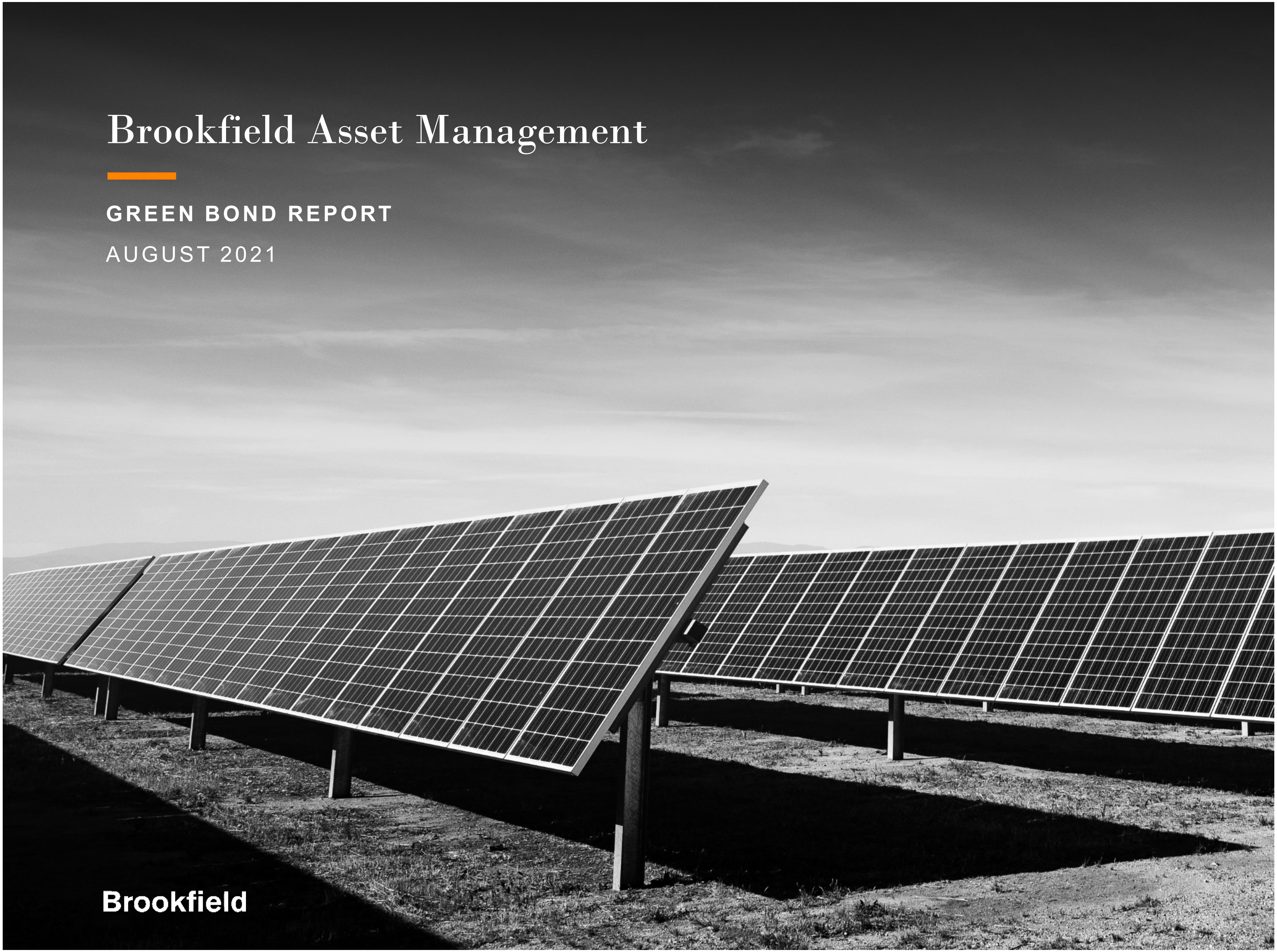
Brookfield Asset Management

GREEN BOND REPORT

AUGUST 2021



Brookfield

Introduction

In October 2020, Brookfield Asset Management Inc. (BAM) issued its inaugural US$400 million 4.625% subordinated green notes. Since our inaugural offering, we have completed three additional green bond offerings.

