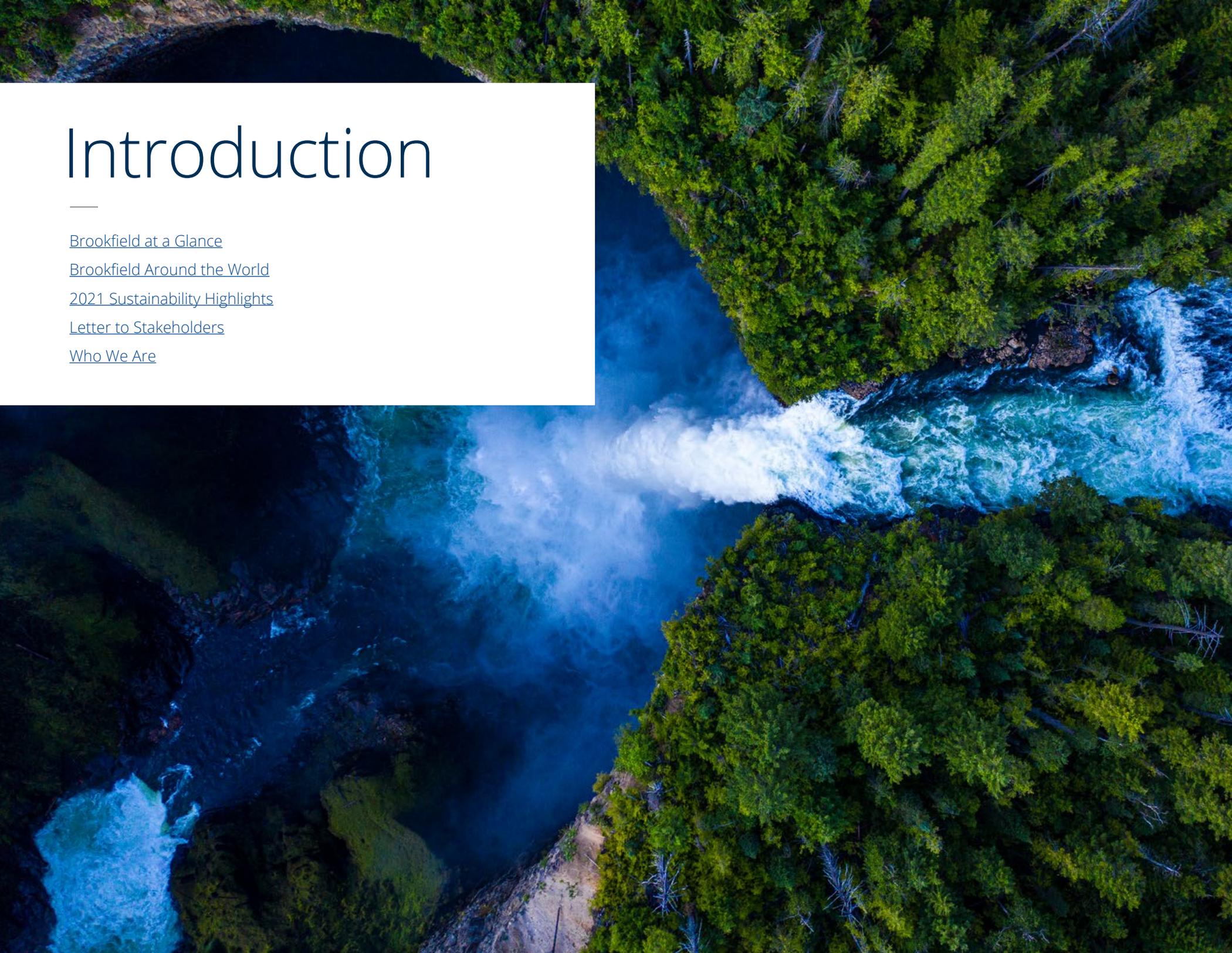


2021 ESG REPORT

# Brookfield Asset Management

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# Introduction

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# Brookfield at a Glance

Brookfield Asset Management is a premier global asset manager with \$720 billion in assets under management (AUM).<sup>[1][2]</sup> Our business philosophy is based on our conviction that acting responsibly toward our stakeholders is foundational to operating a productive, profitable and sustainable business, and that value creation and sustainable development are complementary goals. This view has been underpinned by Brookfield's 100-plus year history as an owner and operator of long-term assets that help form the backbone of the global economy.



## RENEWABLE POWER & TRANSITION

**\$68B**  
AUM

- Hydro
- Wind
- Energy Transition<sup>[3]</sup>
- Solar



## INFRASTRUCTURE

**\$140B**  
AUM

- Renewable Power
- Transport
- Utilities
- Data
- Midstream



## PRIVATE EQUITY

**\$105B**  
AUM

- Industrials
- Business Services
- Infrastructure Services
- Residential & Directly Held Investments



## REAL ESTATE

**\$256B**  
AUM

- Multifamily
- Logistics
- Office
- Retail Hospitality
- Alternative Sectors<sup>[4]</sup>



## CREDIT & INSURANCE SOLUTIONS

**\$151B**  
AUM

- Performing Credit
- Opportunistic Credit
- Direct Lending

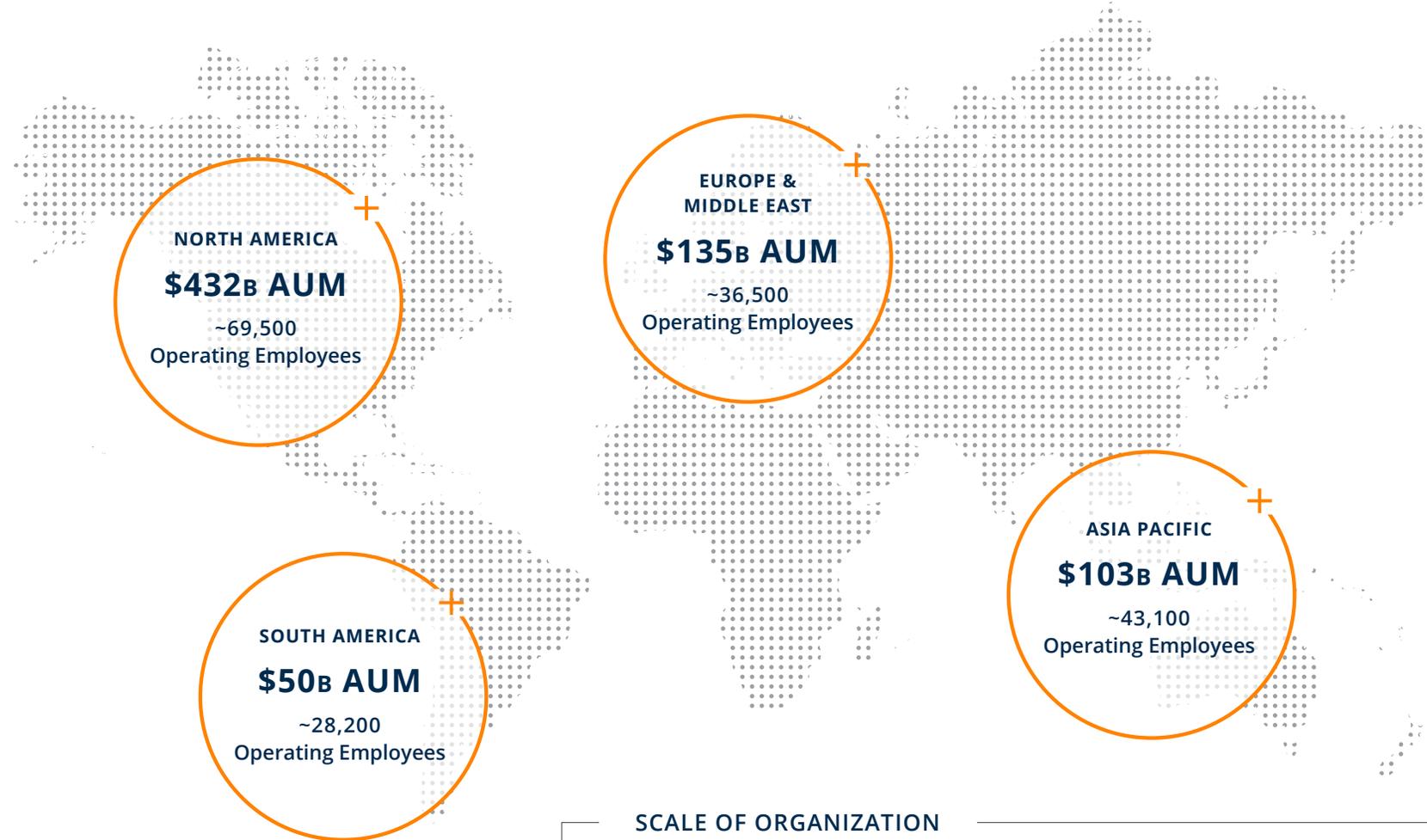
1 "Brookfield," the "Firm," "we," "us" or "our" refers to Brookfield Asset Management Inc. and includes its activities undertaken as an asset manager for private funds, public securities, public issuers (Brookfield Renewable Partners L.P., Brookfield Infrastructure Partners L.P.) and its other investment programs.

2 Oaktree Capital manages credit strategies and operates independently from Brookfield. Accordingly, this report does not cover the activities undertaken by Oaktree Capital. For information about Oaktree's ESG approach and initiatives, visit [www.oaktreecapital.com](http://www.oaktreecapital.com). Total AUM also includes \$14 billion from our Public Securities Group and \$7 billion from our Reinsurance Group. AUM figures as of March 31, 2022.

3 Energy transition includes distributed generation, storage and other.

4 Alternative sectors include triple net lease, manufactured housing, student housing, senior living, life science and single family properties.

# Brookfield Around the World



## SCALE OF ORGANIZATION

**30+**

Countries

**~2,300**

Asset Management Employees

**~180,000**

Operating Employees

For more information, please visit our website at [www.brookfield.com](http://www.brookfield.com).

# 2021 Sustainability Highlights

## Net zero by 2050

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

## ~2/3

set our 2030 net-zero interim target to reduce Scope 1 and 2 emissions across \$147 billion of our AUM by approximately two-thirds

## \$15 billion

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

## \$8 billion

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

## ~29 million

metric tons of CO<sub>2</sub> net emissions equivalent (mtCO<sub>2</sub>e) avoided through Brookfield's renewable power generation

## 170%

increase in female representation at the managing partner/managing director levels over the last five years

## 39%

of our employee population is comprised of underrepresented ethnicities

# Letter to Stakeholders

At our core, Brookfield invests in the places where people live and work, in the ways they transport themselves and their goods, and in how they power their lives. That means sustainability is critical to what we do. Sound environmental, social and governance (ESG) practices are essential to building resilient assets and businesses—while also creating long-term value for our investors and stakeholders. And in 2021, we took big strides forward in several areas of ESG—particularly in addressing climate change and the environment.

## WE MADE SUBSTANTIAL PROGRESS ON OUR CLIMATE-RELATED GOALS

We believe that we can make a significant contribution to the global decarbonization effort. That means looking at net zero from two perspectives: within Brookfield, through our commitment to reach the goal of net-zero greenhouse gas (GHG) emissions by 2050 or sooner in our own operations; and externally, through our transition investing and sustainable finance initiatives. In both cases, we are well positioned to provide strong support to the transition to net zero, based on our global reach, access to large-scale capital, operating expertise—particularly in decarbonization technologies—and deep experience developing and managing clean energy assets.

In becoming a signatory to the Net Zero Asset Managers (NZAM) initiative in 2021, we pledged to:

- Work on decarbonization goals consistent with the aim of reaching net-zero emissions by 2050 or sooner across all our assets under management;
- Set an interim target of a specific percentage of our assets to be managed in line with net zero, with targeted emissions reduction by 2030; and
- Review this target at least every five years, with a view to increasing the share of assets under management (AUM) covered until 100% of assets are included.

