

An aerial photograph of a dense forest with a circular wooden walkway or bridge winding through it. The trees are a mix of green and yellow-green, suggesting an autumn setting. The walkway is made of dark wood and has a railing. The overall scene is lush and natural.

Brookfield

2022
**Sustainability
Report**

Brookfield Asset Management

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[Brookfield Asset Management at a Glance](#)

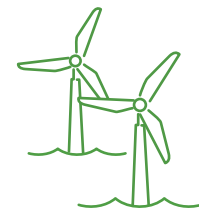
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Brookfield Asset Management at a Glance¹

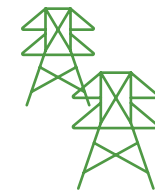
We are one of the world's leading alternative asset managers, with over \$825 billion of assets under management across Renewable Power & Transition, Infrastructure, Private Equity, Real Estate, Credit and Insurance Solutions.² We invest client capital for the long-term with a focus on real assets and essential service businesses that form the backbone of the global economy. We draw on our heritage as an owner and operator to invest for value and generate strong returns for our clients, across market cycles.



Renewable Power & Transition

\$77B
AUM

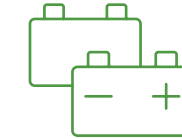
- Hydro
- Wind
- DG, Storage & Sustainable Solutions
- Solar



Infrastructure

\$161B
AUM

- Transport
- Utilities
- Data
- Midstream



Private Equity

\$139B
AUM

- Industrials
- Infrastructure Services
- Business Services
- Technology Services
- Healthcare Services



Real Estate

\$270B
AUM

- Housing
- Logistics, Storage & NNN
- Hospitality
- Office
- Retail
- Science & Innovation



Credit & Insurance Solutions

\$187B
AUM

- Senior & Subordinated Private Debt
- Private Equity
- Real Assets
- Publicly Listed Equity & Debt

¹ Brookfield Asset Management Ltd. was established by Brookfield Corporation (formerly known as Brookfield Asset Management Inc.) to give public shareholders direct access to a pure-play alternative asset management business. "The "Manager," "Brookfield," the "company," "we," "us" or "our" refers to Brookfield Asset Management Ltd. together with our asset management business, being Brookfield Asset Management ULC and its subsidiaries, including its share of the asset management activities of Oaktree Capital Management ("Oaktree"). The "Corporation" refers to Brookfield Corporation (formerly known as Brookfield Asset Management Inc.) and its subsidiaries (including the perpetual affiliates), together the "firm". Throughout this report we refer to our business groups, which represent people from each of our pillars above (e.g., Renewable Power & Transition, Infrastructure, Private Equity and Real Estate). As well, throughout this report, we use the term portfolio company, which may refer to an investment in a property, asset, or business. Additional discussion of the Corporation's and the perpetual affiliates' businesses and results can be found in their public filings.

² This report does not address the sustainability practices of Oaktree Capital Management ("Oaktree"). Please refer to Oaktree's website for a description of its sustainability practices <https://www.oaktreecapital.com/responsibility/esg>. Total AUM also includes \$10 billion from our Public Securities Group and \$44 billion from Insurance Solutions. AUM figures are as of March 31, 2023. For a discussion of our Insurance Solutions business and our Public Securities Group, see Brookfield's Annual Report.

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BROOKFIELD HIGHLIGHTS



We leverage our exceptional team, global reach, deep operating expertise, access to large-scale capital, investment approach and strong track record as our foundation and driver of our growth.

2,500+

Investment & Asset Management Professionals

~200,000

Operating Employees

30+

Countries

270

Client Service Professionals

18

Global Offices



We provide a highly diversified suite of alternative investment strategies and are constantly innovating new products to meet client needs.

50+

Unique strategies across numerous product offerings

2,000+

Global and diverse client base ranging from large institutional to individual investors



Our guiding principle is to operate our business and conduct our relationships with the highest level of integrity.

Our culture of collaboration is enhanced by our diverse pool of talent, and our focus on developing our talent to their potential enables us to attract and retain top talent.

We seek to embed strong environmental, social and governance (ESG) practices throughout our business, underpinning our goal of having a positive impact on the communities and environment within which we operate.

Brookfield's current and former senior executives own approximately 20% of the business, and Brookfield shares comprise a significant portion of long-term compensation for our business leaders. This provides a long-term focus, a culture of ownership and strong commitment to alignment with stakeholders.

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Brookfield's Global Reach

\$825B +
Assets Under Management



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Net zero by 2050

commitment to the goal of reaching net-zero emissions by 2050 or sooner across all assets under management

\$147B

assets under management (one-third) included in our 2030 net-zero interim target with the ambition to reach 100% coverage over time

Inaugural TCFD disclosure

included in this 2022 Sustainability Report

\$15B

raised for our inaugural transition fund, the Brookfield Global Transition Fund

\$7B

in issuances across green bonds, hybrid securities and sustainability-linked debt and loans

40%

of our employee population in Australia, Canada, the U.K. and U.S. is ethnically diverse

100%

of Brookfield Properties U.S. office portfolio committed to be powered by clean energy by 2026

BGTF II

launched the fundraise of the second vintage of the Brookfield Global Transition Fund

25,000 MW

of generating capacity in renewable power globally

57%

of independent board of directors are female

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For over 100 years, Brookfield has invested in the backbone of the global economy—the places where people live, work and play, the energy sources powering those places and the ways in which information and goods are transmitted and transported around the world. That means sustainability is not a new imperative for us—it has always been key to our approach to owning and operating real assets and essential services over the long-term, as well as creating value for all our stakeholders.

A Leader in Decarbonization

Governments and businesses around the world have committed to limiting global warming to well below 2°C, aligning with the goals of the Paris Agreement, and adopting ambitious targets to reduce their carbon footprints to net-zero emissions. Over \$200 trillion of investment is needed by 2050 to drive the decarbonization of our economy and energy systems, with a rapid redirection of capital required to cut global carbon emissions by 45% by 2030.¹ Three-quarters of global emissions trace back to energy consumption, making clean energy and electrification critical first steps towards the net-zero transition.²

In light of these industry trends, we believe that Brookfield is well-positioned to play a leading role in driving global investment in decarbonization solutions. Brookfield is a signatory to the Net Zero Asset Managers (NZAM) initiative and has aligned itself with the ambition to reach net zero by 2050 or sooner. In May 2022, we published our interim target, setting out our commitment to reduce emissions across \$147 billion (approximately one-third) of our assets under management by 2030 from a 2020 base year. We are committed to increasing the proportion of our assets under management to be included in our NZAM target to 100% over time.

Further, we have adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)—including by way of the enhanced disclosures reflected in this report.

To achieve our net-zero ambition, we have been focused on putting plans into action. We are an active asset manager, so we will partner with our portfolio companies to guide them on a detailed decarbonization pathway.

¹ BloombergNEF, “The \$7 Trillion a Year Needed to Hit Net-Zero Goal”, December 2022.

² Climate Watch, World Resource Institute

Over \$200 trillion of investment is needed by 2050 to drive the decarbonization of our economy and energy systems.

Our focus over the next few years will be to continue formalizing and implementing a systematic decarbonization approach to accelerate our net-zero progress.

We have invested significantly in enhancing internal climate governance and in our people. In 2022, we established the Brookfield **Net Zero Operational Committee**, bringing together functional and sector expertise from senior levels of the organization to lead the execution of decarbonization strategies across all our platforms, as well as the measurement of our progress.

We have provided training covering a range of key climate-related topics—including our net-zero ambition, climate risk assessments, greenhouse gas (GHG) emissions measurement and emission reduction strategies. We have also produced thought leadership on climate-related issues through the [Brookfield Insights](#) program and via our new podcast, [Brookfield Perspectives](#), which devoted its first season to examining the topic of decarbonization.

Our investment activity is also contributing to accelerating the global transition to a low-carbon economy. Our renewable power platform owns and operates one of the world’s largest fleets of clean energy assets and is set to grow significantly.

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We firmly believe that, through proper management and stewardship, both our investments and Brookfield’s businesses will continue to grow stronger and more valuable over time.

In 2021, we launched the Brookfield Global Transition Fund I (BGTF I), the first in a series of funds dedicated to accelerating the transition to a net-zero economy by catalyzing businesses onto net-zero pathways aligned with the goals of the Paris Agreement. As of Q1 2023, BGTF I has invested or committed over \$11 billion across 19 investments, while offering over \$4 billion in co-underwrite and co-investment opportunities, targeting to avoid approximately 53 million mtCO₂e by 2033—equivalent to 100% of New York City’s annual emissions.¹ Following the success of BGTF I, in May 2023, we launched the fundraise of BGTF II targeting a meaningfully higher fund size in a continuation of the same strategy of its predecessor. We view transition investing as a \$200 billion opportunity for Brookfield and we intend to maintain our lead in this critical asset class.

Highlighting our strategy of “going where the emissions are,” in March 2023, we announced a landmark transaction together with institutional partners to acquire the Energy Markets division of Origin Energy, Australia’s largest integrated power generator and energy retailer. Through our access to large-scale capital and renewable power expertise, we intend to help accelerate the buildout of

significant renewables and storage capacity in Australia. This will enable the retirement of one of the country’s largest coal plants and reduce reliance on a carbon-intensive grid, which is projected to decrease absolute emissions produced by the business by more than 70% by 2030.

In other parts of our business, we are also deploying capital to drive sustainable solutions. Recognizing that there is “no transition without transmission,” over the past several years, we have invested in several electricity transmission businesses in North America, Brazil and Australia. Our capital will drive the development and upgrading of transmission lines to facilitate clean energy transmission. In recent years, we have also built a global residential decarbonization infrastructure platform, with presence in North America and Europe, to deliver low-carbon, high-efficiency, in-home solutions, as we see consumers increasingly inclined to support housing models that can alleviate the high up-front costs of new technologies like heat pumps and solar panels.

We are also committed to being a leader in sustainable finance, facilitating investors’ and portfolio companies’ contribution to a sustainable market economy and helping

to address climate-related challenges. To this end, in 2022 we issued approximately \$7 billion in green bonds, sustainability-linked debt and green preferred securities.

We are continuing to explore ways to expand our portfolio of high-quality, sustainable assets and investments while continuing to deliver strong risk-adjusted performance and downside protection for stakeholders across market cycles. As we partner with both our operating businesses and portfolio investments in the journey to net zero, we remain focused on managing our assets in a responsible manner as a key aspect of creating long-term value. We firmly believe that, through proper management and stewardship, both our investments and Brookfield’s businesses will continue to grow stronger and more valuable over time.

Strengthening Our Culture

At Brookfield, we view our people as our greatest asset. We have long believed that diversity, equity and inclusion—as well as clear paths to career advancement—are critical to our success as a firm, and we have focused on broadening our representation at all levels of the organization.

These efforts have led to a significant increase in female representation at the most senior levels of the organization. These results are particularly notable as we have more than doubled the total employee population at Brookfield over the past five years. For example, Managing Partner and Managing Director female representation grew from 10% to 19%, while Senior Vice President representation increased from 17% to 32% during this time. Meanwhile, the percentage of our employee population representing ethnically diverse individuals reached 40% in 2022.²

Key to our efforts at recruiting and developing talent for the long-term is a culture defined by mutual respect, teamwork and passion. Senior leaders work side by side with colleagues throughout the organization, emphasizing a goal of shared success. Our organization is and always has been results oriented—responsibility is earned through initiative and hard work rather than job title. Through mentorship, continual informal training and knowledge sharing, team members share an awareness of and commitment to generating superior long-term returns for our investors.

At the same time, operating on the ground in more than 30 countries on five continents not only enables us to

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stay close to our clients and provides us with an edge in investing—it also creates a unique pipeline of talent from around the world, reflecting a vast universe of perspectives. We further cultivate this global exchange of ideas through a fluid organizational structure that encourages our employees to move across regions, functions and groups to pursue their interests and broaden their knowledge. We pride ourselves on a workplace in which our people learn—and are challenged—every day.

We are committed to conducting our business activities with honesty and integrity. During 2022, we further developed our vendor management program, including adopting a Vendor Code of Conduct that sets out our expectations of vendors that provide goods or services to Brookfield, including, where applicable, to have the necessary policies and procedures in place to support such commitments within their supply chain.

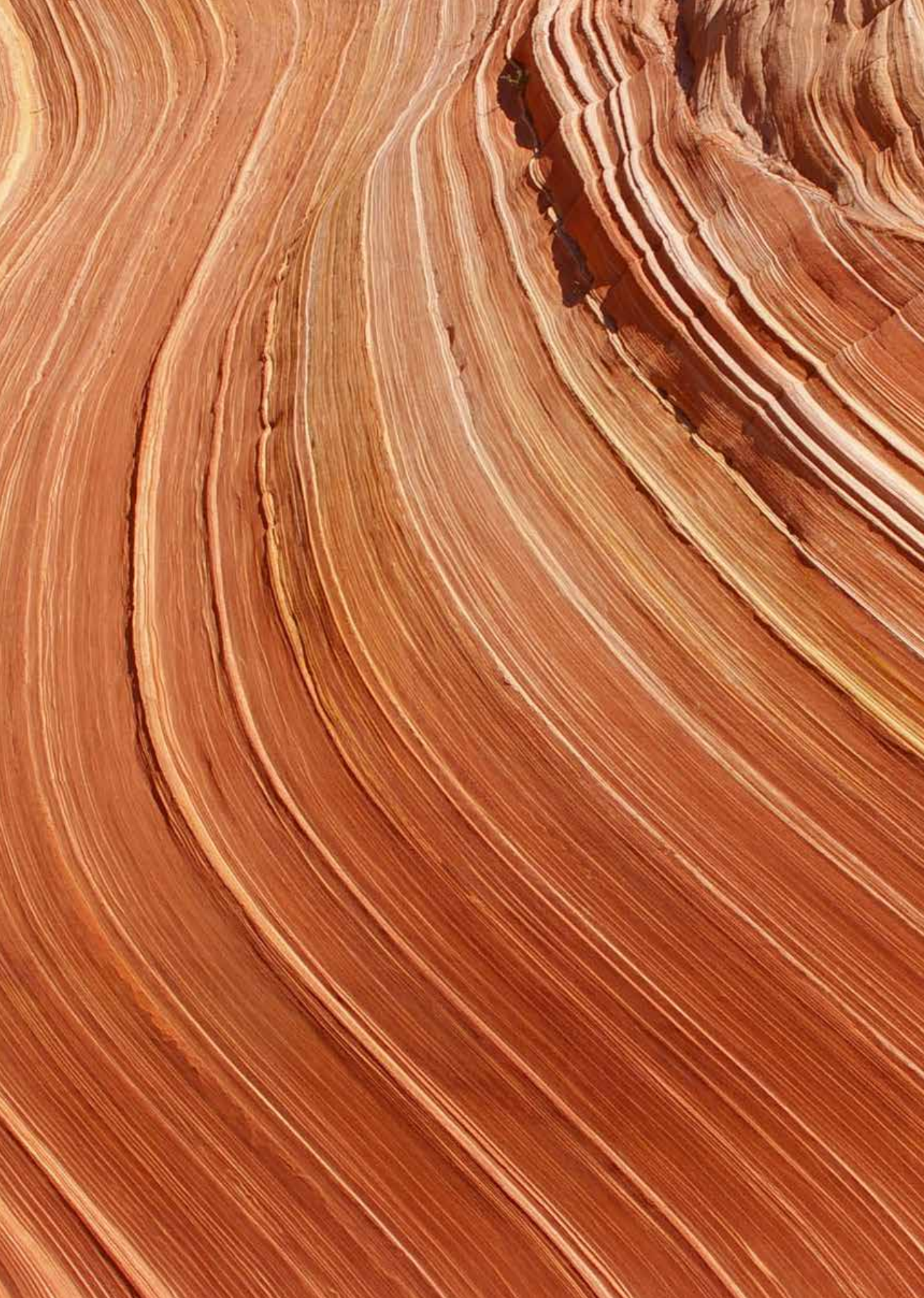
Looking Ahead

Regardless of the broader trends and current challenges facing the global economy, we remain disciplined in our focus on ensuring that the assets and businesses we own are positioned for long-term success—and that we continuously strive to positively impact the environment and communities in which we operate. Given our history as owners and operators, we are well accustomed to providing strong stewardship of long-life assets and businesses in a manner that creates value—and devoting the resources necessary to ensure that value is sustained over the long-term.

We are excited about the opportunities to share our experience and expertise as we partner with businesses around the world. As always, we appreciate your help and support in creating a more sustainable future for us all.



Bruce Flatt
Chief Executive Officer



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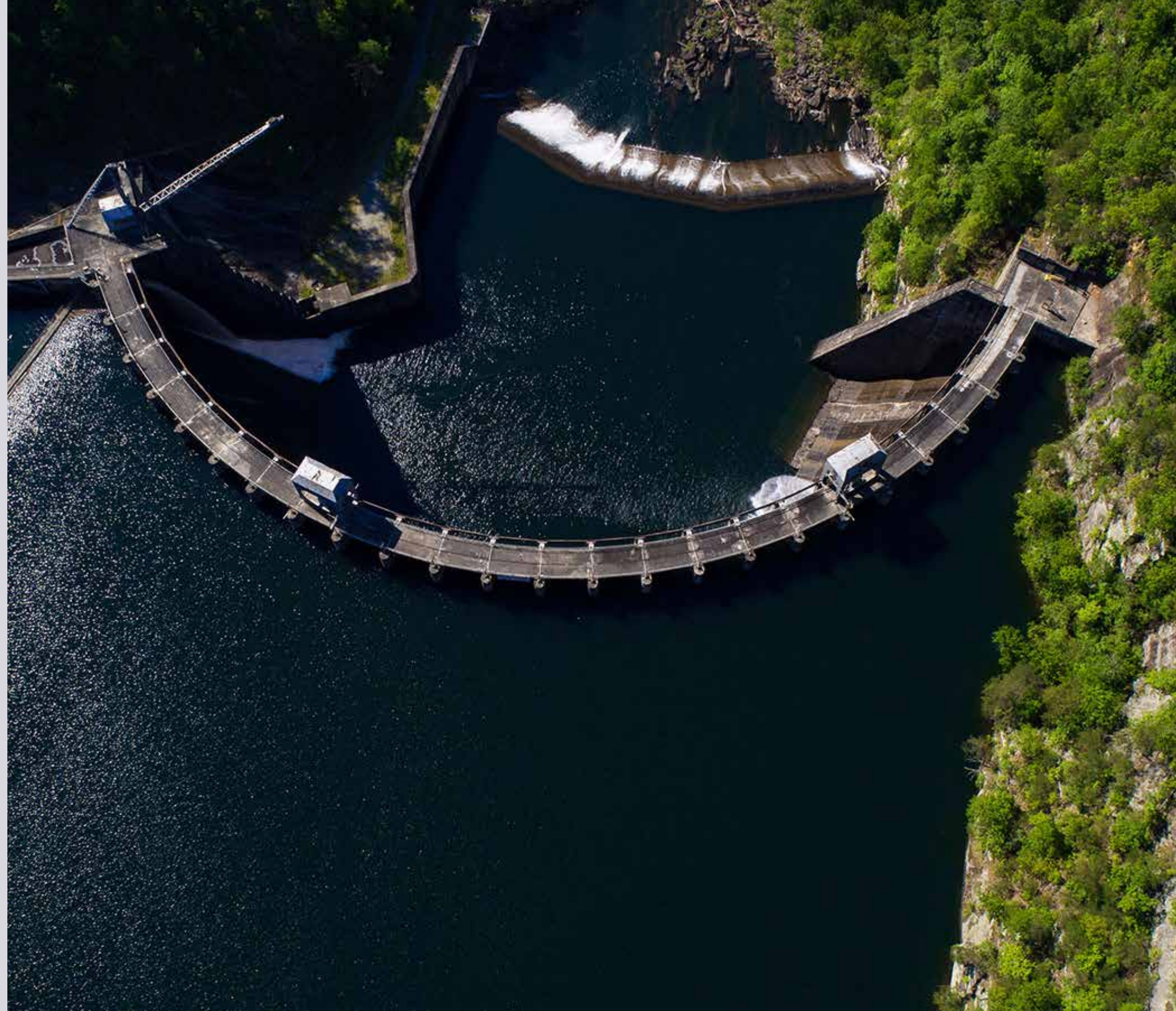
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Our Guiding ESG Policy

Our ESG strategy is centered on supporting business resilience and creating value for our investors and stakeholders—now and in the future.

We manage our investments with integrity, combining economic goals with responsible citizenship. This is consistent with our longstanding philosophy of conducting business with a long-term perspective in a sustainable and ethical manner. It also requires operating with robust ESG principles and practices, and maintaining a disciplined focus on integrating these into everything we do.

While ESG principles have always been embedded in how we run our business, we formalized our approach with the publication of Brookfield's ESG principles in 2016. In 2022, we developed a global ESG Policy that formalizes our practices related to operationalizing our ESG principles. Our ESG Policy codifies our longstanding commitment to integrating ESG considerations into our decision-making and day-to-day asset management activities. This policy is reviewed annually and updated on an as-needed basis by senior executives at Brookfield, as well as each of Brookfield's business groups.

ADDITIONAL INFORMATION

[ESG Policy](#)

Our ESG Policy outlines our approach to ESG and is based on the following guiding principles:



Mitigate the impact of our operations on the environment

- Strive to minimize the environmental impact of operations and improve our efficient use of resources over time.
- Support the goal of net-zero GHG emissions by 2050 or sooner.



Uphold strong governance practices

- Operate to the highest ethical standards by conducting business activities in accordance with our Code of Business Conduct and Ethics.
- Maintain strong stakeholder relationships through transparency and active engagement.



Ensure the well-being and safety of employees

- Foster a positive work environment based on respect for human rights, valuing diversity, and having zero tolerance for workplace discrimination, violence or harassment.
- Operate with leading health and safety practices to support the goal of zero serious safety incidents.



Be good corporate citizens

- Ensure the interests, safety and well-being of the communities in which we operate are integrated into our business decisions.
- Support philanthropy and volunteerism by our employees.

ESG Affiliations and Partnerships

Through our engagement with ESG frameworks and sustainability organizations, we continue to be actively involved in discussions to advance ESG awareness across private and public markets, and we are enhancing our ESG reporting and protocols in line with evolving best practices.

The following are some of the frameworks and organizations with which we are affiliated:

NZAM

We have been a signatory to the [Net Zero Asset Managers \(NZAM\)](#) initiative since 2021 and are committed to supporting the goal of net-zero GHG emissions by 2050 or sooner, emphasizing our alignment with the Paris Agreement. For further details on our commitment and progress, refer to [Metrics and Targets](#).

TCFD

In 2021, we became supporters of the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#). The TCFD aims to guide companies in incorporating considerations relating to the effects of climate change into business and financial decisions to help facilitate the transition to a more sustainable, lower-carbon economy. We have issued our inaugural TCFD disclosures this year, included in the [Putting Plans into Action](#) section of this report.

PRI

We have been signatories to the [Principles for Responsible Investment \(PRI\)](#) since 2020, which reinforces our longstanding commitment to responsible investment and ESG best practices. The PRI is one of the world's leading proponents of responsible investing, with an emphasis on understanding the investment implications of ESG factors and supporting an international network of investor signatories incorporating these factors into their investment and ownership decisions. Our first formal reporting submission to the PRI for the 2022 fiscal year is underway and our score is expected to be published in Q4 2023. The transparency report from the submission will be available to signatories via the PRI website.



We are members of the [IFRS Sustainability Alliance \(IFRS\)](#), previously known as the Sustainability Accounting Standards Board (SASB). IFRS is a global membership program established to develop globally accepted accounting and sustainability disclosures, and whose industry-specific standards are designed to be evidence-based and market-informed. Where appropriate, we may utilize the SASB Engagement Guide as part of our investment due diligence protocols, to help identify sector specific considerations in identifying material climate risks and opportunities.



We joined the [Institutional Limited Partners Association \(ILPA\) Diversity in Action \(DIA\) initiative](#), which brings together limited and general partners who share a commitment to advancing diversity, equity and inclusion in the private equity industry. Joining the DIA initiative underscores our commitment to advance diversity, equity and inclusion, both within our organization and the industry more broadly.



We have been involved with the [Sustainable Markets Initiative's \(SMI\) Private Equity Task Force \(PESMIT\)](#) since 2021 and in 2023 became formal members. PESMIT brings together private equity firms to identify ways that the industry can accelerate progress towards a more sustainable future. Focusing on climate change, biodiversity and sustainability related metrics for private markets, it leverages expertise within each member firm and works with the other Sustainable Markets Initiative Task Forces.

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In addition to our own partnerships, a number of our businesses are associated with industry organizations and frameworks that promote responsible business practices. Examples include:

- Many of Brookfield Properties' portfolio companies report voluntary environmental disclosures through The Global Real Estate Sustainability Benchmark (GRESB), an investor-driven organization that assesses the sustainability performance of real estate portfolios and assets.
- To help progress a commitment to protect biodiversity, our renewable power portfolio assesses nature-related physical and transition risks and opportunities in line with the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations. The TNFD is a risk management and disclosure framework for organizations to report and act on evolving nature-related risks, with the ultimate aim of supporting a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes. In 2022, Brookfield Renewables assessed its biodiversity strategy against the draft TNFD recommendations.
- Brookfield Properties has adopted the WELL Health-Safety Rating, a global sustainability designation that recognizes buildings that support the long-term health and well-being of their occupants. The rating was developed by the WELL Building Institute, an organization focused on improving human health and well-being through the built environment.

Please refer to [Our Climate Strategy](#) for details on our climate-related engagements.

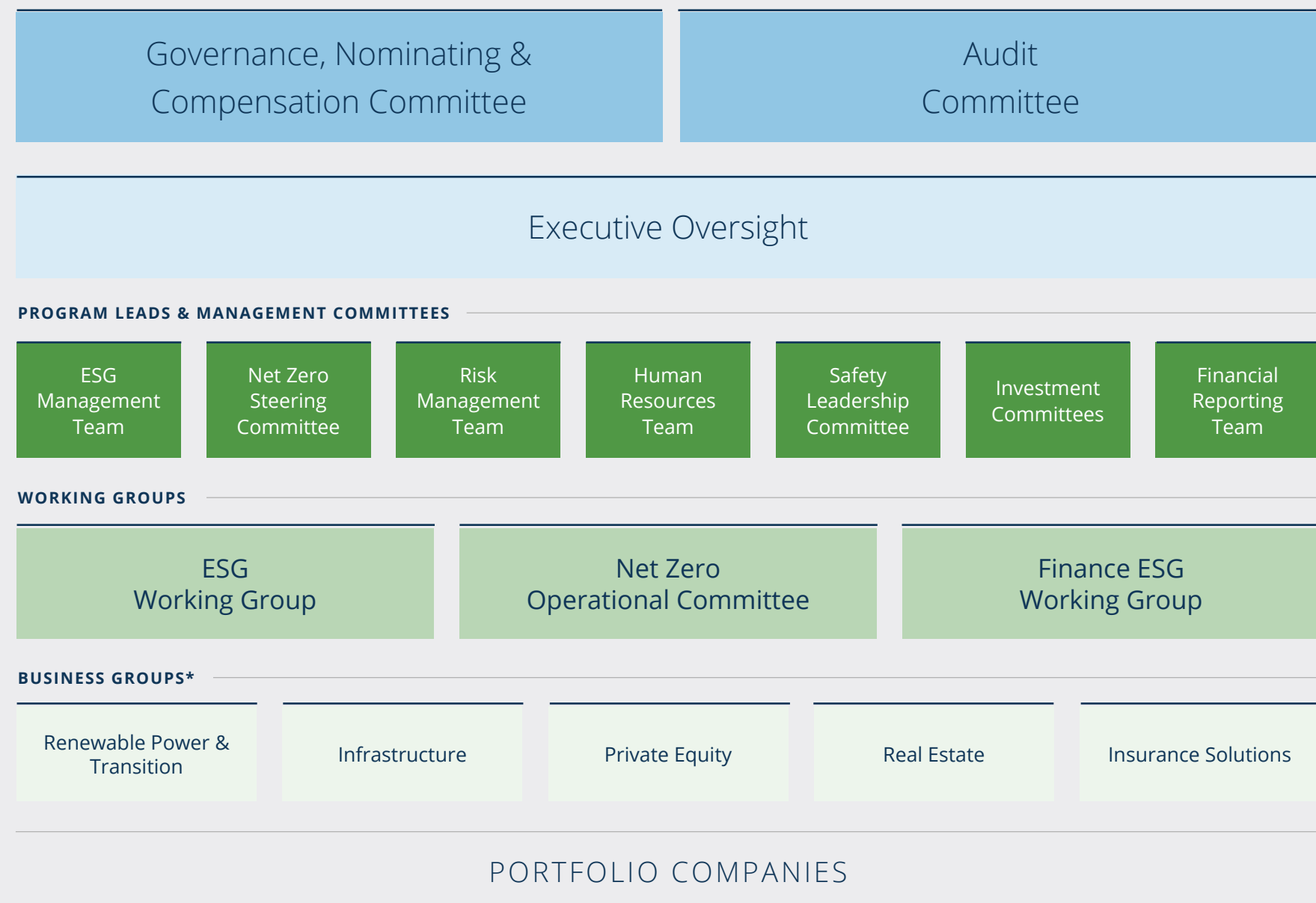


ESG Organization and Governance

Robust ESG programs throughout our firm, business groups and underlying portfolio companies have always been a key priority.

We understand that good governance is essential to sustainable business operations. The governance of ESG matters is integrated into Brookfield's overall governance framework and is aligned with our governance approach. We have implemented strong governance practices to monitor and oversee our business, including our ESG strategy.

Brookfield Asset Management Board of Directors



*Does not include Oaktree.

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Brookfield Asset Management Board of Directors

Our Board of Directors (the “Board”) is focused on maintaining strong corporate governance and prioritizing the interests of our shareholders and other stakeholders. The Board has oversight of our business and affairs, reviews progress on major strategic initiatives, and receives progress and status reports on the firm’s ESG initiatives throughout the year.

Board Composition

Our Board comprises 12 directors, seven of whom are independent. The Audit Committee and Governance, Nominating and Compensation Committee, both consisting exclusively of independent directors, exercise oversight of our operations and initiatives. Our Board conducts annual reviews of our Board and committee charters, which outline the responsibilities of the Board and its committees.

We believe that our business benefits from diverse backgrounds, experiences and perspectives. We work to ensure that our Board includes individuals with diverse business expertise and international experience, and who are representative of the communities in which we operate in terms of gender and ethnic diversity. Our Board Diversity Policy drives progress toward our goals and underscores our commitment. 57% of our independent directors are women and 33% of the entire Board of Directors are women. 25% of our Board of Directors self-identify as ethnically-diverse.

Responsibility & Oversight

The Board oversees Brookfield’s ESG strategy and leverages management’s monitoring processes. The Board and its

committees review and approve significant policies relating to ESG and monitor progress towards ESG goals. The Board has delegated responsibility for oversight of different ESG areas to various board committees, which receive quarterly updates on ESG initiatives and outcomes.

- **Governance, Nominating and Compensation Committee (GNCC):** The GNCC provides direct oversight of Brookfield’s ESG strategy and priorities. It oversees ESG risks and opportunities related to Brookfield’s ESG strategy, including climate-related matters, human capital strategy, management resource planning, succession planning, executive compensation and senior executives’ performance, which integrate diversity, equity and inclusion considerations. The Committee also ensures that relevant ESG skills and considerations are integrated into Board practices, including the nomination of directors.
- **Audit Committee:** The Audit Committee oversees the management of risks related to Brookfield’s systems and procedures for external financial reporting, including any related requirements for the inclusion of ESG information. It is responsible for overseeing Brookfield’s risk management strategies, including reviewing management’s assessment of the current and emerging financial and non-financial risks and related mitigation strategies such as climate, bribery and corruption, cyber, and health and safety.

Executive Oversight

Brookfield’s ESG program is overseen by senior executives at Brookfield, including its Chief Administrative Officer (CAO) (Governance and Risk Management), Head of Transition

Investing (Decarbonization and Investment), and Chief Financial Officer (CFO) (GHG Reporting and Measurement), with the support of Brookfield’s Head of ESG Management. Alongside this group, our ESG program has sponsorship and oversight from each business group CEO, COO and ESG lead. Since ESG covers a vast range of priorities that are varied in scope, we believe that ESG initiatives should be overseen by individuals closest to the particular business activity. Functional leads are responsible for developing, implementing and monitoring relevant ESG factors within their functional area. For example, diversity, equity and inclusion considerations and initiatives are integrated into our human capital practices and are overseen by our CAO, who is responsible for the Human Resources team. Similarly, managing bribery and corruption, climate, and health and safety risks are coordinated by the Risk Management team, which is also overseen by the CAO. Our CFO ensures that regulatory reporting requirements related to ESG are incorporated into our reporting processes.

ADDITIONAL INFORMATION

[Board of Directors Charter](#)

[Board Diversity Policy](#)

[Charter of Expectations for Directors](#)

[Board Position Descriptions](#)

Program Leads & Management Committees

Management teams and committees bring together the required expertise to manage key ESG areas, ensuring appropriate application and coordination of approaches across our business and functional groups.

- **ESG Management Team:** The ESG Management team is accountable to Brookfield’s CAO and has the responsibility of ensuring that there is a holistic approach to ESG. The team is charged with working with senior executives of each of the business groups in identifying and articulating the strategic direction for ESG, as well as ensuring coordination of efforts across all aspects of the business. This involves working across all functional and business groups on ESG-related topics to oversee these initiatives and their integration into our processes, products and investment activities.
- **Investment Committees:** The Investment Committees, which comprise senior executives across different business groups and geographies, consider applicable ESG risks and opportunities when evaluating investment opportunities, including climate change and social and governance considerations, which are incorporated into the due diligence process for each potential investment. The relevant investment committee reviews material findings from due diligence and associated mitigation and integration plans as part of the investment approval process.
- **Safety Leadership Committee:** Our Safety Leadership Committee comprises senior operating executives from our business groups and regions and drives our strategic health and safety framework. The Committee promotes a strong safety culture, monitors safety trends, and sponsors strategic initiatives related to health, safety, security and environmental matters, as well as ensuring that lessons learned and best practices are shared across the business groups and our portfolio companies.

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- **Net Zero Steering Committee:** The Net Zero Steering Committee oversees Brookfield's decarbonization strategy and initiatives. See [Our Climate Strategy](#) for more information on Brookfield's decarbonization efforts.

Working Groups

Supporting our Program Leads and Management Committees, we have working groups dedicated to specialized areas with the objective of ensuring that key priorities for Brookfield are being advanced.

- **ESG Working Group:** Our ESG working group comprises representatives from across business groups and functional areas to develop and coordinate ESG initiatives. The Working Group also ensures that sector and market trends are considered. The diverse nature of this group, with varying areas of expertise and backgrounds, ensures there is a wide range of representation when considering Brookfield's ESG opportunities and risks. This group meets, at minimum, monthly and reports on the progress of the working group's initiatives to the executive team on a regular basis.
- **Finance ESG Working Group:** This working group comprises senior finance professionals from Brookfield and its business groups, with a mandate to develop and implement a coordinated approach to climate-related financial disclosures.
- **Net Zero Operational Committee:** This group comprises functional, sector and technical experts across the organization with a mandate to exe-

cute the priorities set out by the Net Zero Steering Committee. See [Putting Plans into Action: Climate Governance](#) for more information.

