Funding Proposal

FP326: Catalytic SMA (G) (“CSG”)

Brazil | Banco Nacional de Desenvolvimento Econômico e Social (BNDES) | Decision B.46/04

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Note to Accredited Entities on the use of the funding proposal template

- Accredited Entities should provide summary information in the proposal with cross-reference to annexes such as feasibility studies, gender action plan, term sheet, etc.
- Accredited Entities should ensure that annexes provided are consistent with the details provided in the funding proposal. Updates to the funding proposal and/or annexes must be reflected in all relevant documents.
- The total number of pages for the funding proposal (excluding annexes) **should not exceed 60**. Proposals exceeding the prescribed length will not be assessed within the usual service standard time.
- The recommended font is Arial, size 11.
- Under the GCF Information Disclosure Policy, project and programme funding proposals will be disclosed on the GCF website, simultaneous with the submission to the Board, subject to the redaction of any information that may not be disclosed pursuant to the IDP. Accredited Entities are asked to fill out information on disclosure in section G.4.

Please submit the completed proposal to:

fundingproposal@gcfund.org

Please use the following name convention for the file name:

"FP-[BNDES]-[Brazil/Latin America and the Caribbean]-[2026/10/02]"

A. PROJECT/PROGRAMME SUMMARY

A.1. Project or programme	Programme	**A.2. Public or private sector**	Private

A.3. Request for Proposals (RFP)

If the funding proposal is being submitted in response to a specific GCF Request for Proposals, indicate which RFP it is targeted for. Please note that there is a separate template for the Simplified Approval Process and REDD+.

Not applicable

A.4. Result area(s)[1]

*Check the applicable GCF result area(s) that the overall proposed project/programme targets below. For each checked result area(s), indicate the estimated percentage of **GCF and Co-financers' contribution** devoted to it. The total of the percentages when summed should be 100% for GCF and Co-financers' contribution respectively.*

	Green Climate Fund (GCF) contribution	Co-financers' contribution[2]
Mitigation total	100 %	100 %
☒ Energy generation and access	45 %	45 %
☒ Low-emission transport	15 %	15 %
☒ Buildings, cities, industries and appliances	20 %	20 %
☒ Forestry and land use	20 %	20 %
Adaptation total	- %	- %
☐ Most vulnerable people and communities	- %	- %
☐ Health and well-being, and food and water security	- %	- %
☐ Infrastructure and built environment	- %	- %
☐ Ecosystems and ecosystem services	- %	- %

A.5. Expected mitigation outcome *(Core indicator 1: GHG emissions reduced, avoided or removed / sequestered)*	*Indicate greenhouse gas (GHG) emission reductions or removals in tCO2eq over total lifespan of the project/programme[3]* Catalytic SMA (G) ("CSG") Brazil is expected to	**A.6. Expected adaptation outcome** *(Core indicator 2: direct and indirect beneficiaries reached)*	Direct: N/A — 100% mitigation focused NA / NA

[1] The provided indicative allocation percentages by result area is based on each area's share of our current pipeline. Result area allocations are indicative only and do not represent binding commitments by Brookfield or BNDES. Actual allocations may vary depending on the deals executed from the pipeline. Other non-selected industries from the result area table may be included in the future, but maintaining the CSG primary focus defined in the executive summary (A.21).

[2] Co-financer's contribution means the financial resources required, whether Public Finance or Private Finance, in addition to the GCF contribution (i.e. GCF financial resources requested by the Accredited Entity) to implement the project or programme described in the funding proposal.

[3] The total lifespan of the project/programme is defined as the maximum number of years over which the outcomes of the investment are expected to be effective. This is different from the project/programme implementation period.

	generate GHG emissions reductions, avoided emissions, removals and/or sequestration across its portfolio of Clean Energy, Sustainable Solutions and Business Transformation investments. ~30 million tCO_2e avoided/sequestered emissions over the Fund programme (14 years) and ~81.8 million tCO_2e avoided/sequestered emissions over the mitigation lifetime of the project (reflecting progress and execution of business plan). This estimate has been developed using the methodology set out in Annex 22 and is based on an indicative pipeline across Brazil and other markets where Brookfield operates. The figure is illustrative only, does not represent a forecast or commitment, and actual outcomes may differ materially and are subject to change as investments are identified, evaluated, and executed.		NA	NA
A.7. Total financing (GCF + co-finance[4])	Up to 1.3 billion USD	**A.9. Project size**	Large (Over USD 250 million)	
A.8. Total GCF funding requested	Up to 250 million USD *For multi-country proposals, please fill out annex 17.*			

[4] Refer to the Policy of Co-financing of the GCF.

A.10. Financial instrument(s) requested for the GCF funding	*Mark all that apply and provide total amounts. The sum of all total amounts should be consistent with A.8.* ☐ Grant Enter number ☐ LoanEnter number ☐ Guarantee Enter number ☒ Equity USD 250 million ☐ Results-based payment Enter number		
A.11. Implementation period	14 years[5]	**A.12. Total lifespan**	20 years[6]
A.13. Expected date of AE internal approval	*This is the date that the Accredited Entity obtained/will obtain its own approval to implement the project/ programme, if available.* 2/28/2027	**A.14. ESS category**	*Refer to the AE's safeguard policy and GCF ESS Standards to assess your FP category.* I-2
A.15. Has this FP been submitted as a CN before?	Yes ☒ No ☐	**A.16. Has Readiness or PPF support been used to prepare this FP?**	Yes ☐ No ☒
A.17. Is this FP included in the entity work programme?	Yes ☒ No ☐	**A.18. Is this FP included in the country programme?**	Yes ☒ No ☐
A.19. Complementarity and coherence	*Does the project/programme complement other climate finance funding (e.g. GEF, AF, CIF, etc.)? If yes, please elaborate in section B.1.* Yes ☐ No ☐		

[5] The 14-year implementation period is driven by the nature of CSG's strategy and assets:
- Greenfield, long-gestation assets: The Fund invests mainly in greenfield platforms in nascent industries with multi-year development timelines, often benefiting from stabilization and operating history before ample liquidity to exit to long-term owners.
- Patient capital: A shorter Fund life would force exits precisely when the Fund should be holding de-risked, stabilized assets to demonstrate an operating track record and the viability that crowds in successor capital.
Exit Protection. Emerging-market liquidity, valuations and FX tend to demonstrate increased volatility with sensitivity to investment cycles; a longer Fund term provides the manager more flexibility to time exits into supportive market windows.

[6] While CSG will have a 14-year fund life, we anticipate underlying assets to have on average a 20-year asset life.

A.20. Executing Entity information	**CTF FIP 1** [redacted] a fund managed by [redacted] a Brazil-domiciled and CVM-regulated investment manager, affiliated to Brookfield Asset Management Ltd. (BAM, NYSE/TSX: BAM), one of the world's largest alternative asset managers and over a 125-year track record of operating real assets in Brazil. [redacted] - Ontario limited partnership that pools capital from [redacted] before investment into [redacted]. Brookfield Catalytic Transition Fund GP, LLC serves as general partner, and [redacted] serves as manager. The vehicle is governed by a limited partnership agreement. The Aggregator is intended to accommodate GCF's Eligibility Criteria and related excuse rights, participation by the main CTF fund, relevant tax structuring and the economic terms of the catalytic return. [redacted] - Brazil-domiciled and CVM-regulated investment manager, affiliated to Brookfield Asset Management Ltd. [redacted] is the investment manager for the FIP ("FIP 1") which GCF will participate through. Note that investments that GCF does not participate in will be done through "FIP 2" (as shown in teh structure chart above) and similarly BBAMI will serve as the manager for FIP 2. [redacted] - A Bermuda limited liability company, controlled subsidiary of Brookfield, and the general partner for CTF LP (as well as the GCF SMA and the Aggregator) listed above. The General Partner is responsible for the management and control of the business of CTF LP. [redacted] - A Delaware LLC, an indirectly wholly-owned subsidiary of Brookfield, is the investment manager of CTF LP. [redacted] is registered as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended. [redacted] will be retained by CTF LP pursuant to a management agreement to provide investment advice and other management services. [redacted] will also serve as the investment manager to the GCF SMA. [redacted] - Ontario limited partnership established as the GCF-dedicated separately managed account vehicle. [redacted] serves as its general partner, and [redacted] serves as its investment manager. The vehicle is governed by a limited partnership agreement and an investment management agreement. The SMA is to accommodate GCF's need to commit in USD and to document GCF's Eligibility Criteria, without impacting the main CTF fund structure and CTF investors. The governing document of the SMA will also include detail regarding GCF's capped return. GCF will need to complete a subscription agreement into GCF SMA. For the avoidance of doubt, GCFs capital will not "commingle" with assets that do not meet GCF's eligibility criteria.
A.21. Executive summary (max. 750 words, approximately 1.5 pages)	

Provide an executive summary of the project/programme including:

1. *Climate change problem*
2. *Proposed interventions*
3. *Climate results/benefits*

Climate Change Problem

Brazil's energy and industrial sectors emit approximately 520 $MtCO_2e$ annually, approximately 26% of national GHG emissions, and are the fastest-growing components of Brazil's emissions profile. While overall GHG emissions declined 20.4% from 2005 to 2022 through deforestation control, Energy sector emissions rose +31.4% and Industrial Processes +22.8% over the same period.[7] Despite Brazil's updated Nationally Determined Contribution (November 2024) committing to a 59–67% net GHG reduction by 2035 and climate neutrality by 2050,[8] these sectors require accelerated deployment of low-carbon technologies and business transformation to meet Brazil's climate objectives. Although Brazil has developed a robust policy framework to support the energy transition, significant market barriers continue to constrain private investment in climate-transition sectors. Existing climate finance instruments primarily provide concessional debt, grants or fiscal incentives and do not address the equity gap in decarbonization at scale. As a result, projects requiring long-term growth equity—including industrial decarbonization, battery energy storage systems (BESS), sustainable aviation fuel (SAF), renewable natural gas (RNG), hydrogen, certain circular economy solutions and other emerging climate technologies—often struggle to attract sufficient private investment due to high upfront capital requirements, technology and commercialization risks, and long investment horizons. These barriers are reflected in: the BIP (Brazil Climate and Ecological Transformation Investment Platform) pipeline, which requires approximately USD 5 billion in equity to reach investment readiness[9], yet in 2024 only approximately USD 440 million in equity was deployed to energy and industrial sectors across Brazil's entire private equity market — a 10:1 gap.[10]

Proposed Intervention

Brookfield is establishing CTF FIP 1, a dedicated sidecar of Brookfield's global CTF, with BNDES as GCF Accredited Entity and anchor investor, investing exclusively in Brazilian assets and mirroring CTF's investment strategy across three themes: Business Transformation (supporting decarbonization in identified hard-to-abate sectors) Clean Energy (expanding low-carbon generation and storage), and Sustainable Solutions (products and services that support wider decarbonization).

The Fund has been specifically designed to address the market failures described above by providing patient blended equity capital that improves the risk-adjusted return profile of climate-transition investments while mobilizing commercial institutional investors. Across its three investment themes, CTF FIP 1 seeks to address distinct financing barriers: Business Transformation supports industrial decarbonization projects that require significant upfront capital expenditure and have long payback periods; Clean Energy supports renewable generation, battery storage and grid flexibility projects that face curtailment, hourly-price volatility and emerging technology risks; and Sustainable Solutions supports the commercialization and scaling of technologies such as SAF, RNG, hydrogen, circular economy solutions and nature-based solutions that continue to face market immaturity and limited access to growth equity.

CTF FIP 1 is a private-sector blended finance vehicle established as a multi-strategy private equity fund ("FIP") (Brazilian Fundo de Investimento em Participações Multiestratégia), with Brookfield serving as the executing entity and fund manager. CTF FIP 1 was selected through a public call launched by BNDES. BNDES, through different areas also acts as an Accredited Entity ("AE") and serves as the Secretariat of the Brazil Investment Platform ("BIP"). BIP was established with support from the GCF Readiness Programme to implement Brazil's Country Programme, which consolidated national climate priorities across key sectors and sought to mobilize public, private, and international capital toward Brazil's climate objectives. Since its launch, BIP has attracted growing interest from project sponsors, financial institutions, and investors, culminating in the selection of CTF FIP 1 through its recent public call process.

CTF FIP 1 is the dedicated in-country vehicle of Brookfield's CTF, an impact private equity fund targeting decarbonization investments across Emerging Market and Developing Economies (EMDEs). The Fund is expected to invest in portfolio companies aligned with Brookfield's three CTF investment themes — Clean Energy, Business Transformation and Sustainable Solutions — and consistent with Brazil's Nationally Determined Contribution ("NDC"),

Ecological Transformation Plan, and the Brazil Climate and Ecological Transformation Investment Platform ("BIP") project pipeline. Each investment is subject to Brookfield's institutional Impact Measurement & Management ("IMM") Framework — including Paris-aligned quantitative impact targets, Decarbonization Business Plans, and third-party assured emissions reporting. Ancillary benefits from the strategy include creation of direct/indirect jobs, technology diffusion, increased energy security, and improved governance and E&S management systems from the portfolio companies.

Climate Results/Benefits

CSG is expected to generate GHG emissions reductions, avoided emissions, removals and/or sequestration across its portfolio of investments while mobilizing private capital into sectors that currently face persistent financing barriers. Based on the current indicative pipeline, the Fund could potentially contribute approximately 30 million tCO_2e avoided/sequestered emissions over the Fund programme (14 years) and ~81.8 million tCO_2e avoided/sequestered emissions over the mitigation lifetime of the project, reflecting implementation of portfolio company decarbonization business plans.[11] Actual mitigation outcomes will depend on the investments ultimately selected and will be quantified using investment-specific methodologies and reported through Brookfield's Impact Measurement & Management (IMM) Framework. CSG is directly aligned with Brazil's NDC, Ecological Transformation Plan, the BIP platform, and GCF's strategic goals for private sector mobilization in EMDEs.

[7] MCTI/SIRENE, Relatório do Inventário Nacional de Emissões de Gases de Efeito Estufa, 2024. Available at: https://www.gov.br/mcti/pt-br/acompanhe-o-mcti/sirene

[8] Brazilian Federal Government, Brazil's Second Nationally Determined Contribution, submitted to UNFCCC, November 2024. Available at: https://unfccc.int/documents/643337

[9] Based on BIP Project estimates (Ministério da Fazenda / BIP Secretariat, 2025)

[10] ABVCAP (Associação Brasileira de Private Equity e Venture Capital), Annual Report 2024. Available at: https://www.abvcap.com.br

[11] This estimate has been developed using the methodology set out in Annex 22 and is based on an indicative pipeline across Brazil and other markets where Brookfield operates. The figure is illustrative only, does not represent a forecast or commitment, and actual outcomes may differ materially and are subject to change as investments are identified, evaluated, and executed.

B. PROJECT/PROGRAMME INFORMATION

B.1. Climate context (max. 1000 words, approximately 2 pages)

Brazil's GHG Emissions Profile and the Energy/Industrial Nexus

Brazil is among the world's ten largest GHG emitters, with net emissions of 2,039,236 kt CO_2e in 2022.[12] While overall emissions declined 20.4% from 2005 to 2022 — driven entirely by a 48.8% reduction in LULUCF emissions from deforestation control — every other sector increased: Energy (+31.4%), Industrial Processes & Product Use (+22.8%), Agriculture (+19.6%), and Waste (+38.4%)[24] below.[24] The share of Energy and Industrial Processes in Brazil's emissions profile is therefore rising, and these sectors now account for approximately 26% of national emissions (approximately 520 $MtCO_2e$/year). To meet Brazil's updated NDC (November 2024) target of 59–67% reduction below 2005 levels by 2035, these sectors must undergo a fundamental transformation requiring approximately USD 110–140 billion in investment.[13]

Brazil already has 89.2% renewable electricity and 49.1% total energy from renewables.[14] However, climate change (particularly droughts) affects hydropower output. According to IMF estimates, fossil fuel consumption could increase by 20–70% cumulatively between 2024 and 2030 due to power gaps, potentially reintroducing up to 150 megatons of CO_2 into the atmosphere.[15]

Policy and Regulatory Framework

Brazil has developed a robust, multi-ministerial climate policy architecture creating strong tailwinds for CSG:

- Ecological Transformation Plan (ETP, 2023): government roadmap for decarbonizing the economy while promoting social inclusion; overarching sectoral guidelines aligned with long-term climate goals. Led by Ministry of Finance (NDA).
- BIP, (launched October 2024): government-led platform connecting industrial and energy transition projects with international capital; BNDES as Secretariat with GFANZ and UNDP support; three focus sectors: NBS/bioeconomy, industry/mobility, energy.
- Future Fuels Law (October 2024): mandates for HVO, SAF, and e-fuels; long-term offtake demand for biofuel and green hydrogen investments.
- Brazilian Carbon Market Law 15.042/2024 (December 2024): Brazil's first regulated emissions trading system (SBCE); creates potential compliance carbon credit revenue streams for portfolio investees.
- Brazil Hydrogen Bill (Law 2308/2023): regulatory framework and fiscal incentives for low-carbon hydrogen production.
- New Industry Brazil (NIB): national industrial policy promoting bioeconomy, decarbonization, and energy transition as drivers of industrial competitiveness.
- Brazil's updated Nationally Determined Contribution (NDC): Brazil submitted its updated NDC to UNFCCC in November 2024, committing to reducing net GHG emissions by 59–67% below 2005 levels by 2035 and achieving climate neutrality by 2050.
- **National Bioeconomy Strategy (2024):** national strategy to advance a sustainable bioeconomy by promoting innovation, biodiversity conservation, circular bio-based industries, and inclusive regional development.
- **National Bioeconomy Development Plan (PNDBio):** implementation roadmap for scaling Brazil's bioeconomy through coordinated public-private investment, technology development, sustainable biomass value chains, and commercialization of bio-based products.

Climate Finance Gap and Absence of Adequate Instruments

Globally, EMDEs face a USD 215 billion annual equity gap for clean energy investment,[16] and a stark disparity persists in access to affordable capital. Concessional capital — essential for nascent sectors without established

[12] EDGAR — Emissions Database for Global Atmospheric Research, GHG Emissions of All World Countries, European Commission Joint Research Centre, 2023. Available at: https://edgar.jrc.ec.europa.eu/report_2023

[13] Ministério do Meio Ambiente e Mudança do Clima, A NDC do Brasil: Determinação Nacional em Contribuir e Transformar, 2024. Available at: https://unfccc.int/documents/643337

[14] Brazilian Federal Government, Brazil's Second Nationally Determined Contribution, submitted to UNFCCC, November 2024. Available at: https://unfccc.int/documents/643337

[15] IMF, Brazil: Selected Issues — Climate Change and Energy Transition, IMF Country Report No. 23/289, 2023. Available at: https://www.elibrary.imf.org/view/journals/002/2023/289/article-A005-en.xml

[16] Climate Policy Initiative and GFANZ, The Clean Energy Equity Investment Gap: Mobilizing Private Finance in Emerging Markets, November 2025. Available at: https://www.climatepolicyinitiative.org/publication/the-clean-energy-equity-investment-gap/

revenue streams, as well as to help risk adjusted returns of investments being attractive — represents only 11% of total climate finance and must increase at least fivefold by 2030 for Paris goals.[17]
Existing Brazilian climate finance instruments (Fundo Clima, FNO Verde, EcoInvest Brasil, CIF Industry Decarbonization Program) primarily provide concessional debt, grants, or fiscal incentives. None addresses the equity gap in decarbonization at scale. CSG is the first-of-its-kind domestic catalytic equity fund for this focus, directly addressing a critical market failure with no adequate domestic substitute.

Sector-Specific Climate Challenges and Investment Barriers:

Investment Theme	Climate Problem	Market Barrier	CSG Intervention
Clean Energy (examples include renewables, grid flexibility)	Brazilian energy demand growth is expected to grow at ~3.4% per year through 2034 as per the government's forecast supported by investments in data centers and AI infrastructure and electrification. Renewables offer the lowest cost solution, while minimizing the environmental impact to meet the growing power demand, supported by the country's plentiful resources. As a result of a growing renewable penetration, Brazil's grid is increasingly exposed to renewable curtailment, and the rapid renewable buildout requires storage and flexibility solutions. Beyond reducing curtailment, battery storage is critical to enabling further renewable buildout in Brazil as the continued deployment may become increasingly challenging due to the intermittency of renewable power generation without sufficient storage capacity to support grid stability. Batteries can help integrate additional renewable generation into the grid, reducing the risk that Brazil's power mix falls below its current ~90% renewable share over time. The marginal MWh added to the Brazilian grid must remain low-carbon if downstream industrial decarbonization (BESS-enabled	BESS remains a nascent asset class in Brazil, with limited operating history and evolving revenue frameworks. As a result, battery deployment is still at an early stage, with virtually no utility-scale capacity currently installed. The regulatory framework for the first storage auction in the country has recently been published, and the auction is expected to take place in December. However, key market structures and revenue streams remain largely untested. In addition, uncertainty around future curtailment levels and hourly power price volatility increases the risk profile of BESS development, making long-term project economics difficult for private market participants to assess and ultimately underwrite to deploy capital. These same dynamics extend beyond storage to renewable generation. Utility-scale solar and wind were, until recently, the part of Brazil's energy transition best served by commercial capital; but structural curtailment and acute hourly price volatility have since compressed merchant revenues and driven risk-adjusted returns on greenfield renewable development below the thresholds private participants	Concessional capital can play a catalytic role in accelerating Brazil's renewable power and storage markets. Renewable projects are highly capital-intensive, with most costs incurred upfront. By improving the risk-return profile of early projects with concessional funding, projects with a lower return profile become investible, ultimately crowding in private market capital by increasing the number of viable projects that CSG can execute on. The same logic applies directly to renewable generation: by absorbing part of the curtailment and merchant-price risk, concessional capital lifts the risk-adjusted return on greenfield wind and solar back above private hurdles, restoring the flow of commercial capital into the deployment that Brazil's renewable grid and downstream industrial decarbonization ambitions both depend on. This enables CSG to leverage its institutional capabilities to support the establishment of critical development, operating and financing precedents for the battery sector, a sector that is still in its infancy but critical to support Brazil's growing energy demand with low-cost, low-carbon

[17] Climate Policy Initiative, Understanding Global Concessional Climate Finance 2024, October 2024. Available at: https://www.climatepolicyinitiative.org/publication/understanding-global-concessional-climate-finance-2024/

