



Brookfield

NET ZERO ASSET MANAGERS INITIATIVE
INTERIM PROGRESS REPORT

Brookfield Asset Management

January 2024

Introduction

Brookfield became a signatory to the Net Zero Asset Managers (NZAM) initiative in March 2021 to support the ambition of achieving net zero GHG emissions by 2050 or sooner. In May 2022, NZAM published our initial interim target, where we set out our commitment to reduce emissions across \$147 billion (approximately one-third) of our assets under management by 2030 from a 2020 base year.¹ Further details of our interim target were disclosed in the publication of NZAM's Initial Target Disclosure Report May 2022 on their website at <https://www.netzeroassetmanagers.org/signatories/brookfield-asset-management/>. Since publishing our interim target in 2022, AUM for our business has grown by over \$130 billion, of which we added \$54 billion of assets to our NZAM interim target. With this addition, our in-scope assets will rise to \$201 billion or approximately 34% of AUM.²

In accordance with NZAM's reporting requirements, all signatories should demonstrate implementation of the commitment and progress against their target by completing reporting requirements through either the Principles for Responsible Investing (PRI) or the CDP annual reporting processes. Brookfield became a signatory to the PRI in 2020 and has submitted its 2022 NZAM interim progress report through the 2023 PRI Reporting Framework. Our submission includes responses to the reporting requirements as described in "[A Resource Guide for Reporting Against the Net Zero Asset Manager \(NZAM\) Initiative Commitments](#)." Details of these requirements are outlined in [Appendix 1](#) and the required questions submitted to the PRI are outlined in [Appendix 2](#).

For a detailed discussion of our progress to date, please refer to pages 67-73 in the 2022 [Brookfield Asset Management Sustainability Report](#). Additional information on Brookfield's climate strategy may also be found on pages 41-66 in our 2022 Sustainability Report.

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

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

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APPENDIX 1: NZAM Reporting Requirements (Source: [A Resource Guide for Reporting Against NZAM Initiative Commitments](#))

TABLE 1: Alignment of NZAM commitments with PRI's Reporting Framework Indicators.

NZAM Commitment	PRI Reporting Framework Indicator
1. Set Interim targets for 2030	SO 2
2. Portfolio emissions	SO 2, SO 3 (incl. SO 3.1 and SO 3.2), SO 4 (incl. SO 4.1), PGS 46
3. Prioritize real economy emissions reductions	PGS 41 (incl. PGS 41.1)
4. Prioritize long-term removal, if using offsets	PGS 41 (incl. PGS 41.1)
5. Create net zero products, and invest in climate solutions	PGS 41 (incl. PGS 41.1)
6. Provide information on net zero investing and climate risks and opportunities	PGS 41 (incl. PGS 41.1), PGS 44
7. Implement stewardship and engagement strategies	SO5, SO 8, SO 9, SO 10, SO 13
8. Engage with stakeholders to ensure product/ service adherence to net zero	SO 12
9. Align policy advocacy	SO 11
10. Report on TCFD, ICAPs	For a full list of indicators please refer to Table 3 and Table 4

TABLE 3: Alignment between PRI's Reporting framework indicators and TCFD recommendations.

TCFD Recommendation	PRI Indicator
Report to TCFD	PGS 17
Governance A & B	PGS 11 (incl. PGS 11.1 (D))
Strategy A	PGS 41
Strategy B	PGS 41.1
Strategy C	PGS 43
Risks A, B, & C	PGS 44
Metrics & Targets A	PGS 45
Metrics & Targets B	PGS 46
Metrics & Targets C	NOT in PGS module (please refer to SO module indicators 1-4 (incl. their sub-indicators))

TABLE 4: Alignment between PRI's Reporting framework indicators and ICAPs.

ICAPs Expectation Ladder	PRI Indicator
1 – Focus Area Investment	
1.1 Strategy	PGS 20 (D) & (E), PGS 42
1.2 Risk management	PGS 43 (fulfilled when reporting TCFD recommendation Strategy C)
1.3 Asset allocation	SO 1 to SO 4
1.4 Additional target setting	SO 1 to SO 4
2 – Focus Area Corporate Engagement	
2.1 Collective/collaborative engagement	SO 5, SO 8, SO 9, SO 10, SO 13 (fulfilled when reporting NZAM commitment 10)
2.2 Bilateral engagement	PGS 39 (incl. PGS 39.2 (A))
2.3 Corporate escalation and shareholder engagement	PGS 32
3 – Focus Area Policy Advocacy	
3.1 Investor Statements	PGS 39 (incl. PGS 39.1 (D))
3.3 Advocacy	SO 11
4 – Focus Area Investor Disclosure	
4.1 Commitments, objectives, and targets	SO 1 to SO 4
4.2 Carbon emissions	PGS 46 (fulfilled when reporting TCFD recommendation Metrics and Targets B)
4.3 Portfolio assessment	PGS 43 (fulfilled when reporting TCFD recommendation Strategy C)
Cross-cutting theme Governance	
Accountability	PGS 13, PGS 14
Skills assessment	PGS 15 (A)

