

Brookfield Renewable Partners L.P.

Type of Engagement: Green Bond Pre-Issuance Review

Date: February 16, 2022

Engagement Leader: Hrithik Sharma, hrithik.sharma@sustainalytics.com, (+1) 647 951 3309

Aishwarya Ramchandran, aishwarya.ramchandran@sustainalytics.com

Introduction

In February 2020, Brookfield Renewable Partners L.P.¹ (“Brookfield Renewable”) developed the Brookfield Renewable Green Bond and Preferred Securities Framework (the “Framework”)² under which green bonds and/or preferred securities may be issued with the proceeds used to finance or refinance, in whole or in part, existing and future projects related to renewable energy generation and energy efficiency and management, subject to the eligibility criteria described in the Framework. Luminace Holdings, LLC (“Luminace”) is a wholly owned subsidiary of Brookfield Renewable. Sustainalytics provided a Second Party Opinion³ on the Framework and its alignment with the Green Bond Principles 2018.

In January 2022, Brookfield Renewable engaged Sustainalytics to review a pool of renewable energy assets (the “Nominated Projects”)⁴ that will be funded through Luminace ABS-2022 Issuer, LLC, Solar Asset Backed Notes, Series 2022-1⁵ and secured by the Nominated Projects (herein referred to as the “2022-1 Green Bond Issuance”) and provide an assessment as to whether the Nominated Projects would comply with the use of proceeds, project selection, and management of proceeds criteria defined in the Framework.

Evaluation Criteria

Sustainalytics evaluated the underlying projects that will be funded through the 2022-1 Green Bond Issuance for compliance based on whether:

1. The Nominated Projects are aligned with the Use of Proceeds Eligibility Criteria outlined in the Framework; and
2. The commitments to select projects and manage proceeds in order to ensure that these commitments are aligned with the ones described in the Framework.

The projects funded by the 2022-1 Green Bond Issuance is summarized in Appendix 2 and Sustainalytics’ findings are summarized in Appendix 3.

Issuing Entity’s Responsibility

Brookfield Renewable is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including a description of the Nominated Projects within each eligible category. This information was provided to Sustainalytics to support its review. Brookfield Renewable is also responsible for demonstrating to Sustainalytics that processes for project selection and management of proceeds for the 2022-1 Green Bond Issuance remain aligned with the commitments described in the Framework.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of the 2022-1 Green Bond Issuance. The work undertaken as part of this

¹ Brookfield Renewable Partners L.P. is a publicly listed subsidiary of Brookfield Asset Management.

² The Brookfield Renewable Green Bond and Preferred Securities Framework is available on Brookfield’s website at:

<https://bep.brookfield.com/sites/bep-brookfield-ir/files/2021-11/brookfield-renewable-green-bond-and-preferred-securities-framework-2020fv.pdf>

³ The Brookfield Renewable Green Bond and Preferred Securities Framework Second Party Opinion is available on Sustainalytics’ website at:

<https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/brookfield-renewable-partners-l-p/brookfield-renewable-green-bond-and-preferred-securities-framework-second-party-opinion/brookfield-renewable-green-bond-and-preferred-securities-framework-second-party-opinion-pdf>

⁴ Brookfield Renewable has communicated that the Nominated Projects are owned and operated by Luminace.

⁵ Luminace ABS-2022 Issuer, LLC, Solar Asset Backed Notes, Series 2022-1 will be issued by Luminace ABS-2022 Issuer, LLC.

engagement included verification of the Nominated Projects and confirmation from relevant employees of Brookfield Renewable that the use of proceeds, processes for project selection, and management of proceeds for the upcoming green bond issuance will remain aligned with the commitments described in the Framework.

Sustainalytics has relied on the information and the facts presented by Brookfield Renewable with respect to the Nominated Projects. Sustainalytics is not responsible, nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by Brookfield Renewable.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the pre-issuance review.

Conclusion

Based on the limited assurance procedures conducted,⁶ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the 2022-1 Green Bond Issuance is not aligned with the Framework.

