support or enhance economic feasibility. Such policies may include governmental initiatives, laws and regulations designed to reduce energy usage, encourage the use of renewable energy or encourage the investment in and the use of sustainable infrastructure. Incentives provided by the U.S. federal government may include tax credits (with some of these tax credits that are related to renewable energy scheduled to be reduced in the future), tax deductions, bonus depreciation as well as federal grants and loan guarantees. Incentives provided by state and local governments may include renewable portfolio standards, which specify the portion of the power utilized by local utilities to be derived from renewable energy sources as well as the state or local government sponsored programs where financing of energy efficiency or renewable energy projects is repaid through assessment in the property tax bill in a program commonly referred to as property assessed clean energy ("PACE"). Additionally, certain states have implemented feed-in tariffs, pursuant to which electricity generated from renewables is purchased at a higher rate than prevailing wholesale rates. The change in these regulations impact us in the following ways: • Governmental agencies, commercial entities and developers of sustainable infrastructure projects frequently depend on the policies and incentives to help defray the costs associated with, and to finance, various projects. • Government regulations also impact the terms of third-party financing provided to support these projects. • If any of these government policies, incentives or regulations are adversely amended, delayed, eliminated, reduced, or not extended beyond their current expiration dates, the demand for, and the returns available from, the financing we provide may decline, which could harm our business. • Changes in government policies, support, and incentives, including retroactive changes, could also negatively impact the operating results of the projects we finance and the returns on our assets.
Emerging regulation	Relevant, always included	This risk type is relevant and included in our risk assessment process. There are many emerging regulations specific to climate related risks that HASI considers. For example, a carbon pricing mechanism implemented by governmental authorities may lead to increase in power prices, operating costs for certain entities and the increased competition of renewable energy, energy efficiency and storage projects. In relation to new business, there is the potential that more competitors enter our markets and put pressure on our asset pricing strategies as renewable energy and energy efficiency projects become more cost competitive with fossil fuel electricity generation assets. We constantly review our pricing strategies and would continue to do so in this scenario to understand how we can continue to make investments with acceptable risk adjusted returns.
Technology	Relevant, always included	This risk type is relevant and included for companies operating low-carbon technologies in the market. As a part of physical risk assessment to assets, HASI has evaluated the impact that climate risks impose on renewable energy projects. For example, the increased average global temperatures impact the efficiency of solar panels. Additionally, changes in wind density and the potential of shifting wind patterns due to increased average temperature impact the efficiency of wind turbines. These risks are evaluated as part of due diligence process. We manage such risks by focusing on projects that use proven technology and that often have contractually committed agreements with an investment grade rated off-taker or counterparties.
Legal	Relevant, always included	This risk is relevant and is closely related to the reputational risk. Reputational risk may arise from negative stakeholder perception, including negative publicity of the renewable energy. Labor is a critical part for jurisdictions where our projects operate. Labor forces have a legal right to strike which may have a negative impact on our business, financial condition, and results of operations, either directly or indirectly. For example, a critical upstream or downstream counterparty subject to a labor disruption can impact the ability of our projects to operate. We mitigate the legal and reputational risks by actively engaging with stakeholders at regular intervals.
Market	Relevant, always included	Changes in market conditions can adversely affect the earnings from our investments. If the cost of energy generated by traditional sources of energy continues to stay or further decline from present levels, demand for the projects in which we invest may decline. If the market for various types of sustainable infrastructure projects or the investment techniques related to such projects do not develop as we anticipate, new business generation in this target area may be adversely impacted. Some projects in which we invest rely on net metering and related policies to improve project economics which if reduced could impact repayment of our investments or the return on our assets. Additionally, developments resulting from changes in interest rates could have material impact on our business, financial condition, and results of operations. The increase in interest rates can lead to increased interest expense, decline in the market value of fixed return assets, as well as reduced demand for our investments.
Reputation	Relevant, always included	As a pioneer in climate solutions investing, HASI has built a strong Environmental, Social and Governance ("ESG") reputation, and believes that it will be able to maintain a positive public status through focused investments. However, we can be subject to reputational risk due to negative publicity or public perception of the renewable energy industry in which we operate. For example, various forms of renewable energy and C-PACE financings have at times received less favorable media coverage, which because we are invested in these and/or adjacent asset classes, can impact our reputation. To address the indirect reputational risks, we are committed to support traditionally marginalized communities for skill development and other training needs to be able to work in the clean energy sector. We also engage with the stakeholders periodically to address various concerns.
Acute physical	Relevant, always included	This risk type is relevant and is an operational risk. Projects related to our investments in particularly vulnerable regions such as low-lying coastal areas may face climate change related physical risks. These locations might face risks from severe flooding and storm damages. Such events can cause construction delays, operational shutdowns, and more significant site damage. A portion of our investments are also in high wildfire risk regions and are exposed to catastrophic damage from wildfire events. We conduct annual assessments of physical risks to our investment portfolios through scenario analysis as a part of our TCFD disclosure. The assessment results and a business continuity plan are reviewed by the ESG strategy team. As a part of risk mitigation, when underwriting our investments, we negotiate structural protections to mitigate any loss we may incur from operations or inability of the projects to operate (this includes project insurance). For any new investment opportunities, we evaluate the exposure to acute physical risks such as wildfires and severe flooding and structure our investment terms such that we protect our invested capital.
Chronic physical	Relevant, always included	This risk type is relevant and is an operational risk because the risks resulting from sustained temperature increases such as sea level rise, extreme heat and drought could directly impact our operations by increasing our exposure to basis risk on projects with fixed delivery/volume hedges. We conduct annual assessments of physical risks to our investment portfolios through scenario analysis as a part of TCFD disclosure. These assessment results and a business continuity plan are reviewed by the ESG strategy team.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)

Primary potential financial impact

Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

With our investments' geographic context limited to just the United States, extreme weather events such as earthquakes, floods, severe convective storms (including tornados and hail), and wildfire have the potential to impact our investments. We previously engaged an insurance consultant to perform an analysis based on Risk Management Solutions (RMS) and natural catastrophe risk models – the primary natural catastrophe models used in the insurance industry- on our portfolio. Increased severity and frequency of both have been modelled along with respective financial implications.

The outcome of this analysis indicates the below:

• Flood
o Less than 3% of the Total Insurable Value (TIV) of our ~$9.8 billion portfolio (which includes projected replacement value and one year of annual revenue) of the projects in our portfolio is located in Special Flood Hazard Areas

• Severe Convective Storm and Hail
o Approximately 4% of the TIV of $9.8 billion (which includes projected replacement value and one year of annual revenue) of the projects in our portfolio is located in high or very high risk locations

• Fire
o Less than 1% of the TIV of $9.8 billion (which includes projected replacement value and one year of annual revenue) of the projects in our portfolio is located in high risk locations

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
18600000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Approximately, 1% of the TIV of $9.8 billion (which includes projected replacement value and one year of annual revenue) of the projects in our portfolio is located in high fire risk locations, high or very high risk locations for severe convective storm and hail, or Special Flood Hazard Areas. Our investments' geographic context is limited to the United States.

It is highly unlikely that all assets would be impacted by increased meteorological events at the same time; however, indicatively, if 19% of the assets in high-risk fire locations were impacted at the same time, the TIV impacted would be $17.1 million (i.e. $9.8bn * 1% * 19% = $18.6m).

As a specific example of the above risk, at 31 December 2022, HASI had approximately $15 million on the balance sheet with regard to banked mitigation assets which may be prone to natural meteorological events. Mitigation banking is the preservation, enhancement, restoration or creation of a wetland, stream, or habitat conservation area which offsets, or compensates for, expected adverse impacts to similar nearby ecosystems. The mitigation bank is the land area of conservation, which is typically established by a conservation easement.

HASI invested in contracted wetlands mitigation credits with a developer of wetland restoration projects. The credits are generated from areas of wetland and stream mitigation bands. HASI has made investments in forward contracts for wetlands mitigation credits and receives monthly payments.

Although wetland banks are designed to be resilient to the natural elements, wildfires and floods are a natural occurrence within these systems. Any natural catastrophic event that damages the property such that the performance standards cannot be met may require a review of the event and a determination of fault and necessary corrective actions (if any). Our portfolio management team works to mitigate and manage the risk of natural disasters and their impact on our financial outcomes through the utilization and continuous evaluation of insurance policies that cover our various asset classes (including wetlands banks).

Cost of response to risk
769000

Description of response and explanation of cost calculation
We mitigate our liability to extreme weather events through geographic, technology and finance structure diversification. We also ensure that we have sufficient liability insurance to cover our investments against severe flooding or cyclone events. To protect against the potential impact of customary and climate change induced natural disasters on asset value and revenue, our assets typically all have construction and operational risk insurance that covers physical damage (to replacement cost) and business interruption (typically to one year of annual revenue) with specific sub limits for windstorm, earthquake, and flood, along with other usual and customary sub limits.

For new investment opportunities, we evaluate risks related to climate change induced natural catastrophe damage through internally developed tools, external models (such as those referenced above), and diversification of assets by technology and geography. As of 31 December, 2022, our assets in 48 of 50 U.S. states are dispersed among nearly 10 different asset classes. When underwriting our investments, we also negotiate structural projections to mitigate any loss we may incur from operations or inability of the projects to operate.

For example, wildfires and floods are a natural occurrence within wetlands. Any natural catastrophic event that damages the property such that the performance standards cannot be met may require a review of the event and a determination of fault and necessary corrective actions (if any). One example of our management of a meteorological event was the restructuring of a mezzanine debt investment in a wind project located in Illinois following major flooding of the project during the construction period. After the flood, the insurance assessor re-evaluated the site's flood risk, which materially increased the projected cost of insurance. In response to the projected increased cost of insurance, we reduced the size of our debt investment to insulate our portfolio from the additional risk and insurance expense.

Cost of response calculation: Our portfolio management team of about 29 employees allocates approximately 10% of its time to such evaluation and management on an annual basis. Our median employee salary as disclosed in our latest Proxy Statement was $265,484. We multiplied this median salary figure by 29 employees ($7,699,036), multiplied by 10% of the total median salaries to determine the response cost of approximately $0.769m provided above.

Comment
With scientific consensus that climate-warming trends are linked to human activities and resulting in various extreme weather events, we believe our firm is well-positioned to generate attractive risk-adjusted returns by investing in the assets and providing services to the firms that reduce carbon emissions. Further, with increasing weather-related events affecting certain areas of our markets, we see similar investment and services opportunities in infrastructure assets that mitigate the impact of and increase the resiliency to, these weather events and climate change. In addition, we mitigate our liability to extreme weather events through geographic, technology and finance structure diversification as well as ensuring we have sufficient liability insurance to cover our investments against severe flooding or cyclone events.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Changing wind patterns

Primary potential financial impact
Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Increased variability in wind speeds, and potential shift from historical wind pattern due to climate change pose a threat to our wind power projects.

