

2022 REPORT

Blackstone

Climate-related Financial Disclosures

Aligned with TCFD
Recommendations

Cover photo: Rooftop solar across Blackstone's multifamily residential asset StuyTown.

All data in this Climate-related Financial Disclosures Report is as of or for the year-ended December 31, 2022 and amounts are in U.S. dollars, unless otherwise noted.

INTRODUCTION

Blackstone is pleased to share its inaugural report aligned with the Task Force on Climate-related Financial Disclosures (“TCFD”).

At Blackstone, we are first and foremost fiduciaries. We aim to deliver great returns for our investors by strengthening our portfolio companies and real estate assets.

We see enormous potential to deploy capital in support of the global energy transition to generate attractive returns for our investors. We announced in 2021 that we see the opportunity to invest an estimated \$100 billion in energy transition and climate solutions projects across our businesses over the next decade. We are pursuing this theme through three dedicated strategies across Private Equity, Infrastructure and Credit.

We also believe we can strengthen and create value at in-scope companies and real estate assets in our portfolio by helping them reduce emissions and energy spend. These efforts comprise the Blackstone Emissions Reduction Program (“ERP”), launched in 2021, through which we have already identified and implemented meaningful cost savings and decarbonization opportunities.

We are in the early innings of a much longer journey and excited about the tremendous opportunities ahead.

SCOPE

Blackstone's 2022 Climate-related Financial Disclosures Report is being provided for Blackstone Inc. (together with its consolidated subsidiaries, “Blackstone,” the “Company,” “we,” “us,” or “our”).¹ This report discusses the following businesses and strategies: Private Equity (including Infrastructure),² Real Estate and Credit. Businesses and strategies not covered by this report include Hedge Fund Solutions, Insurance Solutions, Strategic Partners, Private Wealth Solutions, Harvest, Life Sciences and Asset-Based Finance, except where specifically referenced. Disclosures made regarding any businesses and strategies generally will not cover all funds and/or investments in such business unit. This report is aligned with, but does not address all components of the TCFD recommendations as of 2021.³



Governance PAGE 6

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Solar partnership between Blackstone portfolio companies Altus and Link Logistics.

ABOUT BLACKSTONE

Blackstone is the world's largest alternative asset manager. We seek to create positive economic impact and long-term value for our investors. We do this by using our extraordinary people and flexible capital to help companies solve problems. Our \$1 trillion in assets under management⁴ includes investment vehicles focused on private equity, real estate, private and liquid credit, infrastructure, life sciences, growth equity, public securities and secondary funds, all on a global basis.

Blackstone approaches climate-related risks and opportunities in two ways:⁵

1 Asset Manager

We strive to create long-term value for our investors by seeking to:

- Invest in businesses that can benefit from energy transition macro-trends.
- Partner with targeted portfolio companies on value-accretive carbon emission reductions.
- Develop tailored approaches to assessing and managing applicable climate-related risks in the investment lifecycle.

2 Corporate Entity

We strive to improve the sustainability of our operations and identify and respond to applicable climate-related risks and opportunities.

1. 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.

2. 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 and Blackstone Capital Markets.

3. The TCFD Recommendations are available at: www.fsb-tcfd.org/recommendations.

4. As of June 30, 2023.

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

\$1 Trillion

in AUM⁶

≈\$100B

opportunity to invest in energy transition and climate solutions⁷

\$7.1B

largest energy transition private credit fund ever raised⁸

Transmission Developers Inc. (“TDI”)

Transmission Developers Inc., a Blackstone Private Equity investment, was selected by New York state to develop the underground electric transmission line Champlain Hudson Power Express.

- Expected to deliver 1,250 megawatts of clean power to New York City. **Equivalent to powering over one million New York homes.**
- Expected to decrease CO₂ emissions attributed to the State of New York by an estimated average of 3.9 million metric tons per year. **Equivalent to removing an estimated 44% of passenger vehicles from the streets of New York City.**⁹



6. See Footnote 4.

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.

8. See Footnote 14.

9. See Footnote 21.

15%

average emissions reduction target
across in-scope investments¹⁰

4th Largest

hosted solar capacity in U.S.
real estate industry¹¹

100%

renewable energy powers Blackstone's
London office at 40 Berkeley Square

Invenergy Renewables (“Invenergy”)

Invenergy, a Blackstone Infrastructure investment, is the largest independent renewables company in North America.

- Has developed projects that have offset ≈208 million metric tons of CO₂.¹² **Greater than the 2020 annual emissions of the state of New York.**
- Has developed a wind and solar pipeline that is estimated to offset ≈154 million metric tons of CO₂ per year. **Annual equivalent of emissions from ≈19 million average homes' energy use.**



10. Please refer to Endnote “15% Target” on page 34 for additional information on the definition and scope of this target.

11. See Footnote 23.

12. As of March 2023.

We believe strong governance is a foundation on which resilient companies are built. We seek to encourage and implement governing structures and processes that foster compliance and performance both at the corporate level and across our investment funds.

At Blackstone, we have sought to embed value-enhancing climate-related considerations into the overall risk management of the firm. In addition, individuals across functions and groups play roles in climate-related initiatives and energy transition investing.

BOARD OF DIRECTORS

Blackstone's Board of Directors reviews the Company's ESG strategy, of which climate is a significant component. Management provides quarterly reports to the Board of Directors addressing ESG-related matters, including climate-related matters, as appropriate.

POLICIES

Blackstone's ESG Policy outlines our firmwide approach to integrating Environmental, Social and Governance ("ESG") in our business and investment activities. It identifies topics that we believe can potentially affect our ability to build strong companies, including climate change mitigation, resiliency and adaptation. Select business units maintain their own individual ESG policies, which are aligned with Blackstone's ESG Policy and reflect factors tailored to their respective investment strategies.

MANAGEMENT OVERSIGHT

Blackstone's Chief Executive Officer, President, Chief Financial Officer and Chief Legal Officer play a key role in the firm's climate strategy, including through consultation on climate-related strategic initiatives, such as the creation of the Emissions Reduction Program.

Our well-staffed efforts in the space are focused on enhancing the value of our investments. Blackstone's climate strategy is led by our Chief Sustainability Officer, whose team is responsible for operationalizing the ERP, leading decarbonization-related diligence and providing climate strategy support to portfolio companies. Our corporate ESG team, overseen by Blackstone's Global Head of Corporate Affairs, seeks to support firmwide climate initiatives and guide firmwide climate and stakeholder reporting efforts. This team partners with individual business units, including dedicated personnel in Real Estate, Private Equity, Credit, Strategic Partners, Infrastructure and Hedge Fund Solutions. Throughout the investment lifecycle, these dedicated personnel work with business unit investment and asset management teams, and with select portfolio companies and assets, to identify and implement, as applicable, climate-related value-creation strategies.

These efforts are grounded in the investment teams of our energy transition and climate solutions-focused funds, which are responsible for sourcing and executing on attractive investment opportunities in companies and assets that we believe are poised to benefit from these mega-trends. These efforts are further supplemented by our asset management teams - including Portfolio Operations, Real Estate asset management, Infrastructure asset management and the Credit value creation teams, who seek to operationalize key programs across their respective business units.