Business Groups

Within our business groups, ESG priorities are set and driven by the COO and designated group ESG lead, with oversight from the group's CEO. Supporting this group, we have ESG-focused professionals or functional experts across ESG-related priorities. Collectively, this group works with our Program Leads, Management Committees and Working Groups to drive ESG-related initiatives.

Portfolio Companies

Portfolio company management, specifically each company's CEO and their team, are responsible for the development and execution of an ESG strategy for their business and are accountable for the portfolio company's performance. Portfolio companies are supported by investment and operations professionals and subject matter experts within our business groups. Asset management professionals within our business groups are responsible for driving ESG initiatives within the portfolio companies they oversee based on business imperatives, industry developments and best practices. They also provide strategic oversight and ensure that portfolio company ESG initiatives and practices are aligned with Brookfield's ESG principles. This approach leverages Brookfield's extensive industry and operational expertise to achieve our ESG priorities.

We believe that our business benefits from diversity in backgrounds, experiences and perspectives. We work to ensure that our Board includes individuals with diverse business expertise and international experience, and who are representative of the communities in which we operate in terms of gender and ethnic diversity.

AS OF JUNE 2023

33%

board of director positions held by women

57%

independent director positions held by women

25%

of directors self-identify as ethnically diverse

Our Investment Approach

ESG Integration into Our Investment Process

Stewardship and Engagement

Systemic Risk Management



ESG Integration into Our Investment Process



We seek to embed material ESG considerations and evaluate risks and value creation opportunities throughout our investment process. We actively look to advance ESG initiatives and improve ESG performance in driving long-term value creation throughout the lifecycle of our investments. Our investment processes align with the PRI.

Due Diligence

During the initial due diligence phase, we proactively identify material ESG risks and opportunities relevant to the particular investment. Guided by Brookfield’s ESG Due Diligence Protocol, we leverage our investment and operating expertise and utilize industry-specific principles, which may include the incorporation of SASB guidance and, where applicable, a human rights and modern slavery risk assessment as supported by the related policy. Where warranted, Brookfield performs deeper due diligence, working with internal experts and third-party consultants as needed.

Investment Committee Approval

All investments must be approved by the applicable Investment Committee. Investment teams outline for the Investment Committee the merits of the transaction and material risks, mitigants and significant opportunities for improvement, including those related to ESG, such as bribery and corruption, health and safety, and environmental and social risks.

Ongoing Management

As part of each acquisition,¹ investment teams create a tailored integration plan that includes, among other things, material ESG-related matters for review or execution. We believe there is a strong correlation between managing these considerations and enhancing investment returns.

It is the responsibility of the management teams within each portfolio company to manage ESG risks and opportunities through the investment’s lifecycle, supported by the applicable investment team within Brookfield. The combination of local accountability and expertise in tandem with Brookfield’s investment and operating capabilities is important when managing a wide range of asset types across jurisdictions. We leverage these capabilities in collaborating on ESG initiatives, where appropriate, to drive best practices and assist with any remediation. As it relates to ESG, where appropriate, we encourage our portfolio companies to organize training for relevant staff.

To mitigate risks and execute on opportunities, we seek to support the implementation of best practices and development of internal capabilities at our portfolio companies. We aim to achieve this in several ways, including by encouraging training, providing technical expertise on certain ESG related matters, facilitating connections to experts on ESG issues in relevant sectors, sharing of institutional knowledge of best practices and leveraging other firm resources including cross-portfolio collaboration.

¹ Refers to investments where Brookfield has control.

Management teams regularly report to their respective boards of directors both from financial and operating perspectives, including key performance indicators (“KPIs”) that incorporate material ESG factors, such as health and safety, environmental management, compliance with regulatory requirements, and, increasingly, GHG emissions.

For investments where Brookfield has a non-controlling interest, where we are a debt holder or in other circumstances where Brookfield does not have the ability to exercise influence through its contractual rights, Brookfield actively monitors the performance of its investments and, where appropriate, utilizes its stewardship practices to encourage ESG outcomes that are aligned with Brookfield’s ESG approach. Where applicable, certain strategies may have Strategic Implementation Guidelines articulating Brookfield’s stewardship and engagement process.

Exit

When preparing an asset for divestiture, we outline potential value creation deriving from several different factors, including relevant ESG considerations. Where applicable, we also prepare both qualitative and quantitative data that summarize the ESG performance of the investment and provide a holistic understanding of how we have managed the investment during the holding period.

Examples of KPIs that incorporate material ESG factors:



Health and Safety Performance



Environmental Management



Compliance with Regulatory Requirements



GHG Emissions

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Stewardship and Engagement

Stewardship is an important element of our ESG strategy, and we have defined it in alignment with the PRI. We seek to do this through engagement with our portfolio companies and collaboration with industry peers to help inform and improve our ESG strategies and practices. Though the majority of our investments are in private markets, we will use our Proxy Voting Guidelines, where applicable, and ensure our disclosures address how we incorporate ESG factors into our investment process.

In managing our assets, we utilize our significant influence and investing and operating capabilities in collaborating with our portfolio companies to encourage sound ESG practices that are essential for resilient businesses, while seeking to create long-term value for our investors and stakeholders. See [ESG Integration into Our Investment Process](#) for further detail. As well, through our ongoing engagement with portfolio companies, we may partner with or support our portfolio companies to facilitate discussions with external stakeholders with the intent of



positively influencing industry standards or practices that are aligned with our ESG principles.

With respect to collaboration with outside stakeholders, including industry groups, we encourage our business groups to participate in knowledge sharing practices, at Brookfield's or its business groups' discretion. This is either facilitated through our Frameworks, Memberships and Commitments (as outlined in [ESG Affiliations and Partnerships](#)) or directly through Brookfield or by our business groups, and as described in our [Climate Group Memberships](#).

Proxy Voting

In early 2021, Brookfield established new Proxy Voting Guidelines. These guidelines are intended to ensure that we vote proxies in our investors' best interests, in accor-

dance with any applicable proxy voting agreements and consistent with the investment mandate.

Brookfield assesses a variety of ESG factors in determining whether voting a proxy is in a client's best interests. Our guidelines cover information about our Proxy Voting Committee and conflicts of interest, as well as key voting issues. These voting issues could include ESG issues, director elections, director independence, board effectiveness and diversity, board compensation, over-boarding and executive compensation, among other topics. The guidelines also uphold our strong commitment to ESG practices, and our positions concerning climate risk, human rights, and diversity, equity and inclusion.

All proxy votes are reviewed and voted on by the leaders of the respective business groups and their associated

teams. These teams retain ultimate responsibility for determining how to vote each proxy, taking into consideration the investment mandate, contractual obligations and a review of all relevant information. In addition, the Proxy Voting Team will maintain a log to track all proxies and document the basis for the vote, which serves as a record of Brookfield's votes. As part of our Proxy Voting Guidelines, Brookfield has created a Proxy Voting Committee to oversee proxy voting across our holdings. Comprising senior executives across Brookfield, this committee meets annually to review the guidelines, evaluate the effectiveness of their implementation and confirm whether they continue to be designed to ensure that proxies are voted in the best interests of investors.

Systemic Risk Management

Risk management is an integral part of our business and key to creating long-term value for our investors.

We recognize that risks to our business—including ESG-related risks—are constantly evolving, and our risk management program aims to monitor and proactively mitigate and manage them over time.

As an asset manager, the objectives of our risk management program are to align risk appetite and business strategy, reduce operational surprises, allocate resources effectively, enhance decision-making and visibility, identify and manage risks efficiently and improve communication surrounding risk.

Our risk management program addresses strategic and operational risks, with an emphasis on the proactive management of both current and emerging risks. We also monitor our risk program to address the evolving needs of our business and ensure that we have the necessary capacity to respond to changes.

A fundamental principle of our approach is that risk should be managed as close to its source as possible and by those who have the most knowledge and expertise in the specific business or risk area. Senior management and functional groups in our portfolio companies are therefore responsible for managing the risks facing their businesses and tailoring a mitigation plan to each specific risk area. Brookfield, in its capacity as an asset manager, provides strategic input and support through regular monitoring and reporting processes, and facilitating the sharing of best practices, including through its representation on boards of directors and other governance structures. We regularly review our risk management program and processes, including those relating to ESG risks such as climate change, and implement improvements, as required. See [Climate-Related Risk Management](#) for further information on our risk management approach to climate change.

For details on our governance practices in monitoring and overseeing our risk management program, please refer to the [ESG Organization and Governance](#) section.



Putting Plans into Action

TCFD: Climate-Related Financial Disclosures

[Climate Governance](#)

[Climate-Related Risk Management](#)

[Our Climate Strategy](#)

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Brookfield’s foundation is investing in businesses and assets forming the backbone of the global economy—places where people live and work, ways in which they transport themselves and their goods, and ways in which they power their lives.


That means sustainability is critical to what we do. Sound ESG practices, including net zero and climate-related risk management, are essential to building resilient assets and businesses—while also creating long-term value for our investors and stakeholders. We are focused on this approach and have a long track record of executing this strategy.


Sustainability Timeline


Over the past 50 years, Brookfield has made significant sustainability progress and built one of the largest renewable power businesses in the world. Brookfield intends to build on this leading position to contribute meaningfully to the transition to net zero.


 **1973** — Brascan (predecessor to Brookfield) purchases Great Lakes Power's 12 hydro facilities in Canada

 **1990s** — Brookfield significantly develops and expands its power generating business, highlighted by several hydroelectric acquisitions across Canada and the United States

 **2006** — Brookfield marks its entry into wind by developing one of the largest wind farms in Canada

 **2012** — Brookfield Real Estate's North American core office portfolio submits its first reporting to GRESB


 **2014** — Brookfield Renewable acquires the Bord Gais wind portfolio, expanding its footprint into Europe


 **2016** — Brookfield Renewable expands into Colombia through its Isagen hydro acquisition

Brookfield publishes its ESG Principles

Brookfield Infrastructure acquires Enwave Canada, a deep-lake cooling, district cooling and heating sustainable energy services provider and franchise operation


Brookfield Infrastructure completes greenfield development of electricity transmission lines to facilitate efficient transport of wind energy from Competitive Renewable Energy Zones in Texas to growing energy demand markets


 **2017** — Brookfield becomes one of the world's largest pure-play renewable power operators through the acquisition of TerraForm Power and TerraForm Global's wind and solar portfolios

 **2018** — Brookfield Infrastructure's Quantum commences development of electricity transmission lines in Brazil to facilitate transmission of green energy from northeastern Brazil to energy demand centers

Brookfield Private Equity invests in Westinghouse, a leading global provider of infrastructure services to the nuclear power generation industry, facilitating clean energy production


Brookfield publishes its first ESG report and corporate GHG emissions inventory

 **2019** — Brookfield Renewable acquires a stake in X-Elio, one of the largest independent solar platforms globally

 **2020** — Brookfield becomes a signatory to the Principles for Responsible Investment (PRI)


The SASB Engagement Guide is incorporated and considered as part of our investment due diligence process

Brookfield's London corporate office procures 100% renewable energy

 **2021** — Brookfield establishes its net-zero ambition and becomes a signatory to NZAM

Brookfield conducts its first climate risk assessment using scenarios

Brookfield publishes its Green Bond and Preferred Securities Framework

 **2022** — Brookfield publishes its NZAM interim target, committing to reduce emissions across one-third of Brookfield's AUM by 2030


Brookfield's ESG Principles are codified with the publication of Brookfield's ESG Policy

Brookfield closes on its \$15 billion inaugural transition fund, BGTF I

Brookfield Renewable enters into a joint venture with California Resources Group to scale carbon capture and storage deployment in California

Brookfield Renewable publishes its first TCFD disclosures

Brookfield's Mumbai corporate office procures 100% renewable energy

 **2023** — Brookfield publishes its first TCFD disclosures

Following Brookfield Private Equity's successful turnaround of the business, Brookfield Renewable purchases a stake in Westinghouse, which is positioned to drive additionality of clean energy through plant modifications and reactor life extensions

Brookfield launches BGTF II, its second vintage of the transition fund

Brookfield publishes its expanded GHG emissions inventory including a significant portion of its financed emissions

Brookfield Properties announces entire U.S. office portfolio to be powered by clean energy by 2026

Brookfield Renewable was included in Forbes Net Zero Leaders Top 100 list and ranks 4th on Corporate Knights' list of 100 Most Sustainable Companies of 2023

To highlight, over the past year, we have:

- Increased transparency and alignment of our practices to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), including with the disclosure contained in this report;
- Raised \$15 billion for BGTF I, one of the largest funds of its kind, dedicated to accelerating the global transition to net zero, and we have invested most of it; and
- Focused on enhancing our governance to support our net-zero ambition.

We believe that we are at an important juncture of our decarbonization journey and recognize that the road to a net-zero economy will take time, alignment of government policy and technological development.

We have commenced laying the foundations and will continue to take action across all of our businesses. We remain steadfast in sharing the learnings and successes of our journey in the coming years.



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Climate Governance

Aligned with our broader view of ESG, we believe that climate change presents both potential opportunities and risks for our business. Governance of climate-related initiatives follows Brookfield's overall ESG governance framework, as described in [ESG Organization and Governance](#). Our Board and executive leadership provide oversight over our climate change approach, including in our investing activities.

Board of Directors and its Committees	Oversee Brookfield's ESG strategy, including principal climate-related initiatives.	
Senior Executive Oversight	Provides oversight and strategic direction for Brookfield's ESG strategy, including principal climate-related initiatives.	Net Zero Steering Committee Oversees Brookfield's decarbonization strategy and monitors performance against priorities.
Management Resources	<p>The Investment Committees consider applicable ESG risks and opportunities when evaluating investments, including climate-related considerations, which are identified in due diligence.</p> <p>Our Net Zero Operational Committee leads the execution of decarbonization strategies, as well as the measurement of our progress.</p> <p>The Brookfield Risk Management Team coordinates the development and implementation of Brookfield's climate risk management approach and methodology.</p> <p>Financial Reporting oversight is provided under the leadership of Brookfield's CFO, with support from the Finance ESG Working Group. Together, this group monitors external reporting requirements for climate-related information.</p> <p>The ESG Working Group develops and coordinates the execution of all ESG initiatives, including climate-related initiatives.</p>	
Business Group Capabilities	The COO and ESG lead within each business group are responsible for setting strategic initiatives and driving execution of climate-related priorities. They partner with functional leads, including asset management, risk management and investment professionals, to work with our portfolio companies to provide operational oversight and strategic direction, including climate-related priorities.	

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Climate Strategy

As described in [ESG Organization and Governance](#), our ESG program, including our climate strategy, is overseen by senior executives from Brookfield (CAO, CFO, Head of ESG Management) and each of our business groups (CEO, COO, ESG Leads). This executive leadership team sets the overall strategic direction of Brookfield's climate-related commitments and ensures coordination across our various climate initiatives. The group is supported by the ESG Management Team, which coordinates with senior executives to ensure that climate considerations are integrated into our products and investment activities. The ESG Working Group leads measurement processes for climate-related metrics. Regular updates on climate initiatives are provided to the Board and its committees.

Decarbonization

Supporting our overall climate strategy, in 2022, we established the Brookfield **Net Zero Operational Committee**, which includes senior representatives from across the business, including sector and functional experts. This Committee leads the execution of decarbonization strategies, as well as the measurement of our progress.

The Committee's mandate is to:

- Ensure alignment and consistency in approach across our businesses
- Share best practices and information on portfolio company initiatives
- Measure and report results

The Net Zero Operational Committee meets monthly to

discuss and share best practices and experiences related to net zero and related value enhancement initiatives.

This monthly forum also generates cross business group development opportunities and partnerships with the common objective of decarbonization and facilitates training leveraging both internal and external expertise.

The Net Zero Operational Committee is overseen by the Net Zero Steering Committee, which comprises Brookfield's Head of Transition Investing, CAO and the COO of each business group and receives monthly updates from the Net Zero Operational Committee. Business group COOs are responsible for decarbonization initiatives within their businesses, including setting decarbonization strategies and evaluating

performance; the Steering Committee ensures coordination of net-zero efforts across groups. The Net Zero Steering Committee meets regularly and provides periodic updates to the Board.

Risk Management

The Risk Management team coordinates the development and implementation of Brookfield's climate risk management approach and methodology, which includes a framework for evaluating climate opportunities and risks in the investment due diligence process. The team works with our business groups to assess, on an ongoing basis, climate opportunities and risks across our businesses and seeks

to ensure that risks are being managed to an appropriate level. Risk assessment results are presented annually and updates on other climate risk management initiatives are reported quarterly to the applicable board committee.

The business group risk management teams implement the risk management methodology and investment due diligence framework within their businesses and support their investment and operations teams with execution. The investment teams are responsible for assessing material climate risks and opportunities of prospective investments and developing mitigation strategies and integration plans as part of the process. These results are presented to the Investment Committees as part of the investment approval process. Ongoing identification, assessment, management and monitoring of climate risks and opportunities is integrated into business groups' overall risk management process.

Financial Reporting

Brookfield's CFO and the Finance ESG Working Group monitor external financial reporting requirements with respect to climate-related information and, if and when required, will support the integration of these requirements into our financial reporting processes, along with the appropriate control framework. The Audit Committee is responsible for overseeing the reporting process and control framework, as well as any related external audit requirements.



Climate-Related Risk Management

Our approach to managing climate-related risks and opportunities is consistent with and integrated into our overall risk management approach. We manage these risks and opportunities in our asset management activities and throughout the lifecycle of our investments. Given the diversified and decentralized nature of our operations, we seek to ensure that risk is managed as close to its source as possible and by the management teams that have the most knowledge and expertise in the specific business or risk area.

As such, climate-related risks and opportunities are generally managed at the portfolio company level, as these considerations vary based on the nature of each business. At the same time, we monitor climate-related risks and opportunities organization-wide to ensure adequacy of risk management, identify asset and business level enhancement opportunities, and promote sharing of best practices.

Unless otherwise noted, the following discussion is focused on our approach to managing climate-related risks and opportunities for the investments where we have control or significant influence.¹ These investments represent the substantial majority of assets under management across our Renewable Power & Transition, Infrastructure, Private Equity and Real Estate investment strategies.

Climate-Related Risk Management in the Investment Lifecycle

As described in [ESG Integration Into Our Investment Process](#), climate-related considerations are an important component of our investment process.

Due Diligence and Investment Committee Approval

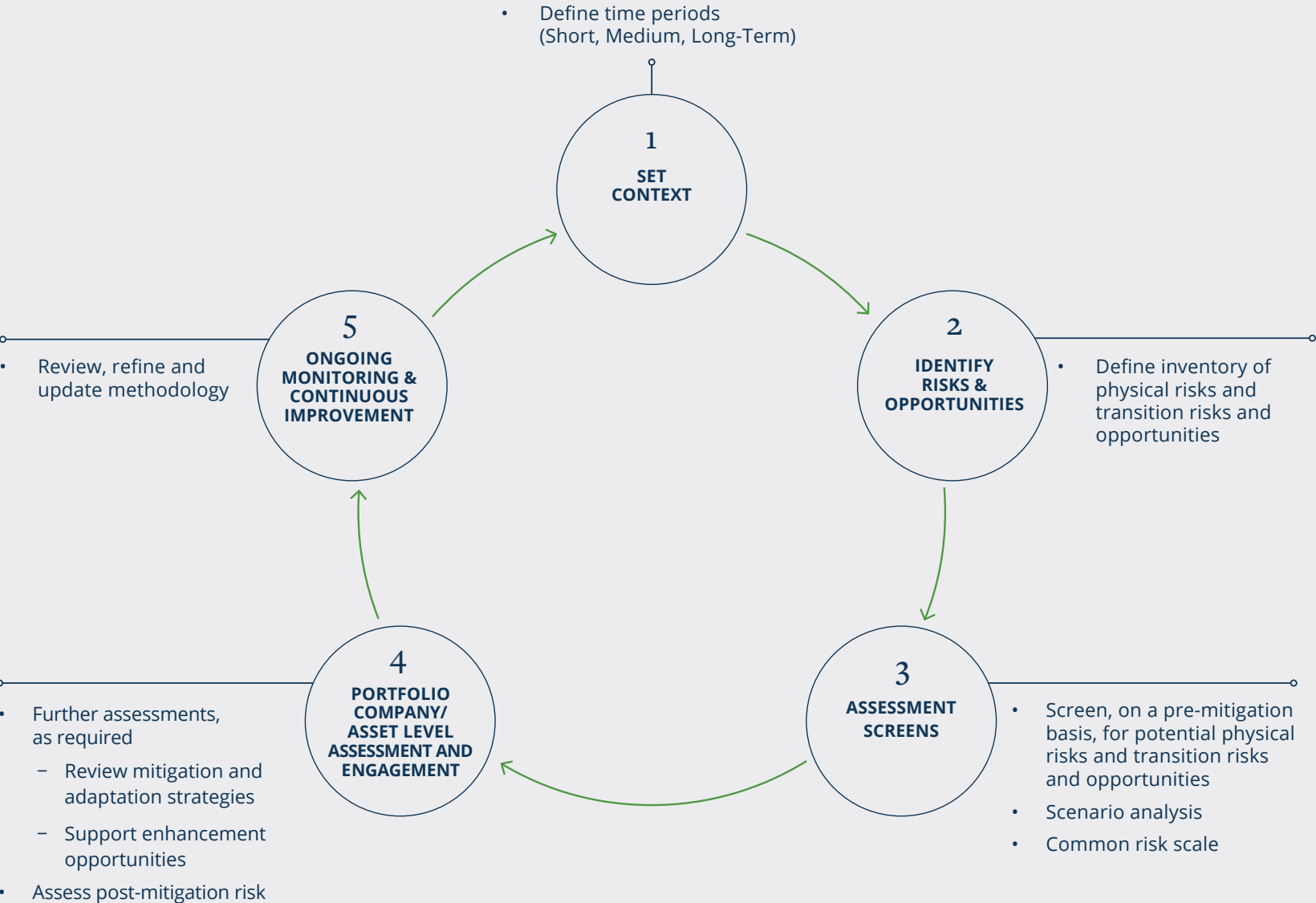
The focus of our climate-related diligence efforts is to identify material risks and opportunities. Our ESG Due Diligence Protocol includes a comprehensive climate change risk and opportunity assessment, which is aligned with our climate change risk management methodology that is described in [“Ongoing Management”](#). We have a

number of internal subject matter experts who support our investment teams throughout the diligence process by providing technical expertise, reviewing findings and contributing additional insight to ensure completeness of the analysis undertaken. Where warranted, we engage external experts to perform a more detailed review. To support the diligence process for physical risk, our investment teams also have access to third-party sources providing location-specific projections of physical risks under a range of climate change scenarios.

Material climate-related risks, opportunities and mitigants identified during the diligence phase, as considered relevant to the business, are outlined for the applicable Investment Committee and considered in the investment decision. If the investment is approved, the investment team creates a tailored integration plan that includes, among other considerations, strategic and operational plans to address the material risks and opportunities identified. These plans are developed based on an assessment of the different mitigation or adaptation options available.

¹ For investments where, due to our ownership stake or governance rights, we have more limited access to information, climate-related risks and opportunities are predominantly considered as part of the due diligence process. We will continue to consider ways to further integrate climate-related considerations into our risk management processes for these investment types, including the incorporation of our own learnings and best practices.

Climate Change Risk Management Methodology



Ongoing Management

Climate-related risks and opportunities are identified, assessed and managed using our climate change risk management methodology.

This methodology is consistent with our broader risk management methodology, which is designed to enable comprehensive and consistent monitoring and management of risk across the organization. Climate risk assessment results are an input into our enterprise risk assessment, which is used to inform a holistic view of our risk profile and mitigation strategies.

1. Set Context:

We consider climate-related risks and opportunities over three time periods (short, medium and long-term) as the nature of these risks and opportunities can differ depending on the time period considered. Time periods are set to reflect the long-life nature of our assets and the fact that climate impacts are expected to occur over decades, extending well beyond our typical risk assessment timeframes.

2. Identify Risks and Opportunities:

Physical and transition risks are categories in our risk inventory, which is used in our enterprise risk assessment process. We have defined a detailed climate taxonomy to facilitate consistent definition, assessment and reporting of these risks and opportunities. Our climate taxonomy incorporates and is consistent with the recommendations provided by the TCFD.

Climate Taxonomy

Physical Risks

- Acute
- Chronic

Risks from physical changes in the environment due to climate change

Transition Risks

- Policy and Legal
- Market
- Technology
- Reputation

Risks from the process of adjusting to a low-carbon economy

Transition Opportunities

- Resource Efficiency
- Products & Services
- Resilience
- Energy Sources
- Markets

Opportunities that arise from efforts to mitigate and adapt to climate change

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3. Assessment Screens:

We use screening-level climate scenario analysis to:

- I. Assess, on a pre-mitigation basis, the overall level of climate-related risk and opportunity of our investments and understand their key drivers
- II. Identify and prioritize businesses or assets for further analysis or engagement

Potential physical risks and transition risks and opportunities are assessed based on two dimensions—exposure and vulnerability.



Exposure

Is the source of risk or opportunity due to climate change (e.g., exposure to extreme heat, carbon prices or renewable energy demand). Scenario analysis helps to assess how exposures may change under different future climate trajectories.

Exposure is primarily geographic



Vulnerability

Refers to “how” the asset is impacted by the changing exposure (e.g., due to extreme heat, additional cooling needs to be provided; due to carbon pricing, a business has increased costs; or due to increases in renewable energy demand, a solar panel manufacturer sells more product).

Vulnerability is primarily asset type or sector specific

Our intention is to update our analysis when there are significant changes to scenario data or our investment mix. Results from our latest assessments follow in “Assessment Screens Using Scenario Analysis”.

4. Portfolio Company/Asset Level Assessment and Engagement:

Results from our screening assessments are reviewed by our risk management, ESG and operations professionals, who sit with and work alongside our investment teams. In reviewing and assessing results, current and planned mitigation and adaptation strategies are considered along with historical experience at the portfolio company and asset level (e.g., GHG emissions reduction plans, structural characteristics of or hardening activities associated with an asset). If additional information is required, as determined by the teams, a more detailed review at the portfolio company or asset level may be conducted.

Screening assessments, coupled with operational and strategic insights, are used to form an assessment of our post-mitigation risks and opportunities, as well as the resilience of our business under different future climate pathways. Where incremental mitigation and adaptation strategies or value-add enhancement opportunities are identified, our operations teams work closely with senior management of the portfolio companies to support and oversee the development and implementation of business improvements. While enhancement opportunities may differ across industries and geographies, they generally involve a combination of strategic repositioning, focus on operational excellence and strengthening asset resilience.

5. Ongoing Monitoring and Continuous Improvement:

We review our climate change risk management methodology at least annually and implement updates where required. As climate-related risk management is an area that is rapidly evolving, requiring specialized knowledge and having the potential to impact all of our businesses and our reputation, we are committed to continually learning and evolving our understanding of climate-related risks and opportunities and their impact on our business. We will continue to focus on enhancing our climate risk management processes and consider ways to further our engagement with our portfolio companies and, as such, our approach to risk management and reporting may change over time.

Risk Management and Our Decarbonization Strategy

While climate-related risks and opportunities will generally vary based on the nature of a business, we view GHG emissions as a potential source of transition risk for all of our portfolio companies. As described in [Our Climate Strategy](#), we are actively engaging our portfolio companies to help them develop decarbonization strategies. Our climate risk management approach and efforts to operationalize decarbonization are related and closely aligned. For example, GHG emissions data collected from our portfolio companies will be used not only to develop specific decarbonization plans and related targets but are also incorporated into our scenario assessment screens. Furthermore, portfolio company decarbonization strategies are considered in our post-mitigation assessment of climate-related risks and opportunities and the overall resilience of our business.

Assessment Screens Using Scenario Analysis

As recommended by the TCFD, we have begun to incorporate the use of physical and transition scenarios into our risk management process. Due to the inherent uncertainties around the future course of climate change, scenario analysis helps us to assess our potential climate-related risks and opportunities and the resilience of our business under different future climate trajectories. Scenarios are narratives of plausible future outcomes and are not designed nor intended to provide precise predictions or forecasts. **The degree of potential risk identified at a screening level does not consider mitigation or adaptation strategies that may be in place or are being implemented at the portfolio company or specific asset. As such, potential risks are, in many cases, likely to be lower than indicated by the screen.**

Our latest assessment screens were based on our investments as at December 31, 2022 and completed with the assistance of global engineering and professional services firm WSP. Three transition and two physical scenarios were considered, across three time horizons: short-term (2030), medium-term (2040) and long-term (2050).¹

Transition Risks and Opportunities

For our transition screens, we selected three divergent scenarios developed by the globally recognized Network for Greening the Financial System (NGFS)²—“Current Policies”, “Net Zero 2050” and “Delayed Transition”. These scenarios cover a range of plausible transition pathways

¹ Future time horizons for physical risk represent an average over thirty-year periods as follows: 2030 time horizon (2015-2044); 2040 time horizon (2025-2054), and 2050 time horizon (2035-2065). The transition analysis assesses changes in transition indicators from the present to 2030, 2040, and 2050, respectively.

² The NGFS is a global network of central bankers and supervisors that developed scenarios, in partnership with academic organizations, to provide a common starting point for analyzing climate risks to energy markets and to economic and financial systems.

and outcomes and vary in the extent of climate policy implementation, changes in energy markets and impact to the overall economy. Data from the NGFS was supplemented by additional resources, where relevant.

For each scenario, we screened for potential risks and opportunities across our investments by considering two dimensions: 1) exposure (to select economic, regulatory and reputational factors at a regional level), and 2) vulnerability (to these same factors at the sector level). Exposure was assessed using specific indicators of economic (e.g., GDP, electricity demand), regulatory (e.g., carbon price) and reputational factors as outlined by the scenarios. Vulnerability was assessed based on a qualitative determination of whether the business would be positively or negatively impacted by changes in the exposure to the relevant indicators, and the extent of such impact. Screening was performed for portfolio companies considering both their operating sectors and geographic locations, resulting in a company level composite score. To the extent available, company GHG emissions data was used to conduct the analysis.

Transition Scenarios Assumptions

A summary of the NGFS scenario assumptions and examples of the indicators used in the transition screening assessment is presented in the table.

Transition Scenario Assumptions

Source of Risk or Opportunity	Example Indicators ¹	Current Policies (3°C +) ²	Delayed Transition (1.6°C) ²	Net Zero 2050 (1.4°C) ²
		The only policies in place throughout the scenario are those currently implemented. As a result, there are limited GHG reductions globally.	New climate policies are not introduced until 2030 and the level of action differs across countries and regions. As a result of the delay, more aggressive and disruptive climate policies are required to meet global climate goals in a shorter period of time.	The application of stringent climate policies and innovation result in a 50% chance of limiting global warming to below 1.5°C by the end of the century. There are significant changes to global energy systems and economies to facilitate a transition.
Carbon pricing	Effective carbon price in \$/tCO ₂ e	Carbon prices globally remain relatively low and do not exceed the prices currently in place in select regions.	Carbon prices remain low until 2030, after which the rapid implementation of climate policies leads to very high global carbon prices in all jurisdictions over the long-term.	An immediate strengthening of near-term mitigation actions and stringent long-term climate policies, including high carbon prices in the near term, and increasing in all jurisdictions over the long-term.
Energy demand and pricing	Demand for fossil fuels (e.g., oil, natural gas, coal) and renewables (e.g., solar, wind and hydropower); Investments in renewable energy; Electricity pricing	The share of fossil fuels in the global energy mix stays roughly constant from the 2020s to 2050.	From 2020-2030, fossil fuel sources continue to dominate the energy mix. In 2030-2050, contributions from fossil fuels rapidly fall and are replaced by low-carbon sources such as renewables.	The global energy mix undergoes a steady transformation as low-emission energy sources gradually displace fossil fuel sources.
Drivers of real estate demand and pricing	Building carbon intensity (tCO ₂ e/square foot) relative to a transition pathway	Real estate properties face moderate pressure to decarbonize, with carbon intensity playing a limited role in market values.	The demand for low-carbon buildings rapidly increases following the onset of the delayed transition, creating high value for low-emitting properties.	Properties face pressure to decarbonize and properties that meet net-zero benchmarks experience strong market demand.
Impacts to economic output	National gross domestic product (GDP); Transportation demand (in bpkms/year); Country-level transition readiness	Due to limited climate policies, there is only minor impact to economic growth.	Policies necessary to meet a low-carbon transition must be more aggressive due to the delay in climate action. As a result of the rapid change in economic and energy systems, many regions experience negative impacts to economic growth.	A more orderly transition allows countries to adapt economic systems towards a low-carbon economy, creating opportunities for economic growth in many jurisdictions. Some jurisdictions experience negative impacts.

¹ A sub-set of sector-relevant indicators was selected for each portfolio company analyzed.

² NGFS Phase 3. Global temperature increase by 2100 compared to pre-industrial levels (1850-1900).

Pre-Mitigation Transition Opportunity and Risk Screening

A summary of the **pre-mitigation** transition screening results is presented in the chart below. Results reflect the potential global transition impacts at a sector level across sectors and geographies in which we invest.¹ Screening level results help us to understand potential risks that may be common across industry sectors and regions, as well as to identify risk areas that may warrant additional review. **The results do not consider mitigation strategies, such as decarbonization plans, in place at the portfolio company level and, as such, post-mitigation risk levels are generally likely to be lower.** The sector results presented below are not weighted by asset value, and do not reflect Brookfield’s amount of investment in each sector.

The pre-mitigation assessment screens highlight significant transition opportunities, as we invest across many sectors that will be critical to a transition to a lower carbon economy.

Sector	Current Policy (3°C+)			Delayed Transition (1.6°C)			Net Zero 2050 (1.4°C)		
	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Automotive Components & Services	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange
Battery & Pumped Storage	Green	Green	Green	Green	Green	Green	Green	Green	Green
Carbon Capture, Usage & Storage	Light Green	Light Green	Light Green	Light Green	Green	Dark Green	Light Green	Light Green	Light Green
Construction Services	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange
Data Centers	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
Data Transmission & Distribution	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
Diversified Terminals	Light Green	White	Orange	Light Green	Orange	Orange	Orange	Orange	Orange
Electricity Transmission & Distribution	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
Energy Transmission, Distribution & Storage	Orange	Orange	Orange	Orange	Orange	Dark Orange	Orange	Orange	Orange
Financial & Real Estate Services	White	White	White	White	White	White	White	White	White
Healthcare	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
Hydroelectric Power	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
IT & Other Services	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
Manufacturing	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
Nuclear Energy Services	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
Other Energy	Orange	Orange	Orange	Orange	Orange	Dark Orange	Orange	Orange	Orange
Rail Networks & Logistics	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
Real Estate	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
Residential Infrastructure	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
Solar	Green	Green	Green	Green	Green	Green	Green	Green	Green
Toll Roads	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
Water Distribution, Collection & Treatment	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
Wind Power	Green	Green	Green	Green	Green	Green	Green	Green	Green

INCREASING OPPORTUNITY  INCREASING RISK

¹ Transition impacts were assessed at a sub-sector level for each portfolio company. Sector results reflect an average impact score across all portfolio companies analyzed within each sector.