At the time of the offerings, we committed to providing annual updates to investors on our website with information on our green bond program, including amounts allocated to “Eligible Green Projects” and the balance of unallocated proceeds.

This Green Bond Report provides information on the allocation of green bond proceeds by eligible category and a list of all of the investments that have been financed with such proceeds.

The reporting of allocations of green bond proceeds in this report is consistent with our commitment to track and report funding of environmental projects and is in alignment with the frameworks and best practices set out in the Green Bond Principles 2021.

We are pleased to report that we have fully allocated the proceeds of our October 2020, November 2020 and April 2021 green bond offerings to green projects that met our predefined and previously disclosed eligibility criteria.

We hope this report will aid investors in evaluating the environmental impact of their green bond investments in Brookfield.

Our ESG Principles

We manage our investments with integrity, balancing economic goals with responsible citizenship. 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.

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 serious safety 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.

Integrating ESG into the Investment Process

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We seek to integrate ESG into all aspects of investment decision-making and ongoing portfolio management

Due Diligence

- Utilize our internal ESG Guideline, which incorporates the SASB Engagement Guide, to define project scope and conduct initial screen of ESG issues
- Ensure compliance with applicable ESG standards via desktop review of public information, followed by select site visits
- Determine where to engage third parties with technical and geographical expertise
- Identify ESG value-creation opportunities

Investment Committee Approval

- Each investment must be approved by the applicable Investment Committee, which makes its decision based on a set of predetermined criteria
- Investment teams prepare a detailed memorandum, outlining the merits, risks and mitigants of the investment
- The Investment Committee makes investment decision, factoring in the identified ESG factors, such as bribery and corruption risks, health and safety risks and other ESG considerations

Ongoing Management

- Investment teams create tailored integration plans that actively look to advance ESG initiatives and improve ESG performance to drive long-term value creation and to manage any ESG risks
- It is the responsibility of the management teams within each portfolio company to manage ESG risks and opportunities through the investment's life cycle, supported by the investment team responsible for the investment

Exit

- When preparing an investment for exit, the investment teams prepare robust business plans as part of the divestiture plan
- Business plans entail both qualitative and quantitative data that summarize the ESG performance of the asset
- Highlights how ESG performance has been managed during the hold period

Report of Deloitte LLP

Independent Practitioner's Reasonable Assurance Report

To the Board of Directors of Brookfield Asset Management Inc.

We have undertaken a reasonable assurance engagement of the accompanying assertion made by Brookfield Asset Management Inc. (the "Company") included on pages 7, 8, 9 and 11 of the August 2021 Green Bond Report that the net proceeds from the issuances of the 4.625% Subordinated Notes, due October 16, 2080, on October 16, 2020 (the "Subordinated Notes"); the 4.50% Perpetual Subordinated Notes, on November 24, 2020 (the "Perpetual Subordinated Notes"); and, the 2.724% Notes, due April 15, 2031, on April 12, 2021 (the "Notes" and collectively with the Subordinated Notes and the Perpetual Subordinated Notes, the "Prospectuses") were allocated by the Company during the periods October 16, 2017 to October 16, 2020 for the Subordinated Notes; November 24, 2017 to November 24, 2020 for the Perpetual Subordinated Notes; and April 12, 2018 to April 12, 2021 for the Notes, for the financing and/or refinancing of Eligible Green Projects, including the development and redevelopment of such projects (the "Subject Matter Information").

Management's Responsibility

Management is responsible for the preparation of the Subject Matter Information in accordance with the Eligible Green Projects criteria as defined in management's assertion on pages 7 and 8 of the August 2021 Green Bond Report ("the applicable criteria"). Management is also responsible for such internal control as management determines necessary to enable the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on the Subject Matter Information based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements 3000, Attestation Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the Subject Matter Information is fairly stated, in all material respects.