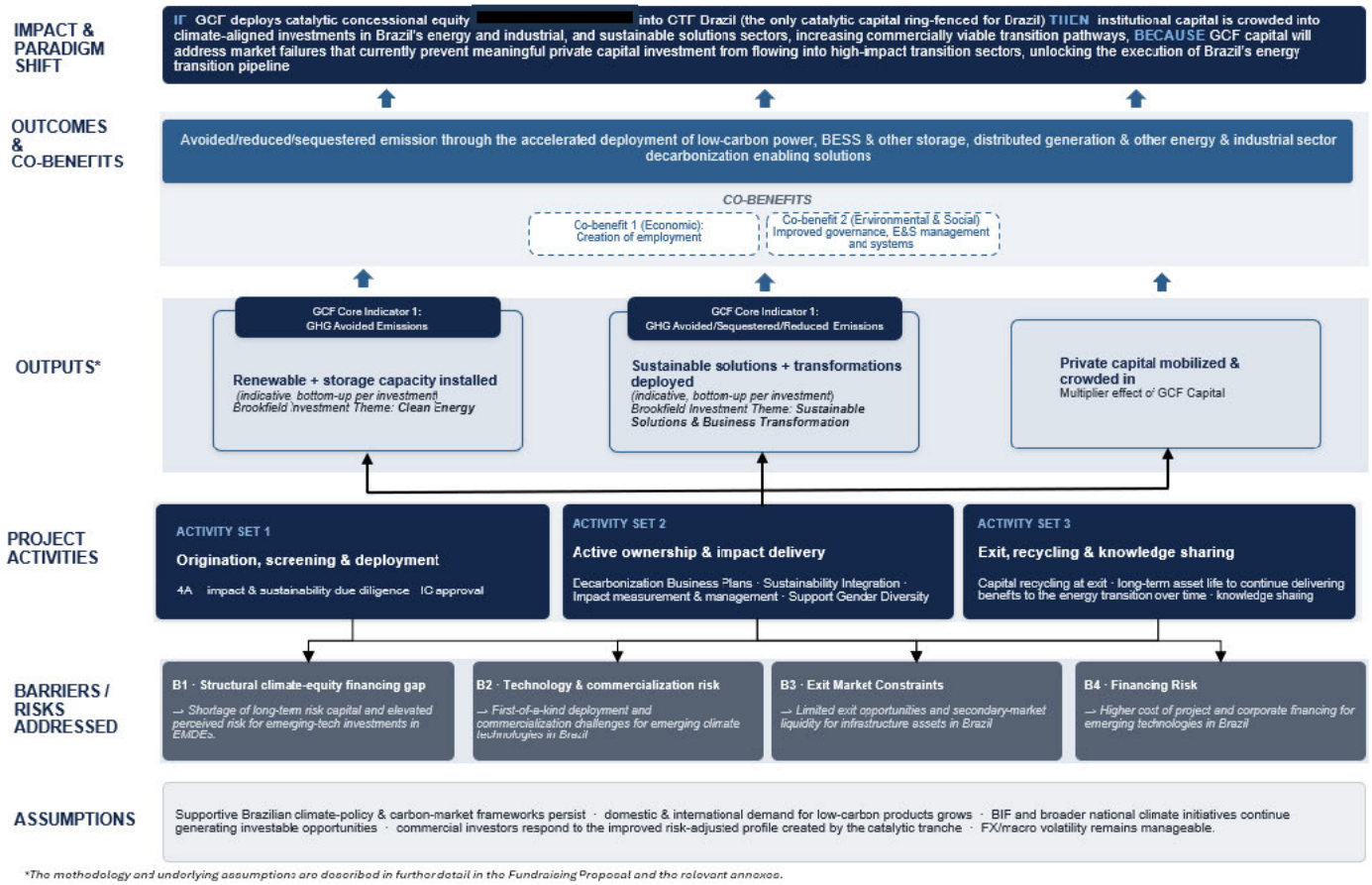
	electrification, e-fuels, electric mobility, etc.) is to be additive rather than merely displacing fossil fuels within the same system.	require, prompting most commercial developers to retreat, at precisely the moment continued renewable additions become a precondition for holding the grid above its ~90% renewable share and for sustaining the downstream industrial decarbonization. The lack of meaningful adoption of BESS in an energy system with predominance of renewable sources results in further barriers to the ability of such system to expand by adding incremental wind and solar capacity, as the intermittency of such sources would further jeopardize curtailment and system stability.	renewable power electrons.
Sustainable Solutions (examples include BESS SAF, RNG, hydrogen, circular economy, nature-based solutions)	Brazil's pathway to net zero requires both rapid emissions reductions and enhanced carbon sequestration. Significant emissions remain concentrated in hard-to-abate sectors such as aviation, transportation, industry, chemicals, agriculture, and industrial feedstocks. Sustainable solutions such as SAF, RNG, low-carbon hydrogen, nature-based solutions and circular economy initiatives are particularly important for Brazil because they enable the country to capitalize on its natural resource advantages while addressing emissions in sectors that are difficult to electrify. These solutions are important to support Brazil's economic growth, strengthen energy security, create export opportunities, and accelerate decarbonization across transportation, industry, and agriculture. At the same time, Brazil's globally significant natural	Deployment of sustainable solutions in Brazil is constrained by challenging project economics and market immaturity. Technologies such as SAF, RNG, hydrogen, and certain circular economy solutions often require significant upfront capital investment, face technology commercialization and execution risks, and are characterized by long development timelines. Similarly, nature-based solutions can face challenges related to project development timelines, revenue certainty, measurement and verification requirements, and the need to establish scalable business models that attract private investment. In addition, domestic offtake markets remain relatively underdeveloped, limiting revenue visibility and project bankability. Project economics may also depend on evolving policy frameworks, incentives, and	Concessional capital can play a catalytic role in accelerating the deployment of sustainable solutions in Brazil, including SAF, RNG, hydrogen, nature-based solutions and circular economy infrastructure. These projects are often characterized by significant upfront capital requirements, evolving commercial frameworks, and limited operating track records, which can create challenges for traditional sources of financing. By improving the risk-return profile of early projects through concessional funding, projects with lower or less certain returns become investible, ultimately crowding in private capital by increasing the number of viable opportunities that CSG can execute on. This enables CSG to leverage its experience scaling these technologies to support the establishment of critical development, operating, and financing precedents across

	ecosystems face ongoing pressures from land-use change and degradation, reducing their capacity to act as carbon sinks and provide critical ecosystem services. Protecting, restoring, and sustainably managing these ecosystems is essential to achieving long-term climate goals while supporting biodiversity, water security, and economic resilience. Many of these sectors lack commercially mature, cost-competitive decarbonization alternatives that can be deployed at the scale and pace required to meet Brazil's climate targets and Nationally Determined Contributions (NDCs).	environmental credit mechanisms (e.g., CBIO credits), creating uncertainty around long-term cash flows. Infrastructure gaps, including feedstock aggregation, transportation, storage, and distribution networks, further increase project complexity and costs. As a result, many otherwise attractive projects struggle to attract sufficient private capital at scale.	emerging sustainable solutions sectors in Brazil. Over time, these precedents can help reduce perceived market and technology risks, strengthen project bankability, and accelerate the commercialization and scaling of solutions that are critical to decarbonizing hard-to-abate sectors while leveraging Brazil's abundant renewable energy, biomass, and waste resources.
Business Transformation (decarbonizing existing carbon-intensive industry)	Existing industrial assets represent a significant source of emissions, making industrial decarbonization a critical climate challenge. Achieving meaningful emissions reductions will require retrofit, modernization, as greenfield development alone will not be sufficient. This is particularly relevant in sectors such as manufacturing, mining, metals, chemicals, and agriculture, where long-lived assets and energy-intensive processes can lock in emissions for decades.	Industrial decarbonization projects in Brazil often face a financing gap because the climate benefits they generate are not fully reflected in project economics. Many investments require significant upfront capital expenditure, involve operational and execution risks, and have long payback periods. At the same time, industrial companies frequently compete in globally traded commodity markets where the ability to recover decarbonization costs through higher product prices is limited. In addition, transition pathways typically rely on emerging technologies, alternative fuels, electrification, energy efficiency upgrades, or process changes whose economic benefits often depend on carbon pricing mechanisms, regulatory frameworks, or customer demand for lower-carbon products. As a result, decarbonization	Concessional capital can play a catalytic role in accelerating industrial decarbonization in Brazil by improving the risk-return profile of transition investments that may not otherwise meet the returns requirement for CSG despite their substantial climate benefits. By providing an uplift to returns, concessional funding can help bridge the gap between climate value and commercial returns. This enables CSG to leverage Brookfield's experience executing decarbonization pathways on projects that would otherwise not meet CSG's investment criteria. In doing so, CSG can support the implementation of Paris-aligned transition plans and the establishment of critical development, operating, and financing precedents across key industrial decarbonization projects, supporting the Brazilian economy. By demonstrating the

		investments often compete with core business investments that offer higher or more certain financial returns, making it difficult to attract sufficient private capital despite their significant climate impact.	commercial viability of industrial decarbonization pathways, concessional capital can help crowd in private investment, reduce perceived risks, and accelerate the adoption of lower-carbon technologies and processes at scale, supporting both Brazil's climate objectives and long-term industrial competitiveness.

B.2 (a). Theory of change narrative and diagram (max. 1500 words, approximately 3 pages plus diagram)

Present the theory of change (ToC) that contains a goal statement and describes how the proposed project/programme will contribute towards the goal statement by using results chain links from activities, outputs, to outcomes. By referring to the sample ToC diagram template available in the guidance note, present a ToC diagram (approximately 1 page) which visually represents the same logic in the narrative description. The ToC diagram and narrative may include a wide range of co-benefits[18] as applicable in the context of the project/programme.
Note all co-benefits will need to be further elaborated in section D.3 (sustainable development potential) and correspondent co-benefit indicators should be provided under section E.5 (project/programme specific indicators).
The theory of change should also include any relevant barriers (social, gender, fiscal, regulatory, technological, financial, ecological, institutional, etc.) that need to be addressed as well as risks and assumptions. Note that the assumptions can be elaborated further in sections E.3 (GCF outcome level: reduced emissions and increased resilience) and E.5 (project/programme specific indicators) for each relevant indicator, as appropriate.



**The methodology and underlying assumptions are described in further detail in the Fundraising Proposal and the relevant annexes.*

[18] GCF categorizes co-benefits into six areas which are: environmental, social, economic, gender, adaptation (relevant for pure mitigation projects) and mitigation (relevant for pure adaptation projects). Further guidance is available in the funding proposal (FP) guidance note.

- Eligible investments will be made in Clean Energy, Business Transformation or Sustainable Solutions investment themes.
- Origination and screening are expected to take place during the Fund's first four years, corresponding to the commitment period. Once an investment is approved and a transaction is executed, capital is deployed in line with the underlying business plan. As several opportunities involve greenfield development, capital deployment may occur over multiple years following the initial investment approval, as greenfield projects are developed, reach FID and require capital for construction.

- **Activity Set 2**: Active ownership and impact delivery
  - The Fund will provide active ownership, impact management and climate/impact reporting.
  - The Fund's portfolio companies will develop and implement Decarbonization Plans as part of their overall sustainability integration plans.
  - The Fund will have practices in place to support the recruitment, development and advancement of a diverse workforce, including initiatives to support gender diversity. The Fund will monitor gender representation across its workforce and continue to develop its approach to attracting, retaining and developing talent. Representation may vary across teams and geographies, and the Fund will seek to foster an inclusive workplace that supports opportunities for a diverse workforce.
  - Activity Set 2 would typically commence approximately one year after deal closing and continue throughout the investment holding period.
- **Activity Set 3**: Exit, recycling and knowledge sharing
  - The Fund will recycle capital at exit allowing its investors, including GCF, to reinvest proceeds from successful portfolio company sales into new climate-transition opportunities, enabling the same capital to support multiple generations of investments
  - The Fund will share lessons learned and support market development through BIP and wider stakeholder engagement.
  - Exits are pursued once the Fund holds de-risked, stabilized assets with a demonstrated operating track record, supporting valuation and attracting successor capital. This typically occurs after the asset management plan has been fully executed and the investment has reached maturity. The timing of Activity Set 3 is therefore driven by the maturity and development of each individual investment.

Outputs:

- Renewable energy and energy storage capacity installed.
- Sustainable solutions deployed (e.g., green fuels, low-carbon materials, and circular economy solutions).
- Private capital mobilized and crowded into Brazil's climate transition sectors.

Outcomes:
The intended outcome of CSG is to accelerate the deployment of low-carbon power, BESS, distributed generation, and other energy and industrial sector decarbonization solutions by mobilizing private capital into climate-transition investments that are critical to achieving Brazil's climate goals but currently face significant financing barriers. Through its blended-finance structure, the Fund uses concessional capital from the GCF to improve the risk-return profile of investments and attract commercial investors into clean energy, sustainable solutions, and business transformation opportunities.

- **Expected Impact**: CSG is expected to generate GHG emissions reductions, avoided emissions, removals, and/or sequestration across its portfolio of Clean Energy, Sustainable Solutions, and Business Transformation investments. The total mitigation outcome over the investment lifespan will be quantified based on investment-specific baselines, impact targets, and methodologies, and reported in tCO_2e through the Fund's monitoring and reporting framework; precedent for replicable blended equity instruments; reduced cost of capital over time as technologies mature; and contribution to Brazil's NDC implementation.

Barriers/ Risks Addressed

- (1) Equity gap (shortage of long-tenor risk capital; perceived risk premium for emerging-technology routes in EMDEs): GCF concessional tranche provides the capped-return that enhances the project's risk return profile, enabling Brookfield to mobilize private capital into climate-transition opportunities that would otherwise struggle to attract sufficient equity financing.
- (2) Technology and commercialization risk: Transition technologies may not have an established operating track record in Brazil. Brookfield's operating platform can help mitigate technology and commercialization risks associated with advancing the development of climate technologies by providing and leveraging its deep

sector expertise, development and operational capabilities, and active asset management support to scale and commercialize innovative technologies in Brazil.

- (3) Exit opportunities: Emerging-market infrastructure assets in Brazil may have fewer exit opportunities and lower secondary-market depth, which can constrain the timing and pricing of divestments. To mitigate this, longer-duration capital is essential so it can remain invested through market cycles, reducing pressure for premature exits and improving overall fund flexibility. Also, Brookfield focuses on actively de-risking and stabilizing assets (through establishing operating track records, securing contracted/offtake revenues, and executing decarbonization plans) to broaden the potential buyer universe and pursuing multiple exit routes, including sales to strategic and financial buyers (including to foreign new market entrants), secondary transactions, and, where appropriate, public listings.
- (4) Financing risk: Costs of securing project and corporate financing could be higher for emerging technologies in Brazil, where having concessional capital can provide a cushion to support commercial returns that achieve the Fund's target returns necessary to execute investments and deploy private capital.

Key Assumptions:

- Brazil's regulatory framework for climate, energy transition, and carbon-market policies remain in place.
- Demand for low-carbon products and services continues to grow
- BIP continues to generate a pipeline of climate-aligned investment opportunities
- Commercial investors respond to the improved risk-adjusted profile created by the catalytic tranche
- FX/Macro volatility remains manageable

Co-benefits

Co-benefit (Economic): Creation of Employment - CSG will support the creation of employment opportunities through the development, construction and operation of clean energy, sustainable solutions (including nature-based solutions) and business transformation investments. Brookfield works with portfolio companies to strengthen local economic participation by prioritizing local employment and procurement where appropriate and supporting workforce development through training and skills development initiatives. As businesses scale and implement their decarbonization strategies, investments are expected to contribute to long-term employment opportunities while supporting regional economic development. These activities form part of Brookfield's broader objective of supporting a responsible energy transition that delivers lasting value to local communities while advancing decarbonization.

Co-benefits (Environmental & Social): Improved Governance, Environmental and Social Management Systems: CSG will strengthen environmental, social and governance performance by supporting portfolio companies to implement Brookfield's Environmental and Social Management System (ESMS) and sustainability integration framework. Following investment, businesses develop tailored sustainability integration plans that strengthen governance, environmental and social management, greenhouse gas reporting, climate risk management, biodiversity, human rights, community engagement and supply chain management. Brookfield provides operational expertise and governance oversight to build management capability, integrate international good practice and support continuous improvement throughout the investment lifecycle. This approach enhances the long-term resilience of portfolio companies while embedding sustainability into business strategy, decision-making and operations.

B.2 (b). Outcome mapping to GCF results areas and co-benefit categorization

Fill in the GCF results area table below to map each project/programme outcome identified in section B.2(a) to the contributing GCF results area(s) by referring to the description of eight results areas provided in the guidance note.

Outcome number	GCF Mitigation Results Area (MRA 1-4)				GCF Adaptation Results Area (ARA 1-4)			
	MRA 1 Energy generation and access	**MRA 2** Low-emission transport	**MRA 3** Building, cities, industries, appliances	**MRA 4** Forestry and land use	**ARA 1** Most vulnerable people and communities	**ARA 2** Health, well-being, food and water security	**ARA 3** Infrastructure and built environment	**ARA 4** Ecosystems and ecosystem services
Accelerated deployment of low-carbon power, BESS & other storage, distributed	☒	☒	☒	☒	☐	☐	☐	☐

generation & other energy & industrial sector decarbonization enabling solutions								

If any co-benefits have been identified in section B.2(a), fill in the Co-benefit table below to map each co-benefit to the corresponding category as defined in the FP guidance note.

Co-benefit number	Co-benefit					
	Environmental	**Social**	**Economic**	**Gender**	**Adaptation**	**Mitigation**
Co-benefit 1: Creation of employment	☐	☒	☒	☒	☐	☐
Co-benefit 2: Improved governance, E&S Management and Systems	☒	☒	☐	☒	☐	☐

B.3. Project/programme description (max. 2500 words, approximately 5 pages)

Define the project/programme. Describe the proposed set of components, outputs and activities that will be undertaken by the project/programme to attain the intended outcomes elaborated in Section B.2 (a). Please also elaborate how the project/programme activities will address the barriers described in Section B.2.
This section of the funding proposal should be consistent with sections C.2 (financing by component), E.5 (project/programme results level) and E.6 (project/programme activities and deliverables).
Referring to the feasibility study, describe why this set of interventions was selected instead of alternative solutions and how the project/programme can help unlock the needed support in a sustainable manner. Also identify trade-offs of the selected interventions, if applicable.
For Enhanced Direct Access (EDA) proposals and projects/programmes with financial intermediation (loans or on-granting), describe the selection criteria of the sub-project and types.

Component 1: INVESTMENT FUND (CTF FIP 1**)**

Investments will be shared using an allocation ratio based on the deployment targets Brookfield has agreed to with BNDES and GCF.

Activity 1: Origination, Screening and Deployment
Brookfield intends to establish CSG, a dedicated Brazil sidecar of Brookfield's Catalytic Transition Fund ("CTF"). CSG is designed to invest exclusively in portfolio companies in Brazil, mirroring CTF's investment strategy across three themes: Business Transformation (supporting decarbonization in identified hard-to-abate sectors) Clean Energy (expanding low-carbon generation and storage), and Sustainable Solutions (products and services that support wider decarbonization).

CSG has been specifically designed to address specific market failures in Brazil by providing patient blended equity capital that improves the risk-adjusted return profile of climate-transition investments while mobilizing commercial institutional investors.

Activity 1.1.1 Investment Screening and Impact Assessment
CSG will identify, assessing and executing investments through financial, technical, environmental and social due diligence and investment committee approval. Investments into CSG must meet GCF's Eligibility Criteria as outlined in Annex 2 in order to be eligible for investments.

CSG pursues three investment themes which mirror CTF's global strategy:

- **Business Transformation**: The decarbonization of specific assets, processes or activities within a business's direct operations

- **Clean Energy**: Expand low-carbon and renewable energy production. Brazilian targets include BESS and renewable energy additions (distributed generation and others).
- **Sustainable Solutions:** Support technologies enabling the scaling and deployment of viable low-carbon solutions and services which support decarbonization across identified sectors.

We believe that these themes comprise an attractive and diversified set of investment opportunities that will support the Fund to achieve its dual objective of accelerating the transition in Brazil while also generating attractive financial returns. The Fund will seek to make investments in assets where Brookfield identifies sufficient control or influence to advance the Fund's objectives, whether through the application of its operational and management capabilities, its expertise in clean energy technologies, decarbonization, and energy markets, or through other means.

The Fund's three investment themes define the expected outputs of the programme. Investments under the **Clean Energy** theme will deliver new renewable energy and energy storage capacity (Output 1 in the Theory of Change), while investments under the **Business Transformation** and **Sustainable Solutions** themes will support the deployment of low-carbon technologies and decarbonization initiatives across key sectors of the Brazilian economy, contributing to GHG emissions avoided, sequestered or reduced (Output 2 in the Theory of Change). Across all investment themes, the Fund is also expected to mobilize significant private sector capital alongside GCF resources, demonstrating the catalytic effect of blended finance (Output 3 in the Theory of Change)

Activity 1.1.2 Impact and Sustainability Due Diligence, includes transaction structuring
Brookfield's Sustainability Due Diligence Protocol includes assessment against the defined Avoidance Criteria, including protection of local ecosystems and biodiversity, responsible waste and resource management, pollution prevention, sustainable water use, engaging local communities and respecting human rights. Assessment against the Avoidance Criteria is subject to independent third-party review and sign-off as part of the due diligence process prior to investment approval. The outputs of Sustainability and Impact Due Diligence, including material risks and associated mitigations, are included in the Investment Committee memorandum and factored into the overall investment decision.

Brookfield intends to invest capital from its global Catalytic Transition Fund into CSG, tapping into the private sector and institutional investors while ensuring that there is adequate capital available for investments that drive climate impact.

CTF FIP 1 is a private-sector blended finance vehicle established as a multi-strategy private equity fund ("FIP") (Brazilian Fundo de Investimento em Participações Multiestratégia), with Brookfield serving as the executing entity and fund manager. CTF FIP 1 was selected through a public call launched by BNDES, acting as an Accredited Entity and serving as the Secretariat of the BIP. CTF FIP 1is the dedicated in-country vehicle of Brookfield's CTF, a impact private equity fund targeting decarbonization investments across Emerging Market and Developing Economies (EMDEs).

Activity 1.1.3 Investment Approval and Transaction Execution, includes capital call and equity deployment into portfolio companies
All investment activities will be supervised by the global investment committee ("Investment Committee"), whose members help evaluate opportunities across all funds in Brookfield's Energy Group, including the Fund. In addition to the Investment Committee, the Investment Allocation and Oversight Committee will ensure consistency by reviewing and "stress-testing" the Investment Committee's decisions and ensuring appropriate investment allocations. The Investment Allocation and Oversight Committee will not only review investments by Brookfield Energy, but also those made in other group platforms. Investments must be approved by both the Investment Committee and the Investment Allocation and Oversight Committee. Collectively, the Investment Allocation and Oversight Committee and the Investment Committee have, as described in the chart below, an average of 21 years of relevant industry experience and almost 16 years at Brookfield.

CSG generally expects to call capital quarterly, primarily to fund investments and expenses incurred during the preceding quarter, although capital may be called more frequently during the investment period depending on the

Fund's liquidity requirements. Capital calls relating to investments are made on a pro rata basis, with the same timing applicable to all LPs.

Activity 2: Active Ownership & Impact Delivery
Brookfield employs a hands-on, operations-oriented asset management approach focused on driving long-term value creation. Dedicated investment and asset management teams work closely with portfolio company management to execute strategic business plans, optimize operations, pursue growth opportunities, strengthen governance, and actively manage risk. This approach is supported by Brookfield's global operating platform, which provides expertise across engineering, development, procurement, commercial contracting, sustainability, finance, legal, and regulatory functions, enabling the Firm to enhance operational performance while monitoring financial and impact objectives throughout the investment lifecycle. BNDES, as Accredited Entity, supervises safeguards compliance (including GCF ESS, Gender Policy and Indigenous Peoples Policy) and consolidates and submits annual reporting to GCF.

Activity 2.1.1 Development of Decarbonization Business Plans and Sustainability Integration Plans
Following each investment, CSG's investment, asset management and sustainability teams will work collaboratively with portfolio company management to develop and execute a tailored Decarbonization Business Plan that aligns with both the commercial objectives of the investment and the Fund's impact goals. These plans incorporate near and long-term initiatives, establish quantitative impact targets, and identify the operational resources required to deliver measurable emissions reductions and long-term value creation. Brookfield seeks to finalize these plans within twelve months of closing, while executing priority actions identified during due diligence immediately following acquisition.

Each Decarbonization Business Plan will establish interim and long-term emissions reduction targets for the portfolio company, informed by recognized scientific pathways and third-party guidance, including relevant regional decarbonization pathways where applicable. The plan will identify the specific operational and technological decarbonization levers available to the business and incorporate these into the Decarbonization Business Plan.

To support delivery, CSG will establish governance and accountability structures at the portfolio company level to oversee implementation and monitor progress. Following acquisition, progress against impact targets is monitored regularly at the asset, business and board levels.

In parallel, Brookfield will develop a Sustainability Integration Plan for each portfolio company, incorporating sustainability due diligence findings and mitigation actions identified under Activity 1.1.2. The Sustainability Integration Plan will set out mitigation actions for material sustainability risks and opportunities, including, where relevant, measures relating to biodiversity, human rights, community engagement, Indigenous Peoples and supply chain management, consistent with Brookfield's Environmental and Social Management System (ESMS) and GCF ESS standards.

Each Decarbonization Business Plan and Sustainability Integration Plan will require board approval, including mitigation actions for material sustainability risks and opportunities.

Activity 2.1.2: Portfolio Company Asset Management, Monitoring, Sustainability Integration and Reporting
Following investment, progress against impact targets is monitored regularly at the asset, business and board levels. Brookfield measures Scope 1, Scope 2 and material Scope 3 greenhouse gas emissions in accordance with the GHG Protocol and intends to provide robust reporting that includes both quantitative and qualitative impact information. Progress against impact targets is reported quarterly, while greenhouse gas emissions are externally assured and reported annually, with appropriate aggregation at the Fund level where relevant. Impact outcomes will be reported to GCF. The Fund provides quarterly reporting of progress towards the underwritten impact targets, reported via BNDES on an annual basis, at minimum.

Brookfield will conduct regular sustainability working groups with portfolio companies (for example, Sustainability Working Groups, Supply Chain working groups) to review Sustainability Integration Plan updates and biannual asset management reports documenting implementation progress. Periodic monitoring will also track progress against

impact targets, material sustainability actions, and mitigation measures, including gender and social inclusion actions where relevant.

Activity 2.1.3: Deployment and Scaling of Clean Energy and Sustainable Solutions
CSG will support the implementation, scaling and commercialization of clean energy, business transformation and sustainable solution investments in Brazil. As several opportunities involve greenfield development, capital deployment may occur over multiple years following the initial investment approval, as greenfield projects are developed, reach final investment decision and require capital for construction.

