2023 REPORT

Blackstone

Climate-related Financial Disclosures

Aligned with TCFD Recommendations

Cover photo: The Invenergy operated Grand Ridge Energy Center in Illinois.

All data in this Climate-related Financial Disclosures Report is as of or for the year-ended December 31, 2023 and amounts are in U.S. dollars, unless otherwise noted.

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Introduction

Our mission at Blackstone is to fulfill our fiduciary duty by creating long-term value for our investors. We aim to deliver strong returns for our investors by strengthening our portfolio companies and real estate assets, including through climate-related programs. We see enormous potential to deploy capital in support of the global energy transition to generate attractive returns for our investors. We see a large-scale opportunity to invest in energy transition and climate solution macro-trends across our business. We continue to invest in such opportunities and believe our portfolio of companies and assets across sectors and geographies enables us to think about sustainability from multiple vantage points and informs the range of energy transition-focused investment strategies we offer investors.

We also believe we can strengthen and create value at companies and real estate assets in our portfolio by, among other levers, helping them reduce energy costs and emissions. We engage select companies and assets through our Emissions Reduction Program, carbon accounting and our recently launched Decarbonization Accelerator, which collectively support a wide range of decarbonization activities. The 15% Target[1] serves as a critical tool to help us manage and reduce emissions for in-scope companies. Underpinning our efforts is our pursuit of high-quality data which enables us to track and monitor performance across our engagement efforts.

We are proud of the progress we have made on our journey thus far and are excited about the tremendous opportunities ahead to deliver on our climate-related programs for the benefit of our investors.

Scope

Blackstone's 2023 Climate-related Financial Disclosures Report is being provided for Blackstone Inc. (together with its consolidated subsidiaries, "Blackstone," the "Company," "we," "us," or "our").[2] This report discusses our Private Equity (including Infrastructure),[3] Real Estate and Credit and Insurance ("BXCI") businesses. Businesses and strategies not covered by this report include Blackstone Multi-Asset Investing, Strategic Partners, GP Stakes, Private Wealth Solutions, Life Sciences, Harvest and Insurance and Asset Based Credit strategies in BXCI, except where specifically referenced.

Disclosures made regarding any businesses and strategies generally will not cover all funds and/or investments in such business unit.

1. The 15% Target aims to reduce Scope 1 and 2 emissions by 15% on average across each applicable cohort of in-scope new investments. Please refer to Endnote "15% Target" on page 34 for additional information on the definition and scope of this target.
2. This report does not cover certain Blackstone business units. The inclusion of information in this report should not be equated to or taken as a representation about the materiality or financial impact of that information. Our strategy remains subject to further revision and development.
3. Including Blackstone Capital Partners ("BCP"), Blackstone Energy Transition Partners ("BETP"), Blackstone Core Equity Partners ("BCEP"), Blackstone Tactical Opportunities, Blackstone Growth ("BXG") and Blackstone Infrastructure ("BIP"). Private Equity as defined in this document includes only a portion of Blackstone Private Equity reporting segment, and does not include Strategic Partners, Blackstone Life Sciences, Blackstone Total Alternatives Solutions or Blackstone Capital Markets.

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The Invenergy operated Grand Ridge Energy Center in Illinois.

About Blackstone

Blackstone is the world's largest alternative asset manager. We seek to deliver compelling returns for institutional and individual investors by strengthening the companies in which we invest. Our more than $1 trillion in assets under management[4] include global investment strategies focused on real estate, private equity, infrastructure, life sciences, growth equity, credit, real assets, secondaries and hedge funds.

Blackstone approaches our decarbonization efforts to manage climate-related risks and opportunities both as an asset manager and as a corporate entity:[5]

1 Asset Manager

We strive to create long-term value for our investors across the investment process:

- **Investment Themes** We seek to deploy capital in high conviction themes, including energy transition and climate solutions, that we believe provide opportunities to generate attractive returns for our investors.
- **Investment Process** We seek to integrate consideration of climate-related matters into our investment processes, including pre-investment due diligence and post-investment engagement and monitoring, as applicable.
- **Investment Engagement** We partner with targeted portfolio companies on value-accretive carbon emission reductions through our climate engagement programs and maintain tailored post-investment engagement approaches within each of our business units.

2 Corporate Entity

We strive to incorporate climate-related matters into our corporate operations and risk management process:

- **Sustainable Operations** We seek to improve energy efficiency and environmental performance at our global offices.
- **Enterprise Risk Management** We seek to integrate the consideration of climate-related matters into our enterprise risk management process.

4. As of March 31, 2024.
5. Climate-related goals are aspirational and not guarantees or promises that all goals will be met. There can be no assurance that Blackstone's climate-related strategy will continue through the life of any Blackstone fund, and Blackstone's ESG policies and procedures could change, even materially, over time.

Highlights

Blackstone's Emissions Reduction Program

Blackstone's Emissions Reduction Program ("ERP") serves as our platform to actively engage in decarbonization opportunities across participating portfolio companies and assets to create long-term value for our investors.

- A focus of the ERP is the 15% Target,[8] which aims to reduce Scope 1 and 2 emissions by 15% on average across in-scope investments made after January 1, 2021 in the first three full calendar years of ownership where Blackstone controls energy usage.
- The 15% Target utilizes a cohort model to accommodate our large and dynamic portfolio.
- Given our robust engagement, tracking of implemented decarbonization opportunities and a strong decarbonization opportunity pipeline, we believe Cohort 1 is well positioned to achieve the 15% Target.

Decarbonization Accelerator

In September 2023, we launched the Decarbonization Accelerator, aimed at providing a broad set of resources and scaling climate engagement across our portfolio.

- More than 125 companies have attended at least one of the Decarbonization Accelerator learning sessions, which have included virtual sessions on topics including decarbonization planning, measuring and managing Scope 3 emissions and understanding decarbonization pathways.
- We established a resource library covering a range of topics, including decarbonization planning, renewable energy procurement and energy efficiency.
- We continue to develop new resources and partnerships for our portfolio, with a focus on supporting value-accretive decarbonization planning and renewable energy procurement.

For more information on our climate programs see the "Decarbonizing Our Portfolio" section on page 16.

6. As of March 31, 2024.
7. In 2022, Blackstone announced that we see an opportunity to invest an estimated $100 billion in energy transition and climate solutions over the next decade across our businesses. This figure represents estimated potential capital deployment opportunities on the basis of market trends and other factors, and does not represent a commitment, goal, or target to invest any amount in any particular asset class or industry.
8. Please refer to Endnote "15% Target" on page 34 for additional information on the definition and scope of this target.

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Governance

We believe strong governance is a foundation on which resilient and financially sound companies are built. We seek to implement governance structures that support climate-related compliance and performance both at the corporate level and across our business units.

At Blackstone, we have embedded the governance and oversight of climate-related matters at both the corporate and business unit levels. We integrate climate-related considerations into the firm's overall risk management practices and into value-enhancing strategies within our business units. Individuals across the firm help implement our climate strategy through energy transition investing, investment due diligence and targeted decarbonization activities, including carbon accounting and the ERP.

Board of Directors

Blackstone's Board of Directors reviews the Company's climate strategy as a component of its review of the Company's broader ESG strategy. Management provides quarterly reports to the Board of Directors that address, as applicable, corporate and business unit ESG efforts, including climate-related matters. These reports have been supplemented by in-depth reporting to the Board of Directors on Blackstone's climate strategy, including efforts to enhance investment performance through active decarbonization.

Management Oversight

Blackstone's Chief Executive Officer and President have ultimate responsibility for overseeing the firmwide climate strategy. The ESG Steering Committee, consisting of senior corporate leaders, receives periodic updates and advises on ESG matters, including climate-related topics. Blackstone's Enterprise Risk Committee assists Blackstone management to identify, assess, monitor and mitigate key enterprise risks at the corporate, business unit and fund level. See the "Integration of Climate Considerations into Enterprise Risk Management" section on page 24 of this report for additional information.

Blackstone's Global Head of Corporate Affairs oversees our Corporate ESG team, which seeks to support firmwide climate initiatives and guide reporting efforts. This team works in close collaboration with corporate teams and specialized personnel across our Real Estate, Private Equity, BXCI, Strategic Partners, Infrastructure and Multi-Asset Investing business units. Blackstone's Global Corporate Services ("GCS") team is responsible for managing and advancing energy efficiency and environmental performance opportunities at Blackstone's global offices. The GCS team aims to optimize office construction, renovation, daily operations and procurement in support of the firm's sustainability efforts.

Blackstone's Chief Sustainability Officer, together with the corporate and business unit ESG teams, is responsible for operationalizing our decarbonization efforts, including through the Emissions Reduction Program, climate-related diligence on select investments and climate strategy support to select portfolio companies. Throughout the investment life cycle, the Sustainability team and specialized business unit personnel collaborate with investment and asset management teams, as well as with select portfolio company asset management and/or sustainability teams, to identify, where relevant, climate-related risks and value creation strategies.

Our energy transition-focused funds' investment teams lead the sourcing and execution of attractive investment opportunities in companies and assets we believe will benefit from what we see as a mega-trend in energy transition. These investment efforts are further supported by our asset management teams, which include our Portfolio Operations, Real Estate asset management, Infrastructure asset management and BXCI value creation teams. These teams also facilitate the implementation of value-enhancing decarbonization programs for their respective business units' investments.

Policies

Our approach to integrating ESG into our business and investment activities is outlined in our firmwide ESG Policy. This policy includes information on our key focus areas and ways in which we integrate consideration of ESG principles into our investment process and operating philosophy, where these efforts can contribute to value creation. Key focus areas outlined in our policy include climate change mitigation, resiliency and adaptation, which we believe can affect our ability to build strong companies. We believe that consideration of climate-related matters not only enhances our assessment of risk but also helps us identify opportunities for value creation.

Certain of our business units maintain their own ESG policies, which are aligned with the firmwide policy and reflect the unique factors applicable to their respective investment strategies. The Legal and Compliance teams of Blackstone's respective business units, along with business unit leaders, are responsible for supporting and ensuring compliance with their ESG policies and related standards.

Blackstone's firmwide ESG Policy is available on our website under "Building Sustainable Businesses".

Decarbonization Working Group

Our Decarbonization Working Group, led by our Chief Sustainability Officer, discusses and advises on the firmwide climate strategy and supports collaboration on climate-related activities across our business units. This group is composed of key senior leaders and personnel across corporate and business unit teams responsible for executing on decarbonization opportunities across our portfolio.