APPENDIX 2: Brookfield's PRI Submission for NZAM Reporting Requirements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- ☒ (A) Board members, trustees, or equivalent
- ☒ (B) Senior executive-level staff, or equivalent

Specify:

Brookfield's ESG program is overseen by senior executives at Brookfield, including its Chief Administrative Officer and General Counsel (CAO & GC) (Governance and Risk Management), Head of Transition Investing (Decarbonization and Investment) and Chief Financial Officer (CFO) (GHG Reporting and Measurement), with the support of Brookfield's Head of ESG Management. For additional information, please see page 15 of the Brookfield Corporation Sustainability Report.

- ☒ (C) Investment committee, or equivalent

Specify:

Management teams and committees bring together the required expertise to manage key ESG areas, ensuring appropriate application and coordination of approaches across our business and functional groups. For additional information, please see pages 15-16 of the Brookfield Corporation Sustainability Report.

- ☒ (D) Head of department, or equivalent

Specify department:

Melissa Low, Senior Vice President, ESG Management

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent
- (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Explain why: (Voluntary)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)
- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Explain why: (Voluntary)

The Corporation believes that, given its focus on the long-term when making decisions, the impact of which is difficult to assess in the short-term, a heavy emphasis on annual incentives and a formulaic calculation of awards based on the achievement of annual operational or individual performance targets may not appropriately reflect decisions that are fully aligned with the long-term strategy of the Corporation.

As such, Brookfield does not track specific key performance indicator metrics as part of its long-term compensation structure for senior employees.

However, we believe that strong ESG management is inextricably linked to the success of a business. We actively look to advance ESG initiatives and improve ESG performance (including in the areas of health & safety and decarbonization) in driving long-term value creation throughout the lifecycle of our investments. Our approach to compensation emphasizes an "ownership-like" approach where compensation is weighted to the long-term, fostering collaboration among the Firm's investment professionals. Employees are encouraged to align their interests with the long-term interests of both Brookfield and its investors, which alignment is then reinforced by Brookfield's substantial commitment to each of its investment funds, ensuring that executives at Brookfield recognize and enact sustainable, productive initiatives that best serve our stakeholders.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input type="checkbox"/>	<input type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- ☒ (A) Yes, including all governance-related recommended disclosures
 - ☒ (B) Yes, including all strategy-related recommended disclosures
 - ☒ (C) Yes, including all risk management-related recommended disclosures
 - ☒ (D) Yes, including all applicable metrics and targets-related recommended disclosures
 - ☐ (E) None of the above
- Add link(s):

<https://bn.brookfield.com/sites/brookfield-bn/files/BN-IR-Master/Responsibility/BN%202022%20Sustainability%20Report.pdf>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- ☐ (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- ☐ (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- ☐ (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- ☐ (D) Exclusions based on our organisation's climate change commitments
- ☐ (E) Other elements
- ☒ (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- ☐ (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- ☐ (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- ☒ (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
 - ☐ (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
 - ☐ (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- ☒ (A) Yes, we engaged with policy makers directly
- ☒ (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- ☒ (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
 - ☐ (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- ☐ (A) We participated in 'sign-on' letters
- ☐ (B) We responded to policy consultations
- ☐ (C) We provided technical input via government- or regulator-backed working groups
- ☒ **(D) We engaged policy makers on our own initiative**

Describe:

From time to time, engage with various regulators (Bank of Canada, Bank of England).

- ☒ **(E) Other methods**

Describe:

Indirectly through Accounting for Sustainability (A4S) and Net Zero Asset Managers Initiative (NZAM).

