

**Brookfield**

**2020**

**ESG REPORT**

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# 1

# Introduction

## Key Topics

[Brookfield At A Glance](#) »

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# Brookfield At A Glance

Brookfield Asset Management is a leading global alternative asset manager with \$600 billion in assets under management and a 120-year heritage.<sup>1</sup> We own and operate long-life assets and businesses that 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 institutional and private wealth investors around the world.



Real Estate

**\$211B**  
AUM

- Office
- Multifamily
- Retail
- Logistics
- Hospitality
- Mixed-Use
- Alternative Real Estate



Infrastructure

**\$93B**  
AUM

- Utilities
- Transport
- Midstream
- Data



Renewable Power

**\$57B**  
AUM

- Hydroelectric
- Wind
- Solar
- Storage



Private Equity

**\$72B**  
AUM

- Business Services
- Infrastructure Services
- Industrials
- Residential



Credit<sup>2</sup>

**\$148B**  
AUM

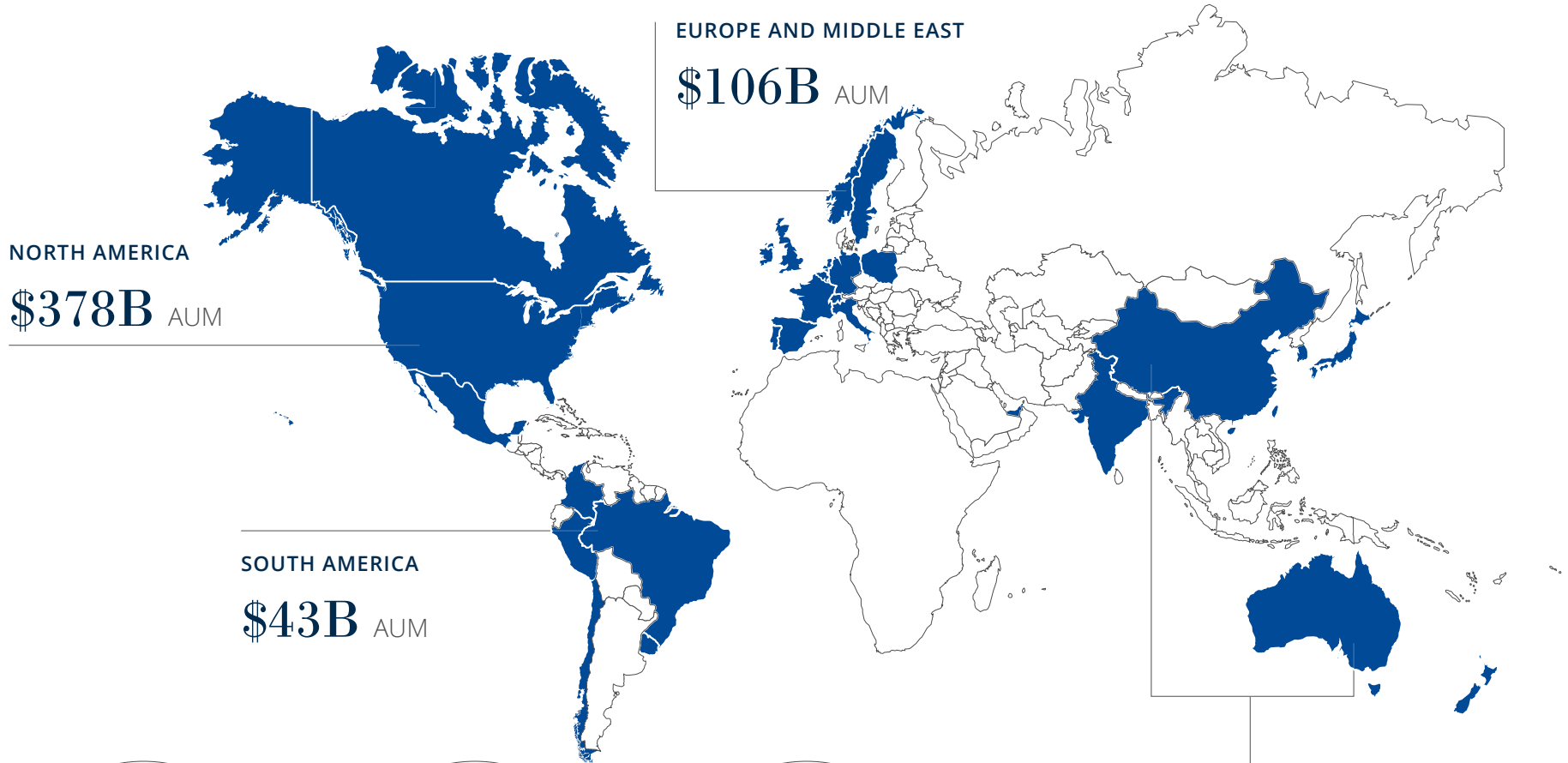
- Performing Credit
- Opportunistic Credit
- Private and Listed Equities
- Real Estate

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

<sup>2</sup> Oaktree Capital manages the credit strategies and operates independently from Brookfield. Accordingly, this report does not cover the activities undertaken by Oaktree Capital. For information about Oaktree's ESG approach and initiatives, visit [www.oaktreecapital.com/about/responsible-investing](http://www.oaktreecapital.com/about/responsible-investing). Total AUM also includes \$18 billion from our Public Securities Group.



# Brookfield Around the World



  
**~1,000**  
Investment Professionals

  
**30+**  
Countries

  
**~150,000**  
Operating Employees

**ASIA PACIFIC**  
**\$75B** AUM

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



# CEO Letter

We are pleased, like everyone, to have 2020 behind us. It represented a profound departure from life as we knew it, and every one of us was touched by it in some way. The global health crisis caused an upheaval that will be analyzed for years to come, but as with other crises over the decades, our people showed resilience in the face of adversity.

Our guiding principles, our commitment to our investors and stakeholders, and our approach to ESG management steered us through the uncertainty. With optimism and renewed energy, we are actively working to have all our businesses get back to normal.

Within our ESG initiatives, we are directing our efforts to the transition to a net zero carbon economy. This transition will affect virtually every business in every country, and we are fully committed to doing our part to decarbonize.

In March 2021, we took an important step as part of our commitment to achieving net zero throughout our business: becoming a signatory to the Net Zero Asset Managers (NZAM) initiative. This means that we commit to:

- Working to reduce the carbon emissions of our investments over time, consistent with reaching net zero emissions by 2050 or sooner—in line with the Paris Agreement—across all assets under management;
- Setting an interim target for a proportion of assets to be managed in line with achieving net zero emissions by 2050 and reviewing it at least every five years, with a view to increasing it to 100% of assets over time; and
- Measuring and reporting on emissions actively.

On a global scale, it is estimated that achieving net zero will require investment of over \$35 trillion in the next decade and over \$100 trillion over the next three decades. To formulate strategies to help meet that demand, Mark Carney joined us. Mark is a renowned economist, advocate for sustainability

and former Governor of the Bank of England and Bank of Canada. Mark is now our Head of ESG and Impact Fund investing. We also announced the launch of our first dedicated impact fund, the Brookfield Global Transition Fund (BGTF) with a mandate to focus on investments that contribute to the transition to a net zero global economy through business transformation, clean energy and sustainable solutions opportunities.

Over 70% of global emissions are tied to the energy sector. Our renewable power business—which is one of the largest renewable power portfolios in the world—is well positioned to play a critical role in the transition to net zero. And now, through BGTF, we will help other businesses accelerate their transition by providing our operating expertise and large-scale capital. We have a unique opportunity to leverage our long history of investing in businesses and assets that drive societal and environmental impact. Through this first fund in our impact series, we aim to deliver positive environmental outcomes while generating strong risk-adjusted financial returns for investors.



## INTRODUCTION

While also the right thing to put our capital behind, we believe that the transition to net zero is an exceptional commercial opportunity. And while this global goal of net zero is an ambitious one, it is also an imperative one. We are excited about what this strategy can accomplish, and we intend to take a leadership role in powering the transition of the global economy for everyone.

These are just some of the plans we have for Brookfield in the years ahead. In achieving these, we recognize that our people remain the foundation of our ability to succeed. We continue to focus on diversity, and in 2020 we expanded our focus beyond gender to include ethnic diversity. This expansion included the creation of a Global Diversity Advisory Group. The mandate of this group is to provide insight into the concerns, challenges and successes around attracting and retaining members of underrepresented groups within the communities in which we operate, starting with increasing representation from the Black community in North America.

We believe that a workforce encompassing and encouraging varied backgrounds and perspectives reinforces our culture and enhances collaboration. Our culture is an important foundation for our success and reinforcing it as we continue to expand is a priority.

We remain focused on our goal of generating strong risk-adjusted returns for our investors, and in doing so with long-term, positive outcomes for society. We have consistently found that value creation and sustainable business practices are complementary goals. This view has been reinforced by what we have learned throughout our 100-plus years as an owner operator, and we expect this to continue to be true over the next 100 years as we work to secure a sustainable future for all.



Bruce Flatt  
Chief Executive Officer, Brookfield Asset Management



# Who We Are

**We are a leading global alternative asset manager with over \$600 billion of assets under management across real estate, infrastructure, renewable power, private equity and credit.**

## Our Business

We focus on investing long-life, high-quality assets and businesses that form the backbone of the global economy. We have a broad selection of investment products, including private funds and publicly listed that enable both institutions and individuals to invest in assets and businesses that we own and operate. Our goal is to enable these businesses, as well as the communities in which we operate, to thrive over the long term.

We have developed strong operating capabilities over the years, which are important to reinforcing sustainable operations. We are one of the world's largest owners and operators of real estate, and we own the world's largest private sector renewable power-generating business. We also own a diverse array of infrastructure businesses and other privately held companies that deliver essential products and services to our communities, for which longevity and stability of operations are essential. We are a pre-eminent manager of private debt and public securities.

Our financial discipline and access to large-scale capital are integral to our investment approach. Our access to multiple sources of capital—from our own balance sheet, our publicly listed affiliates' capital and capital from our institutional and private wealth investors—gives us the ability to pursue large-scale opportunities that generate attractive financial returns and cash flows and support the growth of our asset management activities.

Finally, we invest significant capital alongside our investors, which creates a strong alignment of interests with our investors.



## INTRODUCTION

### Our Culture

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

- Long-term approach: Our long-term approach to our business influences everything we do including—how we make investment decisions, how we support and oversee our businesses, and how we develop our people and compensate them.
- Alignment of interests: We ensure alignment of our interests with our investors in multiple ways:
  1. we are compensated as an asset manager through performance-based arrangements, which are directly linked to increased value and cash flows for our investors;
  2. we invest significant balance sheet capital alongside our investors;
  3. senior leadership has a significant economic interest in the Firm; and
  4. our employee compensation programs link a significant portion of employee rewards to successful investment outcomes.

**Directors, officers, and other members of management collectively hold a ~20% economic interest in Brookfield**

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

These principles inform how we manage the business and are foundational to our success. Our approach to ESG is consistent with these principles.

“We operate long-term assets and businesses across the globe. This approach dictates both our investment strategy and our commitment to ESG practices. We believe that value creation and sustainable business practices are complementary goals. Throughout our operations, we are committed to practices that have a positive impact on the communities in which we operate.”

**BRUCE FLATT, CHIEF EXECUTIVE OFFICER**







# 2 ESG at Brookfield

## Key Topics

- [ESG Principles](#) »
- [ESG in Practice](#) »
- [ESG Affiliations and Partnerships](#) »
- [Stakeholder Engagement](#) »
- [About This Report](#) »
- [Comprehensive Topic Review and Analysis](#) »



# ESG Principles

At Brookfield, sound ESG practices are integral to building resilient businesses and creating long-term value for our investors and other stakeholders.

