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1. OVERVIEW

Brookfield Asset Management Inc. (“Brookfield,” the “Corporation,” “we”, “our” or “us”) is a leading global alternative asset manager with approximately US$650 billion of assets under management across real estate, infrastructure, renewable power and transition, private equity and credit. We own and operate long-life assets and businesses, many of which form the backbone of the global economy. Utilizing our global reach, access to large-scale capital and operational expertise, we offer a range of alternative investment products to investors around the world—including public and private pension plans, endowments and foundations, sovereign wealth funds, financial institutions, insurance companies and private wealth investors.

We believe that acting responsibly towards our stakeholders is foundational to operating a productive, profitable, and sustainable business. This underlies our philosophy of conducting business with a long-term perspective in a sustainable and ethical manner.

Our approach to ESG is based on the following 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 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 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.
We have embedded our ESG principles in all our activities. This includes incorporating ESG considerations into our investment decision making through:

- portfolio oversight activities;
- ensuring that our governance and compliance activities are effective throughout the firm;
- providing transparent and timely information on ESG activities to our investors; and
- offering investment opportunities that enable our investors to achieve their own ESG investment objectives.

Through our engagement with leading ESG frameworks and sustainability organizations, we are actively involved in discussions to advance ESG awareness across private and public markets. Below are some of the leading frameworks and sustainability organizations with which we are affiliated:

**PRI**

In 2020, we became a signatory to the Principles for Responsible Investment (PRI), a step we took in formalizing our longstanding commitment to responsible investment and ESG best practices.

**TCFD**

In 2021, we became supporters of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD aims to guide companies in incorporating the considerations of the effects of climate change into business and financial decisions to help facilitate the transition to a more sustainable, lower carbon economy.

**SASB**

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 have incorporated the SASB engagement guide into our due diligence process.

**NZAM**

In 2021, we joined the Net Zero Asset Managers initiative (NZAM), 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.

**ILPA**

In 2021, we joined the ILPA Diversity in Action 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 Diversity in Action initiative underscores our commitment to advance diversity and inclusion, both within our organization and the industry more broadly.
The green bond and preferred securities program will enable Brookfield to access debt capital markets to finance and/or refinance investments made in sustainable assets or businesses, and to support the development of clean technologies.

Brookfield’s Green Bond and Preferred Securities Framework is in alignment with the following four core components of the Green Bond Principles 2021:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

2. USE OF PROCEEDS

The proceeds obtained from Brookfield’s green bond and preferred securities issuances will be used to finance and/or refinance “Eligible Investments” that will generally fall into the categories outlined in the table below. The United Nations has established 17 Sustainable Development Goals (SDGs), which serve as the blueprint to achieve a better and more sustainable future for all. Of the 17 SDGs, we have identified five where we can make the most progress in our green bond and preferred securities program.

We intend on fully allocating the proceeds from the green bond and preferred securities program within 36 months from the date of issuance. The look-back period for Eligible Investments will be up to 36 months prior to the date of issuance.

<table>
<thead>
<tr>
<th>AREA</th>
<th>ELIGIBLE CATEGORIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Buildings</td>
<td>Investments in energy efficient buildings or efficiency improvements such as:</td>
</tr>
<tr>
<td></td>
<td>• New Developments: New class A development properties that have received or are expected to receive LEED Gold® or higher Certification, BREEAM® Excellent or higher certification, ENERGY STAR Certification for Buildings (Score of 85 or higher), or BOMA 360 certification</td>
</tr>
<tr>
<td></td>
<td>• Redevelopments: Existing class A redevelopment properties that have received or are expected to receive LEED Gold® or higher Certification, BREEAM® Excellent or higher certification, ENERGY STAR Certification for Buildings (Score of 85 or higher), or BOMA 360 certification</td>
</tr>
<tr>
<td></td>
<td>• Tenant Improvements: Tenant improvements that have received or are expected to receive LEED Gold® or higher Certification, BREEAM® Excellent or higher certification, ENERGY STAR Certification for Buildings (Score of 85 or higher), or BOMA 360 certification</td>
</tr>
<tr>
<td></td>
<td>• Other projects that materially (&gt;20%) reduce energy consumption, reduce carbon emission, and/or reduce water usage for a new development, a redevelopment, or an existing property</td>
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</table>
Area: **Renewable Energy Generation**

<table>
<thead>
<tr>
<th>ELIGIBLE CATEGORIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments that help supply energy from renewable and low carbon sources, such as:</td>
</tr>
</tbody>
</table>

- **Solar Energy**
  - Construction of new solar energy facilities
  - Maintenance, refurbishment or repowering of existing solar energy facilities
  - Acquisition of solar energy facilities or businesses

- **Wind Energy**
  - Construction of new wind energy facilities
  - Maintenance, refurbishment or repowering of existing wind energy facilities
  - Acquisition of wind energy facilities or businesses