Additionally, with our investments' geographic context limited to the United States, a portion of our portfolio is comprised of different types of solar PV projects. Rising mean temperatures decrease the efficiency of those panels because solar panel efficiency is degraded by higher temperatures. In addition, the increase in mean temperatures could result in wildfires causing damage to some of our investments. There could also be an impact on water scarcity, which could reduce the efficiency of our panels due to lack of water for cleaning the panels.

We have disclosed the perceived impacts in our TCFD scenario analysis, which is included in our 2022 Impact Report.

As of 31 December 2022, 39% of our $4.3 billion balance sheet portfolio is comprised of grid-connected projects.

Expected yields from a subset of projects are directly connected to the productivity of the projects. Several recent industry studies along with independent engineer reports suggest that chronic increases in global temperatures impact the efficiency of solar and wind energy generating equipment as a result of ambient temperatures impacting equipment (in the case of solar) and air density (impacting wind); however, at the current time, we do not believe that we have experienced a material degradation in project performance as a result of these temperatures. Chronic temperature increase can, however, also increase the requirement to repair and maintain equipment, thus increasing operating costs. Our internal analysis (based on independent engineer reports) suggests that if there were both a decrease in production of 5% and higher operating expenses of 5%, our cash flows from wind equity and solar equity investments would be expected to decline by 5% and 16% respectively. Typically, we evaluate these impacts based on the weighted average life of our assets, which stood at 17 years as of the end of 2022.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
2570000

Potential financial impact figure – maximum (currency)
8236800

Explanation of financial impact figure
Increased variability and decrease in mean wind speeds should have minimal financial impact due to our geographic diversification and preferred equity investment structures.

Since we structure our solar investments to mitigate our exposure to underlying panel performance by making investments that are senior in the capital stack or are supported by a performance guaranty, we have limited financial impact from decreased efficiency.

As of 31 December 2022, 39% of our $4.3 billion balance sheet portfolio is comprised of grid-connected projects. If the productivity of these projects were to decrease by 5% and operational costs were to increase by 5%, our cash flows from wind equity and solar equity investments would be expected to decline by 5% and 16% respectively (i.e., financial impact of $3mn to $9mn as calculated as follows: 2022 Distributable Earnings of $132mn * 39% allocated to such projects * 5% or 16% decline in cashflows equals $2.57mn to $8.23mn in negative annual financial impact).

We have disclosed the perceived impacts in our scenario analysis disclosed in accordance with TCFD in our 2022 Impact report.

Cost of response to risk
769000

Description of response and explanation of cost calculation
HASI seeks to diversify its portfolio of wind assets geographically in order to reduce exposure to changes in wind patterns and impacts on financial returns. We also size our investments using conservative wind resource predictions that already assume the projects will produce less than the P50 scenario. In addition, our investments are structured as preferred equity investments which offer more stable returns and are less subject to wind resource variations. With increased sophistication of our TCFD

scenario analysis in the future, we will be able to use that information to help guide our investments.

When underwriting our investment opportunities, we make conservative assumptions regarding performance and operational expenses that protect our returns from a predetermined level of unexpected performance and operation issues in the future. We actively manage our existing portfolio to pre-emptively and proactively address any operational or maintenance issues. Specifically, our portfolio management team monitors performance on at least a monthly basis, and on this basis, we adjust our assumptions.

For example, on a wind farm investment in West Texas, we noticed a decline in electricity output and increase in operating expenses that motivated weekly calls with the onsite management teams to identify and rectify the operational issues through additional maintenance procedures, among other modifications. Through our review, amendment, and approval of the operating budget, our portfolio management team continues to work to address the project issues.

Another example,was a set of solar investments in Cape Cod, where natural rainfall was insufficient to clean the bird droppings off of our solar investment, which caused a degradation in performance. To rectify this issue, we worked with the project operator to install a safe laser system that dissuaded the birds from soiling our solar panels, thus improving performance.

Cost of response calculation: Our portfolio management team, which consists of about 29 employees, allocates 10% of its time to such evaluation and management on an annual basis and the allocation of their salaries equates to the cost of management provided above. Our median employee salary as disclosed in our latest Proxy Statement was $265,484. We multiplied this median salary figure by 29 employees ($7,699,036), and then apportioned 10% of the total median salaries to determine the response cost of approximately $0.769m provided above.

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Due to the physical factors previously discussed and our investments' geographic context limited to the United States, we may see an increase in insurance premiums. We have outlined the perceived impacts in our scenario analysis and have disclosed in accordance with TCFD in our 2022 Impact report.

In anticipation of climate change related physical risks, projects related to our investments in particularly vulnerable regions, such as low-lying coastal areas may face increases in insurance costs. An increase in insurance costs may reduce the cash flows and financial returns from these investments and may cause us to reduce the amount of financial leverage we utilize and cause a decline in our overall profitability.

• Flood
o Less than 3% of the Total Insurable Value (TIV) of ~$9.8 billion (which includes projected replacement value and one year of annual revenue) of the projects in our portfolio is located in Special Flood Hazard Areas.

• Severe Convective Storm and Hail
o Approximately 4% of the TIV of $9.8 billion (which includes projected replacement value and one year of annual revenue) of the projects in our portfolio is located in high or very high-risk locations.

• Fire
o Less than 1% of the TIV of $9.8 billion (which includes projected replacement value and one year of annual revenue) of the projects in our portfolio is located in high risk locations.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
1029600

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
An increase in insurance costs would drive an increase in total expenses. We have estimated that an increase in operating expenses of 5% would be expected to reduce our cash flows from wind equity and solar equity projects by 2% (i.e., financial impact calculated as 2022 Distributable Earnings of $132mn * 39% allocated to such projects * 2% decline in cashflows equals ~$1mn in negative annual financial impact).

Cost of response to risk

769000

Description of response and explanation of cost calculation
We negotiate insurance policies and structural protections into our investment agreements. We require that the projects in which we invest are insured against certain natural catastrophe events, such as flood, severe convective storm and hail, and fire that could impact our cash distributions. On at least an annual basis, our portfolio management team evaluates whether there are superior asset or portfolio level policies that are available that optimize our insurance coverage and premium costs.

For example in 2022, we evaluated our insurance coverage across our portfolio and analyzed how damage to our investments caused by events such as wildfires in Southern California were covered by our insurance policies. We determined that we would benefit from taking out a comprehensive portfolio level policy to further insure some of our land investments from such catastrophic events and are currently in the process of procuring this additional insurance.

Cost of response calculation: Our portfolio management team, which consists of approximately 29 employees, allocates approximately 10% of its time to such evaluation and management on an annual basis. Our median employee salary as disclosed in our latest Proxy Statement was $265,484. We multiplied this median salary figure by 29 employees ($7,699,036), multiplied by 10% of the total median salaries to determine the response cost of approximately $0.769m provided above.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
With our full investment portfolio geographically limited to the United States, HASI's core business is to provide financing for renewable energy and energy efficient assets that reduce emissions. Increased demand for renewable energy and energy efficiency assets would increase the potential pool of investments in which HASI can invest. We have disclosed the perceived impacts in our TCFD scenario analysis, which is included in our 2022 Impact Report.

All of our revenue is linked to solar and wind renewable energy projects, energy efficiency systems or sustainable infrastructure, and demand for all of these is expected to increase as consumer preference shifts toward more sustainable investments.

As a result of increasing global awareness of and aversion to climate change impacts, we believe the sustainable infrastructure markets in which we invest, and investment in climate solutions more broadly, will continue to grow as the impact of climate change increases. In January 2022, National Oceanic and Atmospheric Administration (“NOAA”) reported that 2022 was the sixth warmest year on record, with 10 of the warmest years on record having occurred since 2010. Further, communities across the globe are increasingly experiencing the destructive economic impacts of climate change, which are only expected to increase in frequency and severity. According to the U.S. National Oceanic and Atmospheric Administration (“NOAA”), there were 18 natural disaster events in the United States in 2022, with an estimated individual cost of greater than $1 billion and an aggregate cost of approximately $165 billion. BloombergNEF (“BNEF”) reported in January 2023, that carbon solutions investment exceeded $1.1 trillion annually with $141 billion being invested in the United States. In its Energy Efficiency 2022 report, the International Energy Agency (“IEA”) estimates global spending on energy efficiency at approximately $560 billion. Given that many projects are often self-financed (especially energy efficiency), we believe our total addressable market is likely a subset of these overall industry estimates. However, we believe these estimates are reliable indicators of market trends. These positive industry trends coupled with the increasing environmental and economic imperative to reduce carbon emissions are expected to further broaden our investable universe.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
27700000

Potential financial impact figure – maximum (currency)
39600000

Explanation of financial impact figure
The increased demand for renewable energy and energy efficiency financing associated with a climate scenario under which policies are implemented to stay within a 2°C increase would likely result in additional originations and associated fee income and interest income for HASI. Financing renewable energy and energy efficiency is our core competency, and we are well-positioned to finance the growth in this sector.

A corporate objective of ours is to grow Distributable Earnings per Share by 7% to 10% per year. The growing investable universe in climate change solutions will help us achieve this objective. Given Distributable Earnings of $132 million in 2022 (and assuming – for the purpose of this analysis – a constant share count), we anticipate this opportunity to support annual growth in Distributable Earnings of at least $27.7 to $39.6 million by the end of the next three years (i.e., $132m * ((1.07^3)-1)= $27.7m and $132 * ((1.10^3)-1)= $39.6m).

Cost to realize opportunity
31722500

Strategy to realize opportunity and explanation of cost calculation
For over 20 years, HASI has been fostering relationships with the largest engineering firms and project development companies in the world. These companies, including ENGIE, Ameresco, Trane, Clearway, Schneider Electric, Siemens, and SunPower (to name a few), have a proven track record of specialization in renewable energy and energy efficiency projects. HASI has and continues to develop financing structures and master transaction documents with these firms and developers that can be utilized to streamline financial closings and make HASI our clients' preferred financing partner. Our investment team manages a greater-than $4.5 billion pipeline, 42% of which is related to Behind the Meter “BTM” assets and 42% of which is related to Grid-connected “GC” assets, with the remainder related to other sustainable infrastructure (as of the end of 2022). We prefer investments where the assets have a long-term, investment-grade rated off-taker or counterparties. In the case of BTM, the off-taker or counterparty may be the building owner or occupant, and we may be secured by the installed improvements or other real estate rights. In the case of GC, the off-taker or counterparty may be a utility or electric user who has entered into a contractually committed agreement, such as a power purchase agreement (“PPA”), to purchase power produced by a renewable energy project at a minimum price with potential price escalators for a portion of the project’s estimated life.

