

Brookfield

Accelerating the net-zero transition

Brookfield Renewable Partners L.P.

2023 SUSTAINABILITY REPORT

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Climate opportunities and risks

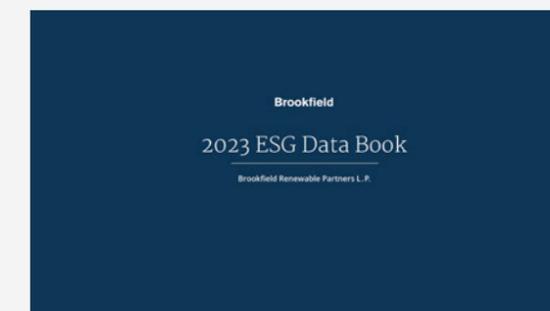
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See our **ESG Data Book** for more detail

Welcome to our 2023 Sustainability Report

This report sets out our approach to sustainability and our environmental, social and governance (ESG) performance and progress over 2023.

Focusing on what matters

We carefully consider applicable standards and engage with stakeholders to identify material topics, which guide our disclosures. We consider not only how they affect our business, but also how our business impacts our stakeholders, including our shareholders, our people, and the communities where we operate and the natural environment.

We regularly review our material topics, assessing those that potentially impact different stakeholders and our business.

➤ For more information about our **materiality assessment** and our **stakeholders** see pages 86-88

TCFD CONTENT SYMBOL INTRODUCTION

T We have integrated our TCFD disclosures throughout this report. The relevant sections are marked with this symbol.

▢ A full index is available in our **ESG Data Book**

About this report

We report on our programs and performance, review our annual reporting and disclosures, and strive to be in line with evolving best practices.

As we improve the quality and completeness of our data and methodologies, we update or restate information in our sustainability-related publications.

Unless otherwise noted, this report and all metrics included address our ESG performance and progress over 2023. Unless otherwise stated, metrics relate to entities financially controlled¹ by Brookfield Renewable Partners L.P. (Brookfield Renewable). Financial figures are reported in U.S. Dollars, unless otherwise indicated.

This report, together with our ESG Data Book, is informed by the GRI Standards for 2023 and contains disclosures consistent with the Task Force for Climate-related Financial Disclosure's (TCFD) 11 recommendations. Further disclosures are in line with Sustainable Accounting Standard's Board (SASB) Standards and our contribution to the Sustainable Development Goals (SDGs) is mapped to our progress against targets.

➤ A summary of the alignments in **Appendix 4** and full indices are in our **ESG Data Book**

1. As defined by the GHG Protocol and in line with Brookfield Renewable L.P. consolidated financial reporting



Lennox Solar, U.S.

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CEO letter



Connor Teskey
Chief Executive Officer, Brookfield Renewable

Once again, we can look back on the past year and note significant progress in growing our business and advancing the energy transition.

2023 was another record year for global clean energy investment, with almost \$1.8 trillion ([BloombergNEF](#)) of capital committed and deployed, equating to a 17% increase over 2022 and a 90% increase since 2020.

Together with our institutional partners, our business has made its own contribution to the growth in clean energy and transition, committing and deploying \$9 billion in 2023 (\$2 billion net to Brookfield Renewable). We continue to seek out opportunities to invest in operating and development businesses across clean energy, power transformations, and sustainable solutions, where we can leverage our access to capital and capabilities.

We were thrilled to conclude several significant transactions during 2023, including the acquisition of Deriva Energy (formerly Duke Energy Renewables); Westinghouse, a nuclear fuel and services business, and CleanMax, a leading renewable business in India serving the commercial and industrial (C&I) market.

“Our business has made its own contribution to the growth in clean energy and decarbonization solutions, committing and deploying \$9 billion in 2023.”

Key trends shaping the industry

We continue to benefit from the tailwinds for clean energy, including its position as the cheapest form of bulk electricity generation, energy security, increasing demand for electricity from digitalization and the electrification of major industries, and regulatory and business-led support for decarbonization.

Our differentiated operating and development capabilities, global reach, and track record of delivering projects at scale, have made us the partner of choice for our global customers.

Our access to diverse sources of scale capital and differentiated operating and development capabilities enables us to deliver tailored clean energy solutions that command favorable pricing and helps us achieve our dual goals of generating strong risk adjusted returns and advancing the energy transition.

Accelerating the transition

We believe Brookfield Renewable has an opportunity to play a critical role in accelerating the transition to a net-zero economy. We are a global clean energy supermajor with operations on five continents diversified across renewable power and decarbonization technologies.

Two years ago, we set a target to develop an additional 21,000 megawatts of new clean energy capacity by 2030 – the equivalent of more than doubling the size of our portfolio at that time.

We are making great progress on this target with approximately 8,000 megawatts added since the beginning of 2022, including approximately 5,000 megawatts in 2023. Based on our near-term growth pipeline, we are confident we can maintain this run-rate and are on course to meaningfully exceed our 2030 target.

We have maintained our GHG emissions intensity from generation at well below the power and utility sector average and remain on target to achieve net zero for our operating assets by 2030.

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A responsible transition

We continue to believe through investment in the global transition we will deliver long-term value to our stakeholders.

In 2023, we continued to codify our commitments and practices including in our Human Rights Policy and Procurement Principles. We continuously seek to build and maintain strong relationships across our value chain and work proactively with our stakeholders to ensure their interests are considered throughout our business and our operations are in line with our policies.

The health and safety of our people and the communities in which we operate is paramount to Brookfield Renewable. We continuously strive to achieve excellence in health and safety performance and to be industry leaders in risk management and incident prevention.

Our people are our greatest assets and we continue to find ways to engage, develop, and provide opportunities for training and development and support our operating businesses to do the same.

We continue to support the promotion of diversity and inclusion within our businesses, and in 2023, we rolled out our Human Capital Framework which includes guidelines for D&I program implementation aligned with local context. We have more details on these initiatives within the report.

We are committed to sustainability and environmental stewardship, aiming to avoid and manage our environmental impact, and improving circularity in our supply chain. We continue to work toward our target to divert 100% of major components from our operations from going to landfill.

We continue to maintain high ethical standards and build good governance practices across our business through our code of conduct and anti-bribery and anti-corruption (ABC) and cybersecurity programs. We regularly communicate our expectations across the business and provide annual training in these areas.

Working together

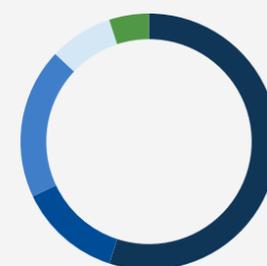
We are pleased with the progress we have made with respect to the sustainability of our business during 2023, but recognize that there is still more to do. The feedback and partnership of all our stakeholders has been vital to our progress so far, and we look forward to working together to pursue a more sustainable future.

Sincerely,



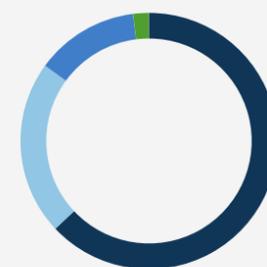
The following charts illustrate revenue in 2023 on a proportionate basis²

Technology



● Hydroelectric	55 %
● Utility-scale solar	13 %
● Wind	19 %
● Distributed energy and storage	8 %
● Sustainable solutions	5 %

Region



● North America	63 %
● Europe	22 %
● South America	13 %
● Asia	2 %

31,400 MW
Clean energy operating capacity

~5,000 MW
Added capacity

\$9 billion
Investment committed and deployed

21%
Decrease in high-risk incident frequency rate from 2022

² Figures based on normalized revenue for the past 12 months, proportionate to Brookfield Renewable

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The world and our role

As a global clean energy supermajor, we believe we are ideally placed to accelerate the transition to a net-zero economy.

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Smoky Mountain, U.S.

The global context

Global trends, including digitalization and energy security, are driving demand for clean power. We are positioned to meet this with our global pipeline of projects, operating and development expertise, and diverse sources of scale capital.

1. Energy security and demand

Energy security is a significant driver of the transition to clean energy. Geopolitical and economic conditions have restricted the movement of oil and gas, but demand for energy continues to grow, resulting in higher power prices in regions that require imported fuels.

With the push for localized energy and the fact that renewable power is both scalable and the lowest-cost source of bulk electricity generation, demand for clean power is increasing, as it provides greater security of supply at the most competitive price.

What we are doing

We are a leading operator and developer of clean energy, with approximately 31,400 megawatts of operating clean energy capacity in 20 countries, and a development portfolio of approximately 155,000 megawatts of early and late-stage development projects. We support demand

for clean energy globally at scale, and in 2023 we added approximately 5,000 megawatts of new clean energy capacity.

2. Corporate decarbonization

Reacting to increasing climate risks, value chain pressures, and regulatory shifts, corporations are setting net-zero targets. We are also seeing corporations look to secure clean power through contracts to reduce price volatility and ensure they have the power required to meet growth targets. Over the past several years, clean energy demand from mega-cap technology companies has grown by 50% per annum, alongside 30% annual growth from their cloud computing and AI segments. The highly power-intensive nature of AI is acting as a multiplier on energy demand, which is increasingly becoming a bottleneck for cloud computing growth.

Global electricity consumption from data centers will increase to an estimated 10% of total electricity demand by 2030 (from ~2% today).¹ To satisfy the expected energy need of data centers alone, additional generation capacity equivalent to the size of the current U.S. grid will be needed.

What are we doing

Our ability to deliver scale, 24/7 clean power solutions across geographies positions our business as a major beneficiary of this robust growth in demand. We are able to secure favorable contracts as a result of our ability to supply differentiated offerings and our credibility in delivering projects. We have signed contracts to provide more than 60 terawatt hours of power

over the past two years to large technology businesses and in the past five years we have doubled the volumes contracted to corporate and industrial (“C&I”) customers. We expect to double the volumes contracted to C&I customers again over the next five years.

3. Macroeconomic environment

Renewables continue to be the most cost-competitive source of bulk power generation. However, there is greater importance on the approach to development and asset management at this stage in the market cycle.

What we are doing

Our disciplined approach to development and underwriting has enabled us to maintain our target returns in all cost environments. It has also created an opportunity for us to invest for value, given the need for capital and our strong financial position. Growing demand for clean power from corporates and our ability to provide differentiated solutions means we are able to pass along higher costs and achieve our target returns.

We take a disciplined approach to development, securing fixed-rate financing and inflation-indexed contracts that provide visibility on our returns and provide strong downside protection. We also benefit from our centralized procurement team who works with suppliers to procure materials at competitive prices and our commercial team who looks to reduce our exposure to price volatility on the small amount of merchant exposure we have.

4. Evolving regulatory environment

There has been exponential growth in regulatory sustainability reporting requirements related to climate and key topics such as human rights and nature, driven by the need for:

- High-quality, comprehensive, comparable, and transparent data to measure performance linked to opportunities and risks
- Clarity on green terminology and definitions to avoid misleading claims of ESG performance

What we are doing

We strive to align our reporting with leading international frameworks, monitor the regulatory and reporting landscape, and provide transparent and detailed reporting on our sustainability strategy and performance. Sustainability considerations are embedded throughout our business lifecycle starting in the investment due diligence process.

In 2023, we published our Human Rights Policy, Procurement Principles, and codified our protection of nature through our updated Environmental Protection Standard and a Major Component Lifecycle Standard. We also conducted a gap assessment against the International Sustainability Standards Board (ISSB) IFRS S1 and S2 standards and updated our assessment of the final recommendations of the Taskforce for Nature-related Financial Disclosures (TNFD). We are beginning to consider these frameworks in our reporting.

1. Nature Magazine, Vol 561, “The Information Factories”

Who we are

About us

At Brookfield Renewable², we work to support the creation of a lower-carbon future.

We are one of the world's largest investors, developers, owners, and operators of clean power and decarbonization assets, with 33,000^{3,4} megawatts of generating capacity.

Our development pipeline includes:

- 155,000³ megawatts of clean energy
- 14 MTPA per annum of carbon capture and storage (CCS)
- approximately 1.6 million tonnes of recycled materials
- 3.5 million MMBTU of annual renewable natural gas (RNG) projects, as well as 5,000 megawatts of solar manufacturing and 1 million tonnes of green ammonia.

Our teams and portfolio span five continents across a range of clean energy and decarbonization technologies.

We are growing our portfolio in alignment with evolving global demand and trends that offer the opportunity to transition to a low-carbon world. In this way, we can contribute by providing more clean energy and helping carbon-intensive businesses transform to lower-carbon businesses.

Investors can access our portfolio through Brookfield Renewable Partners L.P. (NYSE: BEP; TSX: BEP.UN), a Bermuda-based limited partnership; or Brookfield Renewable Corporation (NYSE, TSX: BEPC), a Canadian corporation.

Key statistics

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Countries

~4,800

Employees

~92,000⁶

LTA energy generation (GWh)

~31,400^{3,5}

Clean energy capacity (MW)

~155,000³

Pipeline development (MW)

2. Unless the context indicates or requires otherwise, the terms "Brookfield Renewable", "we", "us", and "our company" mean Brookfield Renewable Partners L.P. and its controlled entities
3. Capacity figures represent 100% of capacity of operating facilities regardless of proportionate ownership
4. Our total generating capacity includes business transformation and cogeneration assets
5. This includes hydroelectricity, wind, utility scale solar, distributed energy, and storage
6. Long-term average (LTA) is calculated based on our portfolio as at December 31, 2023, reflecting all facilities on a consolidated and an annualized basis from the beginning of the year, regardless of the acquisition, disposition or commercial operation date. It does not include pumped storage and certain of our other facilities

Brookfield Asset Management's flagship renewable power company

We are the flagship renewable power and transition business of Brookfield Asset Management (Brookfield⁷), a leading global alternative asset manager with more than \$900 billion in assets under management.

Brookfield is dedicated to creating long-term value and positive impact by investing in high-quality assets and businesses that form the backbone of the global economy.

7. "Brookfield" means Brookfield Corporation and its subsidiaries, or any one or more of them, as the context requires, other than entities within Brookfield Renewable and unless the context otherwise requires, includes Brookfield Asset Management Ltd (also referred to as "Brookfield Asset Management")

Our culture

As we create long-term value through our investments in renewable power and transition assets, what sets us apart is how we work.

Long-term ownership

For decades, we have successfully applied our operating capabilities and investment activities to create long-term value for our stakeholders and to enhance sustainability. We have integrated this approach throughout our business from everyday investment decisions, to how we manage assets and to how we support employee development.

Collaboration

We aim to bring together diverse knowledge, skills and experiences and foster collaboration across our business, sharing expertise and

best practices, and building relationships and capabilities, including employee secondments and transfers across different businesses.

We also seek opportunities to collaborate with external stakeholders, including universities, local communities, industry trade associations, and non-governmental organizations.

Aligning interests with investors

As our largest shareholder, Brookfield deploys significant balance sheet capital, alongside our investors, to accelerate the global net-zero transition. This shared commitment is reinforced through our employee compensation programs, which link employee reward to successful clean energy investment and operational outcomes.

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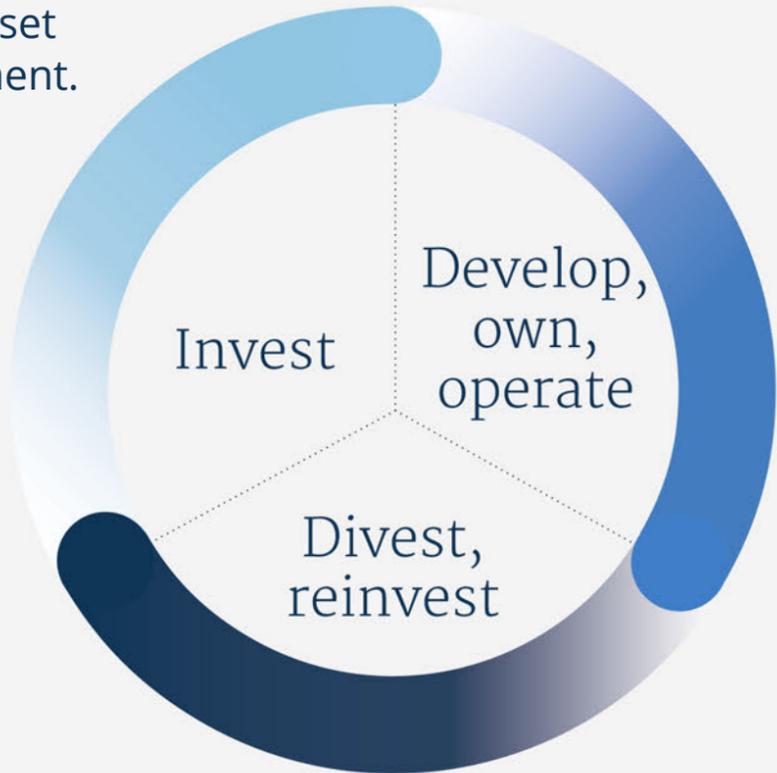
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Our business model

We take a strategic approach to long-term success – investing; developing, owning, and operating; asset divestment and reinvestment.

Sustainability is integrated throughout the investment lifecycle, as we aim to generate value for our stakeholders.



Investing

We acquire high-quality assets for value and finance them on a long-term investment-grade basis, with sustainability due diligence embedded into our investment decision process.

Developing, owning, and operating

We enhance value by leveraging our operational skills and capabilities, while managing sustainability opportunities and risks, and driving decarbonization across the assets and businesses we invest in.

Divesting and reinvesting

We aim to enhance the productivity, reliability, and longevity of every asset we own. At the right point in their lifecycle, we divest selected assets and reinvest capital into our clean energy, sustainable solutions, and business transformations.

Supported by our Sustainability Principles



Mitigate and manage the impact of our operations on the environment



Ensure the wellbeing and safety of our workforce



Uphold strong governance practices



Be good corporate citizens

[Learn more about our Sustainability Principles](#)

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Where we operate^{8,9}

Our global scale

We capitalize on our core strengths to grow and add value to our portfolio of clean energy and decarbonization assets around the world.

Global reach

The scale of our global operations and long-term relationships allows us to draw from a wealth of actionable market intelligence, generating proprietary investment opportunities.

Large-scale capital

Our access to substantial, flexible capital allows us to execute large-scale transactions.

Deep operational expertise

Through our long history of investing, developing, owning, and operating assets and related businesses, we have built deep operational expertise to enhance the value of our investments.

Asset types

Clean energy¹⁰

- Hydroelectric
- Wind
- Utility-scale solar
- Distributed energy (DE)
- Storage

Transition

- Nuclear services¹¹
- Carbon capture and storage (CCS)
- RNG
- Recycling
- Decarbonizing carbon-intensive businesses

Canada

Hydroelectric: 1,361 MW

Wind: 483 MW

Utility-scale solar: 101 MW

Distributed energy: 16 MW

CCS: 57,000 tpa

Europe

Wind: 1,432 MW

Utility-scale solar: 1,137 MW

Distributed energy: 36 MW

Pumped storage: 2,088 MW

Cogeneration: 114 MW

Asia Pacific

Wind: 1,875 MW

Utility-scale solar: 1,623 MW

Distributed energy: 754 MW

U.S.

Hydroelectric: 2,886 MW

Wind: 6,346 MW

Utility-scale solar: 2,447 MW

Distributed energy: 1,512 MW

Battery storage: 46 MW

Pumped storage: 666 MW

Cogeneration: 105 MW

Fuel cell facilities: 10 MW

RNG: 3.5 MMBtu

Recycling: 1 million tonnes of recycled materials

Latin America

Hydroelectric: 3,863 MW

Wind: 839 MW

Distributed energy: 34 MW

Biomass: 175 MW

Utility-scale solar: 1,744 MW¹²

Business transformation: 1,169 MW¹²

8. Represents 100% capacity of controlled and non-controlled investments as at December 31, 2023

9. Does not include our development pipeline of approximately 155,000 megawatts

10. Includes fuel cell facilities and cogeneration in the U.S. and biomass in Brazil, which are included in the scope of our "Getting to net-zero" target on [page 21](#)

11. Our nuclear services business provides services to nuclear facilities in North America and Europe

12. This includes InterEnergy's 118 megawatts of utility-scale solar, 304 megawatts of wind, and 747 megawatts of thermal-generating portfolio which includes 366 megawatts of heavy fuel oil, which will be transitioned over time

Our approach to sustainability

Our aim

is to generate sustainable value as a leading and responsible investor, developer, owner, and operator of clean energy and decarbonization technologies and businesses.

Our approach

is informed by a robust materiality process, stakeholder engagement and external standards and frameworks.

Our goals and targets

are set in priority areas, underpinned by metrics, to drive and demonstrate progress and impact.

➤ Read more about **Our performance**, page 13



OUR APPROACH IS INFORMED BY Materiality assessment

We are committed to focusing on the most important topics for our business and stakeholders, which support long-term value creation.

Approach

1. Define
2. Engage
3. Prioritize
4. Validate

This approach focuses our strategy and our Sustainability Policy to support our goals: the opportunities to create long-term value, support our workforce, and demonstrate sound governance practices, while aiming to avoid and mitigate environmental and social risks.

➤ Read more about our **materiality process and insights**, page 86

OUR OUTCOMES AND DISCLOSURES ARE MAPPED TO SDGs

We aim to make a positive difference where it matters for our people, the communities, and environments where we operate. We have mapped our strategy and targets to the SDGs that align most closely with our business:



Recognized frameworks and standards

Our disclosures are reported in line with TCFD recommendations and informed by SASB and GRI.

In 2023, we conducted a gap assessment against the ISSB standards and TNFD recommendations, and we have begun to consider these frameworks within our reporting.

➤ See our **ESG Data Book** for more detail

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We integrate sustainability throughout our investment lifecycle, from due diligence, through ongoing management, to exit of an investment.

Our investment and operational teams are responsible for integrating sustainability aspects into their activities supported by our global team of technical experts and sustainability teams across our five regions, who provide both technical expertise and local context.

Due diligence

We embed sustainability considerations into the due diligence for each potential transaction, leveraging our investment and operating expertise, and our own Sustainability Due Diligence Protocol, which is informed by guidance from SASB.

Each potential investment is assessed for:

- Potential for alignment with our sustainability targets and goals
- How it supports our clean energy and transition business objectives
- Our ability to understand and measure relevant sustainability opportunities and impacts
- Adverse sustainability impacts and how we can avoid or mitigate them

We assess physical and transition climate opportunities and risks in line with the TCFD framework, as well as screening against relevant sustainability areas, including biodiversity, water use, waste generation, health and safety performance, human rights, bribery and corruption, and community impacts. The Investment Committee reviews this information alongside the business case for all investments.

Ongoing management

As part of each acquisition, investment teams create tailored integration plans with material sustainability-related matters for review. Management teams in each operating business are accountable for integrating new investments into our operating approach, with a strong focus on sustainability, decarbonization, and risk management. We regularly review integration plans through our formal governance process and monitor sustainability management and ESG performance throughout our ownership.

➤ Read more on **Supporting a Responsible Transition**, page 28

Exit

We outline potential value creation from various factors including sustainability considerations. Qualitative and quantitative data summarizes the ESG performance of each investment and provides us with a detailed understanding of how we managed the investment during the holding period.

CASE STUDY: MAKING CARBON PRICING PART OF OUR INVESTMENT PROCESS

Challenge

To continue advancing the integration of climate considerations into our investment and operating decisions, we wanted to make carbon pricing part of the process.

Response

Our assets and investments target either additional clean energy, sustainable solutions, or the decarbonization of carbon-intensive assets. All three investment classes structurally benefit from a carbon price as they enable or support decarbonization.

Modeling and applying carbon pricing

During 2023, we continued to model and apply carbon prices on investments in all jurisdictions where a carbon price applies or is upcoming. This includes contingencies in our base and downside investment cases where material uncertainties exist in the evolution for carbon pricing schemes. For other jurisdictions, we reviewed new investments with material GHG emissions against energy and climate scenarios, such as those of the International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC), which incorporate explicit carbon prices.

For these investments, we set interim and long-term targets aligned with the relevant decarbonization pathways and associated carbon prices. Following sectoral pathways that include Paris-aligned carbon pricing and policies means we indirectly apply a carbon price to guide our targets and decarbonization business plans. We believe applying a separate shadow carbon price would duplicate these activities and not provide any additional information to support our decarbonization targets or plans. We will continue to monitor the value of applying a separate internal shadow carbon price for our internal reporting and capital allocation decisions.



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Tracking the progress of our sustainability targets across our material topics.

Priority SDGs



Sustainability pillar	Material topic	SDGs	Target ¹³	Target year	Progress	Performance
Accelerating the transition to net zero	Climate change and resilience		Achieve net-zero Scope 1 & 2 (market-based) Greenhouse Gas (GHG) emissions in renewable operations by 2030. ¹⁴	2030	On track	We continue to advance our decarbonization plans, implementing several emission reduction initiatives. As we continue to grow our portfolio, we expect to see small increases in absolute emissions in the short term and year-on-year variances as our portfolio changes. In 2023, we saw a small increase in emissions over our 2020 base year due to increased energy demand, especially for peaking facilities.
			Develop an additional 21,000 megawatts of new clean energy capacity by 2030, equivalent to doubling our existing portfolio to 42,000 megawatts.	2030	On track	We developed approximately 5,000 megawatts of new clean energy capacity over the year, and approximately 8,000 megawatts since setting our target.
			Set GHG emissions reduction targets and plans to align with the goal of the Paris Agreement for 100% of carbon-intensive investments. ¹⁵	Annual	Met	100% of carbon-intensive investments developed or have targets aligned with the goals of the Paris Agreement.
Supporting a responsible transition: Environment	Biodiversity		Develop biodiversity management plans for 100% of our identified sites, prioritizing sites in biodiversity-sensitive areas.	2024	On track	We developed our Biodiversity Management Framework, issued our Biodiversity Management Guidelines, expanded our central mapping system to include information on biodiversity sensitive areas, and performed a biodiversity screening of 100% of our operated sites for overlap with biodiversity sensitive areas. ¹⁶
	Water and waste resources		Divert 100% of major components from landfill. ¹⁷	Annual	On track	We began developing plans for diverting our major components from landfill. Additionally, 1,461 tonnes (71%) of major components were diverted from landfill.
			Develop water management plans for 100% of our operations in areas of high water stress.	2023	Met	We developed water management plans covering 100% of our operating businesses with assets in areas of high water stress. ¹⁸
			Increase circularity and reduce the volume of waste we send to landfill by 20%.	2025	On track	We achieved a 40% reduction in the volume of waste sent to landfill compared to 2022, through the diversion of 86% of non-hazardous waste and 39% of hazardous waste.

