

Environmental, Social, and Governance (ESG) Policy

Introduction

Blackstone believes that Environmental, Social, and Governance (ESG) principles are crucial to developing resilient companies and assets that deliver long-term value for our investors. We are committed to integrating ESG into our investment process and operating philosophy.

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

ESG at Blackstone

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

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

ESG Integration in the Investment Process

The integration of material ESG factors¹ into our investment decisions and ownership is an important part of fulfilling our mission to create strong returns for our investors.

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

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

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

Environmental Considerations	Social Considerations	Governance Considerations
<ul style="list-style-type: none"> ▪ Greenhouse gas emissions ▪ Air pollution ▪ Waste management (including land and water impact) ▪ Energy management and efficiency ▪ Land use ▪ Climate risk 	<ul style="list-style-type: none"> ▪ Diversity, equity, and inclusion (including anti-discrimination) ▪ Human rights and modern slavery ▪ Employee health and safety ▪ Labor relations and practices ▪ Customer privacy and security ▪ Product quality and safety 	<ul style="list-style-type: none"> ▪ Corporate governance and oversight ▪ Risk management ▪ Conflicts of interest ▪ Transparency (including financial and operational reporting) ▪ Fraud, anti-bribery and anti-corruption controls

ESG expertise is embedded across Blackstone, with domain experts sitting within our business units, Asset Management teams, and corporate functions. We strive for a highly coordinated approach, knitting our efforts together through a dedicated corporate ESG team that looks to apply best practices, champion firm-wide initiatives, and regularly report to stakeholders where applicable.

Pre-investment

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

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

ESG Monitoring and Engagement

Post-investment

Post-investment, we generally use an annual ESG survey and data collection process to monitor certain participating Portfolio Companies. Participation in our survey and data collection is expected for companies where we hold significant influence.³ In addition, Portfolio Companies that are in scope of our Emissions Reduction Program (as described below) are expected to track utility spend in our centralized utility management system. We use this data to calculate annual greenhouse gas (GHG) emissions, allowing us to measure progress and focus our efforts on the largest opportunities for achieving reductions within our portfolio. We also encourage Portfolio Companies to report to their respective boards regarding ESG on a regular basis, with respect to priority ESG topics that they deem to be material to their business.

Portfolio Company Engagement

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

We also have firm-wide programs in which in-scope Portfolio Companies acquired after January 1, 2021 are expected to participate, including:

- Our target to reduce carbon emissions of new Portfolio Companies where we control energy usage by 15% in aggregate within three years of ownership (the Emissions Reduction Program); and
- Our target of one-third (1/3) diverse representation on controlled Portfolio Company boards located in the US and Europe.

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

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

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

For Portfolio Companies that are not controlled or otherwise not in scope, we seek to encourage participation in our firm-wide ESG programs, offering resources and expertise to support implementation and improvements.

Focus Areas

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

Climate Change Mitigation, Resiliency, and Adaptation

We recognize that climate change is a systemic issue, affecting all sectors and geographies. Our goal is to partner with Portfolio Companies across sectors to help them reduce carbon emissions through our Emissions Reduction Program – a commitment that is guided by climate science. We also see energy transition as an important investment theme. Finally, over time we intend to assess physical and transition risks to Portfolio Companies from climate change, and develop resiliency responses to these risks, where applicable, as part of our investment process.

Diversity, Equity, and Inclusion (DEI)

We are highly focused on driving diversity within Blackstone and across our portfolio, as demonstrated by our one-third board diversity target across controlled Portfolio Companies acquired after January 1, 2021 located in the US and Europe. Moreover, we are working to foster employment opportunities and career mobility for diverse and historically underrepresented talent at our Portfolio Companies through our Career Pathways pilot program. We are also committed to hiring veterans and their spouses and caregivers across Blackstone and our Portfolio Companies.

Good Governance

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

Stewardship

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

Reporting

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

Roles and Responsibilities

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

Blackstone's Global ESG Steering Committee, which consists of professionals from across the firm's business units and corporate groups, advises on ESG matters across Blackstone. We have regional steering committees in Europe and Asia, which regularly report to the Global ESG Steering Committee.

Blackstone has dedicated Heads of ESG for our reporting segments, who work with Blackstone's investment and Asset Management teams to integrate the consideration of material ESG factors throughout the investment lifecycle. The Portfolio Operations and Asset Management teams are responsible for operationalizing key ESG programs across Portfolio Companies.

Scope

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

This ESG Policy was last updated in January 2022 and is subject to change as the firm considers necessary or advisable. This policy is intended to be reviewed approximately annually. Further, this policy shall supersede and replace Blackstone's September 2019 Responsible Investing Policy and shall apply on a going forward basis, subject to the limitations discussed herein, to the firm's existing and future investments.