We believe we have available a broad range of financing sources as part of our strategy that are designed to increase potential returns to our stockholders. We may finance our investments through the use of non-recourse debt, recourse debt, or equity and may also decide to finance such transactions through the use of off-balance sheet securitization structures.

We believe that our long history of sustainable infrastructure investing, the experience, expertise and relationships of our management team, the anticipated credit strength of the obligors or investees involved in our investments and the size and growth potential of our market, position us well to capitalize on our strategy.

Cost to realize calculation: Approximately 50% of HASI’s employees (including our management, legal, and investment teams) are directly working full time to capture this opportunity. The assumed cost equals 50% of our $63.4 million in compensation and benefits in 2022.

Comment
Our climate-positive investment thesis is based on the following theories:

• More efficient technologies are more productive and thus should lead to higher economic returns;
• Lower portfolio risk is inherent in a portfolio of smaller investments, generated by trends of increasing decentralization and digitalization of energy assets, compared to larger, centralized utility-scale investments;
• Investing in assets aligned with scientific consensus and society’s general beliefs will reduce potential regulatory and social costs through better internalization of externalities; and
• Assets that reduce carbon emissions represent an embedded option that may increase in value if carbon regulations were to set a price on carbon emissions.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Energy source

Primary climate-related opportunity driver
Participation in carbon market

Primary potential financial impact
Returns on investment in low-emission technology

Company-specific description
The vast majority of HASI's investments offset carbon emissions and generate zero emission electricity. In the event that there is a price placed on carbon, either through a carbon tax or some similar mechanism such as a cap-and-trade scheme, HASI's investments stand to benefit either through a higher sale price for the clean electricity our projects generate or through the sale of carbon credits into the carbon market. We have disclosed the perceived impacts in our TCFD scenario analysis, which is included in our 2022 Impact Report.

A carbon tax or similar carbon pricing mechanism implemented by governmental authorities may cause an increase to (i) power prices, (ii) operating costs for certain entities, and (iii) the competitiveness of renewable energy, energy efficiency and storage projects. As a result, we assess the below as specific likely qualitative impacts:

• Increased cash flows and financial returns from certain investments to the extent power is sold at higher market prices due to the increase in cost imposed on fossil fuel energy projects.
• Increases in the debt/lease service coverage ratio for the obligors of our renewable energy debt investments and solar real estate leases that sell power at higher market pricing.
• The resulting increase in cash flows may also allow us to apply greater financial leverage to these investments and enhance our profitability.
• Increased energy cost savings from energy efficiency solutions.
• Increased competitiveness of renewable energy projects with fossil fuel power plants, due to an increase in power prices.
• An increase in the items mentioned above may increase the volume of assets available in which we can invest.

However, the implementation of a carbon tax may also have a negative impact on the financial health of utilities and corporate entities who also happen to purchase power from renewable energy projects in which we have invested. The credit ratings of these entities may be downgraded due to additional operating expenses resulting from a carbon tax. A credit rating downgrade may reduce the amount of financial leverage we are able to utilize. If this were to occur, our overall profitability could decline.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
1161600

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Under a carbon tax scenario, it is presumed that the price at which our wind projects can sell electricity on the spot market would increase which would result in higher cash distributions to HASI as an equity investor.

For example, under a scenario where a carbon tax drives the price of power up by 10%, our wind equity investments may generate approximately 4% in additional cashflows over their life as compared to the cashflow the investments are expected to generate under the current baseline scenario. (i.e. financial impact calculated as 2021 Distributable Earnings of $132mn * 22% allocated to such projects * 4% increase in cashflows equals a $1.1mn increase in distributable earnings).

Similarly, our energy efficiency projects may generate carbon credits as the carbon markets develop and selling these credits may offer generate more revenue for HASI.

Cost to realize opportunity
192475

Strategy to realize opportunity and explanation of cost calculation
With our full portfolio located within the United States, HASI exclusively pursues investment opportunities that reduce or are neutral on carbon emissions. We actively track the emissions offset by our projects and periodically assess our ability to sell available carbon offset credits into mandatory or voluntary emissions markets.

As part of our investment process, we calculate the ratio of the estimated first year of metric tons of carbon emissions avoided by our investments divided by the capital invested to quantify the carbon impact of our investments. In this calculation, which we refer to as CarbonCount®, we use locational marginal emissions (LME) data and emissions factors (expressed on a CO2 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 avoided. We estimated that our investments originated in 2022 have reduced annual carbon emissions by approximately 615,000 metric tons.

With regard to the impact of a price on carbon in relation to new business, we believe there is the potential that more competitors enter our markets and put pressure on our asset pricing strategies as renewable energy and energy efficiency projects become more cost competitive with fossil fuel electricity generation assets. We are constantly reviewing our pricing strategies and would continue to do so in this scenario to understand how we can continue to make investments with acceptable risk adjusted returns.

Cost to realize calculation: Our portfolio management team, which consists of approximately 29 employees, monitors policy developments and potential carbon pricing. The calculation is based on their 2.5% allocation of their time and respective salaries. Our median employee salary as disclosed in our latest Proxy Statement was $265,848. We multiplied this median salary figure by 29 employees ($7,699,036), multiplied by 2.5% of their time spent of the total median salaries to determine the realization cost of approximately $0.192m provided above.

Comment
In addition, to the extent that our investments become more valuable we would consider whether it would be more economical to our stockholders to either monetize the investment given the increase in value or continue to hold in our portfolio and maximize our returns from adding additional leverage to our financing. For instance, if a price on carbon increases the merchant price of electricity and associated cash distributions from our wind equity investments, we may elect to issue more debt given the increased value of our assets such that we maintain target leverage ratios and improve our return on equity. We currently model upside scenarios on our investments including merchant power price curves from third party economic modelling experts, such as ABB, that incorporate an escalating carbon price (as one scenario). We currently model and present the additional debt service coverage offered by carbon pricing to our lenders and this has potentially helped improve our debt terms.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development of climate adaptation, resilience and insurance risk solutions

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
With our full portfolio located within the United States, HASI currently finances resiliency projects and storm water management projects that help various facilities and communities adapt to the effects of climate change. Climate change-related extreme weather events are increasing in number and strength. As more land is paved and rain has fewer places to soak in, water runs off faster. Our recent investments in storm water infrastructure installed at project locations in four different U.S. states will help to decrease the flow of storm water, while also filtering out many contaminants before entering downstream waterways.

As of the end of 2022, these sorts of Sustainable Infrastructure assets comprised 4% of our $4.3 billion balance sheet portfolio.

Going forward, our existing relationships and cultivation of new relationships with the environmental engineering firms that develop these sorts of assets will support the growth of these assets in our portfolio.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
292500000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Increased demand for climate change adaptation projects due to continued extreme weather events, such as storm water management projects, would increase the potential pool of investments in which HASI can invest. We expect the growing market for adaptation and resiliency projects to grow HASI's annual investment opportunities and associated fee income and interest income. Within a greater-than $4.5 billion pipeline, 13% is related to Sustainable Infrastructure. $292m represents the potential increase in balance sheet portfolio as a result of conversion of 50% of these projects currently in our pipeline. (e.g. $4b * 13% * 50% = $292m)

Cost to realize opportunity
530968

Strategy to realize opportunity and explanation of cost calculation
HASI has been fostering relationships with the largest engineering firms and project developers that specialize in climate change adaptation projects, such as storm water management systems, for several years. HASI has and continues to develop financing structures and master documents with these firms and developers that can be utilized to streamline financial closings and make HASI our clients preferred financing partner.

At least two members of our Investment team focus 100% of their time on converting these sorts of opportunities by regularly interfacing with the leading developers of such projects and structuring financials solutions that best accommodate the developers needs and goals. Given the composition of our 12-month $4.5 billion pipeline, we hope to make at least $292m of investments in these sorts of assets over the next year.

Cost to realize calculation: 2 employees on our Investment team evaluates resiliency and adaptation investments. The calculation is based on their 100% allocation of their time and the median employee salary as disclosed in our latest Proxy Statement of $265,484. We multiplied this median salary figure by the number of investment team employees (2) who spend 100% of their time completing this work to determine the realization cost of approximately $0.530m provided above.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan
Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan
Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan
Our climate transition plan is voted on at Annual General Meetings (AGMs)

Description of feedback mechanism
<Not Applicable>

Frequency of feedback collection
<Not Applicable>

Attach any relevant documents which detail your climate transition plan (optional)
https://www.hasi.com/wp-content/uploads/2023/04/HASI903_ESG_WEB_IR_2023_Spread.pdf#page=20
HASI903_ESG_WEB_IR_2023_Spread.pdf

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future
<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy
<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios: Bespoke transition scenario	Company-wide	1.5ºC	As an investor in clean energy and energy efficiency, HASI is focused on being well prepared for the potential growth and driving factors in our market. As such we have modeled a bespoke transitional scenario to most accurately assess climate-related impacts on our business. To analyze how climate-related transition risks can impact our operations, we evaluated scenarios compatible with both 1.5 degrees C and below 2 degrees C. One such scenario involved an increase in the price of Renewable Energy Credits (RECs) or similar structures due to implementation of aggressive renewable energy targets. As per our analysis, if REC prices increase by 5%, there will not be material impact to the overall cash flows from existing investments due to lower value of RECs compared to power prices in markets where the investments are located. The second scenario evaluated is the implementation of a carbon pricing mechanism that might influence power prices, operating costs for certain entities and the competitive landscape for renewables. Our analysis showed that cashflows from wind equity investments will increase by 6% if the carbon tax drives up power price by 10%. However, there would not be a material impact on solar equity, renewable energy debt, or energy efficiency investments. Another scenario assessed is the impact of global temperature increase on the operational performance of projects in which we invest. The analysis showed that solar and wind projects can be affected by an increase in global temperature. If the efficiency of solar grids decreases by 5%, the expected cash flows from solar equity investments drop down 11%. Similarly, high temperature faults create more wear and tear on wind turbines. A decrease of wind production by 5% negatively impacts the cash flows from wind equity investments by 7%. These scenario analyses have informed our strategy to increase our focus on energy efficiency investment in commercial buildings given this is predicted to be an area of large growth. Scenario analyses have also influenced management's objective to build our asset management's ability to monitor and manage wind investments. For example, given estimated increases in wind project investments, we have licensed a portfolio modeling tool called Mercatus that will help us best monitor and optimize the investment opportunities suggested by IEA and other similar scenarios. Time horizons in the scenario analyses span up to the year 2050 and 2100.
Physical climate scenarios: Customized publicly available physical scenario	Company-wide	3.1ºC - 4ºC	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).

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

Transition Risks and Opportunities Focal Question - How will our Portfolio be impacted by the transition risks and opportunities contemplated by the Paris Accords and the achievement of its objectives?