Reasonable assurance is a high level of assurance, but is not a guarantee that an engagement conducted in accordance with this standard will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. The nature, timing and extent of procedures selected depends on our professional judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error, and involves obtaining evidence about the preparation of the Subject Matter Information in accordance with the applicable criteria.

We believe the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Our Independence and Quality Control

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion, management's assertion that the net proceeds from the issuance of the Prospectuses were allocated by the Company during the periods from October 16, 2017 to October 16, 2020 for the Subordinated Notes; November 24, 2017 to November 24, 2020 for the Perpetual Subordinates Notes; and April 12, 2018 to April 12, 2021 for the Notes, in accordance with the applicable criteria is fairly stated, in all material respects.

Specific Purpose of Applicable Criteria

The Subject Matter Information has been prepared in accordance with the applicable criteria to report on the Company's Green Bond Report during the periods from October 16, 2017 to October 16, 2020 for the Subordinated Notes; November 24, 2017 to November 24, 2020 for the Perpetual Subordinates Notes; and April 12, 2018 to April 12, 2021 for the Notes, and therefore, may not be suitable for another purpose.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
August 18, 2021

Management Assertion

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BAM allocated an amount equal to the net proceeds from the offerings to the financing and refinancing of recently completed Eligible Green Projects (as defined below), including the development and redevelopment of such projects.

"Eligible Green Projects" are defined as:

Green Buildings	i. New Class A development properties that have received or are expected to receive LEED Gold or higher, NABERS, BREEAM, IREM or equivalent certification; ii. Existing Class A redevelopment properties that have received or are expected to receive LEED Gold, NABERS, BREEAM or equivalent certification; iii. Tenant improvements that have received or are expected to receive LEED Gold, NABERS, BREEAM or equivalent certification; and iv. Other projects that materially improve the health and safety of occupants or the energy efficiency of, or make other environmentally beneficial improvements to, a development, redevelopment or existing property, such as smart meters in residential buildings.
Renewable Energy	i. Construction of new solar energy facilities, maintenance, refurbishment or repowering of existing solar energy facilities and acquisition of solar energy facilities or businesses; ii. Construction of new wind energy facilities, maintenance, refurbishment or repowering of existing wind energy facilities and acquisition of wind energy facilities or businesses; iii. Construction of new run-of-river and other hydroelectricity facilities, refurbishment, modernization, and/or maintenance of existing hydroelectricity facilities with the purpose of increasing generation efficiency, operational lifespan and/or renewable energy output while maintaining or improving the level of operational safety, and acquisition of hydroelectricity facilities or businesses, including pumped storage assets; iv. Construction of new biomass facilities, maintenance, refurbishment or repowering of existing biomass facilities and acquisition of biomass facilities or businesses; v. The purchase of renewable energy pursuant to power purchase agreements or virtual power purchase agreements; vi. Expenditures and/or investments related to the transmission or distribution of renewable energy sources; and vii. Projects that increase the consumption of (or transition to) renewable energy sources.

Management Assertion

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Energy Efficiency	i. Climate-change and eco-efficient products, production technologies and processes and energy storage technologies or assets, such as battery storage assets to solve intermittency, residential battery solutions, waste to energy generation; ii. Expenditures related to the development or provision of intelligent energy systems or other energy efficiency improvements, such as technology or “smart” systems that are proven to contribute to reduced energy consumption or mitigate greenhouse gas (“GHG”) emissions; and iii. Expenditures related to data infrastructure initiatives, including network or data transmission and storage infrastructure, that are proven to contribute to reduced energy consumption and/or increased energy efficiency.
Sustainable Water and Waste Management	i. Investments related to the development of sustainable infrastructure for the production, treatment or distribution of clean and/or drinking water or the collection and treatment of sewage.
Pollution Prevention, Energy Efficiency, and Climate Change Adaption	i. Investment in, acquisition of or partnership with heavy emissions companies to facilitate transition towards “net zero” through, among other things, upgrading infrastructure and/or technology, or improving operations, to reduce energy consumption and GHG emissions; and ii. Investments related to the development of waste-to-energy generation assets.
Clean Transportation	i. Investments related to the reduction in locomotive emissions; and ii. Expenditures related to the design, build, recover and reuse of advanced battery technologies for vehicles.
Eco-efficient and/or Circular-economy Adapted Products	i. Investments in resource-efficient packaging and distribution.