At the corporate level, we aim to continue to integrate climate into the overall risk management of the firm to ensure adequate oversight of climate-related risks. To that end, management has provided updates on climate-related risks to the Enterprise Risk Committee. See the "Risk Management" section of this report.

Decarbonization Working Group

Our Decarbonization Working Group meets approximately bi-weekly to evaluate opportunities for decarbonization, solutions such as renewable energy procurement and energy efficiency measures, as well as potential resources for Blackstone's portfolio.



Blackstone Chief Sustainability Officer
James Mandel.

We aim to translate climate-related risks and opportunities into our business strategy both as an asset manager and a corporate entity. This strategy is designed to support our mission of delivering lasting value for our investors.

Asset Manager

Our climate strategy as an asset manager has two key pillars:

Investment Themes

We seek to deploy capital in high conviction themes—energy transition and climate solutions—that we believe provide opportunities to generate attractive returns.

Investment Process

We seek to integrate climate-related matters into our investment processes, including pre-investment due diligence and post-investment engagement and monitoring as applicable, to enhance the long-term value of our investments.

ENERGY TRANSITION AND CLIMATE SOLUTIONS INVESTING

Our thematic investment approach is informed by the identification of macro-trends that we believe will shape the long-term global economy. Governments and companies around the world are committing to decarbonization at an accelerated pace. An estimated \$115 trillion in cumulative energy transition investment is expected to be needed to reach net-zero by 2050.¹³

In 2022, we announced that we see an opportunity to invest an estimated \$100 billion in energy transition and climate solutions projects across our businesses over the next decade.

Currently, in response to customer demand, we offer a range of investment strategies focused on the energy transition and climate solutions.



Blackstone Energy Transition

Blackstone Energy Transition is focused on control-oriented equity investments that may benefit from energy transition trends – including clean power generation, electric transmission, energy infrastructure, energy efficiency, energy technology, decarbonized transport and natural resources – leveraging unique energy sector insights and deep industry knowledge to generate attractive returns.



Blackstone Infrastructure

As part of its broader strategy, Blackstone Infrastructure aims to invest in portfolio companies and assets that support the energy transition and climate solutions. Infrastructure investments include renewable generation and electric transmission. In addition, Infrastructure seeks value-accretive decarbonization opportunities in its transportation and digital infrastructure investments.



Blackstone Credit

We believe that credit will play a key role in funding a large share of the capital needed for the energy transition. Blackstone Credit's Sustainable Resources Platform seeks to deliver value to investors by providing new solutions and sources of capital to companies driving the broader energy transition. The platform seeks to invest across the credit spectrum in investment and non-investment grade credit and preferred and convertible securities in a broad range of sectors. These sectors include, among others, residential solar and home efficiency, renewable electricity generation and storage, and decarbonization transportation. As part of the platform, in 2023 we announced that we raised \$7.1 billion for our energy transition credit fund, representing the largest energy transition private credit fund ever raised.¹⁴ In addition, within Blackstone Credit, several Systematic Strategies accounts pursue a low carbon strategy designed to drive value for investors by delivering lower carbon intensity relative to the benchmark without sacrificing financial returns.

Photos from top to bottom: Blackstone Energy Transition portfolio company Transmission Developers Inc; Blackstone Infrastructure portfolio company Invenergy; Blackstone Credit portfolio company Altus. Read more about these companies on pages 19-21.

13. International Renewable Energy Agency World Energy Transitions Outlook, 2022.

14. Source: Preqin, Pitchbook, company websites, and publicly available information as of August 5, 2023. BGREEN III commitments included in this figure are as of August 8, 2023 to reflect final closing amount. Analysis based on universe of private credit funds closed since 2006 with fund sizes of \$7 billion or greater.

Blackstone Emissions Reduction Program

Building on more than ten years of operational experience, the capabilities underpinning our ERP aim to position in-scope portfolio companies and assets for success. We believe these capabilities can support competitiveness through cost savings, more consistent energy costs and preparedness for regulatory and stakeholder expectations.

The ERP focuses on Blackstone's target to reduce Scope 1 and 2 emissions by 15% on average, across in-scope new investments made after January 1, 2021 where Blackstone controls energy usage, in the first three full calendar years of ownership.¹⁵ Our approach is focused on the near-term and concentrated on majority-owned investments. See the "Metrics and Targets" section of this report for more information on our on progress.



Blackstone portfolio company Esdec Solar Group develops and distributes high-quality mounting systems and solutions for rooftop solar.

15. Please refer to Endnote "15% Target" on page 34 for additional information on the definition and scope of this target.

SINCE LAUNCHING THE ERP IN 2021, WE HAVE IDENTIFIED:



4,000+

Real estate assets
in-scope for 15% Target

34

Companies
in-scope for 15% Target



300+

Decarbonization opportunities
across participating companies



≈\$20M

Anticipated savings on renewable
energy and energy efficiency projects



100K+

Anticipated tCO₂e reduced emissions
annually in projects implemented
across participating companies¹⁶

16. Tons of carbon dioxide equivalent.

OUR APPROACH

Our program allows us to collaborate with select portfolio companies to develop tailored and cost-effective climate solutions. We aim to equip our companies with resources to support decarbonization, including providing playbooks and support from our Portfolio Operations and business unit ESG teams. This approach allows us to:

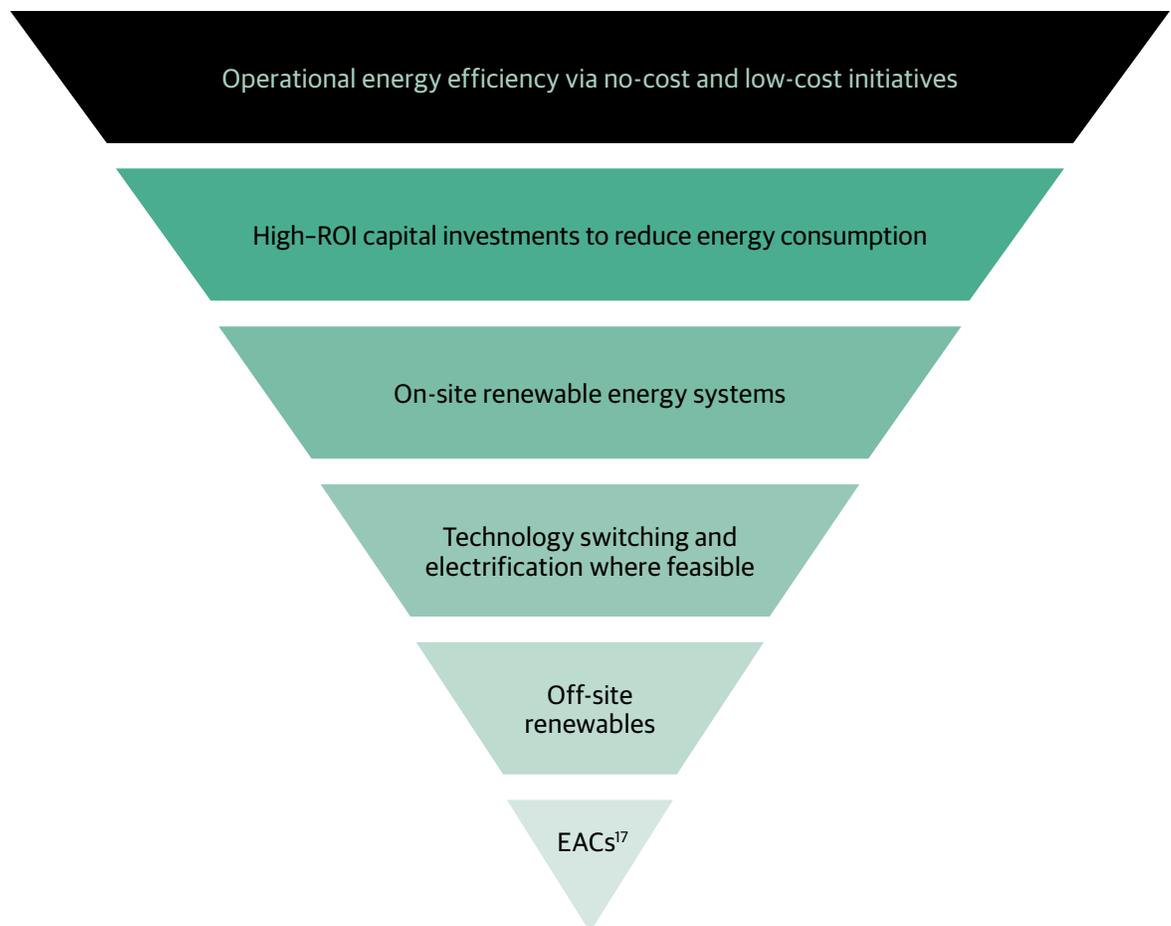
Deploy cost-effective decarbonization solutions that create value for our companies and investors.

Build capabilities within in-scope portfolio companies and real estate assets to strengthen their operations and pursue value-accretive deeper decarbonization.

Our decarbonization strategy centers around operational intervention and value creation. Although each company or asset engagement has unique decarbonization opportunities and risks, our standard approach, in line with our focus on value creation, prioritizes high-return-on-investment energy efficiency investments. To achieve deeper decarbonization and cost benefits, we also work with select portfolio companies to identify and source high-quality and cost-effective renewable energy of varying kinds.

Our in-house ESG and Sustainability teams help in-scope portfolio companies identify decarbonization opportunities, remove barriers to execution and advise them on developing a broader climate strategy, as appropriate. The program also gives in-scope companies access to the full suite of sustainability resources and expertise Blackstone has assembled. This includes partnerships with premier service providers like Blackstone portfolio companies Legence, an energy transition consultancy, and Sphera, a provider of performance and risk management software, data and consulting services.

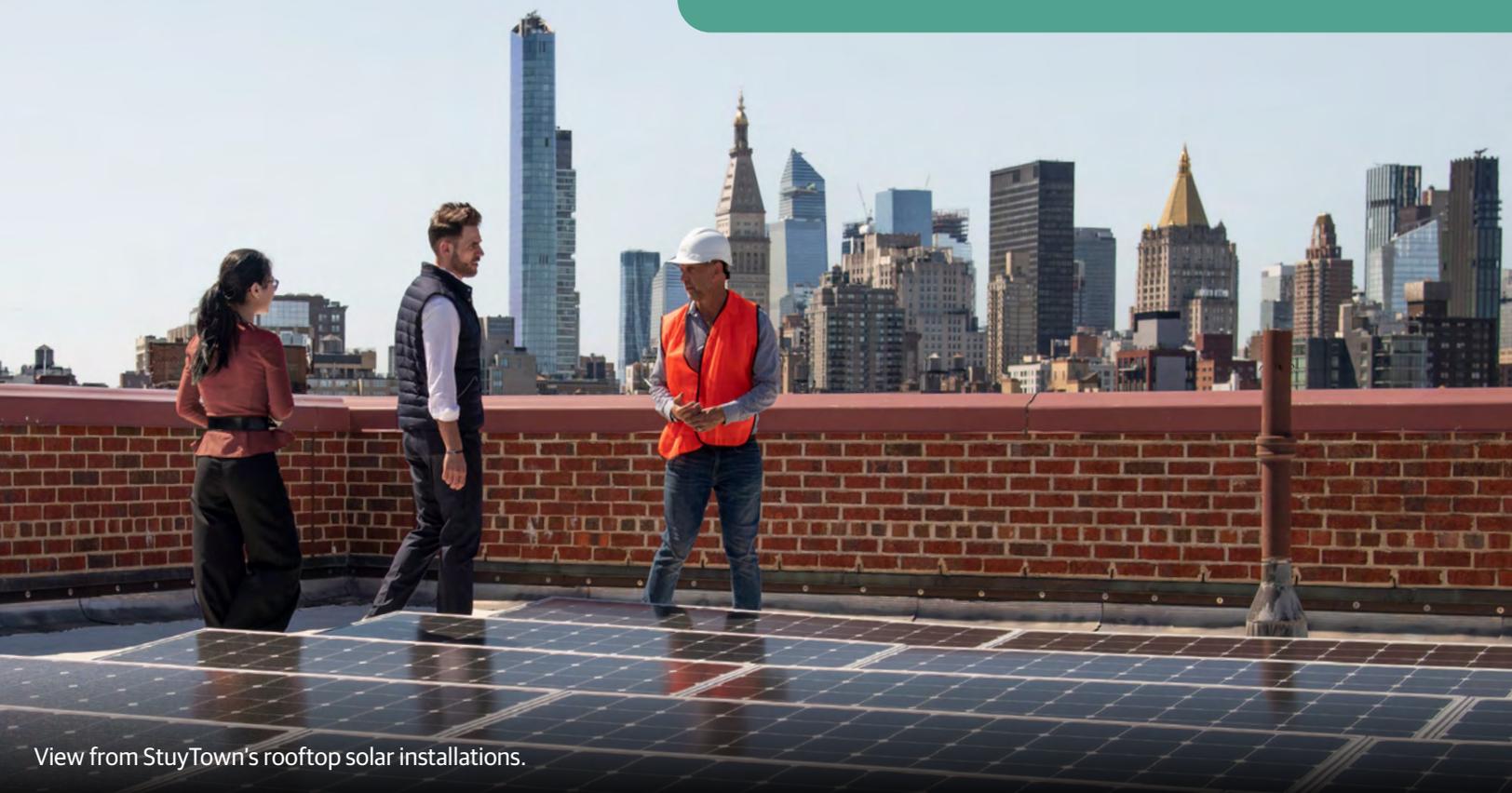
Approach to emissions reduction and examples of potential interventions:



17. Energy Attribute Certificates

15% TARGET SCOPE AND COHORT MODEL

The extent to which companies and assets are included in our 15% Target varies across our business. 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. Through the Cohort model, we can focus on companies and assets with higher energy usage and energy savings opportunities. This allows us to maximize opportunities for value-accretive emissions reduction.¹⁸



View from StuyTown’s rooftop solar installations.