Physical Risks and Opportunities Focal Question - Given the assessments of the United Nation's Intergovernmental Panel on Climate Change and other leading climate research organizations regarding the probability of a 1.5 Celsius increase in global temperature and serious climatic impacts even with the most aggressive emissions reduction initiatives, how will our Portfolio be impacted by physical risks regardless of the actions taken as discussed above?

Results of the climate-related scenario analysis with respect to the focal questions

Transition Risks & Opps - Scen. 1 - Global temperature increase limited to 1.5 degrees Celsius above pre-industrial levels:
Assumption: The price of Renewable Energy Credits ("RECs") or similar structures increase as more aggressive renewable portfolio standards and corporate renewable energy targets are implemented.

Qualitative Impacts: 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; The resulting increase in cash flows may also allow us to apply greater financial leverage to these investments and enhance our profitability; If there was a material increase in the value of RECs, more renewable energy projects would likely be developed in areas where the RECs were more valuable, leading to more potential investment opportunities for us.

Quant. Impacts: If the overall price level of RECs increased by 5% we would not expect a material impact to the overall cashflows from our existing investments.

Physical Risks & Opps - Scen. 1:
Assumption: Increased (i) flooding events due to heavier rainfalls and increased storm surge due to rising sea levels, (ii) the probability and severity of wildfires and (iii) increased frequency and severity of storms and other weather-related events.

Qualitative Impacts: Our existing investments in low lying areas are exposed to potential flooding events and other storm damage, which may cause construction delays, operational shutdowns, and more significant site damage; A portion of our investments are located in high wildfire risk regions with exposure to catastrophic damage from wildfire events; solar energy assets that are not in the direct path of wildfires but are within the proximity thereof may have reduced power production due to ash soiling on the panels or reduced solar insolation due to ash clouds; Such events would likely reduce cash flows and financial returns from these investments, which may reduce the amount of financial leverage we utilize, hampering our overall profitability.

Quant. Impacts: We would not expect a material risk to the cash flows from our investments as we typically require insurance coverage for these events where the project owner bears this cost. The potential impact of ash clouds was assessed and is not expected to have a material impact on the cashflows and value of our portfolio.

As a result, because community solar is a growing segment of our portfolio, we now site such projects in areas with low flooding and wildfire risk. To mitigate extreme weather damages identified by our physical risk assessment, we make conservative assumptions when underwriting our investment opportunities regarding performance and operational expenses that protect our returns from potential performance or operation issues throughout investment life. Complete qualitative and quantitative scenario analyses can be found on page 49-56 of our 2022 Form 10-K filed with the US SEC.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	How strategy has been influenced: Increased awareness of the impacts due to climate change, reputational risks, and internalization of climate change risks in the businesses are driving increased demand for low-carbon products and services. HASI has one of the biggest opportunities to have a positive impact on the environment through deploying and mobilizing climate positive investments. Our investments are focused on energy efficiency projects, solar and wind power projects, as well as sustainable infrastructure projects (seismic retrofits, water and storm water infrastructure and upgraded transmission and distribution networks). We have long-standing relationships with leading energy service companies, manufacturers, project developers, utilities, owners and operators to ensure that we generate recurring, programmatic climate positive investments and fee generating investments. Time horizon of strategy: Our strategy considers the short-term, medium-term, and long-term horizon (0-18 years). Case study: The expansion of our energy efficiency projects, sustainable infrastructure and solar and wind portfolios since 2013 demonstrate our significant strategic investment decisions driven by climate-related risks and opportunities. In 2013, we became the first capital provider to evaluate the efficiency by which each of our investments reduce carbon emissions through our proprietary tool CarbonCount®. As of December 31, 2022, our portfolio consisted of over 340 investments, of which 56% was invested in BTM assets and approximately 40% in GC assets, which include our land holdings. The portfolio accounts for a cumulative capacity of more than 17 GW of renewables across the U.S. to date.
Supply chain and/or value chain	Yes	How strategy has been influenced: The value of our firm is derived through our relationships with suppliers and other significant stakeholders such as the engineering firms that develop renewable energy and energy efficiency projects. We have integrated the Code of Business Conduct and Ethics Policy in the value chain of our business. In addition, our ESG Leadership Team continually reviews environmental and social issues in the supply chain and leads initiatives to integrate with the business process. We are a signatory to the United Nations Guiding Principles on Business and Human Rights and the United Nations Global Compact, and we strive to promote human rights in our value chain, which includes suppliers and the communities where we operate. We have also initiated conversations with suppliers on disclosing the ESG-related aspects of their businesses. Through transparent disclosures, we seek to promote diversity, equity, and inclusion in our value chain. Time horizon of strategy: Our strategy considers the short, medium, and long-time horizons (0-10 years). Case Study: The company made the decision several years ago, to actively reflect HASI's climate and ESG ethos in its procurement strategy, for example, in our decisions not to serve meat in the staff canteen of our headquarters and to re-locate our office to new energy efficient premises. In addition, we achieved our 100% renewable energy procurement target several years ago in 2018. Launched in 2013, our CarbonCount® scoring tool is also integral to our value chain investments. We only work with clients who develop assets that are neutral to negative on carbon emissions (as determined by our CarbonCount® scoring tool).
Investment in R&D	Yes	How strategy has been influenced: The transition to a low carbon economy requires innovative financial solutions. This creates opportunities for us to address the persistent challenges of clean energy access for low- and medium-income households, which has in turn influenced our business strategy. For example, in 2022, we financed community solar projects at a discount to retail rates that led to the accessibility and adoption of clean energy for a diverse array of communities. We also invest in sustainable infrastructure such as seismic retrofits, stormwater mitigation and other energy efficiency projects to improve the sustainability of cities and communities. We actively leverage commercial property assessed clean energy (C-PACE) financing programs to provide services to under-served markets. Additionally, our strategy also focuses on investments to deploy innovative energy efficiency technologies. Time horizon of strategy: Our strategy considers short, medium, and long-time horizons (0-10 years). Case Study: A significant investment in the deployment of innovative building technologies is our $85 million investment in the Marine Corps Recruit Depot Parris Island facility. We financed a bundled energy solution, including efficiency upgrades, lighting upgrades, chiller improvements, an Energy Management Control System, on-site solar PV generation and battery storage. In addition, the HASI Foundation established the HASI Climate Solutions Scholarship Program to provide financial assistance for high-achieving, sustainability-focused students from underrepresented communities. Applications for the scholarship program are open to rising undergraduate juniors and seniors who have demonstrated interest in sustainability. The needs-based scholarships typically cover the balance of full-year tuition and room and board expenses for undergraduate students interested in pursuing careers related to climate action and sustainability. At launch, the participating schools include Baltimore-based Morgan State University and Miami University in Oxford, Ohio, fully administer the scholarships, and recipients are encouraged to seek mentorship opportunities with HASI employees. As per our estimate, our investments support over 400,000 jobs in the clean energy sector across 48 U.S. states.
Operations	Yes	How strategy has been influenced: Given we are a financial services firm with approximately 114 employees, our direct day-to-day operations, are unlikely to be significantly impacted by climate change. However, climate-related risks and opportunities have influenced our operations in several ways. In response to physical climate risks, we are increasingly investing in upgrading transmission and distribution systems, stormwater infrastructure, seismic retrofits, and other similar projects. As part of our effort to rethink strategies to use energy efficiently, we are in the process of getting our office building certified as per LEED standards. The emissions due to electricity consumption for office operations are negligible or zero. This is because the electricity comes from the supplier who provides renewable energy by purchasing Renewable Energy Credits (RECs) to offset 100% of the electricity usage. Additionally, to encourage employees to reduce emissions due to their commute, we have launched an employee clean transportation incentive for the purchase of Electric Vehicles ($1,000 per employee). We also recycle 50-75% of the office paper used. Time horizon of strategy: Our strategy considers the short, medium, and long-time horizons (0 to 10 years). Case study: We have set operational targets to minimize our direct impact on the climate. These targets are continuously discussed and assessed in the ESG committee meetings to align our business with the scientific consensus of limiting the temperature boundary within 1.5-2 degree Celsius. This involves reducing energy usage, procuring renewable electricity for operating offices, efficient consumption of water and periodic employee surveys to find opportunities to reduce emission hotspots due to commuting. In 2021 and 2022, our total scope 1 and 2 (market-based) emissions totaled to zero. This has been due to practically zero scope 1 emissions and zero emissions from scope 2 (due to 100% renewable energy procurement and the purchase of renewable energy credits (RECs)).

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets Liabilities	Capital expenditure and revenue: Our climate positive investments represent our biggest opportunity to drive significant positive environmental impacts. These capital deployments are a part of our financial planning process because there are better risk-adjusted returns and revenues realized by investing in projects that are beneficial for the environment. Since 2013, we have invested approximately $10 billion on climate change adaptation and mitigation solutions, covering solar and wind projects, energy efficiency projects and sustainable infrastructure projects. We completed approximately $1.8 billion of transactions during 2022, compared to approximately $1.7 billion during 2021. As of December 31, 2022, we held approximately $4.3 billion of transactions on our balance sheet, which we refer to as our "Portfolio." When combined with our Portfolio, as of December 31, 2022, we manage approximately $9.8 billion of assets, which we refer to as our "Managed Assets." These incremental investments are a part of our targets over the years which demonstrate our commitment to address climate change impacts. We have achieved the targets that we have set over the years with impactful results, that include at present over 17 GW of renewables and over 290 energy efficiency investments across U.S. The significant growth in our managed assets shows the significance of the opportunity to our strategy. The weighted average life of assets in our portfolio is 17 years (as of the end of 2022), and there is a consistent time scale for assessing our assets. Operating costs: We have direct operating costs related to internal resources, who work together in collaboration to effectively manage risks and opportunities presented to our business due to climate change. Acquisitions and divestments: HASI has made the active decision to exclusively acquire assets that are neutral or negative on carbon emissions as part of our financial planning process. Access to capital: We currently have a large base of ESG-focused investors that purchase our publicly traded shares driven in part by the positive impact of our investments on the environment. These ESG investors help to broaden our access to capital and provide a stable base of long-term focused investors. Liabilities: We believe that there could be direct impacts on our suppliers, facilities, or product lines due to climate change risks. Our assumptions regarding increasing wind variability as a result of climate change drives how we size many of our liabilities to ensure we can comfortably pay our obligations in the event of downside events. We consider environmental risks as part of our discussions with the Finance and Risk committee of the Board of Directors and adjust our insurance policies as appropriate. The weighted average life of assets in our portfolio is 17 years (as of the end of 2022), and there is a consistent time scale for assessing potential liabilities.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with our climate transition plan	<Not Applicable>

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric
Revenue/Turnover

Type of alignment being reported for this financial metric
Alignment with our climate transition plan

Taxonomy under which information is being reported
<Not Applicable>

Objective under which alignment is being reported
<Not Applicable>

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
341066000

Percentage share of selected financial metric aligned in the reporting year (%)
100

Percentage share of selected financial metric planned to align in 2025 (%)
100

Percentage share of selected financial metric planned to align in 2030 (%)
100

Describe the methodology used to identify spending/revenue that is aligned
HASI screens each investment opportunity for its potential to avoid carbon emissions, or demonstrate other tangible environmental benefits such as reducing water consumption. Because all revenue derives from investments in climate solutions (including utility-scale solar, energy efficiency building upgrades, and environmental restoration projects, etc.) 100% of HASI's revenue is aligned with our Climate Transition Plan.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Absolute target
Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Year target was set
2021

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)
0

Base year Scope 2 emissions covered by target (metric tons CO2e)
0.12

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
0.12

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
0

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
0

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
0

Does this target cover any land-related emissions?
Yes, it covers land-related and non-land related emissions (e.g. SBT approved before the release of FLAG target-setting guidance)

% of target achieved relative to base year [auto-calculated]
100

Target status in reporting year
Achieved

Please explain target coverage and identify any exclusions
HASI set a target to have zero scope 1 and scope 2 emissions in 2018 and achieved this target. (We have assumed base year emissions as 0.01 TCO2e as the base year emissions were negligible. We have no direct onsite operations so scope 1 emissions were zero. Market-based scope 2 emissions were zero due to the purchase of 100% renewable electricity.)