Marshall Sprung, Global Head of Compliance, Victoria Portnoy, Head of Corporate Finance and Group Legal Affairs, John Finley, Chief Legal Officer, Omar Rehman, Deputy Global Head of Compliance, and Josh Goldman, Sustainability Counsel.

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Strategy

We aim to identify and translate climate-related risks and opportunities into our business strategy both as an asset manager and a corporate entity.

To build stronger businesses, we seek to gain a well-founded understanding of actual and potential material climate impacts on our investment portfolio and corporate operations. We develop strategies and programs that seek to enable us to mitigate risks, seize opportunities and enhance our resilience. Our mission is to deliver lasting value for our investors.

Asset Manager

We believe the transition to cleaner energy will be an enduring trend and that global decarbonization goals create meaningful investment opportunities for private capital.

Energy Transition Investing

Our thematic investment approach is informed by the identification of macro-trends that we believe will shape the long-term global economy. An estimated $150 trillion in cumulative energy transition investment is expected to be needed to reach net-zero by 2050.[9] Given the large-scale and increasing demand for capital, we believe the energy transition creates an attractive investment opportunity for capital providers to play a role in global decarbonization. We see a large-scale opportunity to invest in energy transition and climate solution macro-trends across our business. We continue to invest in such opportunities and believe we maintain a differentiated ability to deploy a portion of the capital needed to fund the global energy transition, given our scale and flexible solutions across the capital structure.

Due to our strong conviction and in response to investor demand, we offer a range of investment strategies focused on supporting the energy transition.

BLACKSTONE ENERGY TRANSITION PARTNERS

Blackstone Energy Transition Partners is a strategy within our Private Equity business focused on control-oriented equity and thematic, proactive sourcing across an array of different securities and transaction structures and various points in the corporate life cycle. The strategy seeks to invest in target sectors including, cleaner power generation, electric transmission, energy technology, energy efficiency, decarbonized transport and natural resources. By leveraging unique energy sector insights and deep industry knowledge we seek to generate attractive returns.

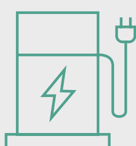
Legence

Since 2020, Blackstone Energy Transition Partners has committed over $480 million in equity to Legence, an integrated provider of energy efficiency and sustainability solutions for the built environment including sustainability consulting, mechanical, electrical and plumbing engineering consulting, utility and building systems program management and energy performance contracting. Legence has designed more than 10 million square feet of net-zero projects,[10] including over 140 megawatts of solar generation, and provides sustainability consulting services for over 5.5 billion square feet across more than 22,000 buildings and more than 1.1 gigawatts of onsite renewable energy projects.

9. Source: International Renewable Energy Agency World Energy Transition Outlook 2023.
10. According to American Society of Heating, Refrigerating and Air-Conditioning Engineers ("ASHRAE"), a net-zero site energy building produces as much energy as it uses. Net-zero energy design is a cost-effective building development approach that prioritizes and achieves advanced levels of energy savings by creating an efficient building that, with the addition of renewable energy, requires equal or less energy than it provides to the grid annually.

BLACKSTONE INFRASTRUCTURE

We believe infrastructure investments are a key component of the energy transition given the substantial capital required to decarbonize physical assets and deliver cleaner power globally. As a component of its broader strategy, Blackstone Infrastructure aims to invest, among other investments, in portfolio companies and assets that contribute to the energy transition. Furthermore, our long-term buy-and-hold strategy and perpetual vehicle enable capital reinvestment to support the energy transition. Current infrastructure investments aligned with the energy transition include renewables generation, carbon capture sequestration, sustainable aviation fuel and electric transmission. Infrastructure also seeks value-accretive decarbonization opportunities in its transportation and digital infrastructure investments.

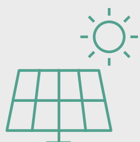


NIPSCO

In 2023, Infrastructure closed an $2.16 billion investment for a 19.9% stake in Northern Indiana Public Services Company LLC ("NIPSCO"), Indiana's largest electric and gas utility serving more than 1.3 million customers. As of March 31, 2024, the company expects to invest a total of approximately $3 billion through 2025 to build, own and operate approximately 1,950 megawatts of renewable generation capacity. Deployments in 2024 and 2025 will represent an approximate 120% increase compared to its renewable generation capacity of 885 megawatts at the end of 2023.

BLACKSTONE CREDIT AND INSURANCE

We believe that credit will play a pivotal role in funding a significant portion of the capital required for the energy transition. Among other sectors, BXCI's Infrastructure and Asset Based Credit Group invests behind the energy transition through both investment grade and non-investment grade credit strategies. Sectors in which BXCI has been an active investor include, among others, residential solar and home efficiency, renewable electricity generation and storage and decarbonized transportation. In addition, within BXCI, multiple Systematic Strategies accounts pursue a low carbon strategy engineered to generate value for investors while achieving lower carbon intensity exposure relative to the reference index.[11]



Saber Power Services

In 2023, BXCI committed to provide $275 million financing support to Greenbelt Capital's acquisition of Saber Power Services ("Saber"). Saber is a fully integrated sub-station and medium-to-high-voltage infrastructure services provider, offering end-to-end design, construction, testing and maintenance solutions across the renewables, battery storage, utility, industrial and technology markets. In 2022, renewable energy generated in Texas, where Saber primarily operates, accounted for approximately 31% of Texas' total energy generation mix.[12] With this market opportunity, we believe Saber is positioned to contribute to decarbonization, electrification and grid resilience by providing electrical expertise and integrating renewables and battery storage systems to the grid.

11. The reference index varies by fund and may include indices such as the Barclays Global Aggregate Corporate Bond Index or ICE US High Yield Constrained Index ("HUC0").
12. Interval Generation by Fuel Report published by the Electric Reliability Council of Texas, Inc. ("ERCOT") on March 7, 2023.

Corporate Entity

As a corporate entity, we strive to improve the sustainability of our operations. Our corporate sustainability efforts are an important part of our role as a global corporate citizen.

Corporate Operations

Our continued office expansion has created opportunities to improve energy efficiency and environmental performance at Blackstone's global offices. Our Global Corporate Services ("GCS") team is responsible for managing and advancing these opportunities across various stages of building management including office construction, renovation, daily operations and procurement. The GCS team endeavors to optimize building management in support of the firm's sustainability efforts and operational excellence. Select highlights from our office sustainability efforts include the following:

Our Singapore office relocation provided an opportunity to implement sustainable practices. Sustainable Office Solutions assisted with the relocation and concluded that more than 33 metric tons CO_2e was avoided, and 31,000 kilograms of waste was diverted from landfills through re-use, repurposing and local donation and redistribution programs.[13]

Our 40 Berkeley Square London office continues to be supplied with renewable energy for 100% of its electricity needs.

We facilitated an Earth Day event at our New York City offices to collect and recycle employees' personal and office technology e-waste in an environmentally responsible way. We collected approximately 150 pounds of e-waste through this event.

CASE STUDY

Environmental Excellence in London

In 2024, we initiated plans for our new European headquarters in London, which will expand our existing footprint in the city to more than 225,000 square feet. Blackstone has a long track record of investing in the U.K., having deployed more than $50 billion across over 200 businesses and investments in the past 20 years, supporting tens of thousands of jobs across various industries. This expansion reaffirms Blackstone's commitment to the U.K. and Europe and marks our next phase of growth after 20 years at the existing Berkeley Square location. We will be the primary tenant of the newly constructed building, Lansdowne House, which will be constructed using recycled steel from the existing structure on site, and will be outfitted with ground source heat pumps and solar panels. The landlord of Lansdowne House and Blackstone will pursue multiple sustainability building certifications, including BREEAM Outstanding, WELL Platinum, NABERS 5 Star Rating and EPC A sustainability criteria.

13. Based on information collected by Sustainable Office Solutions ("SOS") during the relocation project on material recycle and reuse and redistribution treatment of office furniture. Estimated emissions avoided are based on SOS calculation methodology aligned with ISO 14064-2 and in accordance with the GHG Protocol.

Climate-Related Risks and Opportunities

We believe the identification and recognition of climate-related risks and opportunities helps to better manage our business and deliver value to our investors.

Blackstone, our funds and our funds' investments may be subject to certain climate-related short-, medium- and long-term risks. Among such potential climate-related risks are physical risks and transition risks.

For certain of our funds' investments, such risks may include (i) chronic or acute physical effects of climate change, including extreme weather (an acute physical event) or other events related to the physical effects of climate change; (ii) climate-related regulations requiring more expansive disclosure that is more costly and burdensome or imposing certain taxes; and (iii) market or business trends that may require capital expenditures, product or service redesigns or innovations, or changes to operations and supply chains to meet changing customer expectations.

For Blackstone Inc., such risks may include (i) climate-related regulations imposing more enhanced disclosure obligations, (ii) market or business trends that may impact certain investors' decision to invest in our funds, (iii) increased competition and/or need for innovation with respect to the development of products to address investment demand and/or regulatory change and (iv) reputational challenges, including if any action or lack thereof with respect to climate-related matters is perceived negatively by interested parties or if we are perceived or accused of making inaccurate or misleading climate-related statements.

These risks may have potential business, strategy, or financial impact to Blackstone Inc.[14]

For certain of our funds' investments, business trends related to climate change may require capital expenditures, product or service redesigns, and changes to operations and supply chains to meet changing customer expectations. While this can create opportunities, not addressing these changed expectations could create business risks for portfolio companies, which could negatively impact the value of such companies and the returns in our funds. Further, significant chronic or acute physical effects of climate change, including extreme weather events such as hurricanes or floods, can also have an adverse impact on certain of our funds' investments. This could be especially acute for our real asset investments and portfolio companies that rely on physical factories, plants, stores or other assets located in the affected areas, or that focus on tourism or recreational travel.

We may be subject to competing demands from different investors and other stakeholder groups with divergent views on climate-related matters, including the role of climate-related factors in the investment process. Our reputation and fundraising may be harmed if certain parties, such as our limited partners or stockholders, believe that we are not adequately or appropriately responding to climate change. This could extend to the way in which we operate our business, the composition of our funds' existing portfolios, the new investments made by our funds, or the decisions we make to continue to conduct or change our activities in response to climate change considerations. Conversely, certain investors have raised concerns as to whether the incorporation of ESG factors, including climate, in the investment and portfolio management process may be inconsistent with the fiduciary duty to maximize return for investors. This divergence increases the risk that any action or lack thereof with respect to climate-related matters will be perceived negatively by at least some stakeholders and adversely impact our reputation and business. If we do not successfully manage climate-related expectations across the varied interests of our stakeholders, including existing or potential investors, our ability to access and deploy capital may be adversely impacted.