We manage our investments with integrity, balancing economic goals with responsible citizenship. This is consistent with our philosophy of conducting business with a long-term perspective in a sustainable and ethical manner. This means operating with robust ESG principles and practices and maintaining a disciplined focus on embedding these into everything we do. Our approach to ESG is based on the following principles:



# ESG in Practice

We believe that acting responsibly toward our stakeholders is foundational to operating a productive, profitable and sustainable business.

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.

Each of our portfolio companies has its own ESG considerations that reflect the business requirements of the company, the sector, and geography in which it operates. As part of our role as an asset manager, we expect our portfolio companies to implement strong ESG practices that are congruent with our principles while being suitable and responsive to their business requirements. Whereas the objective in each case is the same, our approach is tailored to the nature of the asset or business and the structure of our ownership.

In most cases, we invest in ways that allow us to have a degree of influence or control over the asset or business, known as “control positions.” This enables us to bring our experience and influence to bear, including on ESG matters. We monitor and support the efforts of these portfolio companies through board oversight, policy guidance, ongoing reporting and other appropriate governance mechanisms.

For example, within both our office portfolio and renewable power businesses, the tenure of ownership and control we have in each, together with the scale of operations, have enabled us to implement our ESG principles in scale and with significant impact.

In other parts of our portfolio, such as in our public securities business, we manage investments in non-control positions. In these circumstances, we interact with management teams at the investee companies in our capacity as investors to encourage change where appropriate.

Our experience has demonstrated that there is a strong correlation between acting responsibly, aligning with the interests of our investors, employees, and other stakeholders, and creating sustainable value.

# ESG Affiliations and Partnerships

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, and we are enhancing our ESG reporting and protocols in line with evolving best practices. Below are some of the leading frameworks and sustainability organizations with which we are affiliated.



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. The PRI is one of the world's leading proponents of responsible investing, with an emphasis on understanding the investment implications of ESG factors and supporting an international network of investor signatories incorporating these factors into their investment and ownership decisions.



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.



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.



In 2021, we joined the Net Zero Asset Managers ([NZAM](#)) initiative, which consists of a group of international asset managers committed to supporting the goal of net zero greenhouse gas (GHG) emissions by 2050 or sooner, emphasizing our alignment with the Paris Agreement.



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.



In addition, several of our businesses and portfolio companies are members of organizations associated with their respective businesses and part of industry-specific frameworks enabling them to further their ESG initiatives. For example, many of our real estate businesses voluntarily disclose environmental performance annually through participation in the Global Real Estate Sustainability Benchmark ([GRESB](#)). These businesses include our core office and certain of our retail businesses. GRESB is an investor-driven organization assessing the sustainability performance of real asset sector portfolios and assets.

**All our reporting real estate entities were recognized as a GRESB Green Star in 2020 with an average global score of 83%**

Additionally, Brookfield Renewable is committed to sustainable development principles that reduce the impact of its operations and help to manage underlying water resources efficiently. Low Impact Hydropower Institute ([LIHI](#)) certification is a voluntary certification program designed to help identify and provide market incentives for hydropower operations that are minimizing their environmental impacts. Brookfield Renewable has received LIHI certification for 60 hydro facilities across the U.S., more than any other operator, making it the U.S. leader in low impact hydro power generation.<sup>1</sup>

<sup>1</sup> Includes low impact hydropower from facilities certified by the [Low Impact Hydropower Institute](#) (an independent non-profit organization) to have environmental impacts in key areas below levels the Institute considers acceptable for hydropower facilities. For more information about the certification, please visit [www.lowimpacthydro.org](http://www.lowimpacthydro.org).



# Stakeholder Engagement

We proactively engage with our investors and other stakeholders to understand their complex and evolving needs.

We provide updates on our progress through a comprehensive communications program with stakeholders, including meetings, webcasts and published materials, such as our annual report, quarterly interim reports and press releases. We share access to these materials through our website, investor portal as well as through statutory filings and other information. Additionally, investment analysts, financial advisors, rating agencies and the media have access and opportunities to communicate with our management.



## EMPLOYEES

*Engagement Activities:*

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

## INVESTORS

*Engagement Activities:*

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

## COMMUNITIES

*Engagement Activities:*

- Community Engagement
- Philanthropy

# About This Report

**This report covers the Firm's ESG-related activities between January 1, 2020 and December 31, 2020, unless noted otherwise.**

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

These three disclosure frameworks, along with input from our stakeholders, informed our views on the topics that are most important to Brookfield. We identified 17 topics as material to the long-term success and resiliency of our businesses and organized them for this report in four areas: [Our Investment Approach](#); [Our People](#); [Corporate Governance and Ethics](#); and [Building A Better World](#).



# Comprehensive Topic Review and Analysis

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

TOPIC	DESCRIPTION
<b>Our Investment Approach</b>	
ESG Integration Into Our Investment Process	Incorporating ESG factors into investment decision-making and valuation, modeling, portfolio construction and engagement with portfolio companies.
Proxy Voting Guidelines and Stewardship and Engagement Procedures	Managing our investment activities, including proxy voting, in the best interest of our investors, with the goal of protecting and enhancing the long-term value of our investments.
Systemic Risk Management	Integrating financial and ESG-related due diligence, and risk and opportunity management into our overall risk management program.
Sustainable Finance	Offering our investors opportunities to contribute to a sustainable market economy and support adaptation to global climate change challenges through sustainable investments.
<b>Our People</b>	
Human Capital Development	Attracting people aligned with our culture and providing them with opportunities to develop to achieve high engagement, strong retention and to facilitate smooth succession.
Diversity and Inclusion	Maintaining a work environment that benefits from different perspectives and reinforces our culture of long-term focus, aligned interests and collaboration.
Occupational Health and Safety	Ensuring the health and safety of our workforce via both physical and mental health policies, goals and programs.

TOPIC	DESCRIPTION
<b>Corporate Governance and Ethics</b>	
Board Effectiveness	Monitoring the effectiveness of Brookfield’s Boards through meetings, self-assessments, tracking attendance, training and education, and other initiatives.
Board Skills and Oversight	Ensuring the Board comprises the relevant experience, expertise and skills to oversee and support Brookfield in its endeavors.
Business Ethics	Conducting Brookfield’s business ethically and responsibly within operations as well as business partnerships, including through the Firm’s values, Code of Conduct, policies, and processes.
Human Rights	Ensuring that Brookfield conducts business in a manner that respects and supports the protection of human rights.
Responsible Contracting	Engaging contractors that conduct their business in a responsible manner as outlined in Brookfield’s responsible contractor policies.
Audit Oversight	Monitoring effectiveness and compliance of the Board, management and portfolio companies.
Executive Compensation	Reinforcing long-term stewardship of the business through our approach to executive compensation.
Data Privacy and Security	Protecting the Firm, its assets and its data from data privacy threats through strong practices that are in compliance with evolving regulatory requirements across our asset management operations.
<b>Building A Better World</b>	
Climate Change Strategy	<p><b>GHG Emissions:</b> Working to reach net zero emissions by 2050 or sooner by reducing the carbon emissions of our investments and accelerating the transition to a net zero carbon economy through our renewable power business and global transition investment strategy.</p> <p><b>Clean Energy:</b> Accelerating the transition to a low-carbon economy through Brookfield’s renewable power operations.</p> <p><b>Green Building:</b> Prioritizing the investment in, and development of, energy efficient and responsible buildings and businesses.</p>
Water and Waste	Measuring Brookfield’s water and waste usage, with the objective of conserving water and reducing waste.



# 3 Our Investment Approach

## Key Topics

ESG Integration Into Our Investment Process »

Proxy Voting »

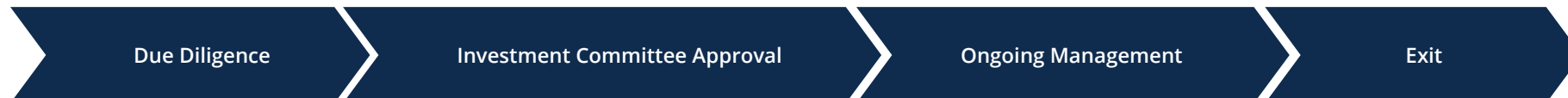
Systemic Risk Management »

Sustainable Finance »



# ESG Integration Into Our Investment Process

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



ESG is embedded throughout our investment process, starting with the initial due diligence through to the exit of the investment. Below is a summary of how we integrate ESG factors.

## Due Diligence

During the initial due diligence phase, we proactively identify material ESG risks and opportunities relevant to the potential investment. In doing so, we leverage our investment and operating expertise and utilize industry-specific guidelines that incorporate SASB guidance. We perform deeper due diligence if required, utilizing internal experts and third-party consultants as needed.

## Investment Committee Approval

All investments made by Brookfield must be approved by the applicable Investment Committee, which makes its decision based on a set of predetermined criteria. To facilitate this, investment teams provide the Committee with a detailed memorandum, outlining the merits of the transaction and material risks, mitigants and significant opportunities for improvement, including those related to ESG, such as bribery and corruption risks, health and safety risks, and environmental and social risks.

## Ongoing Management

As part of each acquisition, investment teams create a tailored integration plan that includes, among other things, material ESG-related matters for review or execution. Brookfield actively looks to advance ESG initiatives and improve ESG performance to drive long-term value creation, as well as to manage any associated risks. We believe there is a strong correlation between actively managing these considerations and enhancing investment returns. It is the responsibility of the management teams within each portfolio company to manage ESG risks and opportunities through the investment's life cycle, supported by the investment team responsible for the investment. We have seen that the combination of having local accountability and expertise in tandem with Brookfield's investment and operating capabilities is important when managing the wide range of asset types across jurisdictions.

## Exit

We prepare robust business plans outlining potential value creation from several different factors, including ESG considerations, as part of our divestiture plan. We also prepare both qualitative and quantitative data that summarize the ESG performance of the investment and provide a holistic understanding of how Brookfield has managed the investment during the holding period.



# Proxy Voting

**In early 2021, Brookfield established new Proxy Voting Guidelines, which apply when Brookfield votes proxies. These guidelines ensure that we vote in our investors' best interests, in accordance with any applicable proxy voting agreements and consistent with the investment mandate.**

Brookfield assesses a variety of ESG factors in determining whether voting a proxy is in the client's best interests, including, but not limited to, gender equality, board of directors' diversity, ecology and sustainability, climate change, ethics, human rights, and data security and privacy. Our guidelines cover information about our Proxy Voting Committee and conflicts of interest, as well as key voting issues. These voting issues could include ESG issues, director elections, director independence, board effectiveness and diversity, board compensation, over-boarding, and executive compensation, among other topics. The guidelines also uphold our strong commitment to ESG practices, and our positions concerning climate risk, human rights, and diversity and inclusion.

All proxy votes are reviewed and voted on by the leaders of the respective business groups and their associated team. These teams will retain ultimate responsibility for determining how to vote each proxy, taking into consideration the investment mandate, contractual obligations and a review of all relevant information. In addition, the teams will track all proxies, document the basis for the vote and serve as a record of Brookfield's votes. As part of its Proxy Voting Guidelines, Brookfield has created a Proxy Voting Committee to oversee proxy voting across its holdings. Comprised of senior executives across Brookfield, this committee meets annually to review the guidelines, evaluate the effectiveness of their implementation, and confirm whether they continue to be designed to ensure proxies are voted in the best interest of investors.

# Systemic Risk Management

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

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

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

Our risk management program addresses strategic and operational risks with an emphasis on the proactive management of both current and emerging risks. We also monitor our risk program to address the evolving needs of our business and ensure we have the necessary capacity to respond to changes. In 2020, we made further enhancements to our portfolio-wide climate risk methodology and framework that identifies, assesses, monitors and reports on physical and transition risks associated with climate change. The framework utilizes scenario analysis and defines record-keeping procedures to ensure a comprehensive and comparable inventory of risks.