The development of new renewable energy capacity and grid infrastructure is critical to the net-zero transition and meeting future electricity demand.

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Transition Risk and Opportunity Assessment

The pre-mitigation assessment screens highlight significant transition opportunities as we invest across many sectors that will be critical to a transition to a lower carbon economy. These opportunities are projected to be present under each scenario and increase more significantly in the medium and longer-term under both the Net Zero 2050 and Delayed Transition scenarios.

To achieve net-zero emissions by 2050, there must be a transformation of the global electricity capacity mix with the share of renewable energy shifting from approximately 29% to more than 60% by 2030.¹ The development of new renewable energy capacity and grid infrastructure is critical to the net-zero transition and meeting future electricity demand. We are one of the world's largest owners and operators of renewable power assets and set a goal in 2021 to develop an additional 21,000 MW of new renewable energy capacity by 2030, which represented a doubling of the operating portfolio, at the date the target was set, to 42,000 MW. Moreover, nuclear power is also expected to play an important role in a lower carbon transition, by providing baseload low-carbon power to support the growth in intermittent renewable power sources.² Finally, advancements in technologies related to energy storage will also be critical to support renewable power growth as these assets will be needed to provide key ancillary services such as grid stabilization, backup capacity and balancing. We believe that Brookfield is well-positioned to capitalize on these transition opportunities through our expertise and investments in the renewable power, nuclear energy services, battery and pumped storage and carbon capture, usage and storage sectors.

Transition opportunities across other sectors in which we invest include businesses in the electricity transmission and distribution sector, which will be vital to supporting increased demand for electricity as a result of a continued shift towards electrification. Electrification can only be successful if the appropriate infrastructure is in place, through the expansion and modernization of global transmission grids. Telecommunications providers and data centers will also play a meaningful role in transitioning to a low-carbon and energy efficient future by, for example, supporting increased process efficiency in industrial applications. Our companies in the manufacturing and construction services sectors that are focused on reusable packaging, modular structures and construction materials and services that support a circular economy may also benefit from increased demand for lower carbon alternatives to existing products and services.

Sectors in which we invest that screen as having higher potential pre-mitigation transition risk include energy transmission, distribution and storage, as well as other energy-related businesses. The potential for a transition away from higher carbon fuels may impact these sectors as a result of lower demand for fossil fuels and/or increased carbon pricing. The potential risks are higher in the longer-term under both the Delayed Transition and Net Zero 2050 scenarios, with lower risks observed in the Current Policies scenario. The majority of our investments in these sectors are related to natural gas. The scenarios suggest that the transition away from natural gas may be more gradual

than for other traditional fuel sources, since natural gas is expected to play a role providing baseload power and replacing higher carbon fuels, such as coal, as the economy transitions to renewable power sources. Our investments that support the export of liquefied natural gas (LNG) will help in this transition, particularly for countries that are currently more reliant on higher carbon intensive sources of energy. Also, our assets generally have indirect exposure to natural gas, as they provide infrastructure for natural gas producers, and may be repurposed as part of a transition to a lower carbon economy. We are engaging with our portfolio companies in these sectors on decarbonization strategies, as well as exploring new markets for their products and services. We believe that decarbonization and repurposing efforts will mitigate the potential longer-term transition risks for many of our portfolio companies in these sectors. For example, see [Case Study—Midstream: Moving Fuel for the Future](#), which highlights some of the transition strategies being explored by our midstream companies. Moreover, our exposure to fossil fuel-related industries is relatively low at less than 11% of our assets under management.³

GHG intensity may be a source of risk for real estate assets due to the possibility for operating costs to increase from carbon pricing, as well as potential market preference for low GHG intensity or net-zero aligned assets. We believe our real estate portfolio is well-positioned in this environment, given its current GHG intensity profile and the geographies in which our assets

are located. In addition, our Real Estate group has developed a net-zero decarbonization strategy, which includes plans for the procurement of clean energy, additional retrofits, and operational energy reduction initiatives. Other sectors in which we invest, such as financial and real estate services, and IT and other services, have limited risks associated with a transition, with the source of risk or opportunity generally being indirect. Indirect transition impacts may include macroeconomic factors such as changes to GDP growth or energy pricing, which vary by country depending on their transition readiness.⁴ For example, countries with a high level of transition readiness may experience positive effects on their economic growth during a transition, which in turn creates growth opportunities for companies operating in those regions. Companies in this category may thrive in a transition if they are able to adapt their operations and business model to become low-carbon and to serve low-carbon industries.

The ultimate path of a transition to a net zero economy is highly uncertain and will vary by sector and geography. We believe our strategy, along with the profile of our investments, is resilient across a range of possible transition scenarios and that we are well-positioned to capitalize on transition opportunities.

¹ IEA (2022), Renewable Electricity, IEA, Paris <https://www.iea.org/reports/renewable-electricity>.

² IEA, Nuclear Power and Secure Energy Transitions (September 2022).

³ As of March 31, 2023, excluding Oaktree Capital. Fossil fuel is defined based on the MSCI definition of fossil fuel exposure which includes companies with evidence of fossil fuel reserves and deriving revenue from business segments associated with energy application of fossil fuels.

⁴ The International Monetary Fund, Preparedness of Countries for a Low-carbon Transition.

Midstream: Moving Fuel for the Future

Natural gas is a key piece of the decarbonization equation due to its reliability, ease of transport and lower GHG emissions, typically emitting almost 50% less GHG emissions than coal.¹ Combined, these variables mean that natural gas is expected to remain an economical and secure source of energy for countries regardless of their stage of decarbonization.

As the world transitions towards net zero, it is anticipated that renewable and other lower GHG emitting energy sources will become more prevalent, which is why midstream assets screen as higher risk under the Net Zero 2050 and Delayed Transition scenarios in the longer-term; however, the screens do not contemplate the ability for these assets, which have extensive fixed infrastructure, to adapt their pipelines to carry newer fuel types, such as hydrogen.

Our midstream assets operate by centrally controlling the volume of each type of product through their pipelines based on the demand of their customers. In a given quarter, customers might require different blends of product and our assets are equipped to be agile in meeting these needs. Looking to the future, this same operating strategy, which has been in place for decades, will be critical as new fuel products enter the marketplace and use the existing infrastructure of our midstream assets to reach consumers. For example, an emerging trend in the industry that our assets are poised to address is hydrogen. Examples of hydrogen initiatives under evaluation and in action at our midstream businesses include:

- Evaluating the use of hydrogen by-product yielded from existing facilities as a new product to be transported.
- Participating in pilot projects to produce, transport and burn hydrogen, with future blue hydrogen anticipated for consumption in above-surface processes.

As our midstream assets continue to support the use of natural gas as a transition fuel, they are considering ways to meet the needs of the future, as well as lowering their own GHG emissions. For example, we are continuing to focus on enhancing maintenance programs to mitigate potential leaks from our natural gas pipelines, including leveraging the use of technology. One such example is at our U.K. regulated utility business, SGN, where iron mains are being replaced with new polyethylene pipes. These enhancements lower methane leakage and support the potential for these networks to transport hydrogen and green gases in the future.

We are also actively supporting our businesses to further develop their decarbonization strategies, including through carbon capture, facility upgrades, electrification, incorporation of renewable energy and other capital improvement projects in order to adapt to changing market trends. Our midstream assets have a long and established history of providing the means for the required fuel mix to reach consumers and keep our economy and communities powered. We believe this operating record will continue into a net-zero future, as the vital infrastructure our midstream assets contribute continues to adapt to suit the needs of customers.

¹ U.S. Energy Information Administration, Carbon Dioxide Emissions Coefficients (October 2022).

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Physical Risks

Climate change is expected to increase the frequency and severity of extreme weather events such as floods and wildfires (acute risks). It is also expected to result in more gradual changes, such as higher average temperatures and increased or decreased precipitation (chronic risks).

Physical climate scenarios define possible climate consequences under different levels of future warming resulting from increased GHG emissions. For our screening analysis, we selected two contrasting physical climate scenarios using the Shared Socioeconomic Pathways (SSPs) framework featured in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC). The SSPs consider possible changes in population, economic growth, education, urbanization and the rate of technological changes, all of which influence global GHG emissions trajectories. The resulting emissions trajectories are used as inputs into climate models to assess possible changes to climate hazards¹ over time. The two scenarios selected were:

Higher emissions scenario (SSP5-8.5)

a pathway where there is fast and unconstrained growth in energy consumption and economic output, mostly met with fossil-based fuels, leading to a global average temperature rise of 3.3 °C to 5.7 °C by 2100 compared to pre-industrial times.

Lower emissions scenario (SSP1-2.6)

a pathway where climate policies are implemented, technological growth to mitigate climate change is rapid and GHG emissions are significantly reduced, limiting global average temperature rise to 1.3 °C to 2.4 °C by 2100 compared to pre-industrial times.

For each scenario and time period, we screened for potential risks across our investments by considering two dimensions: 1) exposure, (to eight physical hazards based on location), and 2) vulnerability, (to the physical impacts of those hazards based on asset type (e.g., an office building, warehouse or manufacturing facility)).

Exposure was assessed considering both: i) historical exposure (recent past) to the noted climate hazards, which provides an indication of current risk, and ii) the potential for increasing exposure due to climate change using data from global climate models. Vulnerability was assessed based on a qualitative determination of how exposure to the relevant physical hazard would impact the asset from a cost, business continuity and legal and reputational perspective.

Data on over 12,000 locations across our businesses were included in the screen, which provided a comprehensive view of potential risk areas. Where specific asset location data was not available or where screening additional locations was not additive to the analysis (e.g., the locations were of the same asset type and in the same geographic area), sampling or regional analysis was conducted. For linear assets (e.g., transmission lines, rail, pipelines), locations were spatially sampled at intervals of 25 km. The screens helped us to understand, on a pre-mitigation basis, the overall potential for and drivers of physical risks across our investments and potential areas of concentration, as well as to supplement our capabilities in identifying and prioritizing assets or businesses that may benefit from further analysis or engagement.

¹ We used the NASA Earth Exchange (NEX) Global Daily Downscaled Projections (GDDP) dataset, (NEX-GDDP-CMIP6), which is comprised of global downscaled climate scenarios derived from the General Circulation Model (GCM) runs conducted under the Coupled Model Intercomparison Project Phase 6 (CMIP6) and across two SSPs.

² For simplicity, references to risk "mitigation" in the physical risk assessment refer to both mitigation and adaptation, as applicable.

Physical Risk Assessment

The results of our physical risk screening analysis identified locations across our businesses that may be at risk of particular physical hazards. While we continue to focus on the localized physical risks at our assets, our geographic diversification has the effect of lowering potential impacts of physical risk across our investments. Furthermore, because the vulnerability of our assets to each physical hazard varies significantly, depending on the type of asset and its individual characteristics, the sectoral diversity of our investments also helps to mitigate risk. Our post-mitigation analysis also takes into account mitigation and adaptation strategies that are currently in place. Overall, no pervasive or systemic risks were identified across our investments.

Structural integrity of an asset under different weather conditions is an area of focus during acquisition, due diligence and ongoing portfolio management. Maintenance and capital expenditure programs focus on ensuring that assets are resilient through changing conditions. In addition, future resilience to changes in the physical environment is typically considered when defining standards for the design, build and enhancement of assets, and business continuity plans are implemented across our portfolio companies to mitigate disruptions from severe weather events.

See [Physical Risk Assessment: Summary of Key Observations](#) for a summary of our screening results and selected examples of mitigation and adaptation² activities being pursued. The summary is reflective of the results from

our current (based on historical data) and longer-term (2050) higher emissions scenario screens and considering asset type characteristics.

Under the lower emissions scenario, similar trends are generally observed. Most of the risks identified in the assessment were also identified during our initial due diligence or as part of our ongoing portfolio management activities. We will continue to work with our portfolio companies in further enhancing their physical risk mitigation and adaptation strategies, by providing support for operational and other improvements, and the sharing of best practices.

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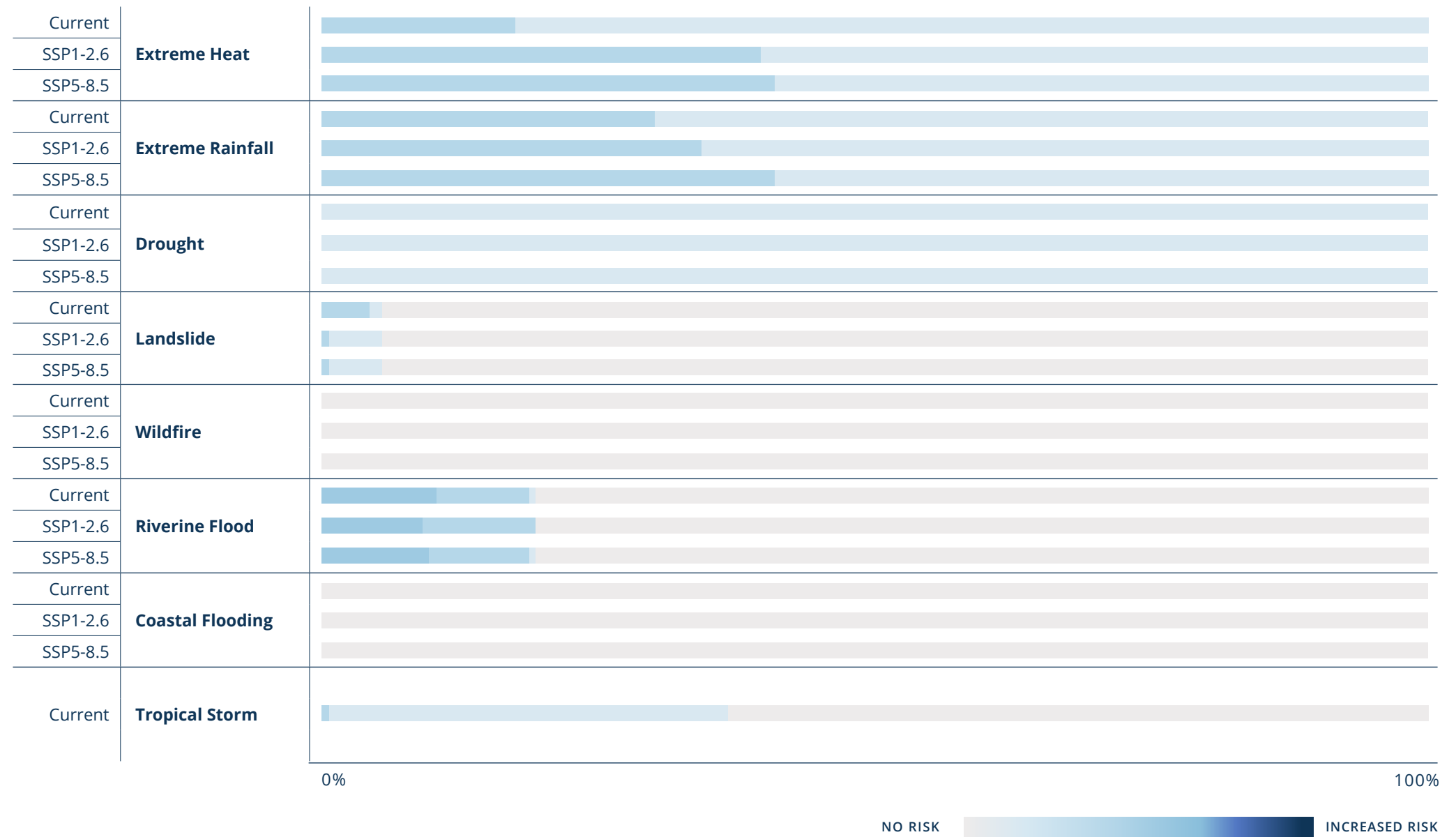
PHYSICAL RISK SCREEN EXAMPLE: CORE OFFICE

To illustrate the screening approach, an example of the results for our core office assets is presented in the graph. This graph shows the distribution of potential physical risks by climate hazard for the sampled assets under i) current climate conditions (baseline period from 1986-2014) and ii) the long-term time horizon (2050) for both the lower (SSP1-2.6) and higher (SSP5-8.5) emissions scenarios. Overall, physical risks are low in the current and projected periods under both the lower and higher emissions scenarios.

Brookfield is aware of these risks, having already performed a physical climate change risk assessment across its office portfolio in 2021 and in several prior analyses. We are aware of extreme heat affecting certain assets, including concentrated clusters of assets in Australia, Los Angeles and Houston, but consider the potential risk low overall. We are mitigating risk at the property level, where possible, by investing in heat resiliency measures, including advanced cooling technology, creating shade and preserving open space where possible, developing assets with heat-smart orientation, shape and massing, and activating operational strategies to minimize energy use in heat stressed regions while still providing our tenants with a cool, comfortable environment.

Similarly, we are aware some of our assets are exposed to increased rainfall risk, which we consider minimal, and are mitigating at our properties, where possible, by investing in flood barrier systems, protecting essential building infrastructure and by having strong emergency management plans in place in case of flooding.

Real Estate (Core Office): Distribution of Current and Future Physical Risks (Pre-Mitigation)



Given the diversified nature of the types of assets in which we invest and the differing vulnerabilities of these asset types to each physical hazard (for example an office building compared to a section of rail), aggregated results across different asset types does not provide particularly meaningful information. As such, we have chosen to provide an example of the screening output and present key observations from our assessment in the summary table that follows.

Physical Risk Assessment: Summary of Key Observations

<p>Extreme Heat</p> 	<p>The results of our screen indicated that the occurrence of extreme heat is projected to increase over the longer-term across many parts of the world where we operate; however, most of our businesses are not highly vulnerable to this hazard. Where extreme heat is projected to be most pronounced for our investments, these businesses are, for the most part, already experiencing a warmer environment and implementing mitigation strategies. For example, in our healthcare and senior living businesses, mitigation strategies include ongoing maintenance to ensure that air cooling systems and generators are in good working order and appropriate for both the local and changing climate conditions. Another area of focus is ensuring health and safety programs protect people from the risk of extreme heat, including work restrictions during peak temperature hours, as required.</p>	<p>Landslide</p> 	<p>The results of our screen indicated that landslide risk is not projected to increase significantly in the longer-term under the higher emissions scenario compared to historical experience. Landslide risk predominantly exists for portions of our linear¹ infrastructure assets and for certain renewable power assets in Brazil, India and the United States. Linear infrastructure assets are spread across very large geographic areas and landslides, should they occur, would be expected to impact only a small segment of operations at any given point in time. Where feasible, mitigation measures have been implemented to protect against landslide, for example, through the installation of netting in locations with higher potential exposure. Mitigation strategies for our other assets vary by asset type. For example, for hydroelectric power assets, risk is mitigated through measures such as stringent design standards, annual dam safety assessments and hillside vegetation planning and slope protection. As landslides are local, risk across our investments is further mitigated by the geographic diversity of the assets screening at risk for this hazard.</p>
<p>Wildfire</p> 	<p>Wildfire exposure is based on a proxy that represents the conditions required for a wildfire to start and spread. The results consider ecoregion classifications to assign wildfire risk to assets that are near a fuel source; however, it does not consider the likelihood of an ignition and, therefore, does not project changes in frequency or intensity of wildfires. Modelling wildfires is complex and there are limitations to our ability to accurately screen for this risk.</p> <p>Assets screening at potential risk of wildfire were predominantly associated with portions of our linear infrastructure assets and for certain renewable power assets. Wildfire risk has been an area of focus for these businesses and mitigation strategies are in place and continue to be improved, including, where applicable, vegetation management plans that adhere to industry standards, installation and maintenance of firebreaks, and where feasible, hardening standards to reduce the impacts of wildfire (e.g., using concrete rail ties), ensuring operational recovery systems are in place and training employees to proactively identify and mitigate hazards that could lead to or exacerbate the impacts of wildfire. Linear assets generally span wide geographic areas and wildfire, should it occur, would be expected to impact only a segment of operations at any given point in time. The number of assets exposed to wildfire risk was not projected to change significantly in the longer-term under the higher emissions scenario.</p>	<p>Riverine Flood</p> 	<p>Riverine flooding is caused by an overflow of fresh waterbody such as a river. A portion of our assets, across various asset types and regions, screened as potentially at risk of riverine flooding. The occurrence of assets screening at risk in the long-term time horizon was consistent with the historical period. Mitigation strategies in place across our investments vary by asset type. For example, at our real estate properties, keeping essential building infrastructure, such as generators, on higher floors. At our hydroelectric power assets, maximum inflows are monitored compared to dam capacity and flood map studies and inflow design flood calculations are updated on a regular basis. Another example of a mitigation strategy is ensuring that rail ties are constructed to standards appropriate for local flood conditions and checked regularly, as part of regular maintenance programs to ensure they remain secure. In addition to varying asset level mitigation measures in place that serve to lower the risk associated with flooding, risk across our investments is further mitigated by the geographic diversity of our assets.</p>
<p>Tropical Storm</p> 	<p>Given the lack of modeling data for future periods, our assessment of tropical storms was based on historical data. Overall, only a small number of assets screened at potential risk for tropical storms. These assets are located in the Asia-Pacific region, the United States and the Caribbean. Tropical storm risk at these locations has previously been identified and the affected assets are typically built to standards that consider potential storm risk. Furthermore, where applicable, business continuity plans are in place to minimize disruption from storms.</p>	<p>Drought</p> 	<p>Overall, the current and projected risk of drought across our investments is low. Where relevant, for example in our manufacturing and real estate businesses, drought mitigation measures may include the implementation of water management plans along with other water conservation measures. Reducing the impact of our overall water consumption is an important area of focus for our portfolio companies as further described in Water & Waste.</p>
<p>Coastal Flooding</p> 	<p>Coastal flooding risk affects only a small portion of locations screened. The affected assets are diversified by sector and geography, thereby limiting any potential impact. The number of assets exposed to coastal flooding risk was not projected to change significantly under the long-term higher emissions scenario. Risks were previously identified and mitigation strategies vary by asset type. For example, at certain of our port assets, quay heights have been or can be raised. Other mitigation strategies include ensuring operational recovery and inventory management systems are in place, and leveraging local flood management and defense system plans, such as locks and sea walls.</p>	<p>Extreme Rainfall</p> 	<p>Extreme rainfall events may cause pluvial flooding, which is flooding that occurs independent of an overflowing body of water. A portion of our assets screened as potentially at risk to extreme rainfall across multiple asset types and countries. The occurrence of assets screening at risk increased slightly in the long-term time horizon. Mitigation strategies in place across our investments vary by asset type. For example, at our hydroelectric power assets, maximum inflows are monitored compared to dam capacity and flood map studies and inflow design flood calculations are updated on a regular basis. Certain of our manufacturing facilities and warehouses store critical equipment on elevated racking systems or higher floors and can utilize backup facilities in the event of a local disruption. In addition to varying asset level mitigation measures in place, that serve to lower the risk associated with extreme rainfall, risk across our investments is further mitigated by the geographic diversity of our assets.</p>

¹ Linear assets are defined by length, cross multiple geographies, and may include any combination of rail, toll road, telecommunication tower, pipeline and transmission assets.

Limitations to the Analysis

Climate risk and opportunity management is an evolving aspect of our business. We will continue to refine our understanding of how transition and physical climate issues may impact our portfolio companies and assets and we expect to continue making enhancements to the way we assess, manage and report on climate-related risks and opportunities as we learn from our own experiences and incorporate advancements in climate science, relevant standards and best practice.

As a result, we expect that certain information presented in this report and in our other ESG-related publications may be updated or restated in the future as the quality and completeness of our data and methodologies continues to improve.

Our Climate Strategy

We are committed to contributing to a low-carbon economy. Our climate strategy is informed by our risk and opportunity assessment and is comprised of four components:

- I. Supporting the World's Transition to a Net-Zero Economy
 - a. Operationalizing Decarbonization
 - b. Leading in Transition Investing and Clean Energy Development
 - c. Driving Sustainable Financing
- II. Encouraging Conservation of Biodiversity and Our Ecosystems
- III. Enhancing Value and Building Resilience by Managing the Risks and Opportunities of a Changing Climate
- IV. Facilitating Knowledge Sharing and Engagement with External Stakeholders

I. Supporting the World's Transition to a Net-Zero Economy

Brookfield is aligned with the global imperative of decarbonization and has set an ambition to achieve net zero across all assets under management by 2050. To achieve this global ambition, it will require tremendous financial investment, a paradigm shift in how assets are managed, and government support through policy and regulation. We intend to support this goal by contributing operational and investment expertise to execute practical decarbonization strategies that will prepare businesses for the future economy. We also believe that decarbonization is an important long-term transition risk mitigation strategy that is complementary to preserving and enhancing value.

As we assist our operating companies in this journey, we remain focused on our ESG approach, which at its core is to balance our fiduciary duty to create long-term value for our investors and stakeholders, while managing our businesses responsibly. We will continue to buy long-life assets and businesses that can generate stable cash flows that grow over time. We believe that with proper management and stewardship, including preparing them for a low-carbon future, these assets will tend to increase in value over time.

We are utilizing the following levers to accelerate our efforts towards our 2050 net-zero ambition:



Ia. Supporting the World's Transition to a Net-Zero Economy: Operationalizing Decarbonization

With our 100+ year history as an owner-operator, we are well-positioned to identify decarbonization opportunities and are putting plans into action to transition our portfolio companies accordingly.

The imperative of decarbonization has been gaining significant momentum in recent years; however, managing businesses sustainably has been our operating approach for many years. This is not just through executing opportunities to power Brookfield businesses with energy generated by our renewable power operations, but also in our real estate business, which has a leading worldwide portfolio of high-quality, core office properties, with 100% of our North American core offices holding at least one sustainability certification (including LEED, BREEM and NABERS) and our infrastructure business, which acquired and significantly expanded an innovative deep-lake water district heating and cooling business until its successful disposition in 2021. We will take the same pragmatic approach in deploying our decarbonization strategy.

A Commitment to Green Buildings

WELL

221

Certifications

LEED

104

Certifications

ENERGYSTAR

55

Certifications in the U.S.

BOMA360

59

Office certifications in the U.S. and Canada

IREM

52

Certifications

NABERS

25

Certifications

FITWEL

34

Certifications

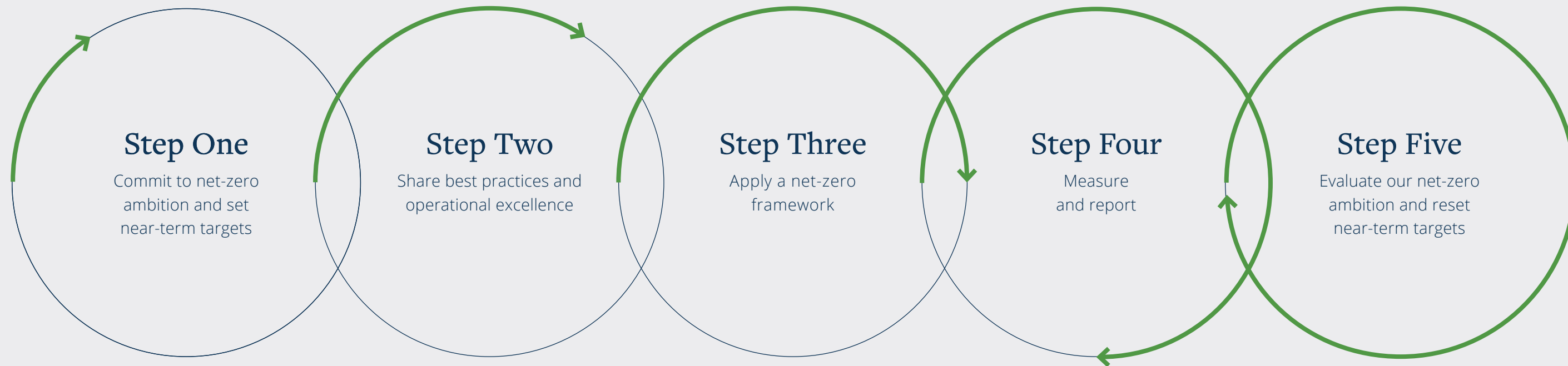
BREEAM

39

Certifications

Note: Reflects certifications across Brookfield's entire real estate portfolio.

Operationalizing decarbonization is made up of a five-step cycle:



Across most of our portfolio companies today, decarbonization is already under way at varying levels. Brookfield owns a widely diversified portfolio of assets, and we recognize that there cannot be a “one size fits all” approach to decarbonization. Our role as operators is to formalize our approach, facilitate knowledge sharing and develop repeatable strategies across our broader asset base—what we refer to as **operationalizing decarbonization**—to catalyze carbon reduction solutions.

Step One: Commit to net-zero ambition and set near-term targets

To ensure our portfolio aligns with climate action best practices, we have set an ambition to reach net zero by 2050 or sooner. Over the next 30 years, many factors will impact how we action our climate strategy and our ability to achieve our goals and business plans, including demographics, technological advances and government policies, to name a few. To ensure that we remain on track to reach our ambition and to maintain transparency with our stakeholders, we will strive to use the achievement of near-term targets to demonstrate progress.

Supporting our net-zero ambition, Brookfield became a signatory to the Net Zero Asset Managers (NZAM) initiative in 2021. As part of joining the NZAM initiative, we committed to:

- Put in place concrete action plans, consistent with an ambition to reach net-zero emissions by 2050 or sooner across all AUM;
- Set an interim target of a specific proportion of our assets to be managed in line with net zero, with targeted emissions reduction by 2030; and
- Review this interim target at least every five years, with a view to increasing the proportion of AUM covered until 100% of assets are included.

Step Two: Share best practices and operational excellence

A vital component of operationalizing decarbonization is to drive organizational culture change. We believe that we can guide this shift by informing how our investment and asset management professionals, and portfolio companies consider climate opportunities and carbon reduction initiatives. We take an active approach in engaging our portfolio companies, focusing initially on investments in which we have a position of control, which represent over 70%¹ of our assets under management. We have created the Net Zero Operational Committee which will have oversight of these activities (see [Climate Governance](#) section).

Step Three: Apply a net-zero framework

Demonstrating progress on reduction initiatives is imperative to achieving our net-zero ambition; however, we do not believe progress is defined solely by yearly reductions in absolute emissions or in emissions intensity. As a value investor, we recognize that the energy transition is not linear and may require investment in higher emitting assets. This may result in investments in businesses requiring significant help decarbonizing and de-risking their operations. This necessarily may result in increases in emissions at the time of investment. For example, in the case of BGTF, we may pursue higher emitting assets and use our clean energy and operational capabilities to decarbonize the businesses in line with a Paris-aligned pathway.

We intend to use the NZAM-endorsed Paris Aligned Investment Initiative (PAII) Net Zero Investment Framework (NZIF) methodology for our net-zero commitment. We also recognize that before our portfolio companies can commit to aligning to a net-zero target, we will need to guide them through a preparatory process, similar to the steps Brookfield took prior to becoming an NZAM signatory. As a result, we have designed a framework, which we have referred to as the Achieving Net Zero Framework, which prescribes a phased approach in a portfolio company's net-zero journey. This framework is intended to complement NZIF and to set a strong foundation to achieve each portfolio company's long-term net-zero goals. This framework is designed to attain two objectives: (1) it serves as a tangible roadmap for businesses to get themselves on a pathway to achieve net-zero emissions, and (2) it will be an important tool that we will use to articulate progress to stakeholders, especially as our assets under management continue to grow.

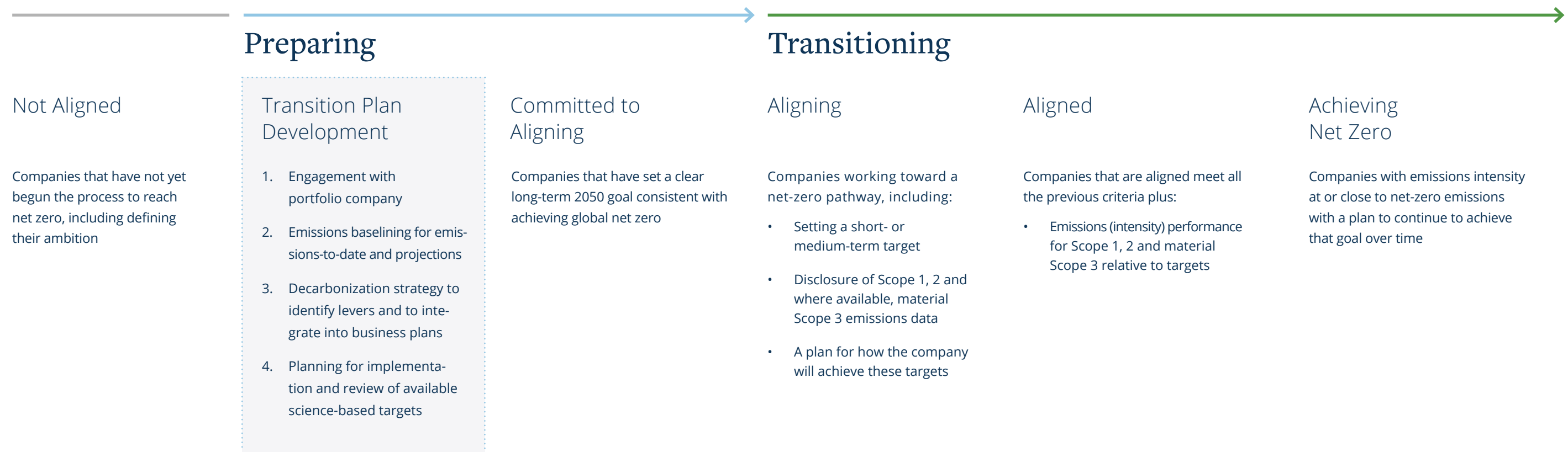


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¹ Based on AUM as of December 31, 2022, excluding Oaktree Capital Management.

Achieving Net Zero Framework

Our Framework incorporates NZIF's recommended phases and supplements it with additional steps to help bridge portfolio companies from the beginning of their journey to being able to set a net-zero ambition consistent with the 'Committed to Aligning' category:



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Step Four: Measure and report

We are committed to transparency and will report our progress through our TCFD disclosures going forward, which will be available to all our stakeholders. The measurement of emissions remains an important metric. Along with emissions monitoring, we will utilize our Achieving Net Zero Framework to show how companies are advancing on their net-zero journey.

We have invested heavily over several years, collaborating with our people, portfolio companies and climate advisors, to develop a systematic methodology for aggregating a comprehensive inventory of emissions across our businesses. In developing this methodology, where possible, we have taken a bottom-up approach, obtaining data from our portfolio companies, which can be highly complex due to the scale and diversity of the assets that we own. We track and measure GHG emissions as informed by the GHG Protocol and Partnership for Carbon Accounting Financials (PCAF) Standards. We will utilize this foundational approach to measure and report emissions. We will then use the emissions inventory to develop specific decarbonization plans and related targets as appropriate. We expect to refine our measurement methodology as we gain better access to data and to align with industry best practices as they continue to evolve.