18. See Endnote “15% Target” on page 34 for additional information on the 15% Target.

CARBON ACCOUNTING

Carbon accounting enables us 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 operational risk as well as opportunity for Blackstone and our investments.¹⁹ Our corporate and business unit carbon accounting programs are primarily focused on:

- 1 Measuring Blackstone's corporate operational emissions.
- 2 Collecting and analyzing data on emissions from and supporting carbon accounting for certain majority-owned operating companies and assets in our funds' portfolios.²⁰

In addition, certain funds in our Private Equity, Real Estate, Credit and Hedge Fund Solutions businesses have calculated financed or absolute emissions attributable to their respective funds.²¹

At Blackstone, carbon accounting is an integral part of active decarbonization. At the core of this approach is a focus on high-quality, measured data that can inform decision-making that enhances the value of our investments. We are working to support capability-building for select portfolio companies to perform carbon accounting and to help them collect, analyze and interpret emissions data. This data gives us insight into opportunities for efficiencies and cost savings and directly supports the tracking and measurement of our progress on the 15% Target. See the "Metrics and Targets" section of this report for more information on our approach and the value of carbon accounting.

19. "Carbon" used as proxy term for all greenhouse gas ("GHG") emissions.

20. We request Scope 1 and 2 GHG emissions data from our majority-owned operating companies annually. See Endnote "15% Target" on page 34 for the definition of majority-owned operating companies.

21. See the "Metrics and Targets" section of this report for more information.

BUSINESS UNIT-SPECIFIC APPROACHES

Our program is supplemented by additional tailored initiatives by select business units.

Private Equity considers climate risks and opportunities where deemed relevant to investments. For select energy transition investments, Private Equity is planning to begin estimating the potential avoided or removed emissions associated with its investment activities.

Real Estate is implementing green lease clauses in new commercial leases that request tenants provide utility data,²² enhancing the resilience of its portfolio to physical climate risk and seeking opportunities for solar and renewables deployment across its portfolio to achieve cost savings and enhance the value of its assets.

For select companies in which Infrastructure invests, Infrastructure prepares an ESG Action Plan focused on mitigating risk and

adding value, including through climate-related initiatives.²³ Climate readiness, a decarbonization strategy and opportunities to invest in the energy transition are often central parts of the ESG Action Plan.

Credit offers select portfolio companies a variety of climate-related resources, including access to Blackstone's Sustainability team, external climate and clean energy experts and the "Blackstone Carbon Accounting Program Playbook".

Please refer to the Appendix for a synopsis of the ESG diligence approach in respective business' ESG policies, as well as each business unit's approach to climate-related asset management.



Sam Stockdale, Head of Sustainability for Link Logistics, and Eric Duchon, Head of ESG for Blackstone Real Estate.

22. Green lease clause requirements began in the fourth quarter of 2020 and will be implemented on a rolling basis. Generally applicable to investments where Blackstone has majority ownership.
23. Infrastructure prepares ESG Action Plans for equity investments in which Infrastructure maintains significant influence (generally above 20% of the portfolio company's common equity).

The real estate sector accounts for almost 40% of total global emissions, giving Blackstone Real Estate a unique opportunity to potentially drive long-term growth through sustainability efforts. Real Estate is focused on reducing energy and deploying renewables to lower costs and mitigate environmental impact, thereby benefiting tenants and investors and potentially reducing exposure to regulatory transition risk.

Blackstone Real Estate's portfolio ranks #4 in hosted solar capacity within the real estate industry in the U.S.²⁴ Globally, Blackstone Real Estate's portfolio includes over 410 megawatts of solar capacity, which is equivalent to powering 71,000+ US homes per year.²⁵

Real Estate recognizes that physical climate-related risks may impact the resilience of its assets. In 2022, Real Estate initiated a climate scenario analysis that includes screening the majority of its global assets by leveraging climate risk models.²⁶ This scenario analysis has been used to identify potential risks and opportunities within the Real Estate portfolio, and to better understand the resilience of the portfolio's assets. Real Estate is working to perform deeper

analysis on select assets in the equity portfolio to further understand key climate perils and quantify climate-related financial risks.

Real Estate is also seeking to enhance its climate risk screening and monitoring by developing early screening methods to identify potential at-risk assets during investment diligence, developing physical climate resilience playbooks to inform the creation of resiliency measures and developing a training program for investment teams to facilitate the evaluation of climate risks. Finally, Real Estate has incorporated insurance costs into certain underwriting models for equity investments with the goal of mitigating costs associated with potential physical climate risks.

24. Solar Energy Industries Association ("SEIA") Solar Means Business 2022 Report, as of June 30, 2022. Blackstone makes no representations or warranties as to the accuracy, completeness or reliability of information contained in the SEIA report. The SEIA report should not be considered an endorsement of Blackstone or Blackstone Real Estate by the authors or distributors of the report.

25. As of December 31, 2022. Represents 200 megawatt of in place on-site capacity and 212 megawatts of off-site solar capacity. According to SEIA, 1 megawatt of solar capacity powers 173 U.S. homes (June 2022).

26. Physical climate risk screen 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.



PRIVATE EQUITY AND REAL ESTATE INVESTMENT

Bourne Leisure (“Bourne”)

A premier participant in the UK domestic holiday market, Bourne, a Blackstone Private Equity and Real Estate investment, manages holiday sites across two distinct businesses: Haven, with 39 caravan parks and ≈38,000 sports pitches and Warner, with ≈3,500 hotel keys across 16 countryside and coastal leisure hotels.

With Blackstone’s support, Bourne established a three-year decarbonization roadmap, which has contributed to renewable energy installations and energy efficiency projects,²⁷ as well as reduced operational costs through energy savings and energy security at its parks, hotels and resorts. As part of these efforts, Bourne:

- Procured 100% of electricity since January 2022 for all owned and operated facilities through a REGO-backed retail supply agreement, which guarantees electricity has been generated from renewable sources.²⁸ When energy prices and overall energy price volatility in Europe surged, Bourne was able to maintain access to affordable power for its portfolio through strategic fixed contracts with considerable savings to market rates, demonstrating the ability for energy management to drive value.
- Installed a 116 kilowatt solar array at Haven’s Devon Cliffs facility, which is anticipated to have a payback in under five years. To further enhance its energy resilience and independence, Bourne is scaling its on-site solar efforts, seeking to add ≈13.5 megawatts across 37 sites. These renewable energy systems are estimated to generate 11% of Bourne’s current annual electricity load.

116 kW

solar array installed with
anticipated payback
in under five years

100%

electricity procured through a
REGO-backed agreement since
January 2022

27. Projects are in varying stages of maturity. Project plans and associated metrics are subject to change due to design and engineering, regulatory approvals and other external factors. Results are not guaranteed.