Dedicated investment and asset management teams work closely with portfolio company management across three areas of activity. Construction and operational scaling support, under which Brookfield will work with portfolio company management to achieve construction and operational milestones in accordance with the business plan, resulting in additional renewable energy and storage capacity deployed, and increased deployment of sustainable solutions as applicable. In several sub sectors, the Fund is expected to be one of the first investors of scale, supporting technology transfer from developed markets (where Brookfield has operating experience) and adaptation to Brazilian conditions.

Commercialization and customer engagement, under which CSG will support portfolio companies in implementing commercialization activities to support market uptake and business growth. This is particularly relevant for Clean Energy investments, where renewable generation, battery storage and grid flexibility projects face curtailment, hourly price volatility and emerging technology risks, and for Sustainable Solutions investments, where technologies such as SAF, RNG, hydrogen, circular economy solutions and nature-based solutions continue to face market immaturity and limited access to growth equity, with domestic offtake markets remaining relatively underdeveloped.

Operational optimization and implementation of sustainability and decarbonization initiatives, under which Brookfield will support portfolio companies in implementing operational improvements and sustainability initiatives, supporting delivery of impact targets, emissions reductions and avoided emissions.

Activity 3: Exit, Capital Recycling, and Knowledge Sharing
Following the active ownership phase, CSG will pursue exits once investments have reached maturity and have been sufficiently de risked, with realized proceeds recycled into new climate transition opportunities during the commitment period. Impact and sustainability performance will be incorporated into exit planning and communicated to prospective buyers as key drivers of long-term value. The Fund will also generate and share lessons learned to support replication and scaling of climate transition investments in Brazil.

Activity 3.1.1: Exit planning and execution, includes capital recycling of realized proceeds into new climate investments in the commitment period
CSG's exit strategy is designed to support both climate impacts and market transformation effects continue beyond the Fund's investment period. Throughout the holding period, Brookfield will actively support portfolio companies in implementing Decarbonization Business Plans, integrating sustainability into core business operations, and establishing measurable mitigation performance targets. Because decarbonization is embedded within the business model and value-creation strategy of each investment, the Fund expects climate benefits, including GHG emission reductions, avoided emissions, and other transition outcomes, to continue beyond the Fund's ownership period. Brookfield's investment and asset management teams will evaluate and execute exit opportunities while considering the sustainability of impact outcomes beyond Brookfield's ownership period. Impact and sustainability performance will be incorporated into exit planning and communicated to prospective buyers as key drivers of long-term value, supporting the case for impact and climate objectives after ownership transfer.

Exits are pursued once the Fund holds de risked, stabilized assets with a demonstrated operating track record, supporting valuation and attracting successor capital. This typically occurs after the asset management plan has been fully executed and the investment has reached maturity, generally 7 to 10 years into the investment lifecycle, although opportunities may be evaluated earlier depending on market conditions and asset progression. The Fund will recycle capital at exit, allowing its investors, including GCF, to reinvest proceeds from successful portfolio company sales into new climate transition opportunities, enabling the same capital to support multiple generations of investments. GCF's capital is returned through portfolio company dividends and exits over the life of the Fund (via trade sales, secondary

transactions or IPOs). Reflows are tracked and reported through quarterly and annual investor reporting and audited annual financials, with AML/CFT controls per Annex 20.

At market level, over its lifespan, CSG aims to demonstrate that clean energy, business transformation and sustainable solutions projects can achieve market-rate returns - creating a proof of concept that shifts investor sentiment, reduces the cost of capital, and enables future commercial-only financing without concessional support. By establishing a track record of successful investments and exits, CSG is expected to reduce perceived investment risks, improve project bankability, and encourage future private-sector investment without concessional support. The Fund will also generate data and track records needed for follow-on financial products (green bonds, credit mechanisms) and validate the BIP platform as an anchor for institutional-quality climate investment in Brazil.

Brookfield employs a disciplined capital allocation approach designed to maximize long-term value creation across the investment lifecycle. As investments mature and operational, strategic and value creation objectives are achieved, the Firm seeks to realize value and redeploy capital into new opportunities that offer compelling risk-adjusted returns and meaningful upside potential. This disciplined recycling of capital enables Brookfield to optimize portfolio composition, capitalize on evolving market opportunities and direct capital toward investments where its operational expertise, active asset management approach and scale can drive the greatest incremental value. By continually reallocating capital from mature assets into new investment opportunities, Brookfield seeks to enhance long-term portfolio performance while maintaining a dynamic and diversified investment portfolio.

Activity 3.1.2: Knowledge sharing, lessons learned and market development through BIP and ecosystem stakeholders

Investors in Brookfield's funds benefit from ongoing formal and informal engagement designed to provide transparency into the Fund's performance, investment strategy and asset management approach. Formal communications include quarterly reports containing financial statements and investment updates, providing investors with regular insight into portfolio developments, Fund performance and strategic initiatives. Annually, the Fund provides audited financial statements and hosts an Annual Investor Meeting, offering investors the opportunity to engage with senior leadership, gain a deeper understanding of Brookfield's investment philosophy, active asset management approach and value creation strategies, and discuss the Fund's progress and outlook.

The remaining activities, origination and screening (Activity Set 1); active ownership and impact delivery, including Decarbonization Business Plans, impact measurement and reporting (Activity Set 2); and exit, capital recycling and knowledge-sharing (Activity Set 3), are core manager responsibilities, funded through the management fee, the administration fee and the Fund's expenses.

Please refer to the below table for a summary of activities and executing entity for each:

Component	Activity / sub-activity	Description	Executing Entity (EE)
Component 1: Investment from CSG			
			Brookfield Brasil Asset Management

	Activity 1.1.1: Investment Screening and Impact Assessment	Screening and assessment of potential investments in Brazil across Business Transformation, Clean Energy and Sustainable Solutions investment themes in alignment with Brookfield's IMM Framework.	Investimentos Ltda; Brookfield Catalytic Transition Fund GP, LLC; Brookfield Renewable Energy Group LLC
	Activity 1.1.2: Impact and Sustainability Due Diligence, includes transaction structuring	Conduct impact and sustainability due diligence for prospective investments in alignment with Brookfield's IMM Framework, including consideration of material gender and social inclusion issues where relevant to the investment.	Brookfield Brasil Asset Management Investimentos Ltda; Brookfield Catalytic Transition Fund GP, LLC; Brookfield Renewable Energy Group LLC
	Activity 1.1.3: Investment Approval and Transaction Execution, includes capital call and equity deployment into portfolio companies	Review and approval of investments through Brookfield's governance process, including the Impact Working Group and Investment Committee.	Brookfield Brasil Asset Management Investimentos Ltda; Brookfield Catalytic Transition Fund GP, LLC; Brookfield Renewable Energy Group LLC; CTF GCF Aggregator LP GCF SMA LP CTF FIP 1

	Activity 2.1.1: Development of Decarbonization Business Plans and Sustainability Integration Plans	Development and implementation of Decarbonization Business Plans and Sustainability Integration Plans for portfolio companies.	Brookfield Brasil Asset Management Investimentos Ltda; Brookfield Catalytic Transition Fund GP, LLC; Brookfield Renewable Energy Group LLC
	Activity 2.1.2: Portfolio Company Asset Management, Monitoring, Sustainability Integration and Reporting	Ongoing monitoring of impact performance, GHG emissions, material gender and social inclusion considerations and sustainability integration across portfolio companies.	Brookfield Brasil Asset Management Investimentos Ltda; Brookfield Catalytic Transition Fund GP, LLC; Brookfield Renewable Energy Group LLC
	Activity 2.1.3: Deployment and Scaling of Clean Energy and Sustainable Solutions	Support implementation, scaling and commercialization of clean energy, business transformation and sustainable solution investments in Brazil.	Brookfield Brasil Asset Management Investimentos Ltda; Brookfield Catalytic Transition Fund GP, LLC; Brookfield Renewable Energy Group LLC
	Activity 3.1.1: Exit Planning and Execution, includes capital recycling of realized proceeds into new climate investments during the Commitment Period	Brookfield's investment and asset management teams will evaluate and execute exit opportunities while considering the sustainability of impact outcomes beyond Brookfield's ownership period.	Brookfield Brasil Asset Management Investimentos Ltda; Brookfield Catalytic Transition Fund GP, LLC; Brookfield Renewable Energy Group LLC;

	3.2 Knowledge dissemination and market development: sharing lessons learned and engaging the BIP and ecosystem stakeholders	Share investment lessons learned, market insights, technology deployment experience, and best practices to support replication and scaling of climate-transition investments in Brazil.	Brookfield Brasil Asset Management Investimentos Ltda; Brookfield Catalytic Transition Fund GP, LLC; Brookfield Renewable Energy Group LLC

Illustrative Portfolio Construction and Target Investment Themes (non-exhaustive and indicative set of potential investments):

The table below presents an illustrative portfolio of representative investments that demonstrates the types of companies the Fund is expected to support. For each example, the table outlines the climate contribution, key barriers preventing investment under current market conditions, and Brookfield's value-creation approach. The examples are intended to illustrate how catalytic capital can unlock commercially viable climate investments, accelerate technology deployment, and generate broader market transformation by demonstrating scalable business models and crowding in private capital.

Company Type	Theme	Climate Contribution	Barrier	Brookfield Value Creation
Wind Power Platform	Clean Energy	Adds new wind capacity to supply to C&I, meeting incremental demand growth with clean electrons rather than thermal	Curtailment and hourly price volatility have driven greenfield renewable returns below private-sector hurdles	Brookfield's Brazilian renewables platform (demonstrated GW-scale solar/wind deployment) plus global relationships with consumers that can anchor offtake
BESS platform	Clean Energy	Enables renewable integration and curtailment reduction; BTM storage solves grid bottlenecks and supports electrification of municipal bus fleets (displacing diesel)	Nascent asset class, virtually no installed utility-scale BESS, revenue structures untested (first auction framework only just published), and curtailment/price uncertainty make long-term economics hard to underwrite	~50 GW of global BESS development experience transferable to Brazilian execution, spanning technical, procurement and operations expertise; further reinforced by Brookfield's Brazilian renewables platform, which has been actively engaged in the regulatory discussions shaping the sector's emerging framework
RNG platform	Sustainable Solutions	Methane abatement from sugarcane residues (vinasse, filter cake) plus fossil natural-gas displacement as a drop-in substitute	Anaerobic digestion remains largely underexplored in Brazil; long-term fixed-price offtakes are scarce and CGOB credits lack pricing references and track record; economics require platform-	Direct RNG operating experience via investment in (~85 digesters, ~5 bcf/yr from agricultural residues); platform-aggregation and consolidation capability; Can leverage commercial

			building/consolidation ahead of revenue visibility	contacts/capabilities from power supply to extend to other decarbonization solutions
Nature Based Solutions	Sustainable Solutions	Carbon removals through restoration of Brazilian forests and other natural ecosystems, enhancing carbon sequestration while supporting biodiversity, water resources, and benefit sharing mechanisms with local communities, when relevant.	Voluntary carbon markets remain fragmented, with evolving methodologies, verification requirements, and pricing uncertainty; projects often require significant upfront development capital and longtime horizons before revenue generation; scale and institutional-quality execution remain limited	Brookfield's experience developing and scaling real asset platforms, combined with its global network of corporate carbon credit buyers; ability to provide institutional governance, project development expertise, and access to long-term capital to support high-quality, scalable nature based solutions platforms

Barrier	Linked Outputs & Activities
Existing Brazilian climate finance instruments primarily provide concessional debt, grants, or fiscal incentives. None addresses the equity gap in decarbonization at scale.	Output 3: private capital mobilized and crowded in Activity 1.1.3: Investment Approval and Transaction Execution, includes capital call and equity deployment into portfolio companies Activity 3.1.1: Exit Planning and Execution, includes capital recycling of realized proceeds into new climate investments in the commitment period
Curtailment and hourly price volatility have driven greenfield renewable returns below private-sector hurdles.	Output 1: renewable energy and energy storage capacity installed Activity 1.1.1: Investment Screening and Impact Assessment Activity 1.1.2: Impact and Sustainability Due Diligence, includes transaction structuring Activity 1.1.3: Investment Approval and Transaction Execution, includes capital call and equity deployment into portfolio companies Activity 2.1.2: Portfolio Company Asset Management, Monitoring, Sustainability Integration and Reporting Activity 2.1.3: Deployment and Scaling of Clean Energy and Sustainable Solutions
BESS remains a nascent asset class in Brazil, with limited operating history and evolving revenue frameworks. The regulatory framework for the first storage auction in the country has recently been published, and key market structures and revenue streams remain largely untested.	Output 1: renewable energy and energy storage capacity installed Activity 1.1.1: Investment Screening and Impact Assessment Activity 1.1.2: Impact and Sustainability Due Diligence, includes transaction structuring Activity 1.1.3: Investment Approval and Transaction Execution, includes capital call and equity deployment into portfolio companies Activity 2.1.2: Portfolio Company Asset Management, Monitoring, Sustainability Integration and Reporting Activity 2.1.3: Deployment and Scaling of Clean Energy and Sustainable Solutions
Deployment of sustainable solutions in Brazil is constrained by challenging project economics and market immaturity. Technologies such as SAF, RNG, hydrogen, and certain circular economy solutions often require significant upfront capital investment, face technology commercialization and	Output 2: Sustainable solutions + transformations deployed Activity 1.1.1: Investment Screening and Impact Assessment Activity 1.1.2: Impact and Sustainability Due Diligence, includes transaction structuring Activity 1.1.3: Investment Approval and Transaction Execution, includes capital call and equity deployment into portfolio companies

execution risks, and are characterized by long development timelines. Domestic offtake markets remain relatively underdeveloped, limiting revenue visibility and project bankability. Project economics may also depend on evolving policy frameworks, incentives, and environmental credit mechanisms (e.g., CBIO credits), creating uncertainty around long-term cash flows.	Activity 2.1.2: Portfolio Company Asset Management, Monitoring, Sustainability Integration and Reporting Activity 2.1.3: Deployment and Scaling of Clean Energy and Sustainable Solutions
Voluntary carbon markets remain fragmented, with evolving methodologies, verification requirements, and pricing uncertainty; projects often require significant upfront development capital and long development horizons before revenue generation; scale and institutional-quality execution remain limited.	Output 2: Sustainable solutions + transformations deployed Activity 2.1.1: Development of Decarbonization Business Plans and Sustainability Integration Plans Activity 2.1.2: Portfolio Company Asset Management, Monitoring, Sustainability Integration and Reporting Activity 2.1.3: Deployment and Scaling of Clean Energy and Sustainable Solutions

Fund Impact, Measurement, Monitoring and Reporting:
CSG will apply Brookfield's IMM framework to support impact outcomes being systematically embedded, monitored and reported throughout the investment lifecycle. Brookfield incorporates impact considerations throughout the lifecycle of each investment. and has developed the 4A Criteria to anchor the investment screening process. The 4A Criteria, as well as the impact dimensions they capture, are as follows:
Alignment aims to support investments focusing on achieving the Fund's impact objectives, to generate measurable positive impact on decarbonization and benefit the environment
Additionality focuses on the opportunity to apply Brookfield's long-standing value-added investment approach to enhance impact
Accountability establishes a plan to measure impact and define quantitative, transparent, and verifiable targets, in alignment with the Paris Agreement objectives, in accordance with the common but differentiated responsibilities for EMDEs, and
Avoidance assesses broader sustainability risks in each investment and identifies mitigation actions
All potential investment opportunities will be evaluated based on the 4A Criteria, along with financial considerations.

After evaluating an investment's alignment with the Fund's impact objectives:

- Each investment will have quantitative, transparent, and verifiable impact targets informed by third-party guidance and science-based pathways, including relevant regional decarbonization pathways, where applicable.
- Each investment will have a Decarbonization Business Plan aligned with the delivery of the impact targets
- All investments will report Scope 1, 2 and material Scope 3 emissions aligned with the GHG Protocol and PCAF. GHG emissions will receive limited assurance on an annual basis.

Impact outcomes will be reported to GCF. The Fund provides quarterly reporting of progress towards the underwritten impact targets, reported via BNDES on an annual basis, at minimum.

Fund Selection of Interventions
Equity was selected over debt and grants due to: (i) Brazil's hard-to-abate transition projects are pre-FID and not bankable without equity; (ii) higher Debt/Equity ratios demanded for novel technologies require more equity per dollar of investment; (iii) equity enables active value creation through Decarbonization Business Plans, unlike passive debt; and (iv) equity exits through IPOs and trade sales generate proceeds that can be reinvested by the Fund investors, including GCF into new climate-transition opportunities, extending the impact of the original capital over multiple investment cycles. Portfolio construction of concentrated investments balances diversification with sufficient ownership stakes to implement operational improvements.

In addition, as an owner and operator of these assets for more than 125 years, we believe the choice of equity is the mechanism through which Brookfield can leverage its strategic and operational capabilities to generate value and implement its impact objectives.

The Fund will seek to invest where it determines that it has sufficient control or influence over the operations and/or business plan of the investment. In practice, this means establishing relevant governance rights before closing — including the requirement to develop a business plan that incorporates impact targets, broader ESG aspects, and the establishment of a Sustainability Committee with representatives from Brookfield and the company to oversee execution of the Paris Agreement-aligned business plan. After closing, a third party is contracted to validate the

baseline and GHG emissions reports, and the Paris Agreement-aligned business plan is approved by the Sustainability Committee and the Board, and reviewed regularly at the asset, business, and governance levels. This model is already demonstrated in Brazil..

We believe the proposed portfolio construction balances diversification with sufficient ownership stakes to implement operational improvements and drive the business plan changes that decarbonization of Brazil's energy and industrial sectors requires.

How the Program is expected to contribute to GCF Mitigation Result Areas
Program interventions contribute to GCF Mitigation Result Areas as follows.

- Clean Energy contributes primarily to MRA 1 – Energy generation and access, adding low-carbon capacity and enabling further renewable integration.
- Business Transformation (industrial decarbonization, retrofit and modernization of carbon-intensive facilities) contributes primarily to MRA 3 – Buildings, cities, industries and appliances, reducing emissions from existing industrial assets.
- Sustainable Solutions contributes across MRA 1–4 depending on the sub-sector. For example, low-carbon fuels may contribute to MRA 1 or MRA 2, circular-economy solutions to MRA 3, and nature-based solutions / reforestation to MRA 4 (Forestry and land use).

The provided indicative allocation percentages by result area in A4 is based on each area's share of our current pipeline. Result area allocations are indicative only and do not represent binding commitments by Brookfield or BNDES. Actual allocations may vary depending on the deals executed from the pipeline so there is no binding plan to allocate financing across the proposed investments in a manner that reflects these allocations.

B.4. Implementation arrangements (max. 1500 words, approximately 3 pages plus diagrams)

Provide a description of the project/programme implementation structure, outlining legal, contractual, institutional and financial arrangements from and between the GCF, the Accredited Entity (AE) and/or the Executing Entity(ies) (EE) or any third parties (if applicable) and beneficiaries.

- *Provide information on governance arrangements (supervisory boards, consultative groups among others) set to oversee and guide project implementation. Provide a composition of the decision-making body and oversight function, particularly for Enhanced Direct Access (EDA) proposals.*
- *Provide information on the financial flows and implementation arrangements (legal and contractual) between the AE and the EE, between the EE or any third party and beneficiaries. For EEs that will administer GCF funds, indicate if a Capacity Assessment has been carried out. Where applicable, summarize the results of the assessment.*
- *Describe the experience and track record of the AE and EEs with respect to the activities (sector and country/region) that they are expected to undertake in the proposed project/programme.*

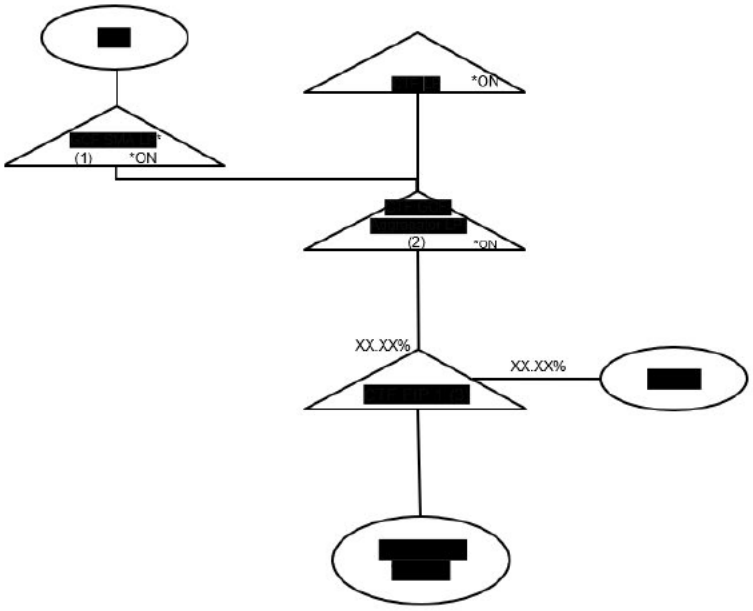
Provide a diagram(s) or organogram(s) that maps such arrangements including the governance structure, legal arrangements, and the flow and reflow of funds between entities.

The expected structure is that GCF would make a commitment to a newly formed Ontario limited partnership (the "GCF SMA") in which GCF would be the sole limited partner and a Brookfield controlled entity would serve as general partner. GCF SMA is governed by its limited partnership agreement and GCF will need to complete a subscription agreement into GCF SMA. Any payments that are required to be Funded by GCF into this GCF SMA will be funded via a bank account held in the name of BNDES.

GCF SMA will indirectly invest in [redacted] in the below box through the [redacted] All investments made in [redacted] must meet GCF's eligibility and exclusion criteria outlined in Annex 2. For the avoidance of doubt, GCFs capital will not "commingle" with assets that do not meet GCF's eligibility criteria.

Please see below for illustrative structure of GCF's investment into [redacted]

Legal and Structural Arrangement



Please see to the left an illustrative structure of GCF's investment into CTF for non-U.S. tax purposes.

(1) Type of vehicle: Ontario limited partnership
GP: [redacted]
Manager: [redacted]
Executing entity: Brookfield and its affiliates
Governing document: limited partnership agreement and investment management agreement

(2) Type of vehicle: Ontario limited partnership
GP: [redacted]
Manager: [redacted]
Executing entity: Brookfield and its affiliates
Governing document: limited partnership agreement

(3) Type of vehicle: Brazilian FIP
Administrator / Investment Manager: [redacted]
Executing entity: Brookfield and its affiliates
Governing document: bylaws
**Note that the FIP 2 structure will match the terms for FIP 1 (vehicle (3)) as shown herein.

Brookfield's rationale for the two-FIP structure shown is to address GCF's request to avoid any "commingling" of assets and to accommodate GCF's Eligibility Criteria, which may lead to certain instances where GCF does not participate in certain Brazilian investments.

Brookfield's rationale for the SMA is to accommodate GCF's need to commit in USD and to document GCF's Eligibility Criteria, without impacting the main CTF fund structure and CTF investors. The governing document of the SMA will also include detail regarding GCF's capped return.

Brookfield's rationale for the Aggregator between the [redacted] is for a multiple reasons, including: (a) to accommodate GCF's excuse right for investments that do not meet the "Eligibility Criteria" since the [redacted] does not easily accommodate excuse; (b) to accommodate the CTF Fund's investment in the [redacted]; (c) to accommodate certain tax structuring efficiencies and (d) to document the economic terms of the catalytic return to the main CTF investors.

An Ontario LP for the SMA and Aggregator was selected for several reasons. Among other benefits, they are generally tax-efficient because the partnerships themselves are not taxable entities. In addition, we have significant experience with the applicable legal and regulatory frameworks, which supports efficient structuring and administration, while also ensuring that we're investing through a well-established jurisdiction.

In designing our investment structures, we consider a range of tax, legal, regulatory, and commercial factors, and we engage external advisors where appropriate. In this particular structure, investor capital is pooled through [redacted]) which is an Ontario limited partnership (LP) before being invested in the Brazil FIP.

Under current regulations, FIPs are not subject to taxation in Brazil. As a result, distributions received from underlying investments and capital gains arising from the sale of assets, including shares in the underlying entities, are not taxable at the FIP level. In addition, distributions made by the FIP to non-resident investors that are not located in a tax haven, as is the case with the ON entities, are not subject to taxation in Brazil.

For the avoidance of doubt, GCF will not participate in the FIP 2 structure.