Eligible Green Projects include projects with disbursements made in the three years preceding the initial issuance of each of the bonds or subordinated notes.

Green Bond & Subordinated Notes Issuances

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Issuance	Issuer	Issuance Date	Net Proceeds (US$ millions)
4.625% Subordinated Notes due October 16, 2080	Brookfield Finance Inc.	October 16, 2020	$390
4.50% Perpetual Subordinated Notes	Brookfield Finance I (UK) plc	November 24, 2020	223
2.724% Notes due April 15, 2031	Brookfield Finance Inc.	April 12, 2021	497
Total Available Green Bond Proceeds			**$1.110 billion**

Notes:
Excludes net proceeds received from the US$600 million green note offering on July 21, 2021.

Existing Eligible Green Projects

Asset	Location	Description	Equity Value (US$ millions)
Real Estate			
200 Liberty	New York City	LEED Gold Certified	$117
225 Liberty	New York City	LEED Gold Certified	217
200 Vesey	New York City	LEED Gold Certified	130
250 Vesey	New York City	LEED Gold Certified	158
300 Vesey	New York City	LEED Gold Certified	40
The Grace Building	New York City	LEED Gold Certified	134
One New York Plaza	New York City	LEED Gold Certified	33
One Liberty Plaza	New York City	LEED Gold Certified	110
One Manhattan West	New York City	LEED Gold Certified	183
Forest City Portfolio	New York City	LEED Gold Certified	28
Other Projects			
CEE Group	Germany	Solar and wind asset manager	20
Renewable Energy Purchases	North America	Purchase and sale of hydroelectric power in North America	394
Existing Eligible Green Projects			**$ 1.564 billion**

Notes:
Value of assets are shown net of project-level debt and on a net-to-BAM basis. It represents the value of BAM's direct equity investment at the time the asset was acquired.

Allocation of Available Green Bond Proceeds

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Brookfield has fully allocated its available green bond proceeds to finance its existing eligible green projects

Asset	Location	Description	(US$ millions)
Total Available Green Bond Proceeds[1]			$1,110
Allocated to:[2]			
200 Liberty	New York City	LEED Gold Certified	117
225 Liberty	New York City	LEED Gold Certified	217
200 Vesey	New York City	LEED Gold Certified	130
250 Vesey	New York City	LEED Gold Certified	158
300 Vesey	New York City	LEED Gold Certified	40
The Grace Building	New York City	LEED Gold Certified	134
One New York Plaza	New York City	LEED Gold Certified	33
One Liberty Plaza	New York City	LEED Gold Certified	110
One Manhattan West[3]	New York City	LEED Gold Certified	171
Total Allocated Proceeds			**$1.110 billion**
Unallocated Green Bond Proceeds			**$nil**

Notes:
1. Excludes net proceeds received from the US$600 million green note offering on July 21, 2021.
2. Value of assets are shown net of project-level debt and on a net-to-BAM basis. It represents the value of BAM's direct equity investment at the time the asset was acquired.
3. $171 million represents the partial value of One Manhattan West that received an allocation from the total available proceeds. One Manhattan West has an eligible net value of $183 million.