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
Our purchase of 100% renewable electricity to power our office site has resulted in achievement of our target.

Target reference number
Abs 2

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Year target was set
2019

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)
0

Base year Scope 2 emissions covered by target (metric tons CO2e)

75

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
75

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
16

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
63

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
0

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
63

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
63

Does this target cover any land-related emissions?
Yes, it covers land-related and non-land related emissions (e.g. SBT approved before the release of FLAG target-setting guidance)

% of target achieved relative to base year [auto-calculated]
100

Target status in reporting year
Achieved

Please explain target coverage and identify any exclusions
We intend to reduce our location-based scope 2 emissions. Since we have zero market-based scope 2 emissions, we have set this target to further improve our footprint and enhance our impact towards carbon neutrality.

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
Even as we have grown our employee headcount, with our flexible working environment, the number of employees commuting to the office at any one time has decreased, which has contributed to our Scope 2 location-based emissions reduction.

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Target ambition
1.5°C aligned

Year target was set
2021

Target coverage
Company-wide

Scope(s)
Scope 3

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
Category 15: Investments

Intensity metric
Other, please specify (Metric tons CO2e per kWh)

Base year
2019

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
<Not Applicable>

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure
<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

Target year
2030

Targeted reduction from base year (%)

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]
<Calculated field>

% change anticipated in absolute Scope 1+2 emissions

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
<Not Applicable>

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
This scope 3 asset class level target covers 100% of base year activity (kWh) for Electricity Generation Project Finance using the Sectoral Decarbonization Approach (SDA) method. Target language: "Hannon Armstrong commits to continue providing project finance in the power sector for only renewable electricity through 2030." (SBTi target validation letter: https://www.hasi.com/wp-content/uploads/2022/07/Target-language-and-summary_Hannon-Armstrong.docx.pdf)

Plan for achieving target, and progress made to the end of the reporting year
Headline target: Hannon Armstrong's portfolio targets cover 81.7% of its total investment and lending activities as of December 2019. To achieve our target, we plan to continue making climate positive investments that are neutral-to-negative on incremental carbon emissions or have some other tangible environmental benefit, such as reducing water consumption.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2020

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2019

Consumption or production of selected energy carrier in base year (MWh)
218

% share of low-carbon or renewable energy in base year
99

Target year
2030

% share of low-carbon or renewable energy in target year
100

% share of low-carbon or renewable energy in reporting year
100

% of target achieved relative to base year [auto-calculated]
100

Target status in reporting year
Achieved

Is this target part of an emissions target?
Yes, this target is part of our continued initiative to operate using 100% renewable electricity.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
We have been purchasing electricity for our business operations from an energy supplier committed to providing 100% of the electricity from renewable sources, including solar, wind, and geothermal energy. Our goal is to purchase 100% of the electricity from renewables that encourages solar and wind project investments.

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the actions which contributed most to achieving this target
We purchase 100% renewable energy through RECs with our public utility.

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs1

Target year for achieving net zero
2030

Is this a science-based target?
Yes, and this target has been approved by the Science Based Targets initiative

Please explain target coverage and identify any exclusions
We have committed to achieve SBTs in project finance for electricity generation by 2030 from a 2019 base year. HASI's portfolio of wind and solar energy project finance amounted to 82% of our total balance sheet portfolio as of the end of 2019.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
Unsure

Planned milestones and/or near-term investments for neutralization at target year
<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	2	39.53
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Company policy or behavioral change	Other, please specify (Other, please specify (We maintained a flexible work-from-home (WFH) policy that enables employees (with manager approval) to work remotely for a certain percentage of their time.))

Estimated annual CO2e savings (metric tonnes CO2e)
32.83

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 3 category 7: Employee commuting

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
150000

Payback period
21-25 years

Estimated lifetime of the initiative
Ongoing

Comment

Though our flexible working arrangement will reduce our employee commuting emissions on a longer time horizon, our year-over-year increase of full-time employees from 97 to 114 (a 17% expansion in the workforce) combined with a greater proportion of employees returning to work in office, our overall employee commuting emissions increased in 2022. Through our in-office policy, employees are able to work remotely up to 49% of the time, which we believe, all else equal, will reduce employee commuting emissions over a longer time horizon. We estimate that our flexible working arrangements have saved up to 32.83 tons CO2e due to our employees' ability to work from home up to 49% of the time. We achieved this calculation by multiplying our 2022 employee commuting Scope 3 emissions of 67 MT CO2e by 49% of the time employees are required to be in the office to arrive at 32.83 estimated tons CO2e saved annually. (i.e., 67 * 0.49 = 32.83)

Initiative category & Initiative type

Company policy or behavioral change	Other, please specify ((Electric Vehicle Subsidy for Employees))

Estimated annual CO2e savings (metric tonnes CO2e)
6.7

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 3 category 7: Employee commuting

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
1000

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment
We provide $1,000 subsidy to employees who switch from ICE to electric vehicles (EVs), to reduce our per employee commuting emissions. Last year, 7% of our employees took advantage of this program, resulting in an aggregate spend of $5000 on EV subsidy programs. We expect to subsidize more as a greater number of employees are showing interest this year. Resulting carbon emission savings are assumed to be approximately 10% of gross total commuting emissions. In an internal survey conducted at the end of 2022, approximately 38% of employees reported that they use EVs or HEVs for their office commute. However, our overall employee commuting emissions were shown to have increased in 2022 due to more employees returning to work in the office (after vaccination) and our hiring of 17 additional employees year-over-year, a 17.5% staffing increase in a single year. To determine our estimate, we reverse calculated the total 2022 employee commuting Scope 3 emissions of 67 MT CO2e to include the 10% CO2e emissions savings (based on respective emissions factors for EVs and HEVs) to arrive at 7 MT CO2e annual savings. (i.e., a 10% reduction in emissions to arrive at 67 MT CO2e would posit that the emissions without the EV subsidy would be approximately 73.7 MT CO2e).

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
1.89

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
10000

Investment required (unit currency – as specified in C0.4)
50000

Payback period
4-10 years

Estimated lifetime of the initiative
16-20 years

Comment
To meet the prerequisite Minimum Energy Performance for LEED certificaiton, the energy efficiency projects must demonstrate a 3% improvement in the proposed performance rating compared with the baseline performance rating for portions of the building within the tenant’s scope of work. This is calculated based on ASHRAE 90.1 2010 standards. Optimize Energy Performance takes this savings further and has thresholds for projects to reach to earn points towards LEED certification. The savings is documented through the Energy Performance Calculator along with a completed energy model, measured in kBtu per square foot per year. The final percentage is quantified through associated energy cost savings. HASI submitted this credit with a 16.62% cost savings which equates to 19 LEED points. Of our 63 MT CO2e Scope 2, Location-based emssions, a 3% energy savings equates to 1.89 MT CO2e. (Calculation: 63 MT CO2e * 3% savings = 1.89 MT CO2e saved)

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee engagement	The importance of climate action and awareness is regularly emphasized in company meetings and communications. In addition, HASI offers relocation bonuses if employees move to the immediate area surrounding our office, which incentivizes shorter and less environmentally impactful commutes.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Other	Other, please specify (Financing for GHG-reducing projects including distributed solar and wind, energy efficiency upgrades, energy storage solutions, and other sustainable infrastructure projects.)

Description of product(s) or service(s)

HASI's business is solely dedicated to investments in climate change mitigation ("climate solutions"), providing capital to assets developed by leading companies in energy efficiency, renewable energy, and other sustainable infrastructure markets.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify (CarbonCount is a proprietary scoring tool for evaluating the efficiency by which the company's invested capital reduces carbon emissions, which uses U.S. EPA & IEA emissions factors (expressed on a CO2 equivalent basis) to calc the MT CO2e avoided.)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

MT CO2e avoided

Reference product/service or baseline scenario used

CarbonCount comprises the carbon emissions avoided by the renewable energy, efficiency, and other sustainable infrastructure in which we invest per $1,000 invested by our firm in the calendar year.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

615000

Explain your calculation of avoided emissions, including any assumptions

The CarbonCount calculation is expressed as: (Annual Hourly MWh Generation Avoided by Underlying Renewable Energy and/or Efficiency Project(s) * Location Specific Hourly Grid Emissions Factor Metric Tons of CO2/MWh) / Total Capital Cost of the Projects = Metric Tons of CO2 Offset Annually per $1,000 invested. Though HASI does not generate revenue directly from CarbonCount, we employ the proprietary calculation to quantify our avoided emissions impact of each investment, which in turn allows HASI to obtain a financially advantageous lower cost of capital.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

100

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Green Bond Principles (ICMA)

Type of product(s) or service(s)

Power	Solar PV

Description of product(s) or service(s)

"Eligible Green Projects" means projects intended to reduce carbon emissions or provide other environmental benefits in the following categories:

- Behind-the-Meter ("BTM"): Distributed building or facility projects that reduce energy usage or cost through the use of solar generation and energy storage or energy-efficient improvements, including heating, ventilation, and air conditioning systems ("HVAC"), lighting, energy controls, roofs, windows, building shells, and/or combined heat and power systems;

- Grid-Connected (“GC”): Projects that deploy cleaner energy sources, such as solar and wind to generate power where the off-taker or counterparty is part of the wholesale electric power grid; and

- Fuels, Transport & Nature (“FTN”): Projects that decarbonize high-emitting economic sectors beyond electricity use, including renewable natural gas (RNG) plants, transportation fleet enhancements, and ecological restoration projects, among others.