*** Note that the names of the entities in the structure are still being confirmed.**

Description of each Executing Entity and its legal status:

#	Full Legal Name	Legal Form	Legal Status, Jurisdiction, Purpose
1	[redacted]	Ontario limited partnership	Ontario limited partnership that pools capital from [redacted] before investment into [redacted]. [redacted] serves as general partner, and [redacted] serves as manager. The vehicle is governed by a limited partnership agreement. The Aggregator is intended to accommodate GCF's Eligibility Criteria and related excuse rights, participation by the main CTF fund, relevant tax structuring and the economic terms of the catalytic return.
2	[redacted]	Brazil domiciled investment manager registered with CVM	Brazil-domiciled and CVM-regulated investment manager, affiliated to [redacted]

			[redacted] is the investment manager for the FIP ("FIP 1") which GCF will participate through. Note that investments that GCF does not participate in will be done through "FIP 2" (as shown in the structure chart above) and similarly [redacted] will serve as the manager for FIP 2.
4	[redacted]	Bermuda limited liability company	A Bermuda limited liability company, controlled subsidiary of Brookfield, and the general partner for [redacted] (as well as the GCF SMA and the Aggregator) listed above. The General Partner is responsible for the management and control of the business of [redacted]
5	[redacted]	Delaware limited liability company	A Delaware LLC, an indirectly wholly-owned subsidiary of Brookfield, is the investment manager of [redacted]. [redacted] is registered as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended. [redacted] will be retained by [redacted] pursuant to a management agreement to provide investment advice and other management services. [redacted] will also serve as the investment manager to the GCF SMA.
6	[redacted]	Ontario limited partnership	Ontario limited partnership established as the GCF-dedicated separately managed account vehicle. [redacted] serves as its general partner, and [redacted] serves as its investment manager. The vehicle is governed by a limited partnership agreement and an investment management agreement. The SMA is to accommodate GCF's need to commit in USD and to document GCF's Eligibility Criteria, without impacting the main CTF fund structure and CTF investors. The governing document of the SMA will also include detail regarding GCF's capped return. GCF will need to complete a subscription agreement into GCF SMA. For the

			avoidance of doubt, GCFs capital will not "commingle" with assets that do not meet GCF's eligibility criteria.
8	[redacted]	Brazilian FIP	Brazilian investment fund governed by its bylaws and administered and managed by [redacted]. The administrator and investment manager carry out the FIP's administration, investment and transaction activities in accordance with the bylaws and applicable Brazilian requirements. The FIP Structure is to address GCF's request to avoid any "commingling" of assets (such that assets that do not meet the Eligibility Criteria will not "commingle" with the assets that do meet the GCF Eligibility Criteria) , which may lead to certain instances where GCF does not participate in certain Brazilian investments.

* **Note that the names of the entities in the structure are still being confirmed.**

Rationale for the Proposed Structures:

In designing our investment structures, we consider a range of tax, legal, regulatory, and commercial factors, and we engage external advisors where appropriate. In this particular structure, investor capital is pooled through CTF GCF Aggregator LP (ON) which is an Ontario limited partnership (LP) before being invested in the Brazil FIP.

Under current regulations, FIPs are not subject to taxation in Brazil. As a result, distributions received from underlying investments and capital gains arising from the sale of assets, including shares in the underlying entities, are not taxable at the FIP level. In addition, distributions made by the FIP to non-resident investors that are not located in a tax haven, as is the case with the ON entities, are not subject to taxation in Brazil. Please note:

- The Aggregator between the GCF SMA and [redacted] is for a multiple reasons, including: (a) to accommodate GCF's excuse right for investments that do not meet the "Eligibility Criteria" since the CTF FIP does not easily accommodate excuse; (b) to accommodate the CTF Fund's investment in the CTF FIP; (c) to accommodate certain tax structuring efficiencies and (d) to document the economic terms of the catalytic return to the main CTF investors.

- An Ontario LP for the SMA and Aggregator was selected for several reasons. Among other benefits, they are generally tax-efficient because the partnerships themselves are not taxable entities. In addition, we have significant experience with the applicable legal and regulatory frameworks, which supports efficient structuring and administration, while also ensuring that we're investing through a well-established jurisdiction.

Please refer to Annex 9 for a full overview of the proposed structure.

Governance Structure

Registration & Fiduciary Duties

- [redacted] is duly registered with the CVM; BAM is registered with the SEC as an investment adviser under the Advisers Act. BAM will serve as the ultimate investment adviser to the GCF SMA and the Aggregator (note that [redacted] is the investment manager for the GCF SMA; [redacted] is a subsidiary of BAM). [redacted] is the investment manager for the FIP which GCF will participate through the Aggregator
- Both [redacted] and BAM are subject to fiduciary duties in providing management services to the Fund and the Offshore Fund (the Catalytic Transition Fund), respectively
- BAM is required under applicable U.S. law to:
  - Act in the best interests of the Offshore Fund, in accordance with its governing documents
  - Disclose to investors any conflicts — or potential conflicts — of interest
  - Seek the consent of the Advisory Committee for any approval required by the Advisers Act or as provided in the LPA
  - Resolve all conflicts — or potential conflicts — fairly and equitably

Governance Frameworks and Oversights

Investment Committee : All investment activities will be supervised by the global investment committee ("Investment Committee"), whose members help evaluate opportunities across all funds in Brookfield's Energy Group, including the Fund. The Investment Committee is composed of six memberswill ensure consistency by reviewing and "stress-testing" the Investment Committee's decisions and ensuring appropriate investment allocations. The Investment Allocation and Oversight Committee will not only review investments by Brookfield Energy, but also those made in other group platforms. Investments must be approved by both the Investment Committee and the Investment Allocation and Oversight Committee. Collectively, the Investment Allocation and Oversight Committee and the Investment Committee have, as described in the chart below, an average of 21 years of relevant industry experience and almost 16 years at Brookfield.

- The regional transaction team, the senior leadership team, the impact working group, and various functions and businesses within Brookfield will review each investment opportunity before presenting it to Investment Committee.
- **Brazil FIP Governance:** The quotaholders meetings will be held at the Brazil FIP level, and GCF will be given voting rights in respect of certain governance issues, such as conflicted transactions and key person issues at the FIP level. These rights will be effectuated by the Aggregator (which does participate directly in the FIP): GCF will vote in respect of certain matters brought forth to the FIP and the GCF SMA will cause the Aggregator to vote in accordance with GCF's interests, The Aggregator will be given voting rights and shall vote, as quotaholder, in accordance with the CTF global LPA and the GCF SMA LPA. The scope of roles and responsibilities the Quotaholders will be detailed in the term sheet of the FIP. GCF will be given the same governance rights to be reflected in the GCF SMA LPA, as detailed in the term sheet of the GCF SMA.
- **Impact Working Group:** While the Investment Team is responsible for the implementation of the Fund's IMM framework across the lifecycle of each investment, the Impact Working Group will review all potential investments against the IMM and play a key role in advising the impact planning and measurement process for CTF investments.
- **Other Operational Committees:** At the broader Brookfield Energy Platform level, several committees provide specialized oversight including risk management, financial controls and corporate governance.
  - Risk Management Committee oversees significant financial and non-financial risks, including market, credit, operational, reputational, strategic, regulatory and business risks. These responsibilities include reviewing risk assessment and risk management practices with management to ensure ongoing, effective mitigation of key organizational risks, as well as confirming that the company has an appropriate risk-taking philosophy and suitable risk capacity.
  - Audit Committee oversees risks associated with Brookfield's systems and procedures for financial reporting as well as for audit processes. Part of the committee's responsibilities are the review and

approval of the risk-based internal audit plan, which helps ensure alignment with risk management activities and organizational priorities.

- Governance, Nominating and Compensation Committee oversees the risks related to Brookfield's governance structure, including the effectiveness of board and committee activities, sustainability governance and potential conflicts of interest, as well as with respect to related party transactions. Additionally, the committee oversees the risks related to Brookfield's management resource planning, including succession planning, proposed senior management appointments, executive compensation, and the job descriptions and annual objectives of senior executives, as well as the performance relative to those objectives.

Conflict Resolution Protocol

- When evaluating a potential transaction, the Investment Committee evaluates whether any conflicts or potential conflicts of interest exist
- Brookfield's Regulatory Council and CCO assist in this evaluation and, to the extent necessary, refer the matter to the Conflicts Committee for consideration of the proposed resolution

All conflicts (and potential conflicts) are generally subject to either:

- A pre-negotiated/pre-approved conflict resolution protocol (as established in the Offshore Fund's governing documents); or
- In the absence of such a protocol, a determination by the Conflicts Committee with respect to BAM's fiduciary obligations, which may include obtaining the consent of the Advisory Committee

Financial Flows

GCF funds flow from GCF to BNDES (as AE), then from BNDES to a fund sleeve, and subsequently to the Concessional Equity quota subclass in CSG, and finally as equity investments into portfolio companies. Portfolio company distributions (dividends, exit proceeds) flow back through the FIP and ultimately to investors per the distribution waterfall.

- **Flow of Funds Tracking**
  "CTF FIP 1" refers to the Brazilian FIP (multi-strategy FIP under CVM Resolution 175). GCF and CTF commitments are pooled through the intermediate (aggregator/feeder) vehicles before reaching the FIP. FIP also receives capital directly from BNDES. The FIP then invests in portfolio companies; distributions reflow along the same path per the waterfall. All deployments are recorded in the Fund's Flow of Funds, linked to approved project activities, and require Investment Committee approval before investments. Deployments and distributions are documented and monitored at both investment and fund level (available on request). The FIP operates with an annual external audit, providing segregation and anti-diversion controls, complemented by AML controls as established in Annex 20. Each investment is screened against Brookfield's 4A Criteria with a Decarbonization Business Plan and quantitative impact targets, so each flow traces to an approved, eligibility-screened activity.

  Once an investment has been approved and funding is required, investors receive funding notices indicating their respective allocations, with a minimum of 10 business days' notice in advance of the funding date. The key components contained in the funding notices include the bank account wire details, the total capital call and amount for each respective investor, the funding date, an investment description including use of proceeds as applicable, and the available commitment balance before and after the capital call. Each investor's contribution will be based on their pro rata share, determined by their commitment and the overall fund size. We typically aim to call capital quarterly, with timing based on investments and expenses from the preceding quarter. During the investment period, more frequent calls may be required based on fund liquidity, and similarly upon a sale, we may distribute cash sooner. The Fund's subscription facility is used to bridge short term timing differences between when we expect to close a transaction and when we call capital.

- **Investor Reflows:**
  GCF participates as an LP holding concessional equity in the FIP; its reflows are therefore equity distributions (dividends and exit proceeds). There is no fixed repayment schedule: GCF's capital is returned through portfolio-company dividends and exits over the life of the Fund (via trade sales, secondary transactions or IPOs), with realizations expected to occur across multiple years. Returns follow the distribution waterfall established per subclass; for GCF's subclass, the intended structure is return of capital, , and returns above the cap re-allocated to other LPs. At the sub-project level, each portfolio company arranges its own financing at the SPV level, and distributions return to the Fund as equity proceeds. Reflows are tracked and reported through quarterly and annual investor reporting and audited annual financials, with AML/CFT controls per Annex 20 and the fiduciary obligations of BBAMI (CVM-registered) and BAM (SEC-registered).

GCF's Financial Exit

GCF's USD 250M equity commitment is expected to be returned through portfolio company exits over the life of the Fund. Brookfield begins exploring exits once the asset management plan has been executed and the investment is mature and de-risked, typically 7 to 10 years into the lifespan of an investment, or earlier as the opportunity arises.

AE Track Record (BNDES)

The Brazilian Development Bank (BNDES) is the Federal Government's main instrument for long-term financing and investment in all segments of the Brazilian economy. BNDES supports entrepreneurs of all sizes, including individuals, by financing investments, underwriting securities, providing guarantees, and granting non-refundable funds. BNDES' support focuses on positive social, environmental, and economic impact, always taking into consideration the potential to generate jobs, income, and social inclusion for Brazil. Encouraging innovation, regional development, and social and environmental development are our priorities. During periods of crisis, BNDES has an essential anticyclical role and assists in the structuring of solutions for recovering economic growth.

The Bank is a federal public company 100% owned by the Brazilian Government, not subject to intervention, extrajudicial liquidation or bankruptcy. BNDES reports to the Ministry of Development, Industry, Trade and Services and is one of the world's largest development banks:

Comparison between BNDES and international development banks (DBs) (2023 data)[1,2]			
Indicators	BNDES	Average DBs	Δ
Return on Equity (ROE) (% per year)	15.5	4.5	244%
Return on Assets (ROA) (% per year)	3.1	0.5	520%
Cash / Total Assets (%)	15.0	7.6	97%
Nonperforming Loans (%)	0.05	0.43	-88%
Basel Ratio (%)	31.5	21.6	46%
Net Income per Employee (BRL million)	9.0	2.5	260%
Administrative and Personnel Expenses / Operating Income (%)[3]	11.9	39.1	-70%

[1] International Development Banks: IDB, IBRD, KFW, CDB, EIB, and KDB. Values impacted by exchanged rate of the last period: assets and liabilities were translated into Brazilian reais using the exchange rate of the end of the last period; Income statement items were translated using the average exchange rate for the year.
[2] IDB, KFW, CDB, KDB, and EIB: financial statements refers to 12/31/2023. IBRD: refers to 06/30/2023.
[3] Operating income before administrative and personnel expenses and allowance for losses on loans.

Since 1953, BNDES has raised funds on the international capital market through bond issuances and, since 1972, through loans from multilateral agencies and other development finance institutions.

It is worth mentioning that BNDES was the first Brazilian bank to issue a green bond abroad, back in 2017, in the amount of USD 1 billion. It was also a pioneer with the local issuance of a Green Bank Note of BRL 1 billion, in 2020. BNDES investments in equity started in the 1970s, mainly through direct equity investment. Investments in private equity funds started in the late 1990s after this investment modality was regulated by the Securities and Exchange of Brazil (CVM).

In the past 25 years, BNDES has invested in more than 70 private equity funds (including venture and seed capital). The average annual IRR of fully divested funds is 17% and BNDES currently has stakes in approximately 40 PE/VC funds that are managed by 28 different managers.

EE Track Record (Brookfield Asset Management)

Brookfield is a global alternative asset manager with more than USD 1.3 trillion in assets under management, distributed across its Energy, Infrastructure, Private Equity, Real Estate, and Credit businesses.[19] The manager has a track record of more than 125 years' operating as an owner and operator, investing in assets and companies that we believe help form the backbone of the global economy. Leveraging our global reach, access to large-scale capital, and operational expertise, we offer a comprehensive set of alternative investment products to institutional investors, sovereign wealth funds, and private investors around the world. In Brazil, Brookfield was founded in 1899, with the creation of the São Paulo Tramway, Light and Power Company. Brookfield operated under the name Brascan until 2005, when it was changed to Brookfield. Since 2001, Brookfield has transitioned from being an owner-operator, investing exclusively in proprietary resources, to becoming a third-party asset manager.

Brookfield's corporate structure is divided into two distinct but complementary entities, both publicly traded. Brookfield Corporation ("BN" or the "Corporation") (NYSE: BN, TSX: BN) is a leading global investment company focused on generating long-term value for institutions and individuals around the world. Brookfield Asset Management Ltd. ("Brookfield Asset Management", "BAM" or the "Manager") (NYSE: BAM, TSX: BAM) is a global alternative asset

[19] As of June 30, 2026.

manager that invests client capital with a long-term focus, prioritizing real assets and essential service businesses that form the backbone of the global economy.

Brookfield is today one of the largest global players in renewable energy and energy transition, with 48 GW of operational capacity, including more than 17 GW of wind, 14 GW of centralized solar, 8 GW of hydroelectric, 5 GW of distributed generation, and 2 GW of batteries. In addition, we have a robust pipeline of 182 GW in generation projects – including offshore wind – and more than 48 GW in battery pipeline. Complementing this leadership in energy, Brookfield, through its transition funds, already invests in several emerging solutions for decarbonization, such as biomethane, sustainable aviation fuel / eFuel, recycling, carbon capture and storage, in addition to investments in solar panel manufacturing and green ammonia production, which has large-scale projects in India).

At the local level, Brookfield has a large-scale presence and a long history of investments in Brazil, contributing to the growth of several industries essential to the country. Brookfield is a significant international investor in infrastructure and renewable energy in Brazil, with investments around BRL 200 billion, in addition to more than 25,000 professionals at its portfolio companies and a team of 50 professionals dedicated to the investment area.

Brookfield has invested in renewable energy for over 20 years, having developed a broad local presence and solid relationships with sector players, energy consumers, financial institutions, insurers, developers, and equipment suppliers. Brookfield is one of the largest players in the renewable energy and energy transition segment, with a portfolio of more than 3.5 GW of centralized generation (hydro, solar, wind), in addition to expectations of reaching more than 400 MW of distributed generation capacity. Among the projects invested in and built by Brookfield is Janaúba, the largest solar energy complex in the southern hemisphere, with installed capacity of 1.6 GW.

Brookfield is invested in five relevant essential platforms that integrate national infrastructure, operating directly in the toll roads, railways, gas pipelines, transmission lines, and data centers sectors. Brookfield's local presence is marked by the management of assets that connect Brazil's main economic hubs, such as the Arteris highways, which total more than 2,600 km and handle approximately 688 million equivalent vehicles per year; VLI, one of the largest integrated logistics networks in the country, with 9,800 km of railways and operations in strategic intermodal and port terminals; NTS, responsible for transporting 50% of natural gas consumed nationally, with 2,048 km of pipelines; Quantum, which operates 1,917 km of transmission lines and 15 substations, ensuring stability and energy security; and Ascenty, leader in data centers in Latin America, with 40 units in operation and under development and a 5,000 km fiber optic network, serving the main global technology players. This robust and diversified operation reinforces Brookfield's capacity to deliver innovative, high-impact solutions for the sustainable development of Brazil, always focusing on operational efficiency, safety, and value generation for its clients and partners.

B.5. Justification for GCF funding request (max. 1000 words, approximately 2 pages)

Explain why the project/programme requires GCF funding to address mitigation or adaptation measures, i.e. Why is the project/programme not currently being financed by public and/or private sector? Which market failure is being addressed with GCF funding? Are there any other domestic or international sources of financing?

Explain why the proposed financial instruments were selected in light of the proposed activities and the overall financing package. i.e. What is the coherence between activities financed by grants and those financed by reimbursable funds? How were co-financing amounts and prices determined? How does the concessionality of the GCF financing compare to that of the co-financing? If applicable, provide a short market read on the prevailing of the pricing and/or financial markets for similar projects/programmes.

Justify why the level of concessionality of the GCF financial instrument(s) is the minimum required to make the investment viable. Additionally, how does the financial structure and the proposed pricing fit with the concept of minimum concessionality? Who benefits from concessionality?

In your answer, please consider the risk sharing structure between the public and private sectors, the barriers to investment and the indebtedness of the recipient. Please reference relevant annexes, such as the feasibility study, economic analysis or financial analysis when appropriate.

Why GCF Funding Is Required: Market Failure and Absence of Alternative Financing

Brazil's industrial and energy transition faces a structural equity gap that neither domestic public finance nor private capital markets can currently close without concessional intervention. Despite being Latin America's largest economy and one of the world's most resource-endowed countries for clean energy, Brazil captured only 3% of total global capital announced for climate projects in 2023.[20] In 2024, private equity disbursements to energy and industrial

sectors contracted by 44% relative to 2023,[21] with only approximately 20% of the total directed to those sectors and an even smaller fraction linked to climate transition specifically. The BIP pipeline of industrial and energy transition projects requires approximately USD 5 billion in equity to reach investment readiness[9] — more than ten times the equity allocated to those sectors in Brazil in 2024. The underlying market failure is structural and multi-layered, not temporary. Four interlocking barriers prevent private capital from filling this gap unaided: (i) Elevated country risk and fiscal constraints. Brazil's elevated debt-to-GDP ratio has created a widening funding gap relative to other countries globally, with gross fixed capital formation as a percentage of GDP at only 17% in 2024 — far below the global average of 26%.[22] This constrains the government's own fiscal capacity to deploy capital at the scale required, while Brazil's high domestic interest rates structurally compress risk-adjusted equity returns below the thresholds required by international institutional investors.(ii) Technology and commercial risk specifically in decarbonization technologies that are commercially unproven at scale in the Brazilian market. Without a track record of comparable transactions, the risk profile may become unacceptable to institutional investors, which may be balanced with catalytic capital. (iii) Transactions structured through project finance in new business models typically demand higher equity-to-debt ratios. The equity tranche is a critical pre-requisite for debt lenders — without it, projects cannot reach financial close regardless of the quality of the underlying assets. The availability of catalytic capital may contribute to crowd in private capital, which allows more projects to become viable. (iv) Misallocation of existing concessional finance.

Existing domestic instruments — Fundo Clima, Fundo Amazônia, FNO Verde, EcoInvest Brasil, and the CIF Industry Decarbonization Program — primarily provide debt, grants, or fiscal incentives and do not address the specific equity gap that CSG targets. Most international blended finance initiatives support mature renewable energy sectors, not the hard-to-abate sectors that are most critical to Brazil's transition. No precedent for a domestic catalytic equity fund with this sectoral focus has been identified in Brazil, leaving a critical market gap that CSG is uniquely positioned to fill.

Why Equity and Not Debt or Grant?
Equity was selected as the GCF financial instrument because the specific barrier being addressed is the absence of sufficient risk capital at the top of the capital structure — not a debt pricing problem, a guarantee coverage problem, or a grant eligibility problem. Specifically: (i) debt lenders require the equity tranche as pre-condition for commitment; (ii) novel business models attract higher Equity/Debt ratios from lenders, increasing the quantum of equity required per dollar of total investment; (iii) equity enables active value creation through Brookfield's Decarbonization Business Plans, which cannot be structured through debt or grant instruments; and (iv) equity provides GCF with capital recycling potential through fund exit proceeds — IPOs, trade sales, and secondary transactions — consistent with efficient use of concessional resources**.**

Minimum Concessionality and Who Benefits
GCF's catalytic capital has been structured on a pari passu basis with CSG, subject to a returns cap applied uniformly across each investment made by the Fund. Under this arrangement, GCF's capital is deployed alongside CSG on equivalent economic terms, with the sole distinction being the application of that return ceiling on GCF's share of proceeds. The structure has been designed to reflect the specific dynamics of the climate finance market and to maximize the additionality of GCF's participation without introducing asymmetric economic terms that would complicate the investment framework.

The primary purpose of GCF's participation is to mobilize private capital into Brazilian climate financing opportunities by bridging the gap between the returns currently available on climate-focused investments in Brazil and the commercial returns required to attract private capital. Brazil's climate finance opportunity set spanning clean energy, business transformation and sustainable solutions presents an investment universe that is consistent with CSG's risk appetite. The constraint is not risk but returns: a meaningful differential exists between market returns available on individual transactions and the return threshold required by CSG's strategy. By capping GCF's returns , the structure redistributes the incremental economic benefit to CSG on each transaction, closing that differential and rendering investments viable that would otherwise fall outside the Fund's investment criteria.

A key consideration in the design of this structure was ensuring that GCF's participation does not burden CSG with additional complexity at the transaction level. The application of a uniform cap on a deal-by-deal basis means that the terms of GCF's involvement are standardized and predictable across the portfolio, with no requirement for bespoke structuring on a deal-by-deal basis. This provides certainty of catalytic benefit at the point of underwriting, enabling the investment team to model the precise return enhancement available on any given transaction without renegotiating the GCF component each time. The result is a structure that preserves execution discipline and allows the team to remain focused on the deployment of capital into high-quality opportunities.

The magnitude of the cap is derived from a transaction-level return-gap analysis that risk-weights the country, technology, offtake and market-maturity factors specific to Brazilian transition assets. On that basis, representative pipeline transactions deliver a standalone risk-adjusted return that is insufficient to reach the Fund's target return and falls below the threshold institutional investors require for Brazil transition equity of this profile, which is precisely why several of these assets fail to attract commercial capital. Closing this gap is the specific function of the blended structure: GCF's cap at the CSG level delivers approximately return enhancement to co-investors, restoring the pipeline to its required return.

The cap level reflects minimum concessionality. At GCF's share of the, the cap transfers the enhancement required to close the gap, and no more.

Without GCF's concessional anchor, most projects in or aligned with the BIP pipeline are likely to remain stalled despite their climate impact potential. Critically, investees do not receive concessional support from GCF resources directly — they have access to sufficient equity, which facilitates their access to debt on commercial terms.