- **Hydroelectricity**
  - Construction of new run-of-river and other hydroelectricity facilities
  - Refurbishment, modernization, and/or maintenance of existing hydroelectricity facilities with the purpose of increasing generation efficiency, operational life span and/or renewable energy output while maintaining or improving the level of operational safety
  - Acquisition of hydroelectricity facilities or businesses, including pumped storage assets

- **Biomass Energy**
  - Construction of new biomass facilities
  - Maintenance, refurbishment or repowering of existing biomass facilities
  - Acquisition of biomass facilities or businesses

- **Green Hydrogen Energy**
  - Construction of new green hydrogen production facilities
  - Refurbishment, modernization, and/or maintenance of existing green hydrogen facilities with the purpose of increasing generation efficiency, operational life span and/or renewable energy output while maintaining or improving the level of operational safety
  - Construction of new green hydrogen distribution networks

- **Renewable Natural Gas Energy**
  - Construction of new renewable natural gas facilities which use biogenic methane sourced from agricultural byproducts as source of energy generation
  - Refurbishment, modernization, and/or maintenance of existing green renewable natural gas energy facilities with the purpose of increasing generation efficiency, operational life span and/or renewable energy output while maintaining or improving the level of operational safety

- **Renewable Energy Purchases**
  - Purchases of renewable energy pursuant to power purchase agreements or virtual power purchase agreements

- **Transmission and Consumption**
  - Expenditures and/or investments related to the transmission or distribution of renewable energy sources
  - Projects that increase the consumption of renewable versus non-renewable energy sources
<table>
<thead>
<tr>
<th>AREA</th>
<th>ELIGIBLE CATEGORIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Efficiency and Management</td>
<td>Investments that help reduce greenhouse gas emissions by:</td>
</tr>
<tr>
<td></td>
<td>• Developing or acquiring energy/battery storage technologies or assets for renewable power generation</td>
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<tr>
<td></td>
<td>• Installing solar roofs on residential and commercial real estate</td>
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<tr>
<td></td>
<td>• Developing, expanding, or acquiring direct-air carbon or methane capture and storage projects</td>
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<td></td>
<td>• Scaling up or expansion of proven green steel production</td>
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<td></td>
<td>• Developing, expanding, or acquiring EV charging infrastructure</td>
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<tr>
<td></td>
<td>• Developing or expanding the production of EV drivetrains</td>
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<tr>
<td></td>
<td>• Reducing locomotive emissions for rail systems that meet the emission threshold of &lt;50gCO₂/p-km for passenger rail and &lt;25gCO₂/t-km for freight transport</td>
</tr>
<tr>
<td>Sustainable Water and Waste Management</td>
<td>Investments towards sustainable water and waste management such as:</td>
</tr>
<tr>
<td></td>
<td>• Water production, treatment and/or distribution</td>
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<tr>
<td></td>
<td>• Collection and treatment of sewage and waste</td>
</tr>
<tr>
<td></td>
<td>• Domestic waste and commercial waste recycling facilities</td>
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</table>
3. PROCESS FOR PROJECT EVALUATION AND SELECTION

Brookfield’s Capital Markets and Treasury (“CMT”) team will oversee the implementation of the framework, in collaboration with internal experts and stakeholders, including our in-house sustainability team and affiliates of the Corporation. The CMT includes the Chief Financial Officer and senior managing executives of the Corporation.

The CMT team will be responsible for:

- Review and approval of the pool of Eligible Investments and any additions to the pool to ensure they meet the definition of Eligible Investments as outlined in the Green Bond and Preferred Securities Framework
- Verify that Eligible Investments have not previously received an allocation from Brookfield and/or its affiliates’ green bond and preferred securities program
- Review and approval of the Green Bond and Preferred Securities Framework and any changes to the framework
- Review and approval of the Green Bond and Preferred Securities Report for investors
- Review third-party opinions that relate to the Green Bond and Preferred Securities Framework
- Monitor any ongoing evolution related to green bond and preferred securities market practices

All Eligible Investments are subject to a regular review based on financial, technical/operating, market, legal and environmental, social and governance (“ESG”) risks. In addition, investments are closely monitored for adherence to Brookfield’s Code of Business Conduct and Ethics.

4. MANAGEMENT OF PROCEEDS

Proceeds from the issuance of green bonds and preferred securities will be deposited to Brookfield’s general account and an amount equal to the net proceeds will be earmarked for allocation to Eligible Investments. The Corporation will establish a Green Bond and Preferred Securities Register to record on an ongoing basis the allocation of the net proceeds to Eligible Investments.

Until all net proceeds from green bonds and preferred securities have been allocated to Eligible Investments, the balance of the net proceeds will be allocated to the Corporation’s liquidity reserve and temporarily used for general corporate purposes.

