



## Climate Justice Statement

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

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

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

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

- In an effort to (1) acknowledge research that indicates growing up in a low-income community makes one less likely to have access to opportunities one will need to succeed later in life and (2) align with renewed government, industry, and client efforts to drive investment in these disadvantaged communities, we are exploring methods to measure the social justice impact of our new investments. Our use of the developed metric could be similar to our [CarbonCount®](#) score, which measures each investment's environmental impact.
- We are updating our Business Partner Code of Conduct and rolling out a new Business Partner Engagement Program to align our operational actions and commercial relationships on Environmental, Social, and Governance ("ESG") best practices (including climate justice). We expect that our business partners hold the same beliefs and values as us, and we are focused on improving and maintaining their focus on ESG and related reporting. Our goals with the Business Partner Engagement Program are to:
  - Identify and assess the current practices of our business partners concerning ESG matters;
  - Develop a rapport with key business partner contacts to share best practices on improving organizational standing for ESG matters; and,
  - Establish and communicate the importance of transparent reporting on ESG matters.



- As part of our broader human capital strategy, we recognize that diversity, equity, inclusion, social justice, and anti-racism are critical to the success of our business. We emphasize consistent conversations with experienced professionals, outside consultants, and management training focused on situational leadership, understanding bias, diversity, equity, inclusion, social justice, and anti-racism. We are also undertaking a review of existing company policies and practices and are making updates where needed to align them with those areas of focus.
- Through the [Hannon Armstrong Foundation](#), launched in January 2021, we seek to accelerate a just transition toward an equitable, inclusive, and climate positive future. Our foundation provides cash and in-kind support to programs that align with our three philanthropic priorities: (1) Climate Solutions for Disadvantaged Communities; (2) Climate Solutions Career Pathways; and, (3) Local Impact.
- As part of our political advocacy efforts at a federal and state level, we have publicly established a key policy pillar reflecting our climate justice values and beliefs. Through direct and indirect lobbying efforts and association memberships, we advocate for a range of policy reforms that are necessary for building a healthier, more responsive democracy, which in turn facilitates ambitious climate action. These policies include, but are not limited to, the enactment of campaign finance reform, protecting and expanding voting rights, and strengthening federal ethics laws.

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