14. There is no guarantee that the potential financial impacts will occur.

Blackstone, our funds and our funds' investments may also be able to capitalize on certain climate-related short-, medium- and long-term opportunities.

For certain of our funds' investments, such opportunities may include (i) value-generating resource efficiency from decarbonization efforts, leading to decreased expenditures and increased profitability, (ii) product innovation, (iii) resiliency and (iv) competitiveness.

For Blackstone Inc, such opportunities may include (i) resource efficiency through environmental performance improvements at our offices, (ii) identification of attractive investment opportunities and (iii) early identification of certain risks to financial returns.

These opportunities provide the potential to deliver value for our shareholders and funds' investors and increase revenue and reduce expenses for certain of our funds' portfolio companies and investments.

We aim to deliver strong returns for our investors by strengthening our investments, including through climate-related programs and decarbonization efforts. We believe we can strengthen and create value at select companies and real estate assets in our portfolio by helping them reduce energy costs and emissions through tailored engagement. In addition, we believe that global decarbonization goals create meaningful investment opportunities for private capital. For more than a decade, we've pursued attractive investments in companies and assets that support the global energy transition. We see enormous potential to deliver value to our investors by continuing to capitalize on attractive energy transition investment opportunities.

Physical Climate Risk Assessment

Blackstone Real Estate recognizes that physical climate-related risks may impact the resilience, and thereby, value of our funds' assets. Real Estate's climate scenario analysis, conducted in 2022, included screening the majority of our Real Estate funds' global assets to help us better understand the resilience of the portfolio.[15] To further develop a holistic view of resilience, Real Estate is collaborating with our property insurance partner and working with select portfolio companies to identify assets for deeper analysis. This analysis will leverage a physical climate resilience self-assessment tool in order to inform portfolio risk identification and potential resiliency plans for our funds' assets.

15. Physical climate risk screening included equity and real estate debt portfolio. Real Estate evaluated eight climate perils using two well-recognized climate scenarios from the Intergovernmental Panel on Climate Change, RCP 2.6 (1.5 °C increase by 2100) and RCP 8.5 (3 °C increase by 2100). Representative Concentration Pathways ("RCPs") describe various possible 21st-century climate pathways for the years to come.

4

Risk Management

Our enterprise and investment risk management efforts seek to manage climate-related risks and identify value-creation opportunities.

We believe the integration of climate-related risks into our firm's enterprise risk management framework enhances our ability to identify, diligence, assess and manage these risks. Across certain business units, we embed the consideration of applicable climate-related factors in our investment life cycle including pre-investment and post-investment engagement. Material environmental and climate-related factors are evaluated as part of the pre-investment diligence process across many of our business units. Post-investment, our engagement is often a continuation of the due diligence process. We seek to identify value-accretive decarbonization opportunities, remove barriers to execution and support the development of a broader climate and emissions measurement strategy.

Asset Manager

We endeavor to identify, assess and manage climate risks and opportunities through pre-investment diligence and post-investment decarbonization activities.

Integration of Climate Considerations into the Investment Process

In order to drive value, environmental and climate-related factors are considered as part of the pre-investment diligence process across many of our business units. We invest in a diverse range of industries and use a materiality-based approach to understand and assess whether climate-related risks and opportunities are relevant for potential investments.

For controlled equity investments in our Real Estate business and for investments where we maintain significant influence in our Private Equity and Infrastructure businesses,[16] we have ESG due diligence processes where climate-related matters are considered, when deemed relevant. Specific topics potentially considered include energy management, emissions reduction opportunities, regulatory compliance, extreme heat and flood risk and other climate-related matters. BXCI investments[17] follow a similar diligence process where material risks and opportunities are identified based on sector specific factors, including climate-related risks.

The results of due diligence, including climate considerations, where deemed relevant, are shared with the investment team to support the underwriting of the deal. Relevant considerations are also included in the Investment Committee memo or a standalone report and may be discussed as part of the investment decision-making process.

Certain business units implement additional climate- and environmental-related due diligence processes tailored to their investment strategy. Real Estate generally includes a Phase-1 environmental assessment provided by an environmental consultant for diligence on asset purchases. Infrastructure conducts an environmental review of every proposed investment that is presented to its Investment Committee. Private Equity completes an Emissions Reduction Flash Diagnostic on select investments to assess the feasibility of value-accretive emissions reduction and quantify decarbonization opportunities.[18] Evaluating climate-related factors as part of the pre-investment process, when relevant and applicable, enables Blackstone to assess and seek to mitigate climate-related risks in a more targeted fashion to drive value during the post-investment period.

PE Emissions Reduction Flash Diagnostic[18]

Our Emissions Reduction Flash Diagnostic incorporates emissions-related risks and opportunities into the Private Equity ESG investment diligence process for select controlled investments, where, based on our assessment, energy costs are significant and data is available. The process assesses the feasibility of emissions reduction and quantifies potential value creation opportunities.

The diagnostic process involves diligence questions and data requests sent to the potential target company to identify emissions reduction opportunities. The data provided by the company allows us to generate a preliminary view on expected investment required and anticipated energy and cost savings. Flash Diagnostic findings are shared with Private Equity investment teams for consideration in the underwriting of the deal. Ultimately, these findings provide a snapshot of a company's emissions reduction potential and a tool for post-investment engagement.

16. Private Equity defines significant influence as 20% of the company's common equity and/or other significant governance rights. Real Estate defines significant influence as controlled equity investments, including asset purchases and property-owning companies. Infrastructure defines significant influence as equity investments in which Infrastructure owns generally above 20% of the portfolio company's common equity.
17. Credit investments, in this context, include privately originated investments, syndicated new issuances or secondary market purchases, and third-party collateralized loan obligations.
18. The topics covered in ESG diligence depend on applicability to the target company. Private Equity seeks to assess energy spend and, when deemed relevant to a deal, to conduct an Emissions Reduction Flash Diagnostic using an environmental consulting firm that is familiar with the target company's industry to enhance environmental diligence. Investment decisions are not made solely based on Flash Diagnostic results.

Decarbonizing Our Portfolio

Across many of our business units, we engage[19] with our portfolio companies and assets around climate and environmental performance to manage climate-related risks and execute opportunities for climate-related value creation. We seek to remove barriers to execution and support the development of a broader climate and emissions measurement strategy. We aim to equip our companies with resources to support decarbonization, including providing playbooks, expertise and support from our Sustainability team and business unit ESG teams.

Our climate programs include our Emissions Reduction Program ("ERP"), which includes the 15% Target,[20] our Carbon Accounting Program and our recently launched Decarbonization Accelerator. These programs are supplemented by unique approaches for each business unit.

BLACKSTONE EMISSIONS REDUCTION PROGRAM

Our ERP serves as the foundation for engagement on active decarbonization with a focus on driving near term value-accretive energy and emissions reductions for select portfolio companies and assets. Building on a decade of operational experience, we have built capabilities that we believe can support competitiveness through cost savings, more consistent energy costs and preparedness for regulatory and customer expectations.

Our program allows us to collaborate with select portfolio companies to develop tailored and cost-effective climate solutions to reduce emissions. While our approach to emissions reduction and level of company support will vary, common examples of potential interventions include:

- Operational energy efficiency via no-cost and low-cost initiatives
- High–ROI capital investments to reduce energy consumption
- On-site renewable energy systems
- Technology switching and electrification where feasible
- Procurement of renewable energy

We continue to engage across the broad portfolio of participating companies and assets and incorporate new additions to the program. In 2023, we spent meaningful time in the field with select companies that present the greatest value-accretive emissions reduction potential in our program to develop strategies and advance opportunities to drive down costs and emissions. Concurrently, we have developed a preferred set of global decarbonization and energy experts and engineering partners to help our portfolio identify, prioritize and execute emissions reduction projects. We remain steadfast in our active engagement approach, focusing on where we can drive the most value.

Since launching the ERP, we have tracked more than 2,300 decarbonization opportunities across participating companies and assets.[21] Our efforts cover a wide range of projects tailored to the needs of our portfolio, including cost-effective energy efficiency (e.g., compressed air optimizations, HVAC and boiler upgrades, etc.), renewable energy procurement (e.g., on-site solar installations, power purchase agreements, energy attribute certificates, etc.), and fleet efficiency (e.g., vehicle/equipment electrification, telematics, etc.).

Our growing pipeline of decarbonization opportunities is actively monitored, as we strive for greater progress over time. We will continue to engage across our portfolio and focus on driving additional value through our climate programs.

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19. Engaged companies are those in which Blackstone has engaged through written communications, meetings, resource sharing, tracking of emissions data and/or support in identifying decarbonization opportunities. The level of engagement varies depending on the degree of support that a company requires and the extent of its emissions profile. Investments signed, but not yet closed as of the date of this Report, are not included in this statistic.
20. Please refer to Endnote "15% Target" on page 34 for additional information on the definition and scope of this target.
21. A decarbonization opportunity is a discrete effort that may involve, for example, procurement, engineering or a behavioral change at a company location. In this report, examples would include on-site solar at a single site or building, or an LED change-out at a facility. A roll out of solar cell installations at five locations would be considered five opportunities We endeavor for these decarbonization opportunities to be implemented in the timeframe of the 15% Target. However, individual project results and impact are not guaranteed and are subject to change due to further engineering design, regulatory approvals, shifting priorities within portfolio companies and other external factors.

15% TARGET UPDATE

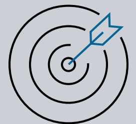
Beginning in 2021, we expanded the scope and ambition of the ERP by launching the 15% Target,[22] which aims to reduce Scope 1 and 2 emissions by 15% on average across in-scope new investments made after January 1, 2021 in the first three full calendar years of ownership where Blackstone controls energy usage. The 15% Target utilizes a cohort model to accommodate our large and dynamic portfolio. Each participating portfolio company or real estate asset that we have determined is within scope of the 15% Target is a member of a cohort composed of in-scope companies or assets acquired in the same year. Since launching the 15% Target, we now have three active cohorts participating – Cohort 1 includes new in-scope investments made in 2021. Cohorts 2 and 3 include in-scope investments made in 2022 and 2023, respectively.

For purposes of measuring progress against the 15% Target, the individual emissions reduction over a three-year period of each member of a given cohort is averaged with that of other members of that cohort. A cohort's emissions reduction is calculated as a weighted average for the members in the cohort based on the emissions of each member in the baseline year. To control for change in company size or production levels, emissions reduction is generally measured on a carbon intensity basis. Carbon intensity is an emissions metric reflecting emissions per unit of relevant business metric (e.g. CO_2e per dollars revenue). The 15% Target is not a 15% reduction in Scope 1 and Scope 2 GHG emissions for each portfolio company or asset; rather, the target applies on a cohort-by-cohort basis based on the reductions achieved overall by that cohort.