5. REPORTING

5.1 Allocation Reporting

Brookfield will provide annual updates to investors on its green bond and preferred security program in the third quarter of each year, until the proceeds from the issuance of green bonds and preferred securities are fully allocated to Eligible Investments. The updates will be published in Brookfield’s Green Bond Report, available on its website. The updates will contain information on the green bond and preferred securities program including amounts allocated to Eligible Investments and the balance of unallocated proceeds. We will incorporate the allocation of proceeds by eligible category and provide examples of investments being financed with green bond and preferred securities proceeds until all proceeds have been allocated.
5.2 Impact Reporting

Where feasible, Brookfield will disclose qualitative and quantitative impact indicators in its annual Green Bond Report. Examples of impact indicators that may be included are:

<table>
<thead>
<tr>
<th>ELIGIBLE INVESTMENTS</th>
<th>POTENTIAL QUANTITATIVE PERFORMANCE MEASURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Buildings</td>
<td>• Metric tons of CO₂ emissions avoided (mtCO₂e)</td>
</tr>
<tr>
<td></td>
<td>• Energy savings (MWh)</td>
</tr>
<tr>
<td></td>
<td>• Water savings (m³)</td>
</tr>
<tr>
<td>Renewable Energy Generation</td>
<td>• Installed capacity (MWh)</td>
</tr>
<tr>
<td></td>
<td>• Metric tons of CO₂ emissions avoided (mtCO₂e)</td>
</tr>
<tr>
<td>Energy Efficiency and Management</td>
<td>• Energy savings (MWh)</td>
</tr>
<tr>
<td></td>
<td>• Metric tons of CO₂ emissions avoided (mtCO₂e)</td>
</tr>
<tr>
<td>Sustainable Water and Waste Management</td>
<td>• Volume of water saved/reduced/treated (m³)</td>
</tr>
<tr>
<td></td>
<td>• Total population served by the system</td>
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</tbody>
</table>

5.3 External Review

Brookfield has obtained a second-party opinion from Sustainalytics on this Green Bond and Preferred Securities Framework, which has been published on Sustainalytics’ website³ and on the Corporation’s website¹⁰.

On an annual basis, Brookfield intends to appoint a qualified independent external reviewer to provide comfort on the allocation of the green bond and preferred securities proceeds to Eligible Investments as defined in this Green Bond and Preferred Securities Framework. This review will be published alongside Brookfield’s annual Green Bond Report.
ENDNOTES

1. The Green Bond Principles ("GBP") were created by the International Capital Markets Association ("ICMA") and updated in June 2021. According to ICMA’s website, the GBP are “voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond”.

2. Leadership in Energy and Environmental Design ("LEED") is a voluntary, third party building certification process developed by the U.S. Green Building Council ("USGBC"), a non-profit organization. The USGBC developed the LEED certification process to (i) evaluate the environmental performance from a whole building perspective over a building’s life cycle, (ii) provide a definitive standard for what constitutes a “green building,” (iii) enhance environmental awareness among architects and building contractors, and (iv) encourage the design and construction of energy efficient, water conserving buildings that use sustainable or green resources and materials.

3. BREEAM, which is published by Building Research Establishment Ltd., is an international scheme that provides independent third party certification of the assessment of the sustainability performance of individual buildings, communities and infrastructure projects. Assessment and certification can take place at a number of stages in the built environment life cycle, from design and construction through to operation and refurbishment. In the case of BREEAM, third party certification involves the checking — by impartial experts — of the assessment of a building or project by a qualified and licensed BREEAM assessor to ensure that it meets the quality and performance standards of the scheme.

4. To determine if construction of other hydroelectricity facilities > 25 MW constitute an Eligible Investment, Brookfield will assess the size, location, carbon intensity scoring and risk (including environmental and social risks). The corporation will screen out investments that have carbon emissions of >100gCO₂e/KWh or reservoir power density of <5W/m². The Corporation’s assessment will be subject to review by a reputable third party.

5. Biomass generation feedstock will be limited to sources that do not deplete existing terrestrial carbon pools, such as agricultural or forestry residue.

6. Green hydrogen will be produced through electrolysis powered by renewable energy sources.

7. Renewable gas facilities refer to natural gas generation facilities which source natural gas from waste biomass that have been recognized as sustainable from a reputable third party.

8. Green steel production refers to steel production that uses scrap steel and electric arc furnace powered by renewable energy.


DISCLAIMER

Brookfield Asset Management Inc. is not making any offer or invitation of any kind by communication of this Green Bond Framework and under no circumstance is it to be construed as a prospectus or an advertisement.

This Green Bond Framework may contain “forward-looking information” within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include, but are not limited to, statements which reflect management’s expectations regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of Brookfield Asset Management Inc. and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as “expects,” “anticipates,” “believes,” “estimates,” “seeks,” “intends,” “targets,” “projects,” “forecasts” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may,” “will,” “should,” “would” and “could” which are predictions of or indicate future events, trends or prospects, and which do not relate to historical matters.

The reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of Brookfield Asset Management Inc. to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information.