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Sustainability pillar	Material topic	SDGs	Target ¹³	Target year	Progress	Performance
Supporting a responsible transition: People and communities	Diversity & inclusion		Maintain gender balance in our executive team and increase female representation at Board and senior leadership levels.	2025	Monitor	Female representation at Board level increased to 38%, while the percentage of women at the executive team level decreased from half to one third.
	Health, Safety, Security and Environment		Provide onboarding health, safety, security and environment (HSS&E) training to 100% of new employees and contractors working in our facilities.	Annual	Monitor	We provided HSS&E training to 100% of new employees working in our facilities, and progressing on centralizing a system to track contractor training performance.
			Maintain a cumulative high-risk incident frequency rate of less than 1.5 per one million hours worked.	Annual	Met	The high-risk incident frequency rate decreased to 1.08 from 1.41 in 2022, representing a decrease of 21% from the previous year.
			Achieve 95% of planned Safe Work Observations across our businesses with mature HSS&E programs.	Annual	Met	We achieved more than 95% of the planned Safe Work Observations set across all our businesses with mature HSS&E programs.
Supporting a responsible transition: Systems and governance	Supply chain management	 	Target 50% of vendor spend with vendors with an overarching sustainability policy in place.	2025	Met	Vendors representing more than 50% of our spend had a sustainability or equivalent policy in place. ¹⁹
	Cybersecurity		Train 100% of employees on cybersecurity annually.	Annual	Met	All employees were trained on cybersecurity.
	Corporate governance	 	Provide quarterly updates to the Board on our sustainability approach, performance, and key topics, such as physical and transitional opportunities and risks, net zero and emerging standards and regulation.	Ongoing	Met	We provided quarterly updates to the Board throughout 2023.

13. See individual sections for detailed information related to each target

14. On a gross basis, our target is to reduce 95% of our Scope 1 and Scope 2 (market-based) emissions by 90% on an absolute value basis as compared to our base year of 2020 in line with the Science-Based Target initiative's cross sector pathway. This target includes renewable and clean energy acquisitions made prior to December 31, 2025. For renewable and clean energy acquisitions made post-2025, we will set additional targets aligned with science-based pathways

15. For investments within Brookfield's Global Transition Funds. Targets include Scope 1, 2 and material Scope 3 emissions

16. Reflects our financially controlled portfolio as of Q2 2023

17. New waste target added in 2023

18. Reflects our financially controlled portfolio as of Q3 2023. Water stress is defined according to areas with high, extremely high and arid regions according to WRI's Aqueduct tool v. 4.0. This target excludes assets where water is used exclusively for sanitation purposes

19. Includes relevant or equivalent programs and policies that effectively manage sustainability performance and key topics including environmental management, HSS&E, D&I, labour and human rights, community investment, good governance, climate, etc.

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Accelerating the transition to net zero

We aim to accelerate the global net-zero transition and generate sustainable value by helping deliver clean energy and decarbonization.

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Q&A

Chief Investment Officer



Jehangir Vevaina
Chief Investment Officer, Brookfield Renewable

Q: What were your 2023 highlights?

A: Last year will go down as one of the most transformational in our recent history. We positioned ourselves for growth in the decarbonization economy, committed and deployed significant capital of approximately \$9 billion in total (\$2 billion net to Brookfield Renewable), and closed significant transactions including the acquisitions of Westinghouse, CleanMax, and Deriva (Duke Energy's renewables business).

Q: What gives you confidence that the decarbonization trend will continue at its current pace?

A: Strong economics for renewables. New-build renewables are the cheapest form of bulk electricity in almost every country worldwide, which is driving companies and utilities to keep procuring renewable power. At the same time, energy security and supply chain concerns are driving decisions to site energy closer to home. This favors renewable energy, which does not rely on importing commodities from across the world. There is also momentum from global climate

policymaking, which continues to drive more technologies into the mainstream and down the cost curve, making them more economic.

Q: What is your view on meeting the global renewable energy capacity target?

A: This ambition which would require a tripling of global renewable energy capacity is entirely appropriate and in our view also very achievable. Brookfield Renewable expects to bring on approximately 5,000 megawatts or more of new clean energy capacity annually across the rest of this decade, and there may be further opportunities to expand as we deploy more capital and our operating expertise in this sector.

Q: What are your views on industrial decarbonization? Do we have the right technologies?

A: We already know the technologies that will decarbonize heavy industry. Through a combination of electrification of manufacturing processes, alternative fuels to

replace fossil fuel inputs, and CCS to deal with residual GHG emissions, we can rapidly bring down GHG emissions over the next decade. Many technologies for industrial decarbonization are "proven" and have existed for a long time. What we need now is capital to scale these technologies, which is why we have made substantial commitments in the Brookfield Global Transition Funds to finance the transformation of carbon-intensive businesses.

Q: How does growth in data and advances in AI impact the outlook for clean power?

A: There's no doubt AI is driving huge growth in renewable energy demand. The major providers of cloud data are among the world's largest tech companies, all of which have not only committed to procuring 100% renewable power, but are also coming to realize that having a renewable power solution may be the only way they can bring new capacity onto overstretched grids and receive permitting and regulatory approval. As power becomes part of the critical path to new data centers, we expect to welcome powerful new collaborations to help these companies achieve their growth.

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Our transition strategy



Our ambition

To deliver net-zero GHG emissions across our business by 2050 or sooner and accelerate the global transition. The ambition is aligned with our strategy and underpinned by three targets.

Our strategy

We are building out our core renewables, while minimizing our own operating GHG emissions. We are also allocating capital to drive decarbonization in the most carbon-intensive sectors through Paris-aligned business models and long-term investments.

Our commitments

Getting to net zero in our operations

TARGET: Achieving net zero for Scope 1 & 2 market-based emissions by 2030;¹

Adding clean energy capacity

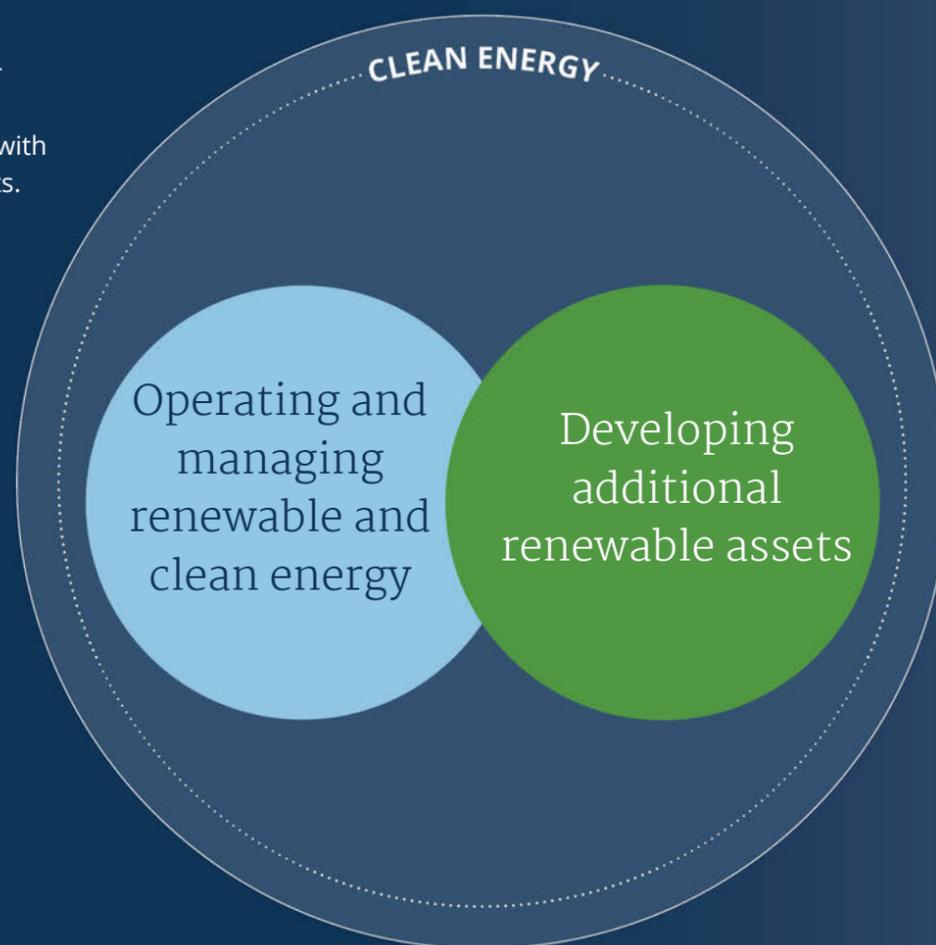
TARGET: Developing 21,000 megawatts of new clean energy capacity by 2030;²

Investing in transition

TARGET: Setting GHG emissions reduction targets and plans to align with the Paris Agreement for 100% of carbon-intensive investments.

1. For renewable and clean energy acquisitions made prior to December 31, 2025. For renewable and clean energy acquisitions made post-2025, we will set targets aligned with science-based pathways

2. From 2021 onwards



SUSTAINABLE SOLUTIONS

We invest in companies whose services and technologies play a wide-reaching, critical role for industries to reduce their carbon footprints.

BUSINESS TRANSFORMATION

We strive to partner with carbon-intensive companies to finance and help implement emission-reducing technologies and solutions.

We invest in renewables, battery storage and distributed energy technologies that form the core of a low-GHG emissions and secure energy system.

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Taking an integrated approach

We provide integrated solutions to support an accelerated decarbonization strategy, deploying Brookfield's global transition funds and supporting our transactions through sustainable financings, in partnership with external stakeholders.

Transition and renewable-focused investing

In 2023, Brookfield launched BGTF II, its second Brookfield Global Transition Fund (BGTF), which aims to build on the \$15 billion raised in BGTF I. It will invest in additional renewable energy capacity, sustainable solutions, and business transformation, targeting quantifiable decarbonization impact targets and strong financial returns.

Finding sustainable financing solutions

We seek to mobilize capital towards green and transition investments through sustainable financing at a corporate and project level across our assets, meeting increasing stakeholder demand for sustainable finance.

Our green financings finances and refinances clean energy projects and sustainable solutions, supporting their development and ongoing operations.

By actively utilizing the market for green financing products and a sustainable economy, we are helping to accelerate the transformation and decarbonization of global electricity generation, while reducing the cost of our borrowing.

Our Green Financing Committee, which includes representatives from our Capital Markets and Treasury teams, manages our sustainable financing strategy. Our Chief Financial Officer oversees our strategy and provides quarterly reports to the Board.

Adding to our green financing

In 2023, we issued two corporate-level green financing issuances under our Green Bond and Preferred Securities Framework, amounting to \$604 million.

Since 2017, we have issued 12 green bonds for approximately \$5.1 billion. Prior to 2023 S&P assessed our green bonds with E-1 Green Evaluation score, citing our environmental stewardship, commitment to renewable power, and use of proceeds towards renewable power generation. Our aggregate green issuances are approximately \$15.1 billion (between January 1, 2023 and March 31, 2024.)

New updates to our Green Financing Framework

Our [Green Financing Framework](#) serves as guidance on the allocation of financing towards green and sustainable activities. Our framework incorporates eligible investment categories in line with our strategy to invest in supporting the transition to net zero. Within the updated framework we added new eligible categories in line with our overarching strategy, including more renewable energy technologies, energy efficiency investments, investments to support circular economy products and processes, clean energy product manufacturing, pollution prevention and control investment, and clean transportation.

The updated framework sets parameters in accordance with the latest Green Bond Principles (2021)³ and Green Loan Principles (2023)⁴, and enhances allocation and impact reporting, as well as independent third-party assurance on our use of proceeds.

S&P Global has provided a Second-Party Opinion to confirm alignment principles and assess our Green Financing Framework and eligibility criteria using its "Shades of Green" methodology. Our framework received a "medium green" overall:

- "dark green" through our renewable energy capacity additions, which represent significant steps towards a low-carbon future

- "medium green" through our support of sustainable solutions and transformations, which represent significant steps towards a low-carbon future, but require improvements to be long-term and low-carbon solutions

 The full **Second-Party Opinion** is on our website.

We report annually on the use and impact of the proceeds from our green financing issuances. Our most recent report, which aligns with the previous version of our Green Bond and Preferred Securities Framework, is on our [website](#).

Advocating for systemic change

In addition to looking for sustainable finance solutions, we also continue to work at the local, state, regional, and national levels with renewable energy companies and industry groups, as well as conservation and other environmental organizations on supportive policies for existing and new clean energy generation. An example is our continued work with industry and environmental groups on the implementation of the bipartisan infrastructure law and Inflation Reduction Act in the U.S.

3. The Green Bond Principles ("GBP") were created by the International Capital Markets Association ("ICMA") and updated in June 2021 with Appendix 1 updated in June 2022.
4. The Green Loan Principles ("GLP") is administered by the Loan Syndications and Trading Association ("LSTA"), published in February 2023 available at: <https://www.lsta.org/content/green-loan-principles/>

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Partnering to expand finance-ready climate solutions

Challenge

The need for climate action has never been more urgent, and finance plays a vital role in the transition to a more sustainable and inclusive global economy.

Attracting more private-sector investment into climate solutions is critical to helping Colombia reach its climate objectives. To meet these ambitious goals, Colombia's energy transition requires not only scaling up, but also increasing the speed of execution and adoption of innovative projects and technologies.

Response

Brookfield is an active participant in the Climate Finance Leadership Initiative (CFLI) in Colombia, the first Latin American CFLI pilot that works to facilitate a private-sector led and country-specific approach to mobilizing climate finance in areas most critical to the country's overall climate agenda.

CFLI Colombia works to meaningfully accelerate the country's transition to a net-zero economy. Through this initiative, financial institutions and businesses collaborate with key government and multilateral partners and policymakers to build bankable pipelines of catalytic climate financing solutions. CFLI also works to improve the policy-enabling environment, which is needed to mobilize private capital at scale. These solutions go beyond business-as-usual to support the Government's ambitions to deliver a just and inclusive transition.

Since CFLI Colombia's inaugural meeting in July 2022, institutions have originated 13 catalytic financings and policy solutions across four areas: renewable alternatives; nature, resilience and adaptation; low-carbon transportation; and sustainable infrastructure.

CFLI Colombia anticipates several initiatives will reach financial close in 2024, demonstrating how private-public collaboration can drive the net-zero transition.



Luzma, Colombia

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Progressing against our net-zero roadmap

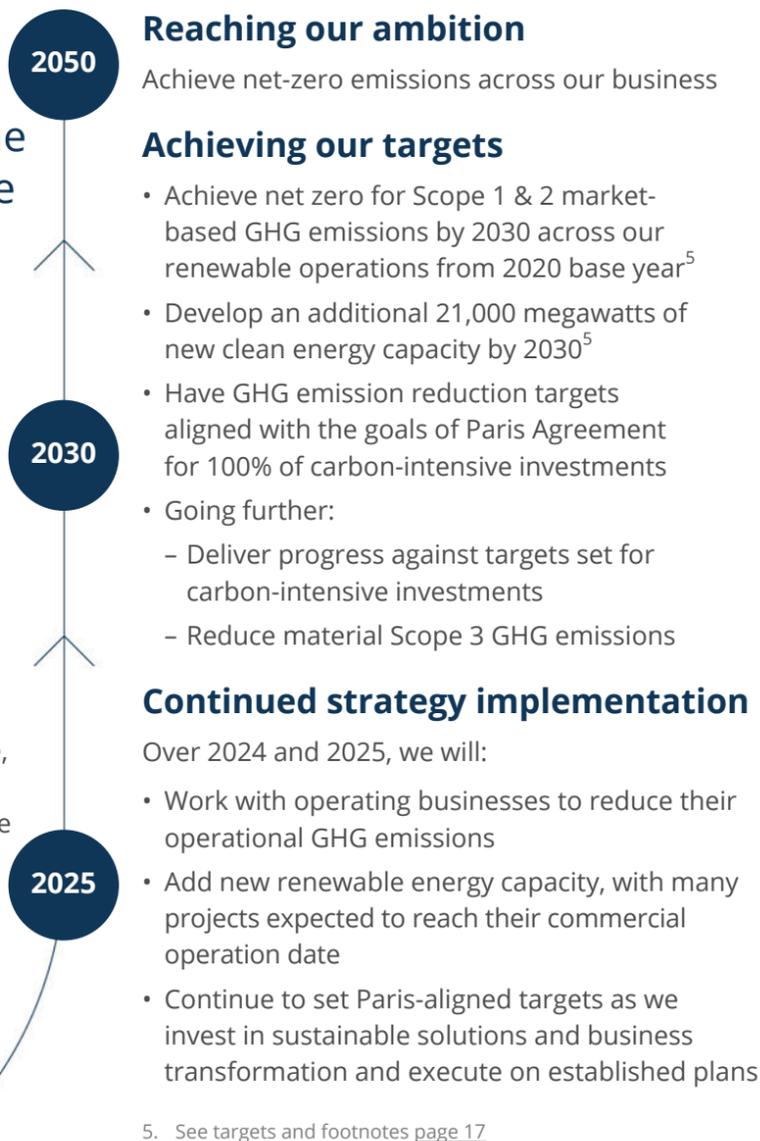
We believe that progressing to net zero means investing where the emissions are in the short term, so that we can see long-term sustainable decarbonization.

Set net-zero ambitions

Our ambitions are to deliver net-zero emissions across our business by 2050 or sooner and accelerate the global transition. They are aligned with our strategy and are underpinned by three 2030 targets.

Progress against our 2030 targets

1. We remain on track, keeping our carbon intensity from generation to well below the global power and utility average. We did see, however, a marginal increase of ~2% in Scope 1 & 2 market-based emissions since 2022, as a result of increased energy demand and generation
2. Commissioned ~5,000 megawatts of new clean energy capacity in 2023, totaling ~8,000 megawatts since 2021 and representing 38% of our 2030 goal
3. Established Paris-aligned targets for 100% of our carbon-intensive investments



Reaching our ambition

Achieve net-zero emissions across our business

Achieving our targets

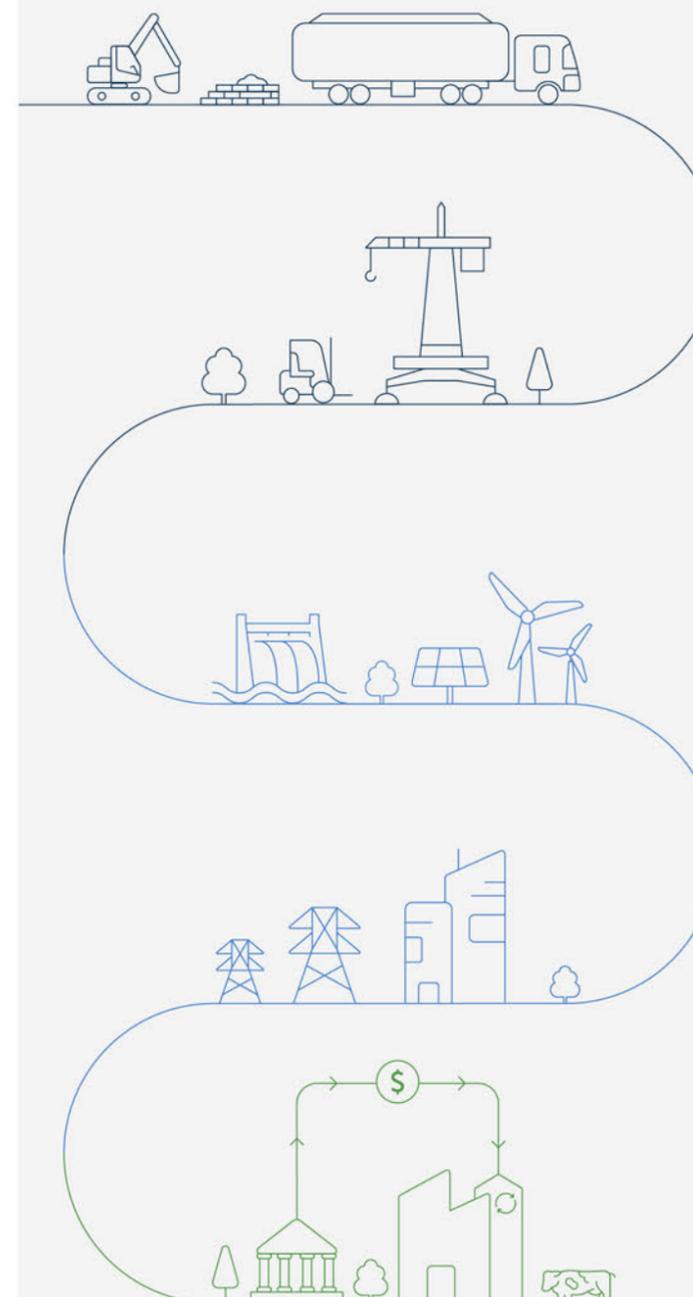
- Achieve net zero for Scope 1 & 2 market-based GHG emissions by 2030 across our renewable operations from 2020 base year⁵
- Develop an additional 21,000 megawatts of new clean energy capacity by 2030⁵
- Have GHG emission reduction targets aligned with the goals of Paris Agreement for 100% of carbon-intensive investments
- Going further:
 - Deliver progress against targets set for carbon-intensive investments
 - Reduce material Scope 3 GHG emissions

Continued strategy implementation

Over 2024 and 2025, we will:

- Work with operating businesses to reduce their operational GHG emissions
- Add new renewable energy capacity, with many projects expected to reach their commercial operation date
- Continue to set Paris-aligned targets as we invest in sustainable solutions and business transformation and execute on established plans

5. See targets and footnotes [page 17](#)



Sources of GHG emissions

Upstream

Supply chain (capital goods)

Components for renewable energy assets

Construction, operations and maintenance (goods and services)

Fuel use during the construction, operations, and maintenance of renewable energy facilities

Operational

Scope 1

- Fuel use in the operation of renewable energy
- Fuel use in the production of energy
- Fuel use in heating and refrigerant in cooling

Scope 2

- Grid electricity used in the production of renewable energy
- Grid electricity used for offices
- Grid electricity used to provide ancillary services to the grid

Downstream

Financed GHG emissions

- Investments in sustainable solutions
- Investments in business transformation



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Getting to net zero in our operations



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Our clean energy assets help countries, companies and communities reduce their GHG emissions.

Our progress

2030 target

Net zero for our Scope 1 & 2 (market-based) GHG emissions across our renewable operations^{6,7}

2023 progress

Our carbon intensity from generation remains 150 times lower than the power and utility global average. Our relatively low Scope 1 & 2 market-based GHG emissions increased by 2% on an absolute basis from 2022 and 13% since 2020 due to higher energy demand. We restated 2020 base year due to divestitures during the year.

While GHG emissions from our operating renewable and clean energy assets are relatively low, we recognize the importance of continuing to reduce our GHG emissions, and reaching net zero across our existing renewable operations by 2030.

Our target covers absolute Scope 1 (direct GHG emissions from operating our assets) and market-based Scope 2 GHG emissions (emissions associated

with purchasing electricity at our operations), and is based on the Science-Based Targets initiative (SBTi) global cross-sector pathway.

Achieving our net-zero target

As our business grows to support increasing energy demand and accelerate the global transition to net zero, we expect a non-linear progression towards our target. Although we expect our GHG emissions will remain relatively low, we expect to see small increases on an absolute basis in the short term as we add clean energy capacity and more carbon-intensive businesses with the goal of supporting decarbonization at the operating and value chain level in line with global decarbonization scenarios.

Understanding our progress in 2023⁸

We expected some slight increase in Scope 1 & 2 GHG emissions in 2023 as we balance our carbon reduction plans against our growth targets. The larger increase in relation to the 2020 baseline is mainly due to an increase in Scope 1 GHG emissions from the demand-driven increase in generation from our U.S. based peaking co-generation plant. A relatively small amount of incremental GHG emissions is also due to additional clean energy capacity. Additionally, our GHG emissions for our base year of 2020 were restated due to a sale of an asset in early 2023. Our carbon intensity, however, is 3 tCO₂e/GWh which is 150 times less than the global power and utility average GHG emissions intensity of approximately 450 tCO₂e/GWh for 2023.⁹

Reduction initiatives

We continue to look for options to use renewable energy to power our portfolio and for our offices.¹⁰

We work with each operating business to support GHG emissions reduction initiatives, tailored to specific challenges in each region and business, such as:

- Canada: purchasing renewable energy certifications to reduce market-based Scope 2 GHG emissions, and 12 hybrid vehicles for operational use
- China: adjusting lighting hours at substations to reduce energy consumption and carrying out a feasibility assessment on powering substations with solar energy
- Brazil: using vacuum-sealed breakers at the solar facility at Janaúba, an alternative to using SF₆ (a greenhouse gas with 23,500 times the global warming potential of carbon dioxide¹¹). We also replaced diesel dredgers with electrical systems, supporting an estimated 18% reduction in Elera's GHG emissions from diesel consumption
- Spain: introduced anti-freezing in our Concentrated Solar Plants to reduce natural gas consumption in the winter and investigated electricity-efficient improvements

Residual GHG emissions

While we take every measure to reduce our own GHG emissions, there may still be residual GHG emissions. Under these circumstances, we will consider offsetting our residual GHG emissions with certified high-quality removal offsets when

there are no technologically and/or financially viable alternatives to reduce GHG emissions.

Accounting for GHG emissions

To measure, monitor, and manage our GHG emissions effectively, we are committed to report our GHG emissions transparently in line with the GHG Protocol. Our Scope 1, 2 and Scope 3 Category 2 and 15 emissions are assured to a limited level by our financial auditor, EY. See [ESG Data Book](#)

In 2023, we adopted an ESG data collection system to improve accuracy, measurability, and completeness of our data, and to reduce the risk of error. The system calculates the GHG emissions data based on activity data from each operating business and relevant emission factors.

We expect acquisitions and dispositions within our portfolio to impact our GHG emissions and will restate our base year GHG emissions if these result in a change of 5% or more. Additionally, where acquisitions are predominantly renewable energy, we will seek to integrate them into our 2030 net-zero target.

6. See footnote #1 on [page 17](#).

7. On a gross basis, our target is to reduce 95% of our Scope 1 and Scope 2 (market-based) emissions by 90% on an absolute value basis as compared to our base year of 2020 in line with the Science-Based Target initiative's cross sector pathway.

8. We measure and report our GHG emissions and targets on the basis of financial control and in accordance with the GHG Protocol.