Step Five: Evaluate our net-zero ambition and reset near-term targets

As our portfolio of assets continues to grow and as we make progress in advancing existing investments on their decarbonization journey, we expect to iterate this five-step process continuously. We are committed to regularly evaluating our net-zero progress and resetting near-term targets in line with our long-term ambition in accordance with our NZAM commitment.

We have invested heavily over several years, collaborating with our people, portfolio companies and climate advisors to develop a systematic methodology for aggregating a comprehensive inventory of emissions across our businesses.

¹ Excludes Scope 3 emissions in investments where Brookfield does not have control.

Operating Levers for Decarbonization

As owners and operators of assets and businesses that help form the backbone of the global economy, we seek to achieve our decarbonization ambition thoughtfully, alongside the communities in which we operate and other stakeholders. Our emission reduction strategy varies across businesses and incorporates a variety of initiatives. We focus on an operations-oriented approach to actively manage our assets, including carbon-intensive assets. We are leveraging this operational expertise with a goal of placing all assets on a pathway to reducing emissions, utilizing capital investment and process-intensive decarbonization methods. We are initially prioritizing assets where we have control to implement emission reduction strategies and where we can influence outcomes.

Our primary focus is on emission reductions. Even after taking every possible measure to reduce a company's emissions, there may still be residual emissions. We are committed to exhausting all other means of decarbonization and expect to utilize carbon offsets in instances where there are no technologically and/or financially viable ways to eliminate residual emissions. Therefore, we expect that carbon offsets will not represent a material portion of our decarbonization strategy.

We are concentrating on the following decarbonization categories:



Renewable Energy

Executing opportunities to power Brookfield businesses with green energy generated by our leading renewable power operations.



Capital Allocation

Investing capital towards maintenance or growth capital expenditure projects that can result in more efficient emissions intensity.



Electrification

Modifying or replacing traditional fossil fuel consuming processes with electrification methods.



Green & Transition Technology

Utilizing newer, lower-emitting technologies, including alternative sources of fuel, carbon capture and sequestration.



Abatement

Reducing or ceasing of activities contributing to GHG emissions.

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Renewable Energy

Brookfield Real Estate is committed to executing clean energy initiatives across its portfolio, driving its overall carbon footprint reduction.

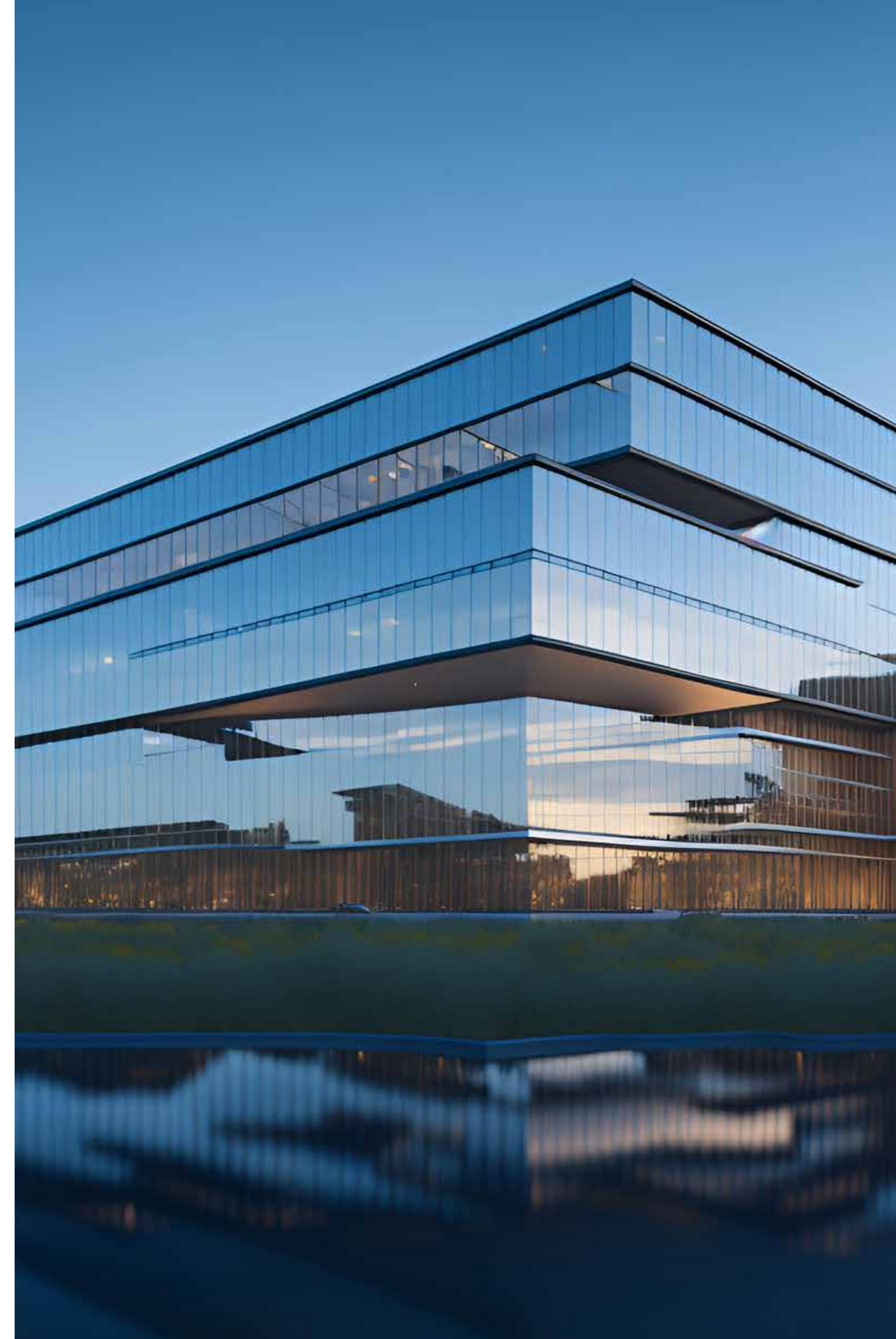
U.S. As we execute our long-term strategy to deliver net-zero emissions across our business by 2050 or sooner, we are reducing our Scope 2 and 3 emissions by powering 100% of Brookfield's U.S. Office portfolio with predominantly clean energy sources by 2026. Brookfield will predominantly leverage power purchase agreements (PPAs) to decarbonize its operations, ensuring that we source electricity from the same power grid in which we will use the electricity, further incentivizing the development of new clean energy sources. Clean energy sources for procurement include hydropower, solar, wind and nuclear power. Brookfield's U.S. office portfolio will procure 600 GWh of clean electricity, reducing GHG emissions by 260,000 mtCO₂e annually (the equivalent of avoiding burning 300 million pounds of coal). Clean Power Sources by City:

- **DENVER:** Renewable electricity from local wind power facilities.
- **HOUSTON:** Newly built, Texas-based solar power plant, with its construction initiated by Brookfield Properties.
- **LOS ANGELES:** Newly built, California-based solar power plant, with its construction initiated by Brookfield Properties.
- **NEW YORK:** In-state, run-of-river hydropower facilities.
- **SAN FRANCISCO:** Solar and wind farms through the CleanPowerSF SuperGreen program.
- **WASHINGTON D.C.:** Nuclear power facilities equipped by Brookfield's Westinghouse Electric Corp.

INDIA Accelerating our progress, in 2022, Brookfield Properties India committed to reach net-zero emissions by 2040 across its entire portfolio of 50 million square feet ("sf") in India, which includes locations in which we have an operating presence. Brookfield Properties India's strategy to achieve net zero is focused on energy efficiency, reducing water consumption, promoting recycling, and improving indoor air quality, which benefits all its tenants.

U.K. Brookfield Renewable will supply Brookfield Canary Wharf with clean energy beginning in 2026, providing 80 GWh of annual electricity needed with power generated from the development of our new, onshore windfarm in Scotland.

CHINA Brookfield's newly opened mixed-use complex in Shanghai, One East, uses renewable energy to collaborate on net-zero strategies with tenants. During construction, Brookfield installed solar panels on the roof of the complex's retail area, which is visible to the tenants of both office towers. The solar panels generate 260 MWh of energy per year, which reduces the building's GHG emissions by over 5,000 metric tons a year. Beyond supplying a portion of the complex's energy, the solar panels are a conversation starter on how we develop sustainable real estate in alignment with China's National Energy Administration policy.





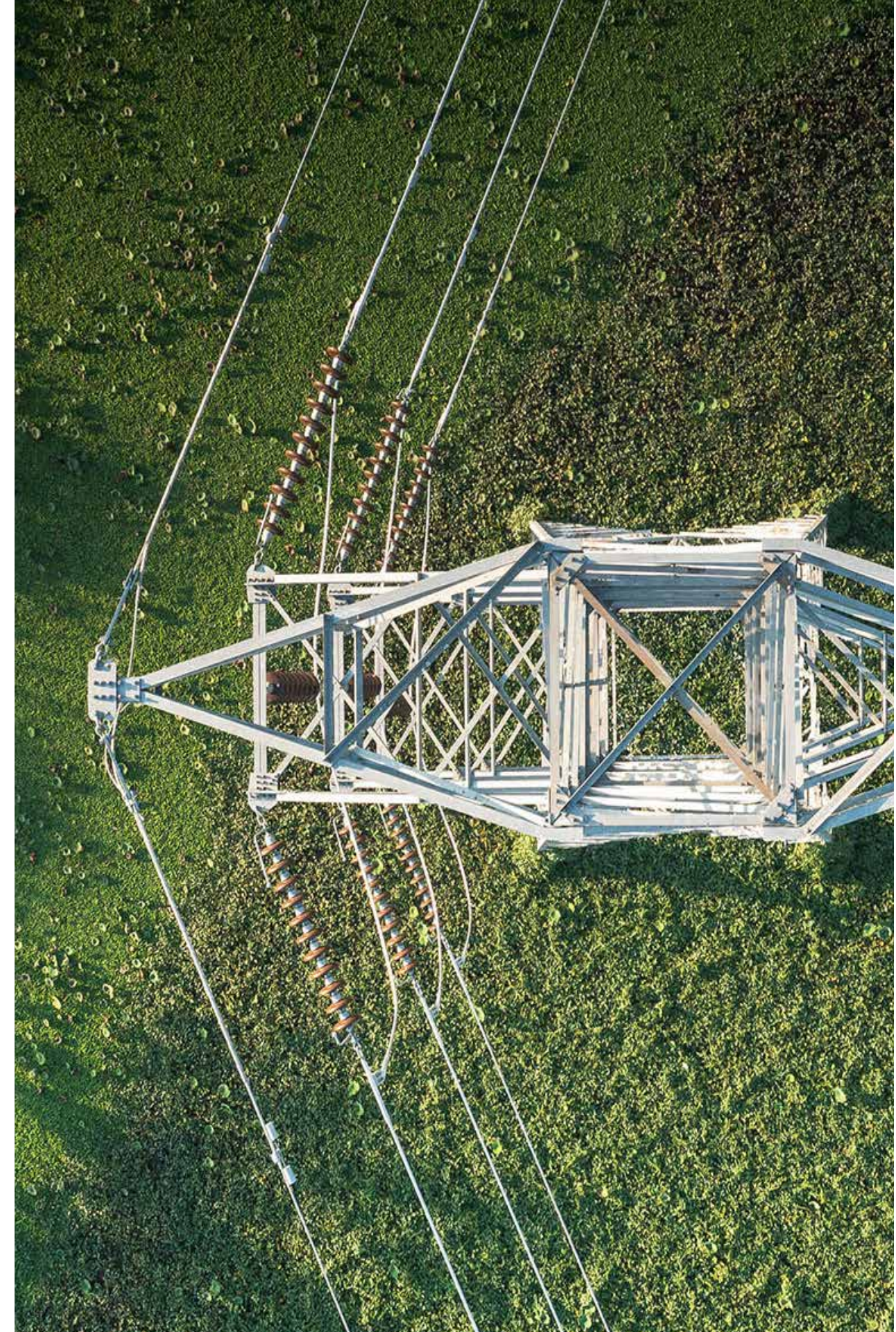
Capital Allocation

Brookfield Infrastructure's AusNet Allocates Maintenance Capital Expenditure Towards Efficient Emissions

Brookfield Infrastructure's regulated utility business, AusNet, is allocating capital to perform a critical upgrade of the Victoria transmission network by building approximately 200 km of new transmission lines under the "Western Renewables Link" project. This project supports Brookfield and Australia's stated goals of lowering emissions intensity.

This maintenance capex project will contribute to the successful transition from coal-generated to wind and solar-generated renewable energy. Once complete, the additional capacity from the transmission lines will enable the growth of up to 900 MW of new renewable generation assets in northwest Victoria, providing economic benefits to communities along the route.

AusNet works with surrounding local communities, traditional owners, and regional leaders to reduce project impacts, understand priority needs, and establish mutually beneficial relationships.





Electrification

Brookfield Private Equity's Investment in BrandSafway Developing LAX's Automated People Mover Project

Electrification is critical to modifying or replacing traditional fossil fuel consuming processes. BrandSafway has supported the development of the Automated People Mover (APM) construction project currently underway at Los Angeles International Airport (LAX). The APM is an electric train system that will transform the efficiency of one of the world's largest airports, by providing free and reliable access to LAX while greatly reducing vehicle traffic to and from the airport. The APM will reduce the airport's carbon footprint and is designed to be LEED Gold certified.

BrandSafway is supplying scaffolding and stairs across five APM stations and pedestrian walkways, as well as using the QuikDeck® Suspended Access System—a state-of-the-art modular access system—on the undersides of structures to keep the roadways beneath them open.

The train system will be on a 2-mile elevated guideway with six stations total. In addition to being free, the train will operate 24/7 and have the capacity to carry 200 passengers per train, with trains operating every two minutes during peak hours. The APM project is anticipated to be operational in 2024 with an estimated use of 30 million passengers per year, resulting in approximately 117,000 fewer vehicle miles traveled per day. The command center and maintenance facility is expected to generate nearly half its power from solar energy while the train cars will generate a portion of their own power through regenerative braking.





Green & Transition Technology

Brookfield Renewable Invests in a Leading Agricultural Renewable Natural Gas Platform, CalBio

One of Brookfield's operating levers for decarbonization is to utilize new, low-emitting technologies such as alternative fuel sources. Brookfield Renewable invested in one such company, CalBio, a developer, owner and operator of renewable natural gas ("RNG") facilities. CalBio is one of the largest agricultural RNG platforms in the U.S., with approximately 50 digesters under operation, producing 3 billion cubic feet of annual production. CalBio has partnered with utility companies to advance future projects, such as gas interconnection and electricity.

CalBio generates renewable natural gas or electricity by collecting manure waste from existing dairy farm operations, which is then passed through an anaerobic digester to create biogas. By capturing this biogas, CalBio prevents the release of this methane into the atmosphere. This results in renewable natural gas or electricity, which can be used to power trucks, buses or cars.

Demand for agricultural renewable natural gas is expected to outpace other biofuels over the next decade as corporates and utilities seek to decarbonize gas supply to meet voluntary and government-mandated net-zero targets. Manure management is one of the most promising methods currently available to decarbonize agriculture and help address global methane reduction objectives. Brookfield's investment in CalBio supports reduced GHG emissions from the agricultural sector by abating methane released on farms and displacing fossil fuels in the transport sector. Beginning in 2026, we expect our capital will result in six million MMBtu of renewable natural gas production and 2.2 million mtCO₂e of GHG emissions abated annually, the equivalent of 612 wind turbines running for one year.



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Abatement

Brookfield Renewable Partners with TransAlta to Retire and Convert Coal Production

TransAlta is one of Canada's largest producers of wind power and Alberta's largest producer of hydroelectric power. In 2020, Brookfield Renewable closed a C\$400 million investment, injecting capital required for TransAlta's coal-to-gas conversions and to fund the build-out of TransAlta's renewable electricity portfolio.

Since Brookfield Renewable's investment, TransAlta has completed the conversion to gas at their Alberta facilities formerly fueled by coal, and retired their Highvale coal mine effective December 31, 2021. In total, TransAlta has retired 3,904 MW of coal-fired generation capacity since 2019 while converting 1,659 MW to natural gas. As a result, TransAlta has reduced their total GHG emissions by over six million mtCO₂e, a 37% reduction in two years, while increasing their renewable energy capacity to 2,900 MW, enough to power 1.8 million homes.¹

Today, TransAlta's diversified renewable fleet makes the company one of the largest renewable power producers in North America, wind power producers in Canada and hydro power producers in Alberta.

¹ Calculated based Residential Sector Key Indicators and Consumption, Annual Energy Outlook 2020, U.S. Energy Information Administration.



Approach to Fossil Fuel Investments

We do not have a firmwide exclusion policy on coal or other fossil fuel investments. Similarly, we do not believe in divestment of high emitting industries. Rather, we believe that there is significant value in supporting decarbonization of the highest-emitting sectors, where we can deliver the greatest level of impact. **Our fossil fuel exposure is less than 11% of our business in terms of assets under management.**¹ Our current fossil fuel exposure is largely associated with midstream businesses, primarily in natural gas.

We focus on investing in high-quality midstream assets that will generate an appropriate risk-adjusted return during our hold period, notwithstanding terminal value expectations. In this process, we may consider decarbonizing, repurposing, repositioning, or phasing-out approaches, depending on the nature and specific economic circumstances, that are aligned with net-zero expectations.

These businesses represent unique infrastructure that is strategically located to serve attractive supply and demand centers. While our pipelines facilitate the movement of natural gas today, providing important transition fuel and energy security, we believe there is a tremendous opportunity to repurpose our pipelines to transport alternative fuels in the future. An example of this is our investment in one of the U.K.'s largest gas distribution networks. This business is playing a leading role in delivering pilot projects for the delivery of hydrogen for use in home heating and thereby facilitating a wider transition in line with the U.K.'s net-zero goals.

Ib. Supporting the World's Transition to a Net-Zero Economy: Leading in Transition Investing and Clean Energy Development

As outlined in our climate risk and opportunity assessment, a transition to a lower-carbon economy presents significant opportunities and we are well-positioned to take a leading role in transition investing and clean energy development. We launched BGTF I two years ago, the first in a series of funds for our transition strategy that is dedicated to accelerating the transition to a net-zero economy by catalyzing businesses onto net-zero pathways aligned with the goals of the Paris Agreement.

Through BGTF, we are utilizing our leadership in renewable power and deep operational capabilities to scale clean energy operations and "go where the emissions are" to invest in emissions-intensive businesses and set them on a path to net zero. To illustrate, in 2023, BGTF I announced its plans to acquire Origin Energy's Energy Markets business. This opportunity represents a landmark agreement that will accelerate decarbonization of the energy grid and help Australia progress towards its net-zero goals. BGTF I intends to significantly reduce Origin's carbon emissions and invest at least \$20 billion in the buildout of up to 14 GW of newly developed renewables and storage capacity in Australia over the next decade and reduce the absolute emissions produced by the business by more than 70% by 2030. Moreover, our investment is intended to help facilitate a responsible transition away from coal. While we will be increasing the amount of GHG emissions into our inventory in the first few years of acquisition, we expect to use our operational expertise to facilitate a responsible phase out of coal energy production

and ultimately contribute to a lower emissions trajectory during the hold of our investment. The phase out of carbon-intensive energy production will play a meaningful part in our overall decarbonization strategy.

Consistent with its dual objectives of pursuing industry-leading returns and generating a measurable positive environmental change, this fund will report to investors on both its financial and environmental impact performance and will follow leading global frameworks for impact measurement and management and disclose quantitative impact results.

Since its inception, BGTF I has deployed \$11.2 billion, representing approximately 86% of its capital, signaling our commitment to financing the energy transition. This includes \$5.2 billion towards clean energy development opportunities, such as a utility-scale wind and solar and distributed generation, \$2.5 billion towards power transformation services, \$1.4 billion towards nuclear energy services and an additional \$2.1 billion towards a diverse set of other sustainable solutions, including battery storage, carbon capture, usage and storage, biofuels, and recycling solutions. Brookfield has also announced the fundraising launch of the second vintage of the fund and is targeting a meaningfully higher fund size in continuation of the same strategy of its predecessor. For more details on BGTF, please refer to the [Brookfield Renewable Partners ESG Report](#).

In addition to driving impact through transition investing, we are one of the world's largest investors in renewable power globally. We plan to continue to support growth in renewable power by developing new clean energy capacity equivalent to doubling the size of our 2021 operating

portfolio by 2030 by developing an additional 21,000 MW of generating capacity. We have made great progress towards this goal in 2022 commissioning approximately 3,475 MW of new clean energy resulting in 25,000 MW of generating capacity and a development pipeline of over 110,000 MW. In 2022, Brookfield Renewable's power generation helped to avoid approximately 33 million mtCO₂e.²

Since inception, BGTF I has deployed \$11.2B towards the following:

\$5.2B

for clean energy development opportunities

\$2.5B

for power transformation services

\$1.4B

for nuclear energy services

\$2.1B

for a diverse set of other sustainable solutions

¹ As of March 31, 2023, excluding Oaktree Capital. Fossil fuel is defined based on the MSCI definition of fossil fuel exposure which includes companies with evidence of fossil fuel reserves and deriving revenue from business segments associated with energy application of fossil fuels.

² Our avoided emissions are based on our long-term average generation and the Global Grid Average Emission Factor (IEA 2021).

Renewable Capacity Over Time



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Ic. Supporting the World's Transition to a Net-Zero Economy: Driving Sustainable Financing

We continue to be a leader in sustainable finance, enabling investors and portfolio companies to contribute to a sustainable market economy and support adaptation to global climate change challenges.

Brookfield issues green bonds, preferred shares and other instruments to fund the development of green energy technologies and to finance other eligible investments. Brookfield established a Green Bond Framework and criteria for green (ICMA) Green Bond Principles. These include:

- Use of proceeds
- The process for project evaluation and selection
- Management of proceeds
- Reporting

The Capital Markets and Treasury (CMT) team, including senior executives from the Finance leadership team, oversees the evaluation and selection of green bonds and other products.

In 2022, we issued approximately \$7 billion in green bonds, sustainability-linked debt and green preferred securities.

In November 2022, Brookfield Renewable issued C\$400 million aggregate principal of green medium-term notes, offered with a 10-year fixed rate term. This transaction was oversubscribed, including approximately 50 major institutional investors. Brookfield Renewable used the proceeds to make eligible green investments (as defined in Brookfield Renewable's Green Bond and Preferred Securities Framework dated February 2021).

In addition, we continue to explore ways to expand our portfolio of sustainable assets and investments across Renewable Power & Transition, Infrastructure, Private Equity and Real Estate.

ADDITIONAL INFORMATION

[Brookfield's Green Bond Framework](#)

[Australia Real Estate Sustainable Finance Framework](#)

[Brookfield Renewable Green Securities Framework](#)

II. Encouraging Conservation of Biodiversity and our Ecosystems

Our Approach to Biodiversity

Encouraging conservation of biodiversity is an important component in achieving net zero and managing physical risks. We view the protection of the ecosystems surrounding our businesses as a high priority. Our businesses represent critical infrastructure and enterprises that surrounding economies and communities depend on. We strive to protect biodiversity and ecosystems near our businesses, and we acknowledge that factors such as habitat degradation and loss, pollution and climate change contribute to decreasing global biodiversity.

We aim to protect biodiversity throughout the lifecycle of our investments and we encourage the inclusion of biodiversity considerations when evaluating new investments. With the development of greenfield assets, while there is a critical need for infrastructure to facilitate an increase in



In December 2022, Brookfield Renewable closed a \$746 million green bond issuance for a 350 MW hydroelectric portfolio in Ontario, Canada to refinance existing bonds through the remaining term of the electricity purchase agreement with the province's IESO.

renewable energy to mitigate climate change, we recognize that our activities could have a negative effect on biodiversity if not addressed. For example, in our Renewable Power & Transition, Infrastructure and Real Estate businesses, where we have a meaningful greenfield development pipeline, we conduct environmental assessments prior to project commencement to understand baseline conditions and, where applicable, key biodiversity and ecosystem sensitivities. These environmental assessments, in some cases, consider proximity to protected areas and the presence of sensitive, threatened, or endangered species. Where appropriate, we engage local stakeholders and experts to monitor biodiversity and conduct studies to further our conservation efforts.

As a responsible owner and operator, we monitor relevant measures of environmental preservation on an ongoing basis across our businesses. In considering biodiversity, we are also conscious of the risk of deforestation associated with our businesses. Today, Brookfield does not have any investments in forest-risk agricultural commodity industries and therefore does not have direct exposure to deforestation. While we have not identified deforestation as a significant risk to our business, Brookfield is working to understand the amount of any indirect exposure to deforestation risk within its supply chain. Looking ahead, we are continuing to evaluate how we can enhance our processes and further incorporate biodiversity considerations throughout our investment and asset management process.

Supporting the Critically Endangered Regent Honeyeater

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In late 2022, Brookfield Private Equity's La Trobe Financial announced a partnership with Taronga Conservation Society Australia (Taronga) for the support of Australia's unique and iconic, but critically endangered Regent Honeyeater. The Regent Honeyeater is a bird that inhabits temperate woodlands and open forests on the inland slopes of southeast Australia, with a range that has contracted dramatically in the last thirty years.

La Trobe Financial has joined state and federal governments to support the conservation of the Regent Honeyeaters, recognizing Taronga's important role and responsibility in the protection and restoration of nature through targeted action. The goal is for the Regent Honeyeater to not only persist in the wild, but for their populations to increase, by improving habitat quality and connectivity whilst improving their post release survival and breeding success rate. The Regent Honeyeater's conservation status remains critically endangered and La Trobe Financial will continue to fight for these magnificent birds.

Brookfield Properties' Pollinators, the Honey Bees

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Bees are a vital part of our ecosystem and urban communities. Providing a safe place for bees to build their hives on our office property rooftops benefits not only the bees themselves, but also our communities. Honey bees play a vital role as pollinators and help to maintain biodiversity, which is especially important in urban environments.

Bee colonies flourish in urban areas as they require an environment that fulfills three criteria: the absence of pesticides, an abundance of water and floral resources, and a temperate climate. Our office property rooftops are an ideal, safe place for these pollinators to call home.

We currently have 60 honey bee hives throughout our U.S. office property portfolio across 33 locations in New York, Washington D.C., Houston, Denver and Los Angeles. We have adopted an estimated 3 million honeybees throughout our hives, and in 2022 they pollinated 300+ square miles, producing 4,900 jars of local raw honey.

In addition, in 2022 we conducted 29 workshops with Brookfield Properties' tenants to educate them about biodiversity and the importance of pollinators, engaging over 350 people in our communities. We first began our honey bee program in Washington D.C. in 2015 and will continue to expand the program in markets across our portfolio.

Biodiversity and Reforestation at Brookfield Infrastructure's Brazilian Toll Road Business, Arteris

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As Brookfield continues to focus on encouraging conservation of biodiversity and ecosystems near our businesses, we are conscious of the risk of deforestation and monitor relevant measures of environmental preservation.

Brookfield invested in Arteris in 2012, a diversified portfolio of seven Brazilian toll roads with 3,200 km in operation. Throughout its operating history, Arteris has planted more than 2 million native seedlings, or the equivalent to 1,200 hectares of reforested areas.

Beginning in 2016, Arteris began work on the Restinga Viva (or Living Coast Forests) Project, a habitat restoration project covering 166 hectares where Arteris operates, to replant native species, while removing the harmful invasive species. The project focuses on conservation, the recovery of degraded environments and increasing biodiversity and education. Partnering on this project reflects Brookfield's focus on striving to protect biodiversity throughout the lifecycle of our investments.

Water & Waste

Reducing the impact of our overall water consumption and waste generation helps build efficient systems, resiliency in our businesses and contributes to a sustainable future. We utilize industry best practices to efficiently monitor and manage performance and work to ensure continual reduction.

Our portfolio companies consider water risks through the lens of quality and scarcity. We consider forward-looking risks related to climate change. In addition to water considerations, many of our businesses are seeking ways to reduce their waste to avoid negative impacts on our local ecosystems and communities. We adhere to all applicable local and regional waste regulations and track waste and recycling metrics. We work towards a circular economy by reducing, reusing and recycling our waste, where possible. Each business understands the importance of measuring these metrics and we continue to support their efforts for continual improvement in this area.

WATER & WASTE CASE STUDIES

Waste Reduction Strategies at Brookfield's Private Equity and Infrastructure Portfolio Companies

Across our businesses we are examining waste management opportunities to reduce negative impacts on local environments and communities.

Our Private Equity business' global lottery services company, Scientific Games, achieved its target of zero waste at its Leeds manufacturing site. It implemented a waste segregation process, ensuring that waste slated to leave the site was diverted or treated to become a resource for other industries. Waste segregation and collection points were provided across the manufacturing facility, with employees trained on the correct means of disposal.

Within Brookfield Infrastructure, our European telecommunications business, Telia Towers, has developed, as a part of the Telia Group strategy, a solution to combat excess waste generated by network infrastructure to achieve its goal of net-zero waste through a circular economy by 2030. It set an interim milestone to reuse or recycle at least 85% of materials by 2025. Its Prevent,

Reduce, Reuse, Recycle model addresses the significant amount of e-waste generated by infrastructure network equipment. Telia reuses network equipment and recycles all end-of-life towers and batteries. The first-ever recycled tower was installed in 2022; Telia has several recycled towers in its pipeline for 2023.

A second Infrastructure portfolio company, SGN, our U.K. regulated utility business, is working to expand its ability to provide green gas to customers to supply 450,000 homes by 2026. In 2022, a new biomethane anaerobic digester site was connected to the SGN network. It applies circular economy concepts by using waste produced from a brewery onsite as feedstock for the plant. The site has the potential to supply 3,995 domestic customers.

Brookfield Renewable Tackling Reuse, Recycling and Recovery of Materials

Brookfield Renewable is working on opportunities to reuse, recycle or recover materials from major components in its solar, wind and hydro operations to support its goal of diverting these materials from landfills.

One of Brookfield Renewable's preferred strategies to grow its generation portfolio is to take advantage of opportunities to repower existing assets and extend their useful lives. They take available technologies and opportunities to recycle all end-of-life major components from those assets, ultimately reducing their environmental impact.

In 2022, Brookfield Renewable completed the repowering of more than 300 turbines for the 845 MW Shepherds Flat wind project in Oregon. As part of the project, Brookfield Renewable's supplier, GE, put in place plans for wind turbine blades and the majority of other composite materials removed during repowering activities to be recycled. Rather than disposal in landfills, the blade materials were shredded into Repurposed Engineered Material (REM) and used to produce and augment cement products.

In addition, in 2022 Brookfield Renewable engaged directly with their supply chain and peers to understand their initiatives and goals in recycling and recovering materials from major components. Brookfield Renewables worked with trade associations including Wind Europe and the Solar Energy Industries Association (SEIA) to progress industry

solutions, including SEIA's National PV Recycling Program, which identifies and qualifies recycling companies.

These engagements informed the development of its major component plans for solar panels and wind turbines. For example, Brookfield Renewable's Canadian platform was able to recycle a hydro unit, which was at the end of its useful life, resulting in the recycling of 1,996 tons of end-of-life components.

Leveraging Technology at Brookfield Properties' Ecoworld to Achieve Zero Waste

Brookfield utilizes industry best practices to ensure the continual reduction of waste. Within Brookfield's real estate portfolio, Ecoworld is an office campus development in Bangalore focused on integrating sustainability. This includes an efficient energy footprint, water conservation and holistic waste management.

The Ecoworld team created a waste management strategy based on three waste classification tiers: wet, dry, and waste rejects. Wet waste is processed through an on-site composting facility, with liquid wet waste processed using

a biogas composting plant. Dry waste processing includes secondary sorting into twenty individual waste streams. Various dry waste types are sent to authorized recyclers of specific materials. Waste rejects are redirected to cement facilities for processing, rather than being sent to a landfill. Ecoworld works with tenants who produce waste rejects to modify their supply chain and consumption patterns to reduce waste generation.

Ecoworld leverages a systems approach to quantify daily waste data. Initially, 60% of the building's waste was classified as waste rejects, or landfill waste. The Ecoworld team embarked on a mission to reduce waste rejects from 60% to less than 5% of total waste generated, ultimately succeeding in reducing landfill waste to 3%, with Ecoworld repurposing the remaining waste. The strategy diverts 20 tons of waste from landfills each month, reducing GHG emissions by 1,030 kg CO₂e annually. The Indian Green Building Council awarded Ecoworld its Net-Zero Waste Platinum Certification for closing its waste generation loop, making it the first commercial office property in India to obtain this certification.



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III. Enhancing Value and Building Resilience by Managing the Risks and Opportunities of a Changing Climate

Climate change and the transition to a lower carbon economy present potential risks and opportunities for our portfolio companies and assets. Our approach to identifying, assessing and managing these risks and opportunities is described in [Climate-Related Risk Management](#). Based on our climate risk and opportunity assessments, we have not identified any systemic climate-related risks across our businesses and have identified many opportunities. Where value enhancement opportunities are identified, our operations teams work closely with senior management of our portfolio companies to support and oversee the development and implementation of business improvements.