As part of our investment process, we intend to calculate 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. We utilize the net proceeds of such green debt offerings to acquire or refinance, in whole or in part, Eligible Green Projects.

Further details on Eligible Green Projects: https://www.hasi.com/esg/green-bonds/

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)
Yes

Methodology used to calculate avoided emissions
Other, please specify (HASI calculates avoided emissions for investments using CarbonCount, a decision tool to evaluate climate positive projects to determine the CO2 equivalent (CO2e) emissions avoided per $1,000 of investment.)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
Cradle-to-gate + end-of-life stage

Functional unit used
Metric Tons of CO2e Offset Annually per $1,000 Invested

Reference product/service or baseline scenario used
CarbonCount multiplies th eAnnual Hourly MWh Generation Avoided by Underlying Renewable Energy and/or Efficiency Project (s) by Location-Specific Hourly Grid Emissions Factor Metric Tons of CO2e/Mwh, which is then divided by the Total Capital Cost of the Project(s)

Life cycle stage(s) covered for the reference product/service or baseline scenario
Cradle-to-gate

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario
1414937.5

Explain your calculation of avoided emissions, including any assumptions
The avoided emissions associated with HASI's corporate green bonds were calculated by dividing the issued volume disclosed on our corporate site (https://www.hasi.com/esg/green-bonds/) by 1,000. That figure was then multiplied by its associated CarbonCount (also disclosed at the aforementioned link; CarbonCount measures the MT CO2e avoided per $1,000 invested, as outlined here: https://www.hasi.com/esg/carboncount/), which yielded the total MT CO2e avoided by the issued Green Bond. For example, a Green Bond with an issued volume of $375,000,000/$1,000 = 375,000 * 0.35 = 131,250 MT CO2e avoided.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
36.5

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?
No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?
No

Name of organization(s) acquired, divested from, or merged with
<Not Applicable>

Details of structural change(s), including completion dates
<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
0

Comment

Scope 2 (location-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
75

Comment

Scope 2 (market-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
0.12

Comment

Scope 3 category 1: Purchased goods and services

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
37

Comment

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
2

Comment

Scope 3 category 6: Business travel

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
326

Comment

Scope 3 category 7: Employee commuting

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
167

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
29066

Comment
In 2020, we joined the Partnership for Carbon Accounting Financials (PCAF), a global financial industry-led coalition of values-based financial institutions, standard setting organizations, and leading climate groups. In November 2020, PCAF implemented a global standard for a consistent and transparent disclosure framework to report carbon emissions and avoided emissions resulting from financed assets: the first edition of the Global GHG Accounting and Reporting Standard for the Financial Industry. While the vast majority of our portfolio produces zero associated emissions, we are still in the process of quantifying emissions associated with the remaining 5% of our portfolio. As always, all investments must pass our Investment Committee's strict screening process with negative or neutral incremental impact on emissions. Our company's emissions targets reflect this organizational commitment. Our stated actual performance for Scope 3 emissions does not include the avoided emissions as a result of our investments. The first year estimated carbon emissions avoided as a result of our investments originated in 2022 is ~817,000 MT. We look forward to continuing to report these results and using this information to inform our climate strategies. Though we have assessed 95% of our balance sheet portfolio's financed emissions, we expect to implement our reporting in full accordance with PCAF (i.e. 100% of our balance sheet portfolio) by 2023.

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
0

Start date
January 1 2022

End date
December 31 2022

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
0

Start date
January 1 2021

End date
December 31 2021

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
0

Start date
January 1 2020

End date
December 31 2020

Comment

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)
0

Start date
January 1 2019

End date
December 31 2019

Comment

Past year 4

Gross global Scope 1 emissions (metric tons CO2e)
0

Start date
January 1 2018

End date
December 31 2018

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
Data and information supporting the Scope 2 GHG emissions statement are historical in nature.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
63

Scope 2, market-based (if applicable)
0

Start date
January 1 2022

End date
December 31 2022

Comment

Past year 1

Scope 2, location-based
61

Scope 2, market-based (if applicable)
0

Start date
January 1 2021

End date
December 31 2021

Comment

Past year 2

Scope 2, location-based
66

Scope 2, market-based (if applicable)
0

Start date
January 1 2020

End date
December 31 2020

Comment

Past year 3

Scope 2, location-based
75

Scope 2, market-based (if applicable)
0

Start date
January 1 2019

End date
December 31 2019

Comment

Past year 4

Scope 2, location-based
71

Scope 2, market-based (if applicable)
0

Start date
January 1 2018

End date
December 31 2018

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
17

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Data and information supporting the Scope 3 GHG emissions statement were in some cases estimated rather than historical in nature

Capital goods

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not applicable. As a financial services firm our operations are limited to offices which we rent and we do not own manufacturing machinery, buildings, facilities, vehicles, or other capital goods.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
De minimis for electricity. As a financial services company, we do not extract, generate, or distribute fuels or energy.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not applicable. We are a financial services company and do not have an upstream transportation component or associated emissions.

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
1

Emissions calculation methodology
Average data method
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Data and information supporting the Scope 3 GHG emissions statement were in some cases estimated rather than historical in nature. Emissions associated with waste management is due to recycling and composting. The emissions do not include landfilling. Data on different categories of waste, and quantities of waste are estimated based on the average annual consumption by employees. The emission factors are sourced from the EPA's Waste Reduction Model. We used the waste-type-specific methodology to calculate the emissions from waste by multiplying the waste quantities data with the emission factor.

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
226

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Data and information supporting the Scope 3 GHG emissions statement were in some cases estimated rather than historical in nature. Business travel involves air and rail travels, car rentals and hotel stay (optional). We estimated emissions from business travel through spend-based method. The expense data on air, train and car travel was sourced from our employee expense portal, which includes all records of the expenses incurred by employees for business purposes. The emission factors were sourced from the guidelines to Defra/DECC's GHG conversion factors for company reporting and EPA emission factors for GHG inventories. We estimated the emissions from business travel by multiplying the activity data (the expense on modes of travel) with the emission factors.

Employee commuting

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
67

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Data and information supporting the Scope 3 GHG emissions statement were in some cases estimated rather than historical in nature. Emissions from commuting include emissions based on distances travelled to work by all the employees. Data on miles driven to work were sourced from employee survey results. For employees driving an electric vehicle, emission factors are estimated by multiplying the kg CO2 per kWh of Maryland (location based) with the miles per gallon (kWh per mile) of the 2022 Tesla Model 3 Long Range AWD EV. For employees driving a non-EV car, emission factors were sourced from the Inventory of US Greenhouse Gas Emissions and Sinks (Kg CO2/vehicle mile). The emissions were calculated using the distance-based method, that is by multiplying the activity data (vehicle miles) with the emission factors.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not applicable. We are a financial services company and do not have any upstream leased assets.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not applicable. We are a financial services company and do not distribute products nor do we have a downstream transportation and distribution network.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not applicable. We are a financial services company and do not process physical intermediate products to resell downstream.

Use of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not applicable. We are a financial services company and do not sell any physical products.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We are a financial services company and do not sell any physical products.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We are a financial services company and do not have any downstream leased assets.

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not applicable. We are a financial services company and do not have any franchises

Investments

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
42604

Emissions calculation methodology
Other, please specify (PCAF Global GHG Accounting and Reporting Standard for the Financial Industry)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
41

Please explain
While the vast majority of our balance sheet portfolio produces zero associated emissions, we are still in the process of quantifying emissions associated with the remaining 59% of our total managed assets. As always, all investments must pass our Investment Committee's strict screening process with negative or neutral incremental impact on emissions. Our company's emissions targets reflect this organizational commitment. Our stated actual performance for Scope 3 emissions does not include the avoided emissions as a result of our investments. The first year estimated carbon emissions avoided as a result of just our investments originated in 2022 is ~615,000 MT. We look forward to continuing to report these results and using this information to inform our climate strategies. Though we have assessed 41% of the financed emissions of our total managed assets, we expect to implement our reporting in full accordance with PCAF (i.e. 100% of our portfolio) by 2024.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not relevant. As a financial services company, we do not have any further upstream emissions to calculate.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not relevant. As a financial services company, we do not have any further upstream emissions to calculate.

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date
January 1 2021

End date
December 31 2021

Scope 3: Purchased goods and services (metric tons CO2e)
12

Scope 3: Capital goods (metric tons CO2e)
0

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
0

Scope 3: Upstream transportation and distribution (metric tons CO2e)
0

Scope 3: Waste generated in operations (metric tons CO2e)
1

Scope 3: Business travel (metric tons CO2e)
41

Scope 3: Employee commuting (metric tons CO2e)
63

Scope 3: Upstream leased assets (metric tons CO2e)
0

Scope 3: Downstream transportation and distribution (metric tons CO2e)
0

Scope 3: Processing of sold products (metric tons CO2e)
0

Scope 3: Use of sold products (metric tons CO2e)
0

Scope 3: End of life treatment of sold products (metric tons CO2e)
0

Scope 3: Downstream leased assets (metric tons CO2e)
0

Scope 3: Franchises (metric tons CO2e)
0

Scope 3: Investments (metric tons CO2e)
49052

Scope 3: Other (upstream) (metric tons CO2e)
0

Scope 3: Other (downstream) (metric tons CO2e)
0

Comment
Scope 3: Investments data for 2021 has been calculated to reflect emissions associated with 76% of our 2021 managed assets, which includes 96% of our 2021 portfolio.

Past year 2

Start date
January 1 2020

End date
December 31 2020

Scope 3: Purchased goods and services (metric tons CO2e)
7

Scope 3: Capital goods (metric tons CO2e)
0

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
0

Scope 3: Upstream transportation and distribution (metric tons CO2e)
0

Scope 3: Waste generated in operations (metric tons CO2e)
0

Scope 3: Business travel (metric tons CO2e)
70

Scope 3: Employee commuting (metric tons CO2e)
32

Scope 3: Upstream leased assets (metric tons CO2e)
0

Scope 3: Downstream transportation and distribution (metric tons CO2e)
0

Scope 3: Processing of sold products (metric tons CO2e)
0

Scope 3: Use of sold products (metric tons CO2e)
0

Scope 3: End of life treatment of sold products (metric tons CO2e)
0

Scope 3: Downstream leased assets (metric tons CO2e)
0

Scope 3: Franchises (metric tons CO2e)
0

Scope 3: Investments (metric tons CO2e)
0

Scope 3: Other (upstream) (metric tons CO2e)
0

Scope 3: Other (downstream) (metric tons CO2e)
0

Comment
We did not begin calculating our Scope 3: Investments (category 15) emissions until 2021.

