



**BROOKFIELD RENEWABLE PARTNERS L.P.**

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POLICY**

**August 2021**

## 1. Introduction

At Brookfield Renewable, we have over 120 years of experience in power generation. With this depth of experience comes the understanding that maintaining a social license to operate is central to preserving capital, mitigating risk, and creating long-term value. Fundamentally, strong ESG practices drive further economic value to our business and inherently create higher barriers to entry. Most importantly, operating a business with strong ESG principles is simply the right thing to do. As such, we integrate relevant ESG considerations into our investing and operating strategies. We believe this philosophy creates an inherent alignment of interest between us and our partners, investors and stakeholders.

This Environment, Social and Governance (ESG) Policy defines the purpose, scope, principles and responsibilities that underpin our ESG strategy.

## 2. Purpose

The purpose of this Policy is to describe the ESG principles that Brookfield Renewable applies to the management of our assets and operations and how ESG considerations are integrated into the investment lifecycle to mitigate risk and create value.

## 3. Scope and Application

This ESG Policy (the “Policy”) applies to Brookfield Renewable Partners L.P., the board of directors of its general partner, and all of its controlled subsidiaries, as well as all of their respective directors, officers, employees and temporary workers<sup>1</sup> (collectively, “Brookfield Renewable”, “we”, “us”, or “our”). This Policy is applicable to Brookfield Renewable’s operations worldwide, unless a controlled subsidiary has adopted its own ESG policy that is consistent with the provisions of this Policy.<sup>2</sup> Where Brookfield Renewable is an investor in an entity that it does not manage or control, we will make commercially reasonable efforts to ensure that the assets and operations of that entity will be managed in a manner consistent with our ESG principles and this Policy.

This Policy has been reviewed and approved by the board of directors of the general partner of Brookfield Renewable Partners L.P.

If you have any questions regarding this Policy, please contact our Chief Risk Officer and Chief Operating Officer.

## 4. Principles

Our approach to ESG is based on the following guiding principles:

- **Mitigate the impact of our operations on the environment:**
  - Strive to minimize the environmental impact of our operations and improve our efficient use of resources over time.
  - Support the goal of net zero greenhouse gas (GHG) emissions by 2050 or sooner.

<sup>1</sup> For purposes of this Policy, “temporary workers” include non-full-time employees and consultants, contractors etc. that work on our premises.

<sup>2</sup> Where a controlled subsidiary has adopted its own ESG policy that is consistent with the provisions of this Policy, the controlled subsidiary’s directors, officers, employees and temporary workers should follow such policy and, in the case of a conflict, the terms of that policy control. Where a controlled subsidiary has not adopted its own ESG policy that is consistent with the provisions of this Policy, the controlled subsidiary must review this Policy in the context of its business to ensure that this Policy addresses all legal and regulatory requirements and risk applicable to its business.

- **Ensure the well-being and safety of employees:**
  - Foster a positive work environment based on respect for human rights, valuing diversity, and zero tolerance for workplace discrimination, violence or harassment.
  - Operate with leading health and safety practices to support the goal of zero high risk incidents.
- **Uphold strong governance practices:**
  - Operate to the highest ethical standards by conducting business activities in accordance with our Code of Business Conduct and Ethics.
  - Maintain strong stakeholder relationships through transparency and active engagement.
- **Be good corporate citizens:**
  - Ensure the interests, safety and well-being of the communities in which we operate are integrated into our business decisions.
  - Support philanthropy and volunteerism by our employees.

## 5. ESG Due Diligence

Brookfield Renewable considers ESG factors throughout the investment lifecycle, starting with due diligence of a potential investment through to disposition. During the investment due diligence phase, we utilize our operating expertise and our ESG Due Diligence Guidelines to identify material ESG risks and opportunities relevant to a particular investment. Our ESG Due Diligence Guidelines sets forth the steps and procedures to be completed prior to any acquisition or disposition by Brookfield Renewable, which may vary depending on the nature of the transaction. In the case of an acquisition, following closing, we complete an ESG gap assessment and put in place a plan to implement any enhancements to the acquired business that are necessary or appropriate to comply with this Policy, our ESG principles, and the mandate of Brookfield-managed private funds through which we invest.

## 6. ESG Program

The management teams of our operating businesses have primary responsibility for the management of ESG factors within their operations. Each of our operating businesses maintain and follow an ESG program to manage its business activities in accordance with this Policy, including our ESG principles. The ESG program for each of our operating businesses is tailored to its business and includes the following components:

- A strategy and objectives for the application of our ESG principles;
- A plan that defines the activities, resources, and timetables to achieve the strategy and objectives and key performance indicators;
- Regular review of environmental, social and governance practices of the operating business to support management decisions in respect of the strategy and objectives;
- Regular materiality assessment to obtain input from key stakeholders;
- Regular review of applicable local laws and regulations to ensure ongoing compliance;
- Systematic review and assessment of the ESG program to measure the progress made to achieve the objectives set out in the ESG program, based on key performance indicators, to consider the effectiveness of the ESG program; and

- A process to maintain appropriate documents and records evidencing the implementation of the ESG program and the application of our ESG principles.

Each operating business will maintain an ESG committee, consisting of key members of management of the operating business, to provide oversight and guidance in respect of its ESG program. Management of each operating business will be responsible for reporting to senior management of Brookfield Renewable in respect of ESG considerations relating to its operations as well as the objectives and effectiveness of its ESG program. In addition, each operating business will provide on-going training to employees in respect of the implementation of its ESG program.

## **7. Supply Chain and Procurement**

Each of our operating businesses will apply our ESG principles when engaging third-parties, including suppliers and contractors, in connection with its operations. In connection with any such engagement, we:

- Conduct due diligence in accordance with the Supply Chain Due Diligence Guidelines;
- Conduct anti-bribery and anti-corruption due diligence in accordance with our Anti-Bribery and Anti-Corruption Policy and Anti-Bribery and Anti-Corruption Third Party Due Diligence Guidelines;
- Incorporate appropriate ESG-related provisions in contracts with third-parties; and
- Require third-parties to comply with our Code of Business Conduct and Ethics or Vendor Code of Conduct, as applicable.

## **8. Related Brookfield Renewable Policies, Standards and Guidelines**

This Policy is supplemented by and should be read in conjunction with the other policies, standards and guidelines that apply to our business, including:

- ESG Due Diligence Guidelines
- Health, Safety, Security and Environmental Policy
- Asset Management Policy
- Supply Chain Due Diligence Guidelines
- Anti-Bribery and Anti-Corruption Policy
- Anti-Bribery and Corruption Third Party Due Diligence Guidelines
- Code of Business Conduct and Ethics
- Vendor Code of Conduct
- Responsible Contractor Policy