9. Source: IEA Energy Market 2023

10. Renewable energy bundled with renewable attributes as well as unbundled renewable attribute certificates

11. Source EPA: [Sulfur Hexafluoride \(SF6\) Basics](#)

Adding clean energy capacity



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2030 target

Develop an additional 21,000 megawatts of new clean energy capacity from our 2021 baseline – equivalent to doubling our operating portfolio to 42,000 megawatts.

2023 progress

In 2023, we added approximately 5,000 megawatts of clean energy capacity. We will continue to add incremental capacity every year by executing opportunities in our approximately 155,000 megawatts development pipeline and by continuing to grow our business.

12. Transition assets include, but are not limited to, cogeneration power plant, biomass energy generating facilities, other energy transition businesses, and hydrogen (pipeline only)

Our portfolio

We have a large and growing technologically and geographically diverse portfolio of renewable power and decarbonization assets.

The data snapshot on the right outlines our controlled and non-controlled portfolio of operating assets and our development pipeline as of December 31, 2023. It does not include sustainable solutions or non-energy assets.

We leverage our expertise and experience in operating clean energy assets to execute on our large global development pipeline to successfully progress on our targets.

Our asset portfolio (December 31, 2023)

	OPERATIONAL	DEVELOPMENT
Hydroelectric 	8,300 MW	2,700 MW
Wind 	10,900 MW	34,800 MW
Utility-scale solar 	7,100 MW	74,600 MW
Distributed energy and storage 	5,100 MW	41,600 MW
Transition ¹² 	1,500 MW	1,700 MW



Our progress

Our globally diversified portfolio consists of renewable power assets that make up 95% of our generation, and includes approximately 31,400 megawatts of clean energy operating capacity, an annualized LTA generation of approximately 92,100 gigawatt hours (GWh), and an approximately 155,000 megawatts development pipeline. Included in this project pipeline are 24,000 megawatts of advanced-stage and construction-ready projects, which we believe will contribute significantly to our earnings and decarbonization goals once completed.

In 2023, together with our institutional partners, we grew and diversified our global renewable portfolio, including:

India

- a renewable development platform in India with 4,000 megawatts of operating assets and a 7,400 megawatt development pipeline
- a commercial and industrial renewable platform with 4,500 megawatts of operating and development projects
- a renewable energy company with 1,200 megawatts of late stage wind-solar hybrid projects, 1,400 megawatts mid-stage wind-solar hybrid energy parks, and 3,500 megawatts early-stage renewable energy projects

U.S.

- a fully integrated developer and operator of renewable power assets with 5,900 megawatts of operating and under construction assets, and a 6,100 megawatt development pipeline

U.K.

- an independent renewables developer with 260 megawatts of onshore wind assets, 800 megawatts near-term development, and another 3,000 megawatts of later-stage projects

Brazil

- a distributed generation platform with approximately 730 megawatts of development pipeline

We commissioned approximately 5,000 megawatts of development projects, including completing the construction of a 1,200 megawatt solar and a 250 megawatt wind project in Brazil, a 200 megawatt wind farm in South Dakota, and a 270 megawatt solar farm in India.

Partnering on decarbonization

With our portfolio of global, technologically diversified assets, we are a partner of choice for multinational corporations seeking large-scale, low-carbon energy solutions.

We provide clean energy and sustainable solutions to more than 1,000 customers across multiple sectors including utilities, real estate, energy, technology, financial services, and commercial and industrial businesses, helping them take meaningful steps towards achieving their net-zero objectives.

For example, in 2023, our Chilean distributed energy business, Solarity, signed a commercial partnership with Santander, Chile's second-largest bank, to sell our distributed generation solutions through its customer network, accelerating our growth in the region.

Scaling distributed energy

As companies and communities strive to meet their sustainability goals and decarbonization commitments, onsite distributed energy (DE) plays a critical part.

Luminace, our U.S. DE business, is the largest DE decarbonization-as-a-service business in the U.S. We have more than 1,500 megawatts of operating and development assets, which equates to more than 2,200 gigawatt hours of electricity annually – enough to match or exceed the use of annual residential power of the state of Vermont.

In 2022, we acquired Standard Solar in the U.S. and invested in Powen in Europe and Solarity in Chile. In 2023, we expanded our portfolio by investing in IVI Energia in Brazil. Combined, these five businesses have approximately 1,619 megawatts of operating assets and a robust development pipeline of approximately 11,700 megawatts.

Implementing a tailored approach to cross-portfolio decarbonization

Challenge

In October 2022, AdventHealth, a faith-based health system headquartered in Altamonte Springs, Florida, signed the U.S. Department of Health and Human Services Climate Pledge, committing to reduce its GHG emissions by 50% by 2030 and to being net zero by 2050.

AdventHealth has assessed that nearly two-thirds of its Scope 1 & 2 emissions footprint is derived from purchased energy to power its hospitals and other facilities.

Additionally, the scale and geographic diversity of its business, combined with site-specific factors and spacing challenges, means there is no “one-size-fits-all” solution.

Response

Identifying actionable decarbonization opportunities

Recognizing the urgent pace of action required to facilitate its commitments, AdventHealth partnered with Brookfield Renewable to develop an actionable strategy to begin decarbonizing its operations.

Working together, we developed a plan focused on decarbonizing the organization’s energy consumption. This plan aims to reduce GHG emissions from purchased energy (Scope 2) by developing replacement capacity from clean energy sources in the form of both offsite (utility-scale) and onsite renewable generation (DE), while also assessing energy efficiency upgrades to help optimize the overall solutions.

Maximizing customer value

The implementation of this complex and multi-technology solution draws from the diverse capabilities of our business and technological expertise.

To determine the viability and implementation timeline for each solution and site, we assessed operational and financial considerations, including availability of land or roof space, and the local electricity market dynamics and constraints which can affect project type and/or size.

To maximize the value to AdventHealth, we structured the solution to provide “decarbonization-as-a-service”, as the project progresses, which eliminates any upfront investment required from the customer.



A one-stop shop for decarbonization

For the offsite component, we brought in a recently commissioned wind project in Texas from our Scout Clean Energy operating business entering into a long-term Power Purchase Agreement to offset 40% of AdventHealth’s North American energy load (one of the largest in the health care industry).

For the onsite elements, we have potential opportunities for solar, battery storage, and EV charging, along with energy efficiency and building infrastructure opportunities.

The long-term nature of these solutions will help AdventHealth make meaningful progress to getting on track for its 2030 and 2050 goals, and provide a strong foundation as the company continues to adopt additional decarbonization solutions.

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Investing in transition



To achieve net zero requires a fundamental transformation of existing infrastructure and the implementation of more sustainable business models. Without change, we would continue to produce GHG emissions at the same level for decades to come.

Our progress

Annual target

Set GHG emissions reduction targets and plans to align with the goal of the Paris Agreement for 100% of carbon-intensive investments and invest in businesses that advance the transition to net-zero

2023 progress

100% of carbon-intensive investments with targets aligned with the goals of the Paris Agreement

We are focused on supporting decarbonizing carbon-intensive sectors through transformation investments and developing sustainable solutions to help accelerate the transition.

Currently transition investments represent a smaller part of our portfolio, primarily in structured investments. Looking forward we expect to continue to deploy capital in a prudent way into transformation and sustainable solutions investments which we view as necessary to achieve net-zero.

Decarbonizing carbon-intensive businesses

We seek opportunities to help businesses, primarily in the energy, utility, and industrial sector align with the goals of the Paris Agreement by supporting the replacement of emissions-intensive power generation with the build-out of renewables. When executing transformation type investments, we are:

- Reviewing new potential investments in carbon-intensive businesses against Paris-aligned decarbonization pathways and setting interim and long-term targets as part of our due diligence process
- Integrating these targets into the strategies, business plans, and governance processes of our acquisitions
- Leveraging our deep experience in renewable energy and power markets, as well as in supporting partners such as TransAlta and InterEnergy in their transformations

- Assessing performance regularly and disclosing progress on an annual basis

We intend to report transparently the GHG emissions of assets within our transformation strategy separately from those in our renewable portfolio.

In 2022, we made a \$500 million (~\$70 million net to Brookfield Renewable) commitment to invest in the transition of InterEnergy, a Latin American utility.

➤ For more information see [page 26](#)

Investing in sustainable solutions

Sustainable solutions are proven technologies and services that have a critical role in supporting the global transition.

We seek to invest in technologies that either reduce, eliminate, or replace traditional high-carbon sources with lower-carbon alternatives and/or provide critical services and technology for the enablement of clean energy.

Our approach is to make small, structured investments with downside protection and position ourselves to deploy more significant capital when the market for these technologies further develops.

Together with our institutional partners we have invested to date in:

- Carbon Capture and Storage (CCS) which supports the capture of carbon emitted from heavy carbon-intensive processes

- Agricultural-sourced bio fuels to replace traditional carbon-intensive natural gas
- Recycling services to support circularity of materials for manufacturing

In 2023 we completed the acquisition of a 51% interest in Westinghouse Electric Company for \$4.37 billion (\$442 million net to Brookfield Renewable) in a strategic partnership with Cameco.

Westinghouse is a leading nuclear services business serving almost half the global nuclear reactor fleet. Our investment in Westinghouse is predicated on our view that nuclear power will be a critical part of the energy mix in order to transition to net zero and provides us with exposure to strong infrastructure-like cash flows due to the highly contracted nature of Westinghouse's business.

Next steps

We will continue to look for opportunity to expand our portfolio of business transformations and sustainable solutions with potential investments enhancing the energy efficiency of existing infrastructure, among others. We may also invest in carbon-intensive businesses, including power generation from thermal facilities (including coal-fired generation) with the goal of transitioning them to a less carbon-intensive model over time.

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Supporting decarbonizing electricity in Latin America

Challenge

Many Latin American countries rely on fossil fuel energy production and need additional investment to develop renewable infrastructure. Decarbonizing the power sector is critical to reducing global GHG emissions and enabling the transition to net zero across their economies.

Our response

In 2022, Brookfield Renewable invested in InterEnergy, a leading utility and independent power producer with operations in the Caribbean and Latin America, for a total equity commitment of \$500 million (~\$70 million net to Brookfield Renewable).

InterEnergy invests, owns, and operates a portfolio of over 1,000 megawatts of power-generating assets, consisting of 747 megawatts of thermal energy generating facilities (including 366MW of heavy fuel oil and 381 MW of liquid natural gas), as well as 422 megawatts of renewable energy (solar and wind) assets. InterEnergy is the largest independent power producer (IPP) in Jamaica and provides 25% of the country's generating capacity through thermal energy. Additionally, it has 383 megawatts of integrated utility energy capacity in the Dominican Republic, the largest wind asset

in Panama, and a large development pipeline of 1,000 megawatts across the region.

We provided capital to fund InterEnergy's growth and contribute to its plan to achieve net zero by 2050, which is underpinned by shifting its fuel mix from thermal to renewable energy.

InterEnergy and Brookfield partnered to develop and execute its decarbonization transition plan. Through a minority investment with robust governance rights, we reached an agreement to assure the transition plan which details plans to achieve InterEnergy's medium-term carbon-intensity target of 0.25 tCO₂e/MWh by 2030 and reach net zero by 2050.

The plan includes building out 900 megawatts of net incremental capacity with several emission reduction activities, such as decommissioning, conversion of generation units to cleaner fuels and options of including blending of heavy fuel assets with low carbon fuels.

In 2023, InterEnergy commissioned and acquired approximately 37 megawatts of renewable power capacity and expects to bring on an additional 144 megawatts of capacity by the end of 2024, progressing its decarbonization transition plan in line with its ambitions and Paris-aligned targets.



InterEnergy, Dominican Republic

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Opportunities in carbon capture and storage

Challenge

Over the short and medium term, equipping heavy industrials for low-carbon operations is critical to a net-zero future in line with the goals of the Paris agreement. Innovative technologies, production methods, and feedstocks take time to climb the ladders of technological and commercial readiness. In these sectors, where 2050 is only a single investment cycle away ([IEA article](#)), commercially viable and proven technologies such as CCS are needed today to support this transition.

Our response

In 2022, we, together with our institutional partners, invested in two CCS platforms in North America, the Canadian CCS company Entropy Inc. and Carbon TerraVault JV, a carbon management joint venture (JV) with the California Resources Corporation (CRC).

Deploying proven carbon capture technology

Our strategic investment agreement in Entropy to invest up to C\$300 million (C\$60 million net to Brookfield Renewable) was to help scale deployment of its proprietary CCS technology, a carbon capture solvent.

Since making our initial investment in 2022, Entropy has completed construction on the Glacier Phase 1A and 1B projects, which capture 57 kilo tonnes of carbon per annum (KTPA). The projects are already demonstrating strong performance.

In 2023, Entropy entered into a fixed-price, 15-year carbon credit off-take agreement with the Canada Growth Fund (CGF) of up to one million tonnes per annum. Alongside the off-take agreement, CGF agreed to invest up to C\$200 million in the business, together with Brookfield's convertible note, to help further advance project development. Entropy has continued to progress its advanced-stage pipeline, including two projects expecting to come online by the end of 2026 and capture 280 KTPA.



Entropy's Glacier Phase 1 carbon capture system, Canada

Supporting decarbonization of carbon-intensive sectors

Carbon TerraVault JV, to which we have committed up to \$500 million (approximately \$100 net to Brookfield Renewable), formed in 2022, and was set up to fund the large-scale development of identified CCS projects for carbon-intensive industrial sectors in California.

The JV is expected to benefit from CRC's procurement of prospective carbon dioxide storage reservoirs, which are a critical asset for CCS in California. CRC has permit applications for 75% of sequestration wells in California and 20% of all sequestration wells in the U.S. The JV has progressed permitting on our first storage reservoir, expected to be granted in the second half of 2024.

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Supporting a responsible transition

We are focused on accelerating the global net-zero transition responsibly – for our people, the communities, and environment where we operate.

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ABC Renewable Energy, India

Q&A

Global Head of Development



Lluís Noguera
Global Head of Development, Brookfield Renewable

Q: What are your priorities when embedding responsible operations?

A: As a developer, owner, and operator, we have a responsibility to manage our assets to lessen their impact on the environment and the communities where we operate.

While environmental responsibility is core to what we do as we focus on decarbonization and the global transition, our people are critical to our success.

Health and safety underpins everything we do; our first responsibility is to ensure our employees and contractors go home safely at the end of each day.

Responsible talent management and diversity and inclusion are also key to our success and we are investing in our talent throughout the business to ensure we are developing a more diverse team. For example, at X-Elio, the number of female employees has increased from 32% in 2018 to 49% in 2023.

Additionally, we need strong governance tools including policies, procedures, working groups, steering committees, and accountability at the management and Board level.

Q: How do we embed sustainability into our activities?

A: We integrate sustainability considerations throughout our decision-making process, from due diligence at the investment, project, and procurement levels, to how we monitor and evaluate our performance.

During our due diligence, we consider material sustainability issues, including potential risks to local biodiversity, the use and management of water, the opportunities for working with local communities, and the human resourcing needs of the project.

We ensure we understand who we are collaborating with and the opportunities for sourcing quality products. This enables us to understand the robustness and sustainability of our complete supply chain.

Q: What roles does procurement play in supporting responsible operations?

A: Together with our deep technical and operating expertise, we bring a strong team of procurement professionals to every project we undertake. This approach allows us to

design, plan, and execute projects with the full benefit of our experience and in partnership with our vendors.

With the support of our global procurement function, we build partnerships with some of the largest vendors across our projects for greater transparency over our supply chain, supporting both the quality of the materials we use, and managing risks such as those associated with human rights. Our Vendor Code of Conduct, ABC and Sustainability Due Diligence programs, Procurement Policy, and Human Rights Policy are foundational elements for how we work with our vendors.

Q: Is there a role for circularity in clean energy projects?

A: There is a huge opportunity to find circularity solutions for major components. We have developed a Major Component Lifecycle Standard to meet our target of diverting 100% of major components from landfill. Where there aren't readily scalable solutions to divert certain components, we work directly with our suppliers as well as the wider industry to find solutions to improve these processes.

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Supporting a responsible transition

Our strategy is to accelerate the global net-zero transition in a responsible manner. We seek to understand our impact and look for opportunities to support the natural environment, our people, and the communities where we operate, and to build strong and resilient systems and governance structures that support our business activities and manage potential impacts.



We manage our operations and supply chain to avoid and minimize potential impacts on the environment, seeking opportunities to go further. Our key focus areas are:

- Biodiversity
- Water flow and use
- Waste management
- Circularity of our major components

[Read more on page 31](#)

Our employees, suppliers, and the communities where we operate are all important stakeholders. We aim to create positive opportunities and drive shared value, while minimizing and mitigating any adverse impact. We focus on:

- HSS&E management
- Human rights
- Good-quality green jobs
- Diversity & inclusion
- Positive community relations

[Read more on page 38](#)

Fundamental to our approach to accelerate the global net-zero transition in a responsible manner are our policies, systems, and processes. These are embedded across the lifecycle of our assets and provide guidance for our operating businesses. Our key focus areas are:

- Sustainability across our supply chain
- Strong corporate governance
- Business ethics
- Cybersecurity

[Read more on page 52](#)

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Focusing on biodiversity

As a business focused on accelerating the energy transition, we work in proximity with nature and rely on aspects of the natural world to create clean energy.

Our progress

2024 target

Develop biodiversity management plans for 100% of our identified sites, prioritizing sites in biodiversity-sensitive areas

2023 progress

We developed a biodiversity management framework and associated guidelines, and piloted projects in several biodiversity-sensitive areas

Our approach

Climate change, habitat loss, and pollution all contribute to decreasing global biodiversity. While increasing renewable energy is critical to mitigating climate change, we recognize that installing and operating renewable infrastructure can impact natural habitats.

We aim to protect biodiversity and natural ecosystems throughout the lifecycle of our investments and operations. To understand baseline conditions and sensitivities, we include biodiversity considerations when evaluating new investments.

When developing assets, we conduct environmental assessments, considering potential impacts and opportunities and in compliance with local laws. We include biodiversity considerations in our governance, strategy, risk identification and management, metrics, and future rehabilitation planning. We seek to minimize and avoid any identified potential impacts, and manage and mitigate impacts throughout our operations.

Establishing our Biodiversity Management Framework

In 2023, we developed a Biodiversity Management Framework, which provides a consistent approach to managing biodiversity across our assets throughout their lifecycle. As part of the framework, we confirmed the proximity of our operating assets¹ to biodiversity-sensitive areas using the Integrated Biodiversity Assessment Tool (IBAT). The framework provides guidance on the steps our businesses can take to avoid and mitigate impacts on local biodiversity, identify opportunities, and develop management plans.

Our Biodiversity Management Framework is informed by developing regulatory and global standards, including the TNFD and the EU Taxonomy, and is being incorporated throughout our governance. For example, in 2023, we

integrated our biodiversity management guidelines into our HSS&E system and associated Environmental Protection Standard.

During the first phase of the framework's implementation, we ran a pilot project with a number of our operating businesses. We also conducted training for our operating businesses on biodiversity tools, frameworks, and emerging trends.

Adjusting operations to reduce impact

We monitor, assess, and manage biodiversity at the asset level by considering how our technology interacts with the natural environment.

At our wind sites, for example, we monitor potential impacts to bats and birds using field observations, installed cameras, and AI technology. We also manage potential impacts by temporarily halting production, in accordance with our permit requirements. For example, our wind farms in Las Vegas and Los Isletes, Spain use technology to halt blade rotation and allow birds safe passage.

At our hydro sites, we aim to protect fish habitats by adjusting operating conditions and infrastructure, such as water flows, water levels, and fish passages, where required. The design, installation, and operation of the fish passages are tailored to the unique environment and local species.

Collaborating to enhance management

In 2023, we continued to engage, support, and collaborate with communities, local agencies, NGOs, and other organizations dedicated to habitat conservation. This has enhanced our understanding of local species in ecosystems around our facilities and helped us to contribute to wider conservation efforts.

We also learn from other operators and share our own processes to better understand good practice. For example, in 2023, we provided a tour of our fish passages at our hydro facilities on the Kennebec and Penobscot River to Finnish hydropower operators who met with biologists from the National Marine Fisheries Service and our operators to learn about the unique considerations that went into the design, engineering, installation, and operation of the fish passage.

Looking forward

In 2024, we will continue to implement our Biodiversity Management Framework across all our development and operational assets, prioritizing sites in biodiversity-sensitive areas.

We will also continue to monitor and incorporate updates to biodiversity-related frameworks and standards, including the TNFD framework and ISSB.

1. Represents our portfolio as of Q2 2023. We will integrate new assets into our Biodiversity Management Systems as part of our overall integration program

Using Biodiversity Management Plans to minimize impact

Challenge

For decarbonization initiatives to be sustainable, we need to consider opportunities and risks for nature. From the development, operations, and maintenance to the end-of-life of clean energy assets, many business activities benefit from, and have the potential to impact, the natural environment.

Response

We actively manage biodiversity throughout the lifecycle of our projects. In 2023, through our pilot program for biodiversity management, we worked with three sites in our portfolio to better understand their biodiversity process and gaps, how they align with our management guidelines, and how we can support the development of these plans across our global portfolio.

Managing biodiversity during repowering at Mesa Wind

Our Mesa Wind site and surrounding lands located in California contain habitat for several sensitive plant and wildlife species, including special status wildlife, such as the state and federally protected desert tortoise.

Mesa Wind has considered biodiversity in the evaluation and planning process to replace wind turbines as part of repowering activities. To minimize the adverse impacts to these sensitive species during construction, Mesa Wind instituted avoidance measures including the use of onsite environmental monitors and signage alerting construction workers and staff to the presence of the desert tortoise. Mesa Wind has also ensured access and availability of offsite habitat protection areas if relocation is required and aims to minimize further disturbance to the habitat throughout the lifecycle of the project. In addition to managing the potential impact on the tortoise, the repowering design utilized the latest advances in wind turbine technology, reducing the number of turbines on the site from 460 to eight while generating an equivalent amount of power, minimizing potential further and ongoing disturbance to biodiversity in the area.

The measures ensure that the approach to managing biodiversity on the site reflects our following of the hierarchy of avoiding, minimizing and restoring habitat from impacts. These principles support our biodiversity management goals, particularly in biodiversity-sensitive areas.



Tortoise in California, U.S.

Brazil and India — screening for biodiversity sensitive areas across our assets

We also conducted pilots at a hydroelectric site in Brazil, located near the Campos de Cima da Serra key biodiversity area, and a utility-scale solar site in India, adjacent to a wild donkey sanctuary.

Through this process, these sites reviewed regional definitions of sensitive areas using IBAT to pilot the screening process to identify sensitive areas. Through the screening pilot, we confirmed that the solar site in India had no interaction with the Priority Biodiversity present on the reserve, and confirmed that local studies and sensitive area mapping in Brazil aligned with the IBAT screening results. As a result of the successful pilot, we expanded the screening process to include all of our globally operated assets.²

2. Included our financially controlled assets as of Q2 2023

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Managing waste and promoting circularity

We believe that the circular economy plays an important role in the transition to a sustainable future.

Our progress

Annual target

Divert 100% of major components from landfill

2023 progress

1,461 tonnes of major component were diverted from landfill

2025 target

Reduce the volume of waste we send to landfill by 20%³

2023 progress

We achieved a 40% reduction in the volume of waste sent to landfill compared to 2022, through the diversion of 86% of non-hazardous waste and 39% of hazardous waste

3. From a 2022 base year

Our approach

We manage our waste footprint to avoid or minimize impacts on the local ecosystems and communities.

We adhere to all applicable local and regional waste regulations, track waste and recycling metrics from our operations, and are working towards a circular economy for our major components, as well as investing in circular solutions.

Our operating businesses have waste management procedures, including training and recycling programs. We plan to build on these efforts and continue to implement waste reduction and recycling plans across our operations.

Although our operations do not generate waste as a by-product, we recognize that we still have a role to play in working towards minimizing our own footprint by responsibly managing any waste from development and operations.

Investing in the circular economy

In 2022, we invested in Circular Services, a leading pure-play recycling business in the U.S. that creates new high-quality materials from waste. In 2022, we invested in CalBio, which uses farm waste to create renewable natural gas, helping to transform waste and minimize methane emissions.

Our major components

As an operator of clean power assets, our major components are the crucial pieces of equipment we use to generate and store renewable energy, such as wind turbine blades, solar PV modules, and battery cells.

We strive to apply circular economy principles, including options for reuse, recycling, and improved quality, to the procurement and end-of-life considerations of our major components.

We also are focusing on ongoing maintenance during operations to extend the lifespan of the equipment and assets, and in turn reduce waste. In 2023, we developed a Major Component Lifecycle Standard, which outlines a consistent approach to managing major components. Our businesses will use this standard to develop plans to manage major components across their assets, identifying solutions to divert them from landfill. This includes identifying opportunities to:

- Work with vendors to identify solutions as part of the procurement process
- Sell or donate components for reuse
- Recycle components

In 2023, we continued to identify and implement circular strategies, particularly for large-scale maintenance or repowering activities.

Waste from our operations

Our waste primarily comes from construction and maintenance activities. We are seeking to improve how we measure, monitor, and manage this waste. In 2023, there were two drivers for our increased total hazardous and non-hazardous waste: 1. an expansion in the coverage of waste reporting, and 2. growth of the business.

However, with improved data and focused action, the percentage of waste diverted from landfill as a proportion of total waste also increased.

See our **ESG Data Book** for more detail

We are engaging more with our suppliers to improve their waste reporting and to share our goals on circularity. We have begun to introduce contractual obligations that require our suppliers to provide us with data on waste generated from our operations, so we can identify opportunities for reduction and recycling, and report against our targets.

We also work with the industry to identify solutions, share ideas, and to contribute to the development of aligned and coherent frameworks across the industry. For example, through our participation in the Solar Power Europe, we are collaborating with other organizations to develop and promote best practices in the end-of-life management for Solar PV products.

Looking ahead

We will continue to focus on growing our investments in the circular economy and working with our businesses to develop, update, and implement individual circularity plans.

We will also continue to work with suppliers and with the wider industry to identify and scale new circular technologies focused on wind blades and solar panels.

Creative solutions for circularity of major components

Challenge

A major challenge for the renewable energy sector is cost-effective and large-scale solutions for recycling major components, particularly wind turbine blades (which are often made with fiberglass) and solar panels (which have complex parts).

Response

We look for creative solutions to apply circularity principles in a cost-effective way.