As a key step, we have set an interim target of reducing Scope 1 and 2 emissions across \$147 billion of our AUM by approximately two-thirds by 2030. Meeting this target—which encompasses our renewable power, infrastructure, private equity and real estate businesses—will reduce emissions across these assets by roughly one million metric tons of carbon dioxide equivalent.



We are also in the midst of developing actionable decarbonization plans for our remaining AUM, and intend to substantially increase the share of our in-scope assets over time.

The global transition to net zero will require large economic adjustments, the potential rewiring of virtually every industry and significant capital investment. In 2021, we launched the Brookfield Global Transition Fund (BGTF) to invest in and help facilitate that transition. We have been thrilled with the market's reception of BGTF, which raised \$15 billion from investors—including a \$2 billion commitment from Brookfield—and we have already started putting the Fund's capital to work in investments across the decarbonization spectrum globally.

## INTRODUCTION

Addressing the issue of climate change, and deciding how it should impact investment decisions, is a top agenda item for every chief investment officer allocating capital today. While everything does not have to become green immediately, every business does need to begin the shift to a cleaner future. As Mark Carney, our Head of Transition Investing, has said: “The net-zero transition doesn’t mean flipping a green switch or investing only in companies that are already green. Transition means transition.” Not only are we guiding significant capital to these opportunities, but we are also bringing our deep operational expertise to bear.

We published the Brookfield Asset Management Green Bond and Preferred Securities Framework, which lays out the process for selecting eligible investments, the use and management of proceeds, and the reporting frequency and format. In addition, we stepped up our activity in the sustainable finance market. Our issuance of green bonds, hybrid securities and sustainability-linked debt and loans more than doubled, to \$8 billion in 2021 from \$3.6 billion in 2020. Many of our assets and investments are well suited for sustainable financing, and we continue to look for opportunities to access capital in this manner.

In 2021, we became supporters of the Task Force on Climate-Related Financial Disclosures (TCFD), and we are aligning our practices with the organization’s recommendations. That includes embedding climate change considerations even further into our business strategy through our net-zero commitment, our sustainable financing efforts and the launch of BGTF. We plan to publish fiscal-year TCFD disclosures for our listed renewable power affiliate, Brookfield Renewable Partners, this year, and for Brookfield Asset Management in 2023.

We also undertook a climate risk assessment last year to better understand the potential physical and transition risks—and opportunities—across our businesses. We are using the results to enhance our strategy for climate change mitigation and adaptation, and continue to integrate these considerations into our business and investment approaches.

### **WE CONTINUED TO FOCUS ON INCREASING DIVERSITY AT THE SENIOR LEVELS OF THE ORGANIZATION**

Having a diverse team where colleagues are engaged, learning and developing reinforces our culture of collaboration and strengthens our ability to build long-term value. We are focused on maintaining an environment defined by deep relationships, strong leadership, and disciplined talent attraction and performance assessment processes. We continue to strive for diverse representation within the firm’s senior management, and we are making progress.

We have long been focused on increasing gender diversity at Brookfield, and while our headcount has more than doubled over the last five years, we have grown our female representation at the most senior levels of the organization by 170% during that time. Specifically, female representation grew from 7% to 19% among managing partners and managing directors. In 2021 alone, we increased female representation in the managing partner/managing director groups by 33%, largely through promotions. Among all our employees globally, 46% are female.

We also continue to support ethnic diversity at all levels of the firm, and in 2021 we launched a global process for employees to self-identify their ethnicity. Almost 40% of employees working in our largest offices (100 or more employees) self-identified as being part of an underrepresented ethnic group, while approximately 18% of managing partners and managing directors in those same offices self-identified as underrepresented. Across all our offices globally, this percentage was 23%. We will continue to monitor and report on our advancements in this area.

### **LOOKING AHEAD**

Acting responsibly is foundational to operating a productive, profitable and sustainable business. We have always believed that value creation and sustainable development are complementary goals, and our conviction has only grown stronger over the course of our 100-plus years as an owner and operator of long-term assets. We appreciate your help in ushering in a more sustainable future for us all.



**Bruce Flatt**  
Chief Executive Officer

# Who We Are

We are a premier global alternative asset manager with \$720 billion of assets under management across renewable power & transition, infrastructure, private equity, real estate, and credit & insurance solutions. We are one of the world's largest investors in real estate, own the world's largest private sector renewable power-generating business, and hold a diverse array of infrastructure businesses and other privately held companies that deliver essential products and services to our communities. Given the nature of our portfolio, longevity and stability of operations are essential.

We are owner-operators in the way we manage our business. We invest significant capital alongside our investors, which creates a strong alignment of interests. In addition, we have developed strong operating capabilities over the years, which are important for reinforcing sustainable operations. Our goal is to enable these businesses, as well as the communities in which we operate, to thrive over the long term.

Our culture underpins everything we do. The core principles underlying our approach include:

- **Long-term perspective:** Our long-term approach influences everything we do, including how we make investment decisions; how we support and oversee our businesses and measure their success; and how we develop our people and compensate them.

- **Alignment of interests:** We ensure alignment of interests with our investors in multiple ways:
  1. We are compensated as an asset manager through performance-based arrangements, which are directly linked to increased value and cash flows for our investors;
  2. We invest significant balance sheet capital alongside our investors;
  3. Senior management has a significant economic interest in the firm; and
  4. Our employee compensation programs link a significant portion of employee rewards to successful investment outcomes.

- **Collaboration:** Our emphasis on fostering collaboration enables us to benefit from a diverse set of skills and experiences. Our talent management processes and our approach to long-term compensation encourage collaboration—not just across our global asset management business, but also with and among our portfolio companies. This is demonstrated in a number of ways, including in the sharing of expertise and best practices through both formal and informal channels, and by emphasizing employee secondments and transfers as a means of fostering employee development and relationship building.

These principles inform how we manage the business and are foundational to our success.

**Management, officers and directors of the Corporation and its affiliates hold direct, indirect and economic interests representing over 300 million Class A shares and share equivalents of the Corporation.**

# ESG at Brookfield

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[Our Guiding ESG Principles](#)

[ESG Affiliations and Partnerships](#)

[Stakeholder Engagement](#)

[About This Report](#)

[Comprehensive Topic Review and Analysis](#)



# Our Guiding ESG Principles

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 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 embedding these into everything we do. Our approach to ESG is based on the following guiding principles:



## Mitigate the impact of our operations on the environment

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



## 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.



## 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.



## 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 leading 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. Below are some of the frameworks and organizations with which we are affiliated.

---

**NZAM** In 2021, we joined the [Net Zero Asset Managers](#) (NZAM) initiative, which consists of a group of international asset managers committed to supporting the goal of net-zero greenhouse gas (GHG) emissions by 2050 or sooner, emphasizing our alignment with the Paris Agreement. We have set an interim target to achieve an approximately two-thirds reduction in Scope 1 and 2 emissions for \$147 billion of AUM—approximately one-third of our total portfolio—by 2030 or sooner.

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

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 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.

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**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 are aiming to provide disclosures in respect of the 2022 fiscal year that adhere to TCFD guidelines.

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 We are Alliance members of the [Sustainability Accounting Standards Board](#) (SASB). SASB helps businesses around the world identify, manage and report on the sustainability topics that matter most to their investors. We utilize the SASB Engagement Guide as part of our investment due diligence protocols.

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

 Many of our real estate 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.

**WELL** Brookfield Properties, our real estate operating company, 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.

**Our reporting real estate entities achieved an average global score of 85 in 2021, an increase of one point from 2020.**

**BROOKFIELD REAL ESTATE**

### WELL Health-Safety Rating

To achieve the WELL Health-Safety Rating, buildings must demonstrate appropriate health and safety measures, including cleaning and sanitization procedures, emergency preparedness programs, health service resources, air and water quality management, and stakeholder engagement and communication.

Brookfield’s real estate businesses, health and safety standards align closely with the WELL Health-Safety Rating. As outlined in our ESG principles, we seek to ensure the well-being and safety of our stakeholders by operating with leading health and safety practices across our portfolio of assets. Creating a healthy and safe environment at every property we own and operate is highly beneficial to our tenants, residents, communities and employees of our business, who feel empowered and inspired by an environment that helps them achieve their full potential each and every day. We believe the WELL Health-Safety Rating is a strong external and highly regarded indicator, which validates our commitment to incorporating leading health and safety practices across our portfolio.

The rating was developed during the emergence of the COVID-19 pandemic, with over 600 public health experts incorporating components into the framework that evaluate a building’s implementation of strategies protecting occupants from the spread of the COVID-19 virus.

WELL has specifically recognized our real estate operating company, Brookfield Properties, as an entity progressing quickly in terms of the WELL Health-Safety Rating. In 2021, Brookfield’s real estate portfolio earned a total of 190 WELL Health-Safety Ratings across multiple asset classes and regions around the world, including the following portfolios:



# Stakeholder Engagement

## EMPLOYEES

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- Employee Surveys
- Employee Engagement Groups
- Ethics Hotline/Whistleblowing Policy
- Internal Events/Town Halls
- Internal Communications/Intranet

## INVESTORS

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- Investor Meetings, Conferences, Webcasts and Calls
- Quarterly and Annual Reports
- Letters to Shareholders and Private Fund Investors
- Email Notifications and Updates
- Website/Private Fund Investor Portal

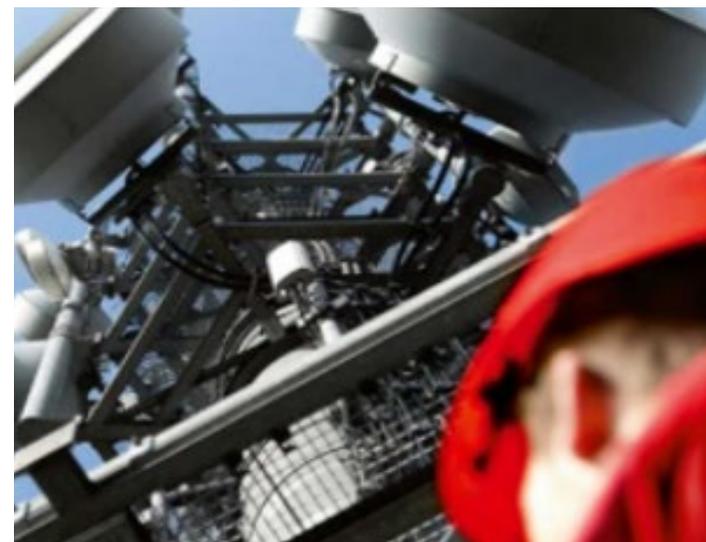
## COMMUNITIES

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- Community Engagement
- Philanthropy

We engage with our investors, employees and communities to ensure that our decisions are beneficial to the interests of our business and to those of our stakeholders.

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.



### BROOKFIELD INFRASTRUCTURE

#### Vodafone: Engagement With Indigenous Communities

Brookfield Infrastructure Group's New Zealand data distribution business, Vodafone, recently launched a five-year strategy to improve Indigenous cultural awareness, focusing on the Māori community. This program aims to boost Māori business and support digital inclusion and a sustainable future for the community. To support this effort, Vodafone has signed a strategic relationship agreement for a mutually beneficial relationship. In addition, Vodafone has delivered cultural, language and leadership programs, along with adding internal educational resources for employees, and embedded the use of Māori language in communications and branding material, encouraging awareness across all levels of the company.

# About This Report

This report covers the Firm's ESG-related activities between January 1, 2021 and December 31, 2021, unless noted otherwise.