28. This supply agreement was backed by the Renewable Energy Guarantees of Origin (“REGO”) program, which provides transparency to consumers about the proportion of their electricity that suppliers source from renewable generation. It provides certificates called REGOs which demonstrate electricity has been generated from renewable sources. One REGO certificate is equivalent to one megawatt hour of renewable electricity generation.

PRIVATE EQUITY INVESTMENT

TDI

TDI, a Blackstone Private Equity investment, was selected in September 2021 by the New York State Energy Research and Development Authority to deliver clean, reliable renewable power to New York City.

TDI is working alongside Hydro-Quebec to develop the Champlain Hudson Power Express, an underground electric transmission line spanning ≈ 339 miles between Canada and New York City. The project is expected to:

- Deliver 1,250 megawatts of clean power to New York City, enough to power over one million New York homes.
- Decrease CO₂ emissions attributed to the State of New York, specifically New York City, by an estimated average of 3.9 million metric tons per year, equivalent to removing an estimated 44% of passenger vehicles from the streets of New York City.²⁹

TDI's progress in 2022 included the start of construction on the precedent-setting grid scale conversion of a fossil fuel storage site to a clean, renewable energy site in New York City. The Astoria, Queens project included removing six heavy residual fuel oil tanks and a full remediation of the site to allow for the replacement of fossil fuel-generated power with clean, renewable power. TDI expects the project to improve the health and well-being of local residents, who are disproportionately impacted by respiratory diseases and have higher risk of heart attacks resulting from peaker plant pollution.³⁰

1,250
MW

of clean power expected
to be delivered to NYC

≈ 3.9 M

metric tons of expected decrease
in annual CO₂ emissions



29. Assumes 1.9 million standard vehicles in NYC per 2018 registrations and an average CO₂ emission of 4.6 metric tons/year per the EPA.

30. Champlain Hudson Power Express Analysis of Economic, Environmental, Resiliency and Reliability Benefits to the State of New York, 2021.



INFRASTRUCTURE INVESTMENT

Invenergy

As the largest independent renewables company in North America, Invenergy, a Blackstone Infrastructure investment, projects account for ≈25 gigawatts or 10% of US wind and solar capacity installed as of March 2023.

In 2023, Invenergy agreed to acquire a portfolio of 1,365 megawatts of unregulated, contracted renewables for \$1.5 billion enterprise value including project debt. The portfolio, the largest ever acquisition for Invenergy, includes 14 projects in 11 states and is comprised of 1,200 megawatts of wind generation and 165 megawatts of solar projects. The renewable power generated by these projects is contracted under long-term agreements with various utilities, corporations and municipalities. In addition, Invenergy:

- Has developed projects that have offset ≈208 million metric tons of CO₂ as of March 2023, greater than the 2020 annual emissions of the state of New York.
- Has developed a wind and solar pipeline that is estimated to offset ≈154 million metric tons of CO₂ per year, or the annual equivalent of emissions from ≈19 million average homes' energy use.
- Is ranked #6 globally for "Top Power Generators" by Energy Intelligence based on renewables capacity in 2022.³¹

≈208M

metric tons of CO₂ offset
by Invenergy projects

#6

global ranking for
"Top Power Generators"
based on renewables capacity

31. Blackstone makes no representations or warranties as to the accuracy, completeness or reliability of information contained in the Energy Intelligence rankings. Such rankings should not be considered an endorsement of Blackstone or BIP by the authors or distributors of the rankings.

CREDIT INVESTMENT

Altus Power, Inc. (“Altus”)

Altus, a Blackstone Credit investment, owns and operates solar, storage and electric vehicle charging infrastructure for commercial, industrial, utility and residential customers.

Blackstone Credit engaged with Altus to identify potential commercial opportunities in Blackstone's portfolio, given Altus' expertise in solar installation and operation. According to the International Energy Outlook forecast, installed power capacity of solar cells is expected to more than triple over the 2022 to 2027 period. With Credit's support, Altus is currently developing solar assets that are anticipated to be sited on warehouse rooftops controlled by Blackstone Real Estate.

- Altus' solar systems have generated approximately 4.6 billion kilowatt hours of solar power, the equivalent of more than 600,000 homes' electricity use for one year, 3.6 billion pounds of coal and 7.5 million barrels of oil consumed.³²
- Community solar can provide homeowners and renters access to clean energy and power bill savings without requiring roof space or home-installation of solar panels. As of 2022, Altus Power provided community solar access to over 5,000 customers from five US states.

>5,000

customers from five US states
provided with community
solar access

≈4.6B

kWh of solar power generated
by Altus' solar systems



32. As of September 30, 2022.

Corporate Entity

Our corporate sustainability efforts are an important part of our role as a global corporate citizen.

CORPORATE OPERATIONS

Our Global Corporate Services (“GCS”) team is responsible for advancing corporate sustainability, energy efficiency and environmental performance at Blackstone’s global office locations. The firm’s expansion has created opportunities for GCS to enhance the sustainability of our operations by adopting technology solutions for offices, selecting recyclable office products and partnering with energy-efficient travel providers. Select highlights from our office sustainability program include the following:

Our London office at 40 Berkeley Square is supplied with 100% of its power from renewable sources. Our new London office at Lansdowne House is expected to be a fully electric building.

We seek to renovate our spaces with efficient lighting and heating, ventilation and air conditioning (“HVAC”) systems. Renovations to select floors in our New York offices included new energy-efficient, water-sourced HVAC heat pump systems to reduce reliance on carbon-based fuels for heating.

Our office pantries and meeting rooms feature recycling procedures and our office supplies include recycled products. Our “secure print” system seeks to reduce paper waste by requiring users to confirm printing jobs.

INDUSTRY ENGAGEMENT

Blackstone engages with climate-related organizations both at the firm level and through individual business units. We are a signatory of the Principles for Responsible Investment as of July 2021 and a TCFD supporter as of October 2021. Select funds and portfolio companies within Infrastructure and Real Estate participate in GRESB (Global Real Estate Sustainability Benchmark).

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Blackstone, our funds and our funds' portfolio companies and assets 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' portfolio companies and 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 requiring more expansive disclosure, (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 regulator change and (iv) reputational challenges, including if any action or lack thereof with respect to climate-related matters is perceived negatively by stakeholders or if we are perceived or accused of making inaccurate or misleading climate-related statements. The potential financial impact to Blackstone Inc. of the above risks may include, as applicable, reduced revenues and/or increased expenses.³³

Blackstone, our funds and our funds' portfolio companies and assets may also be able to capitalize on certain climate-related short-, medium- and long-term opportunities. For certain of our funds' portfolio companies and investments, such opportunities may include (i) value-generating resource efficiency from decarbonization efforts, (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) identification of certain risks to financial returns. The potential financial impact to Blackstone Inc. of the above opportunities may include, as applicable, increased revenues and reduced expenses.³³

33. There is no guarantee that the potential financial impacts will be achieved.

We endeavor to identify, assess and manage climate risks in select businesses through due diligence and engagement.

Asset Manager

We believe climate change can impact the long-term resilience and growth of our portfolio companies and assets. We continue to implement our ESG due diligence and monitoring processes for applicable investments, including climate-related matters, in order to contribute to mitigating risk and maximizing returns.