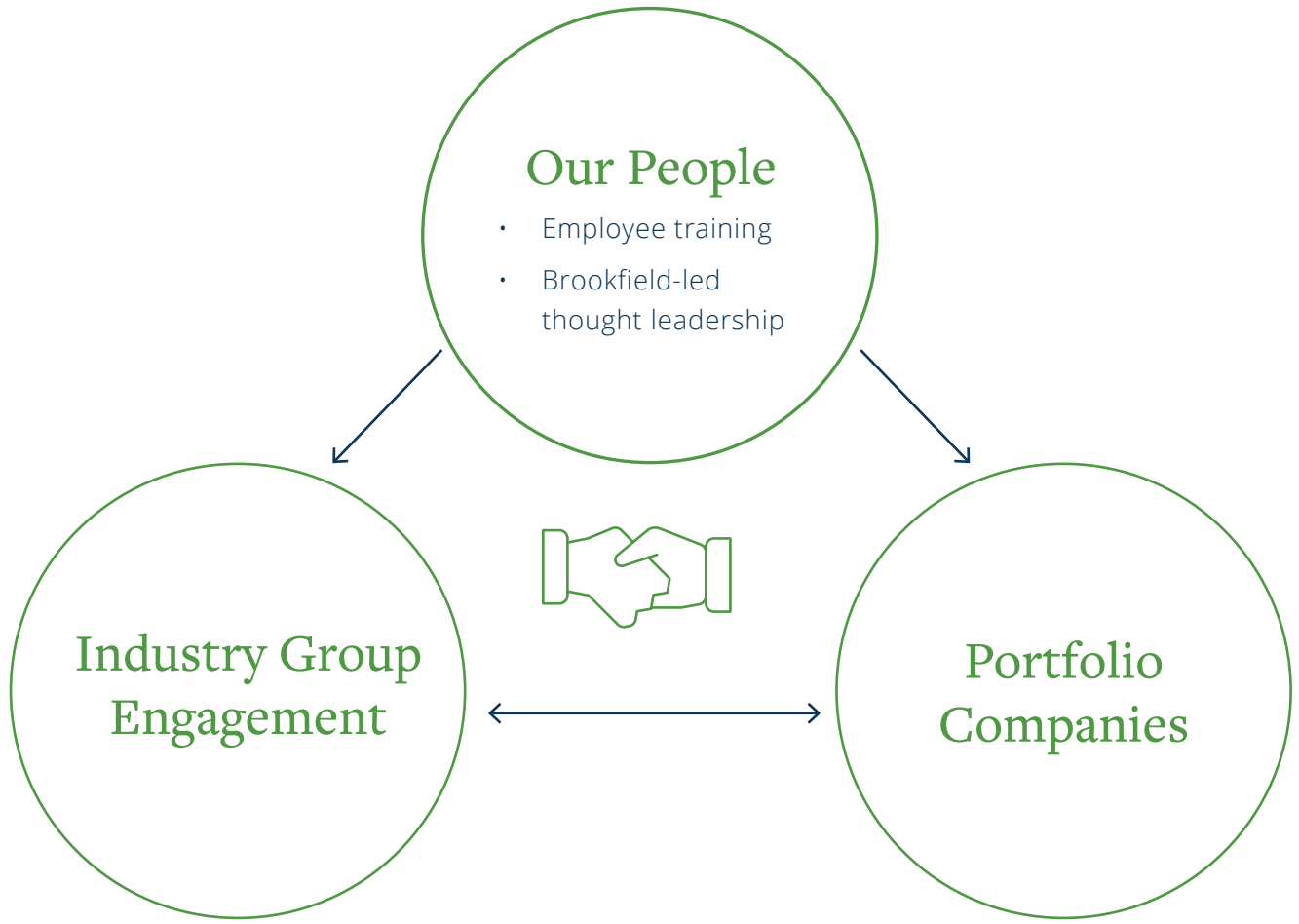
IV. Facilitating Knowledge Sharing and Engagement With External Stakeholders

Partnering with our internal and external stakeholders is an essential element of our climate strategy. We believe it is important to share our approach to climate, including best practices and progress, with our clients, employees, portfolio companies and industry groups. We actively facilitate knowledge sharing and advocate, where necessary, across multiple channels.

With over 2,500 employees worldwide, our people are Brookfield’s most valued asset. We provide relevant training and promote internal discussions to facilitate a learning culture. As it relates to climate, we facilitate training in two ways: through formal training sessions, utilizing both internal and external expertise; and through working group discussions.

In 2022, Brookfield facilitated training, covering a broad range of sustainability related topics including our net-zero ambition, climate risk assessments, GHG emissions measurement, and emission reduction strategies. Employees receiving training span all management levels throughout the organization and across functions, including our asset management, investment, finance and ESG focused professionals, as well as portfolio companies. Additionally, in 2022 we facilitated a session with our board of directors (as it was then constituted) on climate risks and opportunities and our approach to decarbonization.

How we partner with our stakeholders to provide support in achieving their decarbonization ambitions



Climate Training

We have offered climate-related education sessions to both corporate and portfolio company employees in several forums to better equip our people:

	AUDIENCES	MATERIAL COVERED
2022	Corporate ESG Professionals	<ul style="list-style-type: none"> Scenario analysis deep dive including: different scenarios publicly available, how to select an appropriate scenario, inputs necessary for meaningful data and scenario analysis modeling mechanics
	Corporate Asset Management Teams	<ul style="list-style-type: none"> Overview of climate change risk assessments including breakdown of physical and transition risk, mechanics of developing a scenario analysis and future goals for climate change risk mitigation
	Portfolio Company Employees	<ul style="list-style-type: none"> Overview of emission reduction strategies including different types of reduction (reducing, replacing, offsetting) Sector specific case studies on effective emission reduction plans
2023	Corporate ESG Professionals	<ul style="list-style-type: none"> Overview of the EU Taxonomy and application of sustainability assessment on assets
	Corporate Asset Management Team	<ul style="list-style-type: none"> Overview of ESG landscape and Brookfield's net-zero commitment Case studies on climate change progress to date Details on future state goals for climate change mitigation

This training is incremental to the sessions facilitated through our Net Zero Operational Committee. We have substantial climate solutions expertise within each of our businesses and leverage these experts in leading training within the organization. In addition to leveraging this expertise for internal training, Brookfield publishes thought leadership on climate related topics through [Brookfield Insights](#) and through our net-zero themed podcast—[Brookfield Perspectives](#).

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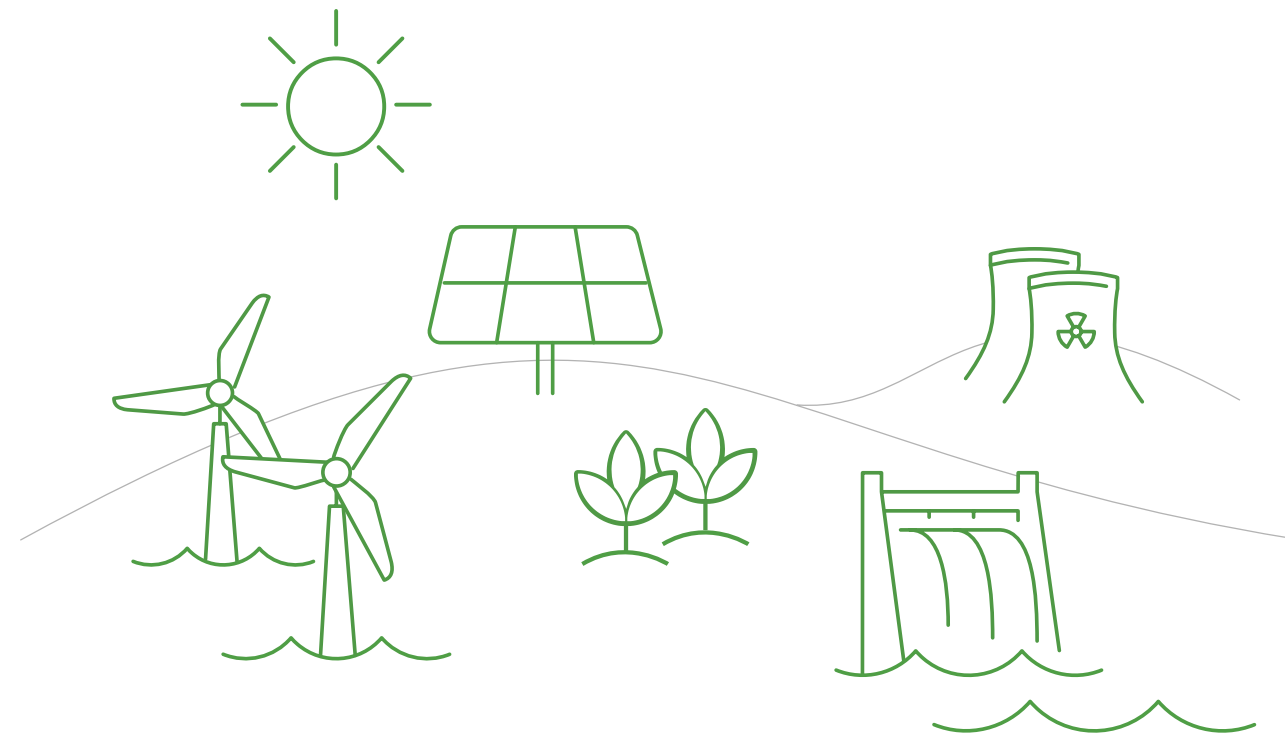
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Climate Solutions, System Transformation & Operational Expertise

Throughout our asset management business, we leverage our climate solutions, opportunities for system transformation and deep operational expertise to further our decarbonization strategy.

Climate Solutions

- Wind
- Solar
- Hydroelectric Power
- Offshore Wind
- Carbon Capture
- Green Hydrogen
- Nuclear Energy Services
- Biofuels

System Transformation

- Distributed Generation
- Battery Storage
- EV Charging
- Energy Efficiency
- Green Building
- Recycling
- Electricity Transmission
- Demand-side Management
- Renewable Power Purchase Agreements
- Gas Transmission & Storage

Operational Expertise

- Asset Integration and Operational Excellence
- Equipment Procurement
- Grid Optimization
- HSSE Capabilities
- Regulatory Expertise
- Engineering and Development
- Construction Management
- Operational Turnarounds
- Energy Marketing Expertise
- Generation Management, Planning and Dispatch

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Portfolio and External Stakeholder Engagement

We utilize our active asset management approach to collaborate with our portfolio companies and encourage sound ESG practices that are essential for resilient businesses, while creating long-term value for our investors and stakeholders. Where we can exercise control or significant influence, we work with our portfolio companies to measure and report both historical and forecasted GHG emissions and develop plans that consider decarbonization initiatives. Through our ongoing engagement with portfolio companies, we may partner with or support them to facilitate discussions with external stakeholders, with the intent of positively influencing industry standards or practices that are aligned with our ESG principles. For investments where we do not have control or significant influence, we seek ways for targeted engagement.

We collaborate regularly with outside stakeholders, including industry groups, and we encourage our businesses to participate in knowledge sharing practices. We believe external collaboration with stakeholders in public and private sectors is critical to uncovering solutions to existing challenges in the energy transition. We seek opportunities to work with public stakeholders where we can help shape public opinion and influence government actions and decisions in ways that protects and aligns with Brookfield's business interests and reputation. We are members of various industry-leading groups that we believe are aligned with our overall climate goals and contribute to industry-led publications. Sharing our expertise is a priority and we will invest time to contribute to key climate initiatives and stakeholder discussions that are aligned with our ambition and can help accelerate decarbonization.

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Climate Group Memberships

Brookfield is an active member of various climate related industry groups and contributes to industry-led publications. The following represents a selection of Brookfield's memberships and contributions:

INITIATIVE	DESCRIPTION
GFANZ	<ul style="list-style-type: none"> Contributed to a GFANZ publication "Driving Enhancement, Convergence, and Adoption" (2022) Collaborating on several other ongoing initiatives, in partnership with GFANZ, including COP28
Sustainable Markets Initiative — Private Equity Roundtable	<ul style="list-style-type: none"> Member of the Private Equity Roundtable Contributed to white papers in early 2023 on biodiversity, valuing carbon and ESG metrics in private equity
Bloomberg New Economy	<ul style="list-style-type: none"> Member of the Net Zero Steering Committee
Canada Business Council	<ul style="list-style-type: none"> Member of the Energy Transition Working Group
World Economic Forum (WEF) — Advanced Energy Solutions	<ul style="list-style-type: none"> Contributed to an article published on the WEF and the committee's work to assist in the energy transition (2022)
GRESB Foundation — Real Estate and Infrastructure Expert Resource Group	<ul style="list-style-type: none"> Active member
World Economic Forum — Property Working Group	<ul style="list-style-type: none"> Collaborated on white paper "Accelerating the Decarbonization of Buildings" (2022)
Accounting For Sustainability (A4S)	<ul style="list-style-type: none"> Active member

Welcoming the Inflation Reduction Act (IRA)

The U.S.' historic IRA is one of the most important pieces of legislation around the world designed to spur investment in clean energy. It has set long-term tax incentives for renewable energy such as wind, solar and hydropower, as well as new incentives for energy storage, clean hydrogen production, and the domestic manufacturing of renewable energy equipment. In all, the IRA includes \$370 billion of such tax credits, grants, loans and subsidies.¹

Throughout 2022, Brookfield Renewable worked alongside trade groups and industry coalitions to advocate for passage of the Act. Brookfield Renewable advocated within Congress and to the Biden administration on the importance of policy certainty and fair treatment across renewable energy technologies.

¹ [World Economic Forum, 2023.](#)

Metrics and Targets

We have prioritized improving the quality of our GHG emissions data in recent years as we believe it will provide quantitative direction on our climate strategy and performance. These figures are assessed regularly by senior management and through the governance channels discussed earlier.

NZAM Commitment and Interim Target

We are a signatory to NZAM and, in May 2022, we submitted our interim target, setting out our commitment to reduce emissions across \$147 billion (approximately one-third) of our assets under management by 2030 from a 2020 base year.¹

We continue to work towards finalizing our analysis of in-scope assets in our interim target and we look forward to sharing the progress in our 2023 NZAM Interim Progress report later this year. Since publishing our interim target in 2022, AUM for our business has grown nearly \$190 billion, of which we currently expect to add

\$54 billion of assets to our NZAM interim target. The majority of the increase in AUM of in-scope assets is attributable to net new assets being added, with the remaining increase represented by accretion in value of previously in-scope assets. Newly added assets were selected as we believe that they have started to develop transition plans in line with our [Achieving Net Zero Framework](#) described earlier. With this addition, our in-scope assets will rise to \$201 billion or approximately 34% of AUM.²

As the assets under management included in our NZAM target continue to grow, our target is to have these assets reduce their emissions by at least 50% or more by 2030. Our net-zero interim target includes Scope 1 and 2 emissions of Brookfield's portfolio companies, which also represents the majority of Brookfield's Scope 3 Category 15 "financed emissions".³

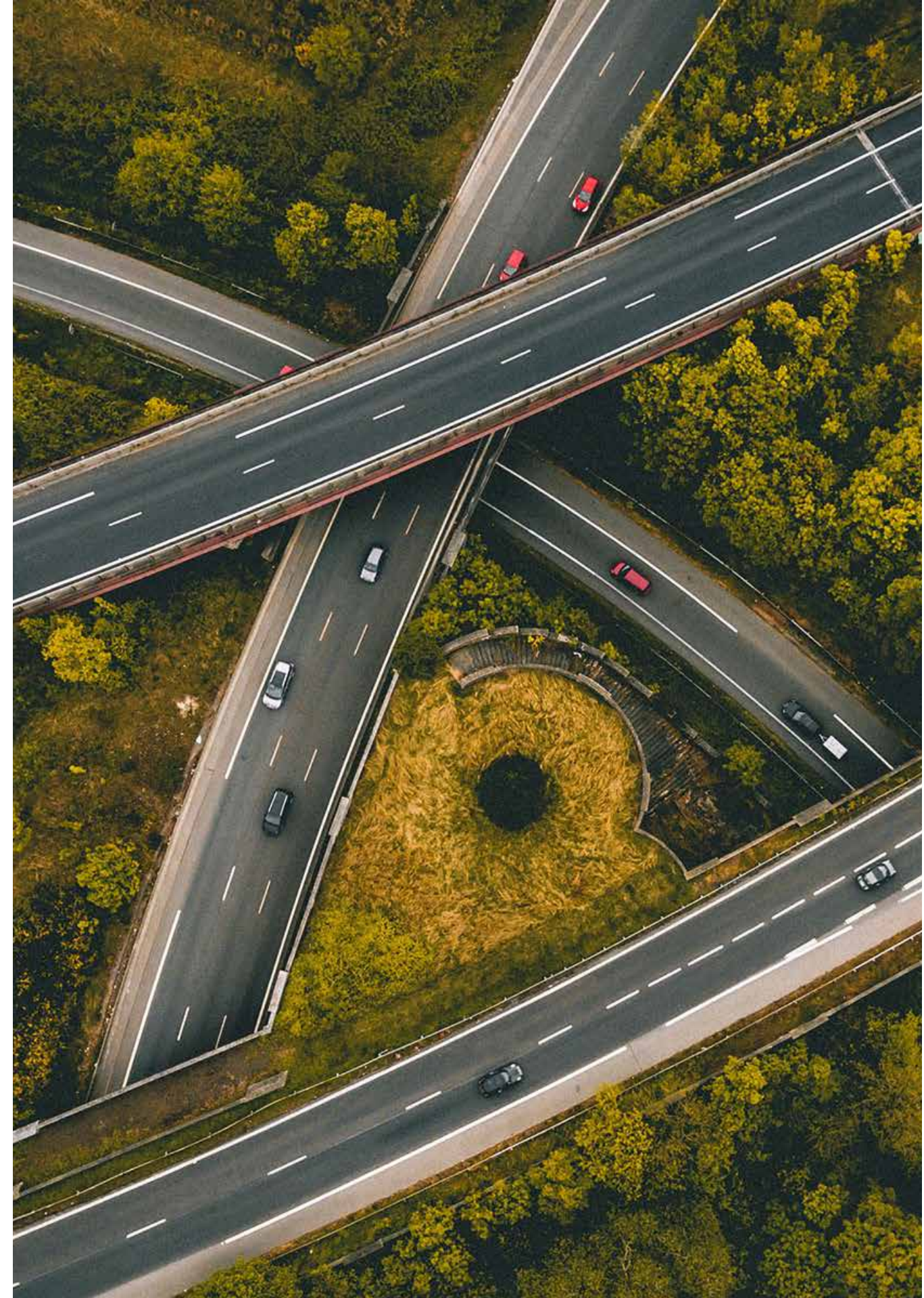
To fulfill this commitment, we have been focusing on portfolio company emissions, forecasting emissions within their business plans and prioritizing emissions reduction across our portfolio companies.

Our interim emissions target comprises assets across our businesses, including Renewable Power & Transition, Infrastructure, Private Equity and Real Estate. We developed our net-zero strategy based on NZIF and are setting science-based targets for assets that comprise the interim target.

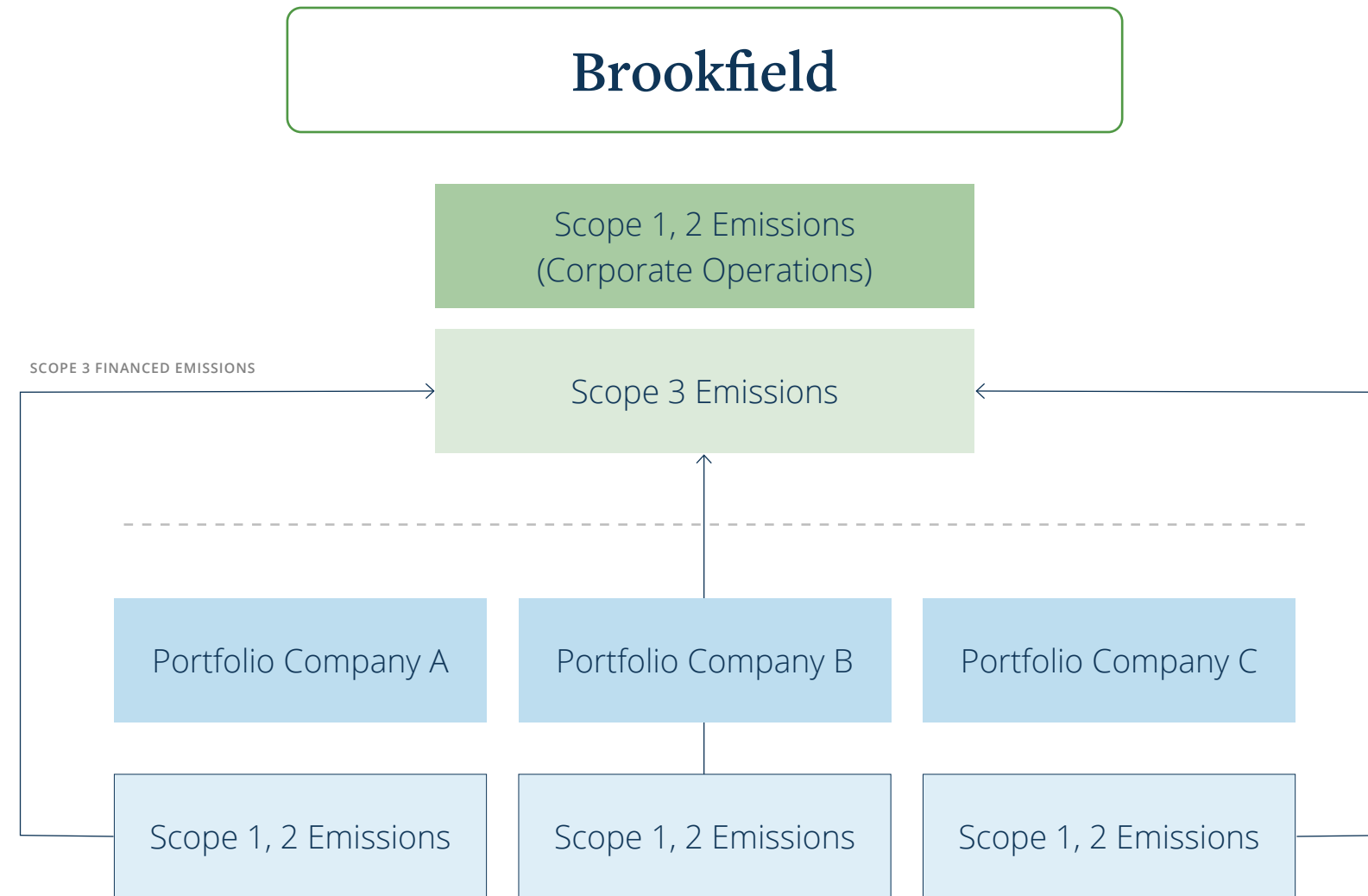
¹ Expressed as a percentage of total AUM excluding Oaktree Capital Management as of December 31, 2020.

² Expressed as a percentage of total AUM excluding Oaktree Capital Management and Brookfield Reinsurance as of December 31, 2022.

³ Primarily includes Scope 1 and 2 emissions of Portfolio Companies where Brookfield has economic control and significant influence, and some in investments where Brookfield does not have control.



Brookfield's In-Scope Emissions in NZAM Interim Target



NZAM Interim Target

In setting our interim target, we focused on investments where:

- I. We have control and therefore sufficient influence over the outcomes;
- II. We could identify and implement actionable initiatives in the near term; and
- III. We assessed it to be value-accretive to do so over the life of the investment.

We are initially focusing our carbon reduction efforts on portfolio companies where we have a control position, as this is where we can exercise significant influence.

Our interim target includes one-third of Brookfield's AUM, however, as mentioned, our intention is to increase the proportion of assets to be managed in line with net zero annually or as frequently as possible, consistent with our ambition to reach 100% over time. In doing so, our focus is equally on operationalizing decarbonization.

NZAM Interim Target (in USD billions)

Committed	Total	Renewable Power & Transition	Infrastructure	Private Equity	Real Estate
Initial AUM Covered ¹	\$147	\$57	\$13	\$3	\$74
Assets Added, Net of Changes	\$54	\$8	\$15	\$28	\$4
Total AUM Covered ²	\$201	\$65	\$28	\$31	\$78

¹ Represents assets included in Brookfield's NZAM interim target based on December 31, 2020 AUM.

² Represents initial assets included in Brookfield's NZAM interim target and the inclusion of additional assets. AUM is as of December 31, 2022.

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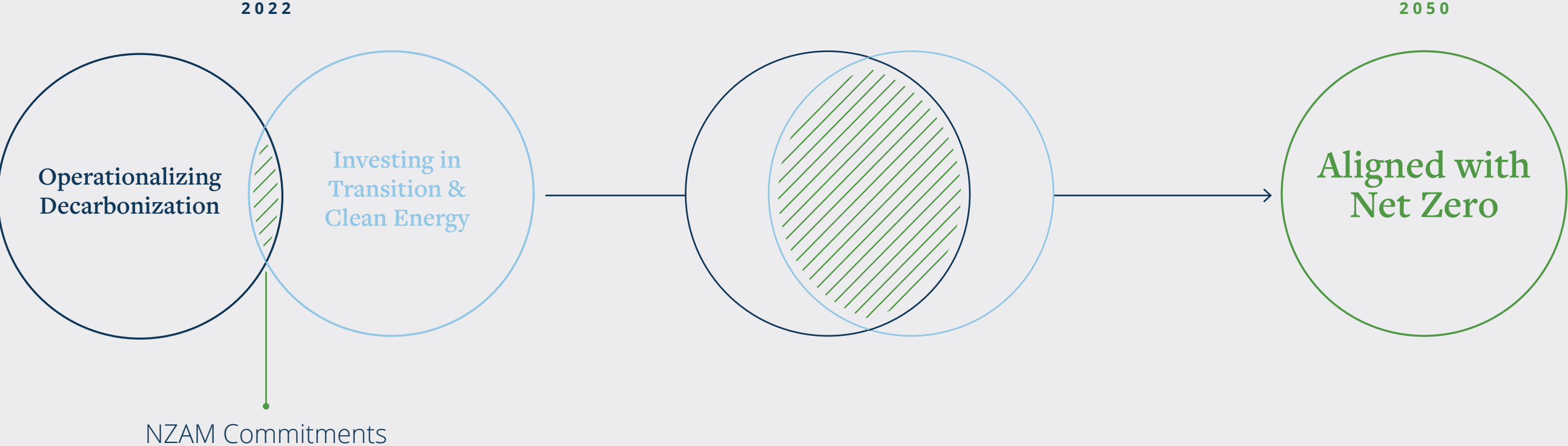
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Our Decarbonization Journey Is More Than Just Our NZAM Target



- Our net-zero ambition and our NZAM target are complementary
- Achieving net zero by 2050 or sooner is a global imperative and requires significant effort from companies, governments and individuals
- We have commenced our decarbonization journey to deliver on our net-zero ambition
- As our assets develop their decarbonization plans, more should progress towards or align to science-based pathways, enabling us to increase our NZAM target
- Today, assets within our NZAM target represent only a portion of these decarbonization plans; over time, however, they should converge

Measuring Our Progress Against the Achieving Net Zero Framework

We have focused on developing our [Achieving Net-Zero Framework](#) and are working towards assessment of the status of each of our portfolio companies against this framework. Of the businesses we have assessed, we have observed that the path to net zero may not always be linear or binary. Each of our portfolio companies are embarking on their individual journeys—commencing with measuring emissions, working to identify levers, and ultimately setting and implementing science-based targets. Going forward, for companies with which we exercise control and can therefore influence outcomes, we will aim to implement steps 1 through 3 under the Transition Plan Development phase within two to three years of acquisition, whereafter we will internally assess their readiness for inclusion in the NZAM interim target.

In the meantime, key procedural programs set in place this year across our businesses are highlighted below:

- Increased engagement with portfolio companies across all business groups to support increased reporting of GHG emissions data. Engagement includes providing training and sharing of best practices on emissions measurement and reduction strategies with portfolio companies.
- Each business group has implemented, or is working towards implementing, a requirement for each of their portfolio companies to develop five-year carbon forecasting plans and to start identifying carbon reduction opportunities.

Over the coming year, our focus will be on completing an assessment of our portfolio companies against

Portfolio Company Absolute GHG Emissions¹ (mtCO₂e)

Scope	2022	Base Year ²
	Total	Total
Scope 1	7,444,778	7,283,262
Scope 2 ³	4,348,161	4,811,474
Total ⁴	11,792,940	12,094,736

the Achieving Net Zero Framework and reporting on those results. As well, we will help our portfolio companies advance their progress through the Framework. As we gain experience working with these businesses, we will look to formalize a consistent approach across all our assets.

Our Emissions

We have been measuring and tracking emissions across our business groups for several years. Our focus over the last three years has been on refining our approach to data collection. We have calculated our emissions

profile for each of our businesses—Renewable Power & Transition, Infrastructure, Private Equity and Real Estate. As mentioned earlier, the GHG Protocol and PCAF methodology have informed our measurement approach. We have developed this data set utilizing the best information available and a bottom-up approach. We expect our information on annual emissions to improve in the future as data quality and quantity increase. We will strive to report transparently on any adjustments that we may implement as we refine these emission disclosures and report on our progress against targets.

Current year GHG emissions are 11.8 million mtCO₂e compared to base year emissions of 12.1 million mtCO₂e. The decrease of 0.3 million mtCO₂e is predominantly due to carbon reduction initiatives and a change in business activity following the global COVID pandemic. Total emissions for assets included in our NZAM commitment were 1.4 million mtCO₂e in 2022 compared to base year emissions of 1.7 million mtCO₂e.

¹ Our GHG emissions calculation is guided by the principles of the GHG Protocol Corporate Accounting and Reporting Standard issued by the World Business Council for Sustainable Development and the World Resource Institute.

² Base year figures disclosed represent 2020 with the exception of Real Estate for which the base year is 2019. Base year emissions are recalculated where there are significant changes to the data, inventory boundary, methods, or any other relevant factors, which could be triggered by structural changes, changes in methodology and new or additional data.

³ Scope 2 emissions are a combination of location-based and market-based emissions.

⁴ Total emissions currently include Scope 1 and Scope 2. We intend to include material Scope 3 emissions at a future time when we are able to gather sufficiently high-quality data.

Putting Plans into Action

We have been focused on supporting our businesses on their decarbonization journey. The below are select case studies showcasing how our portfolio companies are evolving towards committing or aligning to net zero.

Driving Lowered Emissions Across Our North American Railroads

In 2018, Brookfield Infrastructure acquired its rail business, Genesee & Wyoming ("G&W"), which owns over 13,000 miles of track across North America, providing a fuel-efficient form of surface transportation.

Over the last year, G&W took meaningful steps towards decarbonization and recently established a Paris-aligned net-zero target. In 2022, G&W submitted a decarbonization plan articulating an approximate 42% GHG emissions intensity reduction target by 2035 to the Science Based Target Initiative (SBTi), which is currently under review.

In the meantime, the business has been actively executing its decarbonization initiatives. In 2022, G&W continued to upgrade its locomotive fleet with new purchases and conducted overhauls to increase emissions efficiency—it purchased 27 new locomotives and overhauled five locomotives. It enhanced its Automatic Engine Start/Stop (AESS) Systems and the Auxiliary Power Units (APUs) on more than 25% of its locomotive fleet. These improvements reduced G&W's North American locomotive fleet's emissions intensity by approximately 4% compared to its 2020 baseline.

Facilitating Clean Energy Solutions

Westinghouse is a global leader in providing mission critical technologies, products and services to the nuclear power industry. The business was acquired by Brookfield Private Equity in 2018 and in 2022 an agreement was reached for it to be sold to a strategic consortium led by Cameco Corporation and Brookfield Renewable Partners.

Nuclear is essential to the achievement of reliable, affordable and sustainable energy and will be needed to enable the global transition to net zero.¹ As part of its longstanding support for global climate ambitions, in 2022 Westinghouse committed to achieving net-zero GHG emissions by 2050. Management is working to lay the foundation to identify an interim net-zero target by 2024 and to develop certain site-specific energy reduction and climate action plans as part of the company's overall internal decarbonization strategy. In addition, in 2022 Westinghouse initiated programs to evaluate energy use at key operating facilities to identify opportunities for efficiencies and operational improvements.

Partnering to Support Climate Goals

In 2022, Brookfield Renewable formed a partnership with InterEnergy, a leading utility and independent power producer with operations in the Caribbean and Latin America. Brookfield Renewable aims to help InterEnergy accelerate its energy transition plan to a net-zero business as well as support regional decarbonization through the planned buildout of significant renewable energy by 2030. As part of the investment, InterEnergy has adopted interim and long-term targets aligned with the goals of the

Paris Agreement. These are integrated into a Paris-aligned business plan that includes broader efforts to support delivery of the targets including the formation of a new sustainability committee. The committee has representation from both Brookfield Renewable and InterEnergy and regularly reviews progress against the carbon reduction targets and wider ESG initiatives.

Developing a Strong Emissions Baseline to Drive Reductions

In 2022, Brookfield Real Estate issued an Environmental and Climate Metrics Policy for its global real estate portfolio. The policy requires Brookfield Real Estate portfolio companies to report GHG emissions data on an asset level basis, across Scope 1, Scope 2, and meaningful Scope 3 sources. Guidance was developed to assist in interpreting the policy and aligning business practices, ensuring portfolio managers were well equipped to collect, analyze, and subsequently submit their GHG emissions. Several advisors provided assistance on the implementation of the policy. The policy serves as an accountability mechanism and enables Brookfield Real Estate to set targets and track decarbonization progress.

Having a solid baseline of emissions data has enabled several Brookfield Real Estate portfolio companies to significantly advance their net-zero strategies. For example, Brookfield's U.S. office portfolio has committed to procuring 100% of its electricity from clean energy sources by 2026. The commitment to procure 600,000 MWh of zero emissions electricity ensures that all the electricity procured will be sourced within the same power grid in which the electricity is used, further incentivizing the local development of new clean energy

Brookfield's U.S. office portfolio has committed to procuring 100% of its electricity from clean energy sources by 2026.

sources. Through this commitment, Brookfield expects to reduce its GHG emissions by 260,000 metrics tons each year, reflecting a decrease in emissions of ~60% from 2019 levels.

Brookfield Real Estate has also executed a programmatic agreement with Brookfield Renewables to implement rooftop solar panels on select logistics facilities in the United States. The project leverages over 14 million sf of vacant rooftop space to install solar panels across an initial 34 assets, creating 250,000 MWh of annual energy production, which is expected to be sold to community solar programs. We are evaluating the potential to direct a portion of the rooftop-generated energy for onsite use by tenants, contributing to Brookfield's and our tenants' decarbonization goals.

Several additional renewable energy procurement opportunities between Brookfield Real Estate and Brookfield Renewable are under development.

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¹ IEA, "Nuclear power can play a major role in enabling secure transitions to low emissions energy systems," June 30, 2022.

Brookfield Renewable Progressing Decarbonization Initiatives

In 2022, Brookfield Renewable worked with each of its regional businesses to continue to develop detailed decarbonization plans and execute emission reduction initiatives. Their emission reduction initiatives are tailored to the unique challenges of each region and business. These initiatives include:

- Purchasing renewable energy attributes to reduce Scope 2 market-based emissions to zero at its Canadian regional business and at its Cork office.
- Reducing the emissions in their Chinese regional business through decreasing fugitive losses of sulfur hexafluoride (SF6) related to the operation of circuit breakers.
- Reducing their vehicle fleet in Brazil and, within Europe, making electric vehicles available for field employees in Saeta Yield and Sunovis.
- Implementing a new anti-freezing strategy at its concentrated solar power plants in Spain to reduce the fuel used during the winter months.

This year, Brookfield Renewable saw an 18%¹ reduction from their base year emissions. While they have implemented several initiatives to reduce their emissions in 2022, emissions may fluctuate year on year in response to operating conditions and energy demand. This was the case for their facility in New York state, which increased generation in 2022 to provide power to the grid during peak load periods to meet higher energy demand, resulting in a marginal increase in their Scope 1 emissions.

¹ Included in the scope of limited assurance provided by EY.

² IEA Emission Factors, 2022.

Brookfield Renewable’s carbon intensity continued to decrease in 2022 by approximately 14% compared to 2021 and is over 148 times lower than the global average grid intensity.²

GHG Emissions (mtCO ₂ e)	Trend	2022	2021
Scope 1 Direct	↑	433	342
Scope 2 Indirect (Market-Based)	↓	1,999	2,013
Scope 2 Indirect (Location-Based)	↑	2,204	2,135
Scope 3 Category 6: Business Air Travel	↑	10,945	2,646
Total (Market-Based) Emissions	↑	13,377	5,001

Our Corporate Operations Emissions

We acknowledge the importance of putting our corporate operations on a pathway to net zero, alongside the assets we oversee. Below is a summary of the GHG emissions from our corporate operations:

Brookfield's Scope 1 and 2 emission levels have remained relatively flat, despite growing the size of our business over the past year. We have observed a steady recovery of travel over the last years, in line with pre-COVID levels. Across our corporate operations, Brookfield’s most material emissions are from its sources of energy consumption (Scope 2) and business travel (Scope 3). To date, we have focused our efforts on lowering our firm’s emissions, including finding ways to power our office sites with clean energy. Over 80% of Brookfield’s employees are represented in office locations managed by Brookfield Properties, which are included in our NZAM interim target. As a result, we expect that our emissions will be reduced by approximately two-thirds in the next seven years.