A fundamental principle of our investment approach is that risk should be managed as close to its source as possible and by those who have the most knowledge and expertise in the specific business or risk area. Senior management and functional groups in our portfolio companies are therefore responsible for managing the risks facing their business and tailoring a mitigation plan to each specific risk area. Brookfield, in its capacity as an asset manager, provides strategic direction and support through regular monitoring and reporting processes, and facilitating appropriate coordination and sharing of best practices, including through its representation on boards of directors and other governance structures.

Brookfield's Board of Directors oversees Brookfield's risk management with a focus on more significant and systemic risks and leverages management's monitoring processes, with oversight of specific risk areas delegated to board committees. The Audit Committee oversees financial reporting risks and associated audit processes. The Management Resources and Compensation Committee oversees risks related to succession planning, executive compensation, and other human capital risks.

The Governance and Nominating Committee oversees risk related to governance structure as well as Brookfield's ESG program. Lastly, the Risk Management Committee oversees management of significant financial and non-financial risk exposures, reviews risk assessment and management practices, and evaluates Brookfield's risk-taking philosophy and capacity.

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



# Sustainable Finance

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

To support the global transition to sustainable energy, Brookfield issues green bonds to fund the development of clean energy technologies and to finance eligible investments. Brookfield's business groups have established green bond frameworks and criteria for green projects that align with the International Capital Markets Association's (ICMA) [Green Bond Principles](#).

Our activities in the sustainable finance market span across real estate, infrastructure, renewable power and private equity. Total sustainable finance issuance in 2020 reached an aggregate of approximately \$7 billion across green bonds, sustainability-linked debt and green preferred shares, including a single product that raised over \$500 million. Many of our assets and investments are well-suited for sustainable financing, and we continue to look for opportunities to access capital in this manner. Our experience with sustainable financing has demonstrated that it is commercially viable. Increasingly, we are seeing tangible economic benefits in addition to desirable sustainability outcomes.

In 2020, Brookfield Infrastructure Partners and Brookfield Renewable Partners issued inaugural green preferred units, and BAM launched its first two green subordinated note offerings. In April of 2021, Brookfield issued its first senior unsecured green bond, a \$500 million offering with a 10-year fixed-rate term. The transaction was more than three times oversubscribed and included more than 50 investors, which resulted in a five basis-point pricing benefit. The proceeds of this green bond will be allocated to the financing or refinancing of recently completed and future eligible green projects, such as green buildings, renewable power, energy efficiency, and sustainable water and waste management.

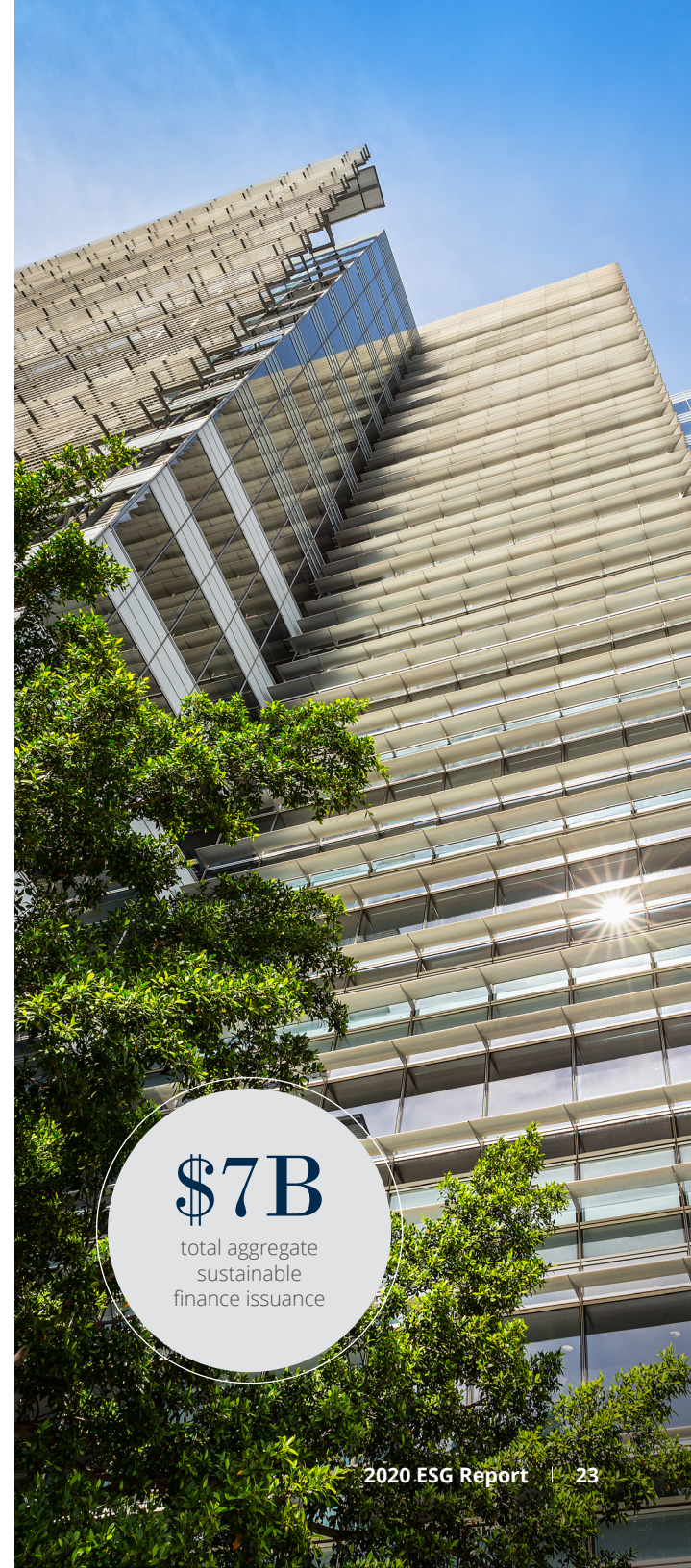
**In 2020, BIP and BEP issued inaugural green preferred units and BAM launched its first two green subordinated note offerings**

## ADDITIONAL INFORMATION

[Sustainable Finance](#)

**\$7B**

total aggregate sustainable finance issuance







# 4

## Our People

### Key Topics

- Human Capital Development »
- Diversity and Inclusion »
- Occupational Health and Safety »

# Human Capital Development

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

Our employees drive our success and ensure we deliver on our commitments to investors and other stakeholders. We seek to create a positive, open and inclusive work environment that enables employees to develop. Inclusive leadership and disciplined talent management processes are critical to our success in this regard.

Inclusive leadership starts with a strong tone at the top. Our Code of Business Conduct and Ethics and Positive Work Environment Policy set a consistently high standard for how we interact with one another and reinforce a work environment conducive to learning and development. To accomplish this, we focus on developing our people leaders:

- Ensure the mandate of a people leader is clear: to provide a work environment that is conducive to learning and development and in which people feel safe when stepping outside their comfort zone. This is critical to our success in developing our people.
- Provide training which clearly outlines the key elements of an environment that supports development.
- Provide feedback to our people leaders to enhance their development. In early 2020, we piloted a 360-feedback process to give people leaders information on how to improve their effectiveness in leading their teams.

**In the recent 360-feedback survey, over 87% of respondents ranked people leaders positively or very positively in each element of our leadership framework**





## OUR PEOPLE

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

- Recruitment: We proactively recruit people who are aligned with our culture and have the potential to grow and develop within the Brookfield organization. This includes ensuring diverse representation. To date, our primary focus has been gender diversity. The following are key activities that have been instrumental in our progress:
  - » Taking the time required to ensure a diverse slate of candidates by gender. We will expand our tracking to include ethnic diversity in 2021.
  - » Developing objective criteria for each role to evaluate all candidates.
  - » Ensuring female representation within the Brookfield team who interview candidates and ultimately make the hiring decision.

**We continued to increase the diversity of candidate slates. In 2020, 70% of positions hired included two or more female candidates**

- Performance Management: We continue to add discipline to our process for assessing performance and potential.
  - » In 2020, we updated the performance criteria for approximately 70% of our roles. These criteria clearly define what good performance entails and enable objective and consistent assessments across Brookfield. They also clarify the key indicators required for promotion to the next level.
  - » Annually, we provide training for people leaders on how to assess their team members, mitigate the impact of bias in their assessments and provide constructive feedback that is clear and focused on development.

**We continue to benefit from strong retention. Our managing partners have worked together for 12 years on average and our senior leadership team has more than 18 years of experience working together**



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

- Over the last five years, we have more than doubled our employee population, which in and of itself means many people are in new jobs. An additional 15% of our population has taken on stretch opportunities under our internal mobility program and approximately 45% of these stretch opportunities were provided to women in 2020.

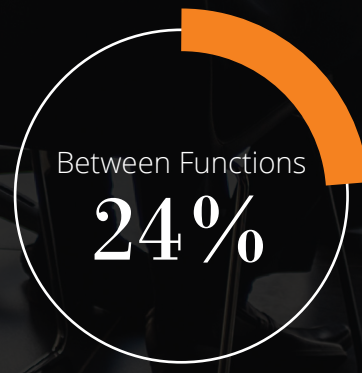
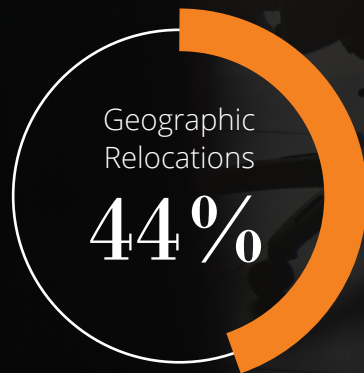
### ADDITIONAL INFORMATION

[Employee Resource Groups](#)

[Positive Work Environment Policy](#)

[Code of Conduct](#)

Breakdown of 2020 Internal Mobility Opportunities Provided:





# Diversity and Inclusion

**A focus on diversity and inclusion reinforces our culture of collaboration and strengthens our ability to develop our people and maintain an engaged workforce.**

Benefiting from our diverse workforce promotes employee engagement and strengthens our ability to develop our people and provide value to our investors. Our approach to diversity and inclusion has been deliberate and is integrated into our Human Capital Development processes and initiatives.

Over the past five years, our primary focus has been on gender diversity. Our efforts have led to a significant increase in female representation at the senior levels. We have more than doubled our employee population and have significantly increased our female representation at the most senior level of the organization during this period: managing partner/managing director female representation increased from 6% to 16%. In addition, senior vice president representation increased from 14% to 36% during this same period. The discipline we embedded into our recruiting and performance management processes has been instrumental to this progress.

At Brookfield, women comprise:

60% of our independent board directors

38% of our board directors

46% of our overall workforce

26% of managing partners, managing directors and senior vice presidents

At our portfolio companies, women comprise:

14% of CEOs/heads of businesses

28% of senior leadership





## OUR PEOPLE

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

The following are a few examples:

- In 2020, as we began to broaden our focus beyond gender diversity, we created the Global Diversity Advisory Group. The mandate of the group is to provide insights into the concerns, challenges, and successes around attracting, retaining and developing members of underrepresented groups within the communities in which we operate. Increasing representation from the Black community within North America is an initial focus. In addition, this group provides support in the areas of recruiting, and diversity and inclusion education.
- In March 2021, we launched a global process for employees to self-identify their ethnicity. This information will assist us in identifying specific areas of focus related to increasing ethnic diversity. Our response rate in the countries where we have more than 100 employees (U.S., Canada, Australia, the U.K., and Brazil) was 92%. Our results demonstrate our diversity.
- We support a number of Employee Resource Groups. These are networks organized by employees around shared interests, characteristics, or experiences. We established a structure for each of these groups to ensure the mandate is clear, aligned with our values, appropriately supported by the organization, and provides opportunities to demonstrate leadership, develop relationships and collaborate.

