



Sustainability & Impact Materiality Assessment

Our comprehensive approach to evaluating sustainability- and climate-related risks and opportunities considers the concept of double materiality. Acknowledging the significance of both internal and external impacts stemming from corporate activities emphasizes dual accountability to internal and external stakeholders. Transparently determining Sustainability and Impact materiality aligns the issues most relevant to our stakeholders with HASI’s financial performance.

Materiality Assessment Methodology

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

Integrated within our Enterprise Risk Management (ERM) process, we conduct Materiality Assessments every two years. Senior management signs off on the findings of this Materiality Assessment. We mapped the following Sustainability and Impact issues by their respective relevance to HASI’s stakeholders and business success. The results of HASI’s Materiality Assessment are illustrated in the below Materiality Matrix. Prioritizing these Sustainability and Impact issues aligns HASI’s long-term focus on sustainable business operations with reliably delivering value to our stakeholders.

HASI Materiality Matrix	
Relevance to HASI Stakeholders	Financial Reporting Enterprise Risk Management Corporate Governance Sustainability and CarbonCount Reporting Ethical Behavior Sustainable Finance Talent Attraction & Retention Corporate Culture & Environment Investor Engagement
	Community & Philanthropic Engagement Business Partner Engagement Policy Advocacy
Relevance to Business Success	

Categories & Definitions Table

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