In determining the most important issues to our stakeholders and the industry, we referred to the Sustainability Accounting Standards Board (SASB) standards for Asset Management and Custody Activities and the Global Reporting Initiative (GRI), which we believe provide best-practice guidance on ESG disclosures that are most meaningful for our business. We continue to align our climate-related corporate reporting with the recommendations of the TCFD and aim to provide formal TCFD disclosures for the 2022 fiscal year in 2023.

We engaged with our stakeholders and referenced the aforementioned reporting frameworks in identifying 17 topics that we consider to be material to the resiliency of our business and our long-term success. These topics are divided into four areas: Our Investment Approach, Building a Better World, Our People, and Corporate Governance and Ethics.



# Comprehensive Topic Review and Analysis

Based on guidance from SASB and the GRI, the following table sets out the topics that we believe are material to our business.

TOPIC	DESCRIPTION
<b>OUR INVESTMENT APPROACH</b>	
ESG Integration into Our Investment Process	Incorporating ESG factors into investment decision-making and valuation, modeling, portfolio construction and engagement with portfolio companies
Proxy Voting Guidelines and Stewardship and Engagement Procedures	Managing our investment activities, including proxy voting, in the best interests of our investors, with the goal of protecting and enhancing the long-term value of our investments
Systemic Risk Management	Integrating financial and ESG-related due diligence, and risk and opportunity management into our overall risk management program
Sustainable Finance	Offering our investors opportunities to contribute to a sustainable market economy and support adaptation to global climate change challenges through sustainable investments
<b>BUILDING A BETTER WORLD</b>	
Climate Change Strategy	<p><b>GHG Emissions:</b> Working to reach net-zero emissions by 2050 or sooner by reducing our carbon emissions and accelerating the transition to a net-zero carbon economy through our renewable power business and global transition investment strategy</p> <p><b>Clean Energy:</b> Accelerating the transition to a low-carbon economy through Brookfield's renewable power operations</p> <p><b>Green Building:</b> Prioritizing the investment in, and development of, energy-efficient and responsible buildings and businesses</p>
Water and Waste	Measuring Brookfield's water and waste usage, with the objective of conserving water and reducing waste
<b>OUR PEOPLE</b>	
Human Capital Development	Attracting people aligned with our culture and providing them with opportunities to develop to achieve high engagement, and strong retention and facilitate smooth succession
Diversity and Inclusion	Maintaining a work environment that benefits from different perspectives and reinforces our culture of long-term focus, aligned interests and collaboration
Occupational Health and Safety	Ensuring the health and safety of our workforce via both physical and mental health policies, goals and programs

TOPIC	DESCRIPTION
<b>CORPORATE GOVERNANCE AND ETHICS</b>	
Board Effectiveness	Monitoring the effectiveness of Brookfield's Boards through meetings, self-assessments, tracking attendance, training and education, and other initiatives
Board Skills and Oversight	Ensuring the Board possesses the relevant experience, expertise and skills to oversee and support Brookfield in its endeavors
Business Ethics	Conducting Brookfield's business ethically and responsibly within operations as well as business partnerships, including through the Firm's values, code of conduct, policies, and processes
Human Rights	Ensuring that Brookfield conducts business in a manner that respects and supports the protection of human rights
Responsible Contracting	Engaging contractors that conduct their business in a responsible manner as outlined in Brookfield's responsible contractor policies
Audit Oversight	Monitoring the effectiveness and compliance of the Board, management and portfolio companies
Executive Compensation	Reinforcing long-term stewardship of the business through our approach to executive compensation
Data Privacy and Security	Protecting the Firm, its assets and its data from data privacy threats through strong practices that are in compliance with evolving regulatory requirements across our asset management operations





# Our Investment Approach

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[ESG Integration into Our Investment Process](#)

[Proxy Voting](#)

[Systemic Risk Management](#)

[Sustainable Finance](#)

# ESG Integration into Our Investment Process

We integrate ESG into all aspects of investment decision-making and ongoing portfolio management, including portfolio construction, financial models and business trends, investment valuations, monitoring portfolio company performance and engaging with their management teams.

## DUE DILIGENCE

During the initial due diligence phase of an investment, we proactively identify material ESG risks and opportunities relevant to the potential investment. In doing so, we leverage our investment and operating expertise and utilize industry-specific guidelines that incorporate SASB guidance. In 2021, we enhanced our ESG due diligence guidelines to more specifically address climate change, human rights and modern slavery risks. Where warranted, we perform deeper due diligence, working with internal experts and third-party consultants. With respect to climate change, in addition to investing in green companies, we also intend to invest significant capital in opportunities to transition businesses from brown to green or retire them in a responsible manner.

## INVESTMENT COMMITTEE APPROVAL

All investments made by Brookfield must be approved by the applicable Investment Committee, which makes its decision based on a set of

predetermined criteria. To facilitate this process, investment teams outline for the Committee the merits of each transaction and material risks, mitigants and significant opportunities for improvement, including those related to ESG, such as bribery and corruption risks, health and safety risks, and environmental and social risks.

## ONGOING MANAGEMENT

As part of each acquisition, investment teams create a tailored integration plan that includes any applicable material ESG-related matters for review or execution. Brookfield looks to advance ESG initiatives and improve ESG performance to drive long-term value creation, as well as to manage any associated risks. Our approach is informed by the strong correlation—which we continue to witness—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 an investment's life cycle,

supported by the applicable investment team. The combination of local accountability and expertise, in tandem with access to Brookfield's investment and operating capabilities, is important when managing a wide range of asset types across jurisdictions.

## EXIT

When preparing an asset for divestiture, we create robust business plans outlining potential value creation deriving from several different factors, including relevant ESG considerations. We also prepare both qualitative and quantitative data that summarize the ESG performance, where applicable, of the investment and provide a holistic understanding of how Brookfield has created value and managed the investment during the holding period.

# 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 accordance 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, including, but not limited to, gender equality, board of directors' diversity, ecology and sustainability, climate change, ethics, human rights, and data security and privacy. 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 and inclusion.

All proxy votes are reviewed and voted on by the leaders of the respective business groups and their associated teams. These teams will 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 teams will track all proxies, document the basis for the vote and serve as a record of Brookfield's votes. As part of its Proxy Voting Guidelines, Brookfield has created a Proxy Voting Committee to oversee proxy voting across its 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 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. In 2021, we continued to enhance our portfolio-wide climate risk management methodology and framework that identifies, assesses, monitors and reports on physical and transition risks associated with climate change. The framework utilizes scenario analysis and defines a methodology to ensure a comprehensive and comparable inventory of risks.

A fundamental principle of our investment 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 appropriate coordination and 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.

We have implemented strong governance practices to monitor and oversee our risk management program, including the management of ESG risks. Brookfield's Board of Directors oversees risk management with a focus on more significant and systemic risks and leverages management's monitoring processes, with oversight of specific risk

areas (including specific ESG risks, where applicable) delegated to board committees. The Risk Management Committee oversees management of significant financial and non-financial risk exposures, reviews risk assessment and risk management practices, and is responsible for confirming that Brookfield has an appropriate risk-taking philosophy and suitable risk capacity. The Audit Committee oversees financial reporting risks and associated audit processes. The Management Resources and Compensation Committee oversees risks related to succession planning, executive compensation and other human capital risks. The Governance and Nominating Committee oversees risks related to governance structure as well as Brookfield's overall ESG strategy.

Brookfield provides regular updates on overall risks to the Risk Management Committee, which includes quarterly or semi-annual updates on Brookfield's current risk profile and emerging risks, including health and safety, anti-bribery and corruption, disruption and reputation, and periodic in-depth reports on specific risk areas such as climate change.

# Sustainable Finance

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

To support the global transition to sustainable energy, Brookfield issues green bonds, preferred shares and other instruments to fund the development of green energy technologies and to finance eligible investments. Brookfield has established green bond frameworks and criteria for green projects that align with the International Capital Markets Association (ICMA) Green Bond Principles. These include:

- Use of proceeds,
- Process for project evaluation and selection,
- Management of proceeds, and
- Reporting

For more information about our Green Bonds Framework, please visit our [2021 Green Bond and Preferred Securities report](#).

The evaluation and selection of green bonds and other products is overseen by the Capital Markets and Treasury (CMT) team, which includes our Chief Financial Officer and senior executives.

In 2021, we issued approximately \$8 billion in green bonds, sustainability-linked debt and green preferred securities, an increase from \$3.6 billion in the prior year.

Brookfield issued its first senior unsecured green bond, a \$500 million offering with a 10-year fixed-rate term. The transaction was more than three times oversubscribed and included more than 50 investors, which we believe resulted in saving 5 bps on the issuance. The proceeds of this green bond will be allocated to the financing or refinancing of recently completed and future eligible green projects, such as green buildings, renewable power, energy efficiency, and sustainable water and waste management. In addition, Brookfield Infrastructure Partners issued green preferred units and Brookfield Renewable Partners issued two green subordinated note offerings.

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](#)



In December 2021, Brookfield Renewables closed a C\$1.2 billion project-level green bond for a 263 MW hydroelectric portfolio in Quebec after entering into a 40-year electricity purchase agreement with Hydro Quebec.

In December 2021, our transition Fund closed a \$2.5 billion sustainability-linked subscription loan facility with 17 banks. The facility term is three years and includes a 7.5 bps margin discount.

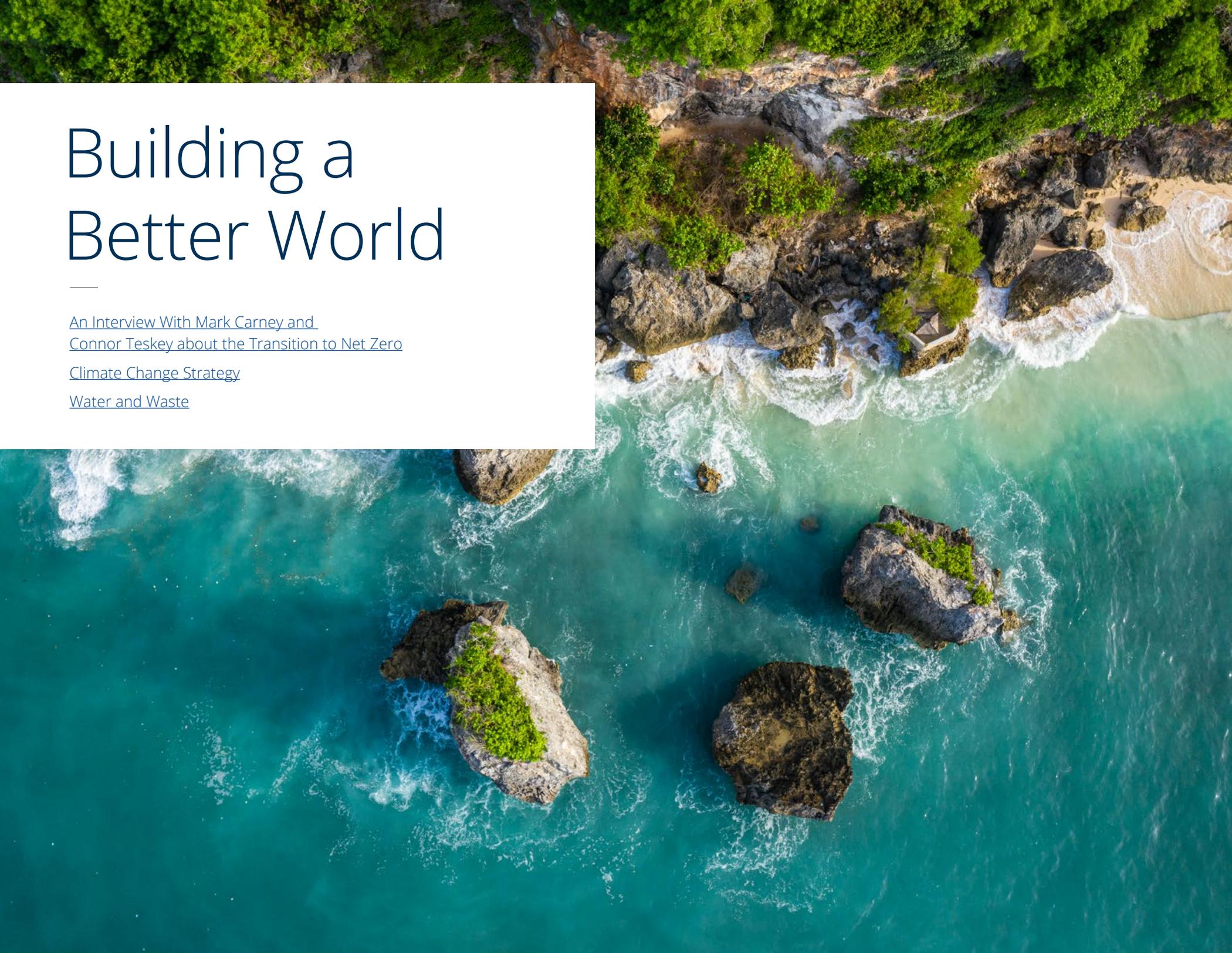
# Building a Better World

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[An Interview With Mark Carney and Connor Teskey about the Transition to Net Zero](#)