New life for blades and panels in Spain and Portugal

Saeta, our renewable operating business in Spain and Portugal, began a “second life” initiative for wind turbine blades after a forest fire damaged nine blades at the Sierra de las Carbas wind farm.

They donated one blade to another company to support maintenance training programs and delivered the other eight to an authorized company for repurposing, to prevent them from going to landfill. Through these efforts, Saeta prevented approximately 60 tonnes of waste from going to landfill.

Saeta has since begun planning ahead in anticipation of a major repowering of its wind assets in Portugal and is assessing partners to recycle more blades.

Our clean energy development business, X-Elio, has also found creative solutions for its end-of-life equipment. X-Elio has repurposed more than 1,000 solar panels by donating them to eight schools across five Spanish provinces. As well as preventing around 22 tonnes of waste from going to landfill, the initiative supports students’ education on renewable energy technologies and understanding the importance of solar power in a decarbonizing world.



Sierra de las Carbas, Spain

Opportunities for solar panel repurposing

In 2023, 1,573 solar panels intended for our Indian operating business were damaged during transportation or installation. The business worked with the manufacturer to replace the panels under warranty and to ensure the damaged panels were refurbished, donated, or recycled.

From a total of 1,573 damaged solar modules, a recycling vendor refurbished 1,040. The panels that could not be refurbished were broken down into their components, such as aluminum, glass, plastic, silicone, and rubber. The weight of each component is tracked to its final destination, where they were recycled into new products. Any hazardous components that the vendor could not recycle were sent to a hazardous waste management company for proper disposal.

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Managing water

We aim to use water responsibly, protect the environment, and avoid social impacts related to water.

Our progress

2023 target

Develop water management plans for 100% of our operations in high water stressed areas

2023 progress

Developed water management plans for 100% of our operating businesses with assets in areas of high water stress⁴

Our approach

As the owner-operator of 8,300 megawatts of hydroelectricity generation, we understand the importance of water resources, not only for our business, but for the communities in which we operate, and the natural environment around us.

Our water management planning encompasses both water flows at our hydroelectric facilities and water consumption across our portfolio. We are committed to responsible water management, using relatively small amounts of water across our assets, and reusing water where possible.

Our main operational consumption of water is minimal and is used for cooling at our concentrated solar plants and in our biomass facilities. We also use minimal water for employee sanitation and cleaning solar panels.

Managing water in water stressed areas

In 2023, we focused on developing water management plans for 100% of our operations in water stressed areas.⁵ To identify our sites located in areas defined as having high or higher water stress, we used the WRI Aqueduct tool for water-stressed areas or other locally relevant definition of water stress.

Our water management plans include relevant avoidance and mitigation approaches, such as:

- Details on how water use is tracked and reported
- Activities to avoid, minimize, and/or mitigate the use and impact of water use
- Specific water use targets tailored to the region and the technology
- Plans for periodic risk assessments related to water use and water risk, and schedule for audits and updates of the plan

See our **ESG Data Book** for more detail

4. As defined by the World Resource Institute's (WRI) Aqueduct tool or other locally relevant definition, and excluding assets where water is used for sanitation purposes

5. Excludes sites using water solely for sanitation purposes



Amoyá, Colombia

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Managing our hydro assets responsibly

We invest in and operate 228 hydro facilities. Together, they provide 8,300 megawatts of renewable energy capacity and approximately half of Brookfield Renewable’s revenue on a proportionate basis.

Our hydro assets play a fundamental role in providing base load energy to underpin the intermittent renewable power provided by wind and solar.

They harness the power of running water to generate renewable energy and do not consume water as part of their operation. Water flows through our hydroelectric stations to generate clean energy and then returns to the river without adversely impacting water quality.

However, we recognize the need for responsible management of the rivers and reservoirs where we operate, taking into consideration the needs of local communities and ecosystems.

Each of our hydro facilities, regardless of location, has a water management plan in place. These plans focus on public safety, employee safety, and environmental protection. All plans incorporate direction from regulators and input from stakeholder groups, such as local and Indigenous communities. For example, in 2023, we hosted a “Fish and Fun” event at our Safe Harbor facility in Pennsylvania to engage with the local community on safety around dams.

Managing dam safety

Although our facilities are built to withstand floods, we strive for continuous improvement by investing in, enhancing, and continuously monitoring dam safety initiatives to mitigate future risks and adapt to changing climate conditions.

As part of our ongoing responsible management of these critical assets, we have developed and implemented a Dam Safety Standard and Program that meets or exceeds regulatory requirements, and relevant sectoral frameworks, and standards across all our operating jurisdictions.⁶

Monitoring water flows

In North America, we have started working with local and federal regulatory bodies to understand the impact of climate change on the stream flows where we operate (see [Physical Climate Risk](#) section on page 76).

By collaborating with other hydro dams, site staff, and regulators, we monitor water levels at our hydro assets and balance water across reservoirs and through river systems. Water resource managers monitor the performance aspects of hydro flows to coordinate upstream incoming flows with downstream water to maintain the water balance across the river, in compliance with permit requirements.

Low-impact certifications

We strive to implement best practices for the impact of our hydroelectric facilities. We are members of the International Hydropower Association, whose mission is to advance sustainable hydropower.

To date, we have received Low Impact Hydropower Institute (LIHI) certification for 82 hydro facilities across the U.S. This certification acknowledges our efforts to minimize our environmental impact and protect water quality, upstream and downstream fish passages, and threatened and endangered species.⁷

Across Canada, 22 of our owned and operated hydroelectric stations meet EcoLogo certification standards, which include stringent environmental performance standards audited by a third party.

In Colombia, both of our Miel and Sogamoso projects were included under the Better Hydro initiative, which highlights innovative approaches by selected projects around the world. The project was commended for designing the facility in line with best practices in infrastructure management and for making a positive contribution to public safety.

Looking ahead

As we expand our business into new geographies and technologies, we will continue to include water considerations in our due diligence processes and manage our water usage and potential impacts in line with our overall water management approach.

- 6. Including those published by the Federal Energy Regulatory Commission (FERC; U.S.), Lakes and Rivers Improvement Act (LRIA; Ontario), Centre d’expertise hydrique du Québec – Sécurité des barrages (CEHQ; Quebec), and the Canadian Dam Association (CDA: Canada), as well as the International Commission on Large Dams (ICOLD; International)
- 7. In March 2023, our institutional partners completed the sale of a 50% interest in a 378 megawatts hydroelectric portfolio in the United States consisting of four LIHI certified sites. Brookfield Renewable continues to retain its 22% interest in the investment

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Water management planning at Solarity, Chile

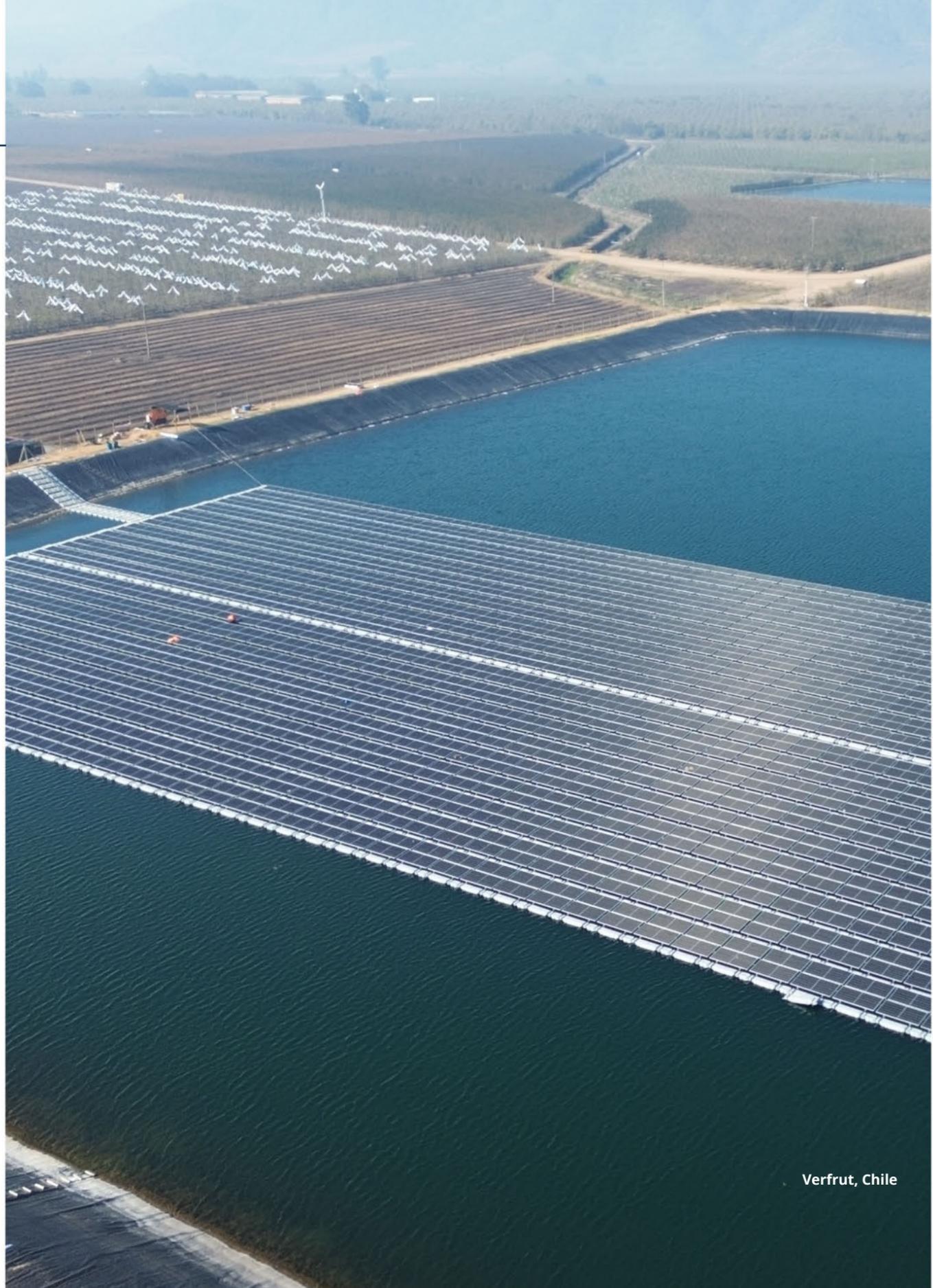
Challenge

Our Chilean solar DE business, Solarity's operations are in areas of high water stress including the Atacama desert. This means that they need water management plans that consider water in the design, construction, and operation of their projects. These plans consider, among other things, how to manage dust while being mindful of water use. Additionally, their customers can benefit from Solarity's creative solutions to conserve water by strategically locating their panels.

Response

Solarity's Verfrut solar project is installed on an irrigation reservoir in the Las Cabras province in the central valleys of Chile and provides power to their customers' operating fruit farm.

In the case of Verfrut, by installing a floating solar panel farm on the reservoir, it provides the site with renewable electricity while simultaneously reducing evaporation from the irrigation reservoir by 60%. This initiative reduced the client's dependency on withdrawing from water-stressed aquifers, as well as their dependency on grid-supplied electricity.



Verfrut, Chile

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We put the health and safety of our employees, contractors, and the public at the heart of our business.

Our progress

Annual targets

Achieve 95% of planned Safe Work Observations (SWOs) across all businesses with mature HSS&E programs

Provide onboarding HSS&E training to 100% of new employees and contractors

Maintain a cumulative high-risk incident frequency rate of less than 1.5 per one million hours worked by our employees and contractors

2023 progress

Conducted more than 14,960 SWOs across all operations and achieved more than 95% of the planned SWOs.

Provided onboarding HSS&E training to 100% of new employees. Our employees completed more than 173,834 hours of HSS&E-related training (89,500 hours in 2022)

Recorded total high-risk incident frequency rate of 1.08 per one million hours worked by our employees and contractors

Our approach

We strive to achieve excellence in Health, Safety, Security and Environment (HSS&E) performance and to be industry leaders in risk management and incident prevention.

Health and safety are fundamental to how we do business. Our HSS&E Policy, management systems, and program objectives apply to our employees, contractors, and subcontractors, and focus strongly on ensuring public safety.

Our management philosophy emphasizes the importance of leadership, line management accountability, a managed system approach, and the identification and elimination of high-risk hazards.

Our commitment to HSS&E

Our aim is to achieve zero HSS&E high-risk incidents,⁸ a goal we actively work to attain through effective safety leadership, management systems, and risk identification and mitigation processes.

We monitor our progress toward this goal through safety performance metrics, such as our high-risk incident frequency rate, and by tracking our employee training and Safe Work Observations (SWO) programs.

We meet or exceed legislative and regulatory requirements, as well as industry standards, and apply our HSS&E principles in the daily management of all our assets and operations.

In 2023, we successfully met our objective of zero high-risk incidents resulting in serious injury or fatality. We also tracked, investigated, and followed up on all high-risk incidents in our operations which did not result in serious injury or fatality but had the potential to do so (“near misses”). Reporting and following-up on all near misses in this manner allows us to extract valuable lessons learned which contribute to the continuous improvement of our HSS&E Management System and help prevent future high-risk incidents.

In 2023, we recorded a total high-risk incident frequency rate of 1.1 incidents per one million hours worked by the employees and contractors across all of our businesses. This figure remains below our targeted threshold of 1.5 for this category of events, high-risk incidents with the potential for fatality or serious injury, and marks a decline from the previous year’s rate (1.4).⁹ This decrease was attained despite an increase of nearly seven million total hours worked in 2023.

HSS&E management

HSS&E Management System

Our HSS&E systems are tailored to business-specific risks and integrated into our management systems. We provide expert guidance, coordination, and oversight under a company-wide HSS&E Management System with program elements grouped into five categories: leadership, risk management, education, control and protection, and monitoring.

Developing and continuously improving our Management System framework is an investment in the long-term sustainability and success of our organization. Along with hazard management, the system is based on active engagement and training of our employees and contractors, detailed project and job safety planning, and comprehensive reporting, investigation, and follow-up of high-risk incidents.

We are also committed to learning from experience to continuously improve our HSS&E Management System and performance.

- 8. Incidents that result in, or have the potential to result in fatality or permanent life-altering injury
- 9. Restated value

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HSS&E Management System

Leadership	Risk Management	Education	Control & protection	Monitoring
Management Commitment	HSS&E Risk Assessment	HSS&E Training	Protective Equipment	Contractor Management
Strategic Planning	Regulatory Compliance & Communication	Meetings & Promotion	Inspections & Maintenance	Safe Work Observations
	Rules & Work Procedures		Occupational Health	Incident Reporting & Investigation
	Lockouts & Tagout (LOTO)		Habitat Protection	
	Emergency Preparedness		Public Safety Program	
	Job Safety Planning		Security Program	

Clear accountability

Our HSS&E standards set the tone and define our minimum HSS&E requirements. Senior executives are accountable for HSS&E performance within their operations, while all line managers, employees, and contractors must actively participate in the application of HSS&E principles by implementing our comprehensive HSS&E Management System. Each operating business must meet or exceed our standards and all applicable regulatory requirements in its operations.

The Board receives quarterly reports on our HSS&E program, including high-risk incidents and the status of any remedial actions.

We regularly engage across our businesses to discuss and promote HSS&E issues. For example, in 2023, our HSS&E Steering Committee, comprised of senior corporate leadership and the CEO & COO of each of our operating businesses, met quarterly to discuss HSS&E performance, lessons learned from high-risk HSS&E near misses, and initiatives aimed at the continuing improvement of the HSS&E Management System. A working group of HSS&E specialists from all operating businesses also met quarterly to review and communicate Steering Committee guidance and related HSS&E topics to our HSS&E and operating professionals throughout the businesses.

Training and coaching

HSS&E training is a preventive measure that benefits both employees and our organization, an investment in creating a safer, healthier, and more productive workplace, contributing to our long-term success and sustainability.

Every year, our employees and contractors receive extensive HSS&E training to promote a culture of safety throughout the construction and the operating lifecycle of our assets. This training includes orientation on our health, safety and risk management principles and procedures, job safety planning, applicable safety standards, and other HSS&E topics.

Our training program focuses on helping employees recognize and manage high-risk hazards associated with their specific tasks or work environments, giving them the knowledge and skills to identify potential hazards, and empowering them to make informed decisions that mitigate and/or reduce workplace risks.

In 2023, 173,834 hours of HSS&E-related training were conducted across our business, helping us to reduce incidents. For example, through a focused training initiative on electrical safety, we recorded a significant reduction in high-risk arc flash incidents from 16 events in 2022 to three in 2023.

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Our employees also benefit from regular coaching on how to maintain a safe work environment. Experienced line managers regularly carry out SWOs, observing workers performing their tasks, and providing guidance on safety aspects of the work. SWOs also allow workers to provide line managers with feedback on safety issues or concerns specific to their tasks, as well as suggestions for improvement of related processes and procedures. In 2023, line managers at all levels conducted 14,960 SWOs across our businesses.

Identify hazards and risks

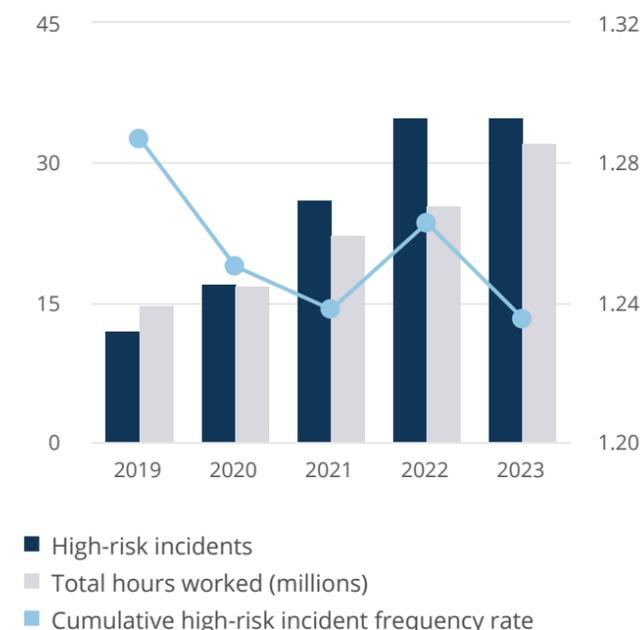
We carefully identify potential hazards and assess the impact and associated level of risk in our facilities and projects by conducting comprehensive HSS&E Hazard Analyses and developing Job Safety Plans. To ensure these tools are helping to effectively manage risks, they are regularly reviewed and discussed by our HSS&E and operating professionals across the businesses, during HSS&E training, and in daily “toolbox” meetings prior to the start of each job.

Preparing for emergencies

We monitor and prepare for emergencies and disruptions to service by implementing effective safety management protocols and emergency response plans, and regularly conducting associated response exercises. We involve external first response teams in testing our emergency response plans and develop site and weather-specific preparations, such as flood risk maps for hydro sites and wildfire risk maps for solar and

wind facilities. These processes allow us to prepare for unexpected events across our operations.

Managing and reporting incidents Cumulative high-risk incident frequency rate 2019-2023



While we believe we have an effective risk management program, we know there’s always room for improvement.

We focus on learning from all HSS&E incidents so we can improve our HSS&E Management System and prevent recurrence. All high-risk incidents, including near miss incidents, are comprehensively investigated to determine root causes, formulate remediation actions, and share findings and recommendations across the entire organization.

As we invest in new asset classes, such as nuclear services, CCS and recycling facilities, this presents new HSS&E challenges. We have a rigorous HSS&E onboarding and integration process for all acquisitions and adapt this process to address new asset class requirements.

Working with contractors on HSS&E

We work with our contractors on assessing and enhancing their approach to HSS&E to set expectations that they meet or exceed our HSS&E standards and related requirements.

In 2023, we used the extensive experience gained through many years of working with our contractors to develop a new HSS&E Contractor Safety Management Standard and enhanced Contractors Obligations document. These tools assist our businesses and on-site contractors to more easily align with our requirements and provide high-quality HSS&E programs covering their workers. We similarly enhanced our Vendor Code of Conduct in 2023 to improve the HSS&E guidance available to suppliers not coming on-site.

Monitoring and evaluation

To monitor the effectiveness and implementation of our HSS&E Management System, we have a comprehensive HSS&E audit program to systematically verify, evaluate, and enhance the effectiveness of our HSS&E management practices. These audits go beyond regulatory compliance and provide our businesses with valuable audit findings and recommendations aimed at fostering a culture of risk mitigation and continuous HSS&E program improvement.

In 2023, we completed nearly 50 HSS&E audits on our operations and at our development project sites. These audits were used to evaluate the maturity and alignment of HSS&E program implementation against our standards, identify areas for improvement, and optimize HSS&E Management Systems. All findings and areas for improvement identified by our audit teams are accompanied by detailed recommendations to facilitate remediation of related issues by the audited party.

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Respecting human rights

We are committed to conducting business with the highest ethical standards. Respecting human rights is fundamental to our business and integrated throughout our decision making, governance, and operations.

Our progress

Published Human Rights Policy that provides a cohesive and integrated approach to respecting human rights throughout our business and pulls together our commitments and processes for identifying, preventing, and mitigating human rights risks across our value chain.

Our approach

We believe that respecting human rights helps us to ensure the fair treatment of our employees, customers, suppliers, and the communities where we operate. Human rights are integrated into our corporate policies and procedures, including our Code of Business Conduct and Ethics.

We embed human rights into our policies and procedures, training, communications, contracts, procurement, and due diligence processes.

We consider human rights at each stage of our investment, development, and operational lifecycle and how we work with our partners, suppliers, and the communities where we operate.

Our commitments

Our commitments to human rights are consistent with the sustainability principles outlined in our [Human Rights Policy](#), our [Sustainability Policy](#), and informed by internationally recognized human rights frameworks.¹⁰

Included in our Human Rights Policy are our commitments to:

- The elimination of forced or compulsory labor
- The abolition of child labor
- The right to a safe and healthy workplace free from discrimination and harassment
- The recognition of the rights to freedom of association, collective bargaining, and the provision of fair wages
- Engagement with communities
- Respect for the lawful and safe exercise of freedoms of expression of association and peaceful assembly
- Not to contribute to or support retaliation, threats, or intimidation against those who exercise their lawful rights
- Support the right to a clean, healthy, and sustainable environment for all

Assessing human rights risk in investments

We assess human rights risks when carrying out due diligence on new investments to identify any risks early on. Our Sustainability Due Diligence Protocol and accompanying Human Rights Due Diligence Guidelines help us identify, avoid, prevent, and mitigate potential human rights risks in potential investments. New businesses in our portfolio are expected to apply our Human Rights Policy, or develop their own policy that supports and adheres to ours.

Assessing human rights risk within our operations

We regularly enhance our approach, tracking and assessing the effectiveness of our policies and procedures in relation to respecting human rights and update them as required.

In 2022, in line with the UN Guiding Principles on Business and Human Rights, we conducted a human rights assessment of our global business activities in partnership with a third-party sustainability consultancy. The assessment reviewed our potential human rights risks and impacts across our business activities and supply chain. It looked at our systems, policies, and practices that serve to identify, prevent, mitigate, and respond to these risks. The assessment identified our salient human rights opportunities and risks, including:

- Occupational health and safety (read more on [HSS&E](#) page 38)
- Labor rights
- Forced labor
- Land rights
- Access to remedy
- Security practices¹¹

In 2023, we continued to focus on measures to mitigate potential risks associated with issues identified by the assessment. We have enhanced our policies and procedures, including developing training programs, internal risk assessment guidance, and guidance for grievance management.

Working with our counterparties and suppliers

We require that our suppliers maintain processes to identify and prevent any adverse impact to human rights that could arise from their actions or from the actions of their suppliers. We have a global presence with procurement and sustainability teams in each country where we operate. Through these teams, we engage locally with suppliers in their own languages.

10. Including the United Nations Universal Declaration of Human Rights, International Bill of Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work

11. In line with the UN Guiding Principles on Business and Human Rights, we make sure that security forces from the government and private security companies meet what is established in Colombian Law regarding specific training on human rights. We also hire reputable companies that have made additional voluntary commitments to protect and respect human rights

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We conduct supply chain due diligence on material contracts and counterparties across our global businesses, which includes a robust assessment of human rights risks. For our largest and most strategic suppliers, the assessment is conducted by our global head office to ensure we have greater consistency and engagement across our businesses. This diligence includes a review of the suppliers as well as an ABC risk assessment which considers a variety of internal and external risk factors, such as third-party risk, corporate profile checks, and affiliations with government entities.

In 2022, we created our Supply Chain Sustainability Due Diligence Guidelines to include the increased risk of use of forced labor in solar panel manufacturing. We also conducted an enhanced human rights-related assessment for this technology.

Vendor Code of Conduct

Our [Vendor Code of Conduct](#) (“Vendor Code”) requires suppliers providing goods or services directly or indirectly to us to adhere to the commitments in our Vendor Code, and that they have the policies and procedures in place to support these commitments within their own supply chain. Our Vendor Code requires our vendors to respect human rights and maintain processes to identify and prevent adverse human rights impacts that could arise from their own (or their suppliers’) operations. This includes a prohibition on the use of child and forced labor.

We monitor compliance with the Vendor Code and have the right to periodically audit vendors against it and we have conducted audits on a number of our suppliers on traceability, production, factory, and manufacturing processes. We review and update our Vendor Code each year, ensuring that we are following best practices related to human rights and child and forced labor issues. In 2023, we updated our Vendor Code including additional details related to child and forced labor.

We are also working directly with our suppliers to encourage them to map their supply chains for child and forced labor risk, conduct assessments and audits, and drive traceability and diversification.

Investing in the diversification of the solar supply chain

We are investing in Indian solar manufacturing to support the early development of solar manufacturing in the country. In 2023, the business finalized land negotiations for 3,000 megawatts of manufacturing capacity, and expect to commission 1,000 megawatts of manufacturing in 2024. By the end of 2027, they are targeting a total production of 5,000 megawatts of solar panel production annually.

Working with industry associations

By working with solar industry associations and a cross-sector working group, we are working to drive transparency and traceability, sharing emerging practices and innovative ways of working to manage child and forced labor challenges.

We support the Solar Energy Industry Association’s Solar Industry Forced Labor Prevention Pledge, alongside our suppliers.

In early 2023, we became a member of Solar Power Europe to support initiatives including the Solar Stewardship Initiative, which is working to develop a responsible, transparent, and sustainable solar value chain.

We also support the adoption of an industry-wide traceability protocol to identify the source of primary raw materials and inputs and track their incorporation into finished solar panels.