We focus our efforts on companies and assets with higher energy usage and energy savings opportunities. This allows us to maximize opportunities for value-accretive emissions reduction and build more resilient companies.

Cohort 1: 15% Target Progress

The first cohort of in-scope investments made in 2021 represents 23 companies, approximately 1,600 real estate assets and collective baseline year emissions of approximately 1.8 million metric tons CO_2e.[23] We engage and have spent meaningful time in the field with select companies that present the greatest opportunity for value-accretive emissions reduction and cost savings.[24] In addition, this cohort of companies and assets has already implemented decarbonization projects anticipated to reduce emissions.[25]



Given our robust engagement, tracking of implemented decarbonization opportunities and a strong decarbonization opportunity pipeline, **we believe Cohort 1 is well positioned to achieve the 15% Target.**[25]

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22. Please refer to Endnote "15% Target" on page 34 for additional information on the definition and scope of this target.
23. Cohort 1 baseline year emissions are calculated for the 2021 calendar year, except in cases where the company or asset has a fiscal year that differs from the calendar year. In these cases, company or asset emissions are calculated for the fiscal year that predominantly takes place within 2021.
24. Engaged companies are those in which Blackstone resources have been allocated to analyze their emissions reduction efforts. The level of engagement varies depending on the degree of support that a company requires and the extent of its emissions profile.
25. A decarbonization opportunity is a discrete effort that may involve, for example, procurement, engineering or a change of behavior at a company or asset location. In this report, examples would include on-site solar at a single site or building, or an LED change-out at a facility. A roll out of solar cell installations at five locations would be considered five opportunities. We endeavor for these decarbonization opportunities to be implemented in the timeframe of the 15% Target. However, individual project results and impact are not guaranteed and are subject to change due to further engineering design, regulatory approvals, shifting priorities within portfolio companies and assets and other external factors. Opportunities are in varying stages of maturity, including under investigation, to be implemented, implementation commenced and implemented. Anticipated savings from decarbonization opportunities includes projects in all stages of maturity and is measured in metric tons carbon dioxide equivalent (MT CO_2e). Implemented projects only includes projects in the implemented stage of maturity. Projects that are deemed not to have been implemented by portfolio companies are removed from aggregate metrics. Emissions reduction opportunity impacts are calculated primarily using data self-reported by our portfolio companies and assets. The underlying source of this self-reported data varies and includes, but is not limited to, measured and verified results following project implementation, engineering proposals, third-party or in-house professional engineers, third-party subject matter experts and in-house non-professional engineers. In some cases, mostly for early-stage projects, our Sustainability team may support portfolio company estimations using industry accepted methods from credible external sources. While the data reported by portfolio companies and assets is believed to be reliable for purposes used herein, it is subject to change, and Blackstone has not fully verified, and does not assume responsibility for, the accuracy or completeness of this information.

SINCE LAUNCHING THE ERP IN 2021, WE HAVE IDENTIFIED:[26]

4,000+

Real estate assets in scope of the 15% Target

40

Companies in scope of the 15% Target

2,300+

Decarbonization opportunities across participating companies and assets

$40M+

Anticipated annual savings from decarbonization opportunities at participating companies and assets when fully implemented

345k+ MT CO_2e

Anticipated annual emissions reduction from decarbonization opportunities at participating companies and assets when fully implemented

THESE CONCERTED EFFORTS HAVE PRODUCED STRONG INITIAL RESULTS AT PARTICIPATING COMPANIES AND ASSETS:[26]

$15M+

Estimated annual savings from implemented decarbonization projects

220k+ MT CO_2e

Estimated annual emissions reduction from implemented decarbonization projects

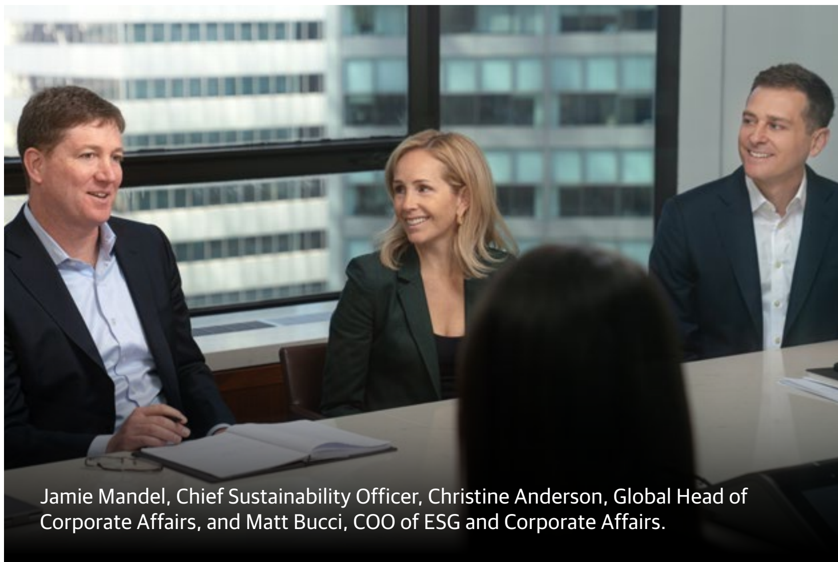
26. A decarbonization opportunity is a discrete effort that may involve, for example, procurement, engineering or a change of behavior at a company or asset location. In this report, examples would include on-site solar at a single site or building, or an LED change-out at a facility. A roll out of solar cell installations at five locations would be considered five opportunities. We endeavor for these decarbonization opportunities to be implemented in the timeframe of the 15% Target. However, individual project results and impact are not guaranteed and are subject to change due to further engineering design, regulatory approvals, shifting priorities within portfolio companies and assets and other external factors. Opportunities are in varying stages of maturity, including under investigation, to be implemented, implementation commenced and implemented. Anticipated savings from decarbonization opportunities includes projects in all stages of maturity and is measured in metric tons carbon dioxide equivalent (MT CO_2e). Implemented projects only includes projects in the implemented stage of maturity. Projects that are deemed not to have been implemented by portfolio companies are removed from aggregate metrics. Emissions reduction opportunity impacts are calculated primarily using data self-reported by our portfolio companies and assets. The underlying source of this self-reported data varies and includes, but is not limited to, measured and verified results following project implementation, engineering proposals, third-party or in-house professional engineers, third-party subject matter experts and in-house non-professional engineers. In some cases, mostly for early-stage projects, our Sustainability team may support portfolio company estimations using industry accepted methods from credible external sources. While the data reported by portfolio companies and assets is believed to be reliable for purposes used herein, it is subject to change, and Blackstone has not fully verified, and does not assume responsibility for, the accuracy or completeness of this information.

CARBON ACCOUNTING PROGRAM

We believe carbon accounting is an important operational capability integral to active decarbonization. Carbon accounting supports our efforts to measure and understand the sources and scale of our emissions and those in our funds' portfolios, and to identify areas of potential regulatory and/or operational risk and opportunity. Outputs of the carbon accounting process form the foundation for tracking and measuring progress on the 15% Target.

For both Blackstone and our investments, carbon accounting can help manage strategic risks and thereby mitigate future financial burdens, reputational impacts and/or climate-related operational constraints.

For our investments, our business unit carbon accounting programs – administered by Blackstone business unit ESG teams, the Sustainability team and vendors, including Blackstone portfolio companies Sphera and RE Tech Advisors (part of Legence) – support capability-building for select portfolio companies. This capability building extends to carbon accounting and collecting, analyzing and interpreting emissions data. Business unit ESG teams support these activities by leveraging in-house tools such as carbon accounting playbooks, templates and webinars. We provide carbon accounting support for certain companies and assets with a focus on those that are controlled by our funds. For more information on our carbon accounting see "Carbon Accounting Data" section on page 26.



Jamie Mandel, Chief Sustainability Officer, Christine Anderson, Global Head of Corporate Affairs, and Matt Bucci, COO of ESG and Corporate Affairs.

Decarbonization Accelerator

In September 2023, we launched our Decarbonization Accelerator aimed at providing a broad set of resources and scaling climate engagement across our portfolio, including minority and credit investments. More than 125 companies have attended at least one of the Decarbonization Accelerator learning sessions, which have included virtual sessions on, among other topics, decarbonization planning, measuring and managing Scope 3 emissions and understanding decarbonization pathways. We have also established a resource library covering a range of topics, including decarbonization planning, renewable energy procurement and energy efficiency, to support our companies. We intend to continue developing new resources and partnerships for our portfolio, with a focus on support for value-accretive decarbonization planning and renewable energy procurement. Together with our ERP and carbon accounting programs, the Decarbonization Accelerator can support a wide range of decarbonization activities that might benefit our companies.

Business Unit Specific Approaches to Managing Risk

In addition to our firmwide decarbonization programs, business units maintain their own unique approach to post-investment engagement to manage risk and drive value creation opportunities.

Private Equity

Our Private Equity approach to decarbonization is anchored in our climate programs – the ERP, carbon accounting and the Decarbonization Accelerator. It is also underpinned by the identification of opportunities to lower costs, drive revenues and better manage risk. We build value-driven decarbonization strategies and roadmaps, scale targeted operational support and monitor progress and maturity.

We tailor our engagement approach depending on various factors including specific fund strategies and degree of investment control. For select controlled investments, the Private Equity ESG and Sustainability teams actively engage with portfolio companies to help equip them with a suite of tools and capabilities they need to build stronger businesses and grow. Our structured support process provides connections to Blackstone's Sustainability team and third-party providers and helps build carbon accounting proficiency at certain controlled companies.

100%

of companies determined to be in scope for 15% Target have been engaged through meetings, resource sharing, tracking of emissions data and/or support in identifying decarbonization opportunities

80

companies engaged to complete 2022 carbon accounting

CASE STUDY

Copeland

Copeland, a Blackstone Private Equity investment, is a global provider of sustainable climate solutions, with a product portfolio in category-leading brands across compression, controls, software and monitoring for heating, cooling and refrigeration.

Copeland's product portfolio helps address key sustainability challenges primarily through the creation of lower energy-use heating and cooling systems and lower global-warming potential refrigerants. As part of our diligence, we performed an Emissions Reduction Flash Diagnostic and identified annual energy cost savings opportunities. Post-investment, Blackstone's Sustainability team conducted site visits across Copeland's North America operations to review existing energy and emissions reduction practices and identify additional opportunities.