[Climate Change Strategy](#)

[Water and Waste](#)



# An Interview With Mark Carney and Connor Teskey about the Transition to Net Zero

Mark and Connor discuss Brookfield's long-term plan to reduce greenhouse gas emissions



**Mark Carney**  
*Vice Chair and Head of Transition Investing*

Mark Carney is a Vice Chair of Brookfield Asset Management and Head of Transition Investing. In this role, he is focused on the development of products for investors that will combine positive social and environmental outcomes with strong risk-adjusted returns. Mr. Carney is an economist and banker who served as the Governor of the Bank of England from 2013 to 2020, and prior to that as Governor of the Bank of Canada from 2008 until 2013. He was Chairman of the Financial Stability Board from 2011 to 2018. Prior to his governorships, Mr. Carney worked at Goldman Sachs as well as the Canadian Department of Finance. He is a long-time and well-known advocate for sustainability, specifically with regard to the management and reduction of climate risks, and is currently the United Nations Special Envoy for Climate Action and Finance.



**Connor Teskey**  
*Managing Partner, CEO Renewable Power & Transition*

Connor Teskey is a Managing Partner, Head of Brookfield's Renewable Power & Transition Group, and Chief Executive Officer of Brookfield Renewable Partners. Mr. Teskey is also Head of Europe for Brookfield Asset Management, responsible for corporate operations and oversight across Brookfield's business in the region. Prior to these roles, Mr. Teskey was Chief Investment Officer of the Renewable Power business. He also held roles focused on investments, financing and restructuring for both Brookfield's private equity funds and Brookfield Asset Management.

**Connor:** *Mark, we were really excited to have you join us in 2020. Like many, we applauded your efforts to put climate change closer to financial decision-making, but what made you interested in joining Brookfield?*

**Mark:** I began my career in finance before switching to the public sector and I've always believed in the power of bringing those two areas closer together. Brookfield is one of the world's largest asset managers and I liked the ethos of long-term investing in the real assets that form the backbone of our economies.

**Connor:** *You and I have had lots of questions about what transition investing really is. It's a relatively new area, so can you say a few words about what that means?*

**Mark:** This is all about the how the world moves from the carbon-intensive economies of today to a world of net-zero emissions by the middle of the century. The physics of climate change are stark and tell us that we have a finite carbon budget left to spend before the world starts potentially tipping into dangerous global warming. We've got to take action where the emissions are highest and substantially reduce them over the next 30 years.

**Connor:** *This isn't the traditional territory of a central banker. What led you into this space?*

**Mark:** Reducing emissions as quickly as possible will protect our environment but crucially, it also protects our financial assets. A world of rapid warming will cause new financial burdens, create strain on public services and risks leaving trillions of dollars of capital investment stranded. It struck me hardest when, as Governor of the Bank of England, with responsibility for regulating the world's fourth largest insurance industry, we began to see that future climate impacts were beginning to show up as a growing threat to their underwriting assumptions and hence their financial stability. Among other things, that convinced me that we cannot treat climate change and the financial markets independently anymore.

**Connor:** *You and I work very closely on the Brookfield Global Transition Fund, but we are also aware of the broader Firm's efforts—and part of that includes joining the Net Zero Asset Managers (NZAM) initiative. Can you talk a bit about that?*

**Mark:** As you know, Brookfield aims to reach net-zero greenhouse gas emissions across the business by 2050, or sooner. We have solidified this commitment by joining the NZAM which requires members to set meaningful interim targets to drive change across a defined proportion of their assets. We have set our initial target to reduce emissions by approximately two-thirds by 2030 across roughly one-third of our total assets, amounting to \$147 billion.

**Connor:** *That's a substantial target. Why did we pick that number?*

**Mark:** We wanted it to be meaningful but also recognize that transition won't happen overnight. We need to pick the areas where we can have nearer-term impact because the technologies are mature or the investments yield value more quickly. That means focusing on the assets where Brookfield has control—which is around 70% of our assets under management—and then go through their business plans meticulously to prepare them for the necessary investments.

**Connor:** *What kind of investments will that require?*

**Mark:** It's going to require a range of actions, including operational efficiencies, greener production processes and switching from fossil fuels to renewable power. Of course, Brookfield knows a lot about delivering renewable power.

**Connor:** *Absolutely. We have a unique advantage at Brookfield of being an investor in the renewable energy sector for many decades. Our portfolio of 21 GW makes us one of the largest pure-play renewable power companies in the world and we're committed to doubling our fleet capacity by 2030. We've become one of the biggest contractors of renewable power to companies globally, with more than 700 industrial and commercial clients.*

**Mark:** And buying renewable power is usually the first major step a business can take to significantly reduce its emissions.

**Connor:** *That's right. So, once you've developed a meaningful relationship and credibility with these companies, there are opportunities to support them reduce their emissions even further, through things like hydrogen, carbon capture and investing in greener industrial processes like electrification.*

**Mark:** That next opportunity is one of the reasons I'm so excited by the Brookfield Global Transition Fund, which has raised a record \$15 billion to invest in a wide spectrum of decarbonization technologies and partnerships. As I said, transition doesn't mean flipping a green switch or investing only in companies that are already green. Financial institutions must go where the emissions are and back companies—including heavy-emitting sectors like steel, cement, and transportation—that have credible plans to transform their business for a net-zero world.

**Connor:** *We're seeing a lot of interest in the Fund, and our ability to support companies in those hard to abate sectors is creating a lot of interest in many different sectors around the world. When we think about measuring impact, it will mean thinking a bit differently about how we show that journey from a carbon-intensive to lower-carbon business.*

**Mark:** Which is why the reporting and disclosure is so important for investors. I spent many years leading the Taskforce for Climate-related Financial Disclosures (TCFD) precisely because it provides that link between financial investors and the impact of climate change on their portfolios. Brookfield is preparing for its first TCFD Report in 2023, which, alongside the annual ESG Report, will give our investors the clear picture they need to make smart decisions.

**Connor:** *It's going to be a great year ahead. Thank you, Mark.*

# Climate Change Strategy

We believe that there is a global transition to a net-zero economy underway, which is estimated to require an investment of \$3.5–5.0+ trillion annually. We believe we are well positioned to support this initiative and are taking a proactive approach to transition our portfolio of investments accordingly. Climate change significantly impacts both our business and the communities in which we operate around the world. As part of our climate change mitigation strategy and our efforts to build business resilience, we support a goal to achieve net-zero greenhouse gas (GHG) emissions by 2050 or sooner.

To ensure that our portfolio aligns with climate action best practices, we made a commitment to support the goal of reaching net-zero emissions by 2050 or sooner across all assets under management; created the Brookfield Global Transition Fund to source opportunities underpinned by a decarbonization objective and deliver solutions that facilitate the transition to net-zero; and continue to align our practices with the TCFD.

## BROOKFIELD'S NET-ZERO COMMITMENT

Brookfield has spent over 25 years building one of the largest private renewable power businesses in the world. We continue to increase the scale of our renewable power operations and capacity to further the goal of reducing dependence on fossil fuels and the rapid reduction of over 70% of global emissions from final energy consumption. Our renewable energy businesses have a portfolio of 21GW of operating renewable assets, more than enough to support the demand of the city of London, and we aim to double that capacity by 2030.

Our 2030 net-zero interim target currently encompasses \$147 billion of our assets under management<sup>5</sup>. We have set our interim target to reduce Scope 1 and 2 emissions of these in-scope assets by approximately two-thirds (approximately one million metric tons of CO<sub>2</sub>e) across our renewable power & transition, infrastructure, private equity and real estate businesses, focusing our initial efforts on those investments where we can exercise significant influence over the strategy and execution. Work is well underway in our development of a comprehensive inventory of emissions across our businesses from which we can measure and report emissions and develop specific decarbonization plans and related targets as appropriate. Our objective is to substantially increase the proportion of our in-scope assets over time, consistent with our ambition to achieve net-zero across all our assets under management by 2050 or sooner. Our emissions inventory will include material Scope 3 emissions at a future time when we are able to gather complete and sufficiently high quality data.

Our strategy is to leverage our position as a global leader in renewable power to accelerate the transition to net zero.

## Net Zero Asset Managers Initiative

In addition to continuing to make major investments in renewable energy globally, we will manage our investments to be consistent with the transition to a net-zero economy.

In 2021, we formalized our commitment to net-zero by becoming a signatory to the Net Zero Asset Managers (NZAM) initiative. Our objectives in joining NZAM include:

- Driving progress on decarbonization goals consistent with an ambition to reach net-zero emissions by 2050 or sooner across all assets under management;
- Setting 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
- Reviewing this interim target at least every five years, with a view to increasing the proportion of AUM covered until 100% of assets are included.

<sup>5</sup> AUM figures are as of Q4 2020 to align with the 2020 baseline year emissions used for our interim target.

### We Will Help Accelerate the Transition to Net Zero

We will catalyze companies onto net-zero pathways aligned with the Paris Agreement through our new global transition investment strategy, focusing specifically on investments that will accelerate the transition to a net-zero carbon economy.

### We Will Collaborate

We will work with leading private-sector initiatives to advance the role of finance in supporting the economy-wide transition, to accelerate capital flows consistent with the Paris Agreement and to promote widespread adoption of decision-useful methodologies to support credible transition planning, analysis and investing.

### We Are Committed to Transparency

- We will track and report GHG emissions consistent with GHG Protocol and PCAF standards;
- We will publish decarbonization plans every five years consistent with the Paris Agreement; and
- We continue to align our business with the TCFD recommendations and are targeting to incorporate TCFD disclosures for the 2022 fiscal year.

### We Will Continue to Pursue Industry-Leading Returns

We will continue to pursue industry-leading returns for our investors, consistent with our long track record of building the backbone of a more sustainable global economy.

## BROOKFIELD GLOBAL TRANSITION FUND

We have launched our \$15 billion Brookfield Global Transition Fund (BGTF), the first in a series of funds for our transition strategy that is dedicated to investments supporting the global transition to a net-zero economy. BGTF will build on Brookfield's leadership in renewable power and deep operational capabilities to scale clean energy and drive the transformation of carbon-intensive businesses to achieve alignment with the Paris Agreement. BGTF investments are expected to contribute to select UN Sustainable Development Goals (SDGs), which are the most globally recognized benchmark in the impact and ESG space. Consistent with its dual objectives of earning strong risk-adjusted returns and generating a measurable positive environmental change, the Fund will report to investors on both its financial and environmental impact performance. We will follow leading global standards for impact measurement and management and disclose quantitative impact results.