The impact metrics below illustrate the performance of the nine properties that received an allocation of our green financing proceeds, as outlined on page 11:

Environmental Impact Metrics[1]	Estimated Annual Savings: Total	Estimated Annual Savings: Green Bond Share
Carbon emissions reduction ($mtCO_2e$)	29,478	8,089
Energy savings (MWh)	42,287	11,604
Water savings (m^3)	28,262	7,755

The green bond share of the estimated annual savings represents:

- Avoidance of carbon pollution equivalent to taking 1,759 cars off the road
- Energy sufficient to power 990 homes
- Avoidance of water needed to fill over three Olympic sized swimming pools

Notes:
1. Environmental impact metrics exclude the following newly-built or repurposed LEED Gold Certified buildings: 225 Liberty Street and One Manhattan West.

200 Liberty

LEED Gold Certified

3,572

CARBON EMISSION REDUCTION ($mtCO_2e$)

2,789

ENERGY SAVINGS (MWh)

462

WATER SAVINGS (m^3)

Estimated annual savings are presented on a total property basis. The green bond's share of the savings are 980 $mtCO_2e$ of carbon savings, 765 MWh of energy savings, and 127 m^3 of water savings.

200, 250 and 300 Vesey

LEED Gold Certified

10,019

CARBON EMISSION REDUCTION (mtCO_2e)

