

Environmental, Social, and Governance (ESG) Policy

Introduction

Our mission at Blackstone is to fulfill our fiduciary duty by creating long-term value for our investors and shareholders. Accordingly, Blackstone is committed to integrating Environmental, Social, and Governance (ESG) principles into our investment process and operating philosophy where these efforts can contribute to value creation.

This ESG Policy outlines our firm-wide approach to integrating ESG in our business and investment activities. Certain of our business units maintain their own individual ESG policies, which are aligned with this policy and reflect the unique factors applicable to their respective investment strategies.

ESG at Blackstone

Blackstone is committed to integrating certain ESG factors throughout its own corporate operations with a focus on matters that are meaningful to our employees and investors. We seek to apply our insights to drive value across our portfolio, including by:

- Measuring and reducing greenhouse gas (GHG) emissions resulting from our business operations and using clean energy across certain of our corporate offices
- Fostering diverse talent through active affinity networks such as the Women's Initiative, Diverse Professionals Network, Veterans Network and OUT Blackstone that are dedicated to retaining and raising awareness of diverse groups through speaker series, networking events, service opportunities, and mentoring relationships
- Providing career and other opportunities in communities where we operate through the Blackstone Charitable Foundation in collaboration with our nonprofit and educational partners
- Training applicable full-time employees and certain other temporary personnel, consultants, and advisers through Annual Compliance Training, which includes topics such as data protection and privacy, our Code of Ethics, and fiduciary duties / conflicts of interest, among others, in addition to an initial training during their on-boarding
- Engaging the entire firm annually through our cybersecurity awareness program to educate our employee population to recognize suspicious activities and report them for investigation

Blackstone seeks to adhere to applicable laws and regulations, including on modern slavery and forced labor.

ESG Integration in the Investment Process

The integration of material ESG factors¹ into our investment decisions and ownership is an important part of fulfilling our fiduciary duty.

Based on our experience, we think that consideration of ESG factors not only enhances our assessment of risk but also helps us identify opportunities for value creation. We believe that our targeted ESG program can help strengthen companies, drive value, enhance returns, and create better outcomes.

As applicable and material to any given investment, the ESG factors that may be incorporated into our investment evaluation and monitoring processes include, but are not limited to, the following:

Environmental Considerations	Social Considerations	Governance Considerations
<ul style="list-style-type: none">Greenhouse gas emissionsAir pollutionWaste management (including land and water impact)Energy management and efficiencyLand useClimate risk	<ul style="list-style-type: none">Diversity, Equity & Inclusion (including anti-discrimination)Human rights and modern slaveryEmployee health and safetyLabor relations and practicesCustomer privacy and securityProduct quality and safety	<ul style="list-style-type: none">Corporate governance and oversightRisk managementConflicts of interestTransparency (including financial and operational reporting)Fraud, anti-bribery, and anti-corruption controls

ESG expertise is embedded across Blackstone, with domain experts sitting within many of our business units, Asset Management teams, and corporate functions. We strive for a highly coordinated approach, knitting our efforts together through a dedicated corporate ESG team that looks to develop ESG policies and support integration within the business units, and regularly report to stakeholders.

Pre-Investment

We generally consider applicable, material ESG factors a key part of evaluating new portfolio companies, investments, and businesses (collectively, Portfolio Companies). By considering applicable ESG factors in the investment process, we aim to identify and address material investment risks and opportunities to drive value.

For majority and minority investments, as the firm deems appropriate, our team engages external counsel or other advisors to assist in conducting ESG due diligence. Our Investment Committees are apprised of material ESG findings where applicable.²

ESG Monitoring and Engagement

Post-Investment

Post-investment, we generally use an annual ESG survey and data collection process to monitor certain participating Portfolio Companies. We ask companies where we hold significant influence to participate in our survey and data collection.³ We use this data to calculate annual GHG emissions, allowing us to measure progress and focus our efforts on the largest opportunities for achieving savings within our portfolio. We also encourage Portfolio Companies to report to their respective boards regarding ESG on a regular basis, with respect to priority ESG topics that they deem to be material to their business.

¹ For the purposes of this ESG Policy, "material" ESG factors are defined as those ESG factors that the firm determines have—or have the potential to have—a material impact on an investment's going-forward ability to create, preserve or erode economic value for that organization and its stakeholders. The word "material" as used herein should not necessarily be equated to or taken as a representation about the "materiality" of such ESG factors under the US federal securities laws or any similar legal or regulatory regime globally.

² ESG due diligence will vary based on (i) the nature of Blackstone's investment, (ii) the transaction process and timeline, (iii) the level of access to information, specifically as it pertains to ESG factors, and (iv) the target investment's sector or business model.

³ Significant influence is generally deemed to exist where there is ownership of more than 20% of the company's common equity. Data collection is conducted with respect to Portfolio Companies of certain Blackstone business units including Private Equity, Tactical Opportunities, Growth, Infrastructure, Real Estate, Blackstone Credit, and BAAM (BSCH only).

Portfolio Company Engagement

Our Portfolio Operations Group and Asset Management teams seek to partner with participating Portfolio Companies. We help Portfolio Companies implement best practices through offering tools, training, and expertise; manage material ESG factors; implement Blackstone-specific initiatives; and measure progress.