Copeland has developed a climate strategy including oversight, execution and target setting. As part of these efforts, Copeland:

- Established an initial energy reduction project pipeline of more than $2.5 million, equivalent to more than 55,000 metric tons CO_2e emissions reduction.
- Executed renewable energy procurement in Mexico, which represents substantial absolute emissions reduction for Copeland's global footprint.
- Assigned a Chief Sustainability Officer to oversee the climate function, with designated resources focused on managing Scope 1, 2 and 3 emissions globally.

Infrastructure

Infrastructure aims to invest, among other investments, in portfolio companies and assets that support the energy transition as part of a broader strategy to drive value through our scale, operational engagement approach and long-term perspective.

For all of its investments, Infrastructure prepares ESG Action Plans that often include climate-related initiatives that focus on mitigating risk and adding value.[27] These ESG Action Plans often feature tailored decarbonization plans that prioritize value-accretive energy efficiency investments and Scope 1 and 2 emissions reduction. Infrastructure also works with select portfolio companies to achieve deeper decarbonization and cost benefits by engaging these companies in our ERP and Decarbonization Accelerator.

100%

of Infrastructure portfolio companies have ESG Action Plans[27]

100%

of Infrastructure portfolio companies have measured 2022 carbon emissions[28]

CASE STUDY

Carrix

Carrix, a Blackstone Infrastructure investment, is a global transportation and logistics solutions provider that is the largest marine terminal operator in North America and a leader in deploying low- and zero-emissions logistics equipment in the U.S.

Carrix's ambition is to reduce its resource consumption, move towards low emissions operations and decrease its environmental footprint in value-accretive ways. Carrix is developing a short- and long-term decarbonization strategy to enable emissions reduction. As part of Carrix's broader decarbonization efforts, it has:

- Installed more than 100 units of near-zero- and zero-emissions logistics equipment and renewable diesel conversions across California operations since 2021, at a total cost of $62 million. With $54 million in grant funding, and expected annual savings of approximately $5 million, Carrix is expected to recoup its $8 million equipment investment in approximately 2 years.[29] When fully utilized, these installed and additional underway projects are expected to reduce annual emissions by an amount equivalent to more than 4% of the company's 2021 emissions.[30]
- Secured approximately $80 million from the California State Transportation Agency ("CalSTA") grant program to finance 80% of several new zero-emission equipment projects at Long Beach and Oakland.

27. Infrastructure seeks to prepare ESG Action Plans for equity investments in which Infrastructure maintains significant influence (generally above 20% of the portfolio company's common equity), as defined in Infrastructure's ESG Policy. Includes Infrastructure portfolio companies acquired before December 31, 2023.
28. Includes Infrastructure portfolio companies acquired before December 31, 2023.
29. Calculated by Blackstone, based on Carrix investment data (project cost-grant amount / annual fuel savings).
30. Based on data provided by Carrix for 2021 Scope 1 and 2 emissions data calculated following the GHG Protocol and emissions reduction estimates for each project.

Real Estate

As the largest owner of commercial real estate in the world, Blackstone Real Estate has a unique opportunity to drive long-term growth and profitability in its portfolio through sustainability efforts, including cost-effective decarbonization strategies and reduction of our funds' assets' exposure to physical and transition climate risks.

For our Real Estate equity business, we seek to implement energy efficiency initiatives, increase renewable energy capacity and consider climate resiliency. This is designed to maximize portfolio value during financing, leasing and exit processes. Where practical, we incorporate green lease clauses and obtain green certifications, labels and ratings.[32]

For our debt strategies, we provide access to the Blackstone Real Estate Debt Strategies ("BREDS") Borrower ESG Resource Guide, which includes information on the programs and vendors that Blackstone Real Estate's equity business is leveraging to implement its decarbonization efforts.

335+ MW

of solar capacity included globally in Blackstone Real Estate's portfolio, which is equivalent to powering 58,000+ U.S. homes per year[31]

12,000+

Real Estate assets engaged to complete 2022 carbon accounting

CASE STUDY

27 Cloudline Court

27 Cloudline Court is a recently developed 660,000+ square-foot logistics asset located in Melbourne, Australia, which was designed and constructed to target operational net-zero carbon performance.[33]

27 Cloudline Court was designed and constructed using sustainable building designs and an on-site solar system with over 1 megawatt capacity. As a result of these initiatives, 27 Cloudline Court is under review for a potential 6-star Green Star Design & As Built rating from the Green Building Council of Australia, which represents world leadership in sustainable buildings.[34]

Assets with strong ESG credentials, such as 27 Cloudline Court, are often rewarded in capital markets, creating value for our investors. In 2023, Blackstone completed a AUD$1.45 billion, 5-year refinancing of our entire Australian Logistics portfolio within our Real Estate Core+ strategy through a Sustainability-Linked Loan ("SLL"). The SLL created strong demand at an attractive interest rate. Additionally, upon satisfying three third-party verified sustainability key performance indicators, including green leases, green building certifications and solar capacity, an extra 3 basis points of interest reduction can be achieved in the first year, and 4.5 basis point reduction can be achieved per year in the following four years.[35]

31. This figure is as of December 31, 2023 and may decrease over time as assets are sold. According to Solar Energy Industries Association ("SEIA"), 1 megawatt of solar capacity powers 173 U.S. homes (June 2022).
32. Green lease clause requirements, which are only applicable to investments where Blackstone has majority ownership, began in Q4 2020 and will be implemented on a rolling basis, where practicable. Green clauses include, but are not limited to, clauses that aid in the capturing of tenant utility data or facilitate sustainability initiatives such as energy efficiency.
33. 27 Cloudline Court is managed Dexus, a real estate investment trust targeting net-zero operational carbon emissions across all managed properties. Dexus intends to achieve net-zero emissions by 2030 by investing in energy and water efficiency, electrification from on-site and off-site renewables and waste reduction.
34. The Green Building Council of Australia is currently conducting the Green Star Design & As Built rating review process. This rating assesses the sustainability outcomes from the design and construction of new buildings or major refurbishments.
35. Interest rate increases by 1.5 or 2 basis points per year per KPI if not satisfied.

Credit and Insurance

BXCI aims to support our portfolio companies as part of our value-creation and climate-focused engagement efforts. During the holding period of an investment, these efforts include offering private credit portfolio companies access to our Carbon Accounting Program Playbook and Decarbonization Accelerator resources. In addition, we provide introductions to energy procurement providers, which can help companies secure access to renewable electricity. We have also developed a carbon accounting approach to calculate financed emissions for select portfolio companies. As part of our ongoing efforts to improve overall quality of data, we continue to encourage our borrowers to measure and disclose GHG emissions as applicable.

30+

investments received the Carbon Accounting Program Playbook

$7.1B

largest energy transition private credit fund ever raised[36]

CASE STUDY

Project Condor

Project Condor is a 200-megawatt/800-megawatt-hour battery energy storage system ("BESS") development in Grand Terrace, California financed by BXCI in partnership with Arevon Energy Inc., a renewable energy developer, owner and operator.

Project Condor is contracted under a 15-year agreement with Southern California Edison to provide firming capacity and help enhance grid reliability and stability alongside increased adoption of renewable energy resources. The California Independent System Operator market in which Project Condor will operate has seen a large buildout of solar capacity; however, the inherent intermittency of solar energy gives rise to potentially greater electricity price volatility due to excess supply during daylight hours and lower supply during non-daylight hours. BESSs store excess solar-generated power during daylight hours and dispatch the stored power into the electricity grid during non-daylight hours. As a result, BESSs have become a key solution to supporting further development and reliable supply of solar electricity. We view BESSs such as Project Condor as a value-accretive solution, where customers may benefit from lower electricity prices and utilities develop energy source diversification. This diversification supports grid stability and reduces outages.

BXCI provided financing to support Project Condor's development of a cleaner energy storage project through a preferred equity investment that eliminated the need for more complex traditional tax equity financing. The project financing includes a commitment from Stifel Financial Corp to purchase investment tax credits and is supported with a $164 million secured debt facility from a lender consortium.

36. Source: Preqin, Pitchbook, company websites, and publicly available information as of May 2024. Analysis based on universe of private credit funds closed since 2006 with fund sizes of $7 billion or greater.

Corporate Entity

We seek to integrate climate considerations into our enterprise risk management process to allow us to identify and manage relevant non-investment climate-related risks.

Integration of Climate Considerations into Enterprise Risk Management

The consideration of climate risk is integrated into our overall enterprise risk management process. Our Enterprise Risk Committee assists Blackstone management to identify, assess, monitor and mitigate key enterprise risks at the corporate, business unit and fund level. The Enterprise Risk Committee is chaired by our Chief Financial Officer and comprises senior management from business units, corporate functions and regions.

Our enterprise risk management framework is designed to manage non-investment risk areas across the firm, such as financial, operational, technology, regulatory, human capital, legislative and reputational risks. Within these thematic risk areas, key enterprise risks are identified and discussed with the Enterprise Risk Committee based on the possibility that the risk will have an impact on the achievement of the firm's objectives. Management may consider environmental, social and governance risks, including climate, as a risk topic and has presented climate-related risks to the Enterprise Risk Committee. Senior management reports to the Audit Committee of the Blackstone Board of Directors on the agenda of risk topics evaluated by the Enterprise Risk Committee and its view on key risks to the firm, including detailed assessments of selected risks, as applicable.

Additionally, our Government Relations and Legal and Compliance teams assist with the assessment of climate-related regulatory developments in applicable jurisdictions.

Members of Blackstone's Enterprise Risk Committee.

5

Metrics and Targets

In support of our value-driven emissions reduction efforts, we aim to measure and monitor our decarbonization efforts both at the corporate level and across our portfolio.

Carbon accounting data plays a crucial role in our approach as we prioritize high-quality, measured data to inform decision-making. Our carbon accounting practices involve collaborating with select portfolio companies and assets to help them develop the necessary capabilities for monitoring, quantifying and managing their emissions. For Blackstone, we calculate our corporate operational GHG emissions for Scope 1, Scope 2 and select Scope 3 categories in accordance with the GHG Protocol.

Asset Manager

We seek to measure and monitor decarbonization activities associated with our climate programs as the programs expand and we further develop our capabilities.

Carbon Accounting Data

At the core of our approach is a focus on what we believe is high-quality, measured data that can inform decision-making. Our carbon accounting practices center around partnering with select portfolio companies and assets to encourage and support them in developing the capabilities they need to monitor, quantify and manage their emissions.