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- ☐ (A) We publicly disclosed all our policy positions
- ☒ **(B) We publicly disclosed details of our engagements with policy makers**

Add link(s):

<https://bn.brookfield.com/sites/brookfield-bn/files/BN-IR-Master/Responsibility/BN%202022%20Sustainability%20Report.pdf>

- ☐ (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

Has your organisation identified climate-related risks and opportunities affecting your investments?

☒ (A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

We consider climate-related risks and opportunities over three time periods (short, medium and long-term) as the nature of these risks and opportunities can differ depending on the time period considered. Time periods are set to reflect the long-life nature of our assets and the fact that climate impacts are expected to occur over decades, extending well beyond our typical risk assessment timeframes. The short-term time period (to 2030) most closely aligns with our typical five-year planning horizons.

We have identified significant transition opportunities within the short term as we invest across many sectors that will be critical to a transition to a lower carbon economy.

These sectors include renewable energy (we are one of the world's largest owners and operators of renewable power assets), nuclear energy services, battery and pumped storage, and carbon capture storage and usage sectors. Transition opportunities across other sectors in which we invest include businesses in the electricity transmission and distribution sector (which will be vital to supporting increased demand for electricity as a result of a continued shift towards electrification), telecommunications providers and data centers (which support increased process efficiency in industrial applications) and in the manufacturing and construction services sectors (in businesses that are focused on reusable packaging, modular structures and construction materials and services that support a circular economy).

Sectors in which we invest that have the potential for higher pre-mitigation transition risk in the short term include energy transmission, distribution and storage, as well as other energy-related businesses.

The potential transition risk in these sectors is higher in the medium and longer term than in the short term. See PGS41 (B) for a more detailed discussion on the risks and mitigants related to these investments.

We have identified locations across our businesses that may currently be at risk of particular physical hazards; however, our geographic diversification has the effect of lowering potential impacts of physical risk across our investments. Furthermore, because the vulnerability of our assets to each physical hazard varies significantly, depending on the type of asset and its individual characteristics, the sectoral diversity of our investments also helps to mitigate risk.

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

Unless otherwise noted, this discussion (PGS 41, 41.1, 43, and 44) is focused on our approach to managing climate-related risks and opportunities for the investments where we have control or significant influence. These investments represent the substantial majority of assets under management across our Renewable Power & Transition, Infrastructure, Private Equity and Real Estate investment strategies.

☒ (B) Yes, beyond our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

We consider climate-related risks and opportunities over three time periods (short, medium and long-term) as the nature of these risks and opportunities can differ depending on the time periods considered. The short-term time period (to 2030) most closely aligns with our typical five-year planning horizons. The following discussion relates to risks and opportunities identified in the medium (to 2040) and longer (to 2050) term, which periods are beyond our standard planning horizon.

We have identified significant transition opportunities in the medium and long term as we invest across many sectors that will be critical to a transition to a lower carbon economy.

As discussed in more detail under PGS41 (A), these sectors include renewable energy, nuclear energy services, battery and pumped storage, carbon capture storage and usage, electricity transmission and distribution, telecommunications providers and data centers, and manufacturing and construction services sectors that support a circular economy. Transition opportunities in these sectors are expected to increase in the medium and long term under both a delayed transition and net zero 2050 scenarios.

Over the medium and long term, sectors in which we invest that have the potential for higher pre-mitigation transition risk include energy transmission, distribution and storage, as well as other energy-related businesses.

The potential for a transition away from higher carbon fuels may impact these sectors as a result of lower demand for fossil fuels and/or increased carbon pricing. The potential risks are higher under both a delayed transition and net zero 2050 scenarios, with lower risks observed in a current policies scenario. The majority of our investments in these sectors are related to natural gas. The scenarios suggest that the transition away from natural gas may be more gradual than for other traditional fuel sources, since natural gas is expected to play a role providing baseload power and replacing higher carbon fuels, such as coal, as the economy transitions to renewable power sources.

Our investments that support the export of liquefied natural gas (LNG) will help in this transition, particularly for countries that are currently more reliant on higher carbon intensive sources of energy. Also, our assets generally have indirect exposure to natural gas, as they provide infrastructure for natural gas producers, and may be repurposed as part of a transition to a lower carbon economy. We are engaging with our portfolio companies in these sectors on decarbonization strategies, as well as exploring new markets for their products and services. We believe that decarbonization and repurposing efforts will mitigate the potential longer-term transition risks for many of our portfolio companies in these sectors.

Moreover, our exposure to fossil fuel-related industries is relatively low.

