

**Brookfield**

# Brookfield --- Renewable

**GREEN FINANCING FRAMEWORK**

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**OVERVIEW**

Brookfield Renewable Partners L.P. (together with its subsidiaries and controlled affiliates, “Brookfield Renewable” or the “Company”) is one of the largest renewable companies in the world, with over \$78 billion in assets under management. The Company owns and operates one of the world’s largest renewable power portfolios with approximately 31,000 MW of installed capacity across 6,861 generating facilities in North America, Latin America, Europe and Asia Pacific. In addition to its global diversified portfolio of operating renewable power assets, Brookfield Renewable continues to accelerate its development activities as it builds out its approximately 143 GW renewable power pipeline, and further enhance its decarbonization offering to its customers.

Brookfield Renewable is a leading owner, operator and developer of decarbonization assets worldwide and is positioned well to capture the accelerating growth trends in its sector. The Company recognizes the growth in clean energy and decarbonization technologies will be the critical factor in the worldwide transition to a net-zero economy. The Company is committed to adding clean energy capacity through the development of additional renewable assets and increasing sustainable solutions, as well as decarbonizing its own portfolio.

The Company’s commitment and approach is consistent with its ESG Principles, which include ensuring the well-being and safety of employees, mitigating the impact of the operations on the environment, upholding strong governance practices and being good corporate citizens in the communities in which the Company operates.

As a business focused on accelerating the global net-zero transition, Brookfield Renewable seeks to mobilize capital towards green and/or transition investments through sustainable financing, both at the corporate level and at the project level across its assets around the world. This is in line with its ESG strategy and with the increasing stakeholder demand for sustainable finance. Hence, Brookfield Renewable’s green financing will be used to finance and/or refinance investments made in renewable power generation and decarbonization assets or businesses, and to support the development of clean energy and decarbonization technologies.

This Green Financing Framework (the “Framework”) sets out the guidelines for Brookfield Renewable’s Green Financing issuances in accordance with the Green Bond Principles (2021)<sup>1</sup> and Green Loan Principles (2023)<sup>2</sup>. A “Green Financing” includes, inter alia, debentures, bonds (including hybrid), loans (corporate and project-level) and other financing/refinancing instruments and/or contingent facilities (such as bonding lines, guarantee lines or Letters of Credit)<sup>3</sup>.

This Framework describes:

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

## 1. USE OF PROCEEDS

The net proceeds obtained from Brookfield Renewable’s green financing will be used to finance or refinance investments, including assets, business and/or projects, that meet the Eligibility Criteria outlined in the table below (“Eligible Investments”). The United Nations has established 17 Sustainable Development Goals (SDGs), which serve as the blueprint to achieve a better and more sustainable future for all. Of the 17 SDGs, we have identified three that closely align with our strategy and where we have the opportunity to create impact through our green financing program.

The look-back period for Eligible Investments will be up to 36 months prior to the date of issuance.

ELIGIBLE CATEGORIES	ELIGIBILITY CRITERIA
<p><b>Renewable Energy</b></p>  	<p>Investments that help supply energy from renewable and low carbon sources including the design, development, acquisition, construction, operation, transmission, distribution, maintenance, repowering, refurbishment, and modernization of:</p> <ul style="list-style-type: none"> <li>▪ <b>Hydropower (Hydroelectricity)</b> <ul style="list-style-type: none"> <li>– Run-of-river hydroelectricity facilities</li> <li>– Other hydroelectricity facilities<sup>4</sup></li> </ul> </li> <li>▪ <b>Solar Energy</b> <ul style="list-style-type: none"> <li>– Electricity generated from utility solar facilities</li> <li>– Distributed generation from solar for commercial and residential real estate use</li> </ul> </li> <li>▪ <b>Onshore and Offshore Wind Energy</b> <ul style="list-style-type: none"> <li>– Electricity generated from wind power</li> </ul> </li> <li>▪ <b>Bioenergy (Biomass) Energy<sup>5,6</sup></b> <ul style="list-style-type: none"> <li>– Electricity generated exclusively from biomass, biogas or bioliquids (including from agricultural activities, forest biomass)</li> </ul> </li> <li>▪ <b>Non-fossil Gaseous and Liquid Fuels<sup>6</sup></b> <ul style="list-style-type: none"> <li>– Manufacturing of biofuels and renewable natural gas</li> </ul> </li> <li>▪ <b>Ocean Energy Technologies</b> <ul style="list-style-type: none"> <li>– Electricity generated from ocean energy (e.g., tidal power)</li> </ul> </li> <li>▪ <b>Green Hydrogen<sup>6</sup></b> <ul style="list-style-type: none"> <li>– Production of green hydrogen</li> </ul> </li> <li>▪ <b>Geothermal Energy<sup>6</sup></b> <ul style="list-style-type: none"> <li>– Electricity generated from geo-thermal</li> </ul> </li> <li>▪ <b>Nuclear Energy</b> <ul style="list-style-type: none"> <li>– Nuclear power facilities</li> <li>– Electricity generated from nuclear power</li> <li>– Research and development of advance technologies for nuclear power generation and/or the secure management/storage of radioactive waste</li> </ul> </li> </ul>