In support of our value-driven emissions reduction efforts, we calculate the absolute and/or financed emissions of select funds to support the requirements of limited partners, prepare for potential compliance obligations for financed emissions related disclosures and increase our understanding of potential transition risks in our underlying holdings. Private Equity, Real Estate, Infrastructure, BXCI and BXMA have calculated absolute and/or financed emissions attributable to certain of their respective funds using GHG Protocol- and/or PCAF-aligned methodologies.

In 2023, we engaged more than 120[37] companies and more than 12,000 real estate assets to complete 2022 carbon accounting. We also calculated financed emissions for more than 15 Private Equity funds and shared select fund-level emissions reports with requesting limited partners. In addition, Real Estate reported absolute emissions for eight of its funds to limited partners and investors.

Measuring and Monitoring Decarbonization Programs[38]

The reach of our ERP has grown significantly since announcing the 15% Target in 2021. In the three years since the launch, we've determined 40 companies and more than 4,000 real estate assets are in scope for the 15% Target. As the program continues to grow, so too does the opportunity to create value through emissions reductions. We have engaged 100% of the companies we have determined are in scope for the 15% Target[39] through meetings, resource sharing, tracking of emissions data and/or support in identifying and prioritizing decarbonization initiatives. We strongly believe that active engagement with our portfolio contributes to faster and more effective emissions reduction.

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37. Includes 43 Real Estate portfolio companies which manage assets included in the total real estate asset figure reported.
38. A decarbonization opportunity is a discrete effort that may involve, for example, procurement, engineering or a change of behavior at a company or asset A decarbonization opportunity is a discrete effort that may involve, for example, procurement, engineering or a change of behavior at a company or asset location. In this report, examples would include on-site solar at a single site or building, or an LED change-out at a facility. A roll out of solar cell installations at five locations would be considered five opportunities. We endeavor for these decarbonization opportunities to be implemented in the timeframe of the 15% Target. However, individual project results and impact are not guaranteed and are subject to change due to further engineering design, regulatory approvals, shifting priorities within portfolio companies and assets and other external factors. Opportunities are in varying stages of maturity, including under investigation, to be implemented, implementation commenced and implemented. Anticipated savings from decarbonization opportunities includes projects in all stages of maturity and is measured in metric tons carbon dioxide equivalent (MT CO_2e). Implemented projects only includes projects in the implemented stage of maturity. Projects that are deemed not to have been implemented by portfolio companies are removed from aggregate metrics. Emissions reduction opportunity impacts are calculated primarily using data self-reported by our portfolio companies and assets. The underlying source of this self-reported data varies and includes, but is not limited to, measured and verified results following project implementation, engineering proposals, third-party or in-house professional engineers, third-party subject matter experts and in-house non-professional engineers. In some cases, mostly for early-stage projects, our Sustainability team may support portfolio company estimations using industry accepted methods from credible external sources. While the data reported by portfolio companies and assets is believed to be reliable for purposes used herein, it is subject to change, and Blackstone has not fully verified, and does not assume responsibility for, the accuracy or completeness of this information.
39. Companies in-scope of the target as of December 2023, have been engaged. Engaged companies are those in which Blackstone resources have been allocated to analyze their emissions reduction efforts. The level of engagement varies depending on the degree of support that a company requires and the nature of its emissions profile. Investments signed, but not yet closed as of December 2023, are not included in this statistic.

As our program expands, we measure our progress along the way. Since launching the 15% Target we have tracked more than 2,300 decarbonization opportunities across participating companies. These concerted efforts have produced strong initial results – we anticipate that this pipeline of decarbonization opportunities will reduce emissions by more than 345,000 metric tons CO_2e annually. Of these opportunities, participating companies have already implemented opportunities with potential to reduce emissions by more than 220,000 metric tons CO_2e annually. The pipeline of decarbonization opportunities and associated emissions reduction is expected to continue to grow as the program expands and we further develop our engagement with portfolio companies.

As part of our decarbonization strategy, we focus our portfolio company support on opportunities, including energy efficiency, renewable energy and vehicle fleet initiatives, that we believe have outsized potential to reduce costs and add value to our companies. We anticipate that opportunities identified as part of these efforts can yield an aggregate of more than $40 million in annual savings when fully implemented, including approximate savings of $27 million in energy efficiency, $8 million in on-site solar and offsite renewable energy procurement and $5 million in vehicle fleet annual savings. Of these, participating companies have already implemented opportunities yielding more than $15 million in aggregate savings.

We believe that active engagement with our portfolio contributes to more effective emissions reduction and cost savings. We take pride in our early successes, and we look forward to sharing more updates as we continue to drive value through decarbonization.

15% Target Progress

We track progress towards the 15% Target by measuring emissions through our carbon accounting program and actively engaging with participating companies through our ERP.

Carbon accounting is performed annually in the year after emissions occur because emissions measurement, quality control and aggregation can take several months. We are now prepared to provide an intermediate progress update on the first cohort of investments, those made in 2021, based on their performance through 2022.

The first cohort of investments made in 2021 represents 23 companies, approximately 1,600 real estate assets and collective baseline emissions of approximately 1.8 million metric tons CO_2e.[40] We engage and have spent meaningful time in the field with select companies that present the greatest opportunity for value-accretive emissions reduction and cost savings.[41] We are pleased to report that given our robust engagement, tracking of implemented decarbonization opportunities and a strong decarbonization opportunity pipeline, we believe Cohort 1 is well positioned to achieve the 15% Target.[42]

See the "15% Target Update" section on page 17 of this report for additional information.

40. Please refer to Endnote "15% Target" on page 34 for additional information on the definition and scope of this target. Cohort 1 baseline year emissions are calculated for the 2021 calendar year, except in cases where the company or asset has a fiscal year that differs from the calendar year. In these cases, company or asset emissions are calculated for the fiscal year that predominantly takes place within 2021.
41. Engaged companies are those in which Blackstone resources have been allocated to analyze their emissions reduction efforts. The level of engagement varies depending on the degree of support that a company requires and the extent of its emissions profile.
42. A decarbonization opportunity is a discrete effort that may involve, for example, procurement, engineering or a change of behavior at a company or asset location. In this report, examples would include on-site solar at a single site or building, or an LED change-out at a facility. A roll out of solar cell installations at five locations would be considered five opportunities. We endeavor for these decarbonization opportunities to be implemented in the timeframe of the 15% Target. However, individual project results and impact are not guaranteed and are subject to change due to further engineering design, regulatory approvals, shifting priorities within portfolio companies and assets and other external factors. Opportunities are in varying stages of maturity, including under investigation, to be implemented, implementation commenced and implemented. Anticipated savings from decarbonization opportunities includes projects in all stages of maturity and is measured in metric tons carbon dioxide equivalent (MT CO_2e). Implemented projects only includes projects in the implemented stage of maturity. Projects that are deemed not to have been implemented by portfolio companies are removed from aggregate metrics. Emissions reduction opportunity impacts are calculated primarily using data self-reported by our portfolio companies and assets. The underlying source of this self-reported data varies and includes, but is not limited to, measured and verified results following project implementation, engineering proposals, third-party or in-house professional engineers, third-party subject matter experts and in-house non-professional engineers. In some cases, mostly for early-stage projects, our Sustainability team may support portfolio company estimations using industry accepted methods from credible external sources. While the data reported by portfolio companies and assets is believed to be reliable for purposes used herein, it is subject to change, and Blackstone has not fully verified, and does not assume responsibility for, the accuracy or completeness of this information.

Corporate Entity

For Blackstone, carbon accounting enables us to measure and understand the sources and scale of our corporate operational emissions.

Corporate Operational Emissions

We calculate our corporate operational GHG emissions in alignment with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Resources Institute and World Business Council for Sustainable Development ("GHG Protocol") using the operational control approach to define our GHG Inventory organization boundary. Blackstone engaged Deloitte & Touche LLP ("Deloitte") to perform a review engagement of management's assertion that its 2021, 2022 and 2023 GHG emissions in Table 1 and Table 2 below are presented in accordance with the GHG Protocol. Deloitte's review report can be found in the "Blackstone Corporate Operational Emissions Methodology" section beginning on page 29.

- **Direct Emissions (Scope 1)**
  Natural gas, fuel oil and diesel consumption as well as fugitive emissions from refrigerants in HVAC equipment in Blackstone occupied offices.
- **Indirect Emissions (Scope 2)**
  Purchased energy (electricity, steam and chilled water) in Blackstone occupied offices and servers operated by Blackstone at a data center.
- **Other Indirect Emissions (Scope 3 – Select Categories)**
  Electricity in coworking spaces (upstream leased assets), waste from our operations, employee commuting and business travel.

The increase in Scope 1 and Scope 2 emissions from 2019 compared to 2023 was driven primarily by the lease of new office spaces. Throughout our global offices, we seek opportunities to improve energy efficiency and environmental performance.

TABLE 1: SCOPE 1 AND 2 GHG EMISSIONS IN METRIC TONS OF CO_2 EQUIVALENTS ("$MTCO_2e$")[43]

	2019	2020	2021	2022	2023
Scope 1[44]	274	279	272	542	445
Scope 2 (Location-Based)	8,053	7,270	8,961	10,759	12,717
Scope 2 (Market-Based)	7,883	7,323	8,806	10,708	12,783
Total Scope 1 and 2 Emissions (Location-Based)	**8,327**	**7,549**	**9,233**	**11,301**	**13,162**
Total Scope 1 and 2 Emissions (Market-Based)	**8,157**	**7,602**	**9,078**	**11,250**	**13,228**

TABLE 2: SELECT SCOPE 3 GHG EMISSIONS IN $MTCO_2e$[43]

	2019	2020	2021	2022	2023
(Category 5) Waste Generated in Operations	396	101	357	389	571
(Category 6) Business Travel	11,792	2,736	4,094	12,104	12,559
(Category 7) Employee Commuting[45]	4,369	1,513	4,109	4,977	3,765
(Category 8) Upstream Leased Assets	75	70	117	109	39

43. The 2019 and 2020 data was not subject to Deloitte's review and, accordingly, Deloitte does not express a conclusion or any form of assurance on such information.
44. Blackstone uses R-22 (HCFC-22, an ozone depleting substance) in certain HVAC equipment in Blackstone-occupied offices. R-22 related fugitive emissions were calculated as 69 $MTCO_2e$ for each of 2019, 2020, and 2021, 71 $MTCO_2e$ for 2022, and 70 $MTCO_2e$ for 2023. Under GHG Protocol guidance, these emissions are not included within reported fugitive emissions and are reported outside of the scope of our corporate operational emissions inventory.
45. Employee Commuting emissions are determined using the most recently available U.S. Environmental Protection Agency ("U.S. EPA") emissions factors at the time of the preparation of the GHG Inventory. The U.S. EPA GHG Emissions Factor Hub emission factors published in February 2024 are used for 2023 employee commuting emissions. The decrease in 2023 Employee Commuting emissions is primarily driven by the year-over-year decline in emissions factors applied. Biologically sequestered carbon is not applicable to Blackstone's operations.