The BGTF investment strategy centers on three primary areas:

- 1. Business Transformation:** Transition utility, energy and industrial businesses driving carbon dioxide equivalent reduction and decreased energy consumption through investment in greener production processes and energy efficiency. This will include investments in non-pure-play renewable opportunities, utility companies, industrial and energy-efficiency technologies such as smart meters and electric vehicle charging stations.



- 2. Clean Energy:** Aid in the development and accessibility of renewable energy sources. This will include hydroelectricity, wind and solar development, green hydrogen, battery storage, electrical grid and distribution, and smart grids.
- 3. Sustainable Solutions:** Solutions that drive the growth of a circular economy in areas such as waste management, resource efficiency and the development of resilient infrastructure. This will include heating and cooling, clean water concessions, waste management technology, recycling and waste/sewage utilities.

### TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

In 2021, we continued our work to align with the TCFD recommendations and are targeting to publish TCFD disclosures for the 2022 fiscal year. We had previously assessed our practices against the recommendations and developed an implementation roadmap for alignment. During the past year, we continued to make progress on our implementation roadmap related to climate strategy, risk management, and metrics and targets, including:

- Committing to the Net Zero Asset Managers initiative and beginning work on targets and plans for aligning to the net-zero goal
- Successfully completing fundraising and commencing investment activities for the Brookfield Global Transition Fund, which has a mandate to focus on investments that contribute to the transition to a net-zero global economy
- Enhancing and further operationalizing our climate risk management methodology and framework
- Undertaking a comprehensive Phase 1 climate risk assessment to better understand the potential physical and transition risks, as well as opportunities, across our businesses
- Leveraging the Phase 1 climate risk assessment results to identify ways to improve our approach to climate risk management and continuing to integrate these considerations into our business and investment strategies

- Formally incorporating climate risk and opportunity considerations into our ESG Due Diligence Guidelines, and adopting tools to assist with the assessment
- Implementing an approach for ongoing GHG reporting across our portfolio consistent with the GHG Protocol
- Expanding the use of metrics and targets, including those related to GHG emissions, water and waste

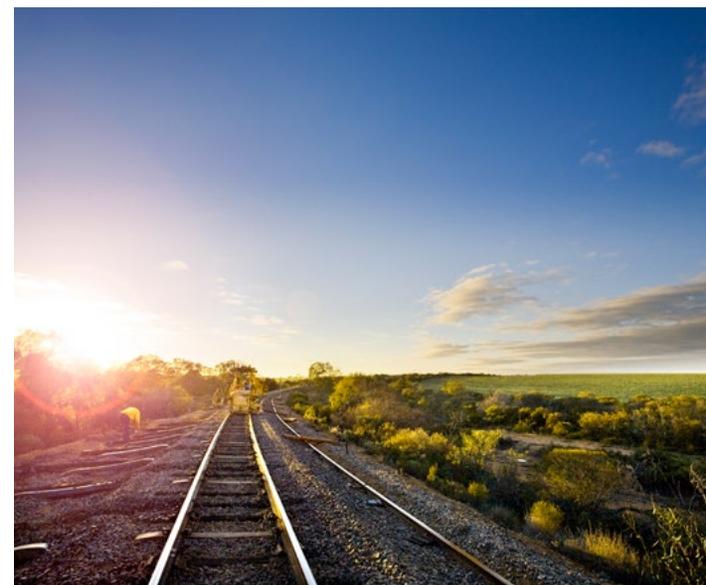
### CLEAN ENERGY

As the global economy transitions away from a reliance on fossil-fuels and moves toward a low-carbon economy, our renewable power and clean energy generation business continues to grow and increasingly support the decarbonization of global electricity grids.

In 2021, Brookfield Renewable's power generation helped to avoid approximately 29 million metric tons<sup>6</sup> of carbon dioxide net emissions equivalent (mtCO<sub>2</sub>e).

<sup>6</sup> Our avoided emissions are based on our long-term average generation and the Global Grid Average Emission Factor (IEA 2021)

**Brookfield Renewable aims to develop an additional 21,000 MW of new clean energy capacity by 2030, doubling the portfolio to 42,000 MW.**



#### BROOKFIELD INFRASTRUCTURE

### Arc: Investing in Renewable Energy

Brookfield Infrastructure's Australian rail business, Arc Infrastructure, has replaced approximately 32 km of overhead power lines with a solar powered system. This will assist in both reducing greenhouse gas emissions and increasing the reliability of the electric grid in times of severe weather or bush fires. To further lower the impact of this project on the environment, the displaced materials from overhead power lines were melted down and recycled. This project represents one of many examples of how Brookfield encourages its companies to integrate tangible environmentally beneficial initiatives into their growth and maintenance capital programs, where feasible.

## Isagen: Climate Change Analysis

Since 2015, our regional business in Colombia has partnered with the National University of Colombia (“UNAL”) to conduct water resource variability analysis on 3,000 MW of hydroelectric assets at five facilities across the country. Over the past three years, efforts have been focused on conducting forward-looking climate change analysis.

Together, we have built a model based on scientific data from global climate models, coupled with local regional models, including historical land cover changes being projected to 2040 and 2090. Downscaling of climate scenarios has been applied to hydrological models to project stream flows.

While our work is ongoing, the findings to date have noted no direct impacts due to changes in climate variables—temperature, humidity or wind speed.

There were potential changes projected in hydrological variables—precipitation, stream flow and sediment transport. Examples include average changes of 10–30% of annual precipitation and an intensification of rainfall events in certain river systems. The initial results also indicated an increase in sediment production from extreme precipitation and changes in land use. More work will be conducted as certain local conditions are still not well represented in climate models.

In addition, we assessed the five facilities’ ability to withstand the potential projected hydrological variables from 2040 onwards and determined that the assets are well-positioned to manage these risks given their design standards together with their ongoing capital expenditure program.



# Water and Waste

Water and waste reduction are an integral part of our efforts to minimize our environmental impact across Brookfield and its portfolio companies. We employ best practices to optimize, evaluate and continuously improve our approach to the use of shared resources and management of waste.

Our green building initiatives cover topics including energy reduction, water conservation, recycling, enhanced indoor air quality, alternative transportation parking, environmentally friendly cleaning materials and erosion control.

## A Commitment to Green Buildings

**WELL**

**190**

certifications in the U.S. and Canada



**100**

certifications<sup>7</sup>



**51**

certifications in the U.S.



**60**

office certifications in the U.S. and Canada

<sup>7</sup> LEED® is the preeminent program for the design, construction, maintenance and operations of high-performance green buildings. LEED®, and its related logo, is a trademark owned by the U.S. Green Building Council and is used with permission—[usgbc.org/LEED](https://www.usgbc.org/LEED)



**56**

certifications in our real estate portfolio



**6**

certifications



**36**

certifications



**32**

certifications

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



## BROOKFIELD PRIVATE EQUITY

### Schoeller Allibert: Business Model and Innovation

Schoeller's mission is to design and produce packaging products that respect the environment by reducing environmental stress caused by packaging waste. Schoeller has been inventing, developing, designing and manufacturing Returnable Transit Packaging (RTP) for more than 60 years. The company's products are 100% recyclable and designed to be durable and support multi-use and optimized lifespans, which can be up to 10 years in industrial conditions. Studies show that the carbon footprint of reusable crates is between 60 to 80% lower than single-use alternatives, such as cardboard boxes.

The company was one of the first RTP producers to be accredited by the European Food Safety Authority (EFSA) for recycling food-grade high-density polypropylene (HDPE) and polypropylene (PP) crates into new containers for food contact. In addition, the company offers an optional rental program that enables customers to contribute to the circular economy and adopt a low-carbon approach.

## Michipicoten Hydroelectric Station: Rescuing Fish in Canada

Every fall, salmon and rainbow trout spawn in the area downstream of our Michipicoten hydroelectric station in the province of Ontario. However, in 2021, due to extreme drought, this spawning area became isolated from the main river channel. To mitigate impacts on the stranded fish, we collaborated with the Ministry of Northern Development Mines and Natural Resources to relocate fish to the main river channel. Due to our efforts, we relocated almost 2,000 fish representing 12 different species.

# Our People

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[Human Capital Development](#)

[Diversity, Equity and Inclusion](#)

[Occupational Health and Safety](#)



# 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 in this regard.

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 interact with one another and reinforce a work environment conducive to learning and development. To accomplish this, we focus on developing our people leaders:

- Ensure the mandate of a people leader is clear: to provide a work environment that is conducive to learning and development and in which people feel safe when stepping outside their comfort zone. This is critical to our success in developing our people.
- Provide training that clearly outlines the key elements of an environment that supports development.
- Provide feedback to our people leaders to enhance their development.



## OUR PEOPLE

Disciplined talent management processes also provide support to our people leaders and enhance our success in developing our people:

### RECRUITMENT

We proactively recruit people who are aligned with our culture and have the potential to grow and develop within the Brookfield organization. This includes ensuring diverse representation. Following are key activities that have been instrumental in our progress:

- Taking the time required to ensure a diverse slate of candidates by gender. We have expanded our focus to include ethnic diversity and have begun tracking the ethnicity of candidates.
- Developing objective criteria for each role to evaluate all candidates.
- Ensuring female representation within the Brookfield teams that interview candidates and ultimately make the hiring decision.

# 50%

of our hires in 2021 were female, including 40% in investment/finance and 60% in all other functions

# >75%

of the positions hired in 2021 included at least two female candidates, an increase from 70% in 2020

**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 18 years of experience working together.**

### PERFORMANCE MANAGEMENT

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

- In 2021, we finalized the 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.
- Annually, we provide 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.

# 41%

of all promotions in 2021 were female, including 33% in investment/finance and 63% in all other functions

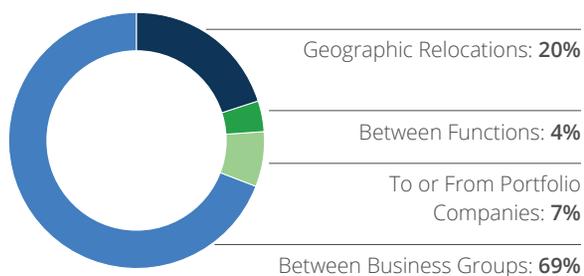
# >30%

of our managing partner/managing director promotions were female, increasing our female representation at this level by approximately 33%

## OUR PEOPLE

The combination of recruiting the right people and the discipline in our performance assessment process are key factors 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 16% of our population has taken on new opportunities under our internal mobility program and over 40% of those opportunities were provided to females in 2021. We launched a number of new businesses, including the insurance solutions and transition businesses. These new businesses have led to a large number of opportunities to transfer people between business groups.

### Breakdown of 2021 Internal Mobility Opportunities Provided



#### ADDITIONAL INFORMATION

[Employee Engagement Groups](#)

[Positive Work Environment Policy](#)

[Code of Conduct](#)

## BROOKFIELD REAL ESTATE

### Partner to Empower Program

In 2021, Brookfield's Real Estate Group launched Partner to Empower; a program designed to support Black and minority business owners who want to open and maintain successful brick-and-mortar stores in our retail locations. Our goal is to ensure that our retail locations are reflective of the diversity of the communities in which they operate.

The program provides two types of support: 1) financial support, and 2) resources to provide guidance and build strong networks to support success as follows:

- Brookfield has committed \$25 million to this program over the next five years, which will be distributed to support the buildout and merchandising of physical retail stores as they open in our shopping centers.
- Brookfield has partnered with 32 professional and financial services firms and educational institutions to launch a variety of workshops to support opening a business. These workshops cover a range of topics including:
  - » Developing business models
  - » Business banking
  - » Business law, leases and risk management
  - » Franchising
  - » Attracting investment
  - » Human resources and staffing
  - » Leadership and talent management
  - » Marketing, branding and public relations
  - » Market selection and expansion strategies
  - » Sales systems and inventory management
  - » Store design and merchandising
  - » Store operations

In the first year of operation, 40 businesses within 25 communities in the Southeastern United States participated in this program. Sixty percent of these businesses are owned by females and 25 have opened or are well on their way to opening their stores. In 2022, Brookfield expects to expand the program to the Northeast and Midwest, and open 50–75 new stores.