ELIGIBLE CATEGORIES	ELIGIBILITY CRITERIA
<p><b>Energy Efficiency</b></p> 	<p>Investments that help reduce energy consumption or help manage and store energy including:</p> <ul style="list-style-type: none"> <li>▪ <b>Industrial Efficiency</b> <ul style="list-style-type: none"> <li>– Manufacture and installation of energy efficient equipment and technologies (e.g., air conditioning/colling HVAC systems, non-fossil fuel powered heating, smart meters, smart grids, and peak demand management technology etc.)</li> </ul> </li> <li>▪ <b>Energy Storage</b> <ul style="list-style-type: none"> <li>– Construction and operation of large-scale electricity storage (e.g., batteries, pumped hydro storage) that store electricity and return it at a later time in the form of electricity</li> </ul> </li> <li>▪ <b>Building Energy Efficiencies</b> <ul style="list-style-type: none"> <li>– Efficient water usage, waste management, and energy consumption</li> <li>– Energy efficiency and low carbon processes using renewable energy</li> <li>– Retrofitting existing buildings to improve efficiency</li> </ul> </li> </ul>
<p><b>Circular Economy Adapted Products, Production Technologies and Process</b></p> 	<p>Investments that help reduce, recycle and prevent waste including the development, construction, operations and/ or manufacturing of products and production technologies from::</p> <ul style="list-style-type: none"> <li>▪ <b>Collection and treatment facilities</b> <ul style="list-style-type: none"> <li>– Domestic and commercial sewage and waste collection, treatment and /or recycling facilities</li> </ul> </li> </ul>

ELIGIBLE CATEGORIES	ELIGIBILITY CRITERIA
<p><b>Pollution Prevention and Control</b></p>  	<p>Investments that prevent or control and prevent pollution, including:</p> <ul style="list-style-type: none"> <li>▪ <b>Emission capture</b> <ul style="list-style-type: none"> <li>– Developing, expanding, or acquiring direct-air carbon or methane capture and storage projects</li> </ul> </li> <li>▪ <b>Emission and pollution reduction</b> <ul style="list-style-type: none"> <li>– Reduction of air emissions and greenhouse gas control,</li> <li>– Soil remediation, waste prevention, waste reduction</li> </ul> </li> </ul>
<p><b>Clean Transportation</b></p>  	<p>Investments that facilitate clean private and public transportation:</p> <ul style="list-style-type: none"> <li>▪ <b>Charging stations</b> <ul style="list-style-type: none"> <li>– Electric or hydrogen vehicles and charging stations</li> <li>– Electrified rails, trams and buses and charging stations</li> </ul> </li> </ul>

## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Brookfield Renewable's Capital Markets and Treasury ("CMT") team will be responsible for determining if an investment is an Eligible Investment. The CMT team will verify the suitability and eligibility of such investments in collaboration with internal experts and stakeholders, including Brookfield Renewable's ESG team.

The CMT team will be responsible for:

- Review and approval of the pool of Eligible Investments and any additions to the pool to ensure they meet the Eligibility Criteria as outlined in the Framework
- Verify that Eligible Investments allocation have not duplicated from Brookfield Renewable and/or its affiliate's green financing program
- Review and approval of the Framework and any changes to the Framework
- Review and approval of the Green Financing Report for Investors
- Review any second-party opinion that relates to the Framework (see section 4.3.1 below)
- Coordinate third-party assurance (see section 4.3.2 below)
- Monitor any ongoing evolution related to green financing market practices

The eligibility of investments will also consider factors such as financial, technical/operating, market, legal and environmental, social and governance ("ESG") risks. In addition, Brookfield Renewable's Code of Business Conduct and Ethics, Health, Safety, Security and Environmental Policy and ESG Policy set forth principles to guide behavior and standards that will inform the evaluation.