We believe our strategy, along with the profile of our investments, is resilient across a range of possible transition scenarios and that we are well-positioned to capitalize on transition opportunities.

We have identified locations across our businesses that may be at risk of particular physical hazards over the medium and long term; however, our geographic diversification has the effect of lowering potential impacts of physical risk across our investments. Furthermore, because the vulnerability of our assets to each physical hazard varies significantly, depending on the type of asset and its individual characteristics, the sectoral diversity of our investments also helps to mitigate risk.

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

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

● (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Climate-related considerations are an important component of our investment process and are embedded throughout the investment lifecycle:

Due diligence and Investment Committee approval: Our ESG Due Diligence Protocol includes a comprehensive climate change risk and opportunity assessment, which is aligned with our climate change risk management methodology. Material climate-related risks, opportunities and mitigants identified during the diligence phase, as considered relevant to the business, are outlined for the applicable Investment Committee and considered in the investment decision. If the investment is approved, the investment team creates a tailored integration plan that includes, among other considerations, strategic and operational plans to address the material risks and opportunities identified.

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

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

Brookfield is aligned with the global imperative of decarbonization and has set an ambition to achieve net zero across all assets under management by 2050. To achieve this global ambition, it will require tremendous financial investment, a paradigm shift in how assets are managed, and government support through policy and regulation.

We intend to support this goal by contributing operational and investment expertise to execute practical decarbonization strategies that will prepare businesses for the future economy. We also believe that decarbonization is an important long-term transition risk mitigation strategy that is complementary to preserving and enhancing value. Our focus over the next few years will be to continue formalizing and implementing a systematic decarbonization approach to accelerate our net-zero progress.

Products: A transition to a lower-carbon economy presents significant opportunities and we are well-positioned to take a leading role in transition investing and clean energy development.

We launched the Brookfield Global Transition Fund (BGTF) two years ago, the first in a series of funds for our transition strategy that is dedicated to accelerating the transition to a net-zero economy by catalyzing businesses onto net-zero pathways aligned with the goals of the Paris Agreement. Through BGTF, we are utilizing our leadership in renewable power and deep operational capabilities to scale clean energy operations and “go where the emissions are” to invest in emissions-intensive businesses and set them on a path to net zero.

In addition to driving impact through transition investing, we are one of the world’s largest investors in renewable power globally. We plan to continue to support growth in renewable power by developing new clean energy capacity equivalent to doubling the size of our 2021 operating portfolio by 2030 by developing an additional 21,000 MW of generating capacity. We continue to be a leader in sustainable finance, enabling investors and portfolio companies to contribute to a sustainable market economy and support adaptation to global climate change challenges. In 2022, we issued approximately \$7 billion in green bonds, sustainability-linked debt and green preferred securities.

For a detailed discussion of our climate strategy, please see pages 40-73 of the Brookfield Corporation Sustainability Report.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

- ☐ (A) Coal
- ☐ (B) Gas
- ☐ (C) Oil
- ☐ (D) Utilities
- ☐ (E) Cement
- ☐ (F) Steel
- ☐ (G) Aviation
- ☐ (H) Heavy duty road
- ☐ (I) Light duty road
- ☐ (J) Shipping
- ☐ (K) Aluminium
- ☐ (L) Agriculture, forestry, fishery
- ☐ (M) Chemicals
- ☐ (N) Construction and buildings
- ☐ (O) Textile and leather
- ☐ (P) Water

☒ **(Q) Other**

Specify:

Midstream, Utilities, Industrials, Infrastructure services, Rail transport, Industrial operations/Water

Describe your strategy:

Our focus over the next year is to continue rolling out our targeted engagement strategy, which includes prioritizing our highest emitting assets across Brookfield for decarbonization initiatives as well as working with those companies that are currently in-scope under our interim net zero target. Brookfield has elected to identify this on an asset basis, as opposed to by sector. For further discussion on Brookfield's approach, please refer to page 52 in the Brookfield Corporation Sustainability Report.

- (R) We do not have a strategy addressing high-emitting sectors

Provide a link(s) to your strategy(ies), if available

<https://bn.brookfield.com/sites/brookfield-bn/files/BN-IR-Master/Responsibility/BN%202022%20Sustainability%20Report.pdf>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?