Blackstone Corporate Operational Emissions Methodology

This section provides a description of Blackstone's approach to measuring its GHG emissions from business operations.

The GHG metrics presented within Blackstone's 2023 Climate-related Financial Disclosures report for the fiscal year-ended December 31, 2023 (the "subject matter") are presented in accordance with the GHG Protocol.

ORGANIZATIONAL BOUNDARY

Related to our corporate operational emissions, Blackstone uses the operational control approach to define its GHG Inventory organizational boundary. The funds and other vehicles managed by Blackstone, including the respective portfolio companies and other investments of both consolidated and non-consolidated funds and vehicles, are excluded under this boundary. Under the operational control approach, the principal activities quantified for the purposes of this GHG Inventory and corresponding Report are: Scope 1 - natural gas, fuel oil, and diesel as well as fugitive emissions from refrigerants in heating, ventilation, and air conditioning ("HVAC") equipment in Blackstone occupied offices; Scope 2 - purchased energy (electricity, steam, and chilled water) in Blackstone occupied offices and servers operated by and for Blackstone at a data center; and Scope 3 - electricity in coworking spaces (upstream leased assets), waste from our operations, employee commuting, and business travel.

BASE YEAR

Blackstone selected the 2019 reporting year – Blackstone's fiscal year-ended December 31, 2019 – as the base year for its corporate operational emissions. 2019 was chosen because it was the first year for which Blackstone calculated its corporate operational emissions and predates anomalous changes to operations from the impact of the COVID-19 pandemic.

EMISSIONS REPORTED

We calculate Scope 1 and 2 emissions, presented in alignment with the GHG Protocol. Additionally, we calculate select Scope 3 emissions reflecting the following categories: Scope 3 category 5 (Waste Generated in Operations); Scope 3 category 6 (Business Travel); Scope 3 category 7 (Employee Commuting); and Scope 3 category 8 (Upstream Leased Assets). See the "Exclusions" section below for more information on our approach to Scope 3 category 15 (Investments).

Our calculations include emissions from electricity and fuel consumption—carbon dioxide ("CO_2"), methane ("CH_4") and nitrous oxide ("N_2O")[46] — as well as emissions from hydrofluorocarbons ("HFCs") and perfluorocarbons ("PFCs") from fugitive emissions of refrigerants used in HVAC systems. Emissions from sulfur hexafluoride ("SF_6") and/or nitrogen trifluoride ("NF_3") are not included in this quantification as Blackstone has deemed these GHGs to be irrelevant to Blackstone's operations.

Blackstone applied the Intergovernmental Panel on Climate Change's ("IPCC") Global Warming Potentials ("GWP") from the Fifth Assessment Report (Climate Change 2014: Synthesis Report) ("AR5") to convert GHG emissions into carbon dioxide equivalents.

46. Biologically sequestered carbon is not applicable to Blackstone's operations.

EXCLUSIONS

As it relates to Blackstone's indirect value chain or Scope 3 emissions, calculations were performed for Scope 3 categories 5 (Waste Generated from Operations), 6 (Business Travel), 7 (Employee Commuting) and 8 (Upstream Leased Assets). Other Scope 3 categories are not included, including, among others, category 15 (Investments). Scope 3 category exclusions are provided as follows:

- Scope 3 categories 1 (Purchased Goods and Services), 2 (Capital Goods), 3 (Fuel and Energy-Related Activities), 4 (Upstream Transportation and Distribution), 9 (Downstream Transportation and Distribution), 10 (Processing of Sold Products), 11 (Use of Sold Products), 12 (End-of-life Treatment of Sold Products), 13 (Downstream Leased Assets) and 14 (Franchises) are excluded.
- Scope 3 category 7 (Employee Commuting) does not include teleworking-related emissions due to lack of available data and insight into emissions sources within Blackstone employees' homes or other remote work spaces. Teleworking-related emissions are an optional reporting component of this Scope 3 category under the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- Scope 3 category 6 (Business Travel), does not include car rental, taxi and other ride hailing service emissions due to lack of available data needed to accurately capture mileage information and the associated emissions.
- Scope 3 category 15 (Investments) is excluded from our calculations. Emissions from the funds and other vehicles managed by Blackstone, including the respective portfolio companies and other investments (also known as our financed emissions) of both consolidated and non-consolidated funds and vehicles, are a relevant component of total Blackstone emissions but are not included in our calculations.
    - GHG Protocol guidance does not fully address reporting approaches under Scope 3 category 15 (Investments) by asset managers. The Partnership for Carbon Accounting Financials ("PCAF") has emerged as a GHG Protocol-aligned set of calculation and reporting guidance for investments-related emissions. However, this guidance is still nascent, and PCAF was not written specifically for the alternative asset management industry.

METHODOLOGY

SCOPE 1

Blackstone's Scope 1 emissions include direct emissions from combustion of fuels (space heating and use of backup generators) and fugitive emissions from managed HVAC equipment. Actual data, such as utility invoices, is collected where available and estimates are made when necessary if data is incomplete. When input data is not available, the Company makes estimates based upon prior period data, actual data from a similar facility, or industry averages from the United States Energy Information Administration ("EIA") Commercial Buildings Energy Consumption Survey ("CBECS").

The sources for Scope 1 emissions factors are as follows:

- U.S. EPA GHG Emissions Factor Hub
- U.S. EPA's Inventory of U.S. Greenhouse Gas Emissions and Sinks
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- U.K. Department for Business, Energy & Industrial Strategy ("U.K. DEFRA") conversion factors
- Sustainable Energy Authority of Ireland conversion and emission factors

SCOPE 2

Blackstone's Scope 2 emissions include indirect emissions from purchased electricity, steam, chilled water and a data center. Blackstone calculated both location-based and market-based Scope 2 emissions from purchased electricity in alignment with the GHG Protocol.

The location-based figures are calculated using emission factors from U.S. EPA's eGRID database for locations in the United States, U.K. DEFRA Conversion Factors for the United Kingdom and the International Energy Agency's ("IEA") dataset for all other Blackstone locations.

Market-based methodology takes into account contractual arrangements through which the reporting company obtains power from specific sources (e.g., renewable energy) or suppliers. An emission factor of zero is used when purchased electricity is known to be procured from a renewable source, and this includes energy attribute certificates ("EACs") such as guarantees of origin ("GOs") and renewable energy credits ("RECs") that are sourced and retired for the benefit of Blackstone. Otherwise, and in the absence of other contractual agreements or supplier specific emissions factors, the market-based figures are calculated using residual mix emission factors from the Association of Issuing Bodies ("AIB") where available, and location-based emission factors where AIB residual mix emission factors are not available. Estimates are made when necessary using the same estimation methods as described in "Scope 1" section, above.

SCOPE 3

The following summarizes the various approaches taken to calculate category-specific Scope 3 emissions for Blackstone:

- **Waste Generated in Operations:** A monthly waste generation figure for each Blackstone employee is generated using building waste data from the 345 Park Avenue office (our headquarters and facility with the largest employee headcount). This is applied to all other global offices, with the exception of the Hong Kong offices, which provided tracked actual waste data for 2019 through 2023 and Sydney and London offices, which provided tracked actual waste data for 2023. Emissions from waste and recycling are calculated by taking a facility's (actual or estimated) total trash and recycling production and multiplying it by the waste type emissions factor, as determined by reference to the U.S. EPA's GHG Emissions Factor Hub.
- **Business Travel:** Depending on the availability and type of data from travel vendors, emissions from business travel (commercial air, private air, car, and rail) are calculated by taking either the total distance traveled, total fuel consumption, or estimated travel based on flight time or dollars spent, and multiplying it by the transportation or fuel-specific emission factor, as determined by reference to the U.S. EPA's GHG Emissions Factor Hub and the U.K. DEFRA conversion factors.
- **Employee Commuting:** Emissions from employee commuting are calculated using the relevant year zip code data. An average miles per employee is calculated for each office represented in the data set. For offices where site specific data is not available, an average miles per employee across all sites where data is available is applied. The total estimated annual distance traveled to and from work is split out into five commuting methods based on the commuting method assumptions specific to each site as determined by Blackstone. Emissions factors are determined by reference to the U.S. EPA's GHG Emissions Factor Hub and the U.K. DEFRA conversion factors.
- **Upstream Leased Assets:** Emissions from coworking-type spaces are deemed outside of Blackstone's operational control and categorized as Scope 3. These emissions are calculated by multiplying a portfolio-wide energy use intensity by available square footage. Market-based figures are calculated using residual mix emission factors from the AIB where available, and location-based emission factors – from U.S. EPA's eGRID database, U.K. DEFRA Conversion Factors, Canada Emissions Factors and Reference Values, or IEA – where AIB residual mix emission factors are not available.

MANAGEMENT'S ASSERTION

Blackstone management is responsible for the subject matter for the year-ended December 31, 2023. Blackstone management is responsible for the selection, and interpretation of the criteria, the assessment of relevant information for inclusion or exclusion, and the application of estimation techniques in order to compile complete and accurate subject matter information. Blackstone management is also responsible for the presentation of the subject matter, and Blackstone management asserts that the subject matter for the year-ended December 31, 2023 is presented in accordance with the GHG Protocol.

IMPORTANT NOTES AND LIMITATIONS

The COVID-19 pandemic impacted Blackstone's operations in 2020 and 2021. From mid-2020 through early-2021 many of our offices saw limited operational capacity or were closed completely due to COVID-19. Employee business travel and employee commuting to and from offices was also constrained during the COVID-19 pandemic. Nevertheless, we continued to measure and track our emissions associated with our operations during that period. Accordingly, due to the impact of the COVID-19 pandemic, any changes to our emissions year-over-year may not be representative of Blackstone's actual energy and emissions management since 2019.

Estimates were made in calculating the information provided herein, including, without limitation, situations where activity (e.g., energy consumption) data was unavailable. We base our estimates and judgments on historical or similar period property data and other assumptions that we believe are reasonable under the circumstances. These assumptions, estimates and/or judgments, however, are often subjective. The use of different assumptions could produce materially different results. Blackstone evaluates assumptions and estimation methodologies on an ongoing basis and may make changes as is deemed appropriate by management.