Past year 3

Start date
January 1 2019

End date
December 31 2019

Scope 3: Purchased goods and services (metric tons CO2e)
37

Scope 3: Capital goods (metric tons CO2e)
0

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
0

Scope 3: Upstream transportation and distribution (metric tons CO2e)
0

Scope 3: Waste generated in operations (metric tons CO2e)
2

Scope 3: Business travel (metric tons CO2e)
326

Scope 3: Employee commuting (metric tons CO2e)
167

Scope 3: Upstream leased assets (metric tons CO2e)
0

Scope 3: Downstream transportation and distribution (metric tons CO2e)
0

Scope 3: Processing of sold products (metric tons CO2e)
0

Scope 3: Use of sold products (metric tons CO2e)
0

Scope 3: End of life treatment of sold products (metric tons CO2e)
0

Scope 3: Downstream leased assets (metric tons CO2e)
0

Scope 3: Franchises (metric tons CO2e)
0

Scope 3: Investments (metric tons CO2e)
0

Scope 3: Other (upstream) (metric tons CO2e)
0

Scope 3: Other (downstream) (metric tons CO2e)
0

Comment
We did not begin calculating our Scope 3: Investments (category 15) emissions until 2021.

Past year 4

Start date
January 1 2018

End date
December 31 2018

Scope 3: Purchased goods and services (metric tons CO2e)
30

Scope 3: Capital goods (metric tons CO2e)
0

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
0

Scope 3: Upstream transportation and distribution (metric tons CO2e)
0

Scope 3: Waste generated in operations (metric tons CO2e)
2

Scope 3: Business travel (metric tons CO2e)
183

Scope 3: Employee commuting (metric tons CO2e)
150

Scope 3: Upstream leased assets (metric tons CO2e)
0

Scope 3: Downstream transportation and distribution (metric tons CO2e)
0

Scope 3: Processing of sold products (metric tons CO2e)
0

Scope 3: Use of sold products (metric tons CO2e)
0

Scope 3: End of life treatment of sold products (metric tons CO2e)
0

Scope 3: Downstream leased assets (metric tons CO2e)
0

Scope 3: Franchises (metric tons CO2e)
0

Scope 3: Investments (metric tons CO2e)
0

Scope 3: Other (upstream) (metric tons CO2e)
0

Scope 3: Other (downstream) (metric tons CO2e)
0

Comment
We did not begin calculating our Scope 3: Investments (category 15) emissions until 2021.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
2.62e-7

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
63

Metric denominator
unit total revenue

Metric denominator: Unit total
239737000

Scope 2 figure used
Location-based

% change from previous year
3.17

Direction of change
Increased

Reason(s) for change
Change in renewable energy consumption
Change in physical operating conditions

Please explain
The reason for the increase is the 17% growth of our employee base during 2022, from 97 employees to 114 employees. With the advent of vaccinations and safe return-to-work policies in the wake of the COVID-19 pandemic, an increased proportion of these new employees began physically working in the office in 2022 over 2021, when fewer employees used electricity in our office due to remote working arrangements. We also moved our business operations to a new office space that occupies more square footage than our former space. This move was necessary to accommodate the increased employee headcount of our company. This new office space is currently being evaluated for LEED Silver certification for how the new office space scores along the following dimensions: (1) Reduce contribution to global climate change, (2) Enhance individual human health, (3) Protect and restore water resources, (4) Protect and enhance biodiversity and ecosystem services, (5) Promote sustainable and regenerative material cycles and (6) Enhance community quality of life (https://www.usgbc.org/leed). As a result of these factors, our 2022 Scope 2 emissions increased to 63 tCO2e from the 61 tCO2e we reported for our total Scopes 1 & 2 location-based emissions the prior year (2021). We arrived at the 3.17% emissions value by the following calculation: 100-((61/63)*100)/100 = 3.17% (i.e. a 3.17% increase in emissions)

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	0	Other, please specify (Other, please specify (World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard))

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
United States of America	0

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.
By business division
By facility
By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Hannon Armstrong Capital LLC	0

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
1906 Towne Centre Blvd., Ste. 370 Annapolis, MD 21401	0	38.981283	-76.541571
1 Park Place, Ste. 200 Annapolis, MD 21401	0	38.981283	-76.541571

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Financing Sustainable Infrastructure Projects	0

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
United States of America	63	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division
By facility
By activity

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Hannon Armstrong Capital LLC	63	0

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
1906 Towne Centre Blvd., Ste. 370 Annapolis, MD 21401	27	0
1 Park Place, Ste. 200 Annapolis, MD 21401	36	0

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Financing Sustainable Infrastructure Projects	63	0

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Not relevant as we do not have any subsidiaries

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Remained the same overall

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	In 2022 we already purchased 100% of our electricity consumption from a green (renewable energy) tariff. This arrangement remained the same in 2022, and was supplemented by the purchase of Renewable Energy Credits to offset our electricity usage as we built out and occupied our new LEED-certified office space.
Other emissions reduction activities	0	No change	0	We do not have any further reduction initiatives that can further offset our Scope 1 and Scope 2 market-based emissions, which we have reported that we have achieved our validated Science-Based Target of zero emissions for these two categories.
Divestment		<Not Applicable>		<Not Applicable>
Acquisitions		<Not Applicable>		<Not Applicable>
Mergers		<Not Applicable>		<Not Applicable>
Change in output		<Not Applicable>		<Not Applicable>
Change in methodology		<Not Applicable>		<Not Applicable>
Change in boundary		<Not Applicable>		<Not Applicable>
Change in physical operating conditions	2	Increased	3.3	The reason for the increase is the 17.5% growth of our employee base during 2022, from 97 employees to 114 employees. With the advent of vaccinations and safe return-to-work policies in the wake of the COVID-19 pandemic, an increased proportion of these new employees began physically working in the office in 2022 over 2021, when fewer employees used electricity in our office due to remote working arrangements. We also moved our business operations to a new office space that occupies more square footage than our former space. This move was necessary to accomodate the increased employee headcount of our company. This new office space is currently being evaluated for LEED Silver certification for how the new office space scores along the following dimensions: (1) Reduce contribution to global climate change, (2) Enhance individual human health, (3) Protect and restore water resources, (4) Protect and enhance biodiversity and ecosystem services, (5) Promote sustainable and regenerative material cycles and (6) Enhance community quality of life (https://www.usgbc.org/leed). As a result of these factors, our 2022 Scope 2 emissions increased to 63 tCO2e from the 61 tCO2e we reported for our total Scopes 1 & 2 location-based emissions the prior year (2021). Therefore, we arrived at the 3.3% increase through the following calculation: 63 MT CO2e - 61 MT CO2e = 2 / 61 = 3.3% change
Unidentified		<Not Applicable>		<Not Applicable>
Other		<Not Applicable>		<Not Applicable>

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	No
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired electricity	<Not Applicable>	212	0	212
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	212	0	212

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption
United States of America

Sourcing method
Retail supply contract with an electricity supplier (retail green electricity)

Energy carrier
Electricity

Low-carbon technology type
Renewable energy mix, please specify (Based in the US state of Maryland, our renewable energy mix comprises hydroelectric power and utility-scale solar photovoltaic generation.)

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
212

Tracking instrument used
US-REC

Country/area of origin (generation) of the low-carbon energy or energy attribute
United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2022

Comment

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
United States of America

Consumption of purchased electricity (MWh)
212

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
212

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Other, please specify (The carbon emissions avoided by the renewable energy, efficiency, and other sustainable infrastructure in which we invest per $1,000 invested by our firm in the calendar year. Also, referred to as CarbonCount.)

Metric value
0

Metric numerator
615,000 MT CO2e avoided by HA investments in 2022

Metric denominator (intensity metric only)
$1,800,000,000 invested in 2022

% change from previous year
12

Direction of change
Increased

Please explain
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 CO2 equivalent (CO2e) 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. Using this metric, we estimated that every $1,000 of the $1,800,000,000 HASI invested in climate solutions for 2022 avoided 0.35 metric tons of carbon dioxide from entering the atmosphere. Using avoided emissions figures calculated in part using CarbonCount, we estimated that our investments collectively avoided 615,000 MT CO2e in 2022 from the $1.8 billion USD HASI invested in climate solutions. We arrived at our avoided emissions intensity metric value through the following calculation: 615,000 MT CO2e/$1.8 billion USD = 0.0003416

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	No	N/A - This question does not apply because although we have elected to be taxed as a Real Estate Investment Trust (REIT), we are not a real estate company that owns or operates buildings. We therefore do not invest in research and development of technologies in the sense that this question asks. As an investor, asset manager, and project financier, we finance the deployment of new technologies that span energy efficiency, distributed solar, and storage. Of our approximately $4.5 billion pipeline at the end of 2022, 45% was related to behind-the-meter (BTM) assets, include distributed building or facility projects, which reduce energy usage or cost through the use of solar generation and energy storage or energy efficiency improvements including heating, ventilation and air conditioning systems ("HVAC"), lighting, energy controls, roofs, windows, building shells, and/or combined heat and power systems. A recent example of our investment in the deployment of innovative building technologies is our $85 million investment in the Marine Corps Recruit Depot Parris Island facility. We financed a bundled energy solution, including efficiency upgrades, lighting upgrades, chiller improvements, an Energy Management Control System, on-site solar PV generation and battery storage.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Hannon Armstrong CDP Verification Statement 2022 Final.pdf

Page/ section reference
https://www.hasi.com/wp-content/uploads/2023/04/Hannon-Armstrong-CDP-Verification-Statement-2022-Final.pdf

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Hannon Armstrong CDP Verification Statement 2022 Final.pdf

Page/ section reference
https://www.hasi.com/wp-content/uploads/2023/04/Hannon-Armstrong-CDP-Verification-Statement-2022-Final.pdf

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Hannon Armstrong CDP Verification Statement 2022 Final.pdf

Page/ section reference
https://www.hasi.com/wp-content/uploads/2023/04/Hannon-Armstrong-CDP-Verification-Statement-2022-Final.pdf

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Purchased goods and services
Scope 3: Waste generated in operations
Scope 3: Business travel
Scope 3: Employee commuting

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Hannon Armstrong CDP Verification Statement 2022 Final.pdf

Page/section reference
https://www.hasi.com/wp-content/uploads/2023/04/Hannon-Armstrong-CDP-Verification-Statement-2022-Final.pdf

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
In progress

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price
Internal fee

How the price is determined
Social cost of carbon
Benchmarking against peers

Objective(s) for implementing this internal carbon price
Drive low-carbon investment
Identify and seize low-carbon opportunities
Stakeholder expectations

Scope(s) covered
Scope 1
Scope 2
Scope 3 (upstream)
Scope 3 (downstream)

Pricing approach used – spatial variance
Uniform

Pricing approach used – temporal variance
Static

Indicate how you expect the price to change over time
<Not Applicable>

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)
100

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)
100

Business decision-making processes this internal carbon price is applied to
Capital expenditure
Operations
Public policy engagement

Mandatory enforcement of this internal carbon price within these business decision-making processes
Yes, for all decision-making processes

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan
Each year, the total internal fee for CO2 emissions is donated to the HASI Foundation as a component of the company's annual Social Dividend. Additional details can be found: https://www.hasi.com/wp-content/uploads/2023/04/HASI903_Internal-Carbon-Price.pdf

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Collect GHG emissions data at least annually from suppliers
Collect other climate related information at least annually from suppliers

% of suppliers by number
100

% total procurement spend (direct and indirect)
50

% of supplier-related Scope 3 emissions as reported in C6.5
100

Rationale for the coverage of your engagement
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.