- ☐ (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- ☐ (B) Yes, using the One Earth Climate Model scenario
- ☐ (C) Yes, using the International Energy Agency (IEA) Net Zero scenario

☒ **(D) Yes, using other scenarios**

Specify:

Transition scenarios: we have assessed the resilience of our investments under three scenarios developed by the Network for Greening the Financial System (NGFS):

1. "Current Policies" (temperature target of 3.0C+)
2. "Net Zero 2050" (temperature target of 1.40C)
3. "Delayed Transition" (temperature target of 1.60C).

Physical scenarios: we have assessed the resilience of our assets under two physical climate scenarios using the Shared Socioeconomic Pathways (SSPs) framework featured in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC):

1. SSP5-8.5 (temperature rise of 3.30C to 5.70C)
2. SSP1-2.6 (temperature rise of 1.30C to 2.40C).

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?

☒ **(A) Yes, we have a process to identify and assess climate-related risks**

(1) Describe your process

Climate-related risks and opportunities are identified, assessed and managed using our climate change risk management methodology which has five key components.

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

2. Identify Risks and Opportunities: Physical and transition risks are categories in our risk inventory, which is used in our enterprise risk assessment process. We have defined a detailed climate taxonomy to facilitate consistent definition, assessment and reporting of these risks and opportunities.

3. Assessment Screens: We use screening-level climate scenario analysis to: (i) assess, on a pre-mitigation basis, the overall level of climate-related risk and opportunity of our investments and understand their key drivers, and (ii) identify and prioritize businesses or assets for further analysis or engagement.

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

4. Portfolio Company/Asset Level Assessment and Engagement: Results from our screening assessments are reviewed by our risk management, ESG and operations professionals, who sit with and work alongside our investment teams. In reviewing and assessing results, current and planned mitigation and adaptation strategies are considered along with historical experience at the portfolio company and asset level (e.g., GHG emissions reduction plans, structural characteristics of or hardening activities associated with an asset).

If additional information is required, as determined by the teams, a more detailed review at the portfolio company or asset level may be conducted. Screening assessments, coupled with operational and strategic insights, are used to form an assessment of our post-mitigation risks and opportunities, as well as the resilience of our business under different future climate pathways.

Where incremental mitigation and adaptation strategies or value-add enhancement opportunities are identified, our operations teams work closely with senior management of the portfolio companies to support and oversee the development and implementation of business improvements.

While enhancement opportunities may differ across industries and geographies, they generally involve a combination of strategic repositioning, focus on operational excellence and strengthening asset resilience.

5. Ongoing Monitoring and Continuous Improvement: We review our climate change risk management methodology at least annually and implement updates where required.

(2) Describe how this process is integrated into your overall risk management

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

☒ **(B) Yes, we have a process to manage climate-related risks**

(1) Describe your process

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

At the same time, we monitor climate-related risks and opportunities organization-wide to ensure adequacy of risk management, identify asset and business level enhancement opportunities, and promote sharing of best practices. Where incremental mitigation and adaptation strategies or value-add enhancement opportunities are identified, our operations teams work closely with senior management of the portfolio companies to support and oversee the development and implementation of business improvements. While enhancement opportunities may differ across industries and geographies, they generally involve a combination of strategic repositioning, focus on operational excellence and strengthening asset resilience.

The investment teams are responsible for assessing material climate risks and opportunities of prospective investments and developing mitigation strategies and integration plans as part of the acquisition process.

Material climate-related risks and opportunities are presented to the applicable Investment Committee as part of the investment approval process.

While climate-related risks and opportunities will generally vary based on the nature of a business, we view GHG emissions as a potential source of transition risk for all of our portfolio companies and we are actively engaging with our portfolio companies to help them develop decarbonization strategies. Portfolio company decarbonization strategies are considered in our ongoing climate-risk assessments.

(2) Describe how this process is integrated into your overall risk management

The Risk Management team coordinates the development and implementation of Brookfield's climate risk management approach and methodology, which includes a framework for evaluating climate opportunities and risks in the investment due diligence process. This team works with our business groups to assess, on an ongoing basis, climate opportunities and risks across our businesses and seeks to ensure that risks are being managed to an appropriate level. The Risk Management Committee of our Board has oversight and risk assessment results are presented annually and updates on other climate risk management initiatives are reported quarterly as part of the quarterly reporting process.

The business group risk management teams implement the climate risk management methodology and investment due diligence framework within their businesses and support their investment and operations teams with execution. Ongoing identification, assessment, management and monitoring of climate risks and opportunities is integrated into each business groups' overall risk management process.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?