Certain of the information contained in our calculations has been obtained from sources outside Blackstone, and could prove to be incomplete or inaccurate and is current only as of any specific date(s) noted therein.

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INDEPENDENT ACCOUNTANT'S REPORT

Blackstone Inc.
New York, NY

We have reviewed management of Blackstone Inc.'s (together, with its consolidated subsidiaries, "Blackstone" or the "Company") assertion that the accompanying 2023 Greenhouse Gas (GHG) Emissions presented within Blackstone's 2023 Climate-related Financial Disclosures Report as of and for the year ended December 31, 2023 (referred to as the "subject matter") is presented in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Resources Institute/World Business Council for Sustainable Development (the "GHG Protocol" or the "criteria"). The Company's management is responsible for its assertion. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the subject matter in order for it to be presented in accordance with the criteria. The procedures performed in a review vary in nature and timing from and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the subject matter is presented in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The procedures we performed were based on our professional judgment. In performing our review, we performed analytical procedures, inquiries and other procedures as we considered necessary in the circumstances. For a selection of amounts within the subject matter, we performed tests of mathematical accuracy of computations, compared the specified information to the underlying records, or observed the data collection process.

The preparation of the subject matter requires management to interpret the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Measurement of certain amounts, disclosures, and metrics may include estimates and assumptions that are subject to substantial inherent measurement uncertainty, including for example, from the accuracy and precision of conversion factors or estimation methodologies used by management. Obtaining sufficient appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the amounts, disclosures, and metrics. The selection by management of different, but acceptable measurement method, input data, or assumptions, may have resulted in materially different amounts, disclosures, and metrics being reported.

Information outside of the subject matter was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information. Further, any information relating to periods prior to the year-ended December 31, 2021, or information relating to forward looking statements, targets, goals, progress against goals and linked information was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information.

Based on our review, we are not aware of any material modifications that should be made to the subject matter in order for it to be presented in accordance with the criteria.

Deloitte + Touche LLP

June 12, 2024

Endnotes

15% Target. Starting in 2021, Blackstone began seeking to reduce Scope 1 and 2 carbon emissions by 15% on average within the first three full calendar years of ownership across certain new investments where we control energy usage. The target excludes Scope 3 categories, such as tenant emissions in real estate. To control for change in company size or production levels, emissions reduction is generally measured on a carbon intensity basis. Carbon intensity is an emissions metric reflecting emissions per unit of relevant business metric (e.g. CO_2e per dollars revenue).

Except with respect to Blackstone Real Estate, this target applies to majority owned operating companies. For the purpose of this target, a company is "majority owned" if Blackstone meets all of the following criteria: (a) holds greater than 50% of the company's common equity (inclusive of co-investments aggregated across Blackstone business units), (b) has the right to appoint a majority of the board of directors and (c) has majority voting rights.

For Blackstone Credit and Insurance ("BXCI"), from January 1, 2023 onward, the target only applies to operating companies in which BXCI obtained majority ownership at the time of its original investment (and not through any follow-on investments). Prior to such date, certain companies that became "majority owned" through follow-on investments were included in the target.

In determining whether an entity constitutes an "operating company," Blackstone considers one or more of the following non-exhaustive factors: (1) whether the entity develops or provides goods or services for present or future profits; (2) whether the entity has independent (non-Blackstone) management; (3) whether the entity has non-Blackstone employees; and/or (4) whether the entity independently endeavors to engage suppliers, vendors and/or customers. The foregoing is a non-exhaustive list of factors and the presence of any one or more factor(s) does not necessarily indicate that Blackstone will categorize an entity as an "operating company."

For Blackstone Real Estate, the target applies to assets where Blackstone has greater than 50% equity ownership and the ability to oversee the introduction and implementation of operating, health and safety, and/or environmental practices.

The target excludes investments in companies primarily focused on generating energy (e.g., electric power plants, solar and wind farms) because the target is focused on "energy usage" rather than energy production, which will fluctuate as a function of customer demand and/or regulatory requirements. The target also excludes investments or assets where Blackstone is unable to establish a relevant Scope 1 and 2 GHG emissions baseline (e.g., developments).

The 15% Target utilizes a cohort model to accommodate our large and dynamic portfolio. Each participating portfolio company or real estate asset that falls within scope of the 15% Target joins a "Cohort" composed of in-scope companies acquired in the same year. For purposes of measuring success against the 15% Target, the individual emissions reduction over a three-year period of each member of a given Cohort is averaged with that of other members of that Cohort. A Cohort's emissions reduction is calculated as a weighted average for the members in the Cohort based on the emissions of each member in the baseline year. The 15% Target is not a 15% reduction in Scope 1 and Scope 2 GHG emissions for each portfolio company or asset; rather, the target applies on a Cohort-by-Cohort basis based on the reductions achieved by that Cohort.

The following is an illustrative example of the Cohort timeline:

- Company Y was acquired on October 1, 2022. Company Y is determined to be in-scope for the 15% Target and accordingly, is a member of the 2022 Cohort. Company Y's baseline year for measuring emissions reduction is 2022.
- Company Y's emissions reduction over a three-year period - January 1, 2023 through December 31, 2025 (the "measurement period") - relative to Company Y's baseline year is used to determine its contribution toward the 2022 Cohort's 15% Target. These calculations are conducted in the year following year three (in this case, 2026) based on data from the measurement period. To control for change in company size or production levels, emissions reduction is generally measured on a carbon intensity basis. Carbon intensity is an emissions metric reflecting emissions per unit of relevant business metric (e.g. CO_2e per dollars revenue).
- Emissions reduction for the 2022 Cohort in respect of that Cohort's three-year period are calculated on a weighted average basis for all companies in the 2022 Cohort, including Company Y, based on the emissions of each member of the Cohort in the baseline year (in this case, 2022).

Important Information

Capitalized terms used in this document, the "Report," but not otherwise defined have the meanings set forth in the Offering Documents (as defined herein). In certain instances in the Report, references to Blackstone may include activities, initiatives or other information of Blackstone's Business Units, portfolio companies or investments. Blackstone undertakes no obligation to update or revise any information in the Report, whether as a result of new information, future developments or otherwise.

The Report is provided for informational purposes only and is not to, and may not, be relied on in any manner as legal, tax, investment, accounting or other advice or as an offer to sell, or a solicitation of an offer to buy, any security or instrument in or to participate in any trading strategy with any Blackstone fund, account or other investment vehicle, either existing or future, (each a "Fund"), nor shall it or the fact of its distribution form the basis of or be relied on in connection with, any contractor investment decision. If such offer is made, it will only be made by means of an offering memorandum (collectively with additional offering documents, the "Offering Documents"), which would contain material information (including certain risks of investing in such Fund) not contained in the Report and which would supersede and qualify in its entirety the information set forth in the Report. None of Blackstone, its Funds, nor any of their affiliates, nor any of the respective directors, officers, employees, partners, shareholders and/or agents of any of the foregoing, makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein should be relied upon as a promise or representation as to past or future performance of a Fund or any other entity, transaction, or investment.

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ESG. ESG initiatives described in the Report, including those related to Blackstone's and Blackstone's funds' portfolio, portfolio companies, and investments (collectively, "portfolio companies"), are aspirational and not guarantees or promises that all or any such initiatives will be achieved. Statements about ESG initiatives or practices related to portfolio companies do not apply in every instance and depend on factors including, but not limited to, the relevance or implementation status of an ESG initiative to or within the portfolio company, the nature and/or extent of investment in, ownership of, control or influence exercised by Blackstone with respect to the portfolio company and other factors as determined by investment teams, corporate groups, asset management teams, portfolio operations teams, companies, investments, and/or businesses on a case by case basis.

In addition, Blackstone does not pursue ESG initiatives for every portfolio company. Where Blackstone pursues ESG initiatives, there is no guarantee that Blackstone will successfully enhance long-term shareholder value and achieve financial returns. While Blackstone believes ESG factors can enhance long term value, Blackstone does not pursue an ESG based investment strategy or limit its investments to those that meet specific ESG criteria or standards, except with respect to products or strategies that are explicitly designated as doing so in their Offering Documents or other applicable governing documents. Any such ESG factors do not qualify Blackstone's objectives to seek to maximize risk adjusted returns. A decision to invest should take into account the objectives and characteristics of the relevant Fund as set out in more detail in the applicable Offering Documents of such Fund. There can be no

assurance that any of the ESG initiatives described in the Report will exist in the future, will be completed as expected or at all, will reflect the beliefs or values of any particular investor, or will apply to or be implemented uniformly across Blackstone business units or across all portfolio companies within a particular Blackstone business unit. Blackstone may select or reject prospective portfolio companies or investments on the basis of material ESG related investment risks, consistent with Blackstone's objective to seek to maximize risk-adjusted returns, and this may cause Blackstone's Funds and/or portfolio companies to perform differently relative to other sponsors' Funds and/or portfolio companies which do not consider ESG factors at all or which evaluate ESG factors in a different manner. With respect to references within this Report to "material" ESG factors or considerations, for these purposes, "material" represents those ESG factors or considerations that Blackstone 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 the firm and its stakeholders. The word "material" as used in such context should not necessarily be equated to or taken as a representation about the "materiality" of such ESG factors under the U.S. federal securities laws, the EU SFDR, or any similar legal or regulatory regime globally.

Blackstone's consideration of information and data voluntarily provided by a company or obtained via third-party reporting or advisors, which could be incomplete, inaccurate or unavailable, could cause Blackstone to incorrectly assess the company's ESG practices and/or related risks and opportunities. ESG considerations and responsible investing practices as a whole are evolving rapidly and there are different frameworks, methodologies, and tracking tools being implemented by other asset managers. Therefore, Blackstone's approach to ESG consideration is not expected to necessarily align with the approach used by other asset managers or preferred by prospective investors or with future market trends.

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Forward-Looking Statements. This Report may contain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, which reflect our current views with respect to, among other things, our operations, taxes, earnings and financial performance, share repurchases and dividends. You can identify these forward-looking statements by the use of words such as "outlook," "indicator," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "scheduled," "estimates," "anticipates," "opportunity," "leads," "forecast" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Blackstone believes these factors include but are not limited to those described under the section entitled "Risk Factors" in Blackstone's Annual Report on Form 10-K, as such factors may be updated from time to time in Blackstone's periodic filings with the United States Securities and Exchange Commission ("SEC"), which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this Report and in Blackstone's other periodic filings. The forward-looking statements speak only as of the date of this Report, and Blackstone undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

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