The beneficiaries of concessionality are: (i) portfolio companies, which gain access to the equity tranche needed to make their projects bankable and attract project finance debt, with reduced risk spreads and improved debt service terms as a result; (ii) Brazil broadly, as CSG is expected to generate GHG emissions reductions, avoided emissions, removals and/or sequestration across its portfolio, and a scalable, replicable demonstration of how concessional equity can attract institutional investors at scale, setting precedents for replication and incentivizing further private investment in future vintages without concessional support; and (iii) as the enabling channel through which benefits (i) and (ii) are realized, senior equity investors — CTF and institutional co-investors — who are brought to the table by the structure and gain access to transactions they could not underwrite on a standalone basis

B.6. Exit strategy (max. 500 words, approximately 1 page)

Explain how the project/programme will successfully exit once implementation is completed, including how results and benefits will continue beyond the project/programme period and how the contribution to paradigm shift will be maintained. Include information pertaining to the longer-term ownership, project/programme exit strategy, operations and maintenance of investments (e.g. key infrastructure, assets, contractual arrangements). In case of private sector, please describe the GCF's financial exit strategy through Initial Public Offerings, trade sales, etc.Provide information on additional actions to be undertaken by public and private sector or civil society as part of the project/programme to ensure sustainability of the results attained.

Sustainability of Results Beyond Fund Life

CSG's exit strategy is designed to support both climate impacts and market transformation effects continue beyond the Fund's investment period. Throughout the holding period, Brookfield will actively support portfolio companies in implementing Decarbonization Business Plans, integrating sustainability into core business operations, and establishing measurable mitigation performance targets. Because decarbonization is embedded within the business model and value-creation strategy of each investment, the Fund expects climate benefits, including GHG emission reductions, avoided emissions, and other transition outcomes, to continue beyond the Fund's ownership period. Impact and sustainability performance will be incorporated into exit planning and communicated to prospective buyers as key drivers of long-term value, supporting the case for impact and climate objectives after ownership transfer. At market level, over its lifespan, CSG aims to demonstrate that clean energy, business transformation and sustainable solutions projects can achieve market-rate returns - creating a proof of concept that shifts investor sentiment, reduces the cost of capital, and enables future commercial-only financing without concessional support. By establishing a track record of successful investments and exits, CSG is expected to reduce perceived investment risks, improve project bankability, and encourage future private-sector investment without concessional support. The Fund will also generate data and track records needed for follow-on financial products (green bonds, credit mechanisms) and validate the BIP platform as an anchor for institutional-quality climate investment in Brazil.

C. FINANCING INFORMATION

C.1. Total financing

(a) Requested GCF funding (i + ii + iii + iv + v + vi + vii)	Total amount	Currency
	250	million USD ($)

GCF financial instrument	Amount	Tenor	Grace period	Pricing
(i) Senior loans	Enter amount			
(ii) Subordinated loans				
(iii) Equity	USD 250 million	14 years		
(iv) Guarantees				
(v) Reimbursable grants				
(vi) Grants				
(vii) Results-based payments				

(b) Co-financing information	Total amount	Currency
	1,050	million USD ($)

Name of institution	Financial instrument	Amount	Currency	Tenor & grace	Pricing	Seniority
CTF						
CTF						
BNDESPAR						

(c) Total financing (c) = (a)+(b)	Amount	Currency
	1,300[23]	million USD ($)

(d) Other financing arrangements and contributions (max. 250 words, approximately 0.5 page)

Please explain if any of the financing parties including the AE would benefit from any type of guarantee (e.g. sovereign guarantee, MIGA guarantee).

Please also explain other contributions such as in-kind contributions including tax exemptions and contributions of assets.

Please also include parallel financing associated with this project or programme (refer to the co-financing policy).

C.2. Financing by component

Please provide an estimate of the total cost per component and output as outlined in section B.3. above and disaggregate by source of financing. More than one co-financing institution can fund a single component or output. Provide the summarised cost estimates in the table below and the detailed budget plan as annex 4.

Not applicable. The proposal pertains to the GCF participating as a Limited Partner in CTF FIP 1, which is an equity investment in a Brazilian FIP. Sub-investments (portfolio companies) are selected during the Fund's Commitment Period and are not pre-identified at submission; therefore no component-level breakdown can be presented. Indicative deployment by CTF investment theme (Clean Energy, Business Transformation, Sustainable Solutions) is provided in the Feasibility Study (Annex 2). At the Fund level, USD 250 million from GCF is the entire allocation under this Funding Proposal, deployed as equity into the Fund.

[23] Values in BRL converted considering an FX of 5.00 USD/BRL. Considering that co-financing commitments are in BRL, actual values in USD can oscillate given applicable exchange rates at the time of internalization.

Component	Outputs	Indicative cost Options	GCF financing		Co-financing		
			Amount Options	Financial Instrument	Amount Options	Financial Instrument	Name of Institutions
Component 1 - Investment from CSG	Renewable + storage capacity installed	Enter amount	USD 250 million	Equity		Equity	CTF and BNDES
	Sustainable solutions deployed						
	Private capital mobilized & crowded in						
Indicative total cost (USD)			USD 250 million		USD 1,050 million		

This table should match the one presented in the term sheet and be consistent with information presented in other annexes including the detailed budget plan and implementation timetable.

In case of a multi-country/region programme, specify indicative requested GCF funding amount for each country in annex 17, if available.

C.3 Capacity building and technology development/transfer (max. 250 words, approximately 0.5 page)

C.3.1 GCF funding finance capacity building activities?	Yes ☐ No ☒
C.3.2. Does GCF funding finance technology development/transfer?	Yes ☒ No ☐

If the project/programme is expected to support capacity building and technology development/transfer, please provide a brief description of these activities and quantify the total requested GCF funding amount for these activities, to the extent possible.

The Fund's portfolio investments will materially enable technology development and transfer in Brazil: deployment at scale of utility-grade battery storage co-located with renewable generation, distributed generation, green hydrogen / ammonia, sustainable aviation fuel, advanced bioethanol (E2G), carbon capture, and circular-economy platforms. In several of these sub-sectors, the Fund is expected to be one of the first investors of scale, supporting technology transfer from developed markets (where Brookfield has operating experience) and adaptation to Brazilian conditions. Brookfield's IMM Framework explicitly considers technology pathways aligned with regional decarbonization scenarios. The Fund's portfolio companies will pay full market salaries and training costs to Brazilian engineering and operating talent, building durable human capital in transition sectors.

The capped return is the consideration that induces investors to commit to Brazilian transition projects they would otherwise avoid; absent it, the counterfactual is not a lower return on the same deal but potentially no or limited allocation to Brazil. The benefit therefore flows through to end beneficiaries via the projects the structure unlocks: because equity at the top of the capital stack is the binding constraint and the prerequisite for project debt, the catalytic tranche determines whether these assets reach financial close and construction at all, generating construction and operational employment, local economic activity and supplier development, technology transfer, energy security, income for local communities, alongside the primary GHG mitigation outcome.

D. EXPECTED PERFORMANCE AGAINST INVESTMENT CRITERIA

This section refers to the performance of the project/programme against the investment criteria as set out in the GCF's Initial Investment Framework.

D.1. Impact potential (max. 500 words, approximately 1 page)

Describe the potential of the project/programme to contribute to the achievement of the Fund's objectives and result areas. As applicable, describe the envisaged project/programme benefits for mitigation and/or adaptation. Provide the intended outcomes for mitigation by elaborating on how the project/programme contributes to low-emission sustainable development pathways. Provide the intended outcomes for adaptation by elaborating on how the project/programme contributes to increased climate-resilient sustainable development. Calculations should be provided as an annex. This should be consistent with section E.3 reporting GCF's core indicators.

CSG is designed to generate substantial and measurable mitigation impact by catalyzing equity investment into climate-aligned industries in Brazil that are currently under-financed — specifically BESS, SAF, RNG, potentially Nature Based Solutions (NBS), low-carbon hydrogen and its derivatives, and renewable power (the latter especially given the current curtailment and hourly prices mismatch situation).

Brazil's emissions profile is distinct among G20 peers. According to SIRENE/MCTI data for 2022, total net emissions were approximately 2.0 $GtCO_2e$, distributed as follows: land-use, land-use change and forestry (LULUCF) at approximately 40%; agriculture at approximately 30%; energy at approximately 21%; industrial processes and product use (IPPU) at approximately 5%; and waste at approximately 4%. Energy and industrial processes combined represent approximately 26% of total emissions (~520 $MtCO_2e$ per year) and have been rising in both absolute and relative terms as the LULUCF share declines.[24] These two sectors represent the primary target of the Fund's equity investments.

CSG is expected to generate GHG emissions reductions, avoided emissions, removals and/or sequestration across its portfolio of Clean Energy, Sustainable Solutions and Business Transformation investments. The total mitigation outcome over the investment lifespan will be quantified based on investment-specific baselines, impact targets, methodologies, and reported in tCO_2e through the Fund's monitoring and reporting framework. Based on a limited subset of the current indicative pipeline, the Fund could potentially contribute approximately estimated mitigation impact of ~30.0 million tCO_2e over the Fund programme (14 years). This estimate is illustrative only and should not be interpreted as a committed outcome, as actual mitigation impacts will depend on the extent to which pipeline opportunities materialize, satisfy the Fund's investment criteria, reach financial close, and a range of commercial, technical, regulatory and market factors. Actual impacts will be quantified and reported based on the investments ultimately made by the Fund and the application of approved monitoring methodologies. Additionally, based on the indicative mitigation impact of **~81.8 million tCO_2e avoided and/or sequestered over the assumed lifetime of the projects,** the proposed **USD 250 million GCF contribution** implies a mitigation cost of approximately **USD 14.36/tCO_2e**, with GCF-attributable mitigation impact calculated on a pro rata basis according to the GCF contribution's share of total Fund financing.

These impact estimates are derived directly from the industries supported. BESS investments preserve the renewable character of Brazil's already ~89% renewable electricity grid, which is the precondition for downstream industrial decarbonization. SAF investments target domestic and international aviation, among the hardest sectors to decarbonize, leveraging Brazil's position as a leading biofuel producer with approximately 11% global biofuel market share.[25] RNG abates methane that would otherwise be released into the atmosphere and simultaneously displaces fossil natural gas. Reforestation investments address the largest single carbon-removal opportunity in the world, given that approximately 20% of the Amazon — an area larger than Germany — has already been deforested.[26] Low-carbon hydrogen and its derivatives target hard-to-abate industries where direct electrification is not yet feasible.

It is paramount to recognize the important role that renewable power plays in the energy transition. Maintaining and expanding Brazil's already-green grid is the precondition for the development of the energy transition. Industrial decarbonization in hard-to-abate sectors — green hydrogen, green ammonia, e-methanol, low-carbon steel, low-carbon cement, sustainable fuels — in many cases are only feasible and deliver real emissions reductions if the

[24] MCTI/SIRENE, Relatório do Inventário Nacional de Emissões de Gases de Efeito Estufa, 2024. Available at: https://www.gov.br/mcti/pt-br/acompanhe-o-mcti/sirene

[25] IMF, *Changing Climate in Brazil: Key Vulnerabilities and Opportunities*, IMF Working Paper No. 2024/174, August 2024. Available at: https://www.imf.org/en/Publications/WP/Issues/2024/08/30/Changing-Climate-in-Brazil-Key-Vulnerabilities-and-Opportunities-553988

[26] INPE (Instituto Nacional de Pesquisas Espaciais) official deforestation monitoring data, which is the standard authoritative source for GCF submissions. Available at: https://www.inpe.br

electrons used are themselves low-carbon. According to IMF (2023, IMF Selected Issues Paper, "Brazil: Selected Issues", IMF Country Report No. 23/289, Chapter on Climate Change and Energy Transition; available at https://www.elibrary.imf.org/view/journals/002/2023/289/article-A005-en.xml) projections, on the current trajectory and without sustained investment in clean power, fossil-fuel consumption in Brazil could increase by 20–70% cumulatively between 2024 and 2030 due to power gaps and rising demand, reintroducing up to 150 Mt of CO_2 into the atmosphere. The grid must therefore continue to be developed and stabilized — through batteries, through firming capacity, and through transmission — not as a finished project but as the foundation of every downstream industrial decarbonization pathway.

Brazil's Northeast subsystem currently qualifies under Article 4(1) of EU Regulation 2023/1184 — the "90% renewable bidding zone" route that exempts green fuels projects from the costly additionality, hourly temporal correlation, and dedicated PPA requirements that would otherwise apply, and which ISCC EU has formally recognized as a valid bidding zone equivalent. But eligibility is recalculated calendar year by calendar year, and the margin is narrower than headline numbers suggest, particularly after the March 2026 LRCAPs contracted approximately 5 GW of new thermal capacity in the NE for commissioning between 2027 and 2031. Holding the 90% threshold against this structural pressure requires incremental renewable capacity beyond the existing pipeline. Continued investment in renewable generation, transmission, and storage in the NE through the critical 2027–2031 window is therefore not adjacent to the green fuels' thesis but constitutive of it: each MW commissioned protects the regulatory eligibility of the entire regional pipeline while simultaneously providing additionality-compliant supply.

In addition to direct mitigation, supported projects are expected to generate co-benefits, enhanced energy security, restoration of degraded land, and supply-chain resilience. The Fund's IMM, aligned with the Operating Principles for Impact Management (OPIM) and externally verified, validates that impact targets are quantitative, transparent, and verifiable, with limited assurance on GHG emissions conducted annually.

D.2. Paradigm shift potential (max. 500 words, approximately 1 page)

Paradigm shift potential is defined as 'degree to which the proposed activity can catalyse impact beyond a one-off project or programme investment'. In this section, elaborate on the contribution to paradigm shift and how the proposed project/programme aims to contribute towards it based on the theory of change described in section B2(a). Also describe how and to what extent the project/programme will be able to promote or contribute to paradigm shift through the below.

- *Potential for scaling up and replication*
- *Potential for knowledge sharing and learning*
- *Contribution to the creation of an enabling environment*
- *Contribution to the regulatory framework and policies*
- *Overall contribution to climate-resilient development pathways consistent with relevant national climate change adaptation strategies and plans*

CSG is designed as a scalable and replicable model for blended equity investment in EMDEs' hard-to-abate sectors - the very sectors most critical to, yet most underfunded in, the global transition. Its paradigm shift potential operates through three pathways:

Replication and Scale Up
The Fund aims to demonstrate that blended concessional and commercial equity can be deployed effectively in large-scale climate-aligned clean energy, sustainable solutions and business transformations projects in an emerging market context. This de-risking of first-mover investments is expected to lower perceived risk premia over time, compress the cost of capital for subsequent projects, and enable private capital to flow at scale into sectors it currently avoids. The model is explicitly designed to be replicable in other emerging-market jurisdictions where analogous equity gaps exist. At the portfolio company level, the Fund is also expected to accelerate the commercial scale-up of climate businesses and technologies, helping establish development, operating and financing precedents that reduce technology and execution risk, support cost reductions, and increase the adoption of climate solutions across the broader market.

Contribution to an enabling environment
By investing alongside national strategies (Plano Clima, PTE, NIB, NETP) and using BIP's pipeline as a reference, the Fund is explicitly anchored in Brazil's public policy framework. Successful investments will validate regulatory instruments — including Brazil's Future Fuels Law (Law 14.993/2024) and its regulated carbon market (Law 15.042/2024) — in practice, reinforcing their credibility and encouraging further regulatory deepening. The Fund's blended structure, combining GCF concessional equity with BNDES and commercial Senior Equity from global institutional investors including GIC, Temasek, Prudential, and CDPQ along with ALTÉRRA's catalytic capital is itself a demonstration that multilateral concessional capital and institutional commercial capital can be structured together in a single domestic vehicle.

Knowledge Sharing and Learning
The Fund will generate and disclose a body of evidence — on industry economics, GHG impact measurement, offtake structure, and regulatory enablers — in sectors where the Brazilian capital market currently lacks operational precedent. This includes BESS project economics in a curtailment context, SAF pioneer project structuring, RNG platform aggregation, and large-scale NBS valuation and MRV. This knowledge will be shared through BIP's coordination platform and through Brookfield's global operating network.

Knowledge sharing may include case studies, investment insights, market analyses, and lessons learned from portfolio implementation. These will be disseminated through the BIP, stakeholder workshops, investor engagement activities, and Brookfield's global operating network, with the objective of strengthening market understanding, improving project bankability, supporting replication of successful investment models, and facilitating greater mobilization of private capital into Brazil's climate-transition sectors.

D.3. Sustainable development (max. 500 words, approximately 1 page)

Describe the wider benefits and priorities of the project/programme in relation to the Sustainable Development Goals and provide the potential in terms of:

- *Environmental co-benefits*
- *Social co-benefits including health co-benefit*
- *Economic co-benefits*
- *Gender-sensitive development benefit*

Although energy and industry sector GHG mitigation is the primary focus of the use of funds within the Fund, many supported projects also are anticipated to generate co-benefits which will vary depending on the sector and project. For example, biofuel projects can strengthen smallholder farmers' economic resilience by diversifying income streams while restoring degraded land. Green hydrogen hubs will not only decarbonize industry but also increase energy security, reducing Brazil's vulnerability to global supply chain disruptions. Similarly, land restoration components associated with bio-based projects can enhance ecosystem services, mitigating droughts and floods while supporting biodiversity. Depending on the project context, investments may also support improved engagement with local communities and Indigenous Peoples, strengthen human rights and environmental and social management systems, promote more inclusive and resilient local development, and build institutional capacity for the responsible deployment of low-carbon infrastructure. Based on estimations from BIP projects, investments supported by the Fund could contribute to job creation, strengthen environmental, social, and governance management systems within portfolio companies, and facilitate the diffusion and replication of low-carbon technologies and business models within the Brazilian economy.

Environmental Co-Benefits
CSG is expected to generate GHG emissions reductions, avoided emissions, removals and/or sequestration across its portfolio of Clean Energy, Sustainable Solutions and Business Transformation investments. Additional environmental co-benefits could potentially include land restoration through reforestation and bio-input investments (reducing deforestation pressure and enhancing biodiversity); reduced air and water pollution from industrial decarbonization; improved grid stability from BESS and resilient grid investments; ecosystem services protection through nature-based solutions investments; and reduced reliance on fossil fuel imports. Where relevant, investments are also expected to contribute to the restoration of degraded landscapes, strengthen ecosystem resilience, support sustainable bioeconomy value chains, and enhance the protection of natural resources through engagement with local communities and Indigenous Peoples. CSG contributes directly to SDG 7 (Affordable Clean Energy), SDG 13 (Climate Action), and SDG 15 (Life on Land). In addition to delivering climate mitigation outcomes, Brookfield works with portfolio companies to strengthen sustainability performance through tailored Sustainability Integration Plans that address material environmental risks and opportunities identified during due diligence. These plans may include measures to enhance biodiversity management, improve waste and circularity practices, and promote sustainable water use, supported by Brookfield's sustainability policies, technical expertise, governance processes, and ongoing asset management engagement. Through active ownership, Brookfield seeks to embed these practices into business operations, helping portfolio companies improve environmental performance and align with international sustainability standards and best practices.

Social Co-Benefits
CSG is expected to generate social co-benefits primarily through the strengthening of social management practices across portfolio companies. Through Brookfield's active ownership approach, portfolio companies will be supported in strengthening governance and environmental and social management systems, including workforce health and safety, community engagement, human rights, diversity and inclusion, and responsible supply chain practices. These measures are particularly relevant in the Brazilian context, where investments often interact with local communities, regional development priorities, and wider environmental and social considerations. Given the importance of local

stakeholder relationships in Brazil's energy transition, Brookfield supports portfolio companies in establishing transparent and constructive engagement with affected communities throughout the project lifecycle. Where relevant, investments will seek to promote inclusive development by supporting meaningful stakeholder engagement, considering the needs and perspectives of Indigenous Peoples, quilombola communities, traditional peoples and communities, and other potentially affected groups, consistent with applicable environmental and social safeguards and national legislation. This approach helps build trust, strengthen social licences to operate, and identify opportunities to deliver shared value through community investment, local economic development, and partnerships that reflect local priorities and needs. CSG contributes to SDG 8 (Decent Work and Economic Growth) and SDG 11 (Sustainable Cities).

Economic Co-Benefits

CSG is expected to generate economic co-benefits through both employment creation and the diffusion of low-carbon technologies across the Brazilian economy. Investments in clean energy, sustainable solutions, and business transformation projects are expected to create direct and indirect employment opportunities during development, construction, and operations, while supporting the growth of new low-carbon industries and value chains. Particularly in the Brazilian context, and where relevant to the investment, there is an opportunity to support national priorities by strengthening bioeconomy value chains, advancing nature-based solutions, promoting participation by traditional peoples and communities and family farmers, and fostering equitable economic opportunities and benefit-sharing for local communities. In parallel, the Fund will help scale emerging technologies and business models in Brazil by supporting first-of-a-kind and early commercial deployments. By demonstrating the commercial viability of these technologies, the Fund is expected to accelerate their adoption across the Brazilian market, contributing to domestic emissions reductions, strengthening decarbonization pathways in hard-to-abate sectors, and supporting Brazil's transition to a more competitive low-carbon economy. These benefits contribute to SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), and SDG 17 (Partnerships for the Goals).

Gender Co-Benefits

CSG's gender approach follows GCF's Gender Policy and seeks to integrate gender and social inclusion considerations across the investment lifecycle. Certain investment themes, including distributed energy, rural bioeconomy and urban mobility solutions, may support broader social and economic benefits, including for groups that can be disproportionately affected by energy access constraints, air pollution and climate-related impacts. Where relevant, investments will seek to promote more equitable access to the benefits of the low-carbon transition by supporting inclusive employment, skills development, entrepreneurship and supply chain opportunities, while recognizing that women and other underrepresented groups may face barriers to participation in the low-carbon economy. CSG's investment processes are informed by BNDES safeguard requirements and Brookfield's investment and environmental and social management frameworks, which include consideration of gender and social inclusion issues during due diligence and portfolio management processes, where relevant. Governance and oversight structures also seek to support diverse representation and inclusive decision-making practices. CSG will monitor relevant gender and social inclusion indicators in accordance with the Gender Assessment and Gender Action Plan. This will include sex-disaggregated indicators and, where feasible and appropriate, relevant demographic indicators.

D.4. Needs of recipient (max. 500 words, approximately 1 page)

Describe the scale and intensity of vulnerability of the country and beneficiary groups and elaborate how the project/programme addresses the issue (e.g. the level of exposure to climate risks for beneficiary country and groups, overall income level, etc.). Describe how the project/programme addresses the following needs:

- *Vulnerability of the country and/or specific vulnerable groups, including gender aspects (for adaptation only)*
- *Economic and social development level of the country and the affected population*
- *Absence of alternative sources of financing (e.g. fiscal or balance of payments gap that prevents government from addressing the needs of the country; and lack of depth and history in the local capital market)*
- *Need for strengthening institutions and implementation capacity*

Climate resiliency in Brazil

Brazil is among the top ten largest GHG emitters in the world. Its updated NDC commits to reducing GHG emissions by 59–67% below 2005 levels by 2035 and achieving climate neutrality by 2050.[8] Meeting these commitments in the industrial and energy sectors alone will require investments of approximately USD 110–140 billion.[13] Climate change is simultaneously affecting existing energy assets: drought events are reducing hydropower output and increasing grid volatility, and without sustained clean-power investment, fossil-fuel consumption in Brazil could increase by 20–70% cumulatively between 2024 and 2030, reintroducing up to 150 megatons of CO_2.[15]

Economic and Social Development Context

Brazil continues to experience a significant infrastructure deficit, which is exacerbated by fiscal constraints and a high debt-to-GDP ratio — approximately 87% as of 2024.[27] The country's elevated debt-to-GDP ratio constrains the government's capacity to fund large, capital-intensive projects, creating a compelling case for private investment solutions. At the same time, Brazil's GDP has grown at an average rate of approximately 3.2% in recent years,[28] providing a macro backdrop that supports private investment. An estimated 20% of the Amazon — approximately 500,000 km², larger than Germany — has already been deforested,[26] with impacts on the livelihoods of Indigenous communities and smallholder farmers.

Absence of Alternative Financing

This is the central market failure CSG addresses. Brazil captured only approximately 3% of total global capital announced for climate projects in 2023.[20]16 International climate-transition financing into Brazil declined by approximately 43% between 2019–2020 and 2021–2022.[16] Within the domestic private equity market, ABVCAP data shows that of approximately USD 2.2 billion in equity disbursements in 2024, only about 20% was directed to energy and industrial sectors, representing a 44% contraction relative to 2023.[10] The BIP project pipeline alone requires approximately USD 5 billion of equity to reach investment readiness[9] — more than ten times the equity allocated to these sectors in Brazil in 2024. Existing instruments — Fundo Clima, Fundo Amazônia, EcoInvest Brasil, FNO Verde, and the CIF Industry Decarbonization Program — primarily rely on debt, grants, or fiscal incentives and do not operate as catalytic equity vehicles at the scale and breadth required. In 2023, 80% of concessional finance in Brazil went to wind and solar, while hard-to-abate industries such as steel, cement, and chemicals — responsible for approximately 30% of national emissions — remain significantly underfunded.16

Institutional Capacity

Brookfield Asset Management brings over a century of presence in Brazil, with investments around BRL 200 billion, including more than 25,000 professionals at portfolio companies and 50 investment professionals in-country. Across its private funds platform spanning Energy, Infrastructure, Real Estate, Private Equity and Credit, Brookfield has a demonstrated track record of consistent performance across market cycles.