### Global Ethnic Diversity Metrics

55% White

---

21% Asian

---

4% Black

---

3% Hispanic

---

7% Two or More Races

---

10% Did not respond or declined to self-identify

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.



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



The Brookfield Black Professionals Network focuses on attracting and retaining Black professionals and aims to enhance the awareness and inclusiveness of our workforce, while providing a forum for employees to share and learn from the experience of others.



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



Along with workplace employee engagement efforts, we recognize that philanthropic activities encourage strong relationships and promote personal growth in addition to the benefit these activities provide to the communities in which we operate. We have a global matching program that provides each employee the ability to donate to a not-for-profit of their choice and receive a match from the Firm. Since the onset of the COVID-19 pandemic, we provided a two-for-one match for employee donations related to the ongoing COVID-19 response. In addition, we have a capital pool for each office to support philanthropic activities that are important to our people.

CASE STUDY

## Launch of the Brookfield Black Professionals Network

As Brookfield continues to identify additional ways to advance its commitment to diversity and inclusion, the Firm launched the Brookfield Black Professionals Network in 2020. The network is an employee resource group for Black employees and allies. Throughout the year, the network hosted a series of events, including welcome meetings for new hires, Black History Month presentations, Juneteenth celebrations, fireside chats with diversity experts and open forums to discuss challenges and opportunities in our greater community.



# Occupational Health and Safety

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

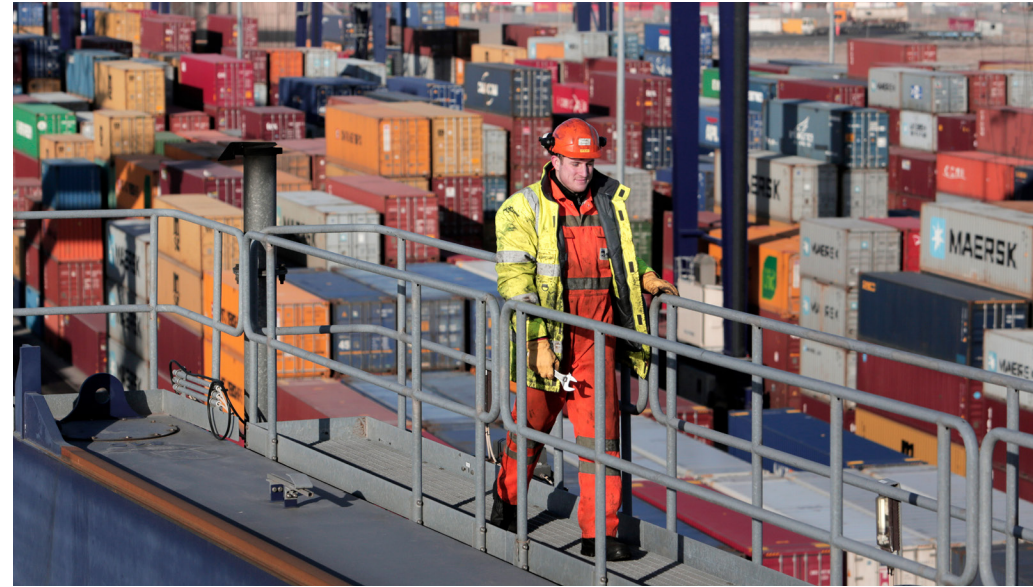
Our health and safety policies and procedures apply not only to employees, but also to contractors and subcontractors.

Senior management in each portfolio company is accountable for the health and safety performance of their individual business. The boards of directors of each of our portfolio companies oversee the management of health, safety and security risk for the company. Each quarter, our portfolio company CEOs report to their respective boards of directors on:

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

In addition, at Brookfield we sponsor a health and safety governance initiative led by our Safety Steering Committee. This committee is responsible for promoting a strong health and safety culture, sharing best practices, continuously working to improve safety performance, and targeting the elimination of any serious safety incidents for Brookfield-managed businesses. The Committee includes senior leadership from each business group. Brookfield's Board, through its Risk Management Committee, receives regular reporting on Brookfield's health and safety initiative.

**~1 million hours of occupational health and safety training completed across Brookfield's portfolio companies**



## Health and Safety Framework

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

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

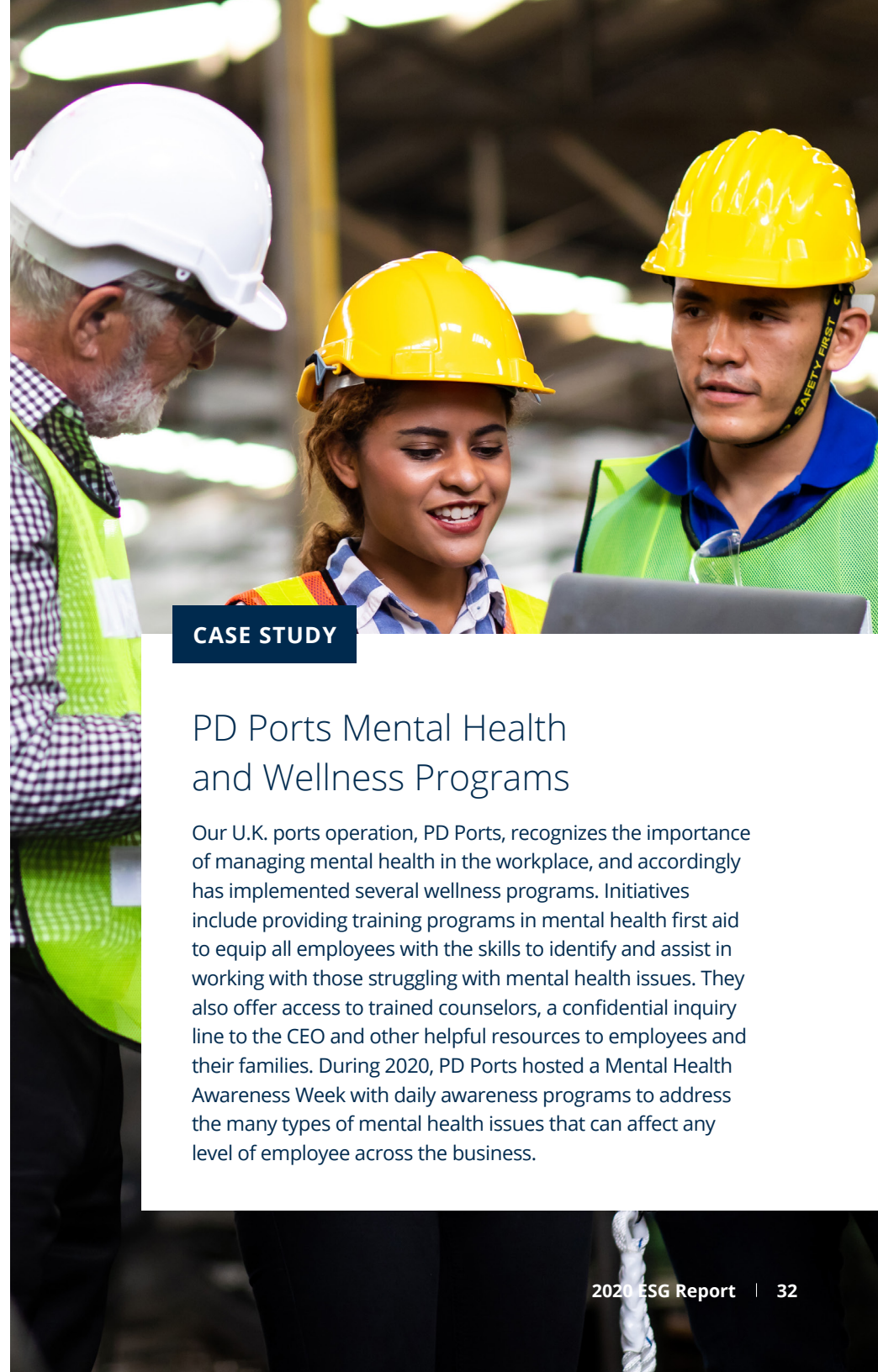


### COVID-19

At Brookfield, the health and safety of our employees has always been a priority and continued to be a focus during 2020 as we managed through the COVID-19 pandemic. In each office, as soon as it was permissible and subject to each individual's personal health and other considerations, we brought our employees back into the office. This was important to reinforce our culture of collaboration, enable the development of our employees and benefit mental health. Four key principles were followed to accomplish this safely: adherence to local requirements, implementing strong safety protocols—often exceeding government requirements, risk mitigation through continuous monitoring of protocols and respect for each employee's privacy. The safety protocols included installation of glass partitions between workspaces and other distancing measures, daily health screening, access to free COVID testing, increased sanitation and clear protocols for addressing situations where an employee contracted COVID. Our protocols were successful at preventing transmission within our offices.

We followed consistent principles for addressing the risks related to COVID at our portfolio companies. Many of the businesses we own are considered to be “essential services,” and our objective was to ensure that these businesses continued to operate while prioritizing the health and safety of their employees. To accomplish this, we focused on implementing strong safety protocols across our operations, adapting these practices quickly as new information became available and sharing best practices. Employees at our portfolio companies were supported through the return to both the workplace and worksite as soon as safe and practicable by:

- a) enhanced communication from leadership to update employees of developments;
- b) daily check-ins to confirm employee health;
- c) access to medical assistance through telehealth or on-site doctors; and
- d) access to Employee Assistance Programs, offering counselors and wellness strategies.



#### CASE STUDY

### PD Ports Mental Health and Wellness Programs

Our U.K. ports operation, PD Ports, recognizes the importance of managing mental health in the workplace, and accordingly has implemented several wellness programs. Initiatives include providing training programs in mental health first aid to equip all employees with the skills to identify and assist in working with those struggling with mental health issues. They also offer access to trained counselors, a confidential inquiry line to the CEO and other helpful resources to employees and their families. During 2020, PD Ports hosted a Mental Health Awareness Week with daily awareness programs to address the many types of mental health issues that can affect any level of employee across the business.

# 5 Corporate Governance and Ethics

## Key Topics

- Corporate Governance and Ethics »
- The Brookfield Asset Management Board of Directors »
- ESG Governance »
- Business Ethics »
- Human Rights and Modern Slavery »
- Responsible Contracting »
- Audit Oversight »
- Executive Compensation »
- Data Privacy and Security »





# Corporate Governance and Ethics

**We recognize that strong governance is essential to sustainable business operations and conduct our business according to the highest ethical and legal standards.**

Sound governance practices guide our actions and ensure alignment with our investors. Due to both, increasing regulations and constant changes in the environment in which we operate, we regularly review evolving legislation, guidelines, and best practices for all jurisdictions in which we operate and update how we manage our compliance.

In 2020, we assessed the impacts of the EU's Sustainable Finance Disclosure Regulation (SFDR) across the business. As part of this assessment, we reviewed relevant Firm and product-level disclosures and required disclosures are included in the relevant fund's private placement memorandum. We also commenced a dedicated project to consider the EU Taxonomy Regulation.

The U.K. government recently confirmed its intention to implement certain recommendations of the TCFD and a U.K.-specific version of the taxonomy. The detailed rules implementing this agenda have yet to be published, and we will monitor developments in the run up to the implementation in the U.K. in 2022 and 2023.