## 3. MANAGEMENT OF PROCEEDS

The green financing proceeds will be deposited to Brookfield Renewable's general account and an amount equal to the net proceeds will be earmarked for allocation to Eligible Investments. The Company will establish a Green Financing Register to record on an ongoing basis the allocation of the net proceeds to Eligible Investments. The register will be reviewed annually by the CMT Team. Unallocated proceeds will be tracked and held in cash or cash equivalents in accordance with Brookfield Renewable's policies and investment mandates.

## 4. REPORTING

### 4.1 Allocation Reporting

Brookfield Renewable will provide an annual update to investors in a dedicated annual Green Financing Report available on the Company's website. The report will include the following information:

- The net proceeds from the green financing issuances
- Aggregate amounts of proceeds allocated to each Eligible Investment
- The balance of unallocated proceeds at the time of reporting

## 4.2 Impact Reporting

Where feasible, the annual Green Financing Report will include qualitative and quantitative impact indicators. Examples of impact indicators that may be included are:

ELIGIBLE CATEGORIES	EXAMPLE IMPACT REPORTING METRICS OPTIONS
<b>Renewable Energy</b>	<ul style="list-style-type: none"> <li>• Installed capacity (MW)</li> <li>• Long term annual renewable energy generation (MWh/GWh or GJ/TJ)</li> <li>• Annual GHG emissions reduced or avoided (mt-CO<sub>2</sub>e)</li> </ul>
<b>Energy Efficiency</b>	<ul style="list-style-type: none"> <li>• Annual energy saving (MWh/GWh or GJ/TJ)</li> <li>• Annual GHG emissions reduced or avoided (mt-CO<sub>2</sub>e)</li> </ul>
<b>Circular Economy Adapted Products, Production Technologies, and Process</b>	<ul style="list-style-type: none"> <li>• % increase in materials and products that are reusable, recyclable, or compostable</li> <li>• % of single use products replaced for reuses</li> <li>• % or absolute tons per annum of parts derived from redundant material</li> <li>• Annual absolute amount of waste or secondary materials recovered in tons per annum</li> </ul>
<b>Pollution Prevention and Control</b>	<ul style="list-style-type: none"> <li>• Annual GHG emissions reduced (mt-CO<sub>2</sub>e)</li> <li>• CO<sub>2</sub> captured (mt-CO<sub>2</sub>e)</li> <li>• Reduction of air pollutants</li> </ul>
<b>Clean Transportation</b>	<ul style="list-style-type: none"> <li>• Reduction of air pollutants</li> </ul>

## 4.3 External Review

### 4.3.1 Second-Party Opinion

Brookfield Renewable has obtained a Second-Party Opinion on the Framework to confirm alignment with the Green Bond Principles (2021) and Green Loan Principles (2023). The Second-Party Opinion is available on Brookfield Renewable's website. Brookfield Renewable will review the Framework on a regular basis to align with updated versions of the Green Bond Principles and Green Loan Principles. Such review may result in an update or amendment of the Framework. Brookfield Renewable will obtain an updated Second-Party Opinion if the Framework is substantially amended.

### 4.3.2 Third-Party Assurance

On an annual basis, Brookfield Renewable intends to appoint a qualified independent third-party to provide assurance over the allocation of the net green financing proceeds to Eligible Investments in accordance with the Eligibility Criteria outlined in the Use of Proceeds section of the Framework. The assurance statement will be published alongside Brookfield Renewable's annual Green Financing Report.

## ENDNOTES

1. 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. According to ICMA’s website, the GBP are “voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond”.
2. 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/>.
3. The scope of this updated Framework does not include preferred securities, as such instruments are not defined within the GBP or GLP. However, it is our intention to continue to issue green preferred securities in accordance with the Framework and would have the same objective of mobilizing capital towards Eligible Investments and will follow the same four core components of the GBP.
4. Other hydroelectricity facilities, refers to investments in “hydroelectricity facilities that are > 25 MW. In these cases, Brookfield will assess the size, location, carbon intensity scoring, and risk (including environmental and social risks) associated with the investments. The Company will screen out investments that have life cycle GHG emissions of  $\geq 100\text{gCO}_2\text{e/kWh}$  and/or reservoir power density of  $< 5\text{W/m}^2$ . The Company’s assessment will be subject to a separate project level green evaluation by a reputable third party.
5. Biomass generation feedstock will be limited to sources that do not deplete existing terrestrial carbon pools, such as agricultural or forestry residue.
6. Investments in these technologies/ processes will seek to consider specifications in alignment with activity level technical screening criteria for climate mitigation as recommended within the EU Taxonomy.