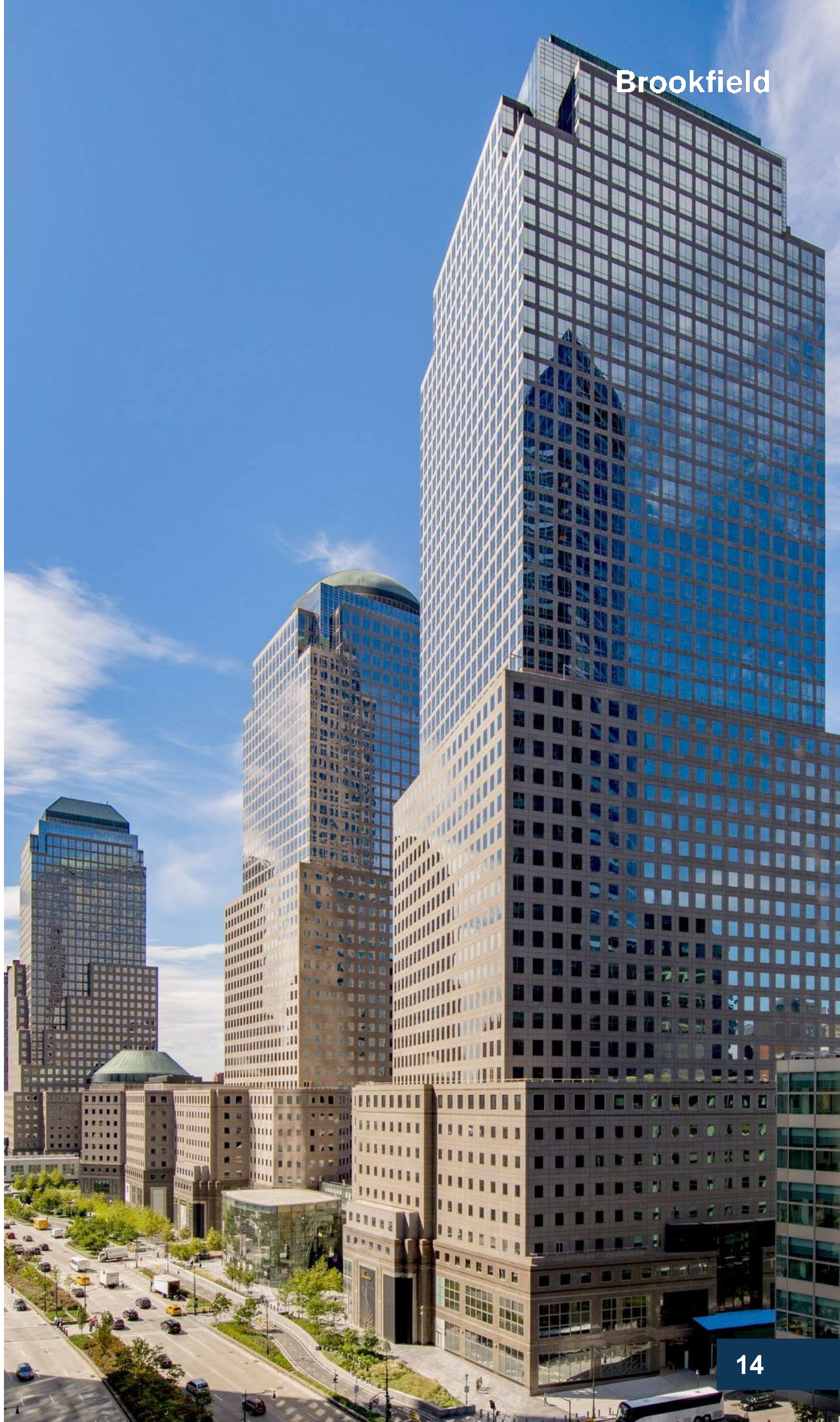
11,013

ENERGY SAVINGS (MWh)

10,389

WATER USAGE (m^3)

Estimated annual savings are presented on a total property basis. The green bond's share of the savings are 2,749 mtCO_2e of carbon savings, 3,022 MWh of energy savings, and 2,851 m^3 of additional water usage due to higher occupancy.



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The Grace Building

LEED Gold Certified

5,262

CARBON EMISSION REDUCTION ($mtCO_2e$)

12,438

ENERGY SAVINGS (MWh)

2,251

WATER USAGE (m^3)

Estimated annual savings are presented on a total property basis. The green bond's share of the savings are 1,444 $mtCO_2e$ of carbon savings, 3,413 MWh of energy savings, and 618 m^3 of additional water usage due to higher occupancy.

One Liberty

LEED Gold Certified

8,469

CARBON EMISSION REDUCTION ($mtCO_2e$)