Our corporate governance policies and practices are comprehensive and consistent with the guidelines for improved corporate governance in Canada adopted by the Canadian Securities Administrators and the Toronto Stock Exchange, as well as the requirements of the U.S. Securities and Exchange Commission, the New York Stock Exchange, and the applicable provisions under the U.S. Sarbanes-Oxley Act of 2002. We continuously assess our governance practices and disclosures with specific attention to evolving Canadian and U.S. guidelines as well as developments in other jurisdictions in which we operate.

## **ADDITIONAL INFORMATION**

[Statement of Corporate Governance Practices](#)





# The Brookfield Asset Management Board of Directors

**Strong corporate governance and the long-term interests of our investors are the focus of our Board of Directors and their commitment to our Firm.**

The Board oversees management of Brookfield's business and affairs, reviews major strategic initiatives and receives regular updates on the Firm's ESG initiatives throughout the year.

Of our 16-person Board, 10 are independent directors. Four standing committees assist in the effective functioning of the Board and comprise exclusively independent directors: Audit, Governance and Nominating, Management Resources and Compensation, and Risk Management. The responsibilities of the Board and each committee are set out in written charters, which the Board reviews and approves annually.

Our activities in many global regions inform our perspective on diversity, and we believe the Board should reflect a diversity of backgrounds relevant to its strategic priorities. This includes diversity of business expertise and international experience, in addition to gender and ethnic diversity. We have adopted a Board Diversity Policy to support our goals and demonstrate our commitment to enhancing the diversity of the Board. As of 2021, women comprise 38% of our Board of Directors and 60% of our independent directors.



## **ADDITIONAL INFORMATION**

[Board of Directors Charter](#)

[Board Diversity Policy](#)

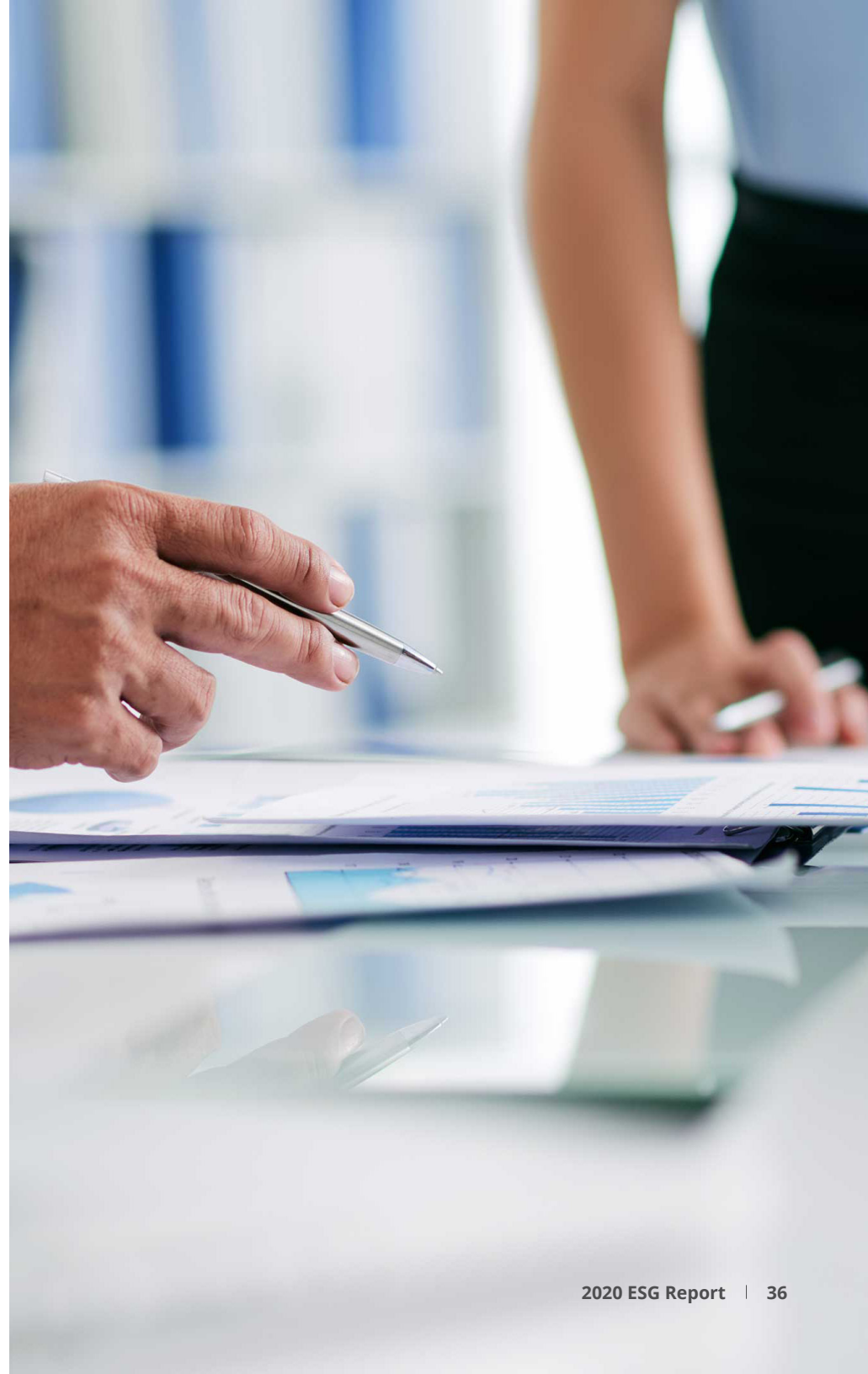
[Charter of Expectations for Directors](#)

[Board Position Descriptions](#)

# ESG Governance

**Brookfield's Board of Directors has ultimate oversight of Brookfield's ESG strategy and receives regular updates on the Firm's ESG initiatives throughout the year.**

The Firm's ESG Steering Committee is the primary decision-making body on all ESG matters and drives ESG initiatives based on business imperatives, industry developments and best practices. The ESG Steering Committee comprises senior executives from BAM and each of our business groups and maintains a direct line to the Board of Directors through its Governance and Nominating Committee, which is tasked with ensuring that all aspects of ESG are appropriately considered and reviewed by the Board and its committees. The ESG Steering Committee is assisted in executing its mandate by the ESG Working Group, which comprises operational professionals from BAM and each of our business groups.





# Business Ethics

**Strong ethical practices are core to our operating philosophy; honesty, integrity and respect are important elements of our Code of Conduct.**

We conduct our activities to comply with all applicable legal and regulatory requirements and in accordance with our Code of Conduct. Our Code of Conduct applies to all Brookfield directors, officers, employees and temporary workers, including our wholly owned subsidiaries and any other controlled affiliates of Brookfield.

Our Code of Conduct principles include:

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

The Board annually reviews the Code of Conduct and considers any necessary changes in the Firm's standards and practices. The Risk Management Committee of the Board monitors compliance with the Code of Conduct and receives regular reports on any compliance issues from the Firm's internal auditors.

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

We have a zero-tolerance approach to bribery, including facilitation payments. We mandate that all Brookfield employees complete annual anti-bribery and corruption (ABC) training and certify their compliance with our ABC Program. In addition, ABC is integrated into our investment underwriting, decision making and execution processes in accordance with our ABC Policy.



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

In addition to Brookfield's ethics hotline, we require all portfolio companies in which we have a controlling interest to adopt our Code of Conduct or ensure that existing practices are consistent and equal in substance. We also require portfolio companies to implement an ethics hotline that is accessible to full-time employees, contractors and temporary workers within six months of acquisition. In addition to the ongoing and timely independent review of employee reports, any significant hotline reports are brought to the attention of Brookfield's senior management and relevant Committees of the Brookfield Board of Directors on a quarterly basis at a minimum.

## ADDITIONAL INFORMATION

[Code of Business Conduct and Ethics](#)

[Anti-Bribery and Corruption Program](#)

[Anti-Money Laundering Policy](#)

[Personal Trading Policy](#)

[Business Continuity and Crisis Management Plan](#)

[Whistleblowing Policy](#)

[Disclosure Policy](#)

[Majority Voting Policy](#)

[Tax Governance Framework](#)

[Additional Governance Documents](#)

# Human Rights and Modern Slavery

Through our commitment to supporting ethical practices, we aim to protect and support human rights.

## Human Rights

Brookfield is committed to conducting its business in an ethical and responsible manner, including by carrying out our own business activities in a way that respects and supports the protection of human rights through striving for the:

- a) elimination of discrimination in employment;
- b) prohibition of modern slavery, including child and forced labor; and
- c) eradication of harassment and physical or mental abuse in the workplace.

We embed these standards into our core business activities, including contracts, due diligence processes, training and communications, as appropriate. We expect our key suppliers to adhere to these standards. We continue to evolve our approach and processes with respect to protecting human rights.

## Modern Slavery

Modern slavery risks vary according to the jurisdictions, sectors, suppliers and other governance factors. Our procedures to prevent modern slavery are designed to be proportionate to the risks we face.

In early 2021, we expanded our U.K. modern-slavery and human trafficking policy and related business processes to provide for global coverage across Brookfield entities. This policy provides guidance on measures to prevent and detect modern slavery. In addition, we have several other policies and procedures that support the identification of modern slavery risks and the steps to be taken to mitigate these risks. These include our Code of Conduct, Vendor Management Guidelines,

ESG Due Diligence Guidelines, ABC Program, Anti-Money Laundering Program and our Whistleblowing Program. Senior management in our respective portfolio companies are responsible for overseeing the management and governance of modern slavery and human rights risks for their individual businesses.

Employees in certain jurisdictions and functions receive modern slavery training as part of the induction process and access ongoing training, as necessary. In particular, we regularly train employees involved in higher risk functions, e.g., procurement. We encourage employees, suppliers and business partners to report concerns in accordance with our Whistleblowing Policy.

We produce an annual Modern Slavery and Human Trafficking Transparency Statement in accordance with section 54 of the U.K. Modern Slavery Act 2015, which sets out the measures taken by the relevant entities in the U.K. to mitigate the risk of slavery and trafficking. In 2021, relevant Australian entities will produce a similar statement in accordance with the Australian Modern Slavery Act 2018.

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

## ADDITIONAL INFORMATION

[Whistleblowing Policy](#)

[Modern Slavery Statement](#)

[Vendor Management Guidelines](#)



# Responsible Contracting

We believe that workers who are trained and compensated appropriately deliver the highest quality products and services.

Brookfield's business groups have adopted responsible contractor policies to help guide the selection of certain contractors and subcontractors (collectively, "contractors") who provide construction, repairs and maintenance to a portfolio company, as applicable. Each of our business groups seek to ensure that contractors for projects on behalf of its portfolio companies are selected in accordance with the following guidelines:

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

40,000+

unionized full-time  
operating employees

## CASE STUDY

### Brookfield Australia and Supply Nation



As part of our work to improve engagement with indigenous communities across Australia, Brookfield is now a member of Supply Nation. Supply Nation is a not-for-profit organization

that connects Aboriginal & Torres Strait Islander-owned businesses to opportunities in corporate and government supply chains. Brookfield's membership helps Indigenous Communities in the following ways:

- **Supplier spend:** Data shows that for every dollar spent with a certified Indigenous business equals \$4.41 of social value, which includes: creating jobs for Indigenous people; providing support and advice to Indigenous entrepreneurs; making investment back into local communities; and empowering Aboriginal & Torres Strait Islander Australians to be involved in business.
- **Volunteerism:** There are opportunities for our staff to volunteer their time and provide professional services to Indigenous businesses.
- **Knowledge sharing:** Include indigenous suppliers in bid and pitch processes.