We seek to take climate-related factors into account when such factors may be relevant to value generation for a proposed investment. Depending on the investment strategy and underlying investment, such factors may include the following: greenhouse gas emissions, air pollution, waste management (including land and water impact), energy management, energy efficiency and land use.

EMISSIONS REDUCTION FLASH DIAGNOSTIC

In support of the ERP and a desire to incorporate the identification of emissions-related risks and opportunities into the investment process, the Sustainability team developed a Flash Diagnostic for GHG emissions in partnership with Legence, a Blackstone portfolio company. The Flash Diagnostic process is intended to assess the feasibility of achieving emissions reduction and to quantify value creation opportunities.

We have begun working with our investment teams to integrate the Flash Diagnostic process into broader diligence activities in Private Equity for control investments where, based on our assessment, energy costs are a material component of spend and where appropriate data is available.³⁴ Ultimately, diligence findings provide us with a snapshot of a company's ability to reduce emissions and thus a tool for engagement with companies post-investment.³⁵

Since beginning this approach in 2021, the Sustainability team has enhanced its ability to assess and engage with portfolio companies by:

- Assessing risks and quantifying value creation opportunities in the underwriting process.
- Building a foundational understanding of the company's emissions profile and its ability to achieve reductions.
- Developing a basic data set before meeting with the company, which allows operations teams to more effectively engage the company after acquisition to advance emissions reduction and value creation.

34. The topics covered in ESG diligence depends on applicability to the target company; we seek to assess energy spend and, when deemed relevant to a deal, we aim 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.

35. Investment decisions are not impacted by Flash Diagnostic results.

The Flash Diagnostic process is described below:

Engage Investment Teams

Ahead of the Investment Committee decision, the ESG team and Legal and Compliance teams set the scope of ESG diligence with the investment team. When the Flash Diagnostic is included, the Sustainability team engages investment teams to discuss the deal and provides an overview of the process and goals.

Determine Appropriate Level of Diligence

The ESG team and the Sustainability team determine the appropriate level of emissions reduction diligence to deploy.

Submit Questionnaire

According to the level of emissions reduction diligence chosen, Private Equity submits diligence questions and data requests to the target acquisition company to determine emissions reduction opportunities (e.g., utility data, existing energy efficiency practices, operational footprint details, energy-related capital expenditure and operating expenditure plans from recent years).

Detailed Data Review

In partnership with Legence, the Sustainability team conducts a detailed review based on available data and provides a preliminary view on the expected investment required, as well as associated energy and cost savings with achieving emissions reductions. This initial analysis may be further refined post-close.

Share Diligence Findings with Investment Teams

The Flash Diagnostic findings are then shared with Private Equity investment teams for consideration in the underwriting of the deal.





Corporate Entity

Integration of Climate into Enterprise Risk Management

We aim to continue to integrate climate risk into the overall risk management of the firm. To that end, management has provided presentations on climate-related risks to the Enterprise Risk Committee. The purpose of the Enterprise Risk Committee is to provide oversight of Blackstone's non-investment enterprise risks across the firm, which include financial, operational, technology, regulatory, human capital and reputational risks. The Enterprise Risk Committee assists Blackstone management to identify, assess, monitor and mitigate such key enterprise risks at the corporate, business unit and fund levels. The Enterprise Risk Committee is chaired by our Chief Financial Officer and is comprised of senior management across business units, corporate functions and regions.

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



Farhad Karim, COO of Blackstone Europe and Global General Counsel of Blackstone Real Estate, in conversation with Marshall Sprung, Global Head of Compliance.

Asset Manager

CARBON ACCOUNTING DATA

In support of our value-driven emissions reduction efforts, in 2022 Private Equity developed a tailored approach to calculate financed emissions for select funds, implementing guidance from the Partnership for Carbon Accounting Financials (“PCAF”). In 2022, we also calculated 2021 financed emissions for 15+ Private Equity funds and shared select Private Equity fund-level emissions reports with requesting limited partners.

Real Estate has structured our carbon accounting program as an integral part of our value-driven active decarbonization strategy to help us track progress over time and inform long-term emission reductions opportunities. The program utilizes emissions and energy data provided by portfolio companies and operating partners to calculate emissions for the properties within its funds using the methodology outlined in the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. In 2022, Real Estate reported absolute emissions for eight of its funds to limited partners and investors.

Alongside our portfolio carbon accounting efforts, we calculate the financed or absolute emissions attributable to select funds, which aims to:

- Support the requirements of stakeholders, especially the demands of our investors regarding the emissions of our funds.
- Prepare for potential compliance obligations for financed emissions-related disclosures.
- Grow our understanding of potential transition risks in our underlying holdings.

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

In 2022, we engaged more than 125³⁶ companies and 12,600+ real estate assets for 2021 carbon accounting data. For Private Equity, our structured support process is focused on building carbon accounting proficiency at majority-owned operating companies by providing connections to Blackstone’s Sustainability team and third-party providers. Across Private Equity and Real Estate, we provide a variety of supporting resources such as educational playbooks, webinars and standardized reporting templates.³⁷

36. This includes Private Equity, Real Estate and Credit.

37. See Footnote 18.

ERP ENGAGEMENT STATISTICS

Our ERP is grounded in creating value for our investors through active decarbonization.

The reach of our decarbonization program has grown significantly since announcing the 15% Target in 2020. In the two years since the launch, we've determined 4,000+ real estate assets and 34 companies³⁸ are in scope for our 15% Target. As the program continues to grow, so too does the opportunity to create value through emissions reductions. We have engaged companies we have determined are in scope for the 15% Target³⁹ through meetings, resource sharing, tracking of emissions data and/or support in identifying and prioritizing decarbonization initiatives. For Real Estate, the majority of emissions are generally controlled by the asset's tenants and are not within Blackstone's operational control. Where possible, however, we collect data from our tenants through GRESB submissions. We strongly believe that active engagement with our portfolio contributes to faster and more effective emissions reduction.

As our program expands, we aim to measure our progress along the way. Since launching the 15% Target we have begun tracking more than 300 decarbonization opportunities⁴⁰ across participating

companies. These concerted efforts have produced strong initial results – for example, in-scope companies have already implemented projects likely to reduce emissions by more than 100,000 tCO₂e 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 capabilities.

As part of our decarbonization strategy, we prioritized energy efficiency initiatives. We anticipate that projects identified as part of these efforts can yield an aggregate of approximately \$11 million in savings. In renewable energy, we are seeing activity in on-site solar and offsite renewable energy procurement, where identified projects have an anticipated aggregate yield of approximately \$7 million in savings. Identified projects related to vehicle fleets have an anticipated annual savings of approximately \$2 million.⁴¹

The 15% Target encapsulates how Blackstone applies its ambition and scale to deliver results. We take pride in these early successes and we look forward to sharing more updates as we continue to drive value through decarbonization.

38. Private Equity companies in-scope of the target directly engage with the Sustainability Team. For Credit companies in-scope of the target, the Sustainability Team engages with the Credit operations team.