Our focus for the next 12-18 months will be to define a net-zero plan for our corporate operations globally and in the meantime, continue our progress to minimize our current footprint.

Data Quality and Improvement Opportunities

We place priority on the source of our emissions data, leveraging information obtained directly from portfolio companies. Where we are not able to obtain information from our portfolio companies, we utilized proxy data based on similar assets within our own portfolio with emissions developed using a bottom-up approach; in other cases we may leverage emissions data from public sources based on companies of a similar profile.

Our focus over the next year is to continue rolling out our targeted engagement strategy, which includes prioritizing our highest emitting assets across Brookfield for decarbonization initiatives, as well as working with those companies that are currently in-scope under our interim net-zero target. In line with our continued improvement of GHG emissions, we plan to enhance our inventory of forecasted emissions, which also helps our portfolio companies better understand the impact of their business operations and capital expenditure decisions. Leveraging the Achieving Net Zero Framework, we aim to assess how our portfolio companies are progressing across the Framework and, where applicable, help accelerate their progress and advance through the Framework over time.

Additionally, while the bulk of our emissions lies in the portfolio companies we manage, we also intend to more formally review our corporate operations globally and continue our progress toward minimizing our carbon footprint.



Accelerating our progress, in 2022, Brookfield Properties India committed to reach net-zero emissions by 2040 across its entire portfolio of 50 million sf in India, which includes locations in which we have an operating presence.

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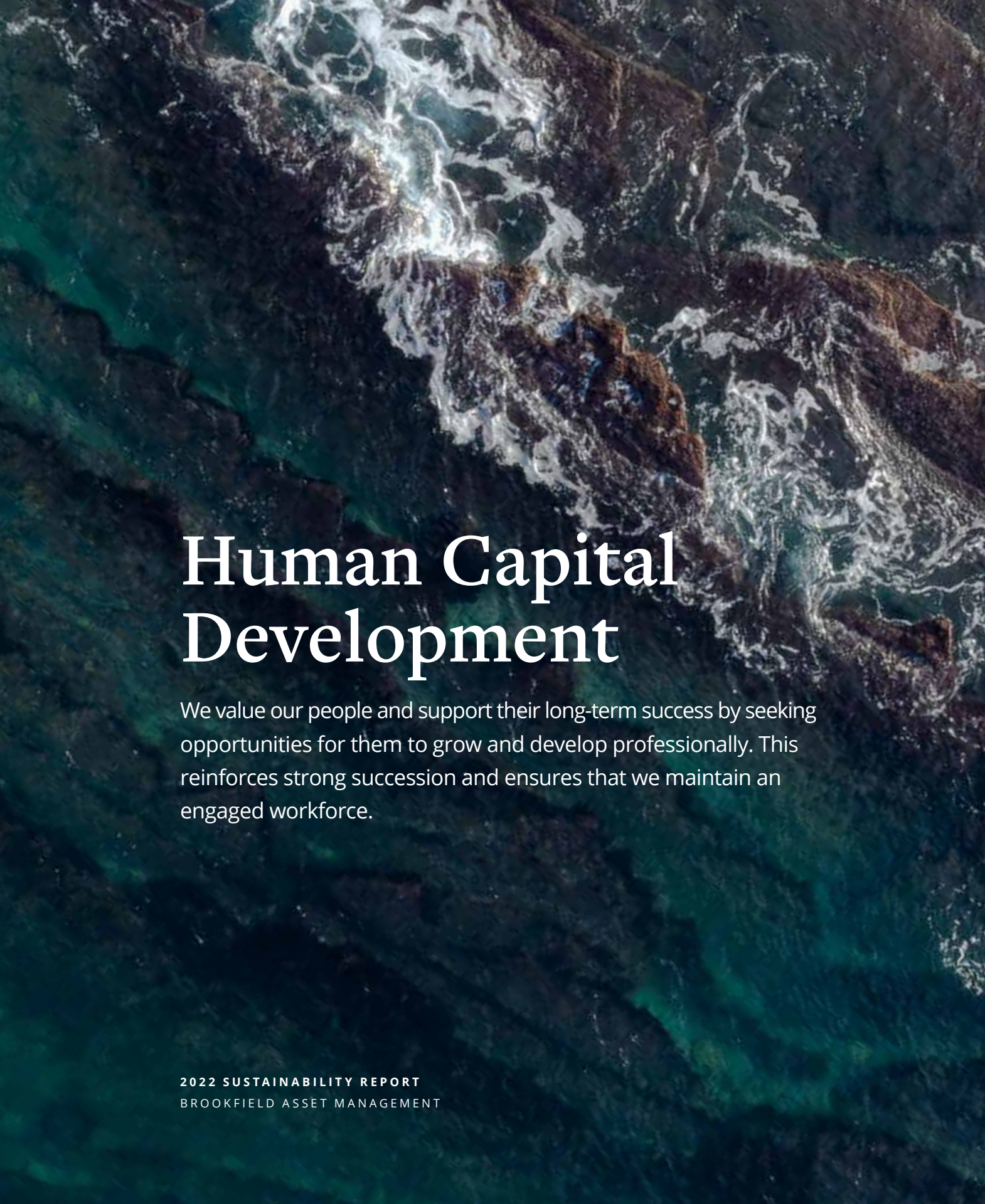
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Human Capital Development

We value our people and support their long-term success by seeking opportunities for them to grow and develop professionally. This reinforces strong succession and ensures that we maintain an engaged workforce.

Our employees drive our success and ensure that we deliver on our commitments to investors and other stakeholders. We seek to create a positive, open and inclusive work environment that enables employees to develop.

Inclusive leadership and disciplined talent management processes are critical to our success. Inclusive leadership starts with a strong tone at the top. Our Code of Business Conduct and Ethics and Positive Work Environment Policy set a consistently high standard for how we are expected to interact and collaborate with one another and reinforce a work environment conducive to learning and development.

We support and develop our people leaders in these key areas:



Ensuring the mandate of a people leader is clear: We aim to provide a work environment that is conducive to learning and development and one in which people feel safe when stepping outside their comfort zone. This is critical to our success in developing our people.



Offering training that clarifies the leader's role in creating an environment that supports the continued progression of their team members.



Providing feedback to our people leaders to enhance their development.



Disciplined talent management processes support our people leaders and ensure these processes are equitable and focus on developing our people.

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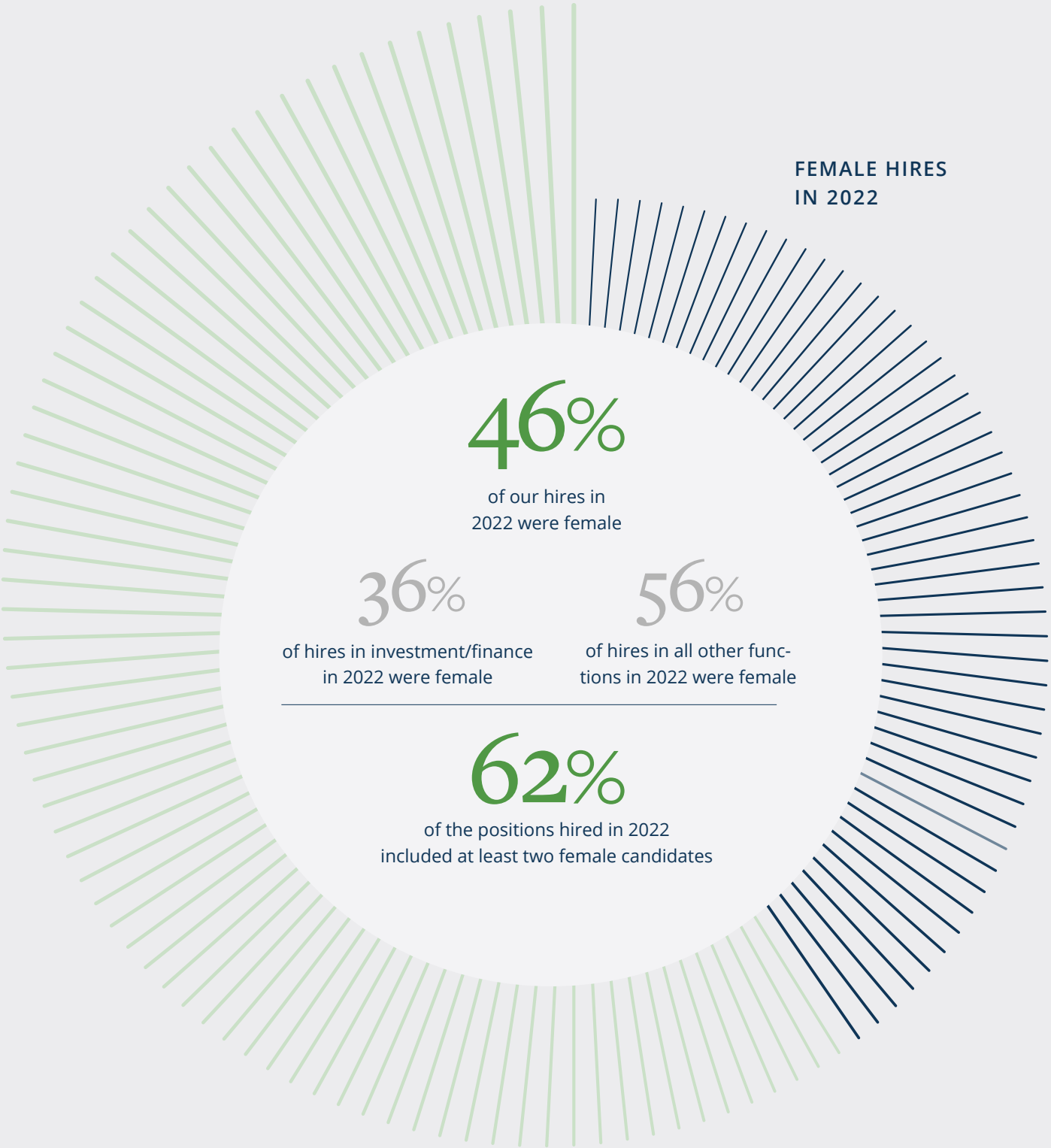
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Recruitment

We proactively recruit people who are aligned with our culture and have the potential to develop within the Brookfield organization. This includes a focus on diverse representation of candidates in our recruitment process. Brookfield is committed to a hiring process that is fair, objective, equitable, non-discriminatory and in compliance with all applicable legislation and good governance. The following are key activities that have been instrumental in our progress:

- Taking the time to ensure our candidate slates include qualified candidates that are diverse. This approach is embedded in how our internal and external recruitment teams conduct their searches.
- Developing objective criteria for each role to evaluate all candidates.
- Ensuring diverse representation within the Brookfield teams that interview candidates and ultimately make the hiring decisions.



Performance Management

We continue to add discipline to our process for assessing performance and potential.

Brookfield provides performance criteria for virtually all roles. These criteria clearly define what good performance entails and enable objective and consistent assessments across Brookfield. They also clarify the key indicators required for promotion to the next level.

We provide annual training for people leaders on how to assess their team members, mitigate the impact of bias in their assessments and provide constructive feedback that is clear and focused on development. Within certain businesses, and where we feel it is appropriate, an impartial observer may sit in to challenge any unconscious bias in their assessment of performance.

All people leaders conduct annual performance reviews with their team members, providing an opportunity to discuss feedback on prior year performance, while allowing the opportunity to set priorities for the upcoming year.

41%

of all promotions in 2022 were ethnically diverse

43%

of investment/finance promotions in 2022 were ethnically diverse

39%

of promotions in all other functions in 2022 were ethnically diverse

~50%

of all promotions in 2022 were female

37%

of investment/finance promotions in 2022 were female

65%

of promotions in all other functions in 2022 were female

~40%

of all Managing Partners & Managing Director promotions in 2022 were female

31%

of all Managing Partners & Managing Director promotions were ethnically diverse

Note: All promotions were awarded in February 2023.

We continue to benefit from strong retention. Our Managing Partners have worked together for 13 years on average and our senior leadership team has more than 21 years of experience working together.

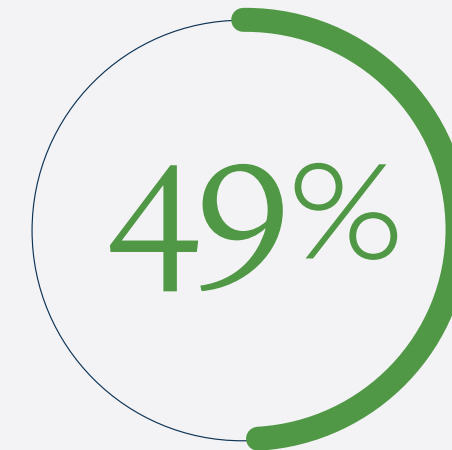
The combination of recruiting the right people and the discipline in our performance assessment process is a key factor in our ability to develop our people and retain strong performers. Our grow-from-within talent strategy prioritizes internal mobility to provide opportunities to expand professional experience and enhance collaboration across the business. This includes transfers between geographies, business groups, functions and to or from portfolio companies.

Over the last five years, we have more than doubled our employee population, which means we have many people in new roles. An additional 7% of the average employee headcount has taken on new opportunities under our internal mobility program and over 50% of those opportunities were provided to females in 2022. In recent years, we launched a number of new businesses, including the Insurance Solutions and Transition businesses, which has led to a large number of opportunities to transfer people between business groups.

2022 Internal Mobility Opportunities:



Geographic Relocations



Between Functions



To or From
Portfolio Companies



Between
Business Groups

People Development

We seek to provide a working environment that fosters collaboration and continuous development for our people. All our offices globally are intentionally designed as open-concept to allow for discussions between all levels of employees. We pride ourselves on a working environment that allows people to learn everyday.

We provide formal training on a wide range of topics, depending on function and level of development. Training topics include manager and leadership training, compliance topics, anti-bribery and corruption, cybersecurity, harassment prevention, positive work environment policy and more. We also provide job related technical training to maintain or upskill our employees' knowledge. Some examples of these trainings include presentation and business writing skills, negotiation workshops, and Excel and PowerPoint workshops, to name a few.

Another important element of our organization's culture is a strong team environment. Each business group and function facilitate periodic retreats, offering the opportunity for employees to network with team members, attend educational sessions and participate in team building activities.

Employee Engagement

We encourage and welcome employee feedback. We connect with our employees in a variety of ways, including direct engagement, events and employee satisfaction surveys. The purpose of these engagements is to share context, receive constructive feedback from employees and identify measures to improve our



employees' experiences. Employees also have the opportunity to engage with leadership through town halls, which we hold in each region.

Brookfield's employee engagement survey focuses on the following:

- Overall Employee Engagement: The extent to which employees are motivated to contribute to organizational success.
- Job Enablement: To gauge if employees feel adequately supported to perform their roles.

- Manager Effectiveness: Feedback on how the manager is perceived to manage both people and their work and the impact this has on engagement.
- Inclusion: How much people feel that their ideas, opinions and perspectives are valued and that they are treated with respect.

All employees that have been with Brookfield for over six months are invited to participate in this survey, with our last survey having a response rate of over 80%. Survey results are disseminated by business group, function and geography and action plans are developed as appropriate.

Benefits and Employee Well-Being

The health and well-being of employees is vital to our success. Brookfield provides a comprehensive benefits package for all our employees. The benefits vary by location based on local market practice for each location in which we operate. The plans are broadly consistent across all employees (there is no separate executive plan). These benefits include health benefits, life and disability insurance, retirement savings contribution, parental leave and an employee wellness program, to name a few.

Building a Diverse and Inclusive Environment

Building a diverse, equitable and inclusive work environment reinforces our culture of collaboration and strengthens our ability to develop and promote all of our people to their potential.

Our approach to diversity, equity and inclusion is deliberate and integrated into our human capital development processes and initiatives.

Over the past five years, our primary focus has been on gender diversity. Our efforts led to a significant increase in female representation at the senior levels. We have more than doubled our employee population and significantly increased our female representation at the most senior level of the organization during this period—Managing Partner/Managing Director female representation increased from 10% to 19%. In addition, Senior Vice President representation increased from 17% to 32% during this time. The discipline embedded into our recruiting and performance management processes has been instrumental in this progress.

In addition to disciplined human capital processes and the aforementioned development activities, we undertake other activities to reinforce the importance of diversity, equity and inclusion in our business:

- We continue our global process for employees to self-identify their ethnicity. This information assists us in identifying specific areas of focus related to increasing ethnic diversity. Our overall response rate was 93%.
- Our succession process includes identifying a diverse slate of candidates and focuses on the development of early career candidates through stretch roles and exposure.
- We support a number of Employee Resource Groups organized by employees around shared interests, characteristics or experiences. We established a structure for each of these groups to ensure the mandate is clear, aligned with our values, appropriately supported by the organization, and provides opportunities to demonstrate leadership, develop relationships and collaborate.
- We are involved with several organizations to promote diverse representation in our talent pool, including summer interns and MBA Associates. We hope these opportunities will promote the development of ethnically diverse groups in the private equity industry.

At Brookfield, women comprise:



57%
of our independent board directors and

33%
of all board directors

45%
of our overall workforce

28%
of Managing Partners, Managing Directors and Senior Vice Presidents

AT OUR PORTFOLIO COMPANIES

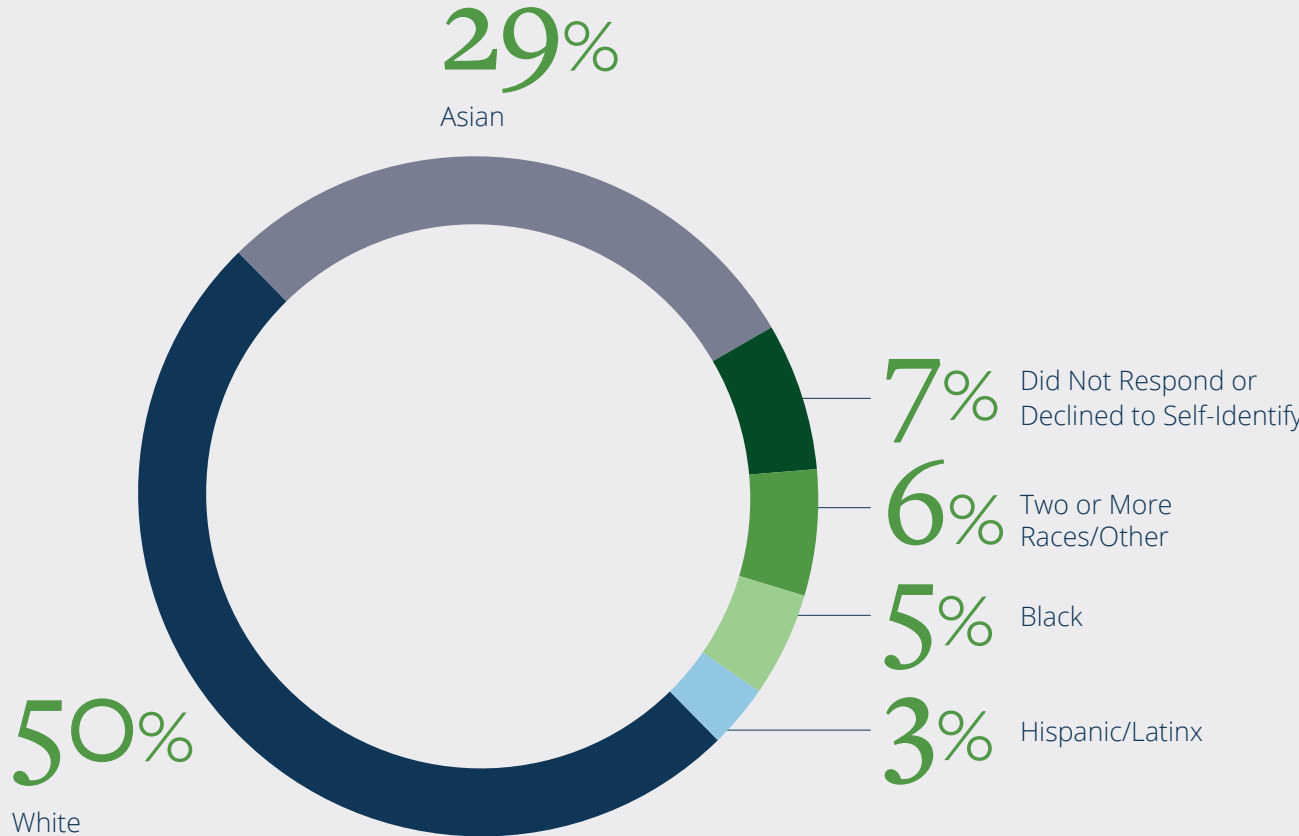
20%
of CEOs/heads of businesses

32%
of Vice Presidents and above

Global Ethnic Diversity Metrics

As of April 1, 2023

OVERALL GLOBAL ETHNIC DIVERSITY



Senior Leadership Diversity

21%
of Managing Directors and above are ethnically diverse

27%
of Senior Vice Presidents and above are ethnically diverse

In the U.S., Canada, Australia and the U.K., ethnic diversity represents:

40%
of our employee population

18%
of Managing Partners / Managing Directors

31%
of the Investment Team

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Diversity, Equity and Inclusion in Action at Our Portfolio Companies

Fostering a diverse and inclusive workforce is an important priority across our portfolio companies. We have many programs in place to support this initiative.

- Our Colombian natural gas distribution operation, Vanti, partnered with a public education institute, SENA, to create a training program for women focused on improving their access to traditionally male-dominated roles in the field. The program offered training to nearly 50 female participants, who are on track to complete approximately 2,200 hours of theoretical and practical education. Participants receive support payments to increase the accessibility of the program.
- Elera, our Brazilian renewables operations, worked with an external human resources consulting firm to create a “Women in Leadership” program for its Rio de Janeiro office. The program includes workshops, individual and group coaching, and specialized individual plans, all focused on supporting the careers and progress of Elera’s female workforce.
- In 2022, Tegra, a Brazilian homebuilding company, created the “Muheres Integradas,” an initiative that provides an electrical and NR-10 training course for women in vulnerable situations. The aim of the program is to increase the program participants' employability who are often hired at Tegra’s construction sites and partner companies. Through the program’s pilot course, Tegra hosted 16 Venezuelan refugees who successfully completed the program.
- Brookfield Real Estate’s goal is to develop properties that enhance the fabric of our communities. India’s population includes a relatively high rate of people with disabilities, and this number is expected to rise in years to come. Brookfield Properties in India committed to making their assets universally accessible, and have incorporated the following universal design interventions:
 - Preferred parking spaces that enable easier entrance access and automatic entrance doors
 - Tactile indicators from the asset entrances to designated elevators
 - Non-slip ramps with handrails
 - Braille and audio assistance in elevators; elevator controls at accessible height
- TDF, our French Telecom business, sponsored ARPEJH, an association active in finding jobs for students with disabilities. TDF took part in several programs, including the Disabled Jobs Forum and the European Disabled Employment Week, to help disabled people throughout the recruitment and training process. It also made a commitment to job retention of disabled employees.

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Employee Resource Groups

Brookfield has employee resource groups that reinforce an inclusive workplace and sense of community, provide volunteer and networking opportunities and share best practices globally. These groups are ground-up initiatives—organized regionally by employees based on their shared interests, characteristics or experiences in each office, and represent perspectives of a globally diversified employee base. Each group has a mandate that is clear, aligned with our values, appropriately supported by the organization and provides opportunities to demonstrate leadership, develop relationships and collaborate.

All employees, whether they identify with a specific resource group or not, are welcome to join any group of their interest. We have a few employee resource groups that are consistent across the globe including the Brookfield Women's Network, Brookfield Cares and Brookfield (bNext), as described below. Where it relates to other elements of diversity, some offices have organized groups that promote diversity in different ways that best supports the employee composition of the region. As an example, our larger U.S. offices have groups to support its diverse employee base, including Brookfield Pride and Brookfield Asian Professionals, to name a few, while offices in other regions have chosen to combine interests under broader diversity groups. Some of our employee resource groups include:

- **Brookfield Women's Network:** provides learning and networking opportunities, and a community to share ideas and best practices, for women in various roles and at all levels of the company, across Brookfield's business groups. We have a chapter of the Women's Network in each of our large offices globally.

- **Brookfield Pride Network:** focuses on fostering a culture of inclusion for LGBTQ+ employees, providing support and a sense of community for employees and allies while empowering employees to bring their whole selves to work.
- **Brookfield (bNEXT):** brings together colleagues in the early stages of their careers who want to engage with and learn from each other. This group was initiated in our U.S. offices and other regions are considering adopting a similar program.
- **Brookfield Asian Professionals Network:** serves as an employee resource group, led by our people in our U.S. offices, for employees and allies of the Asian American and Pacific Islander communities and aims to enhance the awareness and inclusiveness of our workforce.
- **Brookfield Black Professionals Network:** is a U.S.-led employee initiative that focuses on attracting and retaining Black professionals and aims to enhance the awareness and inclusiveness of our workforce, while providing a forum for employees to share and learn from the experience of others.
- **Brookfield Cares:** is the corporate philanthropic program for Brookfield employees. Philanthropic activities are an important aspect of employee engagement; they enable our employees to build meaningful relationships, foster personal growth and benefit from the communities in which we operate. Our global matching program allows employees to donate to a not-for-profit of their choice and Brookfield will match their donation. In addition, each office supports the causes that are most important to our people.



Diversity, Equity & Inclusion Partnerships

Brookfield is involved with several organizations to support our diversity, equity and inclusion initiatives. To highlight, Brookfield has been active in the following programs supporting the development of a strong and diverse talent pool.

SEO Alternative Investments

Our partnership with SEO began in 2018 and provides us with access to a diverse set of individuals who are provided mentorship and career opportunities, creating a pipeline of diverse candidates, with the aim of increasing diversity in the alternatives space.

Over the past five years, Brookfield has hired nine interns through SEO, 67% of whom have become full-time hires.

Girls Who Invest & Women in Asset Management (WAM) Program

In 2022, Brookfield developed a partnership with Girls Who Invest, which provides paid internship opportunities to primarily female and ethnically diverse college sophomores at a leading investment firm.

Last summer, Brookfield hosted four interns on our investment teams across Private Equity and Real Estate. Brookfield has expanded the program to our Infrastructure, Public Securities Group and Brookfield Hedge Solutions investment teams for Summer 2023.

Brookfield has partnered with leading Canadian business schools to provide a paid summer internship through the Women in Asset

Management program. This program is geared towards investing in a future pipeline of young female professionals in the asset management industry in Canada. The summer program includes a four-week classroom experience to provide interns the opportunities to learn technical and soft skills that can be incorporated in the work environment.

Brookfield hosted its first intern in 2022 within the Infrastructure group. The program saw great success—the intern took a gap year between her third and fourth year in school to complete a one-year contract with the same team. Following this success, Brookfield has expanded the program in the current year and is expecting to take on two interns.

MBA Associate Program

Over the years, Brookfield has partnered with leading business schools to host MBA summer associates through our MBA Associate Program. We engage with the diversity resource groups within the universities to promote our program and encourage a diverse slate of candidates.

In 2019, Brookfield hosted two associates who both received full-time employment offers at the end of the program. We have since expanded the program and in 2022, we had 12 associates across Infrastructure, Private Equity and Real Estate in various regions, including Toronto, New York, Houston and London.

Of the 12 associates we hosted this year, more than 50% are women or part of an ethnically diverse group, of whom 8 (75%) have become full-time hires.

All Stars Project (ASP) Development School for Youth

Brookfield has partnered over the past few summers with The All Stars Project (ASP), a 40-year-old national nonprofit organization whose mission is to transform the lives of youth and poor communities, using the developmental power of performance, in partnership with caring adults. ASP reaches over 10,000 inner-city youth and their families with free development programs every year.

Brookfield helps to facilitate ASP's Development School for Youth (DSY), where young people ages 16-21 partner with corporate leaders and learn to perform as business professionals through paid summer internships at their companies.

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Learning and Networking through the Brookfield Women's Network

The Brookfield Women's Network (BWN) is dedicated to attracting, developing, and motivating a community of women across Brookfield's business groups. It aims to engage and inspire employees with initiatives that support career growth and leadership. Its areas of focus include professional development, mentorship, networking, business and industry education and philanthropy. The BWN has ten regional chapters across Brookfield's global offices in 2022 that coordinated on themes and best practices.

In 2022, BWN fostered professional development globally through its mentorship program for developing specific skills; a business school-style negotiation workshop; small group workshops on confidence building, personal finance, influencing others and a more extensive workshop on identifying and leveraging professional strengths to complement teams.

BWN offers exposure to leaders and networking through a senior speaker series, its new hire welcome program, its Moms' Group and events with peer firms and portfolio companies. Past speaker events include fireside chats with the female directors from our Board, with each speaker sharing insights on her career and strategies for female advancement in the workplace.

BWN focused on volunteerism and charitable giving by providing interview preparation coaching for women experiencing homelessness, partnering with Oasis for Girls to offer a career day for young women of color from under-resourced communities and serving meals to individuals experiencing homelessness.

Pay Equity

Brookfield believes that all employees should be treated equitably and seeks to ensure that the appropriate processes are in place to support this priority as it relates to compensation of its people. Brookfield prohibits pay discrimination on the basis of gender and any other class protected under federal, state and local law. This applies to employees in the same work location who perform substantially equal work that requires substantially an equal skill set, effort and responsibility and is performed under similar working conditions. In such cases, employees should be paid at the same rate regardless of their gender or status within a protected class, except where differences in pay are based on a factor other than an employee's gender or status within a protected class, including (but not limited to) seniority, merit, and past work experience.

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- [Positive Work Environment Policy](#)
- [Code of Business Conduct and Ethics](#)



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Occupational Health and Safety

Managing health and safety risk is an integral part of the management of our business and the portfolio companies in which we invest.

We have implemented a health and safety governance initiative to propagate a strong health and safety culture, encourage the sharing of best practices, support the continuous improvement of safety performance and help eliminate serious safety incidents. The initiative is overseen by the Safety Leadership Committee, which comprises senior operations executives from across our business groups and regions. Reports on health and safety trends and key initiatives are provided to the Board as part of the quarterly operational risk update.

Our goal is to have zero serious safety incidents.

~2.7M

hours of occupational health and safety training completed across Brookfield's portfolio companies

Health and Safety Principles

To achieve this goal, Brookfield has adopted a common set of health and safety principles, which guide the health and safety practices of our portfolio companies:

- Senior executives are accountable for the health and safety of their individual businesses.
- Systems are tailored to company-specific risks and integrated into the management of the business.
- Performance is measured and systems are reviewed regularly to identify areas for improvement.
- Policies and procedures apply to employees, contractors and subcontractors, and take into consideration the protection of the public in general.
- Training programs ensure that employees have the necessary skills to conduct their work safely and efficiently.
- If a serious safety incident occurs, senior leadership of the individual business conduct an in-depth investigation to determine root causes and formulate remediation actions.
- Transparency and learning from experience and sharing best practices are promoted to continuously improve systems and performance.

Health and Safety at Our Portfolio Companies

Portfolio company management is responsible for ensuring that their company's health and safety policies and systems are developed, operationalized, and reviewed regularly to address their specific risk areas. Portfolio company CEOs report to their respective board of directors on safety performance, incidents, and the status of improvement initiatives.

Examples of portfolio company health and safety initiatives and key practices include:

- Workshops on hazard and risk identification and assessment processes.

- Training on job planning procedures and use of personal protective and other safety equipment.
- The ability of workers to "stop work" on a site, if there are any health and safety concerns.
- Reporting hotlines that allow for anonymous reporting of health and safety concerns.
- Joint health and safety committees, where workers provide input on health and safety programs.
- Access to resources and assistance related to mental health.
- Leveraging technology to improve safety.



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Let's Save Lives Hackathon

As part of Brookfield's IT Talent Development Program, in 2022, we hosted the Let's Save Lives Hackathon event. Hackathon events allow high-performing technical talents to originate innovative solutions for worthy causes like Health and Safety.

The hackathon in 2022 was targeted to develop ideas around supporting our objective of having zero serious safety incidents. The participants proposed applying data analytics to predict and prevent potential incidents accurately by:

- Identifying the root causes of high-risk incidents that cause fatalities and injuries.
- Preventing and proactively addressing the root causes of high-risk incidents to reduce fatalities and injuries.
- Using natural language AI and search to automate tracking and reporting of related safety activities and incidents.
- Applying visual monitoring solutions to enforce correct safety practices and personal protection equipment in real time.

The participants observed that traditional approaches to safety often involve putting a physical barrier between the worker and the hazard, which can slow down productivity. The participants presented several new approaches to safety, which include the adoption of new safety technologies as outlined below.

- **Wearable Technology:** Technology-enhanced PPE with the Internet of Things (IoT) enables continuous monitoring and alerts.
- **Better Training:** Augmented reality (AR) and virtual reality (VR) assisted training.
- **Worksite Automation:** Technology solutions to help workers with challenging, dangerous, or repetitive tasks, such as collaborative robots (cobots).
- **Smart CCTV:** Identify potential hazards, check and continuously monitor PPE and safety-practice compliance, raise alerts to dispatch emergency response, etc.

The participants of the hackathon will continue to collaborate on safety innovations from the proposed solutions to build a one-prototype solution for all Brookfield portfolio companies to leverage in 2023. We plan to continue the Hackathon event in 2023 with the Let's Save the Planet Hackathon to drive and support Brookfield's net-zero efforts.

Local Communities

We are dedicated to engaging with and providing value to the communities in which we operate. We proactively engage with communities and strive to create shared value. We believe having transparent and well-established relationships with communities and other local stakeholders is key to successfully developing and operating our facilities.