CASE STUDY

## Indostar

Brookfield Private Equity's Indostar adopted a Corporate Social Responsibility (CSR) initiative to enhance value creation in the community in which it operates. The initiative focuses on 16 projects supporting education, women empowerment, healthcare, humanitarian relief, sanitation, and the environment throughout India. Examples of projects undertaken include Avasara Academy and Habitat for Humanity India. Avasara Academy enables girls from economically weaker sections of India to attend secondary school. Contributions from Indostar supported the education of 90 students. Habitat for Humanity India builds school sanitation infrastructure. Contributions from Indostar supported sanitation projects in four states covering 786 students and 33 teachers. Indostar continues to explore and undertake CSR programs to support the community.





# Audit Oversight

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

## ADDITIONAL INFORMATION

[Audit Committee Charter](#)

# Executive Compensation

Brookfield's approach to executive compensation is designed to reinforce long-term stewardship of the business in line with our goal of creating exceptional value for our shareholders and investors. The majority of our executives' total compensation is awarded in the form of long-term compensation, which vests over a five-year period in arrears. This practice supports a strong alignment of interests between management and investors. The Board-level Management Resources and Compensation Committee oversees risks related to Brookfield's management resource planning. Since 2012, Brookfield has asked shareholders to cast an advisory vote on the Firm's approach to executive compensation on an annual basis (a "Say-on-Pay" resolution), the results of which the Board and the Management Resources and Compensation Committee consider when reviewing compensation policies and procedures, and when making decisions. Our executive compensation program is designed to reward only consistent performance over the long term.

## ADDITIONAL INFORMATION

[Statement of Corporate Governance Practices](#)  
[Say on Pay Policy](#)

~80%

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

~65%

of the value of the annual total compensation for our managing partners and managing directors' is received under our long-term plans.

# Data Privacy and Security

**We maintain a comprehensive data protection, privacy and cybersecurity program to ensure the security of the data of our stakeholders.**

Our policies and organizational measures are designed to safeguard our data and that of our investors. Led by our Chief Information Security Officer, our information security and data protection program includes security governance, security awareness, employee training, access management, perimeter and end-point security, vulnerability management, penetration testing, security monitoring and incident response.

## Governance and Accountability

Data privacy and security continues to be a top priority for us. Our Information Advisory Steering Committee ensures that our cybersecurity efforts are based on industry best practice, and that they are reinforced within each of our businesses. In 2020, we undertook initiatives to further protect our environment through enhanced access controls and anti-malware protections, as well as improved detection and response capabilities through the use of automated technologies. We regularly undertake an external party assessment of our cybersecurity program maturity based on the National Institute of Standards and Technology (NIST) Cybersecurity Framework, or through penetration testing and/or ethical hacking exercises. Results from the recent assessments have been positive and have validated the strength of our program. Finally, in addition to continued mandatory cybersecurity education for all employees, we implemented enhanced cybersecurity awareness efforts for specific groups, such as new employees and employees in roles in which the impact of a cyber incident is greatest. The strength of this effort is evidenced by improved cybersecurity simulations and testing results.

**75% reduction of the click rate from internal phishing simulations compared to 2018**

Brookfield designs its data protocols in compliance with all local and national regulatory requirements, including the European General Data Protection Regulation (GDPR), the California Consumer Protection Act (CCPA), and the Dubai International Financial Centre (DIFC) Data Protection Law, the requirements of which are included in our global data protection policy.

The Firm's extensive data protection and cybersecurity due diligence checklist seeks to ensure that we act in accordance with legal and regulatory requirements pertaining to the processing of personal information. This checklist includes specific due diligence markers for fair processing, international transfers, data processors and security measures to be taken in the event of a personal data breach.

## Employee Awareness

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

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

**~90,000 cybersecurity training hours provided across BAM and portfolio companies**

All Brookfield employees are required to follow applicable data protection and privacy laws, and unauthorized use or disclosure of confidential information by a Brookfield employee is prohibited. A breach of our policies results in disciplinary measures up to, and including, termination of employment.

## ADDITIONAL INFORMATION

[Global Data Protection Policy](#)



# 6 Building A Better World

Key Topics

Climate Change Strategy »

Water and Waste »





# Climate Change Strategy

**We understand that climate change poses a serious threat, and that addressing the climate crisis is integral to building resilient businesses. We support the goal of net zero GHG emissions by 2050 or sooner.**

We believe that the world will transition to a net zero economy, and we are proactively evolving our portfolio of investments over time consistent with this trend by (i) making a commitment to reach net zero emissions by 2050 or sooner across all assets under management; (ii) creating a new fund—the Brookfield Global Transition Fund—to source opportunities underpinned by a decarbonization objective and deliver solutions that facilitate the transition to net zero; and (iii) continuing to align our practices with TCFD.

## Brookfield's Net Zero Commitment

Over the past 25 years, Brookfield has built one of the largest private renewable power businesses in the world. With installed renewable power generating capacity of 20 GW, we now produce more than enough green energy to power London, U.K., and we will more than double that amount once our development portfolio is brought online.

We recognize that further renewable power capacity must be rapidly scaled to replace fossil fuel generation and to meet expanding global electricity demand so that the world can eliminate the more than 70% of global emissions that come from final energy consumption as quickly as possible.

Brookfield intends to build on this leading position in renewable power and do much more to contribute to the transition to net zero:

## We will go further

In addition to continuing to make major investments in renewable energy globally, we will manage our investments to be consistent with the transition to a net zero economy. As a recent signatory to the Net Zero Asset Managers initiative, we have made a commitment to investing aligned with net zero emissions by 2050 and implementation of science-based approaches and standardized methodologies through which to deliver these commitments.

## We will help accelerate the transition to Net Zero

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

## We will collaborate

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

## We are committed to transparency

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

## We will continue to pursue industry-leading returns

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



“Achieving net zero will require a whole economy transition, creating the greatest commercial opportunity of our time.”

**MARK CARNEY, BROOKFIELD VICE CHAIR,  
HEAD OF ESG & IMPACT FUND INVESTING**

## **Brookfield Global Transition Fund**

As our first dedicated impact fund, BGTF will focus on investments that support the global transition to a net zero economy, by aiding the development and accessibility of renewable energy sources and facilitating the transformation of carbon-intensive businesses, delivering against the dual objectives of attractive financial returns and a positive societal impact.

The Fund will target investments across three primary themes:

1. **Business Transformation:** transition utility, energy, and industrial businesses driving carbon dioxide equivalent reduction and decreased energy consumption through investment in greener production processes and energy efficiency. This will include investments in non-pure-play renewable opportunities, utility companies, industrial, and energy efficiency technologies such as smart meters and electric vehicle charging stations.
2. **Clean Energy:** aid in the development and accessibility of renewable energy sources. This will include hydroelectricity, wind and solar development, green hydrogen, battery storage, electrical grid and distribution, and smart grids.
3. **Sustainable Solutions:** solutions that drive the growth of a circular economy in areas such as waste management, resource efficiency and the development of resilient infrastructure. This will include heating and cooling, clean water concessions, waste management technology, recycling, and waste/sewage utilities.



**Brookfield expects that investments made by the Fund will also align with a number of the UN Sustainable Development Goals (SDGs)**

Brookfield is committed to managing the Fund in a manner that furthers the goals of the Paris Agreement. In doing so, it will utilize an impact measurement and management approach that aligns with leading global standards and will provide reportable quantitative impact results that can be integrated into investors' individual ESG and impact plans.



## **Task Force on Climate-related Financial Disclosures (TCFD)**

In 2020, we continued our work to align with the TCFD recommendations. We had previously assessed our practices against the recommendations and developed an implementation roadmap for alignment. During the past year, we made progress on a number of initiatives on our implementation roadmap related to climate strategy, risk management, and metrics and targets, including:

- Making a commitment to investing aligned with net zero emissions by 2050 and implementation of science-based approaches and standardized methodologies through which to deliver these commitments.
- Launching a fund with a mandate to focus on investments that contribute to the transition to a net zero global economy.
- Developing a climate risk methodology and framework to identify, assess, monitor, and report on physical and transition risks associated with climate change.
- Enhancing our internal ESG Due Diligence Guideline to formally incorporate SASB engagement guidance to identify and evaluate material climate risks and opportunities.
- Completing a high-level GHG inventory across our entire portfolio consistent with the GHG Protocol.
- Expanding the use of metrics and targets, including those related to GHG emissions, and water and waste.

## **CASE STUDY**

### Clean Energy for JPMorgan Chase

In October 2020, we announced a five-year energy agreement for supplying clean, renewable electricity to over 500 of JPMorgan Chase's real estate operations in New York state. As an owner and operator of one of the world's largest publicly traded renewable power businesses, we will provide service directly from our hydroelectric facilities. Under the terms of this agreement, 90% of the bank's operations in New York state, ranging from Rochester to Brooklyn, will rely on these facilities to meet their electricity needs. This collaboration will help advance JPMorgan Chase's goal of annually sourcing renewable energy for 100% of its global power needs, starting in 2020.

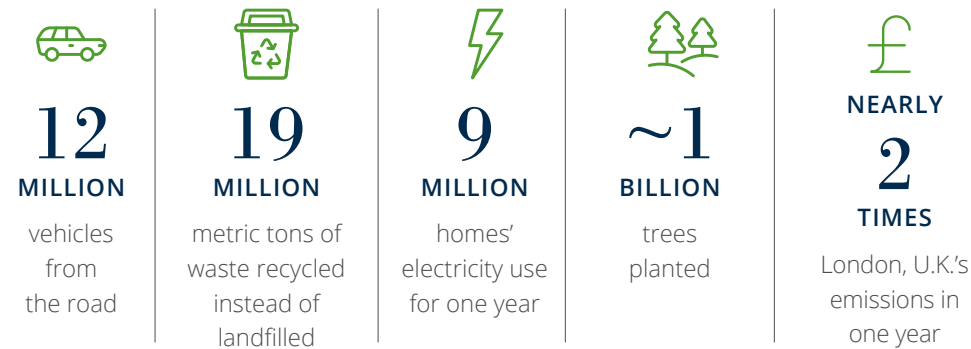


### Clean Energy

The global economy is in the early stages of a transformation from reliance on fossil fuel-related energy sources to a low-carbon economy. Leveraging our renewable power business, we facilitate the use of clean energy in support of the decarbonization of global electricity grids.

In 2020, Brookfield Renewable's power generation helped to avoid approximately 26 million metric tons of carbon dioxide emissions equivalent (mtCO<sub>2</sub>e) on a net basis. With our development pipeline, we expect to create enough power to avoid an additional 30 million mtCO<sub>2</sub>e per year.