⁶ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendix 1: Brookfield Renewable’s Use of Proceeds Eligibility Criteria

Area	Description	Eligible Categories
Renewable Energy Generation	Investments that help supply energy from renewable and low-carbon sources	<p>Solar Energy</p> <ul style="list-style-type: none"> - Construction of new solar energy facilities - Maintenance, refurbishment or repowering of existing solar energy facilities - Acquisition of solar energy facilities or business <p>Wind Energy</p> <ul style="list-style-type: none"> - Construction of new wind energy facilities - Maintenance, refurbishment or repowering of existing wind energy facilities - Acquisition of wind energy facilities or businesses <p>Hydroelectricity</p> <ul style="list-style-type: none"> - Construction of new run-of-river and other hydroelectricity facilities⁷ - Refurbishment, modernization, and/or maintenance of existing hydroelectricity facilities with the purpose of increasing generation efficiency, operational life span and/or renewable energy output while maintaining or improving the level of operations safety - Acquisition of hydroelectricity facilities or businesses, including pumped storage assets <p>Business Energy⁸</p> <ul style="list-style-type: none"> - Construction of new biomass facilities - Maintenance, refurbishment or repowering of existing biomass facilities - Acquisition of biomass facilities or businesses
Energy Efficiency and Management	Investments that help reduce energy consumption or help manage and store energy	<ul style="list-style-type: none"> - Industrial efficiency - Climate change and eco-efficient products, production technologies and processes - Energy storage technologies or assets

⁷ To determine if construction of other hydroelectricity facilities > 25 MW constitute an Eligible Investment, Brookfield Renewable will assess the size, location, carbon intensity scoring and risk (including environmental and social risks). Brookfield Renewable’s assessment will be subject to review by a reputable third party.

⁸ Biomass generation feedstock will be limited to sources that do not deplete existing terrestrial carbon pools, such as agricultural or forestry residue.

Appendix 2: Summary of the Nominated Projects

Projected impact per category:

Use of Proceeds Category ⁹	Total Number of Nominated Projects ¹⁰	Total Number of Sites	Total Capacity of Portfolio (MW)
Renewable Energy Generation – Solar Energy ¹¹	74	376	255.82

Number of sites per geographic location:

State	Total Number of Sites
California	200
Maryland	62
Arizona	55
Massachusetts	13
Texas	11
New Jersey	8
Georgia	8
District of Columbia	6
Illinois	4
Delaware	3
Ohio	2
Rhode Island	2
New York	1
Connecticut	1
Total	376

⁹ No allocation will be made toward other (sub)categories included in the Framework.

¹⁰ This data is based on the loan portfolio summary shared with Sustainalytics as of February 15, 2022. The final composition of the portfolio may be adjusted prior to close. Brookfield has confirmed that all Nominated Projects comply with the two-year lookback period as defined in the Framework.

¹¹ Brookfield has communicated to Sustainalytics that as of February 2022, all 74 Nominated Projects are operational and based on 100% solar energy.

Appendix 3: Sustainalytics' Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the Nominated Projects funded by the 2022-1 Green Bond Issuance (Appendix 2) to determine if the projects aligned with the Use of Proceeds Eligibility Criteria outlined in the Framework.	All projects reviewed (Appendix 2) complied with the Use of Proceeds Eligibility Criteria.	None
Project Selection and Management of Proceeds Criteria	Verification of the Nominated Projects funded by the 2022-1 Green Bond Issuance to determine if the commitments under processes for project selection and management of proceeds were consistent with the Framework.	Brookfield Renewable has also confirmed to Sustainalytics that the processes for project selection and management of proceeds for the 2022-1 Green Bond Issuance are consistent with the commitments described in the Framework.	None

Disclaimer

Copyright ©2022 Sustainalytics. All rights reserved.

The information, methodologies and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data), and may be made available to third parties only in the form and format disclosed by Sustainalytics, or provided that appropriate citation and acknowledgement is ensured. They are provided for informational purposes only and (1) do not constitute an endorsement of any product or project; (2) do not constitute investment advice, financial advice or a prospectus; (3) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (4) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; (5) have not and cannot be incorporated into any offering disclosure.

These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the third consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2020 for the second consecutive year. For more information, visit www.sustainalytics.com.