Engaging with stakeholders

Our employees benefit from regular training on our Code of Business Conduct and Ethics, along with wider training and communications in line with their roles and responsibilities. We are working on general human rights training, which will be available for employees, and we also plan to provide additional focused training on specific human rights issues for select employees in key areas.

We proactively engage with stakeholders, including local communities and Indigenous peoples, to create shared value. Through engagement and local assessments, we seek to identify, avoid, prevent, and mitigate potential human rights risks.

Managing grievances and providing solutions and access to remedy

We provide appropriate channels for our workforce, local communities, partners, and other stakeholders to report and record any grievances raised, including those related to human rights.

We communicate details of these channels to our stakeholders and partners, either through our websites or in direct communications.

If we identify that we have caused or contributed to an adverse impact on human rights, we take appropriate action to mitigate or remedy the impact. We consider all the relevant circumstances of the case including, but not limited to:

- The extent to which we have directly caused or contributed to the impact
- Our ability to influence the mitigation or remedy of the impact
- Any wider consequences which may flow from our action

We promote remediation and will not impede lawful access to judicial process or retaliate against anyone who has exercised their right to raise grievances.

Looking forward

In 2024, we will continue building on our human rights programs and work directly with our supply chain and industry associations to enhance traceability of solar panel components.

We will continue to enhance our overall approach to human rights by reviewing our due diligence processes, key contract terms, policies and procedures, and partnering with others to promote industry change.

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Driving change in human rights in the supply chain

Challenge

In the renewable energy sector, our supply chains involve multi-tiered international streams with precious and mined materials and manufacturing processes. There is growing concern over human rights risks within the supply chain. The challenge is how to assess, mitigate, and remedy these risks in a large, complex, and global supply chain.

Response

In 2023, we participated in a cross-industry working group including the automotive and electronics sectors to facilitate learning from a geographically diverse group of businesses, identify and refine practices in the management of forced labor risks in high-risk geographies, and support innovation.

This work has helped to build cross-industry understanding of approaches to effectively manage relationships with suppliers on the ground, applying promising approaches to map and trace supply chains. The outcomes from the assessment, which include understanding the mechanism required to support greater traceability as well as opportunities for improvement for businesses, have been shared across our operating businesses and incorporated into our processes as relevant.



Cohocton, U.S.

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Creating and maintaining clean energy jobs

The global transition to net zero provides an opportunity to create and maintain jobs in the clean energy sector. We support our people by helping them develop the right capabilities to support the energy transition.

Our Progress

In 2023, we developed and executed on our Human Capital Framework, which has three key pillars: diversity & inclusion (D&I), development, and engagement.

A total of 1,430 people joined Brookfield Renewable through new businesses or hiring. We provided more than 77,112 hours of training for 4,770 employees.

Our approach

We want to attract, retain, and develop the best talent across our business.

We have approximately 4,770 employees working together to drive our high-performance culture and deliver long-term value to our stakeholders.

Recruiting top talent for a low-carbon economy

We design our recruiting and hiring processes to attract and retain the best employees, implementing nondiscriminatory and inclusive hiring practices.

Given our development pipeline and new investments, we contribute to creating global clean energy jobs and support developing the capability to transition to a net-zero economy. To build our own capabilities and develop a talent pipeline, we work closely with universities and other educational institutions, and implement programs including co-ops and internships, to support education and training.

We also support local hiring to build local knowledge and context in the markets where we operate. For example, we supported an innovative project in João Câmara, a community near the Renascerça Wind Complex in Rio Grande do Norte, Brazil, to train 27 individuals with disabilities. Beyond professional training, the initiative tackled ableism to foster a more inclusive business environment. The project highlights the impact of inclusive education with its comprehensive approach to addressing social barriers, while simultaneously support green jobs at a local level.

In 2023, we added 1,430 new employees through the acquisition of new operating businesses as well as hiring.

Managing our workforce

Our Human Capital Framework (the “Framework”) has three pillars: D&I, development, and engagement, which frame the way we recruit, retain, and support our employees and their wellbeing.

Additionally, we believe that competitive compensation and benefits, opportunities for growth and development, and a culture that emphasizes fair and equitable treatment help us to attract and retain the best talent and meet growing demands for additional renewable energy capacity.

Our leadership teams, Code of Business Conduct and Ethics, and Positive Work Environment Policies set high standards for how we interact with one another and reinforce an open and inclusive work environment.

Diversity & inclusion

Through the framework we encourage operating businesses to create a work environment where diversity is encouraged, and where everyone feels valued, seen, heard, treated fairly, respected, and encouraged to contribute fully to the businesses’ success. Supporting a diverse and inclusive environment is core to our culture and the success of our business.

➤ See **Supporting diversity and inclusion section** for more details

Development

From senior leaders to early career professionals, we are focused on nurturing and building on the depth and breadth of our expertise. We believe this is one of our core competitive advantages and we know how important it is to keep investing in our talent to maintain this edge.

We want everyone in the business to develop their skills and capabilities to reach their full potential and make the most of opportunities to contribute.

Through the Framework, our operating businesses are encouraged to apply development principles within their own context and operations, ensuring that opportunities for skills development and for growth within the business are made available. The global nature of our business provides the opportunities to collaborate and share and learn from best practices and global experts. This is further enabled through subject-specific working groups.

We provide learning and development programs to retain existing talent, engage new talent, and drive our success. In 2023, employees received more than 77,112 hours of professional development and skills training.

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Engagement

We continue to build our company-wide employee engagement initiatives, and encourage constructive employee feedback to identify measures to improve our employees' experience. Employee engagement at Brookfield Renewable happens in a variety of ways, including discussion groups and employee satisfaction surveys.

Retaining and rewarding our talented workforce

We provide opportunities for our people to grow and develop professionally. We promote internal mobility across business groups, functions and regions, so employees have a diverse range of opportunities.

Our annual performance evaluation process helps increase organizational performance and identify emerging talent. During performance evaluations, employees receive feedback and set clear objectives for the upcoming year. All of our full-time employees receive annual performance reviews. We train all leaders in how to manage performance discussions and promote employee development. We also have a rigorous annual global talent review that our executive leadership team, among others, uses to identify, assess, and support development and succession planning efforts.

Employee wellbeing

The health and wellbeing of our employees is vital to our success. At the corporate level, we offer a comprehensive, competitive compensation package, and our long-term incentive plans align employee interests with our strategy to support decarbonization and other goals.

Looking forward

In 2024, we plan to continue recruiting for and maintaining good jobs to support the energy transition, implementing the Framework across the business, focus on employee engagement, and enhance our data gathering and reporting across the business. This will enable us to continue to support our goals of developing and maintaining a strong workforce.



Bakersfield Solar Farm, U.S.

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Building local skills to support clean energy projects

Challenge

As the global economy rapidly shifts into new technologies and sustainable solutions to support the global transition to net zero, there is a need for skilled, experienced workers to develop, construct, and operate low-carbon assets and support the communities where these projects operate. The challenge is how to fill the skills gap.

Response

Our businesses run our own training programs to upskill employees and work closely with educational institutions to help build the relevant skills and experience.

Helping to fill the skills gap in Spain

X-Elio, our solar developer in Spain, identified that local residents lacked the necessary training to work in solar photovoltaic (PV) plants, and there was an opportunity to work with the community. X-Elio offered four free certified courses on PV Projects Installation and Construction Works Risks and Preventive Measures. More than 40 local people took part and obtained the qualifications, which are necessary for employment in the solar PV industry — a key industry for the region.

The Brookfield Student program in Canada

We partner with local universities and colleges in Canada to offer hands-on learning and experience. The Brookfield Student Program not only offers them valuable professional exposure, but also equips students with the resources to thrive in a business environment. It also contributes to building a talent pool for potential future employment opportunities at Brookfield.

Support essential workers in Inner Mongolia

Our Chinese business supports the training and skills of local firefighters in the grasslands of Inner Mongolia, where the risk of wildfires is very high. This year, our local team placed first in a fire fighting skills competition hosted by the government of Bailingmiao. Participating in this initiative simultaneously helps our fire protection units practice these essential skills, while helping to protect our commercial infrastructure as well as local communities.



Firefighter training, China

Supporting diversity and inclusion

A diverse, equitable, and inclusive workforce is fundamental to supporting the complexities of a transition economy.

Our progress

2025 target

Maintain gender diversity at the executive team and increase representation at the Board of Directors and senior leadership levels

2023 progress

38% of our Board of Directors are women, and women represent more than 43% of our independent directors. 33% of our executive management team are women and 20% of a vice-presidents and above are women

Our approach

Our approach to D&I centers around supporting a rewarding and dynamic workplace and fostering an inclusive culture, where all employees feel welcomed, respected, and valued.

As a key pillar of the Framework, our focus on D&I reinforces our culture of collaboration and supports our efforts to attract and retain top talent.

We support D&I across our business through a disciplined talent management approach, inclusive leadership, and targeted programs and initiatives. Regular employee engagement initiatives help us understand our employees' perspective on our D&I progress.

Each business is responsible for developing a D&I strategy, programs, and policies that are reflective of the framework and of the local context in which they operate, setting programs that take into account local legislation, whether that be focused on gender, ethnicity, age, disability, or a combination of these factors.

Building a diverse team

We integrate our D&I strategy throughout our human capital development processes, from non-discriminatory and inclusive hiring practices, to equal development and advancement opportunities.

Each business is responsible for developing their own D&I plans that set out how they will

- Set the baseline for reporting on demographics across the business
- Update employee demographics as part of annual reporting and monitor progress on diversity representation
- Develop recruitment initiatives to enhance diversity of prospective candidates and newly hired employees
- Diversify talent pools for sourcing candidates to broaden candidate pipeline, including establishing local partnerships with organizations dedicated to working with underrepresented groups
- Source a diverse group of candidates for recruitment
- Take steps to provide guidelines for conducting interviews and reducing interviewer bias

Promoting diversity across our organization

We are committed to promoting diversity at every level of our business. We strive to mitigate the impact of unconscious bias and provide equal development opportunities across our organization. We set clear definitions for performance by function and level, and review employee performance every year.

Monitoring our progress

At a global level, we monitor KPIs on diversity in our workforce to help us understand the diversity of our talent pool and encourage broader representation. The information we gather helps us to identify opportunities for increasing diversity related to gender, ethnicity, culture, geography, and skills in our organization.

In 2023, we worked with our operating businesses to monitor and track additional KPIs, including employee representation by ethnicity. We also provided the framework to support them in the development and implementation of D&I initiatives.

See our **ESG Data Book** for more detail

Focusing on Board diversity

Each Board nominee must possess the necessary skills, knowledge, and experience to serve effectively as a director. We consider diversity of gender, nationality, race, and ethnicity, as well as diversity of business expertise and international experience, when assessing a nominee's skills, knowledge, and experience.

The Nominating & Governance Committee is responsible for overseeing the implementation of our Board-level Diversity Policy, which is updated regularly.

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Fostering an inclusive environment

Challenge

Diversity of experience, perspective, skills, and knowledge are important in fostering innovation and value creation for businesses. The challenge is that within the power and utilities sector there has been a historic underrepresentation of women and minorities.

Response

We provide our employees with the resources to create a culture where all workers feel valued.

Our operating businesses take the lead in championing D&I. In 2022, our U.S. business has developed Employee Resource Groups (ERGs), which foster a greater sense of belonging and camaraderie. The U.S. ERGs include women in energy, early career, LGBTQIA+, and veteran resource groups.

In Brazil, we are increasing diversity through initiatives to attract and provide opportunities for underrepresented groups, such as our Female Mentoring Program, Inclusive Internship Program, and our Affinity groups and awareness talks.

For example, in 2022, BGTF invested in Scout Clean Energy, a growing renewable energy company in the U.S., who takes a proactive approach to building a diverse, equitable, and inclusive workplace. In 2023, with the support of executive management, Scout developed a company-wide Diversity, Equity, and Inclusion (DE&I) program and created a DE&I Advisory Committee, which is open to all employees and has the following mandates:

- Provide a venue for employees to engage in conversations focused on equitable employee experience and enhancement of diversity and inclusion efforts
- Advise the People and Culture team on employee feedback and DE&I considerations
- Support underrepresented groups and allies at Scout Clean Energy through working groups, activities, and gatherings

Other businesses in our portfolio have developed their own programs to meet local needs around D&I.



Complexo Solar Fotovoltaico Janaúba, Brazil

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Engaging with communities

We have a long history of strong community relations, and are focused on engaging with and providing value to the communities where we operate.

Our approach

We proactively engage with communities with the aim of creating shared value. We believe transparent and well-established relationships with local stakeholders are key to successfully developing and operating our facilities.

Consulting with local stakeholders on new investments

When we are considering investing in an asset or building a new facility, we identify and consult with local stakeholders including Indigenous communities, business owners, and recreational organizations, as their interests and safety are an important part in our decision making.

Supporting communities in key areas

We engage with communities and other local stakeholders through direct, in-person communication, including town hall meetings, and through indirect communication, such as brochures, community bulletin boards, and radio programs.

We offer support with issues including economic development, education, and health and wellbeing. Our operations also contribute to strengthening local economic development through activities such as creating jobs, providing revenue to landowners, and increasing spending in the region.

Engaging with Indigenous communities

We recognize that Indigenous Peoples were the original inhabitants of the land in many of the countries where we operate, and respect that each Indigenous community has its own distinctive culture, traditions, values, and aspirations.

We value consultation and regular communication with Indigenous Peoples about project development and operations, and strive to develop and maintain strong relationships with these communities.

Collaborating with local Indigenous communities in Colombia

Our Colombian business, Isagen, strives to work closely with the Indigenous communities where it has operations, such as in La Guajira and Tolima. In La Guajira, where they have renewable operations on the Wayuu indigenous land, they participate, together with leaders from the municipal and Indigenous communities, contractors, and other authorities to develop agreements for mutual beneficial collaboration and execution of the project.



Community engagement in Colombia

People and communities: Engaging with communities continued

The Administration and Coexistence Committee, supports the development, execution, and monitoring of agreements accounting for the interests of all parties with clear understanding of roles and responsibilities, including those associated with appropriate consultation and communication as outlined in the Information and Participation program as well as the Manual for Multicultural Relationships. Working in collaboration with the community through this committee has allowed for transparent exchanges of information and allows for the building of trust between the Indigenous communities and Isagen.

In Chaparral, Tolima, home of the Amoya Power Plant, Isagen collaborated with Javeriana University and Indigenous communities on a project which seeks to support Indigenous communities in identifying opportunities to preserve and recognize their culture and heritage. The Ancestry and Organizational Process program aims to support the communities in identifying resources and technical support to recover lost aspects of Indigenous culture by revitalizing customs and the development of "Life Projects", which defines future plans for each of the Indigenous group.

Partnering with Indigenous Peoples in Canada

Our Canadian business, Evolugen, recognizes that communication with Indigenous Peoples, particularly relating to our project development and ongoing operations, is of the utmost importance. It has published its own Indigenous Principles to publicly affirm its commitment to engaging with and respecting the rights of Indigenous Peoples. These principles are reflected in Evolugen's strong partnerships, including co-ownership of facilities. Evolugen has successfully incorporated traditional knowledge into new projects and is structuring them to provide social, cultural, and economic benefits.

Believing that education is an important step in understanding Canadian history, culture, and relationships with Indigenous Peoples, Evolugen has engaged an Indigenous consultant to lead Indigenous Awareness and Relations training for their employees.

45

Employees attended our Indigenous relations training

132

Indigenous relations training hours

For the 2022-23 school year, Evolugen sponsored five scholarships with Indspire, an Indigenous national charity that invests in the education of First Nations, Inuit, and Metis people through financial awards, programming, and resources, so these students can achieve their highest potential.

Centralizing our support

Our operations have access to our global ethics hotline, as well as locally available grievance management programs. In 2023, we issued a community grievance management guidance to the businesses.

Our guidance draws on recommendations from international best practices, such as the OECD guidelines for multinational enterprises on human rights, the World Bank's Company Community Grievance Mechanism, and United Nations Guiding Principles' effectiveness criteria.

By promoting the availability of different mechanisms to support raising concerns by our stakeholders, we aim to foster open dialogue, where community members feel comfortable expressing their needs and expectations.

Volunteering

We encourage our employees to help local communities through volunteer work. Many of our operating business organize local and corporate level initiatives within the communities where they operate, supporting causes that are important to their stakeholders, such as health and education.

Donations

In 2023, we contributed approximately \$1.9 million in donations and \$3.6 million to support communities and encourage strong partnerships.

These contributions went to community programs and partnership building including first response teams in the municipality of Santos Dumont in Cotiporã, Brazil, a winter coat program for low-income families in the U.S., and donations of 30 laptops as well as other support to the Udan India Foundation for setting up a Digital Lab to provide youth between the ages of 12 and 16 from low-income families with computer literacy and basic coding.

Looking forward

We will continue to focus on building long-term community relations, proactively engaging with the communities where we work, in an effort to create shared value.

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Local solutions for local communities

Challenge

We strive to work with communities on their decarbonization journeys and operate in a way that creates shared value. Our global business includes a diverse group of geographies and technologies, so a focus on identifying opportunities that drive locally relevant shared value and community programs that deliver impact is needed.

Response

Each Brookfield Renewable operating business is empowered to develop community-related strategies and programs in collaboration with local stakeholders, bringing regionally-specific experience and knowledge.

Cleaner cooking in Mexico

In Mexico, X-ELIO saw an opportunity to improve local health with renewable energy, reducing the reliance in the community to indoor wood and coal burning cooking stoves that present inhalation and pollution risks for the community.

X-ELIO partnered with Instituto Tecnológico Superior de Perote (ITS Perote) to help residents build, implement, and train locals in employing semi-fixed and portable low-cost solar cookers that use recycled materials; reducing reliance on solid fuels, and minimizing indoor air pollution.

X-ELIO and ITS Perote together created 33 semi-fixed parabolic cookers and 330 portable prototypes. Additionally, ITS Perote hosted three workshops on constructing fixed solar cookers. The project has helped an estimated 18,320 inhabitants, with an indirect impact on 115,416 residents across three municipalities.

Recycling in Colombia

In Colombia, Isagen's Environmental Education Program invested in a recycling scheme to generate community income, as well as divert landfill waste. It provided a storage warehouse to manage waste recycling and more than one tonne of waste was diverted from landfill.

Skills labs in Canada

In Canada, Evolgen sponsored the Sew & Sew program run by the charitable organization, I love First People (now Soaring Circle), which is focused on reconciliation and serves schools in northern and remote communities. The sewing labs introduce Indigenous youth to careers in fashion and entrepreneurial opportunities, inspiring them to bridge a gap in cultural understanding and appreciation with the Canadian population. The program reached 4,000 students in 19 communities across Canada in 2023. As a result of the sponsorship, they were able to hire a coordinator to support and expand the program.



Waltham, Canada

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Q&A

Global Head of Procurement



Hannah Labuschagne
Global Head of Procurement, Brookfield Renewable

Q: How is sustainability integrated into our procurement process?

A: Our supply chain sustainability strategy focuses on improving environmental and social sustainability performance through policies and guidance, direct engagement, supplier partnerships, and industry collaboration. This includes encouraging improvement on supply chain transparency and traceability for the projects we build and operate.

In 2023, we focused on three main themes where we feel we can drive meaningful change and engagement: human rights, circularity, and supply chain GHG emissions.

Our Global Procurement Principles set out how we conduct our procurement activities as it is related to sustainability matters within our supply chain. Our underlying policies and processes help to integrate that sustainability considerations are integrated during each stage of our procurement process.

Our Supply Chain Sustainability Due Diligence Guidelines and Bribery and Corruption Third-Party Guidelines help us to understand supplier-related sustainability strengths and risks.

We also integrate sustainability-related considerations into our contract language, as well as engaging through our [Vendor Code of Conduct](#) and [Contractor HSS&E Obligations](#). Our Vendor Code outlines our expectations for vendors to adhere to strong ABC practices, respect human rights, and embed sustainability principles throughout their operations.

Q: How does centralized procurement team support our sustainability strategy?

A: We operate at a global scale, developing and maintaining clean energy assets. Our global procurement function creates opportunities for us to work closely with our most strategic suppliers to align on key issues including sustainability, and therefore, the opportunity and ability to push for meaningful change.

We engage with our strategic suppliers, as well as industry associations, on material sustainability topics such as human rights, circularity, and embodied carbon.

Our global approach also builds greater transparency between our suppliers and strategic off-take partners, including supporting more transparency and accountability across the value chain.

“We focus on improving quality, sustainability, and resilience throughout our supply chain – managing complexities and challenges as the clean energy industry evolves.”

Our progress

2025 target

50% of vendor spend with vendors who have an overarching sustainability policy

2023 progress

Vendors representing more than 50% of our spend had a sustainability or equivalent policy in place

Q: How does Brookfield view human rights-related risks in the supply chain?

A: We are actively engaging on human rights internally as well as externally, as we look to drive wider changes in the industry and within our supply chain.

Through our internal global Sustainable Supply Chain working group, which consists of procurement and sustainability professionals from our operating businesses around the world, we share best practices, monitor performance against our goals, solicit regular feedback from our operating businesses, and seek opportunities for improvement on sustainability topics related to the supply chain, including human rights.

We are a signatory to the Solar Industry Forced Labor Prevention Pledge, alongside many of our direct suppliers, to oppose the use of forced labor from within the solar supply chain and raise awareness in the industry on this important issue.

We also support the industry associations' efforts to implement a solar supply chain traceability protocol, as a tool for identifying the source of primary raw materials and inputs.

We are continuously enhancing our approach to addressing human rights in our supply chain and monitor the effectiveness of our approach by regularly engaging with key stakeholders and refining the program, as necessary.

➤ See the **human rights section** on page 41 for more details

Q: What is your focus in 2024 with regards to sustainability in the supply chain?

A: This year we will continue to focus on our three primary sustainable supply chain topics:

- Continuing to promote product traceability on our key equipment and high-risk supply chains.
- Building on circularity considerations within our procurement approach, particularly how we can encourage our supply chain to improve the market for recycled materials, as we see creating a larger market for recycled materials as key to encouraging investment in improving recycling technologies.
- Enhancing our engagement with our largest Major Equipment and Construction suppliers on their direct and indirect GHG emissions tracking and reduction plans.

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Responsible corporate governance



Our governance begins at the top with Board oversight and executive accountability, and runs through committees and working groups to the day-to-day actions of our businesses.

Our approach

Our Board

The Board of our managing general partner and its standing committees oversee our sustainability strategy and review our sustainability approach and performance throughout the year.

The Board also reviews global policies related to sustainability and monitors the performance of our operating businesses. In addition, the Board reviewed this report.

The Board receives quarterly updates on sustainability performance and has two standing committees: the Nominating & Governance Committee and Audit Committee, composed entirely of independent directors.

We believe that the Board has the diverse skills, experience and perspectives necessary to oversee our business strategy effectively.

Our corporate governance structure



Our progress

Annual target

We have a target to update the Board quarterly on our sustainability approach and ESG performance. Updates also cover key topics such as physical and transitional opportunities and risks, net zero, and emerging standards and regulations.

2023 progress

Our Board and its committees held four quarterly meetings, in addition to periodic additional meetings. 100% of independent Board members attended all regular scheduled meetings.

100% of Committee members attended their respective regular scheduled quarterly meetings.



Composition, roles and responsibilities

Our Board is chaired by Jeffrey Blidner and comprised of eight directors in 2023, of which seven are independent.

Accelerating the transition to net zero requires a diverse set of skills and competencies. We have a Board Diversity Policy, which is informed by our global jurisdictions and our belief that the Board should reflect a diversity of backgrounds relevant to our strategic priorities.

When we consider diversity, this includes, but is not limited to, such factors as diversity based on gender, race, and ethnicity, as well as diversity of business expertise and international experience.

Skills matrix

Our Board brings a diverse set of relevant capabilities and experience across strategy, finance, risk management, governance, public policy, energy, and renewable power.

Our Directors complete a Board skills matrix when they join, including sustainability factors and an overview of their core competencies. It is periodically reviewed to ensure there is an up-to-date assessment of their key capabilities.

Board of Directors Charter

The [Board of Directors Charter](#) (Charter) outlines the Board's roles and responsibilities, including reviewing our approach to sustainability matters within our businesses, supported by the Nominating & Governance Committee. For more

details on Board functions and responsibility see [Charter](#).

Board Committees

Audit Committee

The Audit Committee considers management's assessment of current and emerging risks to our business and the mitigating strategies in place. The Committee includes a review of key metrics related to climate opportunities and risks, and progress towards our net-zero targets. For more details see [Audit Committee Charter](#).

Nominating & Governance Committee

The Nominating & Governance Committee has a formal mandate to oversee our approach to sustainability including:

- Updating the Board on sustainability matters
- Monitoring developments of international trends and best practices in corporate disclosure of sustainability matters
- Reviewing and assessing our corporate responsibility strategy for sustainability matters and related reporting¹¹
- Overseeing the development of key policies and documents, including our [Code of Business Conduct and Ethics](#), [Anti-Bribery and Anti-Corruption Policy](#), [Human Rights Policy](#), and [Sustainability Policy](#)
- Assisting and advising the Board on broader governance matters. For more details see [Charter](#)

Skills and expertise of our Board Members



7 of 8

Board members are Independent Directors

3 of 8

Board members are women

3 of 7

Independent Directors are women

1 of 3

Executive management team is a woman

5

Nationalities on the Board

11. "Sustainability matters" includes, but is not limited to: "environmental": climate change risks; GHG emissions; natural resources; waste management; energy efficiency; biodiversity; water use; and environmental regulatory and/or compliance matters; "social": health and safety; human rights; labor practices, diversity & inclusion; talent attraction and retention; human capital development; and community/stakeholder engagement; and "governance": Board composition and engagement; business ethics; anti-bribery and corruption; audit practices; regulatory functions; and data protection and privacy.



Our Executive Management Team

The CEO and Executive Management Team set and provide oversight for delivering our strategic vision and priorities. Our CEO, Connor Teskey, is responsible for implementing our sustainability strategy, including the delivery of our sustainability priorities, goals, and all material sustainability matters covered in this report.

Management Committees

Sustainability Steering Committee

Our Sustainability Steering Committee drives the strategic sustainability framework. The Committee sets goals for priority topics, shares best practices, monitors progress against our goals, and seeks opportunities for improvement.