BNDES, as Accredited Entity, has invested in more than 70 private equity funds over the past 25 years, with an average annual IRR of 17% on fully divested funds, and currently holds stakes in approximately 40 PE/VC funds managed by 28 different managers.

D.5. Country ownership (max. 500 words, approximately 1 page)

Please describe how the beneficiary country takes ownership of and implements the funded project/programme. Describe the following:

- *Existing national climate strategy*
- *Existing GCF country programme*
- *Relevance to and alignment with existing policies such as Nationally Determined Contributions (NDCs), Nationally Appropriate Mitigation Actions (NAMAs), and National Adaptation Plans (NAPs)*
- *NDCs, NAMAs, and NAPs*
- *Capacity of Accredited Entities or Executing Entities to deliver*
- *Role of National Designated Authority*
- *Engagement with civil society organizations and other relevant stakeholders, including indigenous peoples, women and other vulnerable groups*

Existing national climate strategy.

Brazil's updated Nationally Determined Contribution (NDC), submitted to the UNFCCC in November 2024, commits to reducing net GHG emissions by 59–67% below 2005 levels by 2035 and achieving climate neutrality by 2050.[8] The Ecological Transformation Plan (ETP), launched in 2023, serves as a roadmap for achieving sustainability across sectors, aiming to decarbonize the economy while promoting social inclusion and environmental conservation. The National Energy Transition Plan (NETP) and New Industry Brazil (NIB) program provide sector-specific implementation frameworks, explicitly identifying sustainable fuels, low-carbon hydrogen, green fertilizers, battery storage, and energy efficiency as priority verticals.

Alignment with NDCs and national plans

CSG's investment mandate maps directly onto Brazil's NDC and Plano Clima priorities. The main industries targeted by the Fund — such as BESS, SAF, RNG, NBS, low-carbon hydrogen, and renewable power — are all explicitly

[27] IMF, World Economic Outlook Database, April 2025. Available at: https://www.imf.org/en/Publications/WEO
[28] World Bank, GDP Growth (Annual %) — Brazil, World Development Indicators. Available at: https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=BR

prioritized in the BIP (Brazil Climate and Ecological Transformation Investment Platform), the government-led mechanism for coordinating and scaling up climate finance aligned with the ETP. In addition, the Fund supports Brazil's National Bioeconomy Strategy, the National Bioeconomy Development Plan (PNDBio), and the National Socio-bioeconomy Program (PROSPERA), creating opportunities, where relevant, to support the participation of traditional peoples and communities and family farmers in bioeconomy value chains, strengthen local benefit-sharing, expand technical assistance and market access for NbS projects, and contribute to green jobs, emissions reductions, and the development of Brazil's bioeconomy. In October 2024, Brazil enacted the Future Fuels Law (Law No. 14.993/2024), advancing mandates for HVO, SAF, biomethane, and e-fuels. In December 2024, Law No. 15.042/2024 established Brazil's first regulated carbon market.[29] These regulatory milestones directly de-risk the Fund's target investments.

CTF FIP 1 is designed to qualify as an eligible fund under the BIP (www.gov.br/bip). The Fund's mandate, priority sectors and impact objectives are broadly consistent with the platform's project-selection criteria, and CTF FIP 1 will be put forward to the BIP Secretariat for confirmation as a qualifying climate-investment vehicle. The Ministry of Finance (Brazil's NDA) leads the BIP and BNDES (the Accredited Entity) operates its Secretariat.

Role of National Designated Authority

The NDA for Brazil is the Ministry of Finance (MF / Fazenda), which has been consulted on this proposal. The Ministry of Finance leads BIP alongside the Ministries of Environment and Climate Change (MMA), Development, Industry, Commerce and Services (MDIC), and Mines and Energy (MME). Representatives from BNDES and the relevant ministries participated in deliberations that approved the strategy for fostering catalytic equity instruments.

Stakeholder Management

BIP has been actively fostering public-private collaboration by connecting Brazilian and international financial institutions with climate-positive projects. BNDES operates the BIP Secretariat with support from GFANZ and UNDP (the latter through a GCF Readiness call). The Secretariat continuously engages with project developers and financial institutions. The selection criteria for the asset manager and expected impacts were disclosed in the RFP launched in September 2024. CTF FIP 1's competitive selection of Brookfield upholds transparency and accountability.

D.6. Efficiency and effectiveness (max`. 500 words, approximately 1 page)

Describe how the financial structure is adequate and reasonable in order to achieve the proposal's objectives, including addressing existing bottlenecks and/or barriers, and providing the minimum concessionality to ensure the project is viable without crowding out private and other public investments. Refer to section B.5 on the justification of GCF funding requested as necessary.

Please describe the efficiency and effectiveness of the proposed project/programme, taking into account the total financing and mitigation/ adaptation outcome the project/programme aims to achieve, and explain how this compares to an appropriate benchmark.

Please specify the expected economic rate of return based on a comparison of the scenarios with and without the project/programme.

Please specify the expected financial rate of return with and without the Fund's support to illustrate the need for GCF funding to illustrate overall cost effectiveness.

Please explain how best available technologies and practices have been considered and applied. If applicable, specify the innovations/modifications/adjustments that are made based on industry best practices.

CTF FIP 1 is structured as a master-feeder Private Equity Fund (Fundo de Investimento em Participações, or FIP) domiciled in Brazil, with three subclasses: Senior Equity (focused on commercial investors), Concessional Equity (invested by GCF and other concessional investors, subordinated through capped return), and Senior Equity (invested by BNDES). The Fund's global procurement platform consolidates acquisitions across all platforms worldwide, maintaining solid relationships with equipment suppliers and securing competitive commercial and technical conditions. Brookfield has a demonstrated track record of consistent performance across market cycles.

[29] Law No. 14,993 of October 2024 (Lei dos Combustíveis do Futuro), Presidência da República, Brazil. Available at: https://www.planalto.gov.br; Law No. 15,042 of December 2024 (Lei do Mercado Regulado de Carbono — SBCE), Presidência da República, Brazil. Available at: https://www.planalto.gov.br

E. LOGICAL FRAMEWORK

*This section refers to the project/programme's logical framework in accordance with the **GCF's Integrated Results Management Framework** to which the project/programme contributes as a whole, including in respect of any co-financing.*

E.1. Project/Programme Focus

Please indicate whether this proposal is for a mitigation or adaptation project/programme. For cross-cutting proposals, select both.

☒ Reduced emissions (mitigation)

☐ Increased resilience (adaptation)

E.2. GCF Impact level: Paradigm shift potential (max 600 words, approximately 1-2 pages)

This section of the logical framework is meant to help a project/programme monitor and assess how it contributes to the paradigm shift described in section D.2 above by applying three assessment dimensions - scale, replicability, and sustainability.

Accordingly, for each assessment dimension (see the definition per assessment in the accompanying guidance note), describe the current state (baseline) and the potential scenario (target) and rate the current state (baseline) by using the three-point-scale rating (low, medium, and high) provided in the guidance note. Also describe how the project/programme will contribute to that shift/ transformation under respective assessment dimensions (scale, replicability and sustainability). In doing so, please refer to section B.2(a) (theory of change).

Assessment Dimension	Current state (baseline)		Potential target scenario (Description)	How the project/programme will contribute (Description)
	Description	Rating		
Scale	Brazil has significant renewable resource potential and increasing corporate demand for decarbonization solutions; however, many sectors continue to face constraints in access to long-term flexible transition capital, institutional implementation capacity and deployment of decarbonization strategies. As a result, clean energy, sustainable solutions,	Medium	Accelerated deployment of renewable energy, storage, sustainable solutions and business transformation initiatives across Brazil, resulting in measurable emissions reductions and scaling of low-carbon investment and transition-aligned business models.	The Fund is expected to mobilize capital over the implementation period, deploying large-scale, flexible transition capital into businesses and assets with the potential to accelerate decarbonization across the Fund's three investment themes: Clean Energy, Sustainable Solutions, and Business Transformation. Brookfield's capital and active ownership are expected to enable additional renewable energy capacity, scale sustainable solutions such as low-carbon fuels, recycling, carbon capture and other decarbonization technologies, and accelerate emissions reductions in carbon-intensive businesses. This is expected to increase low-carbon capacity, reduce emissions intensity, and generate avoided or reduced emissions beyond the baseline scenario. Based on a limited subset of the current indicative pipeline, the Fund could potentially contribute approximately ~30 million tCO_2e avoided/sequestered emissions over the Fund programme (14 years) and ~81.8 million tCO_2e

	and business transformation opportunities are often deployed more slowly or at smaller scale than required under Paris-aligned pathways.			avoided/sequestered emissions over the mitigation lifetime of the project (reflecting progress and execution of the business plan). This estimate is illustrative only and should not be interpreted as a committed outcome, as actual mitigation impacts will depend on the extent to which pipeline opportunities materialize, satisfy the Fund's investment criteria, reach financial close, and a range of commercial, technical, regulatory and market factors. Actual impacts will be quantified and reported based on the investments ultimately made by the Fund and the application of approved monitoring methodologies.
Replicability	Proven decarbonization business models are not yet widely adopted across Brazilian companies and sectors.	Medium	Replication of successful decarbonization business models across the Brazilian economy.	By scaling companies with demonstrated decarbonization solutions, the Fund will showcase commercially viable business models that can be adopted or replicated by other companies, investors, and sectors. This demonstration effect supports replication beyond the Fund's portfolio and contributes to accelerating Brazil's energy transition.
Sustainability	Climate-related governance and decarbonization planning are often fragmented, compliance-driven, or insufficiently integrated into business planning, capital allocation, and performance management. This can reduce the durability of mitigation outcomes.	Medium	Long-term institutionalization of climate governance, impact target monitoring, emissions reporting and decarbonization planning across portfolio companies beyond the investment period.	The Fund will embed a broader sustainability program into portfolio company governance, business planning, capital allocation, risk management, and performance monitoring. This includes not only decarbonization, but also sustainability governance, climate risk management, health and safety, environmental and social risk management, human rights, biodiversity, water, waste and circularity, supply chain considerations, and other material sustainability topics identified during due diligence. Portfolio companies are expected to report Scope 1, Scope 2, and material Scope 3 emissions, establish interim and long-term targets, and develop Paris-aligned or Decarbonization Business Plans within 12 months of closing, where applicable. Progress will be monitored through quarterly impact reporting and governance processes, with annual emissions reporting with limited assurance conducted. This approach is intended to embed sustainability practices and support mitigation outcomes beyond the Fund's ownership period.

E.3. GCF Outcome level: Reduced emissions and increased resilience (IRMF core indicators 1-4, quantitative indicators)

Select appropriate IRMF core and supplementary indicators to monitor project/programme progress. More than one IRMF (core and or supplementary) indicators may be selected as applicable for each GCF results area and project/programme outcome (as defined in the table in section B.2(b)). If IRMF indicators are unable to measure any given project/programme outcomes, project/programme-specific indicators should be developed under section E.5 (project/programme specific indicators).

GCF Result Area	IRMF Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term (Year 2030 in Annex 22)	Final[30]	
MRA1 Energy generation and access	Core 1: GHG emissions reduced, avoided or removed/sequestered	Existing GHG emissions systems Annual third-party assurance of GHG inventory.	0 avoided emissions	374,709 avoided emissions (tCO_2e)	End of fund implementation period: 6,729,253 avoided emissions (tCO_2e) End of lifespan (over project lifetime): 23,793,030 (tCO_2e)	Avoided emissions are not fund level or investment-level targets. All investments are expected to have Decarbonization Business Plans within 12 months of closing. This GCF result area is included in the indicative pipeline provided in Annex 22.
MRA2 Low-emission transport	Core 1: GHG emissions reduced, avoided or removed/sequestered	Existing GHG emissions systems Annual third-party assurance of GHG inventory.	0 avoided emissions	0 avoided emissions as COD date only in 2031, which would be 741,192 avoided emissions (tCO_2e)	End of fund implementation period 6,670,728 avoided emissions (tCO_2e) End of lifespan (over project lifetime): 22,235,760 avoided emissions (tCO_2e)	Avoided emissions are not fund level or investment-level targets. All investments are expected to have Decarbonization Business Plans within 12 months of closing. This GCF result area is included in the indicative pipeline provided in Annex 22.
MRA 3: Building, cities, industries, appliances	Core 1: GHG emissions reduced, avoided or removed/sequestered	Existing GHG emissions systems	0 avoided emissions	853,330 avoided/reduced emissions	End of fund implementation period:	Avoided emissions are not fund level or investment-level targets.

[30] The final target means the target at the end of project/programme implementation period. However, for core indicator 1 (GHG emission reduction), please also provide the target value at the end of the total lifespan period which is defined as the maximum number of years over which the impacts of the investment are expected to be effective.

		Annual third-party assurance of GHG inventory.			10,267,417 avoided/reduced emissions (tCO_2e) End of lifespan (over project lifetime): 23,806,951 avoided/reduced emissions	All investments are expected to have Decarbonization Business Plans within 12 months of closing. This GCF result area is included in the indicative pipeline provided in Annex 22.
MRA 4: Forestry and Land Use	Core 1: GHG emissions reduced, avoided or removed/sequestered	Existing GHG emissions systems Annual third-party assurance of GHG inventory.	Existing sequestration rates of the degraded land	420,000 emissions sequestered	End of fund implementation period: 6,312,000 sequestered emissions (tCO_2e) End of lifespan (over project lifetime): 12,000,000 sequestered emissions (tCO_2e)	Sequestered emissions are not fund level or investment-level targets. All investments are expected to have Decarbonization Business Plans within 12 months of closing. This GCF result area is included in the indicative pipeline provided in Annex 22.
MRA1 Energy generation and access	Supplementary 1.2: Installed energy stoarage capacity	COD verification, operational reporting and financial reporting systems	Existing MWh storage capacity Investment X: 0 MWh	Incremental MWh storage capacity Investment X: 900 MWh	Final MWh storage target achieved Investment X: 900 MWh	Impact target is expected to be achieved as the investment's underwritten business plan is executed. This GCF result area is included in the indicative pipeline provided in Annex 22.

MRA1 Energy generation and access	Supplementary 1.3: Installed renewable energy capacity	COD verification, operational reporting and financial reporting systems	Existing MW capacity Investment X: 0 Investment X: 0	Incremental MW added Investment X: 300 MW Investment X: 0 MW	Final MW target achieved Investment X: 300 MW Investment X: 400 MW	Impact target is expected to be achieved as the investment's underwritten business plan is executed. This GCF result area is included in the indicative pipeline provided in Annex 22.

E.4. GCF Outcome level: Enabling environment (IRMF core indicators 5-8 as applicable)

Select at least two relevant IRMF core (enabling environment) indicators to monitor and elaborate the baseline context and project/programme's targeted outcome against the respective indicators. Rate the current state (baseline) vis-à-vis the target scenario and select the geographical scope of the outcome to be assessed. Describe how the project/programme will contribute towards the target scenario. Refer to a case example in the accompanying guidance to complete this section.

Core Indicator	Baseline context (description)	Rating for current state (baseline)	Target scenario (description)	How the project will contribute	Coverage
Core Indicator 5: Degree to which GCF investments contribute to strengthening institutional and regulatory frameworks for low emission climate-resilient development pathways in a country-driven manner	Climate governance and emissions reporting practices remain inconsistent across many sectors in Brazil	medium	Institutionalized governance, reporting and accountability frameworks supporting low-carbon development across portfolio companies	Brookfield will implement Sustainability Integration Plans and Decarbonization Business Plans that establish governance, accountability and reporting structures aligned with the IMM Framework	National level (one country)
Core Indicator 6: Degree to which GCF investments contribute to technology deployment, dissemination, development or transfer and innovation	Deployment of low-carbon technologies and sustainable solutions remains constrained by access to capital and implementation capacity.	medium	Accelerated deployment and scaling of renewable energy, storage and sustainable solutions across Brazil.	The programme will support scaling of clean energy, sustainable solutions and business transformation investments through Brookfield's active ownership model and operational expertise, while leveraging opportunities identified through the BIP and demonstrating commercially viable decarbonization	National level (one country)

				technologies and business models that can be replicated across the Brazilian market.	
Core indicator 7: Degree to which GCF Investments contribute to market development/transformation at the sectoral, local, or national level	Transition-aligned and decarbonization practices remain fragmented across several sectors.	medium	Increased adoption of low-carbon investment models and transition-aligned business practices.	The programme will support the decarbonization of Brazil's sectors and wider value chains by financing transition investments, accelerating the adoption, diffusion, and commercialization of low-carbon technologies and solutions to support Brazil's transition	National level (one country)
Core indicator 8: Degree to which GCF investments contribute to effective knowledge generation and learning processes, and use of good practices, methodologies and standards	Limited standardization of sustainability and climate-related reporting, impact measurement and emissions accounting practices across sectors.	medium	Increased use of internationally recognized sustainability and climate reporting and impact management standards.	The programme will apply methodologies aligned with GHG Protocol, PCAF, IFC Performance Standards, and science-based pathways, supported through regular monitoring and reporting processes. Investment lessons and market insights will be shared through BIP and broader stakeholder engagement activities to support knowledge transfer, market development, and the replication of successful climate-finance approaches.	National level (one country)

E.5. Project/programme specific indicators (project outcomes and outputs)

*This section should list out project/programme-specific performance indicators (outcomes and outputs) that are not covered in sections above (E.1-E.4). List down tailored indicators to monitor /track progress against relevant project/programme results (outcomes/outputs). AEs have the freedom to decide against which outcomes they would like to set project/programme specific indicators. If any co-benefits are identified in sections B.2(a)(b), and D.3, AEs are encouraged to add and monitor co-benefit indicators under the "**Project/programme co-benefit indicators**" section in table below. Add rows as needed.*

Please number each outcome and output as shown below to indicate association of outputs to the contributing outcome. The numbering for outputs under this section should correspond to the output numbering in annex 4 (detailed budget plan).

Project/programme results (outcomes/ outputs)	Project/programme specific Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term (Year 2030 in Annex 22)	Final	
Output 1: New renewable energy and energy	Volume of investment deployed toward renewable	Quarterly and Annual Financial Reporting	USD 0 deployed	Progress toward final	Indicative targets across the investments:	Based on the current indicative pipeline. Actual deployment will depend on

storage capacity installed	energy and energy storage investments			deployment target	approximately $1.2 billion USD invested	final portfolio composition and investment opportunities executed. The underlying renewable energy capacity targets are monitored through GCF Core and Supplementary Indicators.
Output 2: Sustainable solutions + transformations deployed	Volume of investment deployed towards Sustainable Solutions and Business Transformation investments	Quarterly and Annual Financial Reporting	USD 0 deployed	Progress toward final deployment target		Based on the current indicative portfolio. Actual deployment will depend on final portfolio composition and investment opportunities executed. Technology-specific production/deployment and emissions targets are reflected in Annex 22 and relevant outcome-level indicators, as applicable.
Output 3: Private capital mobilized & crowded in	Total commercial private capital mobilized	Quarterly and Annual Financial Reporting	USD 800 million (CTF and BNDES)			Subject to our deployment
Project/programme co-benefit indicators						
Co-benefit 1: Creation of employment	Jobs created by portfolio companies	Annual ESG Reporting	No incremental jobs created	Progress toward indicative aggregate job-creation target is shown	Indicative aggregate target of 150 jobs per investment	Subject to the final portfolio composition and investment deployment.
Co-benefit 2: Improved governance and sustainability management systems	Improved governance sustainability management systems and environmental and social risk management practices	Governance and policy documentation Asset Management Reports that assess the maturity of the sustainability programs	Existing policies & governance structures Existing E&S management systems	Progress against sustainability program	ESG considerations institutionalized into governance and management systems Impact at exit deck, highlighting delivery of impact targets and ESG practices that have been	Dependent on management of the portfolio company Dependent on adequate operational resourcing

					embedded into governance and management systems Delivery of impact targets Sustainability Program Implemented, tracking against targets in the following areas: - decarbonization & energy transition, - biodiversity ecosystems - water management, - waste management - health, safety, security and environment - governance - people and communities	

E.6. Project/programme activities and deliverables

All project activities should be listed here with a description and sub-activities. Significant deliverables should be reflected in annex 5 implementation timetable. Add rows as needed.

Please number the activities as shown below to indicate association of activities to the related outputs provided above in section E.5. Similarly, please number sub-activities as shown below to associate to the related activity.

Activities	Description	Sub-activities	Deliverables
Activity Set 1: Origination, Screening and Deployment			
Activity 1.1.1: Investment	Screening and assessment of potential investments in Brazil across Business	**Sub-activity 1.1.1.1** – Initial Screening against the 4A Criteria (Alignment,	• Sub-activity 1.1.1.1 - 4A screening assessment completed for each investment

screening and impact assessment	Transformation, Clean Energy and Sustainable Solutions investment themes in alignment with Brookfield's IMM Framework	Additionality, Accountability and Avoidance) **Sub-activity 1.1.1.2**– Preliminary assessment of impact targets and Paris alignment **Sub-activity 1.1.1.3** –Stakeholder engagement and pipeline development	opportunity, with eligible opportunities identified for further due diligence. • Sub-activity 1.1.1.2 - Preliminary impact targets and Paris alignment assessment completed for shortlisted opportunities, including initial sustainability risks and opportunities. • Sub-activity 1.1.1.3 - Indicative pipeline of screened investment opportunities developed through stakeholder engagement and market origination.
Activity 1.1.2: Impact and sustainability due diligence, includes transaction structuring	Conduct impact and sustainability due diligence for prospective investments in alignment with Brookfield's IMM Framework, including consideration of material gender and social inclusion issues where relevant to the investment.	**Sub-activity 1.1.2.1** –Full Screening against the 4A Criteria (Alignment, Additionality, Accountability and Avoidance) **Sub-activity 1.1.2.2** GHG inventory and emissions baseline assessment **Sub-activity 1.1.2.3** – Develop Impact Targets **Sub-activity 1.1.2.4** – Sustainability due diligence conducted in line with Brookfield's Sustainability Due Diligence Protocol, including assessment of material environmental and social risks and opportunities, gender and social inclusion considerations where relevant, (aligned to IFC Performance Standards) Sub activity 1.1.2.5 Transaction Structuring	• Sub-activity 1.1.2.1 – 4A screening assessment completed and investment eligibility confirmed. • Sub-activity 1.1.2.2 – Baseline GHG inventory and emissions assessment completed, in accordance with the GHG Protocol. • Sub-activity 1.1.2.3 - Quantitative, transparent and verifiable impact targets established, including Paris alignment assessment. • Sub-activity 1.1.2.4 – Impact and Sustainability Due Diligence Report completed, including assessment of material sustainability risks and opportunities, including gender and social inclusion considerations, where relevant, and identification of appropriate mitigation measures and value creation opportunities. • Sub activity 1.1.2.5 Transaction Structuring
Activity 1.1.3: Investment approval and transaction execution, includes capital call and equity deployment into portfolio companies	Review and approval of investments through Brookfield's governance process, including the Impact Working Group and Investment Committee.	**Sub-activity 1.1.3.1** – Review and approval of impact targets and sustainability findings at Impact Working Group **Sub-activity 1.1.3.2** – Incorporation of impact and sustainability provisions into transaction documentation **c** – Inclusion of impact targets and sustainability findings at Investment Committee findings	• **Sub-activity 1.1.3.1** – Impact targets and sustainability findings reviewed and approved by the Impact Working Group. • **Sub-activity 1.1.3.2** - Impact and sustainability provisions incorporated into transaction documentation. • **Sub-activity 1.1.3.2** – Investment Committee memorandum updated with 4A assessment, impact targets, and material sustainability findings for investment approval.