39. Companies in-scope of the target as of January 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 extent of its emissions profile. Investments signed, but not yet closed as of the date of this Report, are not included in this statistic. For one Credit company, the Sustainability Team engaged the Credit operations team. For one Tactical Opportunities company, the Sustainability Team engaged via the investment team.

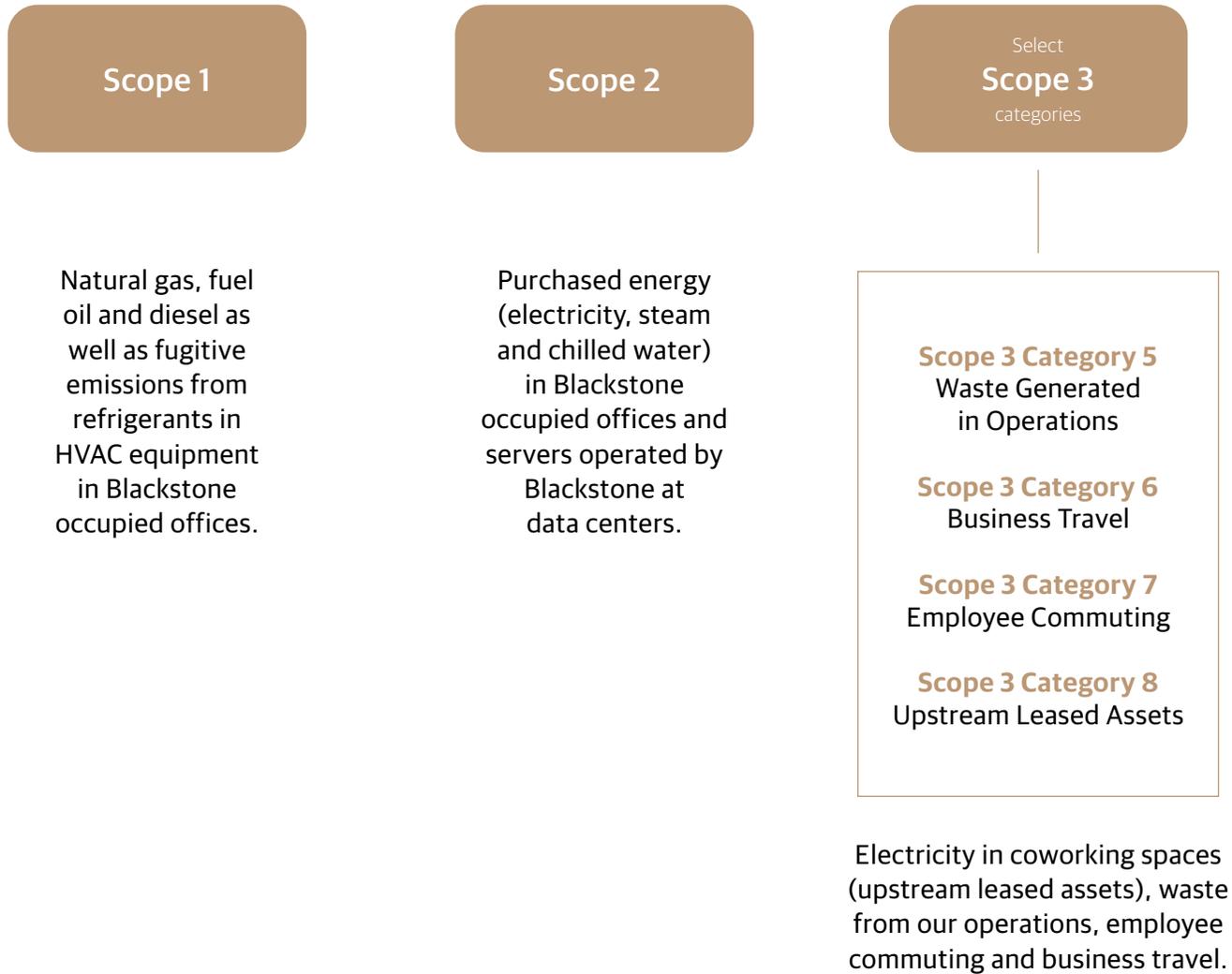
40. A decarbonization opportunity is a discrete effort that may involve, for example, procurement, engineering or a change of behavior at a company location. In this report, examples would include on-site solar at a single site or building, or an LED change-out at a facility. A roll out of solar cell installations at five locations would be considered five projects. We endeavor for these decarbonization initiatives 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. As such, aggregate figures presented in this section (i.e., decarbonization opportunities and savings figures) may also include initiatives and associated impacts that fall outside of the 15% Target.

41. Emissions reduction project impacts are calculated primarily using portfolio company provided data. The 15% Target relies on self-reported emissions data by our portfolio companies for Scope 1 and 2 emissions. The process of measuring the underlying energy usage and related data and calculating the emissions, can lead to a time delay between the measured year and the disclosure of emissions data. Therefore, disclosures in this reporting could reflect a time lag. We will continue working with funds' portfolio companies to improve data timeliness and mitigate against these limitations where possible. The underlying source of this 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. Projects are in varying stages of maturity, including under investigation, to be implemented, implementation commenced and implemented. Project plans and associated metrics are subject to change due to design and engineering, regulatory approvals and other external factors. Results are not guaranteed. Projects that are deemed not to have been implemented by portfolio companies are removed from aggregate metrics.

Corporate Entity

CORPORATE OPERATIONAL EMISSIONS

The firm has calculated our corporate operational GHG emissions for the below categories in alignment with the GHG Protocol for 2019, 2020, 2021 and 2022 (refer to Tables 1 and 2).



Related to our corporate operational emissions, Blackstone uses the operational control approach to define its GHG Inventory organizational boundary.

GHG EMISSIONS DATA

The tables below present Blackstone's Scope 1 and Scope 2 GHG emissions data as well as select Scope 3 GHG emissions data from our business operations.⁴² The increase in Scope 1 emissions from 2019 compared to 2022 was driven primarily by the lease of new office spaces. Throughout our operations, we seek opportunities to enhance sustainability performance by adopting technology solutions for offices, selecting recyclable office products and partnering with energy-efficient travel providers.

Table 1: Scope 1 and 2 GHG Emissions in metric tons of CO₂ equivalents ("MTCO₂e")⁴²

	2019	2020	2021	2022	% Change from 2019 ⁴³
Scope 1	274 ⁴⁴	279 ⁴⁴	272 ⁴⁴	542 ⁴⁴	98% ⁴⁵
Scope 2 (Location-Based)	8,053	7,270	8,961	10,759	34%
Scope 2 (Market-Based)	7,883	7,323	8,806	10,708	36%
Total Scope 1 and 2 Emissions (Location-Based)	8,327	7,549	9,233	11,301	36%
Total Scope 1 and 2 Emissions (Market-Based)	8,157	7,602	9,078	11,250	38%

Table 2: Select Scope 3 GHG Emissions in MTCO₂e⁴²

	2019	2020	2021	2022	% Change from 2019 ⁴³
(5) Waste Generated in Operations	396	101	357	389	-2%
(6) Business Travel	11,792	2,736	4,094	12,104	3%
(7) Employee Commuting	4,369	1,513	4,109	4,977	14%
(8) Upstream Leased Assets	75	70	117	109	45%

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. See the [2022 Blackstone GHG Emissions Report](#) for more information.