Brookfield's long-term goal is to expand the program nationally by 2025. We expect this program to support 250 new store openings and create in excess of 750 new jobs. Our success in executing this program will go beyond the opened businesses, by creating an ecosystem of support between the current business owners and our partners, the local community and members of the Black and minority communities.

# Diversity, Equity and Inclusion

A focus on diversity and inclusion reinforces our culture of collaboration and strengthens our ability to develop our people, maintain an engaged workforce and create value for our investors.

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

Over the past five years, our primary focus has been on gender diversity. Our efforts have led to a significant increase in female representation at the senior levels. We have more than doubled our employee population and have significantly increased our female representation at the most senior level of the organization during this period: managing partner/managing director female representation increased from 7% to 19%. In addition, senior vice president representation increased from 15% to 33% during this time. The discipline embedded into our recruiting and performance management processes has been instrumental in this progress.

## AT BROOKFIELD, WOMEN COMPRISE

**60%**

of our independent board directors and 38% of all board directors

**46%**

of our overall workforce

**27%**

of managing partners, managing directors and senior vice presidents

## AT OUR PORTFOLIO COMPANIES, WOMEN COMPRISE

**19%**

of CEOs/heads of businesses

**28%**

of senior leadership



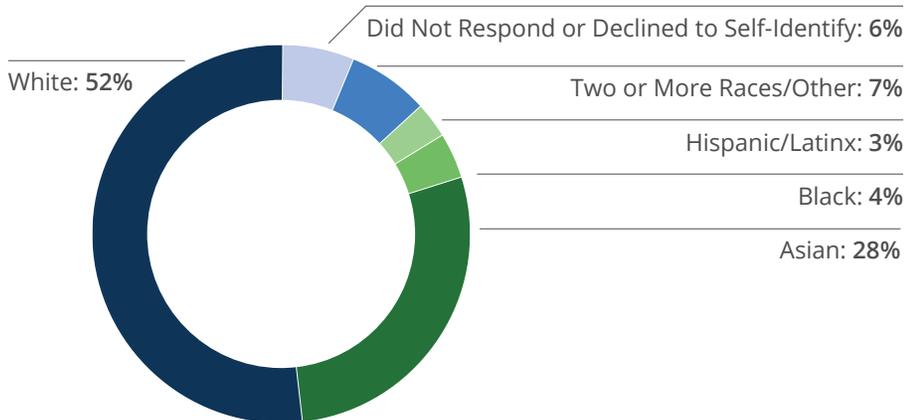
## OUR PEOPLE

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

The following are a few examples:

- In March 2021, we launched a global process for employees to self-identify their ethnicity. This information will assist us in identifying specific areas of focus related to increasing ethnic diversity. Our response rate in the countries where we have more than 100 employees (U.S., Canada, Australia, the U.K. and Brazil) was 92%. Our results demonstrate our diversity.
- We support a number of Employee Resource Groups that are 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.

### Global Ethnic Diversity Metrics<sup>[8]</sup>



8 As of March 31, 2022



**IN COUNTRIES WHERE WE HAVE OVER 100 EMPLOYEES (U.S., CANADA, AUSTRALIA, THE U.K. AND BRAZIL), UNDERREPRESENTED ETHNICITIES REPRESENT:**

**39%**  
of our employee population

**18%**  
of managing partners/  
managing directors

**29%**  
of the investment team

**44%**  
of the operations team

## OUR PEOPLE

### EMPLOYEE ENGAGEMENT GROUPS



Brookfield Women's Network provides learning and networking opportunities for women in various roles and at all levels of the company, across Brookfield's business groups.



The Brookfield Pride Network is focused on fostering a culture of inclusion for LGBTQ+ employees and allies, providing support and a sense of community while empowering employees to bring their whole selves to work.



The Brookfield Black Professionals Network 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.



The Asian Professionals Network serves as an employee engagement group for employees and allies of the Asian American and Pacific Islander community.



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 they benefit 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 has a dedicated capital pool to support the causes that are most important to our people.



Brookfield Next Generation (bNEXT) brings together colleagues in the early stages of their careers who want to engage with and learn from each other.



#### BROOKFIELD PRIVATE EQUITY

### Everise: Employee Engagement, Diversity, Equity and Inclusion

Everise continues to stress the importance of a diverse workplace by ensuring inclusivity within all levels of the company. Currently, over 62 nationalities are employed, with the capability to provide support in 32 languages. Examples of the company's workforce diversity are:

- 62% of the workforce comprises women, with 40% in leadership positions
- 5% of the workforce comprises mature-aged employees
- 1.5% of the workforce consists of people with disabilities

Everise has been recognized with the *Excellence in Diversity & Inclusion* award from HR Excellence Awards APAC, *Achievement in Diversity & Inclusion* from the Stevie Awards for Great Employers and *Best Company to Work For* award from HR Asia.

# Occupational Health and Safety

Our goal is to have zero serious safety incidents by working toward implementing consistent health and safety principles across the organization.

Our health and safety policies and procedures apply not only to employees, but also to contractors and subcontractors.

Our portfolio companies' senior leadership teams are responsible for each company's health and safety performance, and their boards of directors oversee their health, safety and security risk management efforts. Our portfolio company CEOs provide quarterly reports to their respective boards of directors on:

- Safety performance and incidents;
- Results from internal or external program assessments; and
- The status of improvement initiatives.

Our Safety Steering Committee sponsors our health and safety governance initiatives, which aim to build 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 throughout our portfolio of businesses. The committee includes members of our senior leadership team and provides regular progress reports to Brookfield's Board on our health and safety initiatives.

~1.4M

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



### HEALTH AND SAFETY FRAMEWORK

Our health and safety framework is based on the following principles:

- 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 conducts an in-depth investigation to determine root causes and formulate remediation actions
- Transparency and learning from experience are promoted to continuously improve systems and performance



#### BROOKFIELD RENEWABLE

### Saeta: Reducing Health and Safety Risk in Spain

Vegetation control is an important consideration for utility-scale solar plant operation and maintenance. Unchecked vegetation growth can lead to shading of the solar panels, which decreases the plant's productivity and can hinder our technician's ability to work safely. In common practice, vegetation management programs are usually performed with techniques that have associated risks in terms of health, safety and environment. To address these risks, Saeta's operations have implemented an alternative vegetation management program by allowing sheep to graze at the solar plant sites. The program has multiple direct and indirect benefits to our operations and local communities in proximity to the assets:

- Leads to fewer emissions due to reduction in chemical and machinery use
- Reduces wildfire risk and maintains the quality of the soil around the assets
- Supports the livelihood of local shepherds by providing a permanent place to hold sheep and reducing feeding costs by up to 70%

# Governance

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[Corporate Governance and Ethics](#)

[Brookfield Asset Management Board of Directors](#)

[ESG Governance](#)

[Business Ethics](#)

[Human Rights and Modern Slavery](#)

[Responsible Contracting](#)

[Audit Oversight](#)

[Executive Compensation](#)

[Data Privacy and Security](#)



# Corporate Governance and Ethics

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.

Our governance practices inform the way we conduct our business and are designed to align with the priorities of our investors. 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.

**In 2021, 100% of our portfolio companies had an Anti-Bribery and Corruption Policy and a Code of Conduct.**

Recent regulatory developments included the E.U. Sustainable Finance Disclosure Regulation, E.U. Taxonomy Regulation and U.K. TCFD and Taxonomy, as well as the newly announced International Sustainability Standards Board (ISSB). 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 the course of 2021, we enhanced our vendor management program, including developing 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.

In connection with any vendor engagement, we must comply with all policies and procedures, including the following to the extent applicable:

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

## ESG POLICY

In 2022, we developed a global ESG Policy that formalizes our practices related to operationalizing our ESG principles. This document codifies our longstanding commitment to integrating ESG considerations into our decision-making and day-to-day asset management activities. At Brookfield, sound ESG practices are integral to building resilient businesses and creating long-term value for our investors and other stakeholders.

Certain of our publicly traded controlled affiliates maintain ESG policies aligned with the provisions of the ESG Policy but reflecting factors applicable to their respective investment strategies. As discussed previously, we have also continued to strengthen our ESG governance by enhancing our firm-wide ESG Due Diligence Guidelines.

## ADDITIONAL INFORMATION

[Statement of Corporate Governance Practices](#)

[Additional Governance Documents](#)

[Vendor Code of Conduct](#)

[ESG Policy](#)

# Brookfield Asset Management Board of Directors

Our Board of Directors is focused on maintaining strong corporate governance and prioritizing the interests of our investors. 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.

Our Board comprises 16 directors, 10 of whom are independent. Four committees consisting exclusively of independent directors exercise oversight of our operations and initiatives. These committees include Audit, Governance and Nominating, Management Resources and Compensation, and Risk Management. Our Board conducts annual reviews of our Board charters, which outline the responsibilities of the Board and committees.

We believe that our business benefits from diversity in backgrounds, experiences and perspectives. We work to ensure that our Board of Directors 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 to building a diverse Board. As of 2022, 38% of Board of Directors positions are held by women, and 60% of our independent directors are women.

## ADDITIONAL INFORMATION

[Board of Directors Charter](#)

[Charter of Expectations for Directors](#)

[Board Diversity Policy](#)

[Board Position Descriptions](#)



# ESG Governance

Brookfield's Board of Directors, through its Governance and Nominating Committee, has ultimate oversight of Brookfield's ESG strategy and receives regular updates on the company's ESG initiatives throughout the year. Each aspect of ESG is overseen by select senior executives from Brookfield and each of our business groups, who are charged with driving ESG initiatives based on our business imperatives, industry developments and best practices, in each case supported by asset management professionals from each of these constituencies.



# 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, including our wholly owned subsidiaries and any other controlled affiliates of Brookfield.

Our Code of Conduct principles include:

- 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. The Risk Management Committee of the Board monitors compliance with the Code of Conduct and receives regular reports on any compliance issues from the Firm's internal auditors.

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 Program. In addition, ABC is integrated into our investment underwriting, decision making and execution processes in accordance with our ABC Policy.

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 our Code of Conduct or ensure that existing practices are consistent and equivalent in substance. 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 brought to the attention of Brookfield's senior management and relevant committees of the Board on a quarterly basis at a minimum.

**In 2021, our portfolio companies completed ~90,000 hours of ABC training.**

## ADDITIONAL INFORMATION

[Code of Business Conduct and Ethics](#)

[Anti-Bribery and Corruption Program](#)

[Anti-Money Laundering and Trade Sanctions Policy](#)

[Personal Trading Policy](#)

[Business Continuity and Crisis Management Plan](#)

[Whistleblowing Policy](#)

[Disclosure Policy](#)

[Majority Voting Policy](#)

[Tax Governance Framework](#)

[Clawback Policy](#)

[Additional Governance Documents](#)

# Human Rights and Modern Slavery

We are committed to promoting ethical practices and protecting human rights.

## HUMAN RIGHTS

Brookfield prioritizes ethical and responsible business practices including ensuring that our business operates in a way that respects and supports the protection of human rights through working toward:

- Eliminating discrimination in employment;
- Prohibiting modern slavery, including child and forced labor; and
- Eradicating harassment and physical and mental abuse in the workplace.

Our core business practices—including contractual provisions, due diligence processes, training, and communications—build around our ethics standards. We require our key suppliers to follow comparable standards. Our approach and policies continue to evolve to protect human rights.

## MODERN SLAVERY

We have procedures in place designed to prevent modern slavery, based on the level of risk presented according to jurisdiction, sector, supplier and other governance factors.