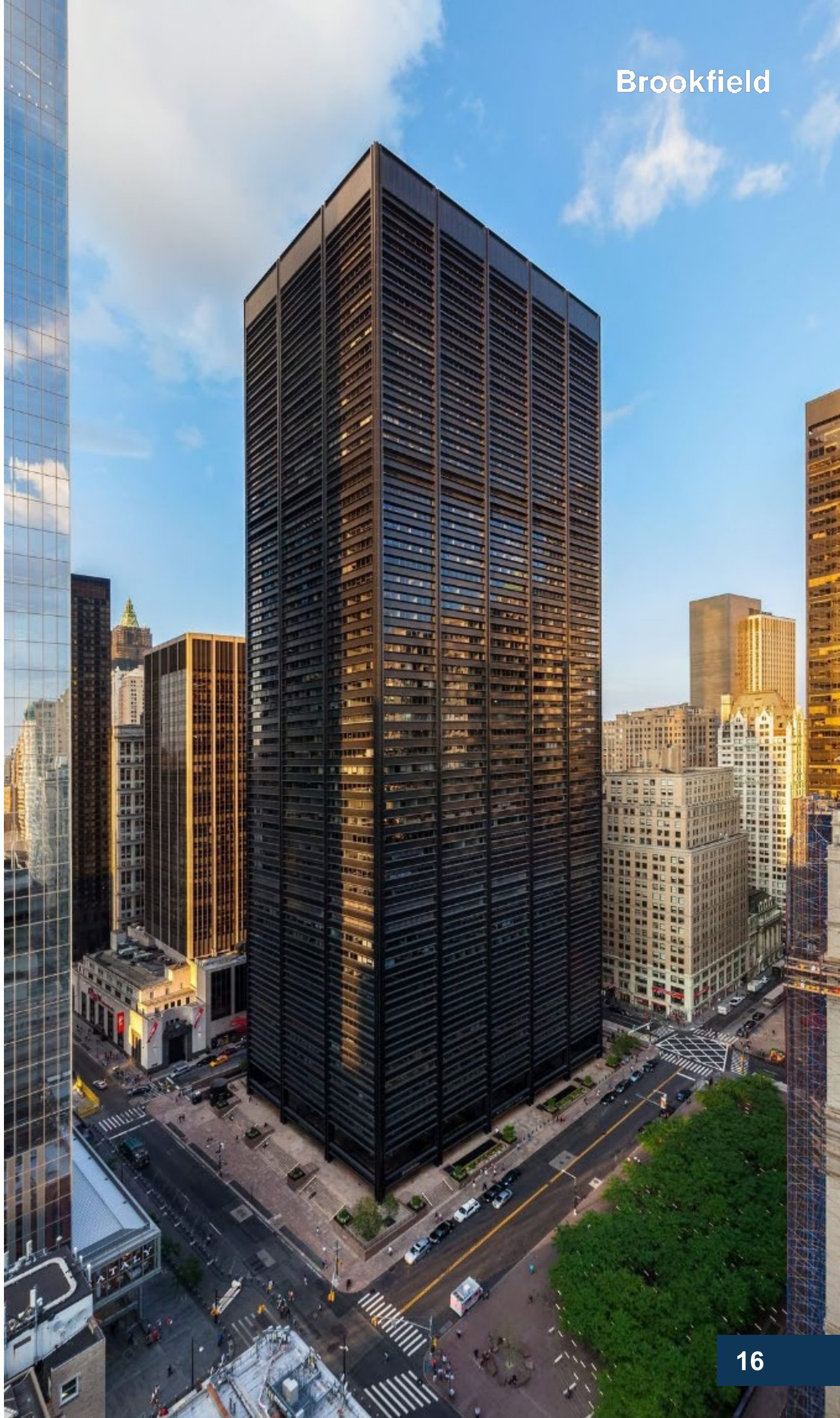
15,536

ENERGY SAVINGS (MWh)

13,751

WATER SAVINGS (m^3)

Estimated annual savings are presented on a total property basis. The green bond's share of the savings are 2,324 $mtCO_2e$ of carbon savings, 4,263 MWh of energy savings, and 3,774 m^3 of water savings



One New York Plaza

LEED Gold Certified

2,156

CARBON EMISSION REDUCTION ($mtCO_2e$)

511

ENERGY SAVINGS (MWh)

26,689

WATER SAVINGS (m^3)

Estimated annual savings are presented on a total property basis. The green bond's share of the savings are 592 $mtCO_2e$ of carbon savings, 141 MWh of energy savings, and 7,323 m^3 of water savings

Methodology and Glossary of Terms

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Methodology

- All impact metrics are calculated by comparing the carbon emission of the green building for the full year ended December 31, 2019, against the full year ended December 31, 2015.
- Green bond share represents the share of total annual savings, calculated as the green bond proceeds allocated to the eligible green project, divided by the total equity value of the project.

Glossary of Terms

- **$mtCO_2e$**: Metric tons of carbon dioxide equivalent
- **MWh**: Megawatt hour
- **m^3**: Cubic meter
- **Estimated annual savings** is calculated by comparing the environmental impact metrics for the full year ended December 31, 2019, against December 31, 2015. 2020 was not used for comparative purposes given a lower-than-average occupancy due to COVID-19 restrictions.
- **Green bond share** represents the share of "total annual savings" described above, calculated as the green bond proceeds allocated to the Eligible Green Project divided by the total cost of the project.

Disclaimer

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Brookfield Asset Management Inc. is not making any offer or invitation of any kind by communication of this Green Bond Report and under no circumstance is it to be construed as a prospectus or an advertisement.

This Green Bond Report may contain “forward-looking information” within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include, but are not limited to, statements which reflect management’s expectations regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of Brookfield Asset Management Inc. and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as “expects,” “anticipates,” “plans,” “believes,” “estimates,” “seeks,” “intends,” “targets,” “projects,” “forecasts” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may,” “will,” “should,” “would” and “could” which are predictions of or indicate future events, trends or prospects, and which do not relate to historical matters.

The reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of Brookfield Asset Management Inc. to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information.