The Committee is directed by our Chief Sustainability Officer (CSO) and is made up of the CEOs of our operating businesses, our Chief Risk Officer (CRO), our Chief Technical Officer (CTO), and sustainability and operations experts from across our businesses. The CSO regularly updates the CEO and other members of the Executive Management Team.

HSS&E Steering Committee

The HSS&E Steering Committee drives our strategic health and safety framework. The Committee sets our comprehensive health and safety policies, upholds our robust health and safety culture and management system, shares best practices, seeks opportunities to continuously improve our safety performance, and monitors performance against our goal to achieve zero high-risk incidents.

In 2023, the Committee was directed by our CRO. It comprises the CEOs and COOs of our operating businesses, the CTO, the CSO, and HSS&E operations experts from across our businesses. The CRO regularly updates the CEO and other members of the Executive Management Team.

Working groups

Our Sustainability Working Group meets monthly to share expertise among our operating businesses and implement our sustainability program across our organization.

In addition to our Sustainability Working Group, we have a number of technical working groups sharing expertise and information on technologies, including hydro, wind, solar, distributed generation and storage, and other key areas including construction, management of assets, and dam safety.

Our Climate Change Working Group consists of professionals in each operating business who are accountable for assessment and mitigation of climate-related risks, as well as representatives from our corporate risk and sustainability management teams. The results of work completed in the Climate Change Working Group are reported regularly to the Sustainability Steering Committee.

Our Sustainable Supply Chain Working Group consists of our Sustainability and Procurement leads and meets every two months to discuss topics related to material sustainability matters within the supply chain such as due diligence, human rights, opportunities and risks, circularity, etc.

Operating business CEOs

The Operating Business CEOs implement our sustainability priorities and goals, embedding sustainability into business plans. They are also responsible for local ESG performance and ensuring that the operating businesses identify, assess, and monitor climate-related opportunities and risks. All operating businesses engage with stakeholders, such as employees, local communities, and suppliers, to understand their interests, and review Sustainability priority areas. Our climate-related strategy has featured prominently in these discussions.

Investment Committee

An Investment Committee made up of Brookfield Executives reviews and approves all investments we make. The Investment Committee receives and reviews material findings from due diligence, including sustainability-related findings, prior to investment approval. Post-acquisition, we incorporate sustainability considerations into the business plans of acquisitions, with the Sustainability Steering Committee regularly reviewing performance.

➤ See page 11 for more detail

Executive compensation and remuneration

Executive compensation is linked to the long-term performance of our business and execution of our strategy. Therefore our approach to compensation is linked to supporting decarbonization. Additional objectives include the performance of our funds from operations, capital improvement programs, operational expenditures, HSS&E programs, the growth of our portfolio, financing activities, and sound management and governance practices.

Encouraging long-term value creation

Our long-term incentive plans encourage executives to take actions that will create long-term and sustainable cash flow growth and improve long-term shareholder value.

📖 For more details on our approach and relevant policies, including our clawback policy, see the **Statement of Executive Compensation and our Annual Report**.

Ethical business conduct

Throughout our business, we operate to the highest ethical standards and conduct activities with honesty, integrity, and respect.

We place a high degree of importance on upholding ethical behavior and our bribery and corruption standards. All our directors, officers, employees, and temporary workers must comply with our [Code of Business Conduct and Ethics](#) (Code), and [Anti-Bribery and Anti-Corruption \(ABC\) Policy](#), training and certification annually. Operating businesses must adhere to the Code and ABC Policy, or adopt their own policies consistent with the provisions of these policies.

Our established policies and processes promote sound governance practices high ethical standards and a culture where employees and other stakeholders can share any concerns.

Each employee is responsible for ensuring compliance with the Code and the ABC Policy. Responsibility for monitoring employee adherence to these lies with management under the Board's oversight.

Code of Business Conduct and Ethics

Our Code provides overarching guidelines for fostering and maintaining our standards.

Any concerns about potential or suspected unethical, unprofessional, illegal, fraudulent, or other questionable behavior must be reported in accordance with the process outlined in the Code.

Specific policies support this Code and conduct expectations more broadly, including our Positive Work Environment Policy, our HSS&E Policy, and Human Rights Policy, among others.

Anti-Bribery and Anti-Corruption (ABC) Policy

We are committed to operating with the highest ethical standards and have based our ABC Policy on the requirements of the U.S. Foreign Corrupt Practices Act, U.K. Bribery Act, and the Corruption of Foreign Public Officials Act (CFPOA) of Canada.

Our ABC Policy sets forth the key principles and standards (together the "Program") that addresses bribery risk in our business and prohibits bribery of any kind, including facilitation payments.

Our Audit Committee receives quarterly reports on the ABC Program, which is regularly reviewed and evaluated by Internal Audit. Any findings are promptly remediated as required. Certain employees must complete additional ABC training every year, targeted to their role.

In 2023, our employees completed 12,911 hours of ABC training. In accordance with the policy, our operating businesses and business groups are required to complete an ABC risk assessment at least annually, or when a change in risk is identified, to ensure that we are focused on the most significant ABC risks faced by the business. Required updates to the programs based on takeaways from our ABC risk assessments, as well as developments in ABC international best practice, are communicated across the company as needed. In addition to our ABC Policy, we also have an Anti-Money Laundering (AML) and a Trade Sanctions Policy.

Additional policies to support business ethics

Our Whistleblowing Program outlines the access to our ethics reporting hotline and encourages employees to raise concerns as soon as possible and to feel safe in doing so.

Our ethics reporting hotline is for employees, vendors, partners, community members, and other interested stakeholders to anonymously report any concerns or raise any issues free of discrimination, retaliation, or harassment. Any of our businesses that do not participate in our ethics hotline must operate an independent hotline for stakeholders. Our hotlines are available 24/7 in multiple languages and we regularly communicate with our employees to ensure they are aware of the hotline. We investigate all reports in compliance with our policy and applicable laws

as necessary. We also have a community grievance mechanism (see pages [49-50](#)).

Additionally, we have a Personal Trading Policy and Conflicts Protocol – which comprise our robust Conflict of Interest Framework that helps us act in the best interests of our investors.

Our [Vendor Code of Conduct](#) (see page [42](#)) brings these policies and processes into how we work with our direct and indirect supply chain.

Internal Audit

Our global Internal Audit group provides independent and objective assurance. It is overseen by Brookfield's Chief Internal Auditor, who reports to the Audit Committee, supported by regional leads and internal subject matter specialists. The roles and responsibilities of Internal Audit are in our Audit Charter, which is approved annually by the Audit Committee. The Internal Audit group prepares an annual audit plan approved by the Audit Committee that focuses on our key risk areas such as ABC, cybersecurity, financial, compliance and operational risks, and considers business maturity and region-specific risks.

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Cybersecurity

Cybersecurity is critical to our business, and we work to ensure that our assets and data are protected from both physical and digital threats.

Our progress

2023 target

Train **100%** of employees on cybersecurity annually

Achieve zero security breaches on Personal Identification Information (PII)

2023 progress

100% of employees were trained on cybersecurity in 2023

Achieved **0** reportable breaches on PII

Bi-monthly phishing simulations across all operating businesses

4,025 hours of annual cybersecurity awareness training

Our approach

Our Cybersecurity Policy, along with a suite of supporting policies and procedures, outlines our commitment to implement and maintain a comprehensive Cybersecurity Program.

The policy defines the expectations and requirements for the secure and reliable operation of information technology (IT) and operating technology (OT). Across our businesses, we segregate systems that manage assets from all other applications, to ensure the resilience and cybersecurity of both IT and OT.

Our policy draws from leading third-party frameworks such as ISO/IEC 27002: 2013, NIST 800-53 Cybersecurity Framework, NIST 800-8 Guide to Industrial Control Systems Security, and ISA 62443 Cybersecurity of industrial automation and control systems.

We employ a decentralized approach to cybersecurity, providing governance and guidance from the Corporate level to our operating businesses, who have management accountability.

Our regional cybersecurity managers and local experts in each country are responsible for controlling and managing the assets and processes in their businesses. They maintain industry best practice, up-to-date knowledge of cybersecurity standards and measures in their countries.

The Board and other members of our senior management team receive quarterly reports on our Cybersecurity Program.

Training

We ensure all our employees are aware of – and trained to detect – potential fraudulent emails, and phishing attempts designed to obtain confidential data or passwords. All employees regularly attend cybersecurity training, and all new employees are required to complete it.

In 2023, we completed 4,025 hours of annual cybersecurity awareness training. In the last quarter of 2023, we also introduced mandatory quarterly phishing awareness training for all employees, which will be conducted on an ongoing basis.

Due diligence on potential investments

Before we invest, we conduct pre-acquisition due diligence on a potential investment’s cybersecurity and data privacy programs. Our diligence aims to identify any material risks that may need to be addressed as part of the acquisition or afterwards.

Implementing third-party risk management

In 2021, we formalized our third-party risk management program to identify and mitigate third-party risks. In 2023, it became fully operational across our businesses.

We overlay this approach with a corporate framework using the NIST (National Institute of Standards and Technology) Cybersecurity Framework (CSF), applying its five key pillars to identify, protect, detect, respond, and recover to assess and mitigate risks.

Monitoring and reporting

Periodically, we carry out cybersecurity maturity and architecture assessments on our operating businesses using the NIST CFS. We also regularly conduct internal and external assessments using vulnerability and penetration testing techniques to assess business resiliency.

Our Cybersecurity Program requires that these standards are assessed across key areas including network architecture, network security, patch management processes, security monitoring, and business continuity procedures.

We regularly assess and audit the performance and effectiveness of our Cybersecurity Program, both internally and by third parties using the NIST CSF. We complete business-wide phishing tests at least quarterly and promptly address any areas of weakness identified.

We also monitor cybersecurity and data privacy regulatory changes in the countries where we operate, as well as monitoring and assessing cybersecurity market intelligence for any potential impacts to our business.

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Implementing a privacy program

As we expand into the distributed energy business, protecting personal data becomes even more critical. In 2023, we implemented a revised Privacy Program, which aligns with the NIST Privacy Framework, providing privacy policies, standards, and guidance to our businesses. As part of this program, we conducted four privacy assessments of our operating businesses during 2023.

Enhancing our incident response

We have enhanced our incident response for critical infrastructure by engaging external experts to observe ransomware fire drills. In 2023, these cyber-attack scenarios helped us evaluate the ability of our operating businesses to respond to – and recover from – simulated incidents, by testing both incident response coordination and our ability to physically recover systems. Two fire drills occurred in 2023, with others planned in 2024.

Aside from fire drills, we carry out and analyze annual tabletop exercises. By reviewing response procedures through guided discussions of emergency scenarios, we can strengthen our overall response plan.

We have created a Ransomware Readiness Maturity Assessment based on the Cybersecurity & Infrastructure Security Agency (CISA) Ransomware Readiness Assessment Framework, and are using it to measure how ready our businesses are for ransomware attacks. From these assessments, we made recommendations to help the businesses design and rank their security projects. So far, we have assessed five businesses.

Looking forward

As we move ahead, we will concentrate on advancing our ransomware preparedness program by creating new training scenarios with the help of external specialists, performing thorough evaluations of our critical assets, and implementing our strong Cybersecurity Program for all our businesses.

Case study

Securely embracing new innovating technologies

Challenge

As public and private AI tools become increasingly available to businesses, their usage increases the risk of reliance on inaccurate information and the intentional exposure of personal or business data.

Response

We have begun the trial implementing of AI tools such as Microsoft Copilot to augment our business. We believe that raising awareness around the responsible use of AI means it can be used safely and productively. To obtain the benefits and mitigate the risk, we have given our employees mandatory training on safe and effective use of the tools. We have also limited initial users so we can better understand the implication of AI use before expanding it across the organization.



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Climate opportunities and risks

We systematically and proactively manage opportunities and risks to protect and add to the value we create. We take a disciplined approach – applying a framework, and providing guidance and oversight.

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Climate resilience



CLIMATE OPPORTUNITIES AND RISK

As we continue to focus on creating long-term value and accelerating decarbonization, assessing climate change opportunities and risks is fundamental to our success.

Our progress

2023 target

Assess all new investments for transition and physical climate-related risks

2023 progress

Assessed all new acquisitions for climate-related transition opportunities and risks, and physical risks

Performed assessment of transition opportunities and risks in our business and assessed more than 16,000 megawatts of our asset portfolio for physical climate-related risk

Our approach

We integrate considerations of climate-related opportunities and risks into our business objectives, strategy, and decision-making process. This aligns with our approach to value creation and risk management.

Building on our strategy

Climate-related opportunities and risks such as energy security, demand for decarbonization solutions, cost uncertainties, greater regulatory requirements, and climate change, are evolving.

Our strategy and business model enables opportunities for decarbonization and mitigates risks, while upholding strong governance practices related to climate, building on our more than 100 years of experience in developing and operating clean energy assets.

We continue to see significant opportunity related to the demand for clean and reliable energy and sustainable solutions in the jurisdictions where we do business.

Going where the emissions are

To be successful in accessing these opportunities, we have expanded our focus from renewable energy assets to investing in clean energy, sustainable solutions, and business transformation opportunities, especially those in carbon-intensive industries. In 2023, we committed or deployed \$9 billion (\$2 billion net to Brookfield Renewable) to capture these opportunities.

➤ For more information see **Accelerating our transition to net zero.**

Global scale and diversification

We operate in more than 20 countries across the globe in multiple technologies, allowing for diversification across geographies and technologies. This provides a hedge against pricing volatility and climate-related risk at a global level.

➤ For more information see **Where we operate** on page 9.

Leveraging our scale

We are able to benefit from our diverse portfolio and global functions that support the active management of our business. This includes a global approach to procurement, which allows us to manage market and technology risk in the supply chain, and to capitalize on opportunities at scale.

We also take a long-term perspective to investing capital. This allows us to create long-term value for our stakeholders, meet our decarbonization objectives and maintain our assets over the medium and long term.

Resilience against a range of scenarios

We believe our strategy is resilient across a range of climate change scenarios. We have gained greater understanding by applying a consistent and detailed approach to identify and assess the future climate-related opportunities and risks that may impact our business.

In terms of transition, a combination of market trends creates significant opportunities for our business, including the rising demand for clean, secure, and affordable energy, and advances in existing and emerging transition technologies.

In terms of physical risks, our analysis indicates that our assets are resilient across multiple time periods and scenarios.

We recognize that climate change risks are large scale, complex in nature, uniquely challenging, and require regular assessment across different time frames.



Active asset management

As investors, developers, and long-term owners and operators, we have strong technical and operational teams that work closely with our operating businesses. We build processes to mitigate potential risks to our assets and the impact of those risks on our people, contractors, the communities, and the natural environment in which we operate.

Our renewable power assets derive their energy from natural sources, including water from river systems, wind, and solar irradiance from the sun. We believe that how we build and maintain our operations has a direct impact on sustaining long-term value from our assets.

Local operating teams implement our Global Asset Management Policy, which specifies the principles and responsibilities for asset management, including meeting or exceeding good practices of electricity generation and applicable laws, regulations, codes, and standards. The policy also outlines guidelines for technology-specific risks, including dam safety protocols and overhead electrical line management.

Our Chief Technical Officer works closely with our operating businesses management teams to implement policy guidelines and processes. Our Climate Change Working Group connects our local operating and management teams globally to identify, mitigate and assess physical risks posed by climate change.

Mitigation

Planning and development

Careful selection of assets

We undertake careful planning when selecting the location and technology of our assets during the design and procurement phases of our operations. This approach mitigates risks, for example, by allowing us to select asset location based on its susceptibility to physical hazards. Our diverse assets, with a range of technologies and locations, allow for greater de-risking at the portfolio level.

Due diligence of investments

We conduct sustainability and climate change risk due diligence on potential acquisitions early in the investment review and ahead and consider risk ahead of investment. Post-close, we highlight gaps and work with the business to put in place any enhancements.

Long-term ownership and investment

We maintain high asset quality through our maintenance and enhancement programs, including 20-year, forward-looking capital reinvestment plans. Our regional teams work closely with independent engineering firms to develop detailed plans for each asset.

Rigorous build standards that consider physical risks

Our assets are built to rigorous industry design standards that consider the risk of natural disaster and extreme weather events.

Operations

Local operating expertise

Each operating business has full operating capabilities, with technical experts onsite to manage and monitor our assets.

Local operating teams manage, monitor and implement our Asset Management Policy, overseen by global leads.

Rigorous standards checks

Our assets are regularly inspected and assessed to ensure stringent safety standards. For example, our dams are formally inspected by internal technical experts at least annually, and every five years by an independent expert, in addition to state or country-level inspections required by regulatory bodies.

Emergency preparedness

Emergency response systems are designed into our assets, and regional experts are trained to respond to emergencies, including extreme weather, to ensure safety of personnel and asset readiness. For example, five centralized, automated plant dispatch and control centers with an interface to the regulatory and market authorities allow remote operation of most of our utility scale facilities.

Risk adaption initiatives

Local operating teams identify and enact risk adaption initiatives.

Adaptation

Risk management



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Our risk management approach is aligned with our business model.

Our approach

Our global Risk Management Program guides how we identify, assess, manage, and mitigate risks. We are focused on continuous improvement, as well as ensuring that we have the necessary capability and resilience to respond to change.

At least once a year, leadership teams from each operating business evaluate all their known and potential risks, including climate-related risks.

The Chief Risk Officer (CRO) is responsible for setting out our Group risk management methodology and overseeing its implementation.

Climate-risk management

Assessing climate change opportunities and risks is fundamental to our success in creating long-term value, as we manage the risks associated with accelerating decarbonization.

We integrate the assessment of climate change opportunities and risks into our risk management process. To understand the impact of climate change on our business, and to broaden our analysis of both transition and physical climate opportunities and risks, we align our risk assessments with the recommendations of the TCFD framework. This is the same process as in previous years.

Working together and sharing knowledge

Underpinned by a broad and deep range of expertise across Brookfield Renewable, our risk management approach emphasizes collaboration and knowledge-sharing across our operating businesses, functional areas, and geographic regions.

Our different mechanisms to facilitate collaboration and information sharing include regular cross-functional meetings. Our expert technical groups share specific knowledge, for example on solar assets and overhead power lines, so we can more effectively manage opportunities and risks.

Identifying and managing acquisition risk

We consistently apply our risk management approach, and conduct due diligence on potential investments. When we start a transaction, we begin due diligence as early as possible and assess key business and sustainability areas such as anti-bribery and corruption, cybersecurity, health and safety, human rights, GHG emissions, biodiversity and climate change, and identify opportunities and risks. We also highlight gaps and may put in place enhancements to ensure an acquired business's governance and risk management programs align with ours. For example, during 2023, we acquired a controlling stake in a wind and solar platform in India with operating and development assets. Before signing the transaction, we:

- Brought together a due diligence team with our experts from each key business area
- Used SASB to identify the material sustainability factors and assessed each using different sources, including site visits, publicly available information, sanctions databases, our experience as a solar and wind developer and operator, and discussions with the management team
- Performed a forward-looking climate risk assessment on each asset location, identified key risks with the due diligence team and actions in our post-close investment plan

Alongside our institutional partners, we committed and deployed up to

\$9B

(\$2 billion net to Brookfield Renewable) of capital across multiple transaction and regions.



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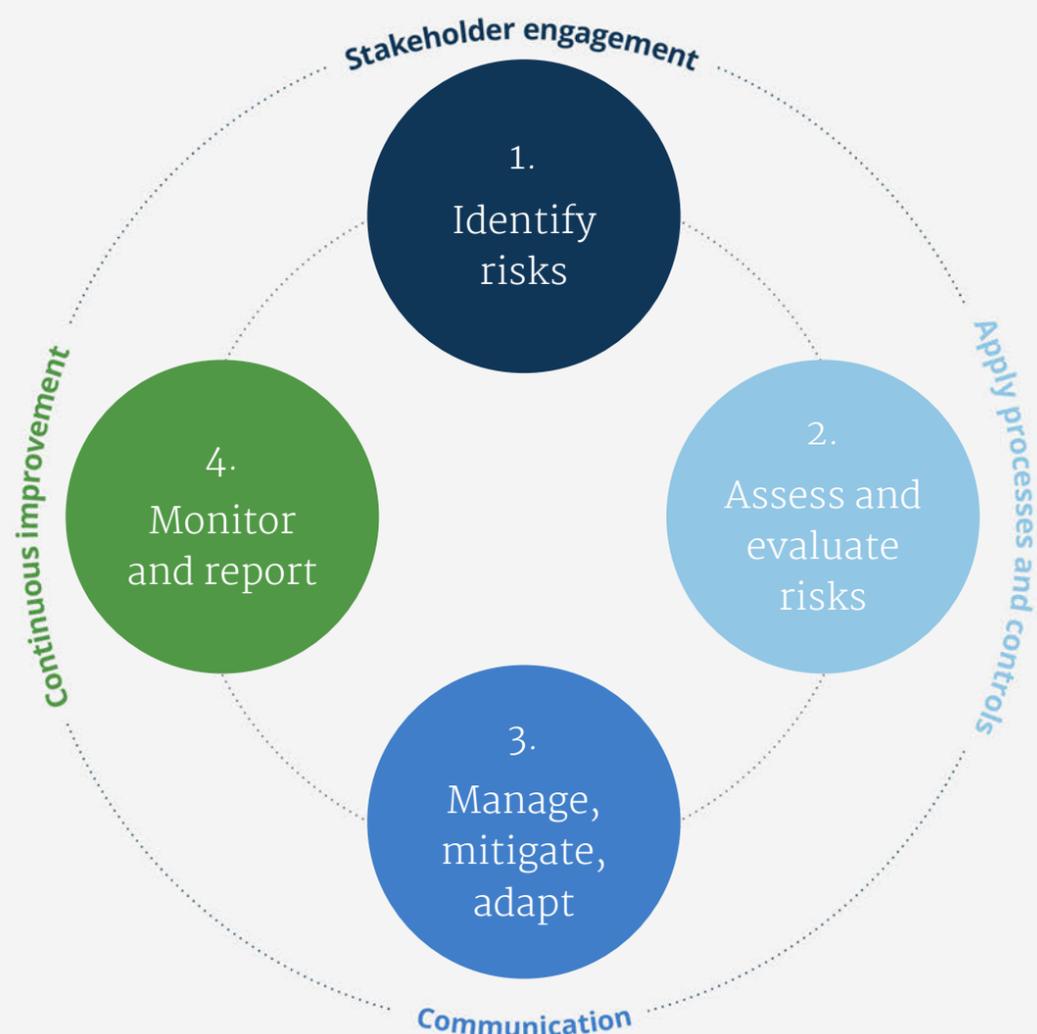
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Risk management



Our Risk Management Framework

Our risk management methodology is consistent with leading global standards and frameworks, including ISO 31000 and COSO’s Enterprise Risk Management Framework, as well as the recommendations of the TCFD framework. It defines a structure for consistently identifying, assessing, managing and reporting risks. We tailor our risk management and mitigation approaches to each identified risk area and the stage in the lifecycle of the investment. Given the diversified and global nature of our operations, we ensure that risks are managed as close to their source as possible, and by the management teams with the most relevant knowledge and expertise.

1 Identify risks

Operating businesses are accountable for identifying risks using a thorough integrated risk assessment process for existing assets and prospective investments. Businesses define and regularly review a risk inventory to ensure they appropriately identify and assess risks. The risk inventory outlines and defines categories of risks to facilitate consistent risk understanding, assessment and reporting.

2 Assess and evaluate risks

We assess risks in line with our organizational priorities and strategy, based on established rating factors that consider the scale of both financial and non-financial impacts, and the likelihood that

a particular risk could occur. They are evaluated at least annually by senior management and leadership from each operating business.

3 Manage, mitigate, adapt

We aim to mitigate risks to an acceptable post-mitigation risk level. Operating businesses are responsible for implementing strategies to mitigate identified risks, with oversight from our Corporate Risk Management team to ensure consistency. Through active management of identified risks we aim to continuously adapt our strategy in line with emerging risks.

4 Monitor and report

Operating businesses are responsible for monitoring the ongoing effectiveness of their risk mitigation strategies and identifying improvement opportunities. To ensure that these processes are effective, we have implemented strong governance practices to oversee our risk management program, including regular reporting to the CRO, and regular reviews of existing and emerging risks.

The CRO reports quarterly to the Board and the Audit Committee on the status of the risk management program, including an overview of current and emerging risks. The CEO and senior leadership team also review these quarterly reports.

Approaching climate-related scenario analysis



Climate-related scenarios are plausible alternative views of how the future could evolve.

Importance of scenario testing and analysis

To assess the impact of climate change on our business, we conduct risk assessments aligned to TCFD framework recommendations.

Scenario analysis allows us to better understand the opportunities, risks, and uncertainties that our business may face under different hypothetical futures; for example: on a transition pathway to a low-carbon economy, or how changes to weather-related events could impact our business globally. We also examine how those conditions may affect our performance, contributing to the development of greater strategic resilience and flexibility.

In line with TCFD framework recommendations, our scenario analysis evaluates climate-related opportunities and risks that could impact our strategy under different climate change scenarios, spanning short-, medium-, and long-term time horizons.

Scenarios are not market forecasts or sensitivities on any specific variable, as they take into consideration a variety of factors that represent transition pathways. We are developing our understanding of different climate-related scenarios on an ongoing basis.

Overview of time horizons

In identifying time horizons, we have considered the useful life of our assets as well as the greater level of uncertainty related to transition and physical risk.

2030

Short term

2040

Medium term

2050

Long term

Dogger Bank Wind, U.K.



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Focusing on climate opportunities and risks



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Climate scenario selection

We have expanded our scenario analysis to include one set of criteria for our transition opportunities and risks using International Energy Agency (IEA) scenarios listed below and another for physical risks, using the IPCC's Shared Socioeconomic Pathways (SSPs) scenarios.

The IEA provides a detailed view of the energy sector and its transition pathways and also provide insights into how changes to energy policy, technology and market dynamics could impact our business and the energy sector more broadly.

The IPCC offers a broader, more environmental, socioeconomic and policy perspective which lends itself to understand the changes to the physical environment that contribute to acute and chronic physical risks under different scenarios.

These scenarios project different global warming outcomes based on varying levels of GHG emissions and concentrations.