☒ **(A) Exposure to physical risk**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

● **(3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://bn.brookfield.com/sites/brookfield-bn/files/BN-IR-Master/Responsibility/BN%202022%20Sustainability%20Report.pdf>

☒ **(B) Exposure to transition risk**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

● **(3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://bn.brookfield.com/sites/brookfield-bn/files/BN-IR-Master/Responsibility/BN%202022%20Sustainability%20Report.pdf>

☐ (C) Internal carbon price

☒ **(D) Total carbon emissions**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

● **(3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://bn.brookfield.com/sites/brookfield-bn/files/BN-IR-Master/Responsibility/BN%202022%20Sustainability%20Report.pdf>

☐ (E) Weighted average carbon intensity

☒ **(F) Avoided emissions**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://bn.brookfield.com/sites/brookfield-bn/files/BN-IR-Master/Responsibility/BN%202022%20Sustainability%20Report.pdf>

- ☐ (G) Implied Temperature Rise (ITR)
- ☐ (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals
- ☒ (I) Proportion of assets or other business activities aligned with climate-related opportunities
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- ☐ (J) Other metrics or variables
- (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

- ☒ (A) Scope 1 emissions
 - (1) Indicate whether this metric was disclosed, including the methodology
 - (1) Metric disclosed
 - (2) Metric and methodology disclosed
 - (2) Provide links to the disclosed metric and methodology, as applicable

<https://bn.brookfield.com/sites/brookfield-bn/files/BN-IR-Master/Responsibility/BN%202022%20Sustainability%20Report.pdf>

- ☒ (B) Scope 2 emissions
 - (1) Indicate whether this metric was disclosed, including the methodology
 - (1) Metric disclosed
 - (2) Metric and methodology disclosed
 - (2) Provide links to the disclosed metric and methodology, as applicable

<https://bn.brookfield.com/sites/brookfield-bn/files/BN-IR-Master/Responsibility/BN%202022%20Sustainability%20Report.pdf>

- ☒ (C) Scope 3 emissions (including financed emissions)
 - (1) Indicate whether this metric was disclosed, including the methodology
 - (1) Metric disclosed
 - (2) Metric and methodology disclosed
 - (2) Provide links to the disclosed metric and methodology, as applicable

<https://bn.brookfield.com/sites/brookfield-bn/files/BN-IR-Master/Responsibility/BN%202022%20Sustainability%20Report.pdf>

- (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

☒ **(A) Sustainability outcome #1**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

☐ (1) The UN Sustainable Development Goals (SDGs) and targets

☒ **(2) The UNFCCC Paris Agreement**

☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)

☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

☐ (5) The EU Taxonomy

☐ (6) Other relevant taxonomies

☐ (7) The International Bill of Human Rights

☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

☐ (9) The Convention on Biological Diversity

☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

☒ **(1) Environmental**

☐ (2) Social

☐ (3) Governance-related

☐ (4) Other

(3) Sustainability outcome name

NZAM AUM commitment

(4) Number of targets set for this outcome

☐ (1) No target

☒ **(2) One target**

☐ (3) Two or more targets

☐ (B) Sustainability outcome #2

☐ (C) Sustainability outcome #3

☐ (D) Sustainability outcome #4

☐ (E) Sustainability outcome #5

☐ (F) Sustainability outcome #6

☐ (G) Sustainability outcome #7

☐ (H) Sustainability outcome #8

☐ (I) Sustainability outcome #9

☐ (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

(A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1:	NZAM AUM commitment				
(1) Target name	NZAM AUM Commitment				
(2) Baseline year	2020				
(3) Target to be met by	2030				
(4) Methodology	Guided by NZIF, NZIF PE Component, (Infra supplement)				
(5) Metric used (if relevant)	Expressed as a percentage of total AUM managed in line with net zero. Does not include AUM managed by our partner, Oaktree Capital Management, which carries out its investment activities independently from Brookfield and is currently developing its own climate strategy. Also excludes Brookfield Reinsurance as of December 31, 2022 (which did not exist as of December 31, 2020).				
(6) Absolute or intensity-based (if relevant)					
(7) Baseline level or amount (if relevant):	32%				
(8) Target level or amount (if relevant)					
(9) Percentage of total AUM covered in your baseline year for target setting	32%				
(10) Do you also have a longer-term target for this?	(1) Yes				

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(A1) Sustainability Outcome #1: NZAM AUM commitment	NZAM AUM Commitment	2050	100% of AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- ☐ (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
☐ (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
☐ (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
☐ (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
☒ (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

Does your organisation track progress against your nearest-term sustainability outcomes targets?