In 2021, we expanded our U.K. detection and prevention policies for modern slavery and human trafficking to cover our entire global footprint. We have additional policies and procedures in place to identify and address risks presented by modern slavery. These policies include our:

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

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 during the onboarding process. Additional training relevant to applicable regions and roles, particularly in higher-risk functions such as procurement, is provided.

Portfolio company senior leadership is responsible for overseeing modern slavery and human rights governance, and risk mitigation for their individual businesses. Our Whistleblowing Policy encourages employees, suppliers and business partners across the entirety of our operations and global footprint to report concerns and potential violations.

We produce an annual Modern Slavery and Human Trafficking Transparency Statement in accordance with the U.K. Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018.

We are cognizant of the fact that the risks of modern slavery and human trafficking are complex and evolving, and we will continue to work on addressing these risks in our business.

## ADDITIONAL INFORMATION

[Whistleblowing Policy](#)

[Modern Slavery Statement](#)

## BROOKFIELD PRIVATE EQUITY

## BRK Ambiental: Access to Clean Water and Sanitation Services

BRK Ambiental currently supplies more than 100 municipalities and 16 million Brazilians with access to clean water and sanitation services, contributing to the economic and social development of the country, and enhancing the health of its residents. In 2021, the company underwent construction to expand water and sewage networks by 831 km and added 82,000 new connections. The company expects to invest nearly \$1.5 billion in the coming years in its ongoing efforts to expand services, providing thousands of people with first-time access to clean water and basic sanitation.

The company actively promotes education on the role that clean water and sanitation play in preventing contamination. Its programs include; (i) a blog “Saneamento em Pauta” (Sanitation Talk) that provides information in simple language that is accessible to all readers and has recorded over 3 million visits since 2019; (ii) the “Busque por Prevenção” (Search for Prevention) campaign focused on preventing the spread of dengue fever, a mosquito-borne disease associated with the lack of basic sanitation and; (iii) partnership with “Instituto Ayrton Senna” which involves training for 45,000 public school teachers.



# Responsible Contracting

At Brookfield, we believe in providing our employees with the tools and resources they need to deliver high-quality products.

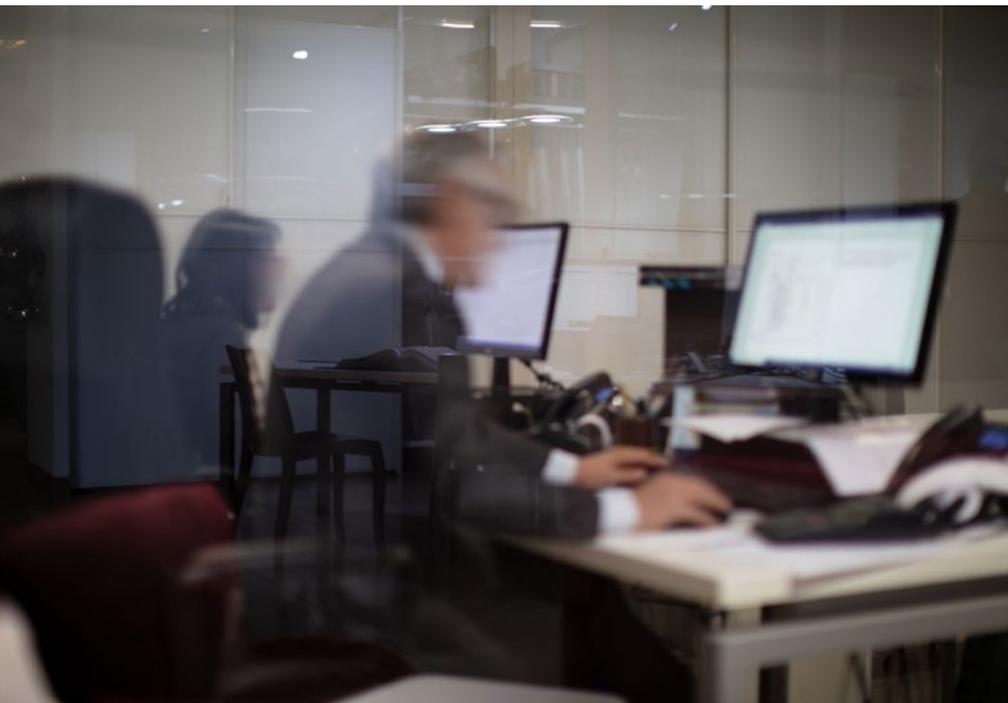
Our business groups' responsible contractor policies outline the procedures and requirements for selecting contractors and subcontractors (collectively, "contractors") for required services, including construction, repair and maintenance projects at our portfolio companies. Individual business groups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

- Consideration of cost, competitive risk-adjusted returns and other factors, including demonstrated skill, experience, dependability and safety record
- Compliance with all applicable local, state and national laws
- Provision of high-quality services, including payment of fair wages and fair benefits based on local market factors
- Assurance that all workers and contractors retained by such companies are properly trained and equipped, and perform their work in a safe and efficient manner
- Avoidance of working with any contractors that are currently debarred

**57,000+**

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 Management Resources and Compensation Committee oversees risks related to Brookfield's management resource planning. Since 2012, Brookfield has asked shareholders to cast an advisory vote on the Firm's approach to executive compensation on an annual basis (a "Say-on-Pay" resolution), the results of which the Board and the Management Resources and Compensation Committee consider when reviewing compensation policies and procedures, and when making decisions. Our executive compensation program is designed to reward only consistent performance over the long term.

## ADDITIONAL INFORMATION

[Statement of Corporate Governance Practices](#)

[Say-on-Pay Policy](#)

# Audit Oversight

Brookfield's Audit Committee of the Board monitors the systems and procedures for financial reporting and associated internal controls, as well as the independence, experience, qualifications and performance of our internal and external auditors. The Audit Committee reviews certain public disclosure documents before their approval by the full Board and release to the public, such as Brookfield's quarterly and annual financial statements and management's discussion and analysis. The Audit Committee meets regularly in private session with Brookfield's internal and external auditors, without management present, to discuss and review specific issues as appropriate.

## ADDITIONAL INFORMATION

[Audit Committee Charter](#)

~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

# 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, ensures 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.

The Board's Information Advisory Steering 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 2021, the results of our NIST Cybersecurity Maturity Assessment confirmed the rigor and effectiveness of our program. 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 social engineering.

~98,000

cybersecurity training hours provided across Brookfield and its portfolio companies

# KPI Appendices

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[Comprehensive Topic Review and Analysis](#)

[Key Performance Metrics](#)

[GRI Content Index](#)

[SASB Index](#)



# Comprehensive Topic Review and Analysis

The following table sets out the 16 topics that we believe are material to our approach to our ESG principles and policies:

TOPIC	DESCRIPTION
<b>OUR INVESTMENT APPROACH</b>	
ESG Integration into Our Investment Process	Incorporating ESG factors into investment decision-making and valuation, modeling, portfolio construction and engagement with portfolio companies
Proxy Voting Guidelines and Stewardship and Engagement Procedures	Managing our investment activities, including proxy voting, in the best interests of our investors, with the goal of protecting and enhancing the long-term value of our investments
Systemic Risk Management	Integrating financial and ESG-related due diligence, and risk and opportunity management into our overall risk management program
Sustainable Finance	Offering our investors opportunities to contribute to a sustainable market economy and support adaptation to global climate change challenges through sustainable investments
<b>BUILDING A BETTER WORLD</b>	
Climate Change Strategy	<p><b>GHG Emissions:</b> Working to reach net-zero emissions by 2050 or sooner by reducing our carbon emissions and accelerating the transition to a net-zero carbon economy through our renewable power business and global transition investment strategy</p> <p><b>Clean Energy:</b> Accelerating the transition to a low-carbon economy through Brookfield's renewable power operations</p> <p><b>Green Building:</b> Prioritizing the investment in, and development of, energy-efficient and responsible buildings and businesses</p>
Water and Waste	Measuring Brookfield's water and waste usage, with the objective of conserving water and reducing waste
<b>OUR PEOPLE</b>	
Human Capital Development	Attracting people aligned with our culture and providing them with opportunities to develop to achieve high engagement and strong retention, and facilitate smooth succession
Diversity and Inclusion	Maintaining a work environment that benefits from different perspectives and reinforces our culture of long-term focus, aligned interests and collaboration
Occupational Health and Safety	Ensuring the health and safety of our workforce via both physical and mental health policies, goals and programs

TOPIC	DESCRIPTION
<b>CORPORATE GOVERNANCE AND ETHICS</b>	
Board Effectiveness	Monitoring the effectiveness of Brookfield’s Boards through meetings, self-assessments, tracking attendance, training and education, and other initiatives
Board Skills and Oversight	Ensuring the Board possesses the relevant experience, expertise and skills to oversee and support Brookfield in its endeavors
Business Ethics	Conducting Brookfield’s business ethically and responsibly within operations as well as business partnerships, including through the Firm’s values, code of conduct, policies, and processes
Human Rights	Ensuring that Brookfield conducts business in a manner that respects and supports the protection of human rights
Responsible Contracting	Engaging contractors that conduct their business in a responsible manner as outlined in Brookfield’s responsible contractor policies
Audit Oversight	Monitoring the effectiveness and compliance of the Board, management and portfolio companies
Executive Compensation	Reinforcing long-term stewardship of the business through our approach to executive compensation
Data Privacy and Security	Protecting the Firm, its assets and its data from data privacy threats through strong practices that are in compliance with evolving regulatory requirements across our asset management operations

# Key Performance Metrics

## Diversity Metrics

BROOKFIELD ASSET MANAGEMENT METRICS	UNIT	TREND	2021	2020	2019
<b>GENDER DIVERSITY</b>					
Full-Time Employees	FTE	↑	2,380	1,854	1,615
Female Full-Time Employees	%	↑	46%	45%	45%
Female SVPs and Above	%	↑	27%	22%	16%
Female Board Directors (Full)	%	↑	38%	31%	25%
Female Board Directors (Independent)	%	↑	60%	50%	40%
<b>ETHNIC DIVERSITY GLOBALLY<sup>[9]</sup></b>					
White	%		52%		
Asian	%		28%		
Black	%		4%		
Hispanic/LatinX	%		3%		
Two or More Races/Other	%		7%		
Did Not Respond or Declined to Self-Identify	%		6%		
<b>ETHNIC DIVERSITY UNDERREPRESENTED GROUPS<sup>[10]</sup></b>					
Full-Time Employees	%		39%		
SVPs and Above	%		22%		
Investment Team	%		29%		
Operations Team	%		44%		

<sup>9</sup> During 2021 we launched a self-identification process. This is based on our representation as of March 31, 2022.

<sup>10</sup> In countries where we have over 100 employees, based on those who self identified (U.S., Canada, Australia, the U.K. and Brazil).

## Environmental Metrics

BROOKFIELD ASSET MANAGEMENT METRICS	UNIT	TREND	2021	2020	2019
<b>ORGANIZATION</b>					
Offices Reported <sup>(11)</sup>	#	↓	51	54	55
Employee Headcount for In-Scope Offices	FTE	↑	2,555	2,107	1,879
Annual Revenue	\$M	↑	75,731	62,752	67,826
Operational Square Footage	sq. ft.	↑	634,824	519,627	452,029
<b>GREENHOUSE GAS EMISSIONS<sup>(12)</sup></b>					
Scope 1 Direct	mtCO <sub>2</sub> e	↑	429	427	416
Scope 2 Indirect (Market-Based)	mtCO <sub>2</sub> e	↑	1,925	1,689	1,852
Scope 2 Indirect (Location-Based)	mtCO <sub>2</sub> e	↑	2,039	1,728	1,743
Scope 3 Category 6: Business Air Travel	mtCO <sub>2</sub> e	↑	2,646	1,165	4,527
<b>ENERGY</b>					
Direct Fuel Combustion	MWh	↑	1,999	1,869	1,889
Diesel Fuel	%		1%	1%	1%
Natural Gas	%		99%	99%	99%
Purchased Energy	MWh	↑	7,528	6,113	6,113
Chilled Water	%		12%	12%	9%
Heat/Steam	%		22%	18%	13%
Electricity	%		65%	70%	78%
<b>WATER</b>					
Water Consumption	m <sup>3</sup>	↑	30,435	26,561	35,781
<b>WASTE</b>					
Business Waste	metric tons	↑	151	125	329
Recycled Material	%		50%	50%	46%
Recycled E-Waste <sup>(13)</sup>	%		100%	100%	100%

11 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.