Transition opportunity and risk analysis scenarios

Our scenario analysis for our transition-related opportunities and risks takes into consideration the following pathways from the IEA:

Scenario	Name	Description
NZE (1.5°C)	The Net Zero Emissions by 2050 scenario	Sets out a pathway for the global energy sector to achieve net zero CO ₂ emissions by 2050. It does not rely on emissions reductions from outside the energy sector to achieve its goals. Represents temperature peak mid-century and falls to 1.4°C by 2100.
APS (1.7°C)	Announced pledges scenario	Assumes all climate commitments by global governments and industries as of the end of August 2023, including Nationally Determined Contributions and longer-term net-zero targets. Represents a warming of 1.7°C by 2100.
STEPS (2.5°C)	Stated policies scenario	Reflects current policy settings based on a sector-by-sector and country-by-country assessment of the energy-related policies that are in place as of the end of August 2023, as well as those that are under development. Represents a warming of 2.5°C by 2100.

Source: <https://www.iea.org/reports/global-energy-and-climate-model/understanding-gec-model-scenarios>

Physical risk analysis scenarios

Our scenario analysis considered the following SSPs that have been used in the IPCC Sixth Assessment Report:

Scenario	Name	Description
SSP1-2.6 (1.8°C)	Low emissions	Low challenges to the implementation of mitigation measures. Represents a warming of 1.8°C by 2100.
SSP2-4.5 (2.7°C)	Interim emissions	Medium challenges to the implementation of mitigation measures. Represents a warming of 2.7°C by 2100.
SSP5-8.5 (4.4°C)	High emissions	High challenges to the implementation of mitigation measures. Represents a warming of 4.4°C by 2100.



Rigorous approach to climate-risk assessment

We continue to work including with external climate advisors on both the physical and transition opportunities and risks to manage and evolve our approach to climate scenario analysis.

In keeping with our global Risk Management Program, we approach climate risk during due diligence, looking at physical risk exposure for assets and locations, and transition opportunities and risks related to technology, market, policy, and reputation.

We complete climate-related due diligence, which includes physical climate risk screening on all acquisitions.

We use relevant climate scenarios to understand the likelihood, relevance and potential impact for both transition and physical risks as well as opportunities.

We also leverage our Climate Change Working Group to discuss and implement our strategy. The Climate Change Working Group comprises corporate and local operating and management teams that share knowledge gained from local advisors.

Capitalizing on growing opportunities

There are strengthening tailwinds for the energy transition to a lower-carbon economy: from the fundamental need for secure and low-cost clean energy, to advances in existing and emerging transition technologies. Governments and organizations are also increasingly focused on meeting their net-zero plans.

Key trends shaping the transition opportunity:

- Decreasing cost of production and increasing demand for clean energy
- Emergence of technologies that improve grid stability, balancing services and flexibility
- Energy Security and Onshoring

Decreasing cost of and increasing demand for clean energy

The International Energy Agency (IEA) Net-Zero Emissions 2050 scenario sets out the need for a rapid increase in renewable energy, led by solar and wind, and complemented by significant increases in nuclear power.

The IEA's Renewables 2023: Analysis and forecast to 2028, states that in 2023, added renewables capacity reached 507 gigawatts, almost 50% higher than in 2022. It also says that by 2028 renewable energy generation is expected to increase by 70% over the 2022 level and renewable energy sources will account for 42% of the global electricity generation.¹

Wind and solar will be the largest contributors to global capacity increases, and are supported by a significant cost advantage; they are the least expensive way to add bulk electricity generation.

Technologies that improve grid stability, balancing services and flexibility

To support the growth and penetration of renewable energy, we need new decarbonization technologies to complement the intermittency of wind and solar. Demand for clean base load power, balancing services and storage will be met through nuclear, hydro and battery energy storage systems.

Nuclear power plays a key role in providing base load low-carbon power, and the IEA estimates this needs to double in our net-zero 2050 scenario.² The value of storage assets is forecast to increase as they provide key ancillary services such as grid stabilization, back-up capacity, and balancing.

Onshoring

With the continuing geopolitical environment, there is growing recognition of the security and economic benefits of onshoring key infrastructure and services closer to their point of need.³

This favors domestic energy production, alongside infrastructure such as energy storage, grids and import capabilities.⁴

Focusing on physical risk

We have long recognized the exposure our assets have to the potential physical risks posed by climate change.

We apply global climate models (GCMs) that provide insight into major climate systems and a credible quantitative assessment of expected future climate change. They also allow us to model future climate conditions in specific asset locations.

These models leverage historical weather data and events to project future climate scenarios.

We engage climate risk consultants to guide, assess and expand our knowledge on physical climate risks in relation to our portfolio. Our climate experts use GCMs to provide detailed data sets for our assets in multiple Shared Socioeconomic Pathways and time horizons.

1. IEA (January 2024), [Renewables 2023: Analysis and forecast to 2028](#)
2. IEA (September 2022), [Nuclear Power and Secure Energy Transitions](#)
3. IEA report, [Securing Clean Energy Technology Supply Chains, 2022](#)
4. EU Commission, [Post-Covid 19 value chain: options for reshoring production back to Europe in globalized economy, March 2021](#)

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Progress in 2023

In 2023, we continued our efforts to understand the physical risks within our portfolio, working with internal experts and external advisors. We reviewed advances in GCMs and determined that the physical risk assessment work completed in 2021 and 2022 remains sound and valid.

We focused our in-depth assessment on recently acquired assets. Our technical and climate experts identified potential risks that may occur in the future given high emitting scenarios and where we need to prioritize future risk mitigation efforts.

Approach

We did the assessment as part of the due-diligence for all assets. Then within our operations, we scoped a sample of newly acquired assets into our risk assessment with a focus on new technologies. In addition, we reviewed and updated our risk register on in-scope assets from 2021 and 2022. This approach ensured we maintain a representative view, covering more than 16 GW of our portfolio by capacity, while allowing for curated analyses for advancements in GCMs, methodologies, and tools.

We consider the following key inputs in our analysis

Asset information

- location using latitude and longitude coordinates
- type of asset
- size of the facility
- age and useful life

Asset value

Replacement cost of each asset in determining the scope of assets and adjusted risk rankings to prioritize high-value assets.

Communicating assessment findings

The results of our assessment are communicated to the Board of Directors, Audit Committee and the Sustainability Steering Committee to guide our business planning and operating strategy. We indicate areas where climate change could cause potential operational impacts, such as higher capital expenditures or repair and maintenance costs. Our technical teams are involved in assessing the findings and developing mitigation measures, where required.

The following results are presented under a high emissions scenario in line with SSP5-8.5 or an equivalent GCM that portrays the most pessimistic social pathway. However, a more rapid transition under the low emissions scenario will result in overall lower physical risk levels relative to those presented in the table on [page 69](#). Data reported is based on total capacity included in our scope.

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The below shows the likelihood of the opportunity or risk at a portfolio level in the context of our business and the climate scenario as well as the post-mitigated impact over the short term. We have used the scenario analysis combined with assessments of our relevant context to understand the post-mitigated impact for relevant technologies of certain likely climate opportunities and risks on our business.

		Likelihood of exposure												Estimated Short-term impact ⁵
		2030				2040				2050				
		SSP5-8.5 (4.4°C)	STEPS/SSP2-4.5 ⁶ (2.5°C)/(2.7°C)	APS/SSP1-2.6 ⁸ (1.7°C)/(1.8°C)	NZE (1.5°C)	SSP5-8.5 (4.4°C)	STEPS/SSP2-4.5 ⁶ (2.5°C)/(2.7°C)	APS/SSP1-2.6 ⁷ (1.7°C)/(1.8°C)	NZE (1.5°C)	SSP5-8.5 (4.4°C)	STEPS/SSP2-4.5 ⁶ (2.5°C)/(2.7°C)	APS/SSP1-2.6 ⁷ (1.7°C)/(1.8°C)	NZE (1.5°C)	
Transition	Opportunities													
	Policy and Legal	—	●	●	●●	—	●●	●●	●●●	—	●●	●●	●●	●●
	Technology/Products and Services	—	●	●	●	—	●●	●●●	●●●	—	●●●	●●●	●●●	●●●
	Markets	—	●	●	●	—	●●	●●●	●●●	—	●●	●●●	●●●	●●●
	Reputation	—	●	●	●	—	●●	●●	●●	—	●●●	●●●	●●●	●●●
	Risks													
	Technology/Products and Services	—	●	●	●	—	●●	●●	●●	—	●●	●●	●●	●●
	Markets	—	●	○	●	—	○	○	●	—	○	○	○	●
	Reputation	—	○	○	○	—	○	○	○	—	○	○	○	○
	Physical													
Acute ⁸	●	●	●	—	●	●	●	—	●	●	●	●	—	
Chronic ⁹	●	●	●	—	●●	●	●	—	●●	●	●	●	—	

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Likelihood of exposure

- There is no material likelihood of an opportunity
- The change is limited and is unlikely to create demand and/or growth investment over the time horizon
- References that this scenario was not considered
- Scenario provides examples of potential demand and/or growth/investment. However, they are unlikely to be transformational over the time horizon
- Scenario provides compelling demand and/or growth/investment. The example(s) demonstrate a clear transformational path over the time horizon
- There is no material likelihood of exposure
- The likelihood of exposure is limited
- There is some likelihood of exposure
- The likelihood of exposure is significant

5. Estimate impact is the post mitigated impact over the short term for this opportunity or risk.
 6. This column represent the SSP2- 4.5 (2.7 degree C) for physical risk and the STEPS (2.5 degree C) scenario for transition opportunities and risks.
 7. This column represents the SPP1 -2.6 (1.7 degree C) for physical risks and the APS (1.7 degree C) scenario for transition opportunities and risks.
 8. Acute physical risks are sudden and severe climate-related events. Our assessment includes flooding, extreme wind, coastal inundation, landslide and wildfire.
 9. Chronic risks are long-term shifts in climate and weather patterns. Our assessment includes soil erosion and drought, freeze-thaw cycle and extreme heat.

Transition opportunities and risks analysis



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The following tables summarize our assessment of transition opportunities and risks.

Policy and legal

Change from 2022:

Increase ↑ Decrease ↓ No change —

Opportunity

Policies enacted to support energy transition, including carbon pricing or regulatory incentives to change the power generation mix.

Short term	Medium Opportunity	↓
Medium term	High Opportunity	—
Long term	Medium Opportunity	—

Scenario analysis:

The efforts to decarbonize are highest in the NZE (1.5°C) scenario, and there is greater availability of low-carbon incentives in the medium term.

The opportunity is likely to be lower in the APS (1.7°C) and STEPS (2.5°C) scenarios, which are marked by lower efforts to decarbonize and continued support of fossil fuel investments.

Carbon pricing levels send strong market signals and provide a significant competitive advantage for clean energy production and sustainable solutions globally, driving demand and investment opportunities. Regulatory requirements (e.g., Renewable Portfolio Standards) and the low cost of renewables are also important drivers of growth in demand for clean energy. Governments will continue to support sustainable solutions, such e-fuels, as these are critical to supporting their decarbonization objectives, but these technologies may become overly reliant on subsidies. The NZE (1.5°C) scenario produces the most opportunity where there is a significant competitive advantage for low-carbon power production globally.

Assessment:

We monitor developments in the energy and net-zero policy, prioritizing energy security, affordable energy, and national net-zero targets.

Measures such as carbon pricing or regulatory incentives to change the power generation mix and transition away from fossil fuels offer us additional opportunities.

We support policies that enable clean energy generation and technical innovation directly and through our involvement with trade associations for topics such as renewable mandates, carbon pricing, and research and development.

We continue to invest in and develop clean and transition energy technologies and are well positioned to benefit from recent regulatory policies such as the U.S. Inflation Reduction Act (IRA).

Impact:

New regulatory standards present us with an opportunity to increase our revenues from the investment, development, and ownership in clean energy and decarbonization technologies. In 2023, we continued to accelerate our development activities, commissioning approximately 5,000 megawatts, which are expected to contribute \$64 million of Funds from Operations (FFO) annually on a run-rate basis.

We continue to execute on our 24,000 megawatts under construction and advanced-stage pipeline, which, along with our sustainable solutions pipeline, is expected to contribute approximately \$277 million of FFO annually to Brookfield Renewable once commissioned.

We are expanding our presence in the U.S., our largest market, with 98,000 megawatts in operations and development. On the back of the U.S. IRA and strong corporate demand, we are actively pulling forward development projects in the U.S., and increasing the growth prospects of these businesses.



Technology/products and services

Change from 2022:

Increase ↑ Decrease ↓ No change —

Opportunity

Technological advancements and/or continued cost declines in clean energy and decarbonization technologies, resulting in higher market penetration due to price competitiveness and additional economic technologies.

Short term	Medium Opportunity	↓
Medium term	High Opportunity	—
Long term	High Opportunity	↑

Scenario analysis:

Opportunity is highest in the NZE (1.5°C) Scenario, where rapid cost declines present greater opportunities to supply energy and support the development of low-carbon technologies.

In this scenario, price capture opportunities are expected to remain high in the long term as clean technologies along with newer ancillary services such as battery storage commercialize by 2050.

Assessment:

We are expanding our existing renewable portfolio, investing in sustainable solutions, and transforming carbon-intensive businesses to Paris-aligned business models.

We are managing risks by diversifying across geographies and clean technologies and are investing and developing decarbonization technologies, battery energy storage systems (BESS) and carbon capture, utilisation and storage (CCUS).

Impact:

In 2023, our distributed energy and other sustainable solutions technologies generated \$185 million of funds from operations (FFO), benefiting from acquisitions and organic growth across the portfolio. We expect to increase future FFO by owning more decarbonization technologies.

Risk

Supply chain constraints may restrict or impede the development of new projects. There is a risk that our supply chain could be disrupted by global events such as shortages in materials, shipping capacity constraints, political instability, or regulatory changes.

Short term	Medium Risk	—
Medium term	Low Risk	—
Long term	Low Risk	—

Scenario analysis:

In the short term, supply chain risk is expected to be highest in the NZE (1.5°C) Scenario, due to higher expected demand for materials needed to develop clean energy technology.

Assessment:

To support the execution of our development plans, we need a resilient and sustainable supply chain. Our supply chain strategy has a centralized approach for key components and focuses on maintaining strategic partnerships with our suppliers.

We continue to mitigate our supply chain risk by locking in major components concurrently with signing power purchase agreements (PPAs) for projects, and through our relationships with tier one suppliers and global scale of operations.

Impact:

- Potential for increased costs to meet demand.
- Potential financial impact is expected to be immaterial.
- Increased supply interruptions as a result of the events mentioned in the scenario analysis and with our proactive approach to monitoring the key supply risks as a primary mitigant thereto.



Markets

Change from 2022:

Increase ↑ Decrease ↓ No change —

Opportunity

Increased and new demand for low-carbon products and services due to:

1. Greater electrification across all sectors to meet decarbonization targets
2. Greater focus on energy security and low-cost, affordable energy

Short term	Medium Opportunity	↓
Medium term	High Opportunity	—
Long term	Medium Opportunity	—

Scenario analysis:

While demand remains high, there is likely to be a decline in the overall capitalization opportunities in the short term due to increased competition under the net-zero scenario.

Under the interim emissions and high emissions scenarios, demand for clean and low-carbon products is lower, as efforts to decarbonize are slower, resulting in an overall lower opportunity.

Assessment:

With our access to capital, deep operational expertise and understanding of energy markets, we are well positioned to support the growing demand for clean energy and decarbonization technologies.

We are a leading provider of green PPAs to corporates across multiple sectors, including utilities, real estate, energy, technology, and financial services.

Impact:

Increased revenue from core products and expansion into new products and services aligned with our decarbonization mandate.

Risk

Penetration of intermittent renewable technologies leading to curtailment and delayed grid connection.

Short term	Low Risk	—
Medium term	High Risk	↑
Long term	Low Risk	—

Scenario analysis:

Under the NZE (1.5°C) scenario, the incidence of curtailment is expected to increase in the medium to long term, with more competition and increased grid congestion to meet the demands of electrification. Risk decreases under the APS (1.7°C) and the STEPS (2.5°C) scenarios due to reduced renewable deployment.

Assessment:

Our diverse portfolio spans multiple geographies and technologies, which mitigates risk.

We manage curtailment by investing in sources of flexibility that integrate renewables, such as battery and pumped storage. We are mindful of making investments in smaller markets with limited interconnection or grids.

Impact:

Decrease in revenue from curtailed generation volumes for intermittent renewable energy sources (such as wind and solar). Potential financial impact is not expected to be material.



Markets

Risk

Increased competition in renewable energy market as investors reallocate capital to clean energy.

Short term	Low Risk	—
Medium term	Low Risk	—
Long term	Medium Risk	—

Scenario analysis:

Risk is highest in the net-zero scenario as more competitors enter the clean energy market.

Assessment:

We believe that the transition to net zero is an unprecedented commercial opportunity that requires significant capital and deep operational expertise, which we are well positioned to deliver.

We have significant experience in clean energy, alongside a global portfolio, deep operating and development capabilities, and well-established relationships with stakeholders, including more than 1,000 customers.

Change from 2022:

Increase ↑ Decrease ↓ No change —

Impact:

- An excess of capital that reduces investment returns.
- Potential financial impact is not expected to be material.



Reputation

Change from 2022:

Increase ↑ Decrease ↓ No change —

Opportunity

Clean energy is increasingly viewed as the future of the energy industry. Companies and investors' ability to invest in clean energy, as well as sustainable solutions, are viewed positively by all stakeholders.

Scenario analysis:

Opportunity is present under all scenarios and highest under NZE (1.5°C).

Assessment:

We have an opportunity to grow our clean energy and sustainable solutions portfolio with investing in a range of developing technologies, such as battery storage.

In 2023, we successfully deployed and committed more than 74% of the Brookfield Global Transition Fund with a mandate to support developing additional clean energy capacity, decarbonizing hard-to-abate sectors and driving sustainable solutions that are critical enablers of net zero.

Impact:

Increased revenue from core products and expansion into new products and services, aligned with our decarbonization mandate.

Short term	High Opportunity	—
Medium term	High Opportunity	—
Long term	High Opportunity	—



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Reputation

Risk

Failure to meet decarbonization targets.

Short term	Low Risk	—
Medium term	Medium Risk	↑
Long term	Low Risk	—

Scenario analysis:

Risk is likely to remain unchanged across all scenarios.

Risk mitigation:

We have established plans at the asset level for all three targets and report on our progress.

We continue to implement controls in our GHG emissions accounting and enhance our wider disclosures, including submitting to CDP.

As we progress our plans and decarbonization begins to materialize, the risk of not meeting our target reduces.

Change from 2022:

Increase ↑ Decrease ↓ No change —

Impact:

- Potential reputational harm leading to decreased access to markets.
- Potential financial impact is not expected to be material.

Risk

Short-term rise in emissions because of investing in hard-to-abate transformation businesses.

Short term	Medium Risk	—
Medium term	Low Risk	—
Long term	Low Risk	—

Scenario analysis:

Risk is likely to remain unchanged across all scenarios.

Risk mitigation:

Going where the GHG emissions are will accelerate the energy transition. Investing in business transformation is a key component of our strategy.

We will continue to acquire companies in hard-to-abate sectors and set them on a pathway to net zero, with associated targets aligned with the Paris Agreement. With this approach, there is likely to be an increase in our GHG emissions in the short and medium term.

There is a growing recognition of the importance of this strategy and certain global frameworks

provide guidance for the managed phaseout of high-emitting assets.

We continue to seek to align with recognized guidance, and integrate the targets for each of these investments into detailed business plans with regular reviews and transparent reporting on our progress.

Impact:

- Potential reputational harm leading to decreased access to markets.
- Potential impact is not expected to be material.

Physical risks analysis



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The following tables summarize our assessment of physical climate risk under SSP5-8.5.

Physical risk exposure – acute

Change from 2022:

Increase ↑ Decrease ↓ No change —

Flooding – hydro assets

Change in rainfall and/or precipitation patterns.

Short term	Medium	—
Medium term	Medium	—
Long term	Medium	—

Scenario analysis:

Flooding risk is highest in the medium to long-term. However, the trend slightly decreases when comparing medium to long term, as increasing temperatures are expected to result in less extreme precipitation events.

Assessment:

Flood risk applies to approximately 19% of sampled hydro assets in the medium and long term, and is most prevalent at certain assets in Brazil and Colombia.

Risk mitigation:

We mitigate flooding risk by:

- Applying our Dam Safety Program by onsite experts
- Monitoring maximum inflows compared to dam capacity
- Regularly updating flood map studies
- Forward-looking climate change adaptation plans, including hydrology assessment for higher floods
- Diversifying portfolio by asset location, as flooding risk is location-specific

Wildfire – wind and solar assets

Increase in frequency and extreme conditions favorable to wildfire.

Short term	Medium	—
Medium term	Medium to high	—
Long term	Medium to high	—

Scenario analysis:

Wildfire risk is most prevalent in the pessimistic scenario, driven by drier conditions as global temperatures rise. Lower emissions scenarios will reduce likelihood of conditions susceptible to wildfires.

Assessment:

Wildfire risk applies to 22% of sampled wind and solar assets in the medium and long term, respectively. This risk is predominant at certain wind and utility solar assets in China, Brazil, Spain, and Portugal.

Risk mitigation:

We mitigate wildfire risk by:

- Industry standard vegetation management plans
- Installing and maintaining firebreaks

- Asset design and hardening standards to reduce the impact of wildfire
- Inspection protocols and risk assessments
- Training to proactively identify and mitigate hazards



Physical risk exposure – acute

Change from 2022:

Increase ↑ Decrease ↓ No change —

Landslide – all technologies

Increase in landslide susceptibility.

Short term	Low to Medium	—
Medium term	Low to Medium	—
Long term	Low to Medium	—

Scenario analysis:

Limited landslide risk exists today and is expected to stay stable throughout the short, medium and long term. Landslide risk increases with extreme precipitation events that could potentially trigger a landslide event.

Assessment:

Landslide risk applies at 11% of sampled assets for the medium and long term, respectively. This risk is more predominant at certain hydro assets in Brazil and Colombia and at certain wind assets in China.

Risk mitigation:

Landslide risk is mitigated through measures including:

- Stringent design standards
- Formal annual dam safety assessments
- Activities to protect watersheds, including conservation of forest areas, projects to improve agricultural practices, and to protect the flora and fauna of ecosystems
- Hillside vegetation planning and slope protection
- Diversification by asset location as landslide risk is location-specific

Coastal inundation – all technologies

Sea level rise.

Short term	Very Low	—
Medium term	Very Low	—
Long term	Very Low	—

Scenario analysis:

Limited coastal inundation risk exists today. Assuming a high emission scenario this risk would increase with more frequent storms compared to other scenarios.

Assessment

All assets in our portfolio were assessed against risk of coastal inundation. Coastal inundation risk applies to less than 2% of our assets.

Risk mitigation

We will continue to assess coastal inundation risk during due diligence and monitor existing assets at regular intervals.



Physical risk exposure – chronic

Change from 2022:

Increase ↑ Decrease ↓ No change —

Soil erosion and drought – solar assets

Soil contractions due to less rainfall and/or drought.

Short term	Low	—
Medium term	Low to Medium	—
Long term	Low to Medium	—

Scenario analysis:

The most pessimistic scenario sees higher frequency of drought like conditions as high temperatures limit precipitation events.

Assessment:

Soil erosion and drought applies to to 12% of the sampled solar assets for the medium and long term. This risk is more predominant in Brazil and India.

Risk mitigation:

Soil erosion and drought risk is mitigated through measures including comprehensive water management plans, such as solar panel dry-cleaning techniques and water conservation, land management, and monitoring for any sand displacement.

Extreme heat – wind and solar assets

Increase in annual number of hot days and warm spell duration.

Short term	Low to Medium	↑
Medium term	Low to Medium	↑
Long term	Medium	↑

Scenario analysis:

More pessimistic scenarios result in higher extreme heat risk in all time horizons.

Assessment:

When assessing extreme heat, we consider the heat threshold that each asset can withstand, based on build specifications. While the overall risk of extreme heat to our portfolio is low to medium, extreme heat is applicable to 36% and 42% of wind and solar assets for the medium and long term, respectively. This risk is most prominent at our wind and solar assets in Brazil, India, Spain, China, and the U.S.

The potential risk may result in lower revenue on days when generation is reduced, while placing assets offline in periods of extreme heat.

We do not expect damage to occur to assets as a result of extreme heat. As such, we do not expect this risk to be material to our portfolio, but consider it to be an area of focus.

Risk mitigation:

Wind and solar assets are designed to operate in high-temperature conditions. Technical asset enhancements, such as advances in design standards for future repowering of wind and solar assets, will substantially mitigate the risk of extreme heat.

We have comprehensive health and safety programs to protect people from risk of extreme heat, such as work restrictions during peak temperature hours.

The impact of changing river flows

Challenge

There remains uncertainty into how climate change could impact river flow at our hydroelectric assets.

Response

In 2022, we partnered with the U.S. Department of Energy to research the impact of climate change on rivers that feed into our hydropower generation assets.

The aim of our partnership is to provide a comprehensive understanding of the potential impacts of climate change on hydropower generation, considering various socioeconomic scenarios, climate models, and modeling approaches.

Our research focuses on more than 25 watersheds, encompassing more than 100 hydropower stations with a total installed capacity exceeding 3,000 megawatts. The analysis compares baseline flows from 1980-2019 with projected flows for the near future (2020-2059) and far future (2060-2100).

The research considers four Shared Socioeconomic Pathways (SSPs), derived from the Intergovernmental Panel on Climate Change (IPCC) to account for GHG emission uncertainties.

Six Global Climate Models (GCMs) from diverse research institutes are being utilized to assess the variability in research methodologies. We are adopting a multi-model assessment framework, and to address uncertainty in modeling and analytical approaches, we are incorporating two climate change downscaling methods, two meteorological observations, and two hydrologic models.

We are evaluating the impact on hydropower generation by converting projected flows into projected generation. We are using optimization models for facilities with storage, and generation-flow ratios for run-of-river facilities.

Next steps

The next steps include reducing the uncertainty related to our projections of flood and drought cycles. Through this ongoing collaborative effort, we aim to better understand the influence of climate change on our operations and to incorporate the relevant outputs into our planning. We expect to complete our initial analysis in 2024 and continue to refine our projections over time.



Holtwood, U.S.

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Climate risks analysis for overhead electric lines

Challenge

As part of our asset portfolio, we also own or manage overhead electrical lines (OELs) which transfer power from our generating assets to local substations or grid interconnections. Our line management plan assesses these OELs as part of our physical climate risk approach, as they are vulnerable to extreme wind, extreme heat, wildfire, flooding, and storms.

Response

We have a robust management program to minimize the health and safety risk and decrease wildfire risk.