(A1) Sustainability outcome #1:

(A1) Sustainability outcome #1: NZAM AUM commitment

Target name: NZAM AUM Commitment

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?

(A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1:	NZAM AUM commitment
(1) Target name	NZAM AUM Commitment
(2) Target to be met by	2030
(3) Metric used (if relevant)	Expressed as a percentage of total AUM managed in line with net zero. Does not include AUM managed by our partner, Oaktree Capital Management, which carries out its investment activities independently from Brookfield and is currently developing its own climate strategy. Also excludes Brookfield Reinsurance as of December 31, 2022 (which did not exist as of December 31, 2020).
(4) Current level or amount (if relevant)	34%
(5) Other qualitative or quantitative progress	We increased our AUM coverage from \$147 Bn USD in the base year to \$201 Bn USD in the current year out of a total AUM of \$454 Bn USD and \$587 Bn USD, respectively.
(6) Methodology for tracking progress	Our intention is to increase the proportion of the assets to be managed in line with net zero annually or as frequently as possible, consistent with our ambition to reach 100% over time. Since publishing our interim target in 2022, AUM for our business has grown nearly \$190 Bn USD, of which we are adding \$54 Bn USD of assets to our NZAM interim target. As a result, our in-scope assets in our interim target will rise to \$201 billion or approximately 34% of AUM.

As well, we have developed the Achieving Net Zero Framework, which we will utilize to measure our progress of net-zero alignment with our portfolio companies over time. This framework incorporates NZIF's recommended phases and supplements it with additional steps to help bridge portfolio companies from the beginning of their journey to being able to set a net-zero ambition consistent with the 'Committed to Aligning' category, and therefore provides concrete steps for our portfolio companies to demonstrate progress to be in consideration for NZAM inclusion.

Last, we will measure and monitor the progress of the emissions of our portfolio companies. We have been measuring and tracking emissions across our business groups for several years. Our focus over the last three years has been on enhancing our approach to data collection.

We have calculated our emissions profile for each of our businesses – Renewable Power & Transition, Infrastructure, Private Equity and Real Estate. The GHG Protocol and PCAF methodology have informed our measurement approach. We have developed this data set utilizing the best information available and a bottom-up approach. We expect our information on annual emissions to continually improve in the future as data quality and quantity increase. We will strive to report transparently on any adjustments that we may implement as we refine these emission disclosures and report on our progress against targets. For further details on how we intend of measure progress and on our emissions reporting for 2022, please refer to Brookfield's Sustainability Report on pg. 70 (<https://www.brookfield.com/sites/default/files/2023-06/BN-2022-Sustainability-Report.pdf>).

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- ☒ (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets
Select from drop down list:
 - ☒ (1) Individually
 - ☐ (2) With other investors or stakeholders
- ☐ (B) Stewardship: engagement with external investment managers
- ☒ (C) Stewardship: engagement with policy makers

Select from drop down list:

☒ (1) Individually

☐ (2) With other investors or stakeholders

☒ (D) Stewardship: engagement with other key stakeholders

Select from drop down list:

☒ (1) Individually

☒ (2) With other investors or stakeholders

☒ (E) Capital allocation

☐ (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Across all sustainability outcomes

(1) Describe your approach	During the reporting year, we set in place key procedural programs across our businesses to engage with our portfolio companies on decarbonization initiatives. With our 100+ year history as an owner-operator, we are well-positioned to identify decarbonization opportunities and are putting plans into action to transition our portfolio companies accordingly. Across most of our portfolio companies today, decarbonization is already under way at varying levels. Brookfield owns a widely diversified portfolio of assets, and we recognize that there cannot be a “one size fits all” approach to decarbonization. Our role as operators is to formalize our approach, facilitate knowledge sharing and develop repeatable strategies across our broader asset base—what we refer to as operationalizing decarbonization—to catalyze carbon reduction solutions. For additional information, refer to pages 40-72 in the Brookfield Corporation Sustainability Report.					
(2) Stewardship tools or activities used	<p>(1) Engagement</p> <p>(5) Leveraging roles on the board or board committees (e.g. nomination committees)</p> <p>(6) Taking roles on investee boards</p> <p>(7) Working directly with portfolio companies and/or real asset management teams</p>					

(3) Example

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

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1: NZAM AUM commitment

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

☒ **(A) We prioritise the most strategically important companies in our portfolio.**

Describe how you do this:

We take an active approach in engaging our portfolio companies, focusing initially on investments in which we have a position of control, which represent over 70% of our assets under management. Based on AUM as of December 31, 2022, excluding Oaktree Capital Management, which carries out its investment activities independently from Brookfield and is currently developing its own climate strategy.