**56** Million tCO<sub>2</sub>e of **AVOIDED EMISSIONS** is equivalent to:<sup>1</sup>



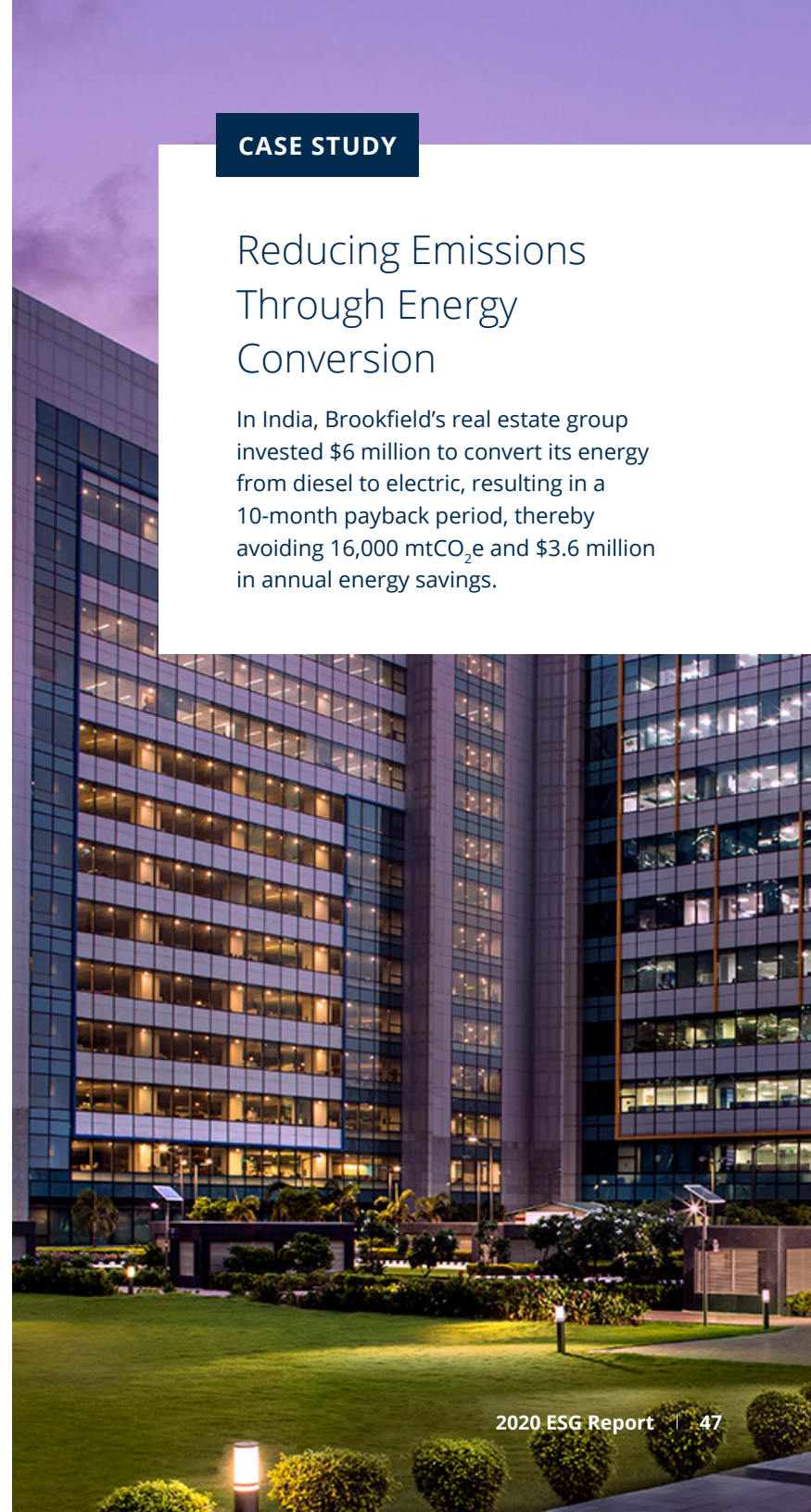
In addition, a number of our portfolio companies are undertaking various clean energy initiatives as illustrated in the case studies.

<sup>1</sup> Based on 2018 World Total Emission Factor as per the IEA (2020) emission factors. Accounts for Brookfield Renewable's existing portfolio of assets as well as its development pipeline.

### CASE STUDY

## Reducing Emissions Through Energy Conversion

In India, Brookfield's real estate group invested \$6 million to convert its energy from diesel to electric, resulting in a 10-month payback period, thereby avoiding 16,000 mtCO<sub>2</sub>e and \$3.6 million in annual energy savings.





CASE STUDY

## Ascenty Moves to Renewable Power

Brookfield Infrastructure's South American Data center, Ascenty, is a market leader in hyperscale development and operations in Brazil, establishing itself on quality standards, enabling the business to be well-positioned to capture evolving market growth. Given the large generation of power required by data centers, Ascenty is currently in the process of prioritizing the migration from conventional energy contracts that are 82% from renewable sources to new incentivized contracts that are 100% renewables. This process is expected to be fully implemented by 2024.



CASE STUDY

## Transitioning Bogota's Bus Fleet

During 2020, our Colombian Regulated Gas Distribution business, Vanti, developed and installed the infrastructure to allow for the transition from a gas to a natural gas bus fleet. As a result of Vanti's work, Bogota now operates the cleanest bus transit fleet in the region, made up of 741 natural gas buses. It is estimated that this new fleet reduces 100% of the nitrogen dioxide emissions and 32% of the carbon dioxide emissions compared to the previous fleet. In 2021, Vanti plans to introduce approximately 1,000 new buses and six additional natural gas fueling stations.



# Water and Waste

We are focused on water and waste reduction across our Firm and portfolio companies. We are committed to best practices in efficient management and monitoring performance, and work to ensure continuous improvement.

Through our green building initiatives, we manage energy reduction, water conservation, recycling, enhanced indoor air quality, alternative transportation parking, environmentally friendly cleaning materials and erosion control. In 2020, we doubled the number of ENERGY STAR certifications in the U.S. and expanded our number of green building certifications in both Canada and Australia.

Our office and retail portfolios are heavily weighted toward properties that meet high environmental standards consistent with the expectations of our tenants. Of our new developments, we build 100% according to LEED Gold Standards.

**100% of our eligible core office properties have achieved a sustainability designation**

## A Commitment to Green Buildings



96

certifications\*

84

certifications in the U.S.

54

office certifications in the U.S. and Canada



49

certifications in our retail portfolio

13

certifications

8

certifications

8

certifications

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

\*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](http://usgbc.org/LEED)



CASE STUDY

## Brookfield Global Core Office Portfolio

Brookfield's Global Core Office portfolio achieved a 22% reduction in carbon emissions, 9% in energy savings and a 14% reduction in its water consumption in the past five years. This is equivalent to saving enough energy to power over 9,000 average-sized homes for a year, reducing enough carbon dioxide to remove 11,200 cars from the road for a year and saving enough water to fill 210 Olympic sized swimming pools.

Figures are as of 2019 against a 2015 baseline due to exceptionality of resource consumption in 2020.



CASE STUDY

## ICD Brookfield Place in Dubai

ICD Brookfield Place in Dubai became the tallest and largest office eco-conscious building to achieve Leadership in Energy and Environmental Design (LEED) Platinum certification in EMEA in 2020. The design resulted in 30% energy saving, 87% waste recycling, 100% water recycling for landscape irrigation and 30% fresh air increase above the American Society of Heating and Air-Conditioning Engineers (ASHAE) standard.





# KPI Appendices

## Key Topics

[BAM KPI Appendix](#) »

[GRI Content Index](#) »

[SASB Index](#) »

# BAM KPI Appendix

## Key Performance Metrics

BROOKFIELD ASSET MANAGEMENT METRICS	UNIT	TREND 2019-2020	2020	2019	2018	2017
<b>Diversity Metrics</b>						
<b>Gender Diversity</b>						
Full-Time Employees	FTE	↑	2,019	1,854	1,615	1,190
Female Full-Time Employees	%	↑	46%	45%	45%	44%
Female SVPs and Above	%	↑	26%	22%	16%	14%
Female Board Directors (Full)	%	↑	38% <sup>1</sup>	31%	25%	25%
Female Board Directors (Independent)	%	↑	60% <sup>1</sup>	50%	40%	40%
<b>Ethnic Diversity<sup>2</sup></b>						
White	%		55%			
Asian	%		21%			
Black	%		4%			
Hispanic	%		3%			
Two or More Races	%		7%			
Did Not Respond or Declined to Self-Identify	%		10%			

<sup>1</sup> As of June 14, 2021.

<sup>2</sup> As of March 31, 2021. Based on 92% response rate from employee survey in countries where Brookfield has more than 100 employees.



## KPI APPENDICES

BROOKFIELD ASSET MANAGEMENT METRICS	UNIT	TREND 2019-2020	2020	2019	2018	2017
<b>Environmental Metrics<sup>3</sup></b>						
<b>Organization</b>						
Offices Reported	#		9	9	9	7
Employee Headcount for In-Scope Offices	FTE	↑	1,720	1,584	1,485	1,188
Annual Revenue	\$M	↓	62,752	67,826	56,771	40,786
Operational Square Footage	sq. ft.	↑	443,753	382,597	363,373	342,459
<b>Greenhouse Gas Emissions<sup>4</sup></b>						
Scope 1 Direct	mtCO <sub>2</sub> e	↑	444	411	371	333
Scope 2 Indirect <sup>5</sup>	mtCO <sub>2</sub> e	↓	1,313	1,379	1,528	1,464
Scope 3 Category 6: Business Air Travel	mtCO <sub>2</sub> e	↓	1,165	4,527	4,456	3,151
<b>Energy</b>						
Direct Fuel Combustion	MWh	↑	1,532	1,499	1,290	1,109
Diesel Fuel	%		1%	1%	0%	0%
Natural Gas	%		99%	99%	100%	100%
Purchased Energy	MWh	↓	4,882	4,913	4,863	4,457
Chilled Water	%		8%	9%	10%	10%
Heat/Steam	%		22%	16%	21%	19%
Electricity	%		70%	75%	69%	71%
<b>Water<sup>6</sup></b>						
Water Consumption	m <sup>3</sup>	↓	24,342	31,284	27,846	25,116
<b>Waste Generation<sup>6,7</sup></b>						
Business Waste	metric tons	↓	128	271	239	220
Recycled Material <sup>7</sup>	%		58%	41%	45%	53%
Recycled E-waste	%		100%	100%	100%	100%

3 Represents Brookfield's corporate offices with a greater than 2% headcount.

4 GHG emissions were measured consistent with the guidelines set out by the GHG Protocol. In 2020, our offices remained mostly open and, therefore, the impact on energy usage was minor; however, travel was heavily restricted due to COVID-19 resulting in a significant decrease in Scope 3 emissions.

5 Represents Scope 2 (location-based) indirect emissions. The difference between Scope 2 (location-based) and Scope 2 (market-based) emissions was not meaningful.

6 Actual values were included where available; in some instances, data estimates were calculated based on internal and/or industry-average data, in line with leading industry guidance.

7 E-waste volumes vary based on new technology deployment and collection in a given year; however, our target is to recycle 100% of e-waste created.

# GRI Content Index

DISCLOSURE	DESCRIPTION	LOCATION OR DIRECT RESPONSE
<b>GRI 102: General Disclosures</b>		
<b>Organizational Profile</b>		
102-1	Name of the organization	Brookfield Asset Management Inc.
102-2	Activities, brands, products, and services	<a href="#">Annual Report</a> , p. 19–31
102-3	Location of headquarters	Toronto, Canada
102-4	Location of operations	<a href="#">Annual Report</a> , p. 154
102-5	Ownership and legal form	<a href="#">Annual Report</a> , p. 16
102-6	Markets served	<a href="#">Brookfield At a Glance</a>
102-7	Scale of the organization	<a href="#">Brookfield At a Glance</a>
102-8	Information on employees and other workers	<a href="#">Diversity and Inclusion</a>
102-9	Supply chain	Our supply chain for the Firm is diverse and global, reflecting individual procurement needs for our various locations.
102-10	Significant changes to the organization and supply chain	None
102-11	Precautionary principle or approach	<a href="#">Systemic Risk Management</a>
102-12	External initiatives	<a href="#">ESG Affiliations and Partnerships</a>
102-13	Memberships of associations	<a href="#">ESG Affiliations and Partnerships</a>
<b>Strategy</b>		
102-14	Statement from senior decision-maker	<a href="#">CEO Letter</a>
102-15	Key impacts, risks, and opportunities	<a href="#">Comprehensive Topic Review and Analysis</a>



## KPI APPENDICES

DISCLOSURE	DESCRIPTION	LOCATION OR DIRECT RESPONSE
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards, and norms of behavior	<a href="#">Corporate Governance and Ethics</a>
102-17	Mechanisms for advice and concerns about ethics	<a href="#">Whistleblower Policy</a>
<b>Governance Structure</b>		
102-18	Governance structure	<a href="#">Management Information Circular</a> , p. 26–44
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	<a href="#">Stakeholder Engagement</a>
102-41	Collective bargaining agreements	We do not have collective bargaining agreements at the Firm level.
102-42	Identifying and selecting stakeholders	<a href="#">Stakeholder Engagement</a>
102-43	Approach to stakeholder engagement	<a href="#">Stakeholder Engagement</a>
102-44	Key topics and concerns raised	<a href="#">Stakeholder Engagement</a>
<b>Reporting Practices</b>		
102-45	Entities included in the consolidated financial statements	<a href="#">Annual Report</a> , p. 16
102-46	Defining report content and topic Boundaries	<a href="#">About this Report</a>
102-47	List of material topics	Comprehensive Topic Review and Analysis
102-48	Restatements of information	None
102-49	Changes in reporting	This is the company's first report published in accordance with the GRI Standards: Core option.
102-50	Reporting period	January 1, 2020 through December 31, 2020
102-51	Date of most recent report	August 2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	<a href="mailto:esg@brookfield.com">esg@brookfield.com</a>
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	This document represents the company's content index.
102-56	Policy/practice for external assurance	Brookfield is not seeking external assurance for this year's report.

