

Guiding Principles

An Interview with Elizabeth Lewis, Managing Director and Deputy Head of ESG, Blackstone

EDITORS' NOTE Elizabeth Lewis is a Managing Director and Deputy Head of ESG, supporting Blackstone's corporate Environmental, Social and Governance (ESG) efforts. Prior to joining Blackstone, Lewis led engagement with investors, NGOs, governments, and other stakeholders on climate change and diversity for the International Finance Corporation (IFC), the private sector part of the World Bank Group. Prior to IFC, she was a Partner and Director of Strategy



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and Business Development for Terra Alpha Investments. Earlier, Lewis established World Resources Institute's Sustainable Investing Program and served as Head of Sustainable Investing. She has also served as a Principal at Global Environment Fund, a private equity fund focused on clean energy and sustainable forestry. She started her career advising clients in their evaluation of alternative energy technologies and solutions at Booz Allen Hamilton. Lewis serves as a Harvard Alumni Association Committee Member, a Harvard Business School Impact Investing Alumni Group Steering Committee Member, and a Trustee of the Maryland/DC Chapter of The Nature Conservancy. She holds an AB in Environmental Science and Public Policy from Harvard College and an MBA from Harvard Business School.

FIRM BRIEF Blackstone ([blackstone.com](https://www.blackstone.com)) is the world's largest alternative asset manager. It seeks to create positive economic impact

and long-term value for our investors, the companies it invests in and the communities in which it works. Blackstone does this by using extraordinary people and flexible capital to help companies solve problems. Its \$915 billion in assets under management include investment vehicles focused on private equity, real estate, public debt and equity, infrastructure, life sciences, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis.

Will you provide an overview of your role and areas of focus?

As Deputy Head of ESG, I support Blackstone's firmwide ESG efforts. I work closely with our Global Head of ESG, Jean Rogers, in partnering with our investment and asset management teams to advance ESG initiatives and integration across portfolio companies and assets.

How do you describe Blackstone's culture?

At Blackstone, the guiding principles really do come to life every day: Accountability, Excellence, Integrity, Teamwork and Entrepreneurship. These principles define our character and culture. I've been amazed by the commitment to working across the firm in teams, and a strong part of this is a commitment to inclusivity and the belief that diversity of thought and experience build better businesses. I feel fortunate to work in a place where every day we see how strong teams create innovation and better results than people working alone. These

shared convictions are a fundamental strength of our business.

Will you highlight Blackstone's ESG Strategy and how ESG is embedded into Blackstone's operations and values?

We believe that ESG principles are crucial to developing strong, resilient companies and assets that can deliver long-term value for our investors. We are committed to integrating ESG into our investment process, portfolio operations, and asset management. For Blackstone, decarbonization, diversity, and good governance are priority topics that we believe create stronger, more resilient companies, and long-term value for our investors.

What do you see as the keys to being effective in a company's ESG efforts and how critical is it to have engagement and commitment from the C-suite for this work?

Integrating ESG throughout our business is crucial for success. At Blackstone, we've made a significant investment in ESG talent, bringing in people with longstanding ESG experience and specific ESG expertise in areas like climate and diversity. The collaboration between our investment teams and ESG experts is tremendous. ESG colleagues, for instance, help our investment teams evaluate investment opportunities in the energy transition space, and help portfolio companies reduce their emissions through our industry-leading emissions reduction program. We know from experience that by factoring ESG into our everyday decision-making, we can create more value for our investors, our portfolio companies, and the communities we serve.

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It's crucial to have C-suite support in order for an organization to fully embrace ESG. At Blackstone, our senior executives have made it clear that ESG is a top priority. Our investment teams are also fully engaged and enthusiastic, and we report on ESG regularly to our board of directors, who are highly supportive. This all helps to shape our firm's identity and culture.

How important are metrics to track the impact of Blackstone's ESG initiatives?

ESG metrics are important to measuring our progress and holding ourselves accountable. We are investing significant resources in getting this right at Blackstone. One example of this is our greenhouse gas (GHG) emissions footprinting program, which we believe is one of the largest of its kind. As the largest owner of commercial real estate globally and with over 250 portfolio companies, our program helps us generate meaningful metrics with which to measure progress. It also helps us ensure we are meeting our own emissions reduction target: reducing emissions by 15 percent in aggregate over the first three years of ownership across companies in which we control energy usage, a target that is informed by climate science. It also enables us to provide our investors with the data they need to measure progress against their climate commitments.

Will you discuss Blackstone's commitment to build a diverse and inclusive workforce?

We know that having a diverse and inclusive workforce leads to better decisions and better outcomes. We are committed to attracting, developing, and advancing a diverse

workforce that represents a wide spectrum of backgrounds, identities, and experiences. We are focused on embedding DEI principles to maintain a culture of equity and inclusion. Our belief in the importance of diversity is reflected at all levels of our organization. More than one-third of our leadership team is diverse, and more than 50 percent of our primary businesses have a diverse professional as one of their top two leaders. We achieved 41 percent female representation globally and 49 percent racially diverse representation in the U.S. among our 2021 analyst class.

Do you feel that there are strong opportunities for women to grow and lead in the industry?

Absolutely. I feel lucky to work at a company that has created a powerful network effect by investing in women leaders both inside the firm and outside of it. The Blackstone Women's Initiative drives innovative programs focused on developing women to their full potential, fostering connectivity across businesses, encouraging mentorship and helping shape our recruiting strategy. Between 2014 and 2021, we doubled the number of women in our global analyst class. We also have powerful programs focused on developing leaders across the firm – the Future Women Leaders and Future Women Innovators Programs expose students interested to finance and technology.

Our commitment to women in leadership extends to our portfolio companies, where we are devoted to supporting women entrepreneurs and growing our investment portfolio of highly successful female-founded businesses. Across

our recent private equity investments, we have invested over \$10 billion in companies led by women CEOs or founders since 2019, partnering with entrepreneurs like Whitney Wolfe Herd of Bumble, Sara Blakely of Spanx, and Reese Witherspoon of Hello Sunshine. Our investments in women-founded businesses have created an exciting network effect. Having more diversity on our team and within our portfolio is attracting more and more great women entrepreneurs.

What are your priorities for Blackstone's ESG work as you look to the future?

Climate change is the crisis of our time. We have under a decade to get our planetary carbon emissions under control. Those of us in business – especially global businesses – have more power to create value by fighting climate change than ever before. Global businesses can use the opportunity to strengthen our economy by driving forward innovative technologies that create energy using the earth's renewable resources.

In line with our thematic approach to investing, we are investing heavily in businesses that are focused on supporting the energy transition. Since 2019, Blackstone has committed approximately \$16 billion in investments that we believe are consistent with the broader energy transition.

The physical risks of climate change, combined with growing investor demand for action and regulatory shifts, are all driving the need to decarbonize. By supporting a lower-carbon future, we are creating value in our investments – and we hope to inspire other investors to see what is possible. ●

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