In 2023, our line management plan focused on OELs related to our newly acquired assets resulting in assessments in three different countries. Similar to our operating assets, we applied the high-emission scenario to identify risk in the most pessimistic case compared to baseline levels across three time horizons. GCMs were downscaled to a resolution of 25km to address the risk across the line and its surrounding area.

Our OEL Working Group assisted with the alignment on the approach and scope of line management programs. As part of our Asset Management Policy, the Management of Overhead Electric Line Standard sets the requirements of our line management plan and establishes a consistent approach across our global business. Our local operating teams considers the geology, weather, and topography of both the line and connected asset during the design and construction phases.

Subsequent to construction, the OELs are regularly inspected and maintained, which includes vegetation management, drone flight screening, and infrared inspections.



Bethel Solar Farm, U.S.

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Given the nature of our business and role in accelerating the transition to net-zero, we believe our strategy is resilient.

This is supported by our scenario analysis, the results of which, are used to hone our strategic planning and risk mitigation efforts.

Our transition opportunities and risks are largely consistent with previous assessments, with some changes in our short-term risks and opportunities given the evolving geopolitical landscape, market maturity, and technological advancement. The combination of market trends creates significant opportunities for our business. Our strategy allows us to capitalize on these opportunities.

Our physical risks were consistent with previous assessments. We identified four areas where the intensity of climate change-related events may increase over time: flooding, wildfire, landslide, and extreme heat.

For assets identified as high and moderate climate risk, we are developing, or have in place, comprehensive climate change mitigation and adaptation plans.

Our mitigation measures address identified hazards and are focused on understanding how a potential increase in intensity of these hazards due to climate change could impact our assets.

Looking forward

As climate opportunities and risks evolve, we will enhance how we manage and report on opportunities and risks, incorporating advances in climate science, and relevant standards and best practice. All these enhancements will be included in future annual reporting against the TCFD recommendations.

We recognize the need to continue to build on our programs, with the following focus areas for 2024:

1. Monitor developments in climate-related risk assessment, such as improvements in data quality and evolving risk measurement methodologies
2. Develop and implement climate change adaptation plans for assets identified as having future climate risk
3. Assess climate risk during investment due diligence and incorporate applicable findings in post-close plans
4. Perform gap analysis and implementation plan for upcoming global regulations



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Complexo Eólico Seridó, Brazil

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Kelly Goddard
Chief Sustainability Officer
Brookfield Renewable

The net-zero transition continues to be at the core of our strategy and we continue to make progress in this area.

In 2023, we added clean energy and worked with our businesses and investments in mapping their decarbonization pathways, supporting our transition and net-zero ambitions. We also focused on codifying our efforts on human rights, supply chain, biodiversity, and circularity into policies, standards, and guidelines supporting our aim of a responsible transition.

Our focus in 2024 and beyond is to continue to engage proactively with our stakeholders and integrate sustainability into our processes, executing on our plans for our investments.

We will continue to seek opportunities to align our sustainability reporting with the evolving landscape of climate scenario analysis, risks measurement, and reporting standards and frameworks.

Our sustainability strategy is fully integrated in and aligned with our overall business strategy and we continue to see and execute on opportunities in the energy transition including going where the emissions are and supporting the energy transition on a global scale.

“For 2024 and beyond, we see an important opportunity to contribute to and accelerate the net-zero transition further.”

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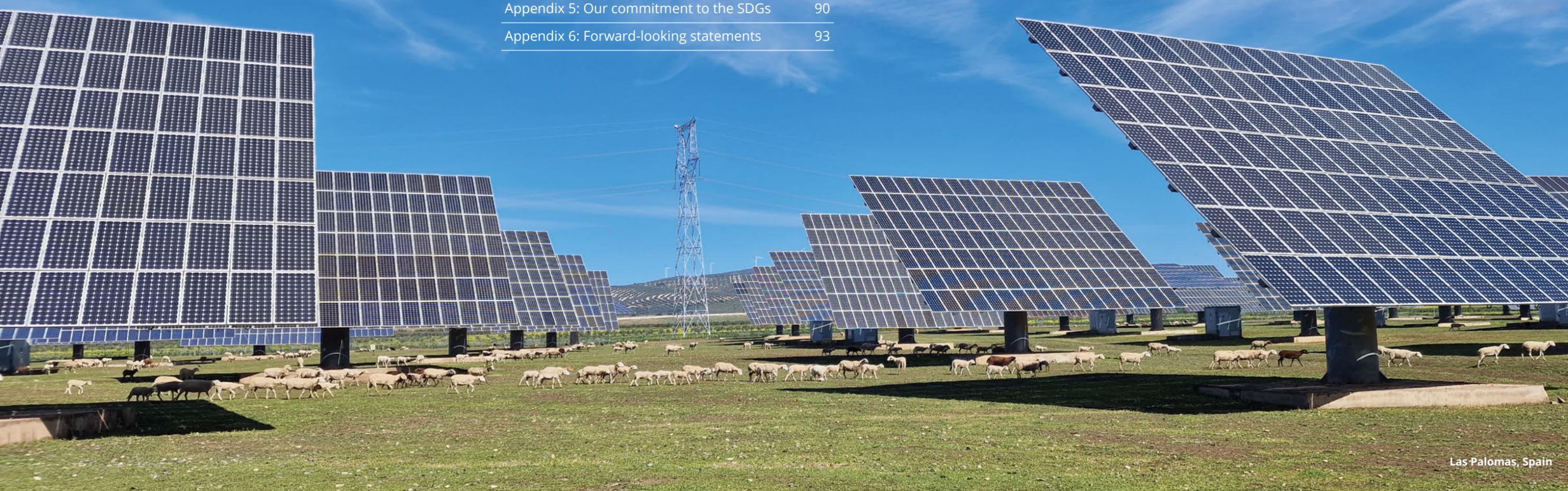
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Our priority topics inform our strategy and support our overall goals to accelerate a responsible energy transition and ensure sound governance practices.

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Las Palomas, Spain

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External ratings and awards

AA



A

CDP Climate Leadership Score



27th

Corporate Knights Global 100 Most Sustainable Companies Ranking

18.3

Low-risk Sustainalytics ESG Risk



In 2023, we continued with our strong track record for our ESG performance and disclosures. Both our CDP and MSCI scores increased: we received an A from CDP – the highest possible score, and an AA from MSCI. For the third year in a row we maintained our “low-risk” rating from Sustainalytics.

Operating business	Name of award, ranking or certification	Name of awarding organization	Country for award/certification	Year award/certification was received
ISAGEN	Top 30 companies with best social investment practices	Social Private Investment Index (IISP)	Colombia	2023
Saeta Yield	ISO 14001 – Environmental Management	AENOR (Spanish Association for Standardization and Certification)	Spain	2023
Evolugen	22 Facilities Certified by Ecologo	Ecologo	Canada	Various
Brookfield Renewable U.S.	EPAAct242	U.S. Department of Energy	U.S.	2023
	Low Impact Hydropower Institute Recertification	Low Impact Hydropower Institute	U.S.	2023

Appendix 2: Materiality

We are committed to focusing on the most important topics for our business and stakeholders, which support long-term value creation.

Approach

We carefully consider applicable standards and engage with stakeholders to identify material topics, which guide our disclosures. We consider not only how they affect our business, but also how our business impacts our stakeholders, communities, and the natural environment.

Our identified priority topics help us to develop and focus our strategy, and support our goals to avoid and mitigate environmental and social impacts, increase our contribution to society, and ensure sound governance practices.

Our approach follows a four-step process including:

1. Define
2. Engage
3. Prioritize
4. Validate

This approach focuses our strategy and our [Sustainability Policy](#) to support our goals: the opportunities to create long-term value, support our workforce, and demonstrate sound governance practices, while avoiding and mitigating environmental and social risks.

1. Define

We regularly review our material topics, assessing those that potentially impact different stakeholders and our business.

At the corporate level we also consider the input of third-party guidance and frameworks such as SASB, GRI, TCFD, as well as industry-related ratings and investor feedback into how we consider our topics.

We also support our operating business in their own assessment of sustainability materiality at their business level. Each business considers locally-specific material topics, as well as global trends to define their own materiality topics.

We consolidated the list of key topics and added priority topics from a global perspective to reflect the issues material to Brookfield Renewable.

This approach allows us to understand the challenges and opportunities faced by our operations on a regional level, coupled with topics relevant from a global standpoint.

2. Engage

We identify and consult with relevant internal and external stakeholders at the corporate and operating business level. These include direct stakeholders, such as employees, senior management, non-governmental organizations (NGOs), Indigenous and local communities, partners, customers, and/or our vendors, as well as experts.

Our engagement activities could include the use of surveys, informal and formal discussions either one-on-one or in group settings, and review of frameworks and other desktop research.

See the detail list of our [stakeholders and engagement activities](#) on page 88.

3. Prioritize

Each operating business prioritized each potential material topic according to the results of internal and external engagement to create a list of prioritized material topics for their business. These are then consolidated to the list of priority topics from each region and reviewed from a global perspective to confirm the material topics that represent Brookfield Renewable.

4. Validate

Our final list of priority topics was approved by our CSO, who oversees our sustainability program and reports to our CEO.

Implementation

Each operating business is responsible for developing and implementing plans aligned with our overall sustainability strategy at the local level. Our disclosures are reviewed against these material topics annually, and the topics and disclosures are updated based on data collected throughout the year from internal and external stakeholders.

These assessments are used to support our operating businesses in developing and implementing their sustainability strategy. We then consolidate these assessments to form part of the corporate level materiality assessment taking into consideration the impact on our business and on stakeholders and the environment.

In 2022, through our combined bottom-up and top-down prioritization approach, we determined 14 key topics that are most material to our business and our stakeholders. (Operating businesses review and affirm their materiality analysis every two years.)

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Appendix 2: Materiality continued

In 2022, through our combined bottom-up and top-down prioritization approach, we determined 14 key topics that are most material to our business and stakeholders.

We closely manage our material topics, many of which are well established within our business. We update our policies and processes where applicable. Additionally, we identify topics of increasing importance to our stakeholders and that are critical to the future of our business.



Highest priority		
Topic	Description	Page number
Environmental		
Biodiversity	Enhancing natural ecosystems and biodiversity by managing our impacts and implementing initiatives that seek to protect our environment.	31
Climate change and resilience	Reducing our GHG emissions and accelerating the transition to a low-carbon economy, with the goal of achieving net-zero GHG emissions by 2030 in our existing operations.	15
Water and waste resources	Measuring our water and waste usage with the objective of conserving water and reducing waste.	33, 35
Sustainable finance	Offering our investors opportunities to contribute to a sustainable economy and support addressing global climate change challenges through sustainable investments.	18
Social		
Community relations	Cultivating long-term and trusted relationships with local communities, landowners, business owners, recreational organizations, NGOs, and other stakeholders.	49
Diversity & inclusion	Maintaining a work environment that benefits from different perspectives and reinforces our culture of long-term focus, aligned interests and collaboration.	47
Human rights and Indigenous relations	Ensuring that we conduct business in a manner that respects and supports the protection of human rights.	41
Health, safety, security and environment	Ensuring the health and safety of our workforce via both physical and mental health, and safety policies, goals and programs.	38
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.	44
Governance		
Corporate governance	Engaging with our Board of Directors, operating business CEOs, Sustainability Steering Committee, and other executives in the development and implementation of our sustainability program.	54
Ethical business conduct	Conducting business ethically and responsibly within operations as well as business partnerships, including through our values, Code of Business Conduct and Ethics, policies, and processes.	57
Supply chain management	Engaging our supply chain to ensure vendors conduct their business in a responsible manner.	52
Sustainability integration in our investment process	Incorporating sustainability factors into investment decision-making and valuation, modeling, and portfolio construction.	30
Systemic risk management	Integrating financial and sustainability-related due diligence, and opportunity and risk management into our overall risk management program.	63

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Appendix 3: Stakeholder engagement

Understanding the needs and perspectives of our stakeholders helps our businesses make decisions to generate long-term value for the business and its stakeholders. Our aim is to maintain open and transparent engagement with stakeholders and take decisions as close to the stakeholders as possible, prioritizing regional and operating business-level action.

Stakeholders	Key topics of engagement	Engagement activities
Employees		
Our employees are at the heart of our business and we focus on attracting, retaining and developing our people.	<ul style="list-style-type: none"> • Climate change strategy • Community relations • Diversity & inclusion • Ethical business conduct • Health and safety • Human capital development 	<ul style="list-style-type: none"> • Employee surveys • Employee engagement groups • Anonymous ethics hotline • Internal events/town halls • Internal communications/intranet • Training and development programs • Annual performance reviews
Investors		
We regularly engage with our investors and strive to create shared value.	<ul style="list-style-type: none"> • Climate change strategy • Community relations • Diversity & inclusion • Ethical business conduct • Human rights • Responsible corporate governance • Sustainable finance 	<ul style="list-style-type: none"> • Investor meetings, conferences, webcasts, and calls • Quarterly and annual reports • Letters to unitholders • Press releases • Website

Stakeholders	Key topics of engagement	Engagement activities
Communities in which we operate		
We believe in having transparent and well-established relationships with communities in which we operate.	<ul style="list-style-type: none"> • Biodiversity protection • Climate change strategy • Community relations • Ethical business conduct • Health and safety • Human rights • Water and waste resource management 	<ul style="list-style-type: none"> • Meetings, town halls, and other in-person engagements • Brochures, community bulletin boards, radio programs, and other remote engagements • Surveys and focus groups • Research studies/partnerships • Community investment/philanthropy • Employee volunteering efforts • Long-term community development programs • Anonymous ethics hotline available in local languages
Suppliers		
We work with our suppliers to build partnerships based on integrity.	<ul style="list-style-type: none"> • Climate change strategy • Ethical business conduct • Health and safety • Human rights • Supply chain management 	<ul style="list-style-type: none"> • Vendor Code of Conduct • Supply Chain Due Diligence Guidelines • Third-Party Due Diligence Guidelines – Bribery and Corruption Risks • Trade associations • Safety education and training • Anonymous ethics hotline available in local languages • Ongoing monitoring
Policymakers/regulators		
We adhere to all laws and regulations that apply to our operations and actively support policies that enable clean energy generation and technical innovation.	<ul style="list-style-type: none"> • Climate change policy • Ethical business conduct • Responsible corporate governance • Supply chain management • Systematic risk management • Opportunities and risks 	<ul style="list-style-type: none"> • Political engagement • Trade associations • Advocacy efforts • Regulatory proceedings

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Appendix 4: Engagement and alignment with sustainability frameworks and organizations

We actively engage with industry associations to learn from good practice, as well as gaining insights from their contribution to progressing sustainability across our supply chain and industry. We participate in industry associations that support our broader advocacy goals and provide platforms for aligning efforts to make a positive difference.

For example, we participate with:

- Solar Energy Industries Association (SEIA)
- International Hydropower Association (IHA)
- Canadian Electricity Association (CEA)
- National Hydropower Association (NHA)
- The Business Council for Sustainable Energy (BCSE)
- American Council on Renewable Energy (ACORE)
- Canadian Dam Association (CDA-ACB)
- Ethos Institute (Instituto Ethos)
- Brazilian Business Council for Sustainable Development (CEBDS)
- WindEurope
- SolarPower Europe
- Regional Council of Protected Areas of Cornare

Sustainability framework engagement

Through our engagement with leading sustainability frameworks and organizations, we are involved in discussions to advance sustainability across private and public markets.

We are enhancing our sustainability reporting and protocols in line with evolving good practice. Below are some of the leading frameworks and sustainability organizations with which we are affiliated or aligned.

S&P Global

S&P global has provided a second-party opinion over our Green Financings Framework which was released earlier this year. This allows us to continue to provide green financing products, such as green bonds with validation over our additional impact criteria.

Sustainability framework alignment

We report our alignment with the Sustainable Development Goals (SDGs) and in accordance with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB), and the Global Reporting Initiative (GRI). In 2023, the International Sustainability Standards Board (ISSB) issued their IFRS S1 and IFRS S2 standards. We have considered these standards to guide our disclosures, where ISSB aligns with the TCFD, SASB, and GRI standards. We will continue to work on our alignment with ISSB as these standards are expanded.

GHG Protocol

The GHG Protocol establishes comprehensive global standardized frameworks to measure and manage GHG emissions from private and public sector operations and value chains. We follow the GHG Protocol in our related calculations.

Partnership for Carbon Accounting Financials (PCAF)

We follow the Global GHG Accounting and Reporting Standard for the Financial Industry, developed by the PCAF, for Scope 3 Category 15 (Investments) emissions.

Global Reporting Initiative (GRI)

GRI is an independent international organization that helps businesses and other organizations take responsibility for their impacts by providing them with the global common language to communicate those impacts. This sustainability report is mapped to the requirements of GRI.

Sustainability Accounting Standards Board (SASB)

The SASB Standards guide the disclosure of financially material sustainability information by companies to their investors. The Standards identify the subset of sustainability issues most relevant to financial performance in each industry. We report in line with the SASB Standards as part of our sustainability reporting annually.

The SASB has been amalgamated into the International Sustainability Standards Board (ISSB), created to consolidate a fragmented disclosure landscape and establish a global baseline of sustainability disclosures aimed at investors. The ISSB will build upon the SASB Standards and embed SASB's industry-based standards development approach into the ISSB's standards development process.

Science Based Targets initiative (SBTi)

The SBTi drives ambitious climate action by enabling companies to set science-based targets, which provide a clearly defined pathway to reduce GHG emissions, in alignment with the Paris Agreement. Our target to reach net zero in our existing renewable operations by 2030 is based on the SBTi cross-sector pathway, and we use the SBTi guidance and pathways to inform the targets we set for our transformation investments. Learn more in [Accelerating the transition to net zero](#) on page 15.

TCFD Recommendations

TCFD was created in 2015 by the Financial Stability Board (FSB) to develop consistent climate-related financial risk disclosures for use by companies, banks, and investors in providing information to stakeholders. We issued our first TCFD Report last year, and have continued to embed the recommendations in this Sustainability Report.

Sustainable Development Goals

The 17 SDGs, adopted by all UN Member States in 2015, provide a shared local blueprint for peace and prosperity to improve society and preserve the planet. We have aligned our sustainability disclosures with the six SDGs that we believe our business contributes to the most. Learn more in [Our commitment to SDGs](#) section on page 90.

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The SDGs provide a blueprint for businesses, governments, and other organizations to work together toward a sustainable future. They help address global challenges, including poverty, inequality, climate change, environmental degradation, peace, and justice.

While we recognize the importance of all SDGs, we believe the following six are the most applicable to our business and we focus our strategies and commitments around them:

SDG	Target	Alignment with our program
 5. Gender equality: Gender equality is not only a fundamental human right but a necessary foundation for a peaceful, prosperous, and sustainable world	5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life	Our approach to D&I centers around supporting a rewarding and dynamic workplace and fostering an inclusive culture, where all employees feel welcomed, respected and valued. As a key pillar of the Human Capital Framework, our focus on D&I reinforces our culture of collaboration and supports our efforts to attract and retain top talent. For more information see: Supporting diversity and inclusion
 6. Clean water and sanitation: Clean, accessible water for all is an essential part of the world we want to live in	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity, and substantially reduce the number of people suffering from water scarcity	We understand the importance of water resources – not only for our business, but also for the communities in which we operate, and the natural environment around us. Our water management planning encompasses both water flows at our hydroelectric facilities and water consumption across our portfolio. We are committed to responsible water management, using relatively small amounts of water across our assets and reusing water where possible. For more information see: Managing water
 7. Affordable and clean energy: Ensure access to affordable, reliable, sustainable, and modern energy for all	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	We develop and operate various types of renewable power facilities in countries around the world, increasing the amount of clean power generated and contributing to the decarbonization of the global energy mix. To help accelerate the global energy transition, we have set a target to develop an additional 21,000 megawatts of new clean energy capacity by 2030, which would be equivalent to doubling our operating portfolio to 42,000 megawatts since 2021. For more information see: Adding clean energy capacity
 8. Decent work and economic growth: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labor, including the recruitment and use of child soldiers, and by 2025, end child labor in all its forms 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	Our commitments to human rights are consistent with the sustainability principles outlined in our Human Rights Policy , our Sustainability Policy and informed by internationally recognized human rights frameworks. Included in our Human Rights Policy are our commitments to the elimination of forced or compulsory labor, and the abolition of child labor, among others. For more information see: Respecting human rights The health and wellbeing of our employees is vital to our success. Health and safety are fundamental to how we do business. Our Human Rights Policy, and our HSS&E Policy, management systems, and program objectives apply to our employees, contractors, and subcontractors, and focus strongly on ensuring public safety. For more information see: Respecting human rights , Prioritizing health and safety , and Supporting diversity and inclusion

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SDG	Target	Alignment with our program
 9. Industry, innovation and infrastructure: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies, and industrial processes, with all countries taking action in accordance with their respective capabilities	We are focused on supporting decarbonizing carbon-intensive sectors through transformation investments and developing sustainable solutions to help accelerate the transition. We seek opportunities to help businesses, primarily in the energy, utility, and industrial sector align with the goals of the Paris Agreement by supporting the replacement of emissions-intensive power generation with the build-out of renewables. We also seek to invest in technologies that either reduce, eliminate, or replace traditional high-carbon sources with lower-carbon alternatives and/or provide critical services and technology for the enablement of clean energy. Finally, we provide integrated solutions to support an accelerated decarbonization strategy, deploying Brookfield's global transition funds and supporting our transactions through sustainable financings, in partnership with external stakeholders. In addition to looking for sustainable finance solutions, we continue to work at the local, state, regional, and national levels with renewable energy companies and industry groups, as well as conservation and other environmental organizations on supportive policies for existing and new clean energy generation. For more information see: Investing in transformation, Taking an integrated approach , and Working in partnership
 12. Responsible consumption and production: Ensure sustainable consumption and production patterns	12.2 By 2030, achieve the sustainable management and efficient use of natural resources 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	We manage our waste footprint to avoid or minimize impacts on the local ecosystems and communities. We adhere to all applicable local and regional waste regulations, track waste and recycling metrics from our operations, and are working towards a circular economy for our major components, as well as investing in circular solutions. For more information see: Managing waste and promoting circularity
 13. Climate action: Take urgent action to combat climate change and its impacts	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	We integrate considerations of climate-related opportunities and risks into our business objectives, strategy, and decision-making process. This aligns with our approach to value creation and risk management. In terms of physical risks, our analysis indicates that our assets are resilient across multiple time periods and scenarios. For more information see: Climate opportunities and risks
 14. Life below water: Conserve and sustainably use the oceans, seas, and marine resources for sustainable development	14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans	We strive to protect marine ecosystems around our hydroelectric facilities through comprehensive water management plans focused on avoiding, mitigating, and managing impacts on aquatic environments. For more information see: Focusing on biodiversity , and Managing water

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SDG	Target	Alignment with our program
 15. Life on land: Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss	15.1 By 2020, ensure the conservation, restoration, and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains, and drylands, in line with obligations under international agreements 15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity, and by 2020, protect and prevent the extinction of threatened species	We strive to protect biodiversity by assessing the biodiversity impacts of our operations and take steps to avoid, mitigate, and manage these impacts, with an aim to enhance biodiversity ecosystems, including through effectively managing our land use and activities. This year we have progressed on reporting biodiversity-related data across our portfolio. We have expanded our data collection on the International Union for Conservation of Nature (IUCN) species to include all of our operating assets, and are consolidating our data on biodiversity management. We have assessed our entire financially consolidated portfolio as of Q2 2023 to screen our footprint within or near to sensitive areas, as well as expanding our reporting on sites with environmental impact assessments. For more information see: Focusing on biodiversity
 16. Peace, Justice and Strong Institutions Access to justice for all, and building effective, accountable institutions at all levels	16.6 Develop effective, accountable, and transparent institutions at all levels	We are committing to provide quarterly updates to the Board of Directors on our sustainability approach, performance, and key topics such as physical and transition opportunities and risks, net zero, and emerging standards and regulations. For more information see: Responsible corporate governance

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Cautionary statement regarding forward-looking statements

The information contained herein covers the time period beginning on January 1, 2023, and ending on December 31, 2023, 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 Renewable is not licensed to conduct business and/or an offer, solicitation, purchase, or sale would be unavailable or unlawful.

This report contains forward-looking statements and information, within the meaning of applicable securities laws. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance, or other statements that are not statements of fact. Forward-looking statements in this report include, but are not limited to, statements regarding the quality of Brookfield Renewable's assets and their resiliency to climate-related risks, our future growth prospects, and distribution profile, our ability to achieve targets, including but not limited to, emissions reduction targets, and our access to capital. In some cases, forward-looking statements can be identified by the use of words such as "plans", "expects", "scheduled", "estimates", "intends", "anticipates", "potentially", "tends", "continue", "attempts", "likely", "primarily",

"approximately", "endeavors", "pursues", "strives", "seeks", "targets", "believes", "undertakes", or variations of such words and phrases, or statements that certain actions, events, or results "may", "could", "would", "should", "might", "shall", or "will" be taken, occur, or be achieved. These forward-looking statements and information are not historical facts but reflect our current expectations regarding future results or events and are based on information currently available to us, and on assumptions we believe are reasonable.

Although we believe that our anticipated future results, performance, or achievements expressed or implied by the forward-looking statements and information in this report are based upon reasonable assumptions and expectations in light of information available at the time such is or was made, we cannot assure you that such expectations will prove to have been correct. You should not place undue reliance on forward-looking statements and information because they involve assumptions, known and unknown risks, uncertainties, and other factors, including our ability to identify, measure, monitor and control risks across our entire business operations, including our operating businesses, which may cause our actual results, performance, or achievements to differ materially from anticipated future results, performance, or achievement expressed or implied by such forward-looking statements and information.

These beliefs, assumptions, and expectations can change as a result of many possible events or factors, not all of which are known to us or are within our control.

We undertake 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 Renewable, 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 third parties. We do not accept any responsibility for the content of such information and do not guarantee the accuracy, adequacy, or completeness of such information. Impacts of initiatives may be 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 our 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 nor otherwise revised to reflect information that subsequently becomes available or circumstances existing or changes occurring after the date hereof. All data is as of December 31, 2023, unless noted otherwise.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements and other information included herein are those described in our most recent Annual Report on Form 20-F. We caution that such list of important factors that may affect future results is not exhaustive. For further information on the known and unknown risks with respect to our business, please see "Risk Factors" included in our most recent Annual Report on Form 20-F and other risks and factors that are described therein.

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