

CORPORATE SOCIAL RESPONSIBILITY

At Brookfield, our goal is to generate superior returns over the long term. That approach to the long term shapes our commitment to corporate social responsibility in the same way that it dictates our focus on high-quality, long life assets. At Brookfield, we believe that sustainable development and the pursuit of shareholder value are complementary. We understand that our future success is tied to the quality of the environment and the well-being of the communities in which our clients, employees and shareholders live and work. Management and the Board of Directors consider our corporate social responsibilities to be a high priority and strive for excellence in environmental, safety and economic performance throughout our operations. Our social responsibility activities are broadly focused on four themes:

- Sustainable Growth
- Employee Health and Safety
- Community Engagement
- Corporate Governance

Sustainable Growth

We are committed to being responsible investors, across our portfolio. We have over \$175 billion of assets under management and more than a century of experience as business operators, and have developed expertise in areas such as energy and water conservation, reduction of greenhouse gas emissions, recycling, wildlife preservation, timber reforestation and erosion control. We pursue innovative programs and systems that foster environmental responsibility across all of our operations. Our leadership in sustainable business practices was recognized during the past year by a number of independent industry organizations.

As a leading global commercial property investor, we are committed to continuous improvement of our environmental performance. Our sustainability strategy is founded on three principles:

- Develop, operate and renovate properties to achieve maximum efficiency
- Adopt innovative environmental strategies to achieve best-in-industry performance
- Seek best-in-class environmental certification to foster a culture of sustainability

Sustainability is a priority for our tenants, and as landlords, our goal is to exceed their expectations. We know that shrinking the environmental footprint in our buildings, and cutting back on energy, water and waste will have a positive effect on the financial performance of our assets. Last year, our property operations received awards for sustainability initiatives, including the ‘Leader in the Light’ award from industry leader NAREIT for superior sustainability performance.

Within our \$85 billion, 245 million square foot global office and retail portfolio, we secured 16 new Leadership in Energy and Environmental (LEED) certifications in 2012 for our office properties in North America, and are now LEED certified in 37 properties or 58% of our portfolio, measured as a percentage of the sq/ft that we own and operate in North America. We have made a commitment to build all new ground-up developments to a minimum standard of LEED Gold. In addition, our properties have met or exceeded recognized environmental standards in South America, Australia and Europe.

Our \$19 billion power portfolio represents one of the world’s largest collections of renewable power facilities, with 176 hydro stations and seven wind farms on two continents. In an average year, our plants generate enough clean power to supply approximately 2 million homes. Our ability to produce energy during peak periods, and conserve water during off-peak hours, meets an important social need, as we deliver clean power when demand is at its highest.

In addition to producing carbon-free clean power, our renewable power operations meet or exceed sustainability standards set by leading industry groups, such as the Canadian Electricity Association and the U.S. Low Impact Hydropower Institute. In 2012, Corporate Knights magazine cited our renewable power group as one of Canada’s leading “Cleantech” companies.

Our \$27 billion infrastructure operations include 2.6 million acres of timberland, one of the largest private holdings of forest land in North and South America, along with 480,000 acres of farmland in Brazil. These trees and crops offset greenhouse gas emissions by capturing and storing carbon dioxide, and are a truly renewable resource. In managing our timber and agricultural portfolio, we focus on sustainable harvest levels, and meet both our own internal standards and regulations set down in more than 30 government statutes.

Our timber practices meet or exceed measures set under the U.S. Sustainable Forestry Initiative (SFI 2005-2009 Standard), a code that balances the economic benefits of forest management with other forest values. The major principles in this program include sustainable forestry, preservation of soil and water and protection of biological diversity.

Employee Health and Safety

The health and safety of our employees is critically important to us. In certain of our businesses physical risks to employees are unavoidable. We strive to achieve excellence in health and safety performance and to be recognized as an industry leader in accident prevention. Our overall objective is to incur zero high risk safety incidents and zero lost time injuries. In 2012, we

established a cross-organizational health and safety steering committee to develop best practices in health and safety policies and procedures and implement related initiatives across the organization.

Mental health in the workplace is an issue that Brookfield takes very seriously. An employee assistance program (EAP) is offered to our employees in an effort to help them deal with personal problems that might adversely impact their work performance, health and well-being. Our EAP includes free counseling from a qualified third party to help employees and their household members manage issues in their personal lives. This includes support for matters such as addiction, depression, emotional distress, major life changes, health, financial and legal problems, and difficulties with personal and work relationships. Confidentiality in this program is maintained in accordance with privacy laws and ethical standards.

Community Engagement

We believe that Brookfield and its employees should be active participants in the communities in which we conduct business, as a way of giving back and fostering growth. We encourage and support a culture of charity and volunteerism among our employees. Our senior executives hold leadership positions on the boards and capital campaigns of major charities and public institutions, and our employees participate in and lead many community activities and fund raising events. We have corporate programs that match most of our employees' philanthropic giving with donations from Brookfield.

Our Brookfield Partners Foundation supports hospitals, schools and cultural organizations in Canada. Our Brookfield U.S. Foundation provides funding and support for programs and organizations that improve the quality of life by providing heating, shelter, food and other basic needs assistance to families and communities, as well as environmental education and programs. And on a global basis, our individual operations and employees work with charities and organizations on local initiatives.

In addition to a commitment to philanthropy, our corporate responsibility means ensuring that we, as an organization, adhere to high standards of business conduct wherever we operate. We have backed up our commitment to corporate social responsibility and ethical conduct with a comprehensive Code of Business Conduct that employees, contractors and consultants throughout the organization sign each year, certifying adherence to these important practices and principles.

Corporate Governance

Management and the Board of Directors are committed to strong and effective corporate governance at all levels of the organization. We believe the directors are well equipped to represent the interests of shareholders, with an independent chairman leading a board with global business experience and proven governance skills. We continually strive to ensure that we have sound governance practices to maintain investor confidence in the way in which we do business. Our Board of Directors is of the view that our corporate governance policies and practices and our disclosure in this regard are appropriate, effective and consistent with the guidelines established by Canadian and U.S. securities regulators.

We constantly review our corporate governance policies and practices in relation to evolving legislation, guidelines and best practices. Our directors believe that communication with shareholders is a critical part of the governance process and the board encourages shareholders to express their views.

Our Statement of Corporate Governance Practices (the "Statement") is set out in full in the Management Information Circular prepared each year and mailed to shareholders who request it. The Statement is also available on our website, www.brookfield.com, at "About Brookfield/Corporate Governance."

You can also access the following documents referred to in the Statement on our website: our Board of Directors Charter, the Charter of Expectations for Directors, the Charters of the Board's four Standing Committees (Audit, Governance and Nominating, Management Resources and Compensation and Risk Management), Board Position Descriptions, our Code of Business Conduct and Ethics and our Corporate Disclosure Policy.

An Ongoing Commitment

We are proud of our record on corporate social responsibility at Brookfield, and we will strive to further enhance our approach to sustainable growth, employee health and safety, community engagement and corporate governance initiatives and programs. We look forward to reporting on our performance in years to come.