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

13 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.

# GRI Content Index

DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION/EXPLANATION
<b>GRI 102: GENERAL DISCLOSURES</b>		
<b>Organizational Profile</b>		
102-1	Name of the organization	Brookfield Asset Management Inc.
102-2	Activities, brands, products, and services	<a href="#">Annual Report</a> , p. 25–40
102-3	Location of headquarters	Toronto, Canada
102-4	Location of operations	<a href="#">Annual Report</a> , p. 176
102-5	Ownership and legal form	<a href="#">Annual Report</a> , p. 22
102-6	Markets served	<a href="#">Brookfield at a Glance</a>
102-7	Scale of the organization	<a href="#">Brookfield at a Glance</a>
102-8	Information on employees and other workers	<a href="#">Diversity, Equity and Inclusion</a>
102-9	Supply chain	Our supply chain for the Firm is diverse and global, reflecting individual procurement needs for our various locations.
102-10	Significant changes to the organization and supply chain	None
102-11	Precautionary principle or approach	<a href="#">Systemic Risk Management</a>
102-12	External initiatives	<a href="#">ESG Affiliations and Partnerships</a>
102-13	Memberships of associations	<a href="#">ESG Affiliations and Partnerships</a>
<b>Strategy</b>		
102-14	Statement from senior decision-maker	<a href="#">Letter to Stakeholders</a>
102-15	Key impacts, risks, and opportunities	<a href="#">Comprehensive Topic Review and Analysis</a>
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards, and norms of behavior	<a href="#">Corporate Governance and Ethics</a>
102-17	Mechanisms for advice and concerns about ethics	<a href="#">Whistleblowing Policy</a>

DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION/EXPLANATION
<b>Governance Structure</b>		
102-18	Governance structure	<a href="#">Management Information Circular</a> , p. 26–44
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	<a href="#">Stakeholder Engagement</a>
102-41	Collective bargaining agreements	We do not have collective bargaining agreements at the Firm level.
102-42	Identifying and selecting stakeholders	<a href="#">Stakeholder Engagement</a>
102-43	Approach to stakeholder engagement	<a href="#">Stakeholder Engagement</a>
102-44	Key topics and concerns raised	<a href="#">Stakeholder Engagement</a>
<b>Reporting Practices</b>		
102-45	Entities included in the consolidated financial statements	<a href="#">Annual Report</a> , p. 22
102-46	Defining report content and topic Boundaries	<a href="#">About This Report</a>
102-47	List of material topics	<a href="#">Comprehensive Topic Review and Analysis</a>
102-48	Restatements of information	None
102-49	Changes in reporting	This is the company's second report published in accordance with the GRI Standards: Core option.
102-50	Reporting period	January 1, 2021 through December 31, 2021
102-51	Date of most recent report	June 2021
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	<a href="mailto:esg@brookfield.com">esg@brookfield.com</a>
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	This document represents the company's content index.
102-56	Policy/practice for external assurance	Brookfield is not seeking external assurance for this year's report.
<b>GRI 200: ECONOMIC DISCLOSURES</b>		
<b>GRI 201: Economic Performance</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Annual Report</a> , p.18–20
103-2	The management approach and its components	<a href="#">Annual Report</a> , p.18–20

DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION/EXPLANATION
103-3	Evaluation of the management approach	<a href="#">Annual Report</a> , p.18-20
201-1	Direct economic value generated and distributed	<a href="#">Annual Report</a> , p. 18-20, 44
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Climate Change Strategy</a>
<b>GRI 205: Anti-Corruption</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Corporate Governance and Ethics</a>
103-2	The management approach and its components	<a href="#">Corporate Governance and Ethics</a>
103-3	Evaluation of the management approach	<a href="#">Corporate Governance and Ethics</a>
205-2	Communication and training about anti-corruption policies and procedures	<a href="#">Corporate Governance and Ethics</a>
<b>GRI 300: ENVIRONMENTAL DISCLOSURES</b>		
<b>GRI 302: Energy</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Climate Change Strategy</a>
103-2	The management approach and its components	<a href="#">Climate Change Strategy</a>
103-3	Evaluation of the management approach	<a href="#">Climate Change Strategy</a>
302-1	Energy Consumption within the organization	<a href="#">Key Performance Metrics</a>
<b>GRI 303: Water and Effluents</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Water and Waste</a>
103-2	The management approach and its components	<a href="#">Water and Waste</a>
103-3	Evaluation of the management approach	<a href="#">Water and Waste</a>
303-5	Water consumption	<a href="#">Key Performance Metrics</a>
<b>GRI 305: Emissions</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Climate Change Strategy</a>
103-2	The management approach and its components	<a href="#">Climate Change Strategy</a>
103-3	Evaluation of the management approach	<a href="#">Climate Change Strategy</a>
305-1	Direct (Scope 1) GHG emissions	<a href="#">Key Performance Metrics</a>

## KPI APPENDICES

DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION/EXPLANATION
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Key Performance Metrics</a>
305-3	Other indirect (Scope 3) GHG emissions	<a href="#">Key Performance Metrics</a>
305-5	Reduction of GHG emissions	<a href="#">Climate Change Strategy</a>
<b>GRI 306: Effluents and Waste</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Water and Waste</a>
103-2	The management approach and its components	<a href="#">Water and Waste</a>
103-3	Evaluation of the management approach	<a href="#">Water and Waste</a>
306-2	Waste by type and disposal method	<a href="#">Key Performance Metrics</a>
BAM KPI	Waste diverted from landfill	<a href="#">Key Performance Metrics</a>
<b>GRI 400: SOCIAL DISCLOSURES</b>		
<b>GRI 401: Employment</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Human Capital Development</a>
103-2	The management approach and its components	<a href="#">Human Capital Development</a>
103-3	Evaluation of the management approach	<a href="#">Human Capital Development</a>
BAM KPI	% of global investment team offered transfer stretch opportunities over 5 years at our current pace	<a href="#">Human Capital Development</a>
<b>GRI 403: Occupational Health and Safety</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Occupational Health and Safety</a>
103-2	The management approach and its components	<a href="#">Occupational Health and Safety</a>
103-3	Evaluation of the management approach	<a href="#">Occupational Health and Safety</a>
403-1	Occupational health and safety management system	<a href="#">Occupational Health and Safety</a>
403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">Occupational Health and Safety</a>
403-3	Occupational health services	<a href="#">Occupational Health and Safety</a>
403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Occupational Health and Safety</a>
403-5	Worker training on occupational health and safety	<a href="#">Occupational Health and Safety</a>

## KPI APPENDICES

DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION/EXPLANATION
403-6	Promotion of worker health	<a href="#">Occupational Health and Safety</a>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">Occupational Health and Safety</a>
403-9	Work-related injuries	<a href="#">Occupational Health and Safety</a>
403-10	Work-related ill health	<a href="#">Occupational Health and Safety</a>
<b>GRI 405: Diversity and Equal Opportunity</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Diversity, Equity and Inclusion</a>
103-2	The management approach and its components	<a href="#">Diversity, Equity and Inclusion</a>
103-3	Evaluation of the management approach	<a href="#">Diversity, Equity and Inclusion</a>
405-1	Diversity of governance bodies and employees	<a href="#">Diversity, Equity and Inclusion</a>
BAM KPI	% of investment professionals who are women	<a href="#">Diversity, Equity and Inclusion</a>
BAM KPI	Ethnic diversity of full-time employees	<a href="#">Diversity, Equity and Inclusion</a>
<b>GRI 412: Human Rights Assessment</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Human Rights and Modern Slavery</a> <a href="#">Responsible Contracting</a>
103-2	The management approach and its components	<a href="#">Human Rights and Modern Slavery</a> <a href="#">Responsible Contracting</a>
103-3	Evaluation of the management approach	<a href="#">Human Rights and Modern Slavery</a> <a href="#">Responsible Contracting</a>
412-2	Employee training on human rights policies or procedures	<a href="#">Human Rights and Modern Slavery</a>
<b>GRI 418: Customer Privacy</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Data Privacy and Security</a>
103-2	The management approach and its components	<a href="#">Data Privacy and Security</a>
103-3	Evaluation of the management approach	<a href="#">Data Privacy and Security</a>
BAM KPI	Employee training on Data Privacy and Security	<a href="#">Data Privacy and Security</a>

# SASB Index

As part of our ongoing commitment to transparency, we have included the following disclosure under the Sustainability Accounting Standards Board (SASB) standards for the industries that are relevant to us: Asset Management and Custody Activities.<sup>[14]</sup>

SASB STANDARD	DESCRIPTION	CODE	RESPONSE
<b>ACCOUNTING METRICS</b>			
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	FN-AC-270a.1	Brookfield discloses any material legal proceedings in its Annual Report
	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	FN-AC-270a.2	Brookfield discloses any monetary losses from material legal proceedings in its Annual Report
	Description of approach to informing customers about products and services	FN-AC-270a.3	<a href="#">Stakeholder Engagement</a> Please see pages 19–21 of our 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	FN-AC-330a.1	<a href="#">Diversity, Equity and Inclusion</a>
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	FN-AC-410a.1	(1) \$720 billion <sup>[15]</sup> (2) \$15 billion (3) \$0
	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment and/or wealth management processes and strategies	FN-AC-410a.2	<a href="#">ESG Integration Into Our Investment Process</a>
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	<a href="#">Proxy Voting</a>

<sup>14</sup> The SASB Index does not incorporate Oaktree Capital, except for total AUM figure of \$688 billion.

<sup>15</sup> Total AUM as of Q1 2022

SASB STANDARD	DESCRIPTION	CODE	RESPONSE
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	FN-AC-510a.1	Brookfield discloses any monetary losses from material legal proceedings in its Annual Report.
	Description of whistle-blower policies and procedures	FN-AC-510a.2	<a href="#">Whistleblower Policy</a>
Systemic Risk Management	Percentage of open-end fund assets under management by category of liquidity classification	FN-AC-550a.1	(1) 31% highly liquid open-end fund assets (2) 0% moderately liquid open-end fund assets (3) 0% less liquid open-end fund assets (4) 69% illiquid open-end fund assets
	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	FN-AC-550a.2	<a href="#">Systemic Risk Management</a>
	Total exposure to securities financing transactions	FN-AC-550a.3	\$0
	Net exposure to written credit derivatives	FN-AC-550a.4	\$0

**ACTIVITY METRICS**

(1) Total registered and (2) total unregistered assets under management (AUM)	FN-AC-000.A	(1) \$4 billion (2) \$552 billion
Total assets under custody and supervision	FN-AC-000.B	\$688 billion

**NOTICE**

The information contained herein covers the time period beginning on January 1, 2021, and ending on December 31, 2021, unless otherwise indicated. The information contained herein is intended solely for informational purposes and is not intended to, and does not constitute, an offer or solicitation to sell or a solicitation of an offer to buy any security, product, or service (nor shall any security, product, or service be offered or sold) in any jurisdiction in which Brookfield is not licensed to conduct business and/ or an offer, solicitation, purchase, or sale would be unavailable or unlawful. Certain information contained in this publication may constitute "forward-looking statements".

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**Brookfield**

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