DISCLOSURE	DESCRIPTION	LOCATION OR DIRECT RESPONSE
<b>GRI 200: Economic Disclosures</b>		
<b>GRI 201: Economic Performance</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Annual Report</a> , p. 12-14
103-2	The management approach and its components	<a href="#">Annual Report</a> , p. 12-14
103-3	Evaluation of the management approach	<a href="#">Annual Report</a> , p. 12-14
201-1	Direct economic value generated and distributed	<a href="#">Annual Report</a> , p. 12-14, 33
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Climate Change Strategy</a>
<b>GRI 205: Anti-corruption</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Corporate Governance and Ethics</a>
103-2	The management approach and its components	<a href="#">Corporate Governance and Ethics</a>
103-3	Evaluation of the management approach	<a href="#">Corporate Governance and Ethics</a>
205-2	Communication and training about anti-corruption policies and procedures	<a href="#">Corporate Governance and Ethics</a>
<b>GRI 300: Environmental Disclosures</b>		
<b>GRI 302: Energy</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Climate Change Strategy</a>
103-2	The management approach and its components	<a href="#">Climate Change Strategy</a>
103-3	Evaluation of the management approach	<a href="#">Climate Change Strategy</a>
302-1	Energy Consumption within the organization	<a href="#">Key Performance Metrics</a>
<b>GRI 303: Water and Effluents</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Water and Waste</a>
103-2	The management approach and its components	<a href="#">Water and Waste</a>
103-3	Evaluation of the management approach	<a href="#">Water and Waste</a>
303-5	Water consumption	<a href="#">Key Performance Metrics</a>



## KPI APPENDICES

DISCLOSURE	DESCRIPTION	LOCATION OR DIRECT RESPONSE
<b>GRI 305: Emissions</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Climate Change Strategy</a>
103-2	The management approach and its components	<a href="#">Climate Change Strategy</a>
103-3	Evaluation of the management approach	<a href="#">Climate Change Strategy</a>
305-1	Direct (Scope 1) GHG emissions	<a href="#">Key Performance Metrics</a>
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Key Performance Metrics</a>
305-3	Other indirect (Scope 3) GHG emissions	<a href="#">Key Performance Metrics</a>
305-5	Reduction of GHG emissions	<a href="#">Climate Change Strategy</a>
<b>GRI 306: Effluents and Waste</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Water and Waste</a>
103-2	The management approach and its components	<a href="#">Water and Waste</a>
103-3	Evaluation of the management approach	<a href="#">Water and Waste</a>
306-2	Waste by type and disposal method	<a href="#">Key Performance Metrics</a>
BAM KPI	Waste diverted from landfill	<a href="#">Key Performance Metrics</a>
<b>GRI 400: Social Disclosures</b>		
<b>GRI 401: Employment</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Human Capital Development</a>
103-2	The management approach and its components	<a href="#">Human Capital Development</a>
103-3	Evaluation of the management approach	<a href="#">Human Capital Development</a>
BAM KPI	% of global investment team offered transfer stretch opportunities over 5 years at our current pace	<a href="#">Human Capital Development</a>
<b>GRI 403: Occupational Health and Safety</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Occupational Health and Safety</a>
103-2	The management approach and its components	<a href="#">Occupational Health and Safety</a>
103-3	Evaluation of the management approach	<a href="#">Occupational Health and Safety</a>

## KPI APPENDICES

DISCLOSURE	DESCRIPTION	LOCATION OR DIRECT RESPONSE
403-1	Occupational health and safety management system	<a href="#">Occupational Health and Safety</a>
403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">Occupational Health and Safety</a>
403-3	Occupational health services	<a href="#">Occupational Health and Safety</a>
403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Occupational Health and Safety</a>
403-5	Worker training on occupational health and safety	<a href="#">Occupational Health and Safety</a>
403-6	Promotion of worker health	<a href="#">Occupational Health and Safety</a>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">Occupational Health and Safety</a>
403-9	Work-related injuries	<a href="#">Occupational Health and Safety</a>
403-10	Work-related ill health	<a href="#">Occupational Health and Safety</a>
<b>GRI 405: Diversity and Equal Opportunity</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Diversity and Inclusion</a>
103-2	The management approach and its components	<a href="#">Diversity and Inclusion</a>
103-3	Evaluation of the management approach	<a href="#">Diversity and Inclusion</a>
405-1	Diversity of governance bodies and employees	<a href="#">Diversity and Inclusion</a>
BAM KPI	% of investment professionals who are women	<a href="#">Diversity and Inclusion</a>
BAM KPI	Ethnic diversity of full-time employees	<a href="#">Diversity and Inclusion</a>
<b>GRI 412: Human Rights Assessment</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Human Rights and Modern Slavery</a> <a href="#">Responsible Contracting</a>
103-2	The management approach and its components	<a href="#">Human Rights and Modern Slavery</a> <a href="#">Responsible Contracting</a>
103-3	Evaluation of the management approach	<a href="#">Human Rights and Modern Slavery</a> <a href="#">Responsible Contracting</a>
412-2	Employee training on human rights policies or procedures	<a href="#">Human Rights and Modern Slavery</a>



## KPI APPENDICES

DISCLOSURE	DESCRIPTION	LOCATION OR DIRECT RESPONSE
<b>GRI 418: Customer Privacy</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Data Privacy and Security</a>
103-2	The management approach and its components	<a href="#">Data Privacy and Security</a>
103-3	Evaluation of the management approach	<a href="#">Data Privacy and Security</a>
BAM KPI	Employee training on Data Privacy and Security	<a href="#">Data Privacy and Security</a>

# SASB Index

As part of our ongoing commitment to transparency, we have included the below disclosure under the Sustainability Accounting Standards Board (SASB) standards for the industries that are relevant to us: Asset Management and Custody Activities.<sup>1</sup>

SASB STANDARD	DESCRIPTION	CODE	RESPONSE
Accounting Metrics			
	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-AC-270a.1	Brookfield discloses any material legal proceedings in our <a href="#">Annual Report</a> .
Transparent Information & Fair Advice for Customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	FN-AC-270a.2	Brookfield discloses any monetary losses from material legal proceedings in our <a href="#">Annual Report</a> .
	Description of approach to informing customers about products and services	FN-AC-270a.3	<a href="#">Stakeholder Engagement</a> Please see pages 19–21 of our <a href="#">Annual Report</a> .
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals and (4) all other employees	FN-AC-330a.1	<a href="#">Diversity and Inclusion</a>

<sup>1</sup> The SASB Index does not incorporate Oaktree Capital, except for total AUM figure of \$600 billion.



## KPI APPENDICES

SASB STANDARD	DESCRIPTION	CODE	RESPONSE
<b>Accounting Metrics</b>			
Incorporation of Environmental, Social and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social and governance (ESG) issues, (2) sustainability themed investing and (3) screening	FN-AC-410a.1	(1) \$600 Billion (2) \$0 (3) \$0
	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment and/or wealth management processes and strategies	FN-AC-410a.2	<a href="#">ESG Integration Into Our Investment Process</a>
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410a.3	<a href="#">Proxy Voting</a>
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-AC-510a.1	Brookfield discloses any monetary losses from material legal proceedings in our <a href="#">Annual Report</a> .
	Description of whistle-blower policies and procedures	FN-AC-510a.2	<a href="#">Whistleblower Policy</a>
Systemic Risk Management	Percentage of open-end fund assets under management by category of liquidity classification	FN-AC-550a.1	(1) 32% highly liquid open-end fund assets (2) 1% moderately liquid open-end fund assets (3) 67% illiquid open-end fund assets
	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	FN-AC-550a.2	<a href="#">Systemic Risk Management</a>
	Total exposure to securities financing transactions	FN-AC-550a.3	\$0
	Net exposure to written credit derivatives	FN-AC-550a.4	\$0
<b>Activity Metrics</b>			
(1) Total registered and (2) total unregistered assets under management (AUM)		FN-AC-000.A	(1) \$3 Billion (2) \$451 Billion
Total assets under custody and supervision		FN-AC-000.B	\$600 Billion

## NOTICE

The information contained herein covers the time period beginning on January 1, 2020, and ending on December 31, 2020, unless otherwise indicated. The information contained herein is intended solely for informational purposes and is not intended to, and does not constitute, an offer or solicitation to sell or a solicitation of an offer to buy any security, product, or service (nor shall any security, product, or service be offered or sold) in any jurisdiction in which Brookfield is not licensed to conduct business and/or an offer, solicitation, purchase, or sale would be unavailable or unlawful. Certain information contained in this publication may constitute “forward-looking statements” as defined in applicable securities laws. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, and include statements regarding Brookfield’s operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies, and outlook. In some cases, forward-looking statements can be identified by terms such as “expects,” “anticipates,” “plans,” “believes,” “estimates,” “seeks,” “intends,” “targets,” “projects,” “forecasts” or negative versions thereof, or future or conditional verbs such as “may,” “will,” “should,” “would” and “could.” Although Brookfield believes that the anticipated future results, performance, or achievements expressed or implied by the forward-looking statements are based upon reasonable assumptions and expectations in light of information available at the time such statement is or was made, reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties, and other factors, including Brookfield’s ability to identify, measure, monitor and control risks across Brookfield’s entire business operations, including its portfolio companies, which may cause the actual results, performance, or achievements to differ materially. Brookfield undertakes no obligation to update or revise statements or information in this publication, whether as a result of new information, future developments, or otherwise. None of Brookfield, its officers, employees, agents, or affiliates makes any express or implied representation, warranty or undertaking with respect to the accuracy, reasonableness, or completeness of any of the information contained herein, including without limitation, information obtained from portfolio companies or other third parties. Some of the information contained herein has been prepared and compiled by the applicable portfolio company and has not necessarily been independently verified by Brookfield. Brookfield does not accept any responsibility for the content of such information and does not guarantee the accuracy, adequacy or completeness of such information. Impacts of initiatives are estimates that have not been verified by a third party and are not based on any established standards or protocols. They may also reflect the influence of external factors, such as macroeconomic or industry trends, that are unrelated to the initiative presented. The information contained herein is not intended to address the circumstances of any particular individual or entity and is being provided solely for informational purposes. The information set forth herein does not purport to be complete. Nothing contained herein should be deemed to be a prediction or projection of Brookfield’s future performance. Except where otherwise indicated herein, the information provided herein is based on matters as they exist as of the date of preparation and not as of any future date and will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing or changes occurring after the date hereof. All data as of December 31, 2020, unless noted otherwise.

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