		Sub-activity 1.1.3.4 – Transaction closing and capital deployment Sub-activity 1.2.3.5 – Capital calls	• Sub-activity 1.1.3..4 - Eligible investment closed and capital deployed in accordance with the IMM Framework. • Sub-activity 1.1.3.5 – Capital calls
Activity Set 2 – Active ownership & impact delivery			
Activity 2.1.1: Development of Decarbonization Business Plans and Sustainability Integration Plans	Development and implementation of Decarbonization Business Plans and Sustainability Integration Plans for portfolio companies	**Sub-activity 2.1.1.1** – Establish interim and long-term emissions reduction targets **Sub-activity 2.1.1.2** – Identify operational and technological decarbonization levers **Sub-activity 2.1.1.3** – Establish governance and accountability processes **Sub-activity 2.1.1.4** – Develop Sustainability Integration Plan, including sustainability DD findings and mitigation actions	• Sub-activity 2.1.1.1 – Interim and long-term emissions reduction targets established, aligned with the Decarbonization Business Plan. • Sub-activity 2.1.1.2 – Operational and technological decarbonization levers identified and incorporated into the Decarbonization Business Plan. • Sub-activity 2.1.1.3 - Governance and accountability structures established to oversee implementation and monitor progress. Sub-activity 2.1.1.4 - Board-approved Decarbonization Business Plan and Sustainability Integration plan, including mitigation actions for material sustainability risks and opportunities.

Activity 2.1.2: Portfolio company asset management, monitoring, sustainability integration and reporting	Ongoing monitoring of impact performance, GHG emissions, material gender and social inclusion considerations and sustainability integration across portfolio companies.	**Sub-activity 2.1.2.1** – Quarterly impact and sustainability reporting **Sub-activity 2.1.2.2** – Annual GHG inventory reporting and external assurance **Sub-activity 2.1.2.3** – Monitoring of progress against impact targets, material gender and social inclusion actions and mitigation actions **Sub-activity 2.1.2.4** – Supporting implementation of sustainability program **Sub-activity 2.2.2.5** – Annual ESG reporting (including but not limited to Principal Adverse Impact ("PAI") indicators and EU Taxonomy alignment under the EU Sustainable Finance Disclosure Regulation ("SFDR"), Brookfield Sustainability Report).	• Sub-activity 2.1.2.1 - Quarterly impact and sustainability reporting issued, including progress against impact targets. • Sub-activity 2.1.2.2 - Annual Scope 1, Scope 2 and material Scope 3 GHG inventory reported and externally assured. • Sub-activity 2.1.2.3 - Periodic monitoring reports on progress against impact targets, material sustainability actions, and mitigation measures, including gender and social inclusion actions where relevant. • Sub-activity 2.1.2.4 - Regular sustainability working groups with Brookfield and portfolio companies (e.g. Sustainability Working Group, Supply Chain working group) to review Sustainability Integration Plan updates and bi-annual asset management reports documenting implementation progress. Sub-activity 2.1.2.5 – Annual sustainability reporting, including annual fund reporting, SFDR reporting and the Brookfield Renewable annual sustainability report.
Activity 2.1.3: Deployment and scaling of clean energy, sustainable solutions and business transformations	Support implementation, scaling and commercialization of clean energy, business transformation and sustainable solution investments in Brazil.	**Sub-activity 2.1.3.1** – Construction and operational scaling support **Sub-activity 2.1.3.2** – Commercialization and customer engagement **Sub-activity 2.1.3.3** – Operational optimization and implementation of sustainability and decarbonization initiatives	• Sub-activity 2.1.3.1 – Construction and operational milestones achieved in accordance with the business plan resulting in additional renewable energy and storage capacity deployed, and increased deployment of sustainable solutions as applicable. • Sub-activity 2.1.3.2 - Commercialization activities implemented to support market uptake and business growth. • Sub-activity 2.1.3.3 – Operation improvement and sustainability initiatives implemented, supporting delivery of impact targets, emissions reductions and avoided emissions.
Activity Set 3 – Exit, recycling and knowledge sharing			

Activity 3.1.1 – Exit planning and execution, includes capital recycling of realized proceeds into new climate investments in the commitment period	Brookfield's investment and asset management teams will evaluate and execute exit opportunities while considering the sustainability of impact outcomes beyond Brookfield's ownership period.	**Sub-activity 3.1.1.1** – Assessment of exit opportunities and impact considerations **Sub-activity 3.1.1.2** – Transaction execution and stakeholder engagement Sub-activity 3.1.1.3 – Capital recycling of realized proceeds and relevant reporting	• Sub-activity 3.1.1.1 – Exit assessment completed, including impact and sustainability performance and value creation considerations. • Sub-activity 3.1.1.2 – Impact and sustainability considerations incorporated into exit documentation and transaction materials. • Sub activity 3.1.1.3 Documentation of capital recycling
Activity 3.1.2 – Knowledge sharing,lessons learned and market development through BIP	Share investment lessons learned, market insights, technology deployment experience, and best practices to support replication and scaling of climate-transition investments in Brazil.	**Sub-activity 3.1.2.1** – – Preparation of case studies, market insights and lessons learned from portfolio investments **Sub-activity 3.1.2.2** – Internal Stakeholder engagement and knowledge dissemination **Sub-activity 3.1.2.3** – External Stakeholder engagement through BIP and relevant forums	• Sub-activity 3.1.2.1 – Impact and sustainability case studies prepared and published in sustainability reporting. • Sub-activity 3.1.2.2 - Knowledge sharing activities completed and lessons learned integrated into future investment processes. • Sub-activity 3.1.2.3 - Knowledge sharing activities completed through BIP and stakeholder forums, including guidance on climate finance structures and technology deployment.

E.7. Monitoring, reporting and evaluation arrangements (max. 500 words, approximately 1 page)

Besides the arrangements (e.g. annual performance reports) laid out in Accreditation Master Agreement (AMA), please give a summary of the project/programme specific arrangements for monitoring, reporting and evaluation including a description of the monitoring and reporting system that will be used to assess the climate results of the proposed activity.

Project-specific monitoring, reporting and evaluation will be implemented through Brookfield's IMM, which will serve as the primary system for assessing climate results. The IMM Framework is applied across the investment lifecycle and supports the identification, measurement, management and reporting of investment-specific impact targets, including mitigation outcomes and progress against Decarbonization Business Plans.

Each investment will have quantitative, transparent and verifiable impact targets established during underwriting, informed by relevant third-party guidance, science-based pathways or regional decarbonization pathways where applicable. Mitigation results will be monitored using investment-specific indicators, which may include renewable energy capacity added, clean energy generated, emissions reduced, avoided emissions, carbon captured, materials recycled, low-carbon fuels produced, emissions intensity reductions and absolute emissions reductions.

Portfolio companies will provide periodic reporting on progress against impact targets, activity-level data, material risks and implementation challenges. Progress will be reviewed quarterly through regional asset management, finance and operations, and sustainability reporting processes. Scope 1, Scope 2 and material Scope 3 emissions will be reported in accordance with the GHG Protocol and PCAF, reviewed by Brookfield's sustainability team and subject to management sign-off and limited annual assurance.

Brookfield has established reporting and impact management processes to monitor and report on the Fund's impact performance. The Fund's impact results will be tracked at the portfolio company level and aggregated at the Fund level where appropriate, Brookfield intends to report comprehensive impact results at least annually through (i) the Impact Measurement and Management (IMM) Framework report, which outlines Brookfield's impact management approach and alignment with the Operating Principles for Impact Management (OPIM), including independent verification of such alignment; and (ii) Brookfield Renewable's Sustainability Report, which describes Brookfield's overall sustainability approach and performance and includes relevant climate, environmental, social, and governance metrics across its portfolio (iii) each investment will also be monitored and reported against the GCF results framework and the programme logical framework, as applicable

As the Executing Entity and Fund Manager, Brookfield will be responsible for collecting, consolidating, and reporting portfolio-level financial, climate, and impact information, as well as providing the relevant data, supporting documentation, and analysis required for annual reporting. This information will support the preparation of the Annual Performance Review (APR), which provides an annual assessment of implementation progress, achievement of results and targets, financial performance, risk management, and compliance with applicable environmental, social, and gender requirements. As the Direct Access Entity (DAE), BNDES will be responsible for reviewing and consolidating the information received from Brookfield, preparing and submitting the APR to the GCF, and overseeing compliance with the GCF's monitoring, evaluation, and reporting requirements in accordance with the Accreditation Master Agreement (AMA).
For further details, please refer to our response in G.1 and CSG's ESMS.

Please also summarize the types of interim and final evaluations. Describe Accredited Entity (AE) project reporting relationships, including to the National Designated Authority (NDA)/Focal Point and between AE and Executing Entity (EE) as relevant, identifying reporting obligations from the EE to the AE. This should relate to the frequency of reporting on project indicators, implementation challenges and financial status.

Please note that interim and final evaluations are expected to embed an assessment of project/programme's contributions to a paradigm shift and enabling environment using a three-point scale rating. Refer to the guidance note for the summary requirements and factor in additional evaluation /assessment activities under this section accordingly.

As the Executing Entity and Fund Manager, Brookfield will be responsible for establishing and operating the project-level monitoring and reporting system. Brookfield will collect, verify, consolidate, and report portfolio-level financial, climate, environmental, social, gender, and impact data against the agreed results framework and project indicators. Brookfield will provide BNDES with quarterly implementation and financial updates, annual climate and impact reporting, and prompt notification of material implementation challenges, risks, or deviations from approved targets, together with the relevant supporting documentation and analysis. This information will support preparation of the Annual Performance Review (APR), which will assess implementation progress, achievement of results and targets, financial performance, risk management, and compliance with applicable environmental, social, and gender requirements.

As the Direct Access Entity, BNDES will review and validate the information received from Brookfield, consolidate project-level reporting, prepare and submit the APR and any other required reports to the GCF, and oversee compliance with the GCF's monitoring, evaluation, and reporting requirements in accordance with the Accreditation Master Agreement and the Funded Activity Agreement. BNDES will also maintain appropriate communication with the National Designated Authority, sharing information on implementation progress, key challenges, financial status, and results in line with applicable GCF requirements and national arrangements.

Independent interim and final evaluations will be undertaken during project implementation and at project completion, respectively. These evaluations will assess progress toward project objectives and climate results, implementation effectiveness, sustainability of outcomes, lessons learned, and opportunities for replication and scale-up. In accordance with GCF guidance, both evaluations will include an assessment of the project's contribution to paradigm shift potential and the enabling environment using the required three-point rating scale. Evaluation findings and recommendations will inform adaptive management, corrective actions, knowledge sharing, and replication through BIP.

F. RISK ASSESSMENT AND MANAGEMENT

F.1. Risk factors and mitigations measures (max. 3 pages)

Please describe financial, technical, operational, macroeconomic/political, money laundering/terrorist financing (ML/TF), sanctions, prohibited practices, and other risks that might prevent the project/programme objectives from being achieved. Also describe the proposed risk mitigation measures. Insert additional rows if necessary.

For probability: High has significant probability, Medium has moderate probability, Low has negligible probability
For impact: High has significant impact, Medium has moderate impact, Low has negligible impact
Prohibited practices include abuse, conflict of interest, corruption, retaliation against whistleblowers or witnesses, as well as fraudulent, coercive, collusive, and obstructive practices

Selected Risk Factor 1

Category	Probability	Impact
Technical and operational	Medium	High

Description

Development, Construction and Market Risk: CSG intends to invest in projects that involve construction or development, such as greenfield development, and therefore there is a risk that such projects will not be completed within budget (or at all), within the agreed timeframe or to the agreed specification — for example, due to an inability to obtain required permits or project financing or as a result of delays following engagement with local stakeholders — which may result in significant delays, increased costs or delays in the commencement of cash flow generation. Such unexpected delays or costs may result in increased debt service costs and the inability of project owners to meet higher interest and principal repayments arising from the additional debt requirement. The Fund's returns may be adversely impacted as a result. Furthermore, the industries and sectors in which the Fund intends to invest are subject to continued development and potentially rapid change, including from a technological and regulatory perspective. Given that the Fund may be contractually obligated to continue to provide funding for an investment irrespective of market movements, changing regulatory environments and fluctuations in the price of commodities, such risks may have a greater impact on the Fund than otherwise would be expected for investment funds with other investment strategies.

Mitigation Measure(s)

CSG expects to leverage the scale of Brookfield's procurement platform and access to engineering, procurement, and construction companies ("EPC") to reduce construction costs and project risk. Brookfield leverages its local asset management teams and in-house technical experts, working alongside local partners and in-country EPC relationships, to oversee planning and construction and help projects meet high-quality standards at competitive costs. Brookfield seeks to mitigate development risks through: (i) leveraging in-house technical, construction, and development capabilities to oversee and manage new projects; (ii) using its commercial and power contracting group to procure long-term offtakers; and (iii) its relationships with notable EPCs where it can leverage its global procurement scale to drive down equipment procurement, installation and operating costs, while structuring agreements such that third-party EPCs retain the majority of risks around construction, including cost overruns or scheduling delays. The Fund will seek to avoid taking binary development risk and believes that Brookfield Renewable's strong development expertise will enable the Fund to appropriately assess and mitigate development risks. More broadly, CTF's infrastructure-oriented approach is fundamental to its underwriting philosophy, ensuring that the Investment Team maintains a disciplined focus on downside protection and the creation of durable, income-generating assets with predictable, long-term cash flows, pursuing investments where there is strong confidence in the enforceability of contracts, revenue reliability and protections.

Selected Risk Factor 2

Category	Probability	Impact
Forex	Medium	Medium

Description

Foreign exchange risk: Given that CSG expects to make investments in Brazil, with portfolio companies generating revenues primarily in BRL, and GCF's commitment is in USD while BNDES participates in BRL, the returns realized by limited partners from such investments will be subject to currency exchange rate volatility. This includes fluctuations in the rate of exchange between the U.S. dollar and BRL, and costs associated with conversion and hedging. It may not be possible to hedge fully, perfectly or at all against currency fluctuations affecting the value of

investments denominated in BRL, and whether hedging will be implemented and on what terms will depend on the legal and structural vehicle through which GCF ultimately participates, which has not been finally determined. Investments in emerging and developing markets entail risks of a nature and degree not typically encountered in investments in developed markets, including: price fluctuations, market volatility and less liquidity; potentially higher rates of inflation; controls on foreign investment and limitations on repatriation of invested capital; a higher degree of governmental planning, involvement in, and control over, economies; and less reliable legal systems to enforce contracts and applicable law. The Fund's investments may also be, to an extent, dependent upon governments continuing to support international and national commitments to address climate change, sustainability and environmental issues. The success of the Fund may be adversely affected by changes in relevant legislation, regulations, environmental policies and/or the removal or change of support measures for the sector, such as in relation to tariffs and subsidies, or any anti-ESG policymaking. Please note that hedging considerations and risks associated are subject to change depending on the Fund's structure and the investment vehicle through which GCF participates.

Mitigation Measure(s)

The Fund and/or any of its subsidiaries or a portfolio company may utilise financial instruments such as forward contracts, options, swaps, caps, collars, floors and other derivatives to seek to hedge against fluctuations in the relative values of their assets as a result of changes in currency exchange rates and market interest rates. CSG will, when applicable, seek to invest in portfolio companies that generate revenues in US dollars — providing a natural hedge against BRL/USD volatility. Disbursements and amortisations are expected to occur partially across different years, further mitigating point-in-time exchange rate exposure. The Fund's 14-year term reduces exposure to short-term political or market volatility and allows investments to mature through regulatory cycles.

Selected Risk Factor 3

Category	Probability	Impact
Technical and operational	Medium	High

Description

Technology and innovation risk: The Fund may invest in portfolio companies that use newly developed, less proven technologies. There is no guarantee that such new technologies will perform as anticipated, especially in a field of rapidly changing technologies. The failure of a technology to perform as anticipated or its obsolescence, due to the development and utilisation of new and disruptive technologies or otherwise, may materially and adversely affect the performance of certain portfolio companies. The clean energy industry can be affected by obsolescence of existing technology, short product cycles, falling prices and profits, competition from new market entrants, changes in resource availability and supply chain disruptions. Renewable power companies are dependent upon factors such as available water flows, wind conditions, weather conditions and technological primacy generally that may impact performance. There can be no assurance that investments that further the Fund's sustainable solutions investment objective and align with the Fund's financial targets will be successfully identified or made.

Mitigation Measure(s)

CSG expects to leverage the scale of Brookfield's procurement platform and access to EPC companies to reduce construction costs and project risk and deploys in-house technical experts to oversee planning and construction. The members of the Investment Committee bring broad-based experience from Brookfield's various investment businesses and share similar responsibilities across Brookfield-managed funds; this multidisciplinary investment acumen is expected to enhance Brookfield's ability to assess risks appropriately as it evaluates investment opportunities for the Fund. CTF is expected to maintain an integrated, active and hands-on approach to asset management. Brookfield will seek to design investments to provide adequate protective rights that mitigate risk and enable the advancement of the Fund's objectives, which may include governance rights commensurate with economic and structural exposure, board representation, and consent/veto rights over certain material decisions. The Fund expects to pursue a diversified portfolio across multiple climate-relevant industries, reducing concentration in any single technology vertical.

Selected Risk Factor 4

Category	Probability	Impact
Other	Low	High

Description

Environmental/Social: Renewable energy, industrial decarbonization, and infrastructure projects supported by the Fund may be exposed to environmental and social risks during construction and operations, including potential impacts on biodiversity, land use, water resources, community health and safety, labor conditions, and Indigenous

Peoples and local communities. Physical climate risks — such as floods, fires, droughts, hurricanes, and changing hydrological, solar, or wind conditions — may also affect asset performance and operational reliability. The Fund is expected to be classified as an I-2 Financial Intermediary under the GCF Revised Environmental and Social Policy, meaning it may finance activities with medium environmental and/or social risks and impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures, corresponding primarily to ESS Category B projects. To manage these risks, all investments will be screened using Brookfield Renewable's 4A Criteria: Alignment, Additionality, Accountability, and Avoidance. The investment and sustainability teams conduct impact and sustainability due diligence to assess whether each investment meets the 4A Criteria. All projects will also be required to comply with applicable national, state, and local environmental and social regulations, including environmental licensing requirements and mitigation measures.

Mitigation Measure(s)

Before acquiring an asset, an investment opportunity will be screened for consistency with CTF's impact themes using the 4A Criteria — Alignment, Additionality, Accountability and Avoidance. The Investment and Sustainability teams conduct impact and sustainability due diligence in an effort to assess whether each investment meets the 4A Criteria. All projects supported by the Fund will be subject to rigorous national, state, and local legal and regulatory safeguards, including mitigation measures defined in preliminary and operational environmental licenses. Projects redlined by BNDES's environmental and social policies or by other federal-level initiatives under the BIP framework will not be eligible for financing. Environmental and social studies — with specific stakeholder engagement plans including community and Indigenous Peoples plans and gender assessments — will be conducted prior to fund implementation. Full compliance with national legislation and the GCF Indigenous Peoples Policy will be required for any project intersecting with indigenous territories, including free, prior, and informed consultation.

Selected Risk Factor 5

Category	Probability	Impact
Technical and operational	Medium	Medium

Description

Reliance on Management: The success of the Fund depends in substantial part upon the skill and expertise of the investment professionals who will be providing investment advice with respect to the Fund. There can be no assurance that these key investment professionals will continue to be associated with the General Partner, the Manager or Brookfield throughout the life of the Fund. The composition of the team dedicated to the Fund may change from time to time without notice to the limited partners, and the loss of key personnel could have a material adverse effect on the Fund's ability to realise its investment objectives. The Fund is also subject to operational risk, including the possibility that errors may be made by the Manager, the General Partner, or the Fund's service providers in certain transactions, calculations or valuations. Additionally, measuring the performance of an investment against identified impact targets may be challenging and subjective in nature. The Fund will be reliant on information and data provided by its portfolio companies; if the Fund is unable to obtain reliable information and data, its ability to assess and provide reporting to limited partners may be adversely affected. There can be no assurance that key impact performance indicators are consistently applied across investments.

Mitigation Measure(s)

The Fund's investment activities will be overseen by the Investment Committee, whose members help evaluate opportunities, review and resolve conflicts and ultimately approve all investments. In addition to the Investment Committee, two of Brookfield's senior professionals (the "Executive Advisors") will provide investment oversight. Collectively, the Investment Committee and the Executive Advisors have an average of approximately 26 years of relevant industry experience and 15 years working at Brookfield. CSG's impact targets are quantitative, transparent and verifiable and are informed by third-party guidance and science-based pathways, including relevant regional decarbonization pathways, where applicable. GHG emissions are assured by a third party on an annual basis, and Brookfield's IMM as a whole aligns to the Operating Principles for Impact Management (OPIM), which provides a framework for investors in designing and implementing their impact management strategy. Brookfield's alignment with OPIM is also externally verified. CSG expects to report comprehensively on Scope 1, 2 and material Scope 3 GHG emissions consistent with recognised frameworks such as the GHG Protocol and the Partnership for Carbon Accounting Financials (PCAF).

Selected Risk Factor 6

Category	Probability	Impact
Prohibited practices	Low	Medium

Description

Prohibited Practices, AML/CFT and Sanctions Risk: CSG intends to invest in Brazil. Like other emerging or developing markets, crime and corruption can, from time to time, be more prevalent compared to developed markets. While the General Partner will use reasonable efforts to avoid knowingly participating in inappropriate transactions with government officials or other individuals or organizations, the businesses in which the Fund invests may face

risks that include extortion, fraud and other criminal or corrupt activities. Certain Portfolio Companies may operate in highly regulated environments, and the Fund may rely on their management teams to manage their activities in a manner consistent with applicable laws and regulations, including applicable anti-corruption, anti-bribery and anti-boycott laws, regulations and orders, and in a manner that permits such Portfolio Companies to maintain a quality reputation. If a Portfolio Company acts inconsistently with applicable laws and regulations or takes actions that cause it disrepute, such actions may adversely affect the Fund, damage the Fund's reputation and adversely impact the Fund's ability to complete Investments in other Portfolio Companies or realize its investment objective.
Mitigation Measure(s)
Brookfield applies a risk-based framework to assess Prohibited Practices in relation to bribery and corruption, AML/CFT and sanctions risks using factors such as jurisdiction, sector, beneficial ownership, political exposure, public-official interaction, intermediaries, sanctions screening and adverse media. Risks are rated Low, Medium or High, with enhanced due diligence and mitigation required for higher-risk cases. Residual risks are reassessed throughout the investment lifecycle and upon material changes. Sanctions match, suspicious activity, undisclosed ownership, bribery allegations or other significant red flags trigger escalation to Legal, Compliance, Risk Management. Additionally, external counsel is engaged as required. Where risks cannot be adequately mitigated, the transaction will not proceed. It is expected that the AML requirements will apply across relevant project activities. This can include KYC and beneficial ownership checks, sanctions and adverse-media screening, integrity due diligence on portfolio companies and material counterparties, and contractual compliance provisions, consistent with the verification of investor and beneficial-owner identity and source of capital contemplated under the PATRIOT Act and similar laws. Screening would cover the UN Consolidated Sanctions List and other applicable lists, using approved screening tools and ownership/control checks. Where higher-risk jurisdictions, activities or red flags are identified, enhanced due diligence procedures will be conducted. This can include further ownership verification and background checks, additional contractual protections, payment controls and increased monitoring. The frequency and scope of monitoring would be determined on a risk basis and may be updated following material changes, incidents, audit findings or changes in applicable requirements. Significant concerns would be escalated through the relevant channels.

G. GCF POLICIES AND STANDARDS

G.1. Environmental and social risk assessment (max. 750 words, approximately 1.5 pages)

Provide the environmental and social risk category assigned to the proposal as a result of screening and the rationale for assigning such category. Present also the environmental and social assessment and management instruments developed for the proposal (for example, Environment and Social Impact Assessment (ESIA), Environment and Social Management Framework (ESMF), Environmental and Social Management Plan (ESMP), Environmental and Social Management System (ESMS), environmental and social audits, etc.). Provide a summary of the main outcomes of these instruments. Present the key environmental and social risks and impacts and the measures on how the project/programme will avoid, minimize and mitigate negative impacts at each stage (e.g. preparation, implementation and operation), in accordance with GCF's Environmental and Social Safeguard (ESS) standards. If the proposed project or programme involves investments through financial intermediations, describe the due diligence and management plans by the Executing Entities (EEs) and the oversight and supervision arrangements. Describe the capacity of the EEs to implement the ESMP and ESMF and arrangements for compliance monitoring, supervision and reporting. Include a description of the project/programme-level grievance redress mechanism, a summary of the extent of multi-stakeholder consultations undertaken for the project/programme, the plan of the Accredited Entity (AE) and EEs to continue to engage the stakeholders throughout project implementation, and the manner and timing of disclosure of the applicable safeguards reports following the requirements of the GCF Information Disclosure Policy and Environmental and Social Policy.

Describe any potential impacts on indigenous peoples and the measures to address these impacts including the development of an Indigenous Peoples Plan and the process for meaningful consultation leading to free, prior and informed consent, pursuant to the GCF Indigenous Peoples Policy.