Impact of engagement, including measures of success
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, including suppliers and vendors, which surpassed our 50% target threshold for program success.

Comment
Additional Details : https://www.hasi.com/wp-content/uploads/2023/04/HASI903_ESG_WEB_IR_2023_Spread.pdf#page=17

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Run an engagement campaign to educate suppliers about climate change
Other, please specify (In addition to climate change-related discussions, we regularly discuss the diversity of staffing on matters with our partner law firms.)

% of suppliers by number
37.5

% total procurement spend (direct and indirect)
44.1

% of supplier-related Scope 3 emissions as reported in C6.5
0

Rationale for the coverage of your engagement
For business partners, including top suppliers and vendors by annual transaction volume, 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. Of the top 40 largest business partners HASI works with, law firms represent 44.1% of our procurement spend and 37.5% of our top suppliers/vendors. Based on the results of these discussions, we determine whether we will continue to utilize these firms' services. By engaging partner firms on matters of diversity as they relate to the climate solutions we finance, we ensure that diversity remains a priority that reinforces our commitment to climate justice throughout our business operations.

Impact of engagement, including measures of success
Proactively engaging our partner laws firms on diversity and climate-related issues ensures that our respective priorities are aligned. Because law firms represent 44.1% of our top 40 business partners by procurement spend, engaging each partner firm on such matters at least annually surpasses our 40% threshold for success on this front. Engaging our partner law firms through an ESG-specific lens has illuminated commonalities of supplier operations that would otherwise go uncovered by their public disclosures alone. The impact of this engagement with partner firms encourages such firms to devote more partner or associate resources to our business needs that support diversity and inclusion in the legal industry. In 2022, we hosted discussions with 9 partner firms, which discussions included senior leaders of the HASI Legal Department, who discussed diversity as it relates to the climate change-mitigating transactions these partner firms facilitate for us. These discussions were targeted at law firms specifically due to their influence within the climate solutions project finance industry as a whole. In the future, we wish to engage a greater number of partner firms on climate change-related issues of diversity.

Comment
We require that partner law firms staff our matters with a diverse set of attorneys. We also require regular reporting from the law firms on the diversity of the individuals staffed on HASI-related matters. We generally hold such discussions annually, as well as on a matter-by-matter basis.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Collaboration & innovation	Other, please specify (Engaging clients (direct customers) and corporate buyers (indirect consumers) on HASI's co-founding of the Emissions First Partnership to minimize impact from electricity use.)

% of customers by number
100

% of customer - related Scope 3 emissions as reported in C6.5
100

Please explain the rationale for selecting this group of customers and scope of engagement
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. Because our clients represent the preeminent developers of climate solutions in the US and internationally, we believe that engaging them on incentivization measures to maximize their carbon emissions reductions can meaningfully influence the GHG Protocol accounting standards for corporate emissions to improve emissions accounting accuracy and ensure clean energy investments maximize electricity decarbonization.

Impact of engagement, including measures of success
Engaging 100% of our clients (direct customers) on our collaborative effort to update the GHG protocol accounting standards to prioritize the quantified emissions impact of electricity consumption and generation sets the groundwork for moving beyond the dubiously effective approach of megawatt-hour matching that often fails to fully offset energy consumption for the distant consumers whose local energy grids differ in efficiency and consumption from where the power is originally generated. Engaging 100% of our top clients (direct customers) on this effort surpasses our 50% threshold of success for diffusing this evolution of carbon emissions accounting among entities with the expertise and resources to make a meaningful difference in how all stakeholders evaluate the emissions impact of their electricity use with greater accuracy. In 2022, HASI began work with Emissions First Partnership and has engaged our largest clients on the necessity of quantifying the emissions of the projects on which we partner. The impact of this engagement with clients advances the evolution of carbon accounting with greater accuracy of how clients assess and offset emissions in their own business operations. Going forward, we aim to engage additional clients with whom we partner on projects as well as encourage clients to engage their value chain on how to make a meaningful difference in impactful emissions accounting.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization’s purchasing process?
No, but we plan to introduce climate-related requirements within the next two years

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
Yes, we engage directly with policy makers
Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate
Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?
Yes

Attach commitment or position statement(s)
In 2019, HASI joined the UNGC’s Business Ambition for 1.5°C: Our Only Future Campaign. (page 13 of 2022 Impact Report - https://www.hasi.com/wp-content/uploads/2023/04/HASI903_ESG_WEB_IR_2023_Spread.pdf#page=7)

HASI was also the first U.S. public company to sign the “We Are Still In” declaration in support of climate action to meet the Paris Agreement (page 12 of 2022 Impact Report - https://www.hasi.com/wp-content/uploads/2023/04/HASI903_ESG_WEB_IR_2023_Spread.pdf#page=7)
HASI903_ESG_WEB_IR_2023_Spread.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan
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.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Inflation Reduction Act

Category of policy, law, or regulation that may impact the climate
Carbon pricing, taxes, and subsidies

Focus area of policy, law, or regulation that may impact the climate
Subsidies for renewable energy projects
Subsidies for low-carbon, non-renewable energy projects

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
United States of America

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
Throughout 2022, HASI team members directly participated in more than 15 meetings with U.S. legislators regarding comprehensive climate legislation, which ultimately was signed into law on August 16, 2022, as the Inflation Reduction Act (IRA). In these discussions, HASI team members advocated for strong climate-related provisions in line with the Paris Accord, including robust clean energy tax incentives that would support the build out of wind, solar, storage, and other low-emission technologies. Thanks to the provisions in the IRA, America is now on track to decrease greenhouse gas emissions by about 40 percent below 2005 levels in 2030—keeping the nation on track to reaching its Paris commitment of cutting emissions in half by 2030.

In addition to these interactions with lawmakers, HASI worked with various like-minded companies, including through industry associations such as ACP, CERES, and ACORE, to build momentum for the IRA. This included drafting memos on the importance of clean energy subsidies and signing letters to Members of Congress calling for swift passage of the bill. See here for an example:
https://www.ceres.org/sites/default/files/Business%20Support%20Statement%20for%20the%20Inflation%20Reduction%20Act%20(1).pdf

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
The signing of the Inflation Reduction Act into law last year marked not only a historic moment for the United States but also incontrovertible validation of our vision that every investment should improve our climate future.

The climate investments in this landmark law will supercharge sustainable infrastructure deployment to significantly reduce carbon emissions, cut consumer costs, and strengthen energy security. In addition to strengthening support for mature renewable technologies, the law will create transformative new climate solutions industries that will be critical to decarbonizing the power sector and other hard to abate markets.

As the first public company with an exclusively climate positive investment strategy, HASI will now have orders of magnitude of investment opportunities in the types of projects we have supported for decades. And the law will accelerate the advancement of newer markets for HASI to invest in like clean fuels, low-carbon transportation, and energy storage.

We are already seeing unprecedented developments in the clean power industry. In the 9 months after the IRA was signed, there was more investment in utility-scale clean energy projects and manufacturing facilities than between 2017 and 2021, combined. When we talk to our clients about their pipelines in the 2024-2026 period, we are seeing a significant increase in interest and ambition, resulting in greater volumes of both grid-connected and behind-the-meter development.

The clean energy transition is one of the largest—and most important—macroeconomic trends of this century, and HASI is providing the capital to facilitate the transition. The IRA will create here-to-fore unthinkable business and investement opportunities in a rapidly growing clean energy economy, ensuring America will once again stand as a leader and an ally in the global fight against climate change.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association
Other, please specify (American Clean Power Association (ACP))

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
American Clean Power (ACP) is an association of clean power sector companies that aims to provide cost-effective solutions to address climate.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
125000

Describe the aim of your organization's funding
The aim of our organization's funding for ACP is to strengthen its position as a climate policy advocate through our membership contribution.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (National Association of Energy Service Companies (NAESCO))

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
The National Association of Energy Service Companies, (NAESCO) is the leading advocacy and accreditation organization for Energy Service Companies dedicated to modernizing America's building infrastructure through performance contracting.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
23000

Describe the aim of your organization's funding
The aim of our organization's funding for NAESCO is to strengthen its position as a climate policy advocate through our membership contribution.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (California Solar & Storage Association)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
The California Solar & Storage Association is an association of clean power sector companies that promotes the widespread deployment of smart, local, clean energy technologies in California.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
75000

Describe the aim of your organization's funding
The aim of our organization's funding for the California Solar & Storage Association is to strengthen its position as a climate policy advocate through our membership contribution.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual
Other, please specify (Non-profit institution)

State the organization or individual to which you provided funding
American Council on Renewable Energy

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)
29000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
The aim of our organization's funding for the American Council on Renewable Energy (ACORE) is to strengthen its position as a nonprofit organization that addresses climate change by accelerating the transition to a renewable energy economy.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Type of organization or individual
Other, please specify (Non-profit institution)

State the organization or individual to which you provided funding
Ceres

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)
17300

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
The aim of our organization's funding for Ceres is to strengthen its position as a nonprofit organization focused on steering the economy toward a sustainable future by solving the world's greatest sustainability challenges through equitable market-based and policy solutions.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
HASI903_ESG_WEB_IR_2023_Spread.pdf

Page/Section reference
Emissions Performance (figures) on page 73; Governance and Strategy on page 37; Risks and Opportunities on pages 38-42; Emission Targets on page 44; and Avoided Emissions on page 46;

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact	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.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	No, but we plan to have both within the next two years	<Not Applicable>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	No, but we plan to do so within the next 2 years	<Not Applicable>	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?
Not assessed

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Other, please specify (We making preparations to adopt the Taskforce on Nature-Related Financial Disclosures once the guidance is finalized in 2023.)

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Please select

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Biodiversity strategy	HASI's Biodiversity Protection strategy is disclosed on page 53 of our 2022 Impact Report. HASI903_ESG_WEB_IR_2023_Spread.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Executive Officer	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms