

Brookfield



2018 — ESG Report

A Global Alternative Asset Manager

Brookfield Asset Management is one of the world's largest alternative asset managers. Our \$385 billion in assets under management mainly comprise long-life, high-quality real estate, infrastructure, renewable power and private equity assets that represent critical elements of the global economy and provide employment to over 100,000 people in more than 30 countries.¹

A large part of our business is owning and operating real assets that form the backbone of the global economy—from real estate to renewable power plants to transportation infrastructure networks.

Throughout our history, we have recognized that acting responsibly toward our stakeholders is fundamental to operating productive, profitable businesses over the long term. Environmental, social and governance (ESG) principles are embedded across our operations and help ensure the sustainability of our business well into the future. We firmly believe that adhering to ESG principles is key to creating long-term value.

Investors may access our expertise by investing in Brookfield Asset Management, our private funds, public securities or our publicly listed issuers: Brookfield Property Partners, Brookfield Infrastructure Partners, Brookfield Renewable Partners and Brookfield Business Partners.

BROOKFIELD ASSET MANAGEMENT (NYSE: BAM)

Brookfield Property Partners	Brookfield Infrastructure Partners	Brookfield Renewable Partners	Brookfield Business Partners
NASDAQ: BPY	NYSE: BIP	NYSE: BEP	NYSE: BBU

Unless noted otherwise, any reference to "Brookfield," "we" or "our" in this report applies to all of the entities above.

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1. As of June 30, 2019.



A Message from Our CEO



At Brookfield, we leverage our long history as a hands-on operator in investing responsibly in assets and businesses around the world. Today, our activities span more than 30 countries, and as a result, we understand firsthand the value of maintaining a disciplined focus on integrating environmental, social and governance factors into our operations. For us, being a good corporate citizen is essential to creating long-term value for our investors.

In 2018, we made good progress in a number of key areas, including formalizing our diversity and inclusion efforts as well as strengthening our focus on climate change mitigation.

We know that there is always more to be done, and we are focused on ensuring that we operate to the highest standards in all of these areas.

We thank you for your ongoing support.

A stylized, handwritten signature in black ink, consisting of a large loop followed by a series of connected strokes.

Bruce Flatt
Chief Executive Officer
Brookfield Asset Management

Our ESG Principles

We seek to manage our investments with integrity, balancing economic goals with good corporate citizenship.



Ensure the well-being and safety of employees

Be good stewards in the communities in which we operate

EMPLOYEE WELL-BEING

Meet or exceed all applicable labor laws and standards in jurisdictions where we operate, which includes respecting human rights, offering competitive wages and implementing nondiscriminatory hiring practices

HEALTH AND SAFETY

Aim to have zero serious safety incidents within our businesses by working toward implementing consistent health and safety principles across the organization

COMMUNITY ENGAGEMENT

Engage with community groups that might be affected by our actions to ensure that their interests, safety and well-being are appropriately integrated into our decision-making

PHILANTHROPY

Encourage our employees to participate in and give back to the communities in which we operate



Mitigate the impact
of our operations on
the environment

ENVIRONMENTAL STEWARDSHIP

Strive to minimize the environmental impact of our operations and improve our efficient use of resources over time



Conduct business according
to the highest ethical and
legal/regulatory standards

GOVERNANCE, ETHICS AND FAIRNESS

Operate with high ethical standards by conducting business activities in compliance with applicable legal and regulatory requirements, and with our Code of Business Conduct and Ethics

TRANSPARENCY

Be accessible to our investors and stakeholders by being responsive to requests for information and timely in our communication

2018 Highlights

We are committed to ESG practices that have a positive impact on the communities in which we operate. The highlights below provide a snapshot of some of our accomplishments.

GRESB REPORTING

Our North American core office business, U.S. core retail business and London office business report annually to the Global Real Estate Sustainability Benchmark, or GRESB, a leading sustainability assessment tool. In 2018, **all three property businesses** maintained their GRESB Green Star rating. In addition, our French telecommunications business, TDF, reported to GRESB, scoring 80/100 and ranking 14th out of 173 organizations in Europe.

Green Star Rating



CANARY WHARF

100%
of electricity from
renewable sources

8,000m²
of green roof space

100%
of timber used from
FSC-certified sources

Zero
waste-to-landfill since 2009

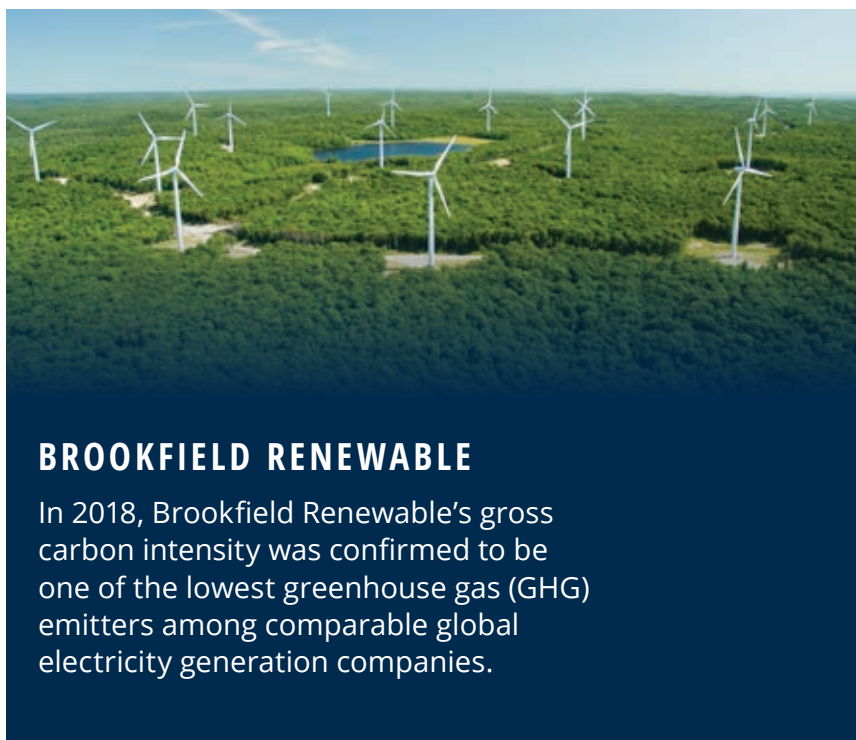


20%

decrease in retail
energy consumption

BROOKFIELD PROPERTIES

In our retail business, energy consumption is down 20% since 2013, and solar generation now represents 8% of total energy consumption.



BROOKFIELD RENEWABLE

In 2018, Brookfield Renewable's gross carbon intensity was confirmed to be one of the lowest greenhouse gas (GHG) emitters among comparable global electricity generation companies.

30%

carbon reduction target

MULTIPLEX EUROPE

Our premier construction company has set an ambitious, science-based target to achieve a 30% reduction in its carbon footprint by 2030.

Integrating ESG into Our Investment Process



To formally incorporate ESG diligence into our investment process, our investment teams undertake the following steps for each potential investment:

1

DUE DILIGENCE



Utilize our internal ESG guidelines to define project scope and conduct initial screen of ESG issues

Ensure compliance with ESG standards via a review of publicly available information and documents requested from the company, followed by site visits

Determine where to engage third parties with technical and geographical expertise

Identify ESG value-creation opportunities

2

INVESTMENT DECISION


Develop a post-acquisition ESG action plan

Prepare presentation for the Investment Committee that details all material findings from ESG due diligence



3

ONGOING MONITORING



Investment Committee
makes investment decision, taking into
account the identified ESG factors

Prioritize and revisit critical
ESG issues on an ongoing basis

Work with company
management on priorities for
ESG-related performance
improvements

Track relevant ESG KPIs

Continually look for ways
to create value by improving
management of ESG factors



Environmental



al

E

ADDRESSING CLIMATE CHANGE

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A LEADER IN GREEN BUILDINGS

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CASE STUDIES

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Addressing Climate Change

We understand that climate change poses a serious threat to communities, businesses and ecosystems around the world. We are determined to support climate change mitigation throughout our operations and are taking steps to understand the potential physical effects of climate change on our portfolio. At the same time, we are working to ensure that we are well positioned for the opportunities that are expected to arise from the transition to a low-carbon economy. We have initiatives underway to measure our carbon footprint and the impact of climate change in various parts of our business that follow a three-pronged approach:

1

MEASURE AND REDUCE GHG EMISSIONS

To more effectively combat global climate change, many of our businesses have begun initiatives to actively measure and identify ways to reduce their GHG emissions. In addition, we are aiming to lower our carbon footprint by implementing strategic energy efficiency measures.

2

CONDUCT CLIMATE CHANGE RISK ASSESSMENTS

As an alternative asset manager with a focus on real assets, we are aware that our assets and businesses may be adversely impacted by the physical risks of climate change. We therefore monitor climate risks as part of our overall risk assessments and are working to enhance our risk-assessment process and continue to evolve our disclosures.

3

OFFER SOLUTIONS THAT SUPPORT THE TRANSITION TOWARD A LOW-CARBON ECONOMY

While we expect that the global economy will continue to rely on fossil fuel-related energy sources for some time, our view is that the transition toward a low-carbon economy is underway and likely to accelerate. At Brookfield, we believe we are well positioned for this transition, particularly with respect to our renewable power business.

A Leading Clean Energy Provider

Brookfield strives to be a clean energy leader, developing innovative renewable power solutions that accelerate the world toward a low-carbon future.

Brookfield Renewable has \$47 billion in renewables assets under management and 18,000 megawatts of capacity across North America, South America, Europe and Asia. We also develop additional wind-, hydro- and solar-generating resources that contribute to reducing the world's carbon footprint. Brookfield Renewable also measures its own carbon footprint consistently across all businesses to enable future emissions reduction actions.

Brookfield Renewable is one of the lowest greenhouse gas emitters (GHG) among the world's electricity generation companies. As a result, its customers avoid the equivalent of approximately 25 million tons of carbon emissions annually compared to average carbon emissions.*

*Equivalent based on global average emission rates as reported by the International Energy Agency (IEA), 2017.

BROOKFIELD GHG EMISSIONS

In accordance with the guidelines set out by the GHG Protocol, we measured Brookfield's GHG emissions within our asset management operations, using 2017 data as the base year. Brookfield offices with a greater than 5% headcount of asset management employees were considered in scope.

<i>In metric tons CO₂ equivalent (mtCO₂e)</i>	2018	2017
Scope 1 & 2 Direct & Indirect Emissions¹	1,637	1,531
Scope 1 & 2 Carbon Intensity (mtCO₂e/FTEs)²	1.25	1.40
Scope 3 Business Air Travel	2,409	1,772
Scope 1-3 Carbon Intensity (mtCO₂e/FTEs)²	3.09	3.02

Notes:

1. Scope 1 GHG emissions are direct emissions from on-site fuel combustion. Scope 2 GHG emissions are indirect emissions resulting from the generation of electricity, heat or steam purchased from a utility provider.
2. FTEs refers to full-time employees in Brookfield's five asset management offices considered in scope (New York, Toronto, Rio de Janeiro, London and Sydney).



Green Bonds Finance Progress for the Future

Since 2017, our renewable power business has issued a number of project-level green bonds, and in 2018 we established the Brookfield Green Bond Framework, which complies with the 2018 Green Bond Principles.

Three of our green bonds received the highest evaluation rating (E-1) from S&P, while the fourth was issued under Brookfield's Green Bond Framework with input from Sustainalytics.

Proceeds from the green bonds we issue can be used to finance eligible investments in the areas of renewable energy generation, energy efficiency and management, and energy storage.

\$1.2B
AGGREGATE
VALUE OF OUR
FOUR GREEN BOND
OFFERINGS

A Leader in Green Buildings

Sustainability is a significant focus for us when it comes to the buildings we own, operate and develop. Our initiatives include energy reduction, water conservation, recycling, enhanced indoor air quality, alternative transportation parking, environmentally friendly cleaning materials and erosion control. These efforts are very successful, with 99% of our eligible global core office area having achieved a sustainability designation.



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CERTIFICATIONS IN NORTH AMERICAN OFFICE PORTFOLIO



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CERTIFICATIONS IN THE U.S.



52

OFFICE CERTIFICATIONS IN THE U.S. AND CANADA



38

CERTIFICATIONS IN AUSTRALIAN OFFICE PORTFOLIO



6

CERTIFICATIONS



3

CERTIFICATIONS

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.



We have made substantial progress in our efforts to be energy efficient.

BROOKFIELD RESIDENTIAL

Energy Efficiency Initiatives

Our residential business piloted a Low Carbon Discovery Home project in our Alberta market as a model to demonstrate what a home in Canada built to a 2030 energy performance standard would require and how the homebuilding industry itself may be affected as a result. The model home emits 72% less carbon than a comparable home built to current industry specifications and utilizes several low-carbon modifications in design and construction. Brookfield remains committed to playing a key role in the future of sustainable homes and communities.

MULTIPLEX EUROPE

Making Strides Toward Zero Waste and the Circular Economy

In line with its Net Positive Sustainability Strategy, global contractor Multiplex continued its industry-leading ESG initiatives in 2018 by working toward a circular economy. In a circular economy, economic activity builds and rebuilds the overall health of the system through resource management, waste minimization and the promotion of recovering, restoring and reusing materials.

As part of this effort, several projects have delivered innovative solutions in tackling the problem of single-use plastic, as well as creating a demand for reusable materials. In particular, in London, the residential development at 48 Carey Street has created “single-use plastic free” office and welfare facilities, and Principal Tower, London, collaborated with its supply chain to create a truly closed-loop solution for single-use plastic across all of its London projects. This has contributed to a 30% carbon saving on the material, thereby reducing carbon emissions, and has recycled 10,000 sheets of waste material—enough to cover 64 basketball courts. Both initiatives are being rolled out across the business, and have the potential to save hundreds of tons of waste and significantly reduce Multiplex's carbon footprint.

CANARY WHARF

The World's First Plastic-Free Commercial Center

Committed to being plastic free, Canary Wharf Group won the Waste Management and Resource Efficiency Award at Edie's 2019 Sustainability Leaders Awards. This is a significant acknowledgement of the Group's #MakingSustainabilityReal campaign, launched in 2018 to reflect its ongoing commitment to becoming the world's first plastic-free commercial center.

The Plastic Free Community Initiative targets five areas: governance, local business support, community engagement, community events and the creation of a steering panel to accelerate progress in eliminating single-use plastics. Canary Wharf Group is working with its retailers to remove at least three or, where possible, all single-use plastics products, replacing them with sustainable variants.

100%

renewable electricity
purchased since 2012

SIGNATORY OF THE

RE100

a global initiative of
businesses committed to
100% renewable electricity,
which demonstrates
commitment to help drive
the global transition to a
low-carbon economy

Winner of Waste Management
and Resource Efficiency
Award at Edie's 2019
Sustainability Leaders Awards

Zero

waste-to-landfill since 2009





PD PORTS

Keeping Plastic Out of Rivers and Seas

Teesport has become the first U.K. port to proactively mitigate the risk of plastic pellets, known as “nurdles,” from leaking into the ocean. Brookfield’s U.K. port operator, PD Ports, is the first port to sign up to the Operation Clean Sweep® initiative launched by the British Plastics Federation.

Operation Clean Sweep aims to ensure that plastic pellets, flakes and powders that pass through manufacturing facilities in the U.K. are handled with the care they deserve. By signing up to Operation Clean Sweep, PD Ports has committed to adhere to best practices and implements systems to prevent plastic pellet loss, ensuring protection and preservation of the aquatic environment.

BROOKFIELD PROPERTIES

Leading the U.S. in Solar Generation

The Solar Energy Industries Association ranked Brookfield Properties' retail group seventh among all U.S. companies based on installed solar generation capacity in 2018. The retail group has reduced its grid-purchased electricity by approximately 3.5% in 2018, and since 2013, consumption is down by approximately 20%. In 2018, about 14MW of solar capacity was added to the retail group, increasing the on-site solar generation capacity to nearly 64MW. The retail group is expected to generate over 79 million kWh from solar in 2019, which is over 8% of the total portfolio consumption.

14MW
OF SOLAR CAPACITY
WAS ADDED TO THE RETAIL
PORTFOLIO

79M
KWH OF EXPECTED
SOLAR POWER GENERATION
IN 2019



ARTERIS

A Highway Overpass Dedicated to Forest Animals

Our portfolio of Brazilian toll roads, Arteris, commenced construction on Brazil's first green highway overpass to help wildlife in the surrounding areas safely pass across its highways. For Brazil, the country with the greatest biodiversity on the planet, this type of overpass will be the first of its kind.

Spanning 54 meters in length and 20 meters in width, the overpass will be populated by plants, trees and other vegetation native to the area. It will connect the Poço das Antas Biological Reserve, one of the main habitats of the endangered Golden Lion Tamarin, to the Igarapé farm on the other side of the highway.





GREENERGY

Maximizing the Use of Sustainable Biofuel

Fuel provider Greenergy's unique supply chain enables it to source fuel products from the lowest-cost global producers and move them in the most efficient way to customers' filling station forecourts. Greenergy blends biofuel into its gasoline and diesel to reduce the environmental impact of the fuel it supplies through lower carbon content and land-use impacts.

Greenergy owns and operates two of Europe's largest waste-to-biodiesel manufacturing facilities, which gives it a low-cost and sustainable biofuel supply. As the company increases its biodiesel production, however, sourcing raw materials with the best sustainability and quality characteristics is an ongoing priority. Greenergy is developing lasting relationships with businesses around the world, particularly in countries in which comparable biofuel incentives do not exist. This requires pioneering work with suppliers to demonstrate traceability back to the source. Greenergy's ability to receive waste oils in small containers also enables it to source raw materials from a wider variety of collectors globally. When biofuels derived from crops are used, they are produced in accordance with EU-approved biofuel sustainability standards.

MULTIPLEX EUROPE

Science Based Targets Initiative

Multiplex Europe has become one of the first contractors in the U.K. to officially set carbon targets against recognized global thresholds. The company's carbon emissions reduction commitment will now be in line with the Science Based Targets Initiative protocol—a joint initiative of the World Resources Institute (WRI), the World Wildlife Fund (WWF), the United Nations Global Compact (UNGC) and the Carbon Disclosure Project (CDP)—to address climate change.

Multiplex is targeting a 30% reduction in direct carbon emissions by 2030. To accelerate its effort, Multiplex is also targeting 100% renewable electricity use for every site in Europe by 2020. The company aims to support

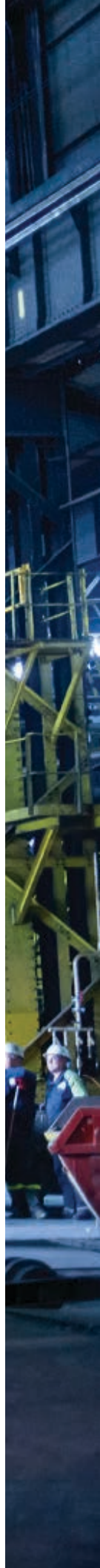
supply chain partners to set their own carbon targets and reduction strategies by working closely with its clients, design teams and supply chain to optimize the use of low-carbon construction materials and processes, and helps deliver buildings that operate at low energy, carbon and cost.

"By setting targets that align with global efforts to prevent the most dangerous effects of global warming, Multiplex is future-proofing its operations and priming itself to thrive during the transition to a zero-carbon future."

—Alberto Carrillo Pineda, *Director, Science Based Targets and Renewable Energy at CDP*

A large industrial facility, likely a steel mill, with a high ceiling and complex metal structure. A large, glowing orange-red metal slab is being moved by a crane. The scene is illuminated by bright overhead lights, creating a high-contrast environment. The word "Social" is overlaid in white serif font, with a thick orange horizontal line underneath it.

Social



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Fostering Diversity and Inclusion

Having a workforce encompassing and encouraging varied backgrounds and perspectives is critical for business success. Therefore, we are committed to embedding diversity and inclusion across our organization.

Our focus begins at recruitment, continues in leadership training programs, is woven into our policies and procedures, and is emphasized on a daily basis as part of our culture. As a global firm, we know that the best ideas come from having people of different backgrounds, perspectives, experiences and skills across all businesses, levels of seniority and regions.

We also believe that it is not enough to simply have a diverse employee base—we seek to leverage the benefits of diversity by upholding an inclusive environment that encourages contribution from all individuals and provides equal development and advancement opportunities.

Our initiatives in this area include:

- Created and implemented a global positive work environment policy that sets a high global standard and makes it everyone's responsibility to uphold a respectful environment.
- Introduced a leadership training program that sets clear expectations for our leaders in terms of their role in helping all team members achieve their potential in a positive work environment. The training emphasizes building trust with their teams and becoming aware of unconscious biases, and provides guidance on how to add rigor to decision-making—particularly in recruiting and performance feedback.
- Ongoing focus on diversity in our recruitment approach:
 - Actively seek a diverse slate of candidates
 - Have a diverse interview panel
- Established internal groups and networks, including a global Brookfield Women's Advisory Committee, to connect with female employees and provide insight to management.

WITHIN OUR ASSET MANAGEMENT OPERATIONS, WOMEN COMPRISE



1. Brookfield Asset Management Inc. Board of Directors

Our Emphasis on Health, Safety and Security

Employee health, safety and security is a top priority for us. We view handling these risks as an integral part of the management of our business and the companies in which we invest.

Since the particular risks that each business faces vary, we believe that health, safety and security is a line responsibility that, in the first instance, is best managed at the portfolio company level. To support this, we have established a Safety Steering Committee at the corporate level, which includes the CEOs of each business group, to promote common values and a strong health and safety culture, facilitate sharing of best practices, and promote appropriate governance structures across our operating businesses and portfolio companies.

SAFETY SYSTEM ASSESSMENTS

Brookfield conducts due diligence to assess the safety culture, as well as the design and implementation of safety management systems at companies being considered for acquisition.

Post acquisition, observations and improvement opportunities are provided to portfolio company management for implementation. Portfolio companies will also conduct periodic safety assessments to ensure continued operational effectiveness and identify additional improvement opportunities.

GOVERNANCE AND OVERSIGHT

The boards of directors of our portfolio companies oversee the management of health, safety and security risk for the portfolio company. Each quarter, our portfolio company CEOs report to their boards of directors on:

- Safety performance and incidents
- Results from internal or external program assessments
- Status of improvement initiatives

The Safety Steering Committee monitors significant safety trends and issues across our businesses and portfolio companies and sponsors initiatives to promote a rigorous safety culture. The Risk Management Committee of the Brookfield Asset Management Board receives regular reporting on trends, issues and improvement initiatives.

KNOWLEDGE SHARING

Brookfield actively facilitates knowledge sharing by arranging webinars, meetings and calls for portfolio companies to share best practices and lessons learned and develop common approaches to challenges.

OUR HEALTH AND SAFETY FRAMEWORK IS BASED ON THE FOLLOWING PRINCIPLES:

- ✓ Senior executives are accountable for health and safety at their businesses.
- ✓ Health and safety systems are **tailored** to company-specific risks and **integrated** into the management of the business.
- ✓ Health and safety **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, Brookfield **oversees the conduct of an in-depth investigation** to determine root causes and formulate remediation actions.
- ✓ **Transparency and learning from experience** is promoted to continuously improve our systems and performance.

Addressing Human Rights Across Our Portfolio

Complying with the Modern Slavery Act

Brookfield is committed to preventing human trafficking and modern slavery, both within our businesses and in our supply chain, and fully supports the principles of the U.K. Modern Slavery Act (MSA). We work to promote governance that reflects our high standards, and relevant portfolio companies that carry out business in the U.K. are obliged to comply with the MSA.

These risks are mitigated in businesses and supply chains by applying their respective Anti-Slavery and Human Trafficking Policy, which includes relationships with our contractual counterparties. We expect our suppliers to share these values.

OUR STRATEGIES

Our strategies to prevent modern slavery are designed to be proportionate. They are addressed and mitigated depending on the nature of the risks and of the assets and operations to which they apply, the geographic location of the assets, the economic, political and regulatory environment, and our assessment of the benefits they will bring. These strategies include:

- Prohibitions against the use of forced, compulsory or trafficked labor, or anyone held in slavery or servitude
- A due diligence protocol that includes anti-slavery considerations
- A comprehensive whistle-blowing policy to enable staff, suppliers and business partners to report any concerns they may have

2018 TRAINING INITIATIVES

- Educating and raising awareness of the MSA, our policy and its requirements with senior staff and key employees who manage high-risk supplier relationships
- Incorporating coaching on modern slavery indicators into our compulsory staff-orientation sessions

Following Responsible Contractor Principles

We continuously strive to achieve excellence with respect to our contracting practices and have adopted firm-wide principles that are applied when selecting third-party, independent contractors. These include providing fair wages and fair benefits in the context of local market factors, maintaining a workplace health and safety program and avoiding discrimination against unionized contractors, among others.

Engaging with Our Employees and Communities



At Brookfield, making a positive contribution to the communities in which we operate is fundamental to the way we do business.

Brookfield Cares, our corporate citizenship program, focuses on homelessness, youth and education, the environment and healthcare. Employees in each local chapter donate time as well as resources, working together to better the lives of people in their communities.

Brookfield Partners Foundation focuses on advancing a range of causes, including youth initiatives, education, healthcare and the arts. The Foundation has a matching program, whereby senior executives make personal financial contributions in addition to serving on the boards at these organizations.



Brookfield Women's Network fosters a learning and networking community of women in various roles and at all levels of the company, across Brookfield's business groups. Through a wide variety of events and initiatives, the group provides a valuable forum to explore and discuss opportunities and challenges facing professional women.

The network convenes regularly to hear from each other and outside speakers, opening a dialogue on a broad range of topics that pertain to their careers and personal lives. The group pursues relevant discussions and tangible initiatives that can have a real impact on its members. Our areas of focus include networking, relationship building, industry education and philanthropy.



Brookfield Next Generation (BNEXT) brings together colleagues in the early stages of their careers who want to engage with and learn from each other. By keeping junior employees up to date on matters at Brookfield, providing sound, earnest career development advice, and increasing employee interconnectivity, BNEXT aims to provide a tangible benefit to both its members and Brookfield on the whole.

BNEXT events include member presentations, breakfasts with senior colleagues, third-party speakers, panel discussions and philanthropic and service-oriented activities, as well as social gatherings.

ORGANIZATIONS SUPPORTED



BRK AMBIENTAL

Investing in Human Rights Through Sanitation

BRK Ambiental (BRK), the largest private sanitation company in Brazil, is committed to providing water security and sanitation through its commitment to the Ten Principles of the United Nations Global Compact (UNGC) and the United Nations Sustainable Development Goals.

BRK currently supplies 100 municipalities and 15 million Brazilians with access to clean water and sanitation services, contributing to the economic and social development of the country and positively changing the health of its residents. Over the next five years, BRK will continue expanding its footprint by further investing nearly \$2 billion in Brazil's underdeveloped regions. With the increase in access to sanitation, BRK aims to



contribute to growth in income through better access to education and work opportunities. This in turn is expected to allow a higher number of Brazilians to move out of impoverished conditions. As a recent example, through its investment in the community of Uruguaiana, one of many reached by BRK's expansive presence, cases of acute water-borne illnesses dropped by 96% between 2011 and 2018.

To continue its efforts and commitment to human rights, in 2018, BRK adopted the Women's Empowerment Principles, a collaboration between the UNGC and the UN Women to promote gender equality.

BROOKFIELD RENEWABLE

Reuniting a Sacred Site with the First Nation

Brookfield Renewable recognizes the importance of being a good neighbor and an active partner in our communities. When elders from the Michipicoten First Nation voiced concerns about a sacred site located on our lands, we worked with them to find the most sustainable, long-term solution. Located near Wawa in Ontario, the land is home to Medicine Cave, a spiritual site and place of healing for generations of Ojibway people. In the spirit of cooperation and open dialogue, we discussed objectives as well as potential solutions that would be best suited to ensure the preservation and respectful use of the site.

We collaborated on developing a land transfer agreement, surveyed the lands to determine the boundaries of the site, subdivided and registered the lands. Ultimately, we transferred 4.4 hectares of land to the First Nation, reuniting them with that sacred site they had used for thousands of years.

To commemorate the historical land transfer, the Michipicoten Chief and Council, alongside Brookfield Renewable Canada's CEO, hosted a ceremony and community feast with elders and youth from the First Nation, members of the local community and members of the Brookfield Renewable Canada team.

BROOKFIELD PROPERTIES

Mentoring a Community to Propose Development Concepts

Brookfield recently acquired two large-scale development sites in the Mott Haven neighborhood of the Bronx in New York City. We are engaging with the local community to ensure that current and future generations of Bronx residents will benefit from the work we are undertaking.

In 2018, Brookfield began a partnership with Project Destined, a real estate-based youth education program that promotes financial literacy and leadership development and provides access to mentorship for urban youth. Participants gain exposure to all aspects of the real estate investment life cycle by learning from industry professionals, analyzing real opportunities, and helping to invest real capital within their own communities.

Brookfield employees have volunteered monthly to provide real estate-based mentoring and guidance to groups of teams working on development concepts in the South Bronx (for example, a mixed-use office and retail tower, a gym and beauty salon, and a residential tower).



PEAK INFRASTRUCTURE

Proactively Driving Safety Improvements in India

More than 1,300 accidents and 400 fatalities occur every day on highways in India. Our portfolio of Indian toll roads, Peak Infrastructure, is committed to reducing these statistics and improving the safety of the public. In pursuit of this goal, Peak Infrastructure launched a RoadSafe application called “ZeroHarm” to improve road safety behavior. The mobile app encourages users to report real-time road conditions and unsafe drivers. It provides live support to users and tracks the movement of an ambulance or tow truck in case of any emergency.



Governance



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Our Commitment to Sound Governance Practices

We are always working to maintain the governance practices that will ensure our investors' ongoing confidence. This involves a continual review of how evolving legislation, guidelines and best practices should be reflected in our approach. As part of this effort, all Brookfield employees are mandated to complete various governance training seminars annually.

GOVERNANCE FRAMEWORK FOR PORTFOLIO COMPANIES

Our governance framework for portfolio companies in which we have a controlling interest includes three noteworthy components that reflect our high standards:

- ***Code of conduct***

Each company is required to adopt our Code of Business Conduct and Ethics or ensure that existing practices are consistent with it and equal in substance.

- ***Anti-bribery and corruption policy***

We have a zero-tolerance approach to bribery, including facilitation payments, and we require that our portfolio companies adopt equally stringent policies.

- ***Ethics hotline***

We require every portfolio company to have a whistle-blower hotline in operation within six months of acquisition. Portfolio companies also take measures to ensure that every employee is aware of the existence and purpose of the hotline.

CONFLICT OF INTEREST POLICY

As part of our obligation to act in the best interest of our investors, we adhere to a rigorous conflict of interest policy. Each potential investment is screened for possible conflicts and, if any are identified, they are elevated for review to the Conflicts Committee, which is overseen by several of Brookfield's senior executives and the chief compliance officer, prior to execution of the transaction.

PERSONAL TRADING POLICY

We maintain a stringent personal trading policy. Employees who are actively involved in recommending or making investment decisions on an ongoing basis, as well as their family members living in the same household, are restricted from being involved in trading in any non-Brookfield equity securities. This trading policy exceeds the standard legal requirements, which mandate only preclearance of employees' trades.

Governance Practices

Since we are committed to good corporate governance, we aim to continue to strengthen Brookfield Asset Management's Board of Directors and management accountability to maintain public trust and promote the long-term interests of our stakeholders.

Governance Highlights

CORPORATE GOVERNANCE

- Nine independent director nominees (56% of total)
- Separate chair and CEO
- Private sessions of independent directors after each Board and committee meeting
- Risk oversight by the Board and the Risk Management and Audit Committees
- Annual Board and committee self-evaluations
- All directors attended at least 75% of meetings held
- Robust Code of Conduct
- Only independent directors on Audit, Governance and Nominating, and Management Resources and Compensation Committees
- 30% board diversity policy
- ESG oversight

SHAREHOLDER RIGHTS

- Annual election of directors
- Majority voting for directors
- Cumulative voting for directors
- Active shareholder engagement

COMPENSATION

- Executive compensation program driven by strong pay-for-performance philosophy based on long-term equity ownership to create alignment with investors
- Director share ownership guidelines requiring directors to hold shares and share units having a value of at least three times their annual retainer
- Independent directors required to take 25% of their annual retainer in deferred share units, regardless of existing ownership
- Share retention policy of at least five times annual salary and post-exercise hold period requirements for executives
- Executives' incentive awards/equity compensation subject to clawback
- Anti-hedging, short sale and pledging restrictions

ESG Oversight

We own and operate a diverse range of assets and businesses. To be effective, our firm-wide ESG principles are established and overall strategy is set at the corporate level, while business-specific ESG matters, including oversight of such matters at our portfolio companies, are managed by our business groups.

We have established an ESG Committee consisting of senior executives, including those from each of our major business operations, to determine firm-wide ESG strategy, coordinate ESG initiatives across our business groups, share best practices and encourage a firm-wide effort to constantly improve our activities in these regards.

While the Board has always had oversight over ESG matters, in 2018, Brookfield's Board of Directors formally embedded ESG management into the various board and committee mandates to acknowledge these areas as priorities.

Making Information Security a Priority

Brookfield has established an information security program to protect the confidentiality, integrity and availability of information assets. The program is based on an internationally recognized framework and includes appropriate business processes, security technology elements and qualified personnel.

The program is led by the chief information security officer, who is responsible for ensuring it addresses key risks and meets compliance requirements. Key elements of the program include security governance, security awareness, employee training, access management, perimeter and end-point security, vulnerability management, penetration testing, security monitoring and incident response.

The effectiveness of the program is measured through both internal and third-party audits. Additionally, regular reporting is provided to senior management and Brookfield Asset Management's Board.

Industry Recognition and Engagement

Below are a number of awards and memberships that show how we and our portfolio companies engage with the broader sustainability industry.

ESG-RELATED MEMBERSHIPS



A global nonprofit organization, BSR works with its network of more than 250 member companies and other partners to build a just and sustainable world. From its offices in Asia, Europe and North America, the nonprofit develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration.



The Prince of Wales' Accounting for Sustainability Project (A4S) was established in 2004 to mobilize action and leadership by the finance and accounting community to address the challenges to the economy and society posed by issues such as climate change, increasing depletion of and demand for natural resources, urbanization and inequality. A4S seeks to inspire action by finance leaders to drive a fundamental shift toward resilient business models and a sustainable economy.

AWARDS



Edie Leadership Award was received by Canary Wharf Group.
Energy Star Partner of the Year Award was received by Brookfield Properties.
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Additional ESG Resources

Documents with greater detail about all of our ESG policies and programs are available on our website at <https://www.brookfield.com/about-us/responsibility>.

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