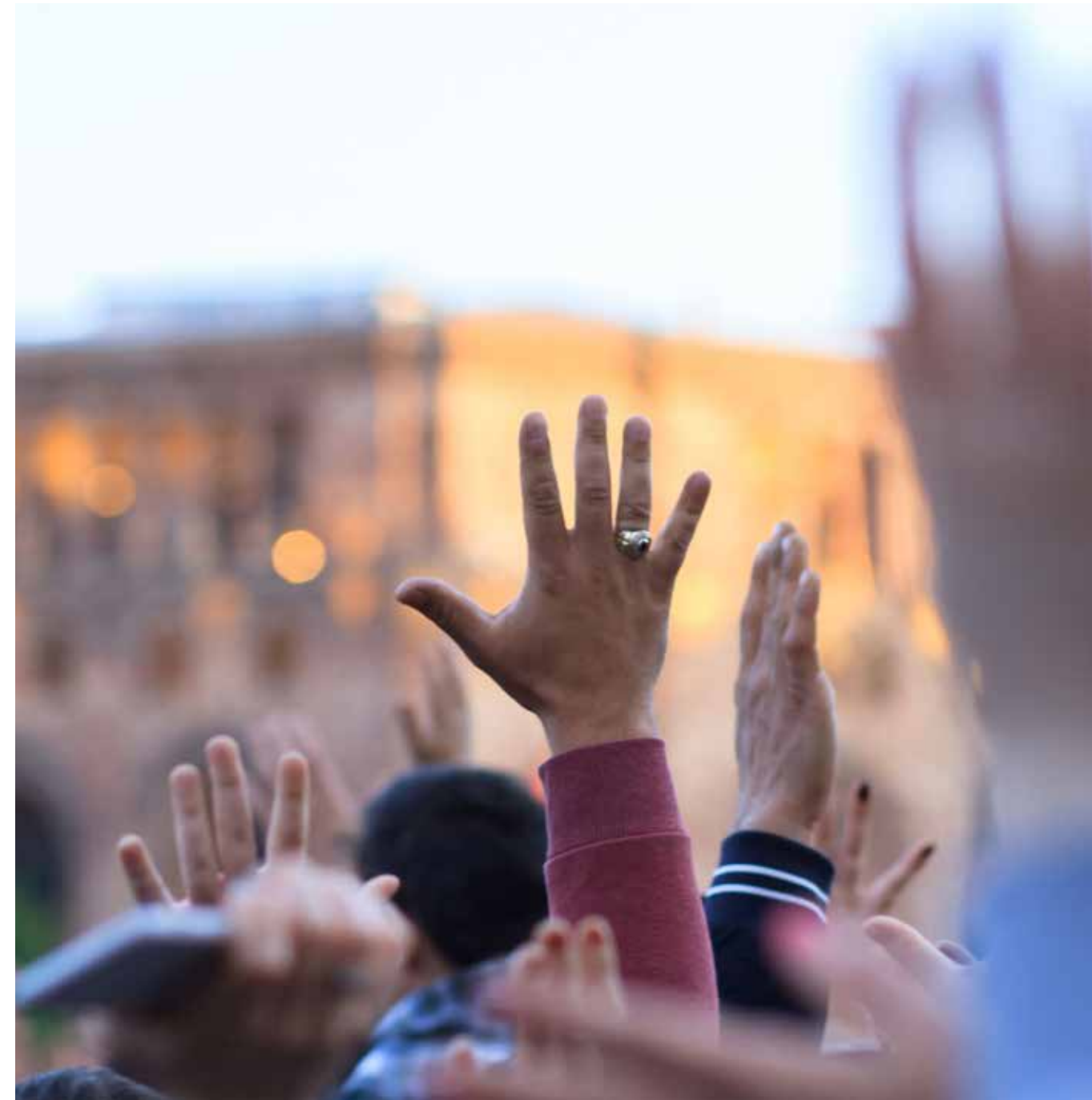
Stakeholders can include communities, landowners, business owners, municipalities, NGOs or others potentially affected by or interested in our operations. We seek to work with local stakeholders to ensure that their interests and safety are appropriately integrated into our decision-making, developments and operations.

We help support local communities in key areas, such as economic development, education, health and well-being.

We foster open dialogue, striving to create an environment where community members feel comfortable expressing their needs and expectations, working to incorporate community feedback into our business practices.

We recognize the importance of developing and maintaining strong relationships with Indigenous communities and respect that each Indigenous community has its own distinctive culture, traditions, values and aspirations. We value consultation and communication with Indigenous peoples regarding project development and operations.

Employees serve local communities through volunteer work. These volunteering efforts reflect our employees' dedication to supporting positive, sustainable change in the communities in which we operate. In 2022, Brookfield contributed approximately ~10,800 volunteer hours across its offices to support communities and encourage strong relationships with organizations around the world.



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Fostering Local Jobs and Employability



Our French Telecom Infrastructure business, TDF, recently implemented a “Pass Fiber” training program to provide training to unemployed community members to improve their job prospects as technicians. The training program allows job seekers to try a fiber technician job for a day. This involves work site visits and workshops on cable pulling and fiber soldering, giving real-time education on what a job as a technician entails. Following the training program, TDF’s suppliers can engage with TDF to staff their own teams.

2021 & 2022

545

people were trained on fiber work by TDF

487

long-term unemployed persons were hired onto TDF fiber projects

Changing Local Communities with Renewable Power: Standard Solar’s Skyward Project

In keeping with Brookfield’s dedication to engaging with and providing value to the communities in which we operate, Brookfield Renewable’s portfolio company, Standard Solar, funds projects making it possible for individuals, government entities, schools, businesses and more to purchase renewable solar energy generated in their community. Standard Solar is one of the leading solar and storage developers in the United States.

In 2022, Standard Solar completed Skyward Community Solar, its first community solar project in Oregon, which will generate 3.6M kWh of clean energy annually, replacing fossil fuel and reducing emissions and pollution across the community. The Skyward Project established Standard Solar’s footprint in Oregon, which requires 50% of electricity from renewable sources by 2040.

Subscribers receive a contracted monthly discount on electric bills and Renewable Energy Credits (“RECs”) proportional to their share of the project’s energy generation. 10% of Skyward generation is allocated to qualified low- and moderate-income households, resulting in a substantial discount on their electric bills. Additionally, it provides 25 commercial entities, such as Microsoft, Kaiser and Nike, with access to renewable power. The Skyward Project expands the vision for a sustainable future by achieving environmental goals while supporting low-income residences with clean, affordable energy.

2022

3.6M kWh

of clean energy will be generated annually in Oregon

10%

of Skyward generation is allocated to qualified low- and moderate-income households

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Corporate Governance and Ethics

Strong governance is essential to sustainable business operations and we aim to conduct our business according to the highest ethical and legal standards.

Our governance practices are the foundation upon which we operate our business. We continue to adapt and enhance our policies to meet evolving standards and regulations in our industry, including legislation, guidelines and practices in all jurisdictions in which we operate.

Key regulations include the E.U. Sustainable Finance Disclosure Regulation, E.U. Taxonomy Regulation and U.K. TCFD; key reporting standards and frameworks include the International Sustainability Standards Board (ISSB) Sustainability Reporting Standards. We seek to continuously improve and refine our processes by actively participating in the development and implementation of new industry standards and best practices.

Our corporate governance policies and practices are comprehensive and consistent with the guidelines for improved corporate governance in Canada adopted by the Canadian Securities Administrators and the Toronto

Stock Exchange, as well as the requirements of the U.S. Securities and Exchange Commission, the New York Stock Exchange, and the applicable provisions under the U.S. Sarbanes-Oxley Act of 2002. We continuously assess our governance practices and disclosures with specific attention to evolving Canadian and U.S. guidelines, as well as developments in other jurisdictions in which we operate.

Brookfield is committed to conducting its business activities with honesty and integrity, and in compliance with applicable legal and regulatory requirements. During 2022, we further developed our vendor management program, including adopting a Vendor Code of Conduct that sets out our expectations of vendors that provide goods or services to Brookfield, including, where applicable, to have the necessary policies and procedures in place to support such commitments within their supply chain.

The following policies provide guidance for vendor engagements, to the extent applicable:

- Anti-bribery and corruption
- Data protection
- Enterprise information security
- Anti-money laundering and trade sanctions
- Anti-slavery and human trafficking

In 2022, 100% of our controlled portfolio companies had an Anti-Bribery and Corruption Policy and a Code of Conduct.

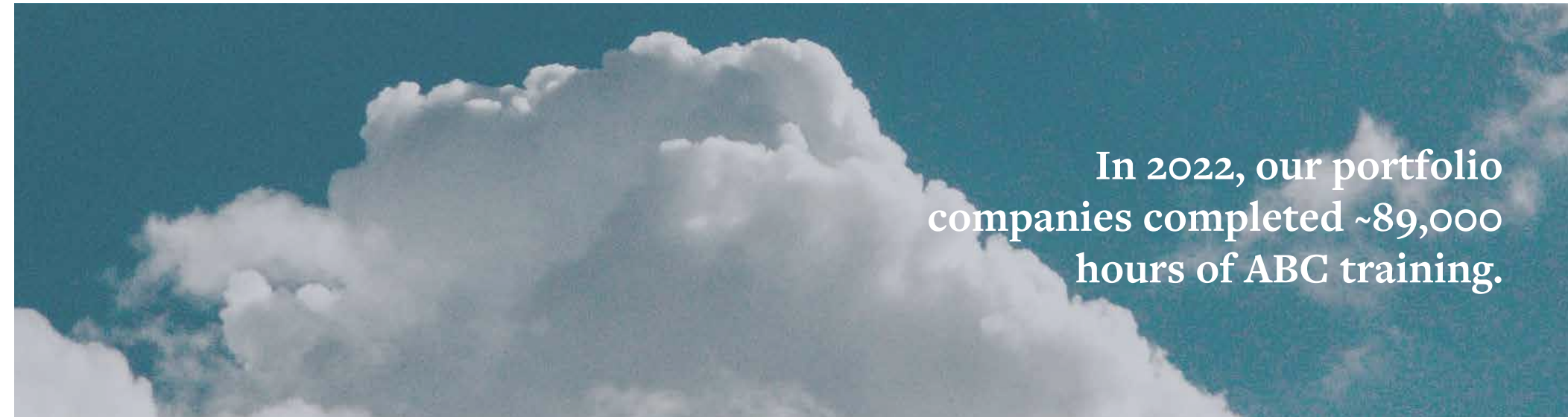
Business Ethics

Strong ethical practices are core to our operating philosophy. Honesty, integrity and respect are important elements of our Code of Business Conduct and Ethics (Code of Conduct).

We conduct our activities to comply with all applicable legal and regulatory requirements, and in accordance with our Code of Conduct. Our Code of Conduct applies to all Brookfield directors, officers, employees and temporary workers, wholly owned subsidiaries, and certain publicly-traded controlled affiliates who have not adopted their own Code of Conduct or other policies that are consistent with the provisions of Brookfield's Code of Conduct.

Our Code of Conduct outlines expectations with respect to:

- Acting responsibly in our dealings with stakeholders;
- Protecting the Firm's assets, resources and data;
- Managing conflicts of interest;
- Providing a positive work environment for our employees;
- Ensuring accuracy of books and records and public disclosures; and
- Complying with laws, rules, regulations and internal policies.



The Board annually reviews the Code of Conduct and considers any necessary changes in the firm's standards and practices.

Brookfield is committed to an environment where open and honest communications are the expectation, not the exception. A significant component of fostering a positive work environment is ensuring multiple means by which employees are able to raise concerns both informally (by fostering a culture of respect, openness and collaboration), and formally (through an ethics hotline that permits anonymous reporting). Our Whistleblowing Program encourages employees to raise concerns as soon as possible and to feel safe in doing so.

We have a zero-tolerance approach to bribery, including facilitation payments. We mandate that all Brookfield employees complete annual anti-bribery and corruption (ABC) training and certify their compliance with our ABC Policy. In addition, ABC considerations are integrated

into our investment due diligence and onboarding processes, as outlined in our ABC Program.

Our ethics hotline, managed by an independent third party, is available 24 hours a day, seven days a week to facilitate the anonymous reporting of suspected unethical, illegal or unsafe behavior.

In addition to Brookfield's ethics hotline, we require all portfolio companies in which we have a controlling interest to adopt an appropriate Code of Conduct. We also require portfolio companies to implement an ethics hotline that is accessible to full-time employees, contractors and temporary workers, typically within six months of acquisition. In addition to the ongoing and timely independent review of employee reports, any significant hotline reports are reported to Brookfield's senior management and relevant committees of the Board on a quarterly basis at a minimum.

In 2022, our portfolio companies completed ~89,000 hours of ABC training.

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[Anti-Money Laundering Policy](#)

[Personal Trading Policy](#)

[Business Continuity and Crisis Management Plan](#)

[Whistleblowing Policy](#)

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Human Rights and Modern Slavery

We are committed to conducting business in an ethical and responsible manner, including by carrying out our activities in a manner that respects and supports the protection of human rights, including but not limited to:

- operating with leading health and safety practices to support the goal of zero serious safety incidents;
- striving to ensure that the interests, safety and well-being of the communities in which we operate are integrated into our business decisions;
- the elimination of discrimination in employment;
- the prohibition of child and forced labor; and
- the eradication of harassment and physical or mental abuse in the workplace.

We strive to embed these standards into our core business activities, including training, communications, contracts and due diligence processes set out in our ESG Due Diligence Protocol and Vendor Management Program.

Integrity, fairness and respect are hallmarks of our culture, including by carrying out our activities in a manner that respects and supports the protection of human

rights. We seek to eliminate discrimination in employment, prohibit modern slavery, including child and forced labor, and eradicate harassment and physical or mental abuse in the workplace. Our Modern Slavery Policy aims to codify our approach to minimizing the risk of modern slavery within our business and supply chain. We also have specific tools and processes aimed at identifying human rights and modern slavery as part of due diligence for new investments and which include risk assessments, remedies, training and governance.

In addition, the policy consolidates the relevant commitments set out in Brookfield's Code of Conduct, ESG Policy, financial crimes policies, and Whistleblowing Policy.

We also have several other policies and procedures that provide guidance on the identification of human rights and modern slavery risks and the steps to be taken to mitigate these risks. These include:

- Code of Conduct
- Vendor Management Program, including the Vendor Code of Conduct
- ESG Due Diligence Protocol
- Anti-Money Laundering and Trade Sanctions Policy
- Whistleblowing Program

Our portfolio companies' senior management teams are each responsible for identifying and managing the human rights risks, including modern slavery, for their individual businesses. We also added a separate human rights and modern slavery risk assessment to our ESG investment due diligence process, with the objective of mitigating the risks of modern slavery and human rights violations for

potential investments, including in supply chains. Where required, we perform deeper due diligence, working with internal experts and third-party consultants as needed.

All employees receive modern slavery training as part of the onboarding process and access ongoing training, as necessary. Additional training relevant to applicable regions and roles, particularly in higher-risk functions such as procurement is provided. We also encourage employees, suppliers and business partners to report concerns in accordance with our Whistleblowing Policy. We are cognizant of the fact that the risks of human rights, modern slavery and human trafficking are complex and evolving, and we will continue to work on addressing these risks in our business.



The U.K. Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018 (together the "MSA") require certain Brookfield entities to publish the steps taken to identify and mitigate the risks of slavery and trafficking in their business and supply chains in the U.K. and Australia (as appropriate). In accordance with the MSA, an annual statement is made publicly available on our website.

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Human Rights and Modern Slavery: Brookfield Private Equity's Cupa Group's Approach to Human Rights

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Brookfield is committed to conducting business in an ethical and responsible manner, including by carrying out our activities in a manner that respects and supports the protection of human rights. Brookfield Private Equity invested in Cupa Group (“Cupa”), the world’s largest producer of natural slate roofing tiles. Cupa holds meaningful reserves of natural slate, with operations in nine countries and 25 quarries under long-term contracts. The company exports to more than 70 countries on five continents, employing over 2,200 people.

EcoVadis awarded Cupa its Gold Medal in 2022 for the integration of ESG principles into its production processes and business management. It is in the top 5% of over 100,000 companies evaluated by EcoVadis globally and the top 4% of organizations in the mining sector, which includes stone, sand and clay extraction. This rating covers Environmental, Labor and Human Rights, Ethics and Sustainable Procurement impacts.

EcoVadis recognized Cupa for its progress in supply chain management, specifically sustainable procurement. Cupa has a Human Rights Policy designed in accordance with the Universal Declaration of Human Rights, the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work, the U.N. Global Compact, and the U.N. Guiding Principles on Business and Human Rights. The Policy defines Cupa’s principles to ensure due diligence on human rights matters. This commitment goes beyond Cupa’s treatment of its direct employees; it includes those who collaborate along Cupa’s value chain and the communities where Cupa operates.

Responsible Contracting

Brookfield continuously strives to achieve excellence with respect to our contracting practices because we believe that adequately compensated and trained workers, operating in fair working conditions deliver high-quality products and services.

Our business groups' responsible contractor policies outline the procedures and requirements for selecting contractors and subcontractors (collectively, "contractors") for required services, including construction, repair and maintenance projects at our portfolio companies. Controlled portfolio companies are expected to select contractors in accordance with the following principles:

- Demonstrated skill, experience, dependability and cost, with a safety record that is appropriate for the relevant project.
- Provision of fair wages and fair benefits in the context of local market factors.
- Observance of all local, state and national laws including, but not limited to, those pertaining to withholding taxes, minimum wage, labor relations, insurance, health and occupational safety.

- Provision of training, as necessary, to ensure that contractors' personnel have the required skills and certifications to perform the assigned work.
- Maintenance of a workplace health and safety program that meets or exceeds applicable regulation.
- Provision of a tolerant work environment free from discrimination and harassment, and fully inclusive of women and minorities.
- Avoidance of discrimination against unionized contractors.

The accountability and responsibility for these principles extends to individuals across Brookfield who are involved in the management of controlled portfolio companies that engage contractors.

63,000+

unionized full-time operating employees



Executive Compensation

Brookfield's approach to executive compensation is designed to reinforce long-term stewardship of the business in line with our goal of creating exceptional value for our shareholders and investors. The majority of our executives' total compensation is awarded in the form of long-term compensation, which vests over a five-year period in arrears. This practice supports a strong alignment of interests between management and investors. The Board-level Governance, Nominating and Compensation Committee oversees risks related to Brookfield's management resource planning. Our executive compensation program is designed to reward only consistent performance over the long-term.

ADDITIONAL INFORMATION

[Statement of Corporate Governance Practices](#)

~85%

of the value of the annual total compensation for our senior leadership team is received under our long-term plans

~70%

of the value of the annual total compensation for our Managing Partners is received under our long-term plans

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Data Privacy and Security

We have a responsibility to our stakeholders to protect their personal data.

Data Privacy

Brookfield's data protocols comply with all local and national regulatory requirements, including the European General Data Protection Regulation (GDPR) and the California Consumer Protection Act (CCPA), the requirements of which are included in our global data protection policy.

Our data protection and cybersecurity due diligence checklist ensures that our management of personal information complies with legal and regulatory requirements. The checklist includes due diligence markers that seek to ensure fair processing, international transfers, data processors and security measures to mitigate a possible personal data breach.

Employee Awareness

Employees are required to attend regular data protection awareness training, which covers:

- The type of information Brookfield possesses;
- The importance of using—and retaining—this information only for the business purpose intended; and
- How to secure this information.

Brookfield employees are required to comply with all applicable data protection and privacy laws. An incident of employee non-compliance with our policy or unauthorized use or disclosure of confidential information may result in disciplinary action up to, and including, termination of employment.

Cybersecurity

Our data security program, overseen by our Chief Information Security Officer seeks to ensure the security of both Brookfield's data and that of our shareholders and other stakeholders. Our policies and procedures cover topics including security governance, security awareness, employee training, relevant access and end-point security, vulnerability management, penetration testing, security monitoring and incident response.

Our Security Governance Committee oversees our cybersecurity functions and ensures that our program aligns with industry best practices and meets a high standard across all our businesses. We use automated technologies to optimize our security risk detection and response capabilities, in addition to access controls and anti-malware protections.

Our auditing and cybersecurity practices align with the National Institute of Standards and Technology (NIST) Cybersecurity Framework. We review and update our cybersecurity program annually and conduct regular external-party assessments of our program maturity based on the NIST Cybersecurity Framework. We also regularly engage with third-party assessors to evaluate the strength of our program through penetration and/or ethical hacking exercises. All employees regularly



undergo mandatory continuing cybersecurity training. Employees in higher-risk functions receive additional training and cybersecurity awareness education. Audits, cybersecurity simulations and employee testing results indicate that our program is effective in protecting our stakeholders' information.

In 2022, we undertook initiatives to further enhance our data protection and threat-intelligence capabilities, and to improve our processes for third-party risk management. Finally, in addition to continued mandatory cybersecurity education for all employees, we enhanced our phishing simulations to include more advanced simulations and social engineering.

~181,000

cybersecurity training hours provided across Brookfield's portfolio companies

ADDITIONAL INFORMATION

[Investor Data Protection Policy and Privacy Notice](#)

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Material Topics and Stakeholder Engagement

About This Report

This report covers the Firms' ESG-related activities between January 1, 2022 and December 31, 2022, unless noted otherwise. In determining the most important issues to our business, stakeholders and the industry, we continue to utilize the Global Reporting Initiative (GRI) standards and reference the Sustainability Accounting Standards Board (SASB) standards for Asset Management & Custody Activities.

We believe GRI and SASB provide best-practice guidance on ESG disclosures that are most meaningful for our business to communicate and demonstrate accountability for sustainability matters affecting Brookfield's operations and our potential positive and negative impacts on the economy, environment and people, including impacts on their human rights. In addition, this report contains our inaugural disclosures consistent with the TCFD's 11 recommendations. We continue to review our annual reporting and disclosures and will aim to make improvements in line with evolving best practices to offer greater transparency on our programs and performance. Throughout this report, we may refer to the term "material" and define it as something that may have a direct, substantial impact on the ability to create or preserve economic, environmental and/or social value for our businesses and their stakeholders.¹

Materiality Assessment Methodology

Brookfield is a global business, operating across diverse industries and sectors. As a result, some material topics are more relevant to certain business groups than others. We conducted a materiality assessment leveraging feedback from our business groups, leaders across the organization, investors and other external experts. We recognize that the impacts of Brookfield's corporate operations are comparatively minimal relative to those of our portfolio companies within each business group. Therefore, we aim to include topics relevant to our corporate operations and across our investments.

Environmental

We strongly value and understand the importance of measuring our environmental impacts, reporting our progress

and reducing those impacts over time. In working towards our net-zero ambition and in-line with our commitment to NZAM, we are increasingly focused on the measurement of climate-related KPIs and evaluation of our progress against past performance. KPI measurement is integral to identifying and managing climate-related risks and opportunities across our businesses. We have implemented processes to report our environmental impact data and are working to continuously improve the quality and level of detail in our disclosures.

As a global investment firm, the majority of our direct operations are office-based and as a result, our environmental impacts from our corporate operations are relatively small. It is within our investments or from financed emissions (Scope 3, Category 15), where a majority of our GHG emissions are produced. Aligned with our commitment, our firm is focused on mitigating risks but also on seizing opportunities where we can facilitate the transition to net zero.

As a result, we believe the following GRI environmental topics are most material to our business:

305: Emissions

302: Energy

304: Biodiversity*

303: Water and Effluents*

306: Waste*

*We have identified these topics to be most material within our operating business groups.

¹ The word "material" should not be equated to or taken as a representation concerning "materiality" of any particular ESG factor under U.S. federal securities laws or any similar legal or regulatory regime globally.

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Economic

Brookfield's history of owning and operating real assets and related businesses has taught us to leverage our operational expertise to enhance the value of our investments. Our business philosophy prioritizes a long-term perspective in terms of operating our investments in a sustainable and ethical manner. Focusing on doing good for our business generally results in outcomes complementary to value creation over time.

We believe the following GRI economic topics are most material to our business:

201: Economic Performance

205: Anti-Corruption

207: Tax

Social

Throughout our operations and asset management activities, we are committed to supporting and enhancing the communities in which we operate. Whether they are our employees or investors, local community members or third-party vendors, the safety and well-being of these individuals is a top priority for Brookfield. Within our corporate operations, we regard human capital development as a priority. We value our people and support their long-term success for them to grow and develop professionally.

As a result, we believe the following GRI social topics are most material to our business:

405: Diversity and Equal Opportunity

401: Employment

404: Training and Education

418: Customer Privacy

403: Occupational Health and Safety*

409: Forced or Compulsory Labor*

413: Local Communities*

*We have identified these topics to be most material within our operating business groups.



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Stakeholder Engagement

Brookfield is one of the largest owners and operators of real assets globally. Our businesses operate across asset classes, creating a global network that is the Brookfield Ecosystem. This provides us with insights into how the world is changing, and we use this information to guide our investment decisions while adding value to our assets and businesses over the long-term.

We engage with various stakeholders to help inform and improve our sustainability strategy, encourage sound ESG practices in our portfolio companies, maintain resiliency and create long-term value for our investors. See [ESG Integration into Our Investment Process](#) for further detail.

Through our comprehensive communications program, our stakeholders receive regular updates on our performance and progress toward our goals. This includes meetings, webcasts, annual filings, press releases and published reports such as our annual report and quarterly interim reports. This information and more can be found on our website, as well as our investor portal. We strive for full transparency and make our management available to communicate with investment analysts, financial advisors, rating agencies and the media.

When collaborating with external stakeholders, including industry groups, we encourage our business groups to participate in knowledge-sharing practices facilitated through our [ESG Affiliations and Partnerships](#) and directly through Brookfield-coordinated engagements.

Brookfield's Stakeholders and Methods of Engagement

Shareholders

- Investor day
- One-on-one meetings

Limited Partners

- Investor conferences and events
- Quarterly and annual reporting
- Thematic webcasts and ad-hoc presentations

Employees

- Dedicated ESG Management employees
- ESG training across functional teams
- ESG resources available on Brookfield intranet
- Employee resource groups

Communities and the public

- Annual Sustainability Report, including Task Force on Climate-related Financial Disclosures (TCFD) reporting
- Principles for Responsible Investment (PRI) reporting
- Brookfield Climate Action Insights
- Environmental thought leadership and Brookfield Perspectives podcasts
- Relations with community stakeholders and government agencies

Portfolio Companies

- One-to-one engagement with business group ESG professionals
- Value creation plans
- Board meetings
- Quarterly and annual KPI data collection and review

GRI Index

Statement of Use: Brookfield has reported in accordance with the GRI Standards for the period January 1, 2022 to December 31, 2022.

GRI 1 Used: GRI 1: Foundation 2021

Applicable GRI Sector Standard(s): N/A

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GENERAL DISCLOSURES 2021				
Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
2-1	Organizational details	<p>Legal Name: Brookfield Asset Management Ltd.</p> <p>Ownership and legal form: Brookfield Asset Management Annual Report page 48</p> <p>Location of headquarters: Toronto, Ontario, Canada</p> <p>Please refer to page F-102 of the Brookfield Asset Management Ltd. Annual Report for a list of our corporate and regional office locations.</p>		
2-2	Entities included in the organization's sustainability reporting	<p>Entities included in our sustainability reporting: This Sustainability report has been prepared for Brookfield Asset Management Ltd. (the "Manager"), our asset management business invested in Renewable Power & Transition, Infrastructure, Private Equity, Real Estate and Credit. For the purposes of this report, we have not considered the sustainability practices of Oaktree Capital Management ("Oaktree"). Please refer to Oaktree's website for a description of its sustainability practices.</p> <p>The Manager's audited consolidated financial statements include the Manager's investments across Renewable Power and Transition, Infrastructure, Private Equity, Real Estate and Credit. Please refer to page 49 of our 2022 Brookfield Asset Management Ltd. Annual Report for additional information.</p> <p>Our Sustainability Report consolidates information across assets where the Manager has operational control. Our material topics take into consideration the activities of the Manager and its portfolio companies.</p>		
2-3	Reporting period, frequency and contact point	<p>Reporting period: January 1, 2022 through December 31, 2022</p> <p>Reporting cycle: annual</p> <p>Brookfield's annual sustainability reporting period aligns with its financial reporting period.</p> <p>Publication date of this report: June 2023</p> <p>Contact point for questions about the report or reported information: Melissa Low, Senior Vice President, ESG Management; esg@brookfield.com</p>		
2-4	Restatements of information	There have been no restatements of information made from previous reporting periods.		
2-5	External assurance	Brookfield is not seeking external assurance for this year's report.		

Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
2-6	Activities, value chain and other business relationships	<p>Sector in which Brookfield is active: GRI Sector: Capital Markets (Asset Owners and Managers)</p> <p>For a more detailed description of our value chain, please see the Brookfield Asset Management Annual Report - Value Creation, pages 49-59</p> <p>Activities: We are one of the world's leading alternative asset managers, with \$834 billion of AUM as of March 31, 2023 across Renewable Power & Transition, Infrastructure, Private Equity, Real Estate and Credit. We invest client capital for the long-term with a focus on real assets and essential service businesses that form the backbone of the global economy. We draw on our heritage as an owner and operator to invest for value and generate strong returns for our clients, across economic cycles.</p> <p>Products & Services: Our products broadly fall into one of three categories: (i) long-term private funds, (ii) permanent capital vehicles and perpetual strategies and (iii) liquid strategies. These are invested across five principal strategies: (i) Infrastructure, (ii) Renewable Power and Transition, (iii) Private Equity, (iv) Real Estate, (v) Credit and other.</p> <p>Markets Served: We invest on behalf of our clients in more than 30 countries on five continents around the world. We have over 2,000 clients, made up of some of the world's largest institutional investors, including sovereign wealth funds, pension plans, endowments, foundations, financial institutions, insurance companies and individual investors.</p> <p>Supply Chain: Brookfield works with a number of third-party service providers to support our business operations.</p> <p>Downstream Entities: When deploying our clients' capital, we seek to leverage our competitive advantages to acquire high-quality real assets or businesses that provide essential services that form the backbone of the global economy. We use our global reach and access to scale capital to source attractive investment opportunities and leverage our deep operating expertise to underwrite investments and create value throughout our ownership.</p> <p>Other Relevant Business Relationships: Please refer to our ESG Affiliations and Partnerships for a description of our ESG business relationships. In addition, we believe our network of relationships drives proprietary information flow that helps guide our approach and adds value to our investments. These relationships include investors, portfolio companies, counterparties, government entities, tenants, communities, buyers and sellers and consumers across Renewable Power & Transition, Infrastructure, Private Equity, Real Estate, Credit and Insurance Solutions.</p> <p>Significant Changes: At the end of 2022, we completed the distribution and listing of a 25% interest in Brookfield Corporation's asset management business, through Brookfield Asset Management Ltd., giving investors direct access to the asset management business on a pure-play basis for the first time.</p>		
2-7	Employees	<p>Total number of investment and asset management employees as of 4/1/2023: 2,710 (45% female, 55% male)</p> <p>Total number of investment and asset management employees as of 4/1/2022: 2,318 (45% female, 55% male)</p> <p>% change in number of employees between 4/1/2022 and 4/1/2023: +17%</p>		
2-8	Workers who are not employees	We retain the services of consultants or contract workers from time to time to support our businesses. Generally, they provide specialized knowledge and/or skills that are not readily available within the organization, or allow specific tasks to be completed on an accelerated basis.	Information unavailable / incomplete	We do not currently track this data.

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Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
2-9	Governance structure and composition	<p>For a description of our governance structure, including committees of the highest governance body, please refer to the Brookfield Asset Management Ltd. Management Information Circular - Statement of Corporate Governance Practices, pages 22-30</p> <p>For a list of the committees of the highest governance body that are responsible for decision making on and overseeing the management of the organization's impacts on the economy, environment and people, please refer to the BAM Ltd. Management Information Circular page 26 and the ESG Organization and Governance section in this report.</p> <p>For a detailed description of the composition of our highest governance body and its committees, please refer to the BAM Ltd. Management Information Circular - Director Nominees, pages 10-17, Statement of Corporate Governance Practices, pages 22-30</p>		
2-10	Nomination and selection of the highest governance body	Governance, Nominating and Compensation Committee Charter , pages 1-5, Management Information Circular , pages 23, 24-25, 27		
2-11	Chair of the highest governance body	<p>Mark Carney is the current Chair of the Board and Head of Transition Investing.</p> <p>In his role as Head of Transition Investing, Mr. Carney is focused on the development of products for investors that will combine positive social and environmental outcomes with strong risk-adjusted returns. The Lead Independent Director (Marcel R. Coutu) is generally responsible for facilitating the functioning of the Board independent of management and the non-independent Chair. The responsibilities of the Lead Independent Director include providing leadership to the Board if circumstances arise in which the Chair may be, or may be perceived to be, in conflict, in responding to any reported conflicts of interest, or potential conflicts of interest, arising for any director.</p>		
2-12	Role of the highest governance body in overseeing the management of impacts	Management Information Circular pages 28-30 & ESG Organization and Governance		
2-13	Delegation of responsibility for managing impacts	Management Information Circular pages 28-30 & ESG Organization and Governance		
2-14	Role of the highest governance body in sustainability reporting	Management Information Circular pages 28-30 & ESG Organization and Governance		

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2-15	Conflicts of interest	<p>The Brookfield Asset Management Ltd. Board of Directors Governance, Nominating and Compensation Committee reviews and recommends the implementation of structures and procedures to facilitate the Board's independence from management and to avoid conflicts of interest; reviews and conducts oversight of all significant proposed related party transactions and situations involving a potential conflict of interest that are not required to be dealt with by an "independent special committee" pursuant to applicable securities law rules (where appropriate under applicable laws, the Committee may sit as an independent special committee), and will ensure that no such transaction is inconsistent with the interests of Brookfield and its shareholders; and) review and assess Brookfield's Code of Business Conduct and Ethics for directors, officers and employees (the "Code") to confirm that it addresses, among other things, conflicts of interest, confidentiality, fair dealing, protection and proper use of Brookfield's assets and opportunities, compliance with applicable laws, rules and regulations (including insider trading laws) and the reporting of illegal or unethical behavior, and establishes mechanisms to facilitate the effective operation of the Code and the granting of waivers of the Code.</p> <p>Please refer to pages 11-16 of the Management Information Circular for details on cross-board memberships and the existence of controlling shareholders. Please refer to pages 110, 114, 130-131, F-19, F-27, F-51, F-52 and F-98 of the Brookfield Asset Management Ltd. Annual Report for related parties, their relationships, transactions, and outstanding balances. Please note that cross-shareholding with suppliers is not applicable to our business.</p>		
2-16	Communication of critical concerns	<p>Please refer to page 2 of the Brookfield Asset Management Ltd. Board of Directors Charter. The Board meets regularly to review reports by management on Brookfield's performance and other relevant matters of interest. In addition to the general supervision of management, the Board performs the following functions: whistleblowers – in conjunction with the Audit Committee of the Board, establish whistleblower policies for Brookfield providing employees, officers, directors and other stakeholders, including the public, with the opportunity to raise, anonymously or not, questions, complaints or concerns regarding Brookfield's practices, including fraud, policy violations, any illegal or unethical conduct, and any accounting, auditing or internal control matters. The Board or a committee thereof will provide oversight over Brookfield's whistleblower policies and practices to ensure that any questions, complaints or concerns are adequately received, reviewed, investigated, documented and resolved.</p>		
2-17	Collective knowledge of the highest governance body	<p>Please refer to pages 1-2 of the Brookfield Asset Management Ltd. Board of Directors Charter for a description of measures taken to advance the knowledge, skills and experience of the board on sustainable development.</p> <p>Director Education and Orientation – Brookfield's management team is responsible for providing an orientation program for new directors in respect of Brookfield and the role and responsibilities of directors. In addition, directors will, as required, receive continuing education about Brookfield to maintain a current understanding of Brookfield's business and operations, industries and sectors in which we operate globally, material developments and trends in asset management and Brookfield's strategic initiatives. The Board meets regularly to review reports by management on Brookfield's performance and other relevant matters of interest. In addition to the general supervision of management, the Board oversees Brookfield's approach to Environmental, Social, and Governance matters within its corporate and asset management activities as reported to the Board by the Governance, Nominating and Compensation Committee.</p>		
2-18	Evaluation of the performance of the highest governance body	<p>Governance, Nominating and Compensation Committee Charter, pages 1-4, Management Information Circular, pages 23, 24-25, 27-28</p>		

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2-19	Remuneration policies	The Governance, Nominating and Compensation Committee recommends to the Board the compensation for non-management directors (it is the policy of Brookfield that management directors do not receive compensation for their service on the Board). In reviewing the adequacy and form of compensation, the Governance, Nominating and Compensation Committee seeks to ensure that director compensation reflects the responsibilities and risks involved in being a director of Brookfield and aligns the interests of the directors with the best interests of Brookfield. Board of Directors Charter Management Information Circular , pages 41-63		
2-20	Process to determine remuneration	Please refer to a description of the Board of Director's processes for determining remuneration in the Governance, Nominating and Compensation Committee Charter and Management Information Circular , p 41-64. As noted in the charter, a Board of Directors committee of independent directors (the Governance, Nominating and Compensation Committee) oversees the process. The Committee has sole authority to retain and terminate any independent consulting firm to be used to evaluate the CEO or the compensation of the CEO or other senior management.		
2-21	Annual total compensation ratio		Confidentiality constraints	This information is not currently part of our public reporting.
2-22	Statement on sustainable development strategy	Letter to Stakeholders		
2-23	Policy commitments	We recognize that strong governance is essential to sustainable business operations, and we aim to conduct our business according to the highest ethical and legal standards. Brookfield has an established framework comprised of corporate policies covering all areas of the business. For a full list of our policies, please refer to our website . Please refer to the Human Rights and Modern Slavery section. Please refer to our Systemic Risk Management and TCFD Approach to Risk Management sections for our approach to applying the precautionary principle. These policy commitments were approved by Brookfield's highest governing body, apply to Brookfield's activities, and are communicated publicly through the responsibility section of our website. Please also refer to ESG Affiliations and Partnerships and Climate Group Memberships . Brookfield operates under a Code of Business Conduct and Ethics and a Positive Work Environment Policy .		
2-24	Embedding policy commitments	Please refer to pages 2-23 and People Development		
2-25	Processes to remediate negative impacts	ESG Policy Business Ethics Stakeholder Engagement		
2-26	Mechanisms for seeking advice and raising concerns	Business Ethics Our People		

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2-27	Compliance with laws and regulations	Please refer to the Brookfield Asset Management Ltd. Annual Report section on Litigation (page F-52): Although there can be no assurance of the outcome of such legal actions, based on information known by management, the Company does not have a potential liability related to any current legal proceeding or claim that would individually or in the aggregate materially affect its results of operations, financial condition or cash flows. It is our belief that none of these claims would result in a material impact to the manager or our clients.		
2-28	Membership associations	ESG Affiliations and Partnerships Climate Group Memberships		
2-29	Approach to stakeholder engagement	Stakeholder Engagement		
2-30	Collective bargaining agreements	We do not have collective bargaining agreements at the Firm level, and it's not typical that employees of our corporate entity be covered under a collective bargaining agreement, therefore this is not applicable.		
3-1	Process to determine material topics	Materiality Assessment Methodology		
3-2	List of material topics	Our material topics include 201: Economic Performance, 205: Anti-corruption, 207: Tax, 302: Energy, 303: Water and Effluents, 304: Biodiversity, 305: Emissions, 306: Waste, 401: Employment, 403: Occupational Health and Safety, 404: Training & Education, 405: Diversity and Equal Opportunity, 409: Forced or Compulsory Labor, 413: Local Communities and 418: Customer Privacy. We have added several new material topics including, 207: Tax, 304: Biodiversity, 404: Training & Education, 409: Forced or Compulsory Labor and 413: Local Communities.		