We also have firm-wide programs in which applicable Portfolio Companies participate, including:

- Our target to reduce carbon emissions of certain new Portfolio Companies acquired after January 1, 2021 where we control energy usage by 15% on average within the first three full calendar years of ownership (the Emissions Reduction Program); and
- Resources to help Portfolio Companies broaden the pool of talent from which they recruit at all levels—including their boards—as well as how they develop and advance that talent.

As owners and operators, we seek to encourage and implement appropriate governance structures, policies, controls, and processes at our Portfolio Companies to strengthen them and thereby enhance returns.

For Portfolio Companies that are not controlled or otherwise not in scope, we provide access to firm-wide ESG programs, offering resources and expertise to support implementation and improvements where they can support value creation.

Focus Areas

Across our corporate and investment activities, we have identified priority ESG topics that we believe can most affect our ability to build strong companies of enduring value.

Climate Change Mitigation, Resiliency, and Adaptation

We recognize that climate change is a systemic issue, affecting all sectors and geographies. Our goal is to partner with in-scope Portfolio Companies across sectors to drive value through a range of strategic emissions reduction initiatives such as our Emissions Reduction Program.⁴ We also see energy transition as an attractive investment theme. Finally, over time we intend to assess physical and transition risks to certain Portfolio Companies from climate change, and develop resiliency responses to these risks, where applicable, as part of our investment process.

Diversity, Equity, and Inclusion (DEI)

We aim to drive value by supporting our Portfolio Companies in the recruitment, development, and advancement of top talent at all levels from a broad range of talent networks. Our Career Pathways program was created in 2021 to help our Portfolio Companies access historically untapped talent pools and develop and advance that talent through a culture of inclusivity. We are also committed to hiring veterans and their spouses and caregivers across Blackstone and our Portfolio Companies.

Good Governance

We believe that good corporate governance is essential for financially sound companies. We support our Portfolio Companies at various stages of their life cycles to implement good governance practices spanning board governance to controls. Specifically, we prioritize an experienced, active, and engaged board of directors with the skill to properly oversee and direct management and encourage protocols to enhance transparency and good governance. Further, we provide governance training to our professionals serving on Portfolio Company boards and recommend Portfolio Companies provide regular board reporting on their ESG program.

⁴ For additional information, see Additional Information - [Blackstone's Emissions Reduction Program](#).

Engagement

We regularly engage with our limited partners, investors, stakeholders, and industry on ESG matters. As applicable, ESG matters are discussed at Blackstone's quarterly board meetings, annual investor meetings for our business groups, and annual Limited Partner Advisory Committee (LPAC) meetings. Blackstone is a member of the 30% Coalition and a signatory of the Principles for Responsible Investment (PRI) and the UK Walker Principles, helped craft the American Investment Council (AIC) Guidelines for Responsible Investment for our industry, and participates in group-sponsored initiatives that align with our ESG Focus Areas (Corporate Sustainability, DEI, and Good Governance). Blackstone's membership in these institutions contributes to informing its consideration of material ESG factors throughout the investment process to drive strong returns for our investors.

Reporting

We are committed to being transparent with our investors, shareholders, and other stakeholders about Blackstone's ESG initiatives, successes, and goals. Our ESG report provides updates regarding our ESG program firm-wide, and we provide ESG updates on our website. We value regular, frequent engagement with our stakeholders on ESG matters.

Roles and Responsibilities

Blackstone's Chairman / CEO and President / COO have ultimate responsibility for overseeing Blackstone's ESG Policy. The corporate ESG team coordinates initiatives across the firm to maintain a coordinated approach. The Legal & Compliance teams of Blackstone's respective business units, along with Heads of ESG, are responsible for supporting and ensuring compliance with additional ESG policies and related standards, and overseeing their annual review. The corporate ESG team also monitors changes or updates to industry trends, policy, and regulations and provides specialized expertise to the business units as needed.

Blackstone's ESG Steering Committee, which consists of senior corporate leaders, advises on ESG matters across Blackstone.

Blackstone has dedicated personnel who lead ESG efforts within most reporting segments and work with Blackstone's investment and Asset Management teams to integrate the consideration of material ESG factors throughout the investment life cycle. The Portfolio Operations and Asset Management teams, along with our business units, are responsible for operationalizing key ESG programs across Portfolio Companies.

Scope

This ESG Policy covers Blackstone's investments and business units, as applicable, and is reviewed generally on an annual basis to reflect changes to the business. We have separate ESG policies for certain of our business units, as well as specific ESG frameworks and approaches, which consider the material ESG factors according to industry, geography, asset class, and investment horizon. Blackstone's ability to influence and exercise control over ESG matters with respect to the companies in which its business units invest will vary depending on the asset class, investment structure, and contractual rights. In cases where Blackstone determines it has limited ability to conduct diligence or to influence and control the consideration of ESG issues in connection with an investment, Blackstone will only apply those elements of this ESG Policy and the foregoing approaches that it determines to be practicable in light of the underlying facts and circumstances. Examples of such cases may include where Blackstone is a minority shareholder and has limited governance rights or other circumstances where Blackstone is a minority shareholder and has limited ability to assess, set, or monitor ESG-related performance.

This ESG Policy was last updated in June 2023 and is subject to change as the firm considers necessary or advisable. This policy is intended to be reviewed approximately annually. Further, this policy shall supersede and replace Blackstone's September 2019 Responsible Investing Policy and shall apply on a going-forward basis, subject to the limitations discussed herein, to the firm's existing and future investments.