Attach the appropriate assessment and management instruments or other applicable studies, depending on the environmental and social risk category as annex 6.

Investments in CSG are guided by Brookfield's Impact Measurement and Management Approach ("IMM") which embeds impact across the investment life cycle, with a consistent and disciplined approach to measuring, managing and reporting on progress.

This includes the following:

- Each investment will have quantitative, transparent, and verifiable impact targets aligned with the goals of the Paris Agreement and informed by third-party guidance and science-based pathways, including relevant regional decarbonization pathways, where applicable.
- Each investment will have a Decarbonization Business Plan aligned with delivery of the impact targets.
- Each investment will report Scope 1, 2 and material Scope 3 emissions, aligned to the GHG Protocol.
- The IMM is informed by industry-leading climate reporting standards and impact frameworks.

CSG will leverage Brookfield Renewable Partners' operating platform to operate, develop and manage its investments. As such, the Fund's investments are managed in line with the operating platform's approach to governance, sustainability, and risk management which is detailed throughout CSG's ESMS.

Governance

Sustainability governance is embedded throughout our decision-making processes and through the lifecycle of our assets. Through our governance structures, we regularly review our progress.

The Brookfield Renewable Board of Directors oversees the sustainability strategy and various related aspects through the Audit and Nominating and Governance Committees. The CEO and Executive Management Team are responsible for shaping our strategy and ensuring its implementation across our portfolio. The CEO and Executive Management Team receive regular updates on related matters from the Chief Sustainability Officer ("CSO") and Chief Risk Officer ("CRO"). The CSO is responsible for integrating sustainability into the systems and throughout every stage of investment and operational lifecycles. The CEO from each operating business is accountable for their respective sustainability strategies and implementing the sustainability priorities and goals by embedding sustainability into their business plans, supported by sustainability professionals at the global, regional, and business levels. Senior management, including technical and sustainability leaders, participate in the Sustainability Steering Committee and HSS&E Steering Committee. The committees are chaired by the CSO and the CRO, respectively, and comprise the CEOs and COOs of our operating businesses, the Chief Technical Officer ("CTO"), and sustainability or HSS&E operations experts, as relevant. Additionally, subject-specific working groups, including the Sustainability Working Group, HSS&E Working Group, Sustainable Supply Chain Working Group and Climate Change Working Group, bring together business representatives to regularly discuss challenges and experiences, exchange best practices, and refine relevant programs.

The Investment Committee reviews and approves all investments managed by Brookfield Renewable. The Investment Committee members review material findings from due diligence, including sustainability-related findings, prior to investment approval. Post-acquisition, sustainability considerations are incorporated into the business plans, with the Sustainability Steering Committee and Asset Management teams regularly reviewing performance.

Brookfield Renewable's Environmental and Social Management System ("ESMS")

Figure 1. Key Elements of the Brookfield Renewable ESMS



Brookfield Renewable's Environmental and Social Management System ("ESMS") provides the overarching framework through which environmental and social ("E&S") dependencies, impacts, risks and opportunities are identified, assessed, managed, monitored and continuously improved throughout the investment and operating lifecycle. The ESMS applies across due diligence, acquisition, development, construction, operations, decommissioning and exit, and is informed by international frameworks and standards including ISO 14001 and the IFC Performance Standards on Environmental and Social Sustainability ("IFC PS"), the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights.

The ESMS is underpinned by Brookfield Renewable's foundational policies, including the Code of Business Conduct and Ethics, Sustainability Policy, Health, Safety, Security and Environmental ("HSS&E") Policy, Human Rights Policy and Vendor Code of Conduct, which establish the sustainability principles applied across the investment and operating lifecycle. The ESMS operationalizes these requirements through governance, planning, risk management processes, operational controls, stakeholder engagement, and performance monitoring and improvement processes.

1. Due Diligence

As part of the planning phase under the ESMS, material sustainability factors are identified during due diligence on potential investments. This is guided by Brookfield's Sustainability Due Diligence Protocol and is informed by Brookfield Renewable's sustainability-related policies and standards, IFC PS, the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations, OECD Guidelines for Multinational Enterprises, OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights. The due diligence identifies material sustainability risks and opportunities most relevant to each investment and includes deeper due diligence in identified material areas with support from internal and third-party experts, as needed. Biodiversity is screened as part of the due diligence process, alongside climate-related physical and transition risk assessments and, where applicable, human rights and modern slavery risk assessments. As noted above, existing ESIAs, ESMPs and related sustainability documentation are also reviewed against applicable regulatory requirements and the IFC Performance Standards.

Brookfield's Sustainability Due Diligence Protocol includes assessment against the defined Avoidance Criteria, including protection of local ecosystems and biodiversity, responsible waste and resource management, pollution prevention, sustainable water use, engaging local communities and respecting human rights. Assessment against the Avoidance Criteria is subject to independent third-party review and sign-off as part of the due diligence process prior to investment approval. The outputs of Sustainability and Impact Due Diligence, including material risks and associated mitigations, are included in the Investment Committee memorandum and factored into the overall investment decision. Post-acquisition, sustainability considerations are captured through an ESMP. Key components of the ESMP include references to Brookfield Renewable's policies and programs, defined roles and responsibilities, regulatory and ESIA commitments, identification of sustainability risks and mitigation measures, stakeholder engagement and grievance mechanisms, and monitoring and reporting requirements. Alignment to Brookfield's policies and processes, including aspects of the ESMS, are reflected as covenants in the legal agreements between Brookfield and the investment companies.

The scope of due diligence is tailored to the specific characteristics, sector, geography and context of each investment. In addition to assessing material sustainability risks and opportunities, the due diligence considers relevant national priorities and stakeholder feedback, where applicable. This may include evaluating alignment with Brazil's energy transition and bioeconomy policies; impacts on biodiversity and ecosystems; potential impacts on Indigenous Peoples, Quilombola communities, traditional peoples, communities of African heritage, terreiro people and Roma communities, family farmers and other vulnerable groups; opportunities for equitable local employment, benefit-sharing and community participation; the need for culturally appropriate stakeholder engagement and, where applicable, applying the principles of free, prior and informed consultation (FPIC); and consideration of climate justice, environmental racism and gender-related risks and opportunities. Findings from these assessments are incorporated into investment decision-making and, where relevant, reflected in project-specific mitigation and management measures

2. Project Categorization for CSG

During due diligence, Brookfield also screens the investment against a Framework for E&S Categorization and reviews this categorization throughout the investment lifecycle. Investments presenting potentially significant, irreversible or unprecedented impacts would be subject to enhanced review and are not expected to form part of the Fund's investment portfolio.

CSG would be classified as an I-2 investment given the expected exposure to activities with moderate environmental and social risks and impacts that are generally site-specific, manageable and capable of being mitigated. This classification is consistent with the GCF guidance for financial intermediary investments where the underlying portfolio is expected to include Category B-type activities. This classification is also aligned with Brookfield's IMM Framework and sustainability due diligence approach. The Fund's investment themes are intended to deliver measurable decarbonization outcomes, avoid or mitigate material sustainability risks, and maintain robust environmental and social risk management throughout the investment lifecycle. As noted above, Brookfield's due diligence includes an assessment against the Avoidance Criteria which is signed off by a third-party as part of the process prior to the investment progressing.

Given the nature of the Fund and the Avoidance criteria screening, the Fund is not expected to finance activities associated with significant, irreversible or unprecedented adverse environmental or social impacts, and investments presenting elevated risk profiles would be subject to enhanced review or excluded pursuant to Brookfield's Avoidance Criteria and applicable investment restrictions.

3. Stakeholder Engagement and Grievance Mechanism

Brookfield Renewable engages with local communities with the aim of creating shared value, recognizing that transparent and constructive relationships are important to the successful development and operation of our facilities. Across our businesses, we apply a consistent approach to stakeholder engagement aligned with our Sustainability and Human Rights Policies.

During project development, impact assessments are conducted to identify stakeholders who may be affected by project activities, including local communities, Indigenous Peoples, landowners, vulnerable groups and other relevant stakeholders. Engagement activities are intended to support understanding of stakeholder interests, dependencies, potential project-related impacts and opportunities for collaboration and shared value. Where applicable, engagement with Indigenous Peoples is undertaken consistent with the principles of free, prior and informed consent ("FPIC") and applicable IFC Performance Standards.

Where potential material impacts on Indigenous Peoples are identified within CSG, portfolio companies will develop and implement Indigenous Peoples Plans ("IPPs") or other management measures appropriate to the nature and

scale of the risks and impacts identified. These measures may include commitments relating to stakeholder engagement, benefit-sharing, protection of cultural heritage, livelihood restoration, community development initiatives, grievance management, and ongoing monitoring and reporting.

Each business develops engagement and community investment programs tailored to its specific context, jurisdiction, and operational activities. Engagement is maintained throughout the project lifecycle, including development, construction, operations and decommissioning, using a range of communication channels appropriate to the local context.

We maintain grievance mechanisms intended to support the reporting, review and resolution of concerns raised by workers, communities, business partners, and other stakeholders, including concerns related to human rights. Grievance channels, including our confidential and anonymous whistleblowing hotline operated by an independent third party, are communicated through publicly available and direct stakeholder engagement channels and are accessible in multiple languages. Reported grievances are reviewed and, where appropriate, addressed through mitigation or remediation measures. Brookfield Renewable seeks to promote remediation where adverse impacts are identified and does not tolerate retaliation against individuals or groups raising concerns in good faith.

4. Land Acquisition and Resettlement

Brookfield recognizes that land acquisition and land access requirements associated with infrastructure, renewable energy, and industrial development projects can create potential risks related to physical displacement, economic displacement, livelihood impacts, and community disruption. Brookfield seeks to avoid involuntary resettlement and displacement wherever feasible through project siting, design optimization, and alternative development approaches.

Brookfield's approach is informed by IFC Performance Standard 5 (Land Acquisition and Involuntary Resettlement), applicable legal requirements, and relevant international good practice. Potential land acquisition and displacement risks are considered during environmental and social due diligence, and where relevant, appropriate mitigation, stakeholder engagement, and management measures are implemented to address identified impacts.

5. Monitoring and Reporting

Regular engagement, monitoring and oversight of delivery of the sustainability integration plan and sustainability program of each operating business is built into our governance and organizational structure and includes processes for monitoring, measurement, analysis and evaluation of sustainability performance, supported by an internal audit program, third-party verification and assurance, management review and processes for oversight of grievance management.

Where material environmental or social risks are identified, mitigation measures, action plans and associated governance requirements are integrated into investment documentation and monitored post-investment. Material incidents or non-compliance issues are escalated through Brookfield Renewable's governance processes, including senior management oversight where appropriate.

Brookfield Renewable maintains a comprehensive oversight and reporting framework that includes risk-based internal audits, third-party assurance of greenhouse gas emissions, regular management reviews, and quarterly and annual sustainability reporting. Sustainability performance and impact metrics are reported to investors at both the investment and portfolio levels, while broader ESG performance is disclosed through Brookfield Renewable's Sustainability Report, ESG Databook, CDP submissions, and external sustainability ratings. Further details on Brookfield Renewable's oversight, reporting, and sustainability disclosures are provided in CSG's ESMS.

G.2. Gender assessment and action plan (max. 500 words, approximately 1 page)

Provide a summary of the gender assessment and project/programme-level gender action plan that is aligned with the objectives of GCF's Gender Policy. Confirm a gender assessment and action plan exists describing the process used to develop both documents. Provide information on the key findings (who is vulnerable and why) and key recommendations (how to address the vulnerability identified) of the gender assessment. Indicate if stakeholder consultations have taken place and describe the key inputs integrated into the action plan, including: how addressing the vulnerability will ensure equal participation and benefits from funds investment; key gender-related results to be expected from the project/programme with targets; implementation arrangements that the AE has put in place to ensure activities are implemented and expected outcomes will be achieved, monitored and evaluated.

Provide the full gender assessment and project-level gender action plan as annex 8.

Gender Assessment and Action Plan

A Gender Analysis/Assessment and Gender and Social Inclusion Action Plan ("GAP") have been prepared for CSG and are provided in full in Annex 8. The assessment was informed by a desk-based review of Brazil-specific evidence on gender, labor market participation, social inclusion, climate transition and sustainable development, drawing on national statistics, development finance data, GCF guidance, transition-sector evidence and relevant Brookfield Renewable materials. The assessment also considered how CTF's existing investment lifecycle and governance processes support the identification, management and monitoring of gender and social inclusion considerations, including through investment screening, Sustainability Due Diligence, Investment Committee review, post-close integration, stakeholder engagement, grievance management, portfolio monitoring and reporting.

The assessment identified several gender and social inclusion barriers that are particularly relevant to Brazil's climate-transition sectors. Women remain significantly underrepresented in many of the sectors targeted by CSG, including energy, infrastructure, industrial manufacturing, logistics, and engineering-related occupations. While Brazil has made progress in female labor force participation overall, women continue to be less represented in technical, operational, and leadership positions within sectors such as renewable energy, industrial decarbonization, sustainable fuels, and heavy industry. Studies of Brazil's solar energy sector found that 40% of surveyed companies reported having no women employees, while women represented only 16% of the workforce in companies with fewer than ten employees.[31]

These gaps are often more pronounced for Afro-Brazilian women, Indigenous women, and women from lower-income regions, who continue to face barriers related to skills development, access to economic opportunities, leadership representation, and participation in decision-making processes. As Brazil seeks to expand investment in strategic transition sectors, there is an opportunity to support more inclusive participation in the economic benefits generated by the country's climate transition.

The GAP therefore focuses on integrating practical and proportionate gender and social inclusion considerations into existing investment screening, due diligence, stakeholder engagement, portfolio monitoring and reporting processes, where relevant and within CSG's influence. Given CSG's fund-level structure, individual investments will be identified and developed over time. Accordingly, the GAP focuses on integrating practical and proportionate gender and social inclusion considerations into existing investment and asset management processes, while allowing investment-specific actions to be refined during due diligence and implementation, where relevant. Key actions include incorporating gender and social inclusion considerations into investment screening, Sustainability Due Diligence and Investment Committee processes; collecting and monitoring relevant workforce and leadership participation data at the fund manager and portfolio company level, where feasible; and using material findings to inform Investment Committee materials, Sustainability Integration Plans, post-close engagement, stakeholder engagement and portfolio monitoring processes, where relevant.

The GAP includes indicators aligned with the fund-level nature of CSG, including screening investments entering full due diligence for relevant gender and social inclusion considerations, establishing and updating workforce and leadership baseline information, considering differentiated territorial impacts and access to transition-related benefits where relevant, monitoring implementation through existing reporting processes, and considering follow-up actions where material gaps or opportunities are identified and within CSG's influence. Relevant indicators will be disaggregated where feasible and appropriate, subject to data availability and confidentiality requirements.

Stakeholder engagement will be undertaken at the investment level where activities may involve workers, local communities, traditional Brazilian communities or other stakeholders. CSG will leverage Brookfield Renewable's existing environmental and social management, stakeholder engagement and grievance management processes to support inclusive participation and ongoing engagement, where relevant. Implementation of the GAP will be supported through existing CSG and Brookfield Renewable governance and management structures, including the Investment Team, Sustainability Team, Asset Management Team and portfolio company management.

G.3. Financial management and procurement (max. 500 words, approximately 1 page)

Describe the project/programme's financial management including the financial monitoring systems, financial accounting, auditing, and disbursement structure and methods. Refer to section B.4 on implementation arrangements as necessary.

Articulate any procurement issues that may require attention, e.g. procurement implementation arrangements and the role of the AE under the respective proposal, articulation of procurement risk assessment undertaken and how that will be managed by the AE or the implementing agency. Provide a detailed procurement plan as annex 10.

Financial Management and Accounting

[31] IRENA, Solar PV: A Gender Perspective, International Renewable Energy Agency, 2022. Available at: https://www.irena.org

The Fund will be structured as a Multi-Strategy Private Equity Investment Fund (Fundo de Investimento em Participações Multiestratégia) and managed under CVM Resolution 175, which regulates the constitution, operation and disclosure of information of investment funds in Brazil. [redacted] is duly registered with the CVM and Brookfield Asset Management Ltd. (BAM) is registered with the Securities and Exchange Commission as an investment adviser under the Advisers Act. As such, both BBAMI and BAM are subject to fiduciary duties in providing management services to the Fund and the Offshore Fund respectively. BAM is required, under applicable U.S. law, to: (i) act in the best interests of the Offshore Fund, in accordance with the documents governing it; (ii) disclose to investors any conflicts — or potential conflicts — of interest; (iii) seek the consent of the Advisory Committee of Offshore Fund unitholders for any approval required; and (iv) resolve all conflicts fairly and equitably.

The General Partner of CSG will use commercially reasonable efforts to furnish or cause to be furnished to each limited partner the following: (a) audited annual financial reports of the Fund; (b) unaudited quarterly financial reports of the Fund; (c) alongside these reports, a report containing descriptive investment information including certain impact performance; and (d) a Schedule K-1 or other similar schedule following the close of the Fund's taxable year.

Brookfield intends to issue reports to investors within 60 calendar days after the end of each of the first three quarters of each fiscal year and within 90 calendar days after the end of the fiscal year. Audited financial statements at the end of the year will be prepared by a nationally recognized independent accounting firm.

BBAMI benefits from a robust and highly qualified support structure across all sectors, comprising 119 employees in total. This includes 50 professionals dedicated to investments, 10 specialized in finance, capital markets and tax, 10 internal auditors, 10 focused on legal and compliance issues, and 39 allocated to other areas.

Compliance, Training and Internal Controls

Brookfield maintains a continuous, risk-based compliance training program that is mandatory upon hire and refreshed annually or on an ongoing basis depending on the subject matter and employee responsibilities. All directors, officers, employees and temporary workers are required to certify compliance with the Code of Business Conduct and Ethics and the Anti-Bribery and Anti-Corruption (ABC) Policy upon hire and annually thereafter. Applicable employees complete annual ABC training, with enhanced training provided for higher-risk roles based on responsibilities and risk exposure.

The Fund's annual financial statements are audited by an independent external accounting firm. Brookfield's Internal Audit function executes a risk-based audit plan that considers regulatory and compliance risks, including AML/CFT, sanctions, anti-bribery and corruption and Prohibited Practices, as well as the effectiveness of associated internal controls.

The effectiveness of Brookfield's compliance program is assessed through mandatory completion and certification requirements, Internal Audit reviews, annual independent testing of the AML Program and periodic independent assessments of compliance programs. Audit and compliance findings are subject to a structured remediation process, with actions assigned to responsible business owners, monitored through formal tracking mechanisms until completion, and subject to follow-up validation, as appropriate, to confirm corrective actions have been effectively implemented.

Fund Expenses and Disbursement

The Fund will pay all fees, costs and expenses relating to its operations, including those relating to: (a) proposed and actual investments (including investments that are not consummated), (b) the administration and operation of the Fund and the General Partner and their respective subsidiaries, (c) litigation, indemnification, and insurance, (d) taxes and (e) borrowings.

Prior to any investment or disbursement, the Fund verifies that counterparties have satisfied applicable AML/KYC requirements in consultation with the Fund Administrator and the appointed KYC administrator. Enhanced due diligence is performed where required based on the counterparty's risk profile.

Procurement

CSG expects to leverage the scale of Brookfield's procurement platform and access to engineering, procurement, and construction companies (EPC) to reduce construction costs and project risk. Brookfield deploys in-house technical experts to oversee planning and construction to help projects meet high-quality standards at competitive costs. Brookfield seeks to mitigate development risks through its relationships with notable EPCs, where it can leverage its global procurement scale to drive down equipment procurement, installation and operating costswhile

structuring agreements such that third-party EPCs retain the majority of risks around construction, including cost overruns or scheduling delays.

Our global procurement team consolidates acquisitions across all our platforms worldwide, allowing us to maintain solid relationships with equipment suppliers and secure the most competitive commercial and technical conditions available. Each Portfolio Company maintains a Procurement Policy, which aligns with Brookfield's mandated Corporate Procurement Principles. The Procurement Policy establishes requirements for the portfolio company to maintain risk management practices across the full sourcing and contracting lifecycle, including:
- Vendor onboarding, screening, and risk-based due diligence before engagement.
- Competitive sourcing for material contracts, including minimum bid requirements and controls to prevent bid splitting.
- Structured evaluation that balances commercial, technical, health and safety, and sustainability considerations, ensuring the equipment ordered is fit for purpose.
- Contracting discipline requiring documented commitments, standardized terms, supplier compliance representations, relevant sustainability and human rights provisions, and audit rights where appropriate.

Additionally, all Portfolio Companies are required to have a Delegation of Authority and financial commitment policy which sets out the required approval levels for all purchases. The majority of purchases are made within the project entity for which the purchase is intended to be used (i.e. the project SPV). In cases where equipment is moved from one project to another (which is infrequent) there are strict controls around justifying the equipment transfer and obtaining required approvals.

These procurement and approval controls support the appropriate allocation and use of procured materials throughout the project lifecycle and help prevent unauthorized use or transfer of equipment.

G.4. Disclosure of funding proposal

Note: The Information Disclosure Policy (IDP) provides that the GCF will apply a presumption in favour of disclosure for all information and documents relating to the GCF and its funding activities. Under the IDP, project and programme funding proposals will be disclosed on the GCF website, simultaneous with the submission to the Board, subject to the redaction of any information that may not be disclosed pursuant to the IDP. Information provided in confidence is one of the exceptions, but this exception should not be applied broadly to an entire document if the document contains specific, segregable portions that can be disclosed without prejudice or harm.
Indicate below whether or not the funding proposal includes confidential information.

☐ No confidential information: The accredited entity confirms that the funding proposal, including its annexes, may be disclosed in full by the GCF, as no information is being provided in confidence.

☒ With confidential information: The accredited entity declares that the funding proposal, including its annexes, may not be disclosed in full by the GCF, as certain information is being provided in confidence. Accordingly, the accredited entity is providing to the Secretariat the following two copies of the funding proposal, including all annexes:

- full copy for internal use of the GCF in which the confidential portions are marked accordingly, together with an explanatory note regarding the said portions and the corresponding reason for confidentiality under the accredited entity's disclosure policy, and
- redacted copy for disclosure on the GCF website.

The funding proposal can only be processed upon receipt of the two copies above, if containing confidential information.

H. ANNEXES

H.1. Mandatory annexes

	Annex 1	NDA no-objection letter(s) **(template provided)**
☒	Annex 2	Feasibility study - and a market study, if applicable
☒	Annex 3	Economic and/or financial analyses in spreadsheet format
☒	Annex 4	Detailed budget plan **(template provided)**
☒	Annex 5	Implementation timetable including key project/programme milestones **(template provided)**
☒	Annex 6	E&S document corresponding to the E&S category (A, B or C; or I1, I2 or I3): **(ESS disclosure form provided)** ☐ Environmental and Social Impact Assessment (ESIA) or ☐ Environmental and Social Management Plan (ESMP) or ☐ Environmental and Social Management System (ESMS) ☒ Others (please specify – e.g. Resettlement Action Plan, Resettlement Policy Framework, Indigenous People's Plan, Land Acquisition Plan, etc.)
☒	Annex 7	Summary of consultations and stakeholder engagement plan
☒	Annex 8	Gender assessment and project/programme-level action plan **(template provided)**
	Annex 9	Legal due diligence (regulation, taxation and insurance)
☒	Annex 10	Procurement plan **(template provided)**
☒	Annex 11	Monitoring and evaluation plan **(template provided)**
	Annex 12	AE fee request **(template provided)**
☐	Annex 13	Co-financing commitment letter, if applicable **(template provided)**
	Annex 14	Term sheet including a detailed disbursement schedule and, if applicable, repayment schedule

H.2. Other annexes as applicable

☐	Annex 15	Evidence of internal approval **(template provided)**
☐	Annex 16	Map(s) indicating the location of proposed interventions
☐	Annex 17	Multi-country project/programme information **(template provided)**
☐	Annex 18	Appraisal, due diligence or evaluation report for proposals based on up-scaling or replicating a pilot project
☐	Annex 19	Procedures for controlling procurement by third parties or executing entities undertaking projects financed by the entity
☒	Annex 20	First level AML/CFT (KYC) assessment
	Annex 21	Operations manual (Operations and maintenance)
☒	Annex 22	Assessment of GHG emission reductions and their monitoring and reporting (for mitigation and cross cutting-projects)[32]
☐	Annex X	Other references

** Please note that a funding proposal will be considered complete only upon receipt of all the applicable supporting documents.*

[32] Annex 22 is mandatory for mitigation and cross-cutting projects.