42. Blackstone engaged Deloitte & Touche LLP ("Deloitte") to perform a review engagement of management's assertion that the Statement of GHG Emissions, including Scope 1, Scope 2 and select Scope 3 emissions listed herein, for the year-ended December 31, 2022 is presented in accordance with the GHG Protocol. Deloitte's report can be found in the GHG Emissions Report. Deloitte previously performed a review engagement of management's assertion of Scope 1, 2, and select Scope 3 emissions, for the year-ended December 31, 2021. The 2019 and 2020 data was not subject to Deloitte's review, nor was the percentage change from 2019; accordingly, Deloitte does not express a conclusion or any form of assurance on such information.

43. The percent change from the base year to 2022 was calculated and is presented here (rounded to whole numbers); however, Deloitte's review and assurance was limited to calendar year 2022 totals and not provided for these percentage change figures.

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 MTCO₂e for each of 2019, 2020 and 2021, and 71 MTCO₂e for 2022. 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. The increase in Scope 1 emissions from 2019 compared to 2022 was driven primarily by the lease of new office spaces.

Appendix

Due Diligence and Asset Management by Business Unit*

Business Unit	Typical ESG Due Diligence Approach	Post-Investment Climate-Related Asset Management
Private Equity ⁴⁶	<i>For significant influence or greater (generally greater than 20% equity and/or significant governance rights aggregated across Blackstone business units)⁴⁷</i>	15% Target ⁴⁸
	ESG diligence is coordinated by external counsel and/or ESG consultants, in consultation with the Private Equity ESG team, internal legal and deal teams to review relevant ESG issues associated with each target company, which may include emissions reduction opportunities.	Carbon Accounting Program ⁴⁹
	The deal team will work with the Private Equity ESG team and internal and outside counsel and consultants to prepare an ESG diligence summary alongside Investment Committee (“IC”) materials. An Emissions Reduction Flash Diagnostic is completed as a part of ESG diligence when deemed applicable and appropriate.	Support on emissions reduction and carbon accounting for other companies as appropriate
Real Estate	<i>For controlled equity investments (asset purchases and property-owning companies)</i>	15% Target ⁴⁸
	ESG diligence is coordinated by external counsel and generally includes a Phase 1 environmental assessment provided by an environmental consultant, labor and governance (including financial crimes) legal diligence as appropriate for the investment and preparation of an ESG memo alongside IC materials.	Carbon Accounting Program ⁴⁹
	<i>For debt investments (commercial loan investments)</i> ESG diligence is coordinated by external counsel and/or the lender’s technical consultant and generally includes reliance upon a Phase 1 environmental assessment provided by an environmental consultant, labor and governance (including financial crimes) legal diligence based on publicly available information as appropriate for the investment and preparation of an ESG memo alongside IC materials.	Access to BREDS Borrower ESG Resource Guide, climate experts and support services for debt investments

46. For the purposes of this table, Private Equity does not include Infrastructure, which is discussed separately below.

47. Private Equity conducts ESG due diligence for investments where Private Equity would have significant influence (i.e., 20% of the company’s common equity and/or other significant governance rights, aggregated across Blackstone business units). Additionally, Private Equity utilizes a third-party diligence platform and/or publicly available sources of data for all deals where Private Equity would not have significant influence.

48. See Endnote “15% Target” on page 34.

49. See Footnote 18.

*At Blackstone, we built our reputation through creating long-term value for our investors supported by our rigorous investment process, strategically identifying themes where we have conviction and identifying emerging risks and opportunities that could impact performance. For select investments, our consideration of climate-related factors is part of this process.

Appendix

Due Diligence and Asset Management by Business Unit

Business Unit	Typical ESG Due Diligence Approach	Post-Investment Climate-Related Asset Management
<p>Infrastructure</p>	<p><i>For equity investments in which Infrastructure maintains significant influence or greater (generally above 20% of the portfolio company's common equity)</i></p> <p>External legal counsel prepares an ESG memo.</p> <p>The Head of ESG for Infrastructure leads ESG diligence and develops an ESG memo, usually aided by an external ESG consultant. Physical and transition climate risks and opportunities are often considered.</p>	<p>Establish ESG Action Plans, which often include climate readiness</p> <p>15% Target⁵⁰</p> <p>Carbon Accounting Program⁵¹</p> <p>Support emissions reduction and carbon accounting for other companies as appropriate</p>
<p>Credit⁵²</p>	<p><i>For privately originated investments</i></p> <p>Review of issuer disclosures, public information diligence and targeted diligence.</p> <p>Due diligence findings, including any ESG considerations, are included in an IC memorandum prepared by the deal team.</p> <hr/> <p><i>For syndicated new issuances or secondary market purchases</i></p> <p>Review of issuer disclosures and public information diligence.</p> <p>ESG risk considerations of the investment team are documented in our proprietary data system.</p> <hr/> <p><i>For third-party collateralized loan obligations</i></p> <p>Consider ESG-related policies, procedures and practices of collateralized loan obligation managers as available.</p>	<p>Provide access to Blackstone Carbon Accounting Program Playbook, climate experts and support services as applicable</p>

50. See Endnote "15% Target" on page 34.

51. See Footnote 18.

52. Investment teams within Credit aim to consider those ESG factors that may impact investment performance during the due diligence phase of an investment. ESG due diligence will vary on factors which may include (i) the nature of Credit'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 portfolio company's sector or business model. Subject to these factors, for the types of investments described in the table, Credit will generally conduct the diligence outlined. Credit does not intend to conduct such diligence or memorialize ESG findings for investments not presented to an investment committee. Additionally, with respect to certain other investments, there may be circumstances where ESG diligence findings are communicated verbally and not included in the applicable investment committee materials.

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. Emissions reduction will in many instances be measured in relation to relevant business metrics (e.g., generally on a carbon intensity basis) to control for change in company size or production levels.

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 ("BXC"), from January 1, 2023 onward, the target only applies to operating companies in which BXC 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 3-Yr period - January 1, 2023 through December 31, 2025 (the "measurement period") - relative to Company Y's baseline year are 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.
- 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.

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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 particular, certain of the ESG initiatives or practices described in the Report are less applicable to or not applicable at all with respect to Private Wealth Solutions, Insurance Solutions, Asset-Based Finance, Strategic Partners and Blackstone's public markets investing businesses, specifically, Hedge Fund Solutions, including BAAM, and Harvest.

Important Information (continued)

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. Further information can be found at www.blackstone.com/european-overview. Applying ESG factors to investment decisions is generally qualitative and subjective by nature, and consequently 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, and this may cause Blackstone's Funds and/or portfolio companies to underperform 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.

Blackstone's consideration of information and data voluntarily provided by the issuer or 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 consideration 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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Important Information (continued)

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