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

Select from the list:

- ☒ 1
- ☐ 2
- ☐ 3
- ☐ 4

- ☐ (B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.
- ☐ (C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.
- ☐ (D) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Across all sustainability outcomes

(1) Describe your approach	We collaborate regularly with outside stakeholders, including industry groups, and we encourage our businesses to participate in knowledge sharing practices. We believe external collaboration with stakeholders in public and private sectors is critical to uncovering solutions to existing challenges in the energy transition. We seek opportunities to work with public stakeholders where we can help shape public opinion and influence government actions and decisions in ways that protects and aligns with Brookfield's business interests and reputation. We are members of various industry-leading groups that we believe are aligned with our overall climate goals and contribute to industry-led publications. Sharing our expertise is a priority and we will invest time to contribute to key climate initiatives and stakeholder discussions that are aligned with our ambition and can help accelerate decarbonization.					
(2) Engagement tools or activities used	(3) We provided technical input via government- or regulator-backed working groups (4) We engaged policy makers on our own initiative					

(3) Example(s) of policies engaged on

Throughout 2022, Brookfield Renewable worked alongside trade groups and industry coalitions to advocate for passage of the Inflation Reduction Act. Brookfield Renewable advocated within Congress and to the Biden administration on the importance of policy certainty and fair treatment across renewable energy technologies. Please refer to page 12 and 64 in the Brookfield Corporation Sustainability Report for examples of associations we have engaged with.

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1: NZAM AUM commitment

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?

(A) Across all sustainability outcomes

(1) Key stakeholders engaged

(9) Other key stakeholders

(2) Provide further detail on your engagement

An example of our engagement in the 2022 fiscal year includes our membership of the Sustainable Markets Initiative's (SMI) Private Equity Task Force (PESMIT) Private Equity Roundtable. PESMIT brings together private equity firms to identify ways that the industry can accelerate progress towards a more sustainable future. Focusing on climate change, biodiversity and sustainability related metrics for private markets, it leverages expertise within each member firm and works with the other Sustainable Markets Initiative Task Forces. Over the last year, we have contributed on various initiatives including white papers on biodiversity, valuing carbon and ESG metrics in private equity. For further details of our external engagements, please refer to page 64 in the Brookfield Corporation Sustainability Report.

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1: NZAM AUM commitment

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Initiative #1

- | | |
|---|--|
| (1) Name of the initiative | GFANZ |
| (2) Indicate how your organisation contributed to this collaborative initiative | <p>(C) We publicly endorsed the initiative</p> <p>(H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report)</p> |
| (3) Provide further detail on your participation in this collaborative initiative | <ul style="list-style-type: none"> • Contributed to a GFANZ publication "Driving Enhancement, Convergence, and Adoption" (2022) • Collaborating on several other ongoing initiatives, in partnership with GFANZ, including COP28 |

(B) Initiative #2

- | | |
|---|--|
| (1) Name of the initiative | Sustainable Markets Initiative Private Equity Roundtable |
| (2) Indicate how your organisation contributed to this collaborative initiative | <p>(C) We publicly endorsed the initiative</p> <p>(G) We were part of an advisory committee or similar</p> <p>(H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report)</p> |
| (3) Provide further detail on your participation in this collaborative initiative | Contributed to white papers in early 2023 on biodiversity, valuing carbon and ESG metrics in private equity. |

(C) Initiative #3

- | | |
|---|--|
| (1) Name of the initiative | Bloomberg New Economy |
| (2) Indicate how your organisation contributed to this collaborative initiative | <p>(C) We publicly endorsed the initiative</p> <p>(G) We were part of an advisory committee or similar</p> |
| (3) Provide further detail on your participation in this collaborative initiative | Member of the Net Zero Steering Committee |

(D) Initiative #4

(1) Name of the initiative	Canada Business Council
(2) Indicate how your organisation contributed to this collaborative initiative	(C) We publicly endorsed the initiative (G) We were part of an advisory committee or similar
(3) Provide further detail on your participation in this collaborative initiative	Member of the Energy Transition Working Group