201: ECONOMIC PERFORMANCE

Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
3-3	Management of material topics	Brookfield Asset Management's management of economic performance is detailed in the Business Overview & Value Creation section of our 2022 Annual Report (pages 49-50). Additional information on Brookfield's actions taken to manage this material topic and its impacts can be found in the Risk Factors (pages 20-47), Liquidity and Capital Resources (pages 103-104), Employees (pages 126), and Financial Statements (F-3 to F-8) report sections. Further information on financial risk mitigation can be found in our TCFD: Climate-Related Risk Management report section .		
201-1	Direct economic value generated and distributed	<p>Direct Economic Value Generated: Brookfield Asset Management ULC (the Asset Management Company as defined on pages 13 of the 2022 BAM Ltd. Annual Report) Revenues = \$3,627 million, Other income = \$1,090 million, Share of income from equity accounted investments = \$146 million. Total = \$4,863 million. Refer to Brookfield Asset Management Annual Report - Review of Consolidated Financial Results of the Manager on page 70.</p> <p>Direct Economic Value Distributed: Compensation, operating, and general and administrative expenses = \$1,017 million, Realized carried interest compensation = \$61 million, Interest expense = \$154 million, Income tax expense = \$627 million. Total = \$1,859 million.</p> <p>Direct Economic Value Generated – Direct Economic Value Distributed = \$3,004 million.</p> <p>Reporting this information at the country, region, or market level is not significant to describe Brookfield's global operations.</p>		

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Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
201-2	Financial implications and other risks and opportunities due to climate change	For a description of financial implications and other risks and opportunities due to climate change, please refer to the TCFD: Climate-related Disclosures report section, pages 29-74.		
201-3	Defined benefit plan obligations and other retirement plans		Not applicable	This question is not applicable to Brookfield Asset Management Ltd.
201-4	Financial assistance received from government		Information unavailable / incomplete	Brookfield operates in sectors such as renewable energy, where various tax credits and incentives are offered by governments in the ordinary course of business and in accordance with local tax legislation. The availability and utilization of these credits is uncertain in many cases and is difficult to quantify.

205: ANTI-CORRUPTION

Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
3-3	Management of material topics	Corporate Governance and Ethics Business Ethics Anti-Bribery and Corruption Program Summary		
205-1	Operations assessed for risks related to corruption	Anti-Bribery and Corruption Program Summary		
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics Anti-Bribery and Corruption Program Summary		
205-3	Confirmed incidents of corruption and actions taken		Confidentiality constraints	As a multinational organization with offices and operations around the world, Brookfield, its affiliates or its employees are privy to civil, administrative and/or regulatory proceedings in various jurisdictions from time to time in the normal course of operations. Brookfield is contingently liable with respect to litigation and claims that arise in the normal course of business. It is not reasonably possible that any of the ongoing litigation as at December 31, 2022 could result in a material settlement liability. Please refer to our Anti-Bribery and Corruption Program Summary for additional information.

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207: TAX				
Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
3-3	Management of material topics	<p>For a description of Brookfield's management of tax, please refer to the Brookfield Asset Management Tax Governance Framework (the "Framework") and the Brookfield Asset Management Tax Risk Management Policy (the "Policy") posted on Brookfield's website.</p> <p>The Policy and Framework outline Brookfield's approach to managing its tax function and how tax risks are assessed and managed in a controlled and effective manner. We do not believe that Brookfield has any material tax-related negative impacts on the economy, environment, and people, including negative impacts on their human rights.</p>		
207-1	Approach to tax	Please refer to section 3-3 above.		
207-2	Tax governance, control, and risk management	<p>With regard to Brookfield's tax governance, control, and risk management, please refer to the Policy, Framework, and pages 103, 136-141 of our 2022 Brookfield Asset Management Annual Report (description of internal control over and assurance regarding the reliability of financial reporting).</p> <p>For a description of mechanisms to raise concerns about the organization's business conduct and integrity related to tax, please refer to the Framework and Brookfield's Whistleblowing Policy, available on Brookfield's website.</p>		
207-3	Stakeholder engagement and management of concerns related to tax	<p>With regard to stakeholder engagement and management of concerns related to tax, Brookfield is committed to maintaining a cooperative and open working relationship with tax authorities globally and ensuring that any tax audits are managed effectively. We seek to make fair, accurate and timely disclosures in correspondence and tax returns and respond to queries in a timely manner.</p> <p>Brookfield regularly collaborates with government bodies in several countries regarding new tax legislation with a view to helping shape fair, effective and efficient regulatory frameworks.</p> <p>Brookfield regularly receives input, questions, and requests from various stakeholders regarding tax matters, including public shareholders and private fund investors. All requests are addressed on a timely basis, subject to any confidentiality constraints. The input from stakeholders is taken into account when developing tax strategies within the organization.</p>		
207-4	Country-by-country reporting		Confidentiality constraints	<p>Please note that due to confidentiality constraints, we are not in a position to publicly disclose country-by-country reporting.</p> <p>Brookfield prepares and files a country-by-country (CbC) report each year with the Canada Revenue Agency (CRA) as required by tax law. The CbC report includes thousands of legal entities that are consolidated in our financial statements across multiple business groups and sectors. Further, the GRI Standard for CbC reporting includes information that is not prepared in the CbC report filed by Brookfield with the CRA and is not readily available. Lastly, Brookfield will fully comply with the E.U. public country-by-country reporting requirements once they become effective.</p>

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302: ENERGY

Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
3-3	Management of material topics	Our Corporate Operations Emissions		
302-1	Energy consumption within the organization	<p>Total electricity consumption: 5,467 MWh</p> <p>Total heating and steam consumption: 4,319 MWh</p> <p>Total cooling consumption: 1,247 MWh</p> <p>Total energy consumption within the organization: 11,033 MWh</p> <p>Our energy consumption within the organization is calculated by gathering facility level data on fuel consumption, fugitive leaks, purchased energy, heating and cooling. When actual data is not available, we estimate consumption based on square footage and industry average consumption from the Building Performance Database. We utilize regionally specific emissions factors from sources such as EPA, IEA and DEFRA and apply global warming potentials from AR5. This methodology aligns with the GHG Protocol.</p>		
302-2	Energy consumption outside of the organization		Information unavailable / incomplete	We are in the early stages of collecting this information from our portfolio companies and do not yet have sufficient data to report on. We are working to gather the appropriate detail and will aim to make improvements to our disclosure over time.
302-3	Energy intensity		Information unavailable / incomplete	We are in the early stages of collecting this information from our portfolio companies and do not yet have sufficient data to report on. We are working to gather the appropriate detail and will aim to make improvements to our disclosure over time.
302-4	Reduction of energy consumption	Refer to pages 47-52.	Information unavailable / incomplete	We have identified reduction in energy consumption at our office properties as a priority and are continuing to assess and develop capabilities to quantify, measure and disclose emissions reduction efforts.
302-5	Reductions in energy requirements of products and services		Information unavailable / incomplete	We have identified reduction in energy consumption at our portfolio companies as a priority and are continuing to assess and develop capabilities to quantify, measure and disclose emissions reduction efforts. Please refer to Metrics and Targets for more information.

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303: WATER AND EFFLUENTS

Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
3-3	Management of material topics	<p>Water & Waste and Brookfield Corporate Operations KPIs</p> <p>While we do not believe that we have any material water-related negative impacts on the economy, environment, and people, including negative impacts on their human rights, we are continuing to collect data on our water and waste-related impacts to help us better understand where we may make improvements.</p> <p>We believe understanding our water-related impacts is key to operating successful businesses and we understand the importance of measuring our impacts and collect a number of water-related KPIs from our portfolio companies. We continue to adhere to industry best practices and will aim to enhance our collection of metrics, with the goal of continually improving our reporting and reducing our impacts over time. Brookfield continues to operate to the highest ethical standards by conducting business activities in accordance with our Code of Business Conduct and Ethics.</p> <p>We engage with our portfolio companies and help to inform their procedures as they relate to water impacts as well as water-related metrics and reporting. Several of our portfolio companies have set water-related targets, please refer to the business group's respective Sustainability reports for more information.</p> <p>We will continue to collect water-related KPIs to help us assess the progress we have made to reduce any water-related impacts over time and will incorporate any relevant lessons learned into our procedures. While Brookfield has not made any firm level water-related targets, we will continue to report on our efforts.</p>		
303-1	Interactions with water as a shared resource	<p>Water & Waste</p> <p>Please refer to each of our Business Group's respective Sustainability reports for further information on material water-related impacts.</p>		
303-2	Management of water discharge-related impacts		Information unavailable / incomplete	We do not currently collect this information from our portfolio companies. We continue to monitor industry standards and will aim to make improvements to our data collection process over time.
303-3	Water withdrawal		Information unavailable / incomplete	We are in the early stages of collecting this information from our portfolio companies and do not yet have sufficient data to report on. We are working to gather the appropriate detail and will aim to make improvements to our disclosure over time.
303-4	Water discharge		Information unavailable / incomplete	We do not currently collect this information from our portfolio companies. We continue to monitor industry standards and will aim to make improvements to our data collection process over time.
303-5	Water consumption		Information unavailable / incomplete	We are in the early stages of collecting this information from our portfolio companies and do not yet have sufficient data to report on. We are working to gather the appropriate detail and will aim to make improvements to our disclosure over time.

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304: BIODIVERSITY				
Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
3-3	Management of material topics	<p>Encouraging Conservation of Biodiversity and our Ecosystems</p> <p>We believe understanding our biodiversity impacts is key to operating successful businesses. We understand the importance of measuring our impacts and are beginning to collect a number of biodiversity-related KPIs from our portfolio companies. We continue to adhere to industry best practices and will aim to enhance our collection of metrics, with the goal of continually improving our reporting and reducing our impacts over time. Brookfield continues to operate to the highest ethical standards by conducting business activities in accordance with our Code of Business Conduct and Ethics.</p> <p>We will continue to engage with our portfolio companies and help to inform their procedures as they relate to biodiversity impacts as well as biodiversity-related metrics and reporting. For more information on how each of our business groups are addressing biodiversity impacts, please refer to each of our Business Group's respective Sustainability reports.</p>		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Information unavailable / incomplete	We are in the early stages of collecting this information from our portfolio companies and do not yet have sufficient data to report on. We are working to gather the appropriate detail and will aim to make improvements to our disclosure over time.
304-2	Significant impacts of activities, products and services on biodiversity		Information unavailable / incomplete	We are in the early stages of collecting this information from our portfolio companies and do not yet have sufficient data to report on. We are working to gather the appropriate detail and will aim to make improvements to our disclosure over time.
304-3	Habitats protected or restored		Information unavailable / incomplete	We are in the early stages of collecting this information from our portfolio companies and do not yet have sufficient data to report on. We are working to gather the appropriate detail and will aim to make improvements to our disclosure over time.
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		Information unavailable / incomplete	We are in the early stages of collecting this information from our portfolio companies and do not yet have sufficient data to report on. We are working to gather the appropriate detail and will aim to make improvements to our disclosure over time.

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305: EMISSIONS				
Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
3-3	Management of material topics	TCFD		
305-1	Direct (Scope 1) GHG emissions	<p>Gross direct (Scope 1) GHG emissions: 433 mtCO₂e</p> <p>All gases (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃), where applicable, are included in the calculation</p> <p>Base year: Brookfield Corporate Operations KPIs.</p> <p>Our Scope 1 emissions are calculated by gathering facility level data on fuel consumption and fugitive leaks. When actual data is not available, we estimate consumption based on square footage and industry average consumption from the Building Performance Database. We utilize regionally specific emissions factors from sources such as EPA and DEFRA and apply global warming potentials from AR5. This methodology aligns with the GHG Protocol.</p>		
305-2	Energy indirect (Scope 2) GHG emissions	<p>Gross location-based indirect (Scope 2) GHG emissions: 2,204 mtCO₂e</p> <p>Gross market-based indirect (Scope 2) GHG emissions: 1,999 mtCO₂e</p> <p>All gases (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃), where applicable, are included in the calculation</p> <p>Our Scope 2 emissions are calculated by gathering facility level data on purchased energy, heating and cooling. When actual data is not available, we estimate consumption based on square footage and industry average consumption from the Building Performance Database. We utilize regionally specific emissions factors from sources such as EPA, IEA and DEFRA and apply global warming potentials from AR5. For the market-based methodology, we incorporate procurement of renewable energy, utility specific emission factors, and residual emission factors where appropriate. This methodology aligns with the GHG Protocol.</p>		
305-3	Other indirect (Scope 3) GHG emissions	<p>Gross direct (Scope 3) GHG emissions: 10,945 mtCO₂e (business air travel) and 11,792,940 mtCO₂e (financed emissions)</p> <p>All gases (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃), where applicable, are included in the calculation</p> <p>Our Scope 3 emissions include category 6 (business air travel) and category 15 financed emissions</p> <p>Base year: Brookfield Corporate Operations KPIs, Metrics and Targets</p> <p>Our scope 3 business air travel emissions are calculated by gathering air travel data including trip miles. Cabin class is determined by criteria outlined in our travel policy. Trip miles are classified into short, medium, and long haul. We utilize emission factors from DEFRA to calculate air travel emissions on a well-to-wake basis with radiative forcing included. This methodology aligns with the GHG Protocol. Please refer to Metrics and Targets for more information on our financed emissions.</p>		
305-4	GHG emissions intensity		Information unavailable / incomplete	We are in the early stages of collecting this information from our portfolio companies and do not yet have sufficient data to report on. We are working to gather the appropriate detail and will aim to make improvements to our disclosure over time.

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Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
305-5	Reduction of GHG emissions	TCFD , pages 67, 71, 73		
305-6	Emissions of ozone-depleting substances (ODS)		Information unavailable / incomplete	We are in the early stages of collecting this information from our portfolio companies and do not yet have sufficient data to report on. We are working to gather the appropriate detail and will aim to make improvements to our disclosure over time.
305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant emissions		Information unavailable / incomplete	We are in the early stages of collecting this information from our portfolio companies and do not yet have sufficient data to report on. We are working to gather the appropriate detail and will aim to make improvements to our disclosure over time.

306: WASTE

Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
3-3	Management of material topics	<p>Water & Waste and Brookfield Corporate Operations KPIs</p> <p>While we do not believe that we have any material waste-related negative impacts on the economy, environment, and people, including negative impacts on their human rights, we are continuing to collect data on our water and waste-related impacts to help us better understand where we may make improvements.</p> <p>We believe understanding our waste-related impacts is key to operating successful businesses. We understand the importance of measuring our impacts and collect a number of waste-related KPIs from our portfolio companies. We continue to adhere to industry best practices and will aim to enhance our collection of metrics, with the goal of continually improving our reporting and reducing our impacts over time. Brookfield continues to operate to the highest ethical standards by conducting business activities in accordance with our Code of Business Conduct and Ethics.</p> <p>We engage with our portfolio companies and help to inform their procedures as they relate to waste impacts as well as waste-related metrics and reporting. Please refer to the business group's respective Sustainability reports for more information.</p> <p>We will continue to collect waste-related KPIs to help us assess the progress we have made to reduce any waste-related impacts over time and will incorporate any relevant lessons learned into our procedures. While Brookfield has not made any firm level waste-related targets, we will continue to report on our efforts.</p>		
306-1	Waste generation and significant waste-related impacts	<p>Water & Waste</p> <p>Please refer to each of our Business Group's respective Sustainability reports for further information on material water-related impacts.</p>		

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Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
306-2	Management of significant waste-related impact		Information unavailable / incomplete	We do not currently collect this information from our portfolio companies. We continue to monitor industry standards and will aim to make improvements to our data collection process over time.
306-3	Waste generated		Information unavailable / incomplete	We are in the early stages of collecting this information from our portfolio companies and do not yet have sufficient data to report on. We are working to gather the appropriate detail and will aim to make improvements to our disclosure over time.
306-4	Waste diverted from disposal		Information unavailable / incomplete	We are in the early stages of collecting this information from our portfolio companies and do not yet have sufficient data to report on. We are working to gather the appropriate detail and will aim to make improvements to our disclosure over time.
306-5	Waste directed to disposal		Information unavailable / incomplete	We are in the early stages of collecting this information from our portfolio companies and do not yet have sufficient data to report on. We are working to gather the appropriate detail and will aim to make improvements to our disclosure over time.

401: EMPLOYMENT

Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
3-3	Management of material topics	Human Capital Development Brookfield is committed to maintaining an environment that is safe and respectful and conducts business activities in accordance with our Positive Work Environment Policy. We track a number of metrics, including hiring rates, promotions and retention numbers and review these metrics as part of our overall strategy to see which areas need additional focus. We will continue to collect these metrics to help us assess and report on our progress and will incorporate any relevant lessons learned into our procedures.		
401-1	New employee hires and employee turnover	New employee hires (female) in 2022: 40% New employee hires (male) in 2022: 60% Total turnover (%): Overall, over the past five years, on average, our voluntary turnover is in single digits and the average has consistently been even lower as it relates to departures on our investment team.		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	All regions offer comprehensive benefits packages to full-time employees based on jurisdictional market standards.		
401-3	Parental leave	Total number of employees that were entitled to parental leave: All employees Substantially, a large number of employees have returned from a maternity leave with very limited exceptions.		

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403: OCCUPATIONAL HEALTH AND SAFETY				
Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
3-3	Management of material topics	Occupational Health and Safety ESG Organization and Governance		
403-1	Occupational health and safety management system	Occupational Health and Safety Business Ethics		
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety Business Ethics		
403-3	Occupational health services	In the context of our corporate operations, this is not applicable. Across our portfolio companies, we continue to support the health and safety of our employees. Appropriate measures are implemented at our portfolio companies to support occupational health services. For information on our approach to Occupational Health, please refer to our Occupational Health and Safety report section and GRI 401: Employment .		
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety		
403-5	Worker training on occupational health and safety	Occupational Health and Safety		
403-6	Promotion of worker health	All regions offer comprehensive benefits packages to full-time employees based on jurisdictional market standards.	Information unavailable / incomplete	We do not currently collect this information from our portfolio companies. We continue to monitor industry standards and will aim to make improvements to our data collection process over time.
403-7	Prevention and mitigation of occupational health and safety impacts	Occupational Health and Safety Systemic Risk Management Corporate Governance and Ethics		
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety		
403-9	Work-related injuries		Confidentiality constraints	This information is not currently part of our public reporting.
403-10	Work-related ill health		Confidentiality constraints	This information is not currently part of our public reporting.

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404: TRAINING AND EDUCATION				
Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
3-3	Management of material topics	People Development We will continue to monitor the number of training hours provided to our employees and assess to continually improve the types and frequency of trainings provided.		
404-1	Average hours of training per year per employee		Information unavailable / incomplete	We are in the early stages of collecting this information and do not yet have sufficient data to report on. We are working to gather the appropriate detail and will aim to make improvements to our disclosure over time.
404-2	Programs for upgrading employee skills and transition assistance programs	People Development Where appropriate, transition assistance programs are provided in particular situations when employees are terminated.		
404-3	Percentage of employees receiving regular performance and career development reviews	100% of our employees receive annual performance reviews.		

405: DIVERSITY AND EQUAL OPPORTUNITY

Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
3-3	Management of material topics	Building a Diverse and Inclusive Environment Brookfield is committed to maintaining an environment that is safe and respectful and conducts business activities in accordance with our Positive Work Environment Policy. We track a number of diversity metrics which are reviewed as part of our overall DEI strategy to see which areas need additional focus. We will continue to collect DEI metrics to help us assess and report on our progress and will incorporate any relevant lessons learned into our procedures.		
405-1	Diversity of governance bodies and employees	Board of Directors (female): 4; Board of Directors (male): 8 Board of Directors (under 30 years old): 0%; Board of Directors (30-50 years old): 33%; Board of Directors (over 50 years old): 67% Managing Partners, Managing Directors and Senior Vice Presidents (female): 28%; Managing Partners, Managing Directors and Senior Vice Presidents (male): 72% Investment, Operations and Administrative Professionals (female): 45%; Investment, Operations and Administrative Professionals (male): 55% Global Ethnic Diversity: White: 50%; Asian: 29%; Black: 5%; Hispanic/Latinx: 3%; Two or More Races/Other: 6%; Did Not Respond or Declined to Self-Identify: 7%		
405-2	Ratio of basic salary and remuneration of women to men	Pay Equity	Confidentiality constraints	This information is not currently part of our public reporting.

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409: FORCED OR COMPULSORY LABOR

Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
3-3	Management of material topics	Human Rights and Modern Slavery Corporate Governance and Ethics Business Ethics		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Modern Slavery Statement Vendor Code of Conduct		

413: LOCAL COMMUNITIES

Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
3-3	Management of material topics	Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs		Information unavailable / incomplete	We are in the early stages of collecting this information from our portfolio companies and do not yet have sufficient data to report on. We are working to gather the appropriate detail and will aim to make improvements to our disclosure over time.
413-2	Operations with significant actual and potential negative impacts on local communities		Confidentiality constraints	This information is not currently part of our public reporting.

418: CUSTOMER PRIVACY

Disclosure Number	Disclosure Title	Location / Explanation	Omission Reason	Explanation
3-3	Management of material topics	Data Privacy and Security		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Confidentiality constraints	This information is not currently part of our public reporting.

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Key Performance Metrics

Brookfield Metrics	Unit	Trend	2022	2021	2020	2019
Full-Time Employees	FTE	↑	2,708	2,380	1,854	1,615
Female Full-Time Employees	%	↓	45%	46%	45%	45%
Female SVPs and Above	%	↑	28%	27%	22%	16%
Female Board Directors (Full) ¹	%		33%			
Female Board Directors (Independent) ¹	%		57%			

Ethnic Diversity Globally

White	%	↓	50%	52%
Asian	%	↑	29%	28%
Black	%	↑	5%	4%
Hispanic/LatinX	%	-	3%	3%
Two or More Races/Other	%	↓	6%	7%
Did Not Respond or Declined to Self-Identify	%	↑	7%	6%

Ethnic Diversity

Full-Time Employees	%	↑	40% ²	39%
SVPs and Above	%	↓	21%	22%
Investment Team	%	↑	31% ²	29%
Operations Team	%	↓	43%	44%

Note: Diversity metrics are as of 4/1/2023 and represent our asset management and investment professionals.

¹ The Brookfield Asset Management Ltd. Board of Directors was formed in 2022

² In Australia, Canada, the U.K. and U.S.

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Brookfield Corporate Operations KPIs

For a discussion of our Scope 3 Category 15 emissions, please refer to [Metrics and Targets](#).

Brookfield Metrics	Unit	Trend (2021-2022)	2022	2021	2020	2019
Environmental Metrics¹						
Organization						
Offices Reported ¹	#	↓	50	51	54	55
Annual Revenue	\$M	↑	92,769	75,731	62,752	67,826
Operational Square Footage	sf	↑	716,789	634,824	519,627	452,029
Greenhouse Gas Emissions²						
Scope 1 Direct	mtCO ₂ e	↑	433	342	348	329
Scope 2 Indirect (Market-based)	mtCO ₂ e	↓	1,999	2,013	1,769	1,939
Scope 2 Indirect (Location-based)	mtCO ₂ e	↑	2,204	2,135	1,807	1,830
Scope 3 Category 6: Business Air Travel	mtCO ₂ e	↑	10,945	2,646	1,165	4,527
Energy						
Direct Fuel Combustion	MWh	↑	2,270	1,999	1,869	1,889
Diesel Fuel	%	–	1%	1%	1%	1%
Natural Gas	%	–	99%	99%	99%	99%
Purchased Energy	MWh	↑	8,763	7,528	6,113	6,113
Chilled Water	%	↓	11%	12%	12%	9%
Heat/Steam	%	↑	24%	22%	18%	13%
Electricity	%	–	65%	65%	70%	78%
Water						
Water Consumption	m ²	↑	45,648	30,435	26,561	35,781
Waste						
Business Waste	metric tons	↑	238	151	125	329
Recycled Material	%	↓	49%	50%	50%	46%
Recycled E-waste ³	%	–	100%	100%	100%	100%

¹ The scope of offices reported was expanded in 2021 to cover all BAM offices. This ensures alignment with SBTi and GHG Protocol guidance requiring at least 95% of operational emissions to be captured, and the historical years back to 2019 have been updated to reflect this change. The decrease in office count from 2019 to 2021 is related to office consolidation and/or closure.

² GHG emissions were measured consistent with the guidelines set out by the GHG Protocol.

³ E-waste volumes vary based on new technology deployment and collection in a given year; however, our target is to recycle 100% of e-waste created. Actual values were included where available; in some instances, data estimates were calculated based on internal and/or industry-average data, in line with leading industry guidance.

SASB Index

As part of our ongoing commitment to transparency, we have included the below disclosure under the Sustainability Accounting Standards Board (SASB) standards for the industries that are relevant to us: Asset Management and Custody Activities.²⁵

Topic	Accounting Metric	Category	Unit Of Measure	Code	Disclosure
Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Quantitative	Number, Percentage (%)	FN-AC-270a.1	During 2022, Brookfield had no covered employees with new disclosures of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings. Brookfield has policies and procedures reasonably designed to ensure the firm and its employees maintain accurate regulatory filings.
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers	Quantitative	Reporting currency	FN-AC-270a.2	Brookfield did not sustain any monetary losses in 2022 as a result of legal proceedings associated with our marketing and communications of financial product-related information to new and returning customers.
	Description of approach to informing customers about products and services	Discussion and Analysis	N/A	FN-AC-270a.3	Please refer to our Stakeholder Engagement report section and pages 28-29 of the Brookfield Asset Management Annual Report .
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Quantitative	Percentage (%)	FN-AC-330a.1	Please refer to our Building a Diverse and Inclusive Environment report section and GRI 405: Diversity and Equal Opportunity .
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Quantitative	Reporting currency	FN-AC-410a.1	(1) \$834 billion (2) \$77 billion (3) \$0
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	Discussion and Analysis	N/A	FN-AC-410a.2	Please refer to our ESG Integration into Our Investment Process report section.
	Description of proxy voting and investee engagement policies and procedures	Discussion and Analysis	N/A	FN-AC-410a.3	Please refer to our Proxy Voting report section.
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	Reporting currency	FN-AC-510a.1	Brookfield did not sustain any monetary losses in 2022 as a result of legal proceedings associated with fraud, insider trading, anti-trust, anticompetitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.
	Description of whistleblower policies and procedures	Discussion and Analysis	N/A	FN-AC-510a.2	Please refer to our Whistleblowing Policy .

Activity Metric	Category	Unit Of Measure	Code	Disclosure
(1) Total registered and (2) total unregistered assets under management (AUM)	Quantitative	Reporting currency	FN-AC-000.A	(1) \$3 billion (2) \$831 billion
Total assets under custody and supervision	Quantitative	Reporting currency	FN-AC-000.B	\$834 billion

¹ The SASB Index does not incorporate Oaktree Capital, except for total AUM figure of \$834 billion. AUM as of March 31, 2023

TCFD Index

Pillar	Recommendation	Disclosure
GOVERNANCE		
	a. Describe the board’s oversight of climate related risks and opportunities	Climate Governance
	b. Describe management’s role in assessing and managing climate related risks and opportunities	Climate Governance
STRATEGY		
	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Assessment Screens Using Scenario Analysis
	b. Describe the impact of climate related risks and opportunities on the organization’s businesses, strategy, and financial planning	Our Climate Strategy
	c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. Where relevant to the organization, include scenarios consistent with increased physical climate-related risks	Assessment Screens Using Scenario Analysis
RISK MANAGEMENT		
	a. Describe the organization’s processes for identifying and assessing climate-related risks	Climate-Related Risk Management
	b. Describe the organization’s processes for managing climate-related risks	Climate-Related Risk Management
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	Climate-Related Risk Management
METRICS		
	a. Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process	Metrics and Targets
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	Metrics and Targets
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Metrics and Targets

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GFANZ Appendix

The following table references the summary of recommendations set forth by the Glasgow Financial Alliance for Net Zero “GFANZ” in the Financial Institution Net-Zero Transition Plans—Fundamentals, Recommendations, and Guidance, published in November 2022. The disclosure column indicates where more information on the voluntary recommendations can be found.

Component	Recommendations	Disclosure
FOUNDATIONS		
Objectives and priorities	Define the organization’s objectives to reach net zero by 2050 or sooner, in line with science-based pathways to limit warming to 1.5 degrees C, stating clearly defined and measurable interim and long-term targets and strategic timelines, and identify the priority financing strategies of net-zero transition action to enable real economy emissions reduction	Our Climate Strategy
IMPLEMENTATION STRATEGY		
Products and services	Use existing and new products and services to support and increase clients' and portfolio companies' efforts to transition in line with 1.5 degrees C net-zero pathways. Include accelerating and scaling the net-zero transition in the real economy, providing transition related education and advice, and supporting portfolio decarbonization in accordance with the institution's net-zero transition strategy.	Supporting the World's Transition to a Net-Zero Economy: Leading in Transition Investing and Clean Energy Development
Activities and decision-making	Embed the financial institution's net-zero objectives and priorities in its core evaluation and decision-making tools and processes to support its net-zero commitment. This applies to both top-down/ oversight structures and bottom-up tools and actions.	ESG Integration into Our Investment Process; ESG Organization and Governance
Policies and conditions	Establish and apply policies and conditions on priority sectors and activities, such as thermal coal, oil and gas, and deforestation. Include other sectors and activities that are high-emitting, or otherwise harmful to the climate, to define business boundaries in line with the institution’s net-zero objectives and priorities.	Supporting the World's Transition to a Net-Zero Economy

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Component	Recommendations	Disclosure
ENGAGEMENT STRATEGY		
Engagement with clients and portfolio companies	Proactively and constructively provide feedback and support to clients and portfolio companies to encourage net zero-aligned transition strategies, plans, and progress with an escalation framework with consequences when engagement is ineffective.	Facilitating Knowledge Sharing and Engagement with External Stakeholders
Engagement with industry	Proactively engage with peers in the industry to 1) as appropriate, exchange transition expertise and collectively work on common challenges and 2) represent the financial sector's views cohesively to external stakeholders, such as clients and governments.	Facilitating Knowledge Sharing and Engagement with External Stakeholders
Engagement with government and public sector	Direct and indirect lobbying and public-sector engagement should, in a consistent manner, support an orderly transition to net zero, and as appropriate, encourage consistency of clients' and portfolio companies' lobbying and advocacy efforts with the institution's own net-zero objectives.	Facilitating Knowledge Sharing and Engagement with External Stakeholders
METRICS AND TARGETS		
Metrics and targets	Establish a suite of metrics and targets to drive execution of the net-zero transition plan and monitor progress of results in the near, medium, and long term. Include metrics and targets focused on aligning financial activity in support of the real-economy net-zero transition; on executing the transition plan; and on measuring changes in client and portfolio GHG emissions.	Metrics and Targets
GOVERNANCE		
Roles, responsibilities, and remuneration	Define roles for the Board or strategy oversight body and senior management ensuring they have ownership, oversight, and responsibility for the net-zero targets. Assign appropriate individuals and teams to all aspects of both design and delivery of the transition plan. Use remuneration incentives for all roles, where possible. Review the transition plan regularly to ensure material updates/developments are incorporated; challenges are reviewed as an opportunity to correct course; and implementation risks are properly managed.	ESG Organization and Governance; Climate-related Governance
Skills and culture	Provide training and development support to the teams and individuals designing, implementing, and overseeing the plan so that they have sufficient skills and knowledge to perform their roles (including at the Board and senior management level). Implement a change management program and foster open communications to embed the net-zero transition plan into the organization's culture and practices.	Climate Training Climate Solutions, System Transformation & Operational Expertise

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