

Corporate Social Responsibility

Overview

BXMT is a real estate finance company that originates senior loans collateralized by commercial real estate in North America, Europe, and Australia. As an externally managed company, BXMT's day-to-day operations are managed by our Manager and our executive officers under the oversight of our Board of Directors. Our executive officers are senior Blackstone Real Estate professionals and our Manager is a subsidiary of Blackstone and part of Blackstone's real estate business.

As such, many of the corporate responsibility initiatives undertaken by Blackstone are relevant to and impact our business and the business decisions made on our behalf by employees of our Manager. From its founding, Blackstone has dedicated itself to being a responsible corporate citizen by incorporating relevant environmental, social and governance ("ESG") factors into its investment decision-making process. Below are highlights of our corporate responsibility initiatives and those of Blackstone that are relevant to us and our business. For a more fulsome description of Blackstone's ESG highlights, please refer to https://ir.blackstone.com/files/doc_downloads/gov_docs/ESG-Factsheet.pdf

Social

Human Capital Management Policies

- ▶ Blackstone is committed to providing equal employment opportunities to all employees and applicants for employment without regard to any class or status protected by law. This policy also applies to all terms and conditions of employment
- ▶ Blackstone has an anti-harassment policy and administers a robust "Respect at Work" annual training program for all employees globally, which covers diversity, sexual harassment, creating a respectful workplace environment, and the prevention of discrimination and retaliation, among other topics
- ▶ All employees have the ability to request reasonable accommodations at the office if required due to a disability, religious requirement, due to pregnancy, childbirth, or a related medical or common condition related to pregnancy or childbirth, or due to domestic violence, a sex offense or stalking
- ▶ Blackstone also has an established non-retaliation policy, which is intended to create an environment where employees can act without fear of reprisal or retaliation

Diversity and Inclusion

- ▶ Blackstone's efforts include internal networks to engage traditionally under-represented populations, targeted recruiting efforts to attract qualified, diverse talent, and partnerships with external diversity- and inclusion-focused organizations. In 2019, Blackstone announced the appointment of new Diversity Champions, who are partnering with Blackstone's human resources, Blackstone's employee affinity networks and Blackstone's business groups to help drive diversity and inclusion efforts across the firm
- ▶ In 2013, Blackstone launched its Future Women Leaders Program, to create a pipeline of talent that could become its next generation of senior leadership. The program, which is hosted annually in New York and London, provides female university students with early exposure to finance through seminars, technical training, networking events and mentorship
- ▶ 50% of Blackstone's major businesses have a woman or minority as one of its top two leaders
- ▶ The percentage of women in Blackstone Real Estate's global incoming 2020 analyst class is 50%, up from 30% in 2018
- ▶ Building on the success of the Future Women Leaders Program, Blackstone has also launched two other similar programs:
 - The Diverse Leaders Program focuses on building Blackstone's pipeline of diverse talent
 - The Future Women Innovators Program is aimed at exposing and attracting women to the technology industry
- ▶ To date, participating portfolio companies have hired more than 80,000 veterans, spouses and caregivers through the Blackstone Veterans Hiring Initiative. Diversity and Inclusion

Employee Affinity Networks

- ▶ Blackstone's employee affinity networks (the Women's Initiative, the Diverse Professionals Network, OUT Blackstone and the Veterans Network) focus on fostering connectivity, increasing the pipeline of qualified diverse candidates, improving retention, and establishing communities that welcome employees from all backgrounds

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Social (Cont'd)

Employee Training and Development

- ▶ Blackstone's Talent Development curriculum continues to evolve to support the leadership and professional development of all Blackstone employees globally. The curriculum is delivered in a variety of formats and covers topics such as Foundational Capabilities, Managerial Capabilities, Leadership Perspectives, Next Level Leadership and custom solutions (i.e., Presentation Skills, Business Writing)
- ▶ Blackstone runs approximately 75 training programs globally each year for its 2,700+ employees
- ▶ Blackstone conducts an annual 360-degree evaluation process which allows employees to receive feedback from their managers and senior professionals, peers and junior employees

Employee Engagement

- ▶ Blackstone continually monitors culture and employee engagement through regular internal and external surveys
- ▶ Blackstone is a top-ranked employer within its industry and the global business community, having earned awards and recognitions such as a 100% rating on the Human Rights Campaign's Corporate Equality Index, #1 as a "Best Place to Work" by Pensions & Investments and a certified "Great Place to Work" for three consecutive years

Employee Benefits

- ▶ Blackstone's employee benefits are comprehensive and competitive. In addition to robust health and retirement offerings, Blackstone provides its employees with a wide variety of quality of life benefits, including primary and secondary caregiver leave, adoption leave, phase back to work, fertility coverage, back up child care, family planning, new well-being programs (i.e., onsite and digital meditation), access to programs to further assist Blackstone employees in managing their lives outside of work (i.e., group legal services) and more. Blackstone was the first alternative asset manager to extend its primary caregiver leave to 16 weeks
- ▶ In 2008, Blackstone founded Equity Healthcare to leverage the size of its combined portfolio in order to access higher quality health coverage for portfolio company employees at a lower cost than they would each be able to obtain outside of the program. More than 200,000 individuals are covered under the program, which has 1.3% annual cost inflation compared to healthcare industry average of 4.5% and has resulted in \$900 million in savings

Performance Alignment

- ▶ Although our chief executive officer, president, chief financial officer and other executive officers are senior Blackstone real estate professionals and are compensated by Blackstone, we make annual equity awards to our executive officers as well as annually granting a pool of equity that is allocated by our chief executive officer to employees of our Manager who perform services to us, creating alignment with our stockholders

Advertising Practices

- ▶ Blackstone is committed to being transparent with its investors, striving to disclose to investors the totality of information that would be relevant to an investment decision, including detailed descriptions of the investment strategy, key personnel and management team, risks and uncertainties associated with the investment strategy and conflicts of interest. Investment professionals, the Legal & Compliance department and, where necessary, external counsel, review marketing materials before they are shared with investors

Community

- ▶ Since 2007, the Blackstone Charitable Foundation has committed more than \$100 million globally primarily to supporting programs that increase access to entrepreneurship. In the aggregate, the Charitable Foundation's commitments have supported approximately 10,000 companies and the creation of over 24,000 jobs
- ▶ BX Connects, the employee engagement arm of the Charitable Foundation, has committed over \$25 million globally to support Blackstone's communities since 2010. Blackstone employees volunteered and donated to giving campaigns twice as much compared to the national corporate average. In 2019, Blackstone employees volunteered an aggregate of 9,400 hours at Blackstone-organized events through activities, including repacking 66,541 pounds of food, preparing 15,000+ meals and creating 6,500 care kits
- ▶ Blackstone recently announced an anchor \$10 million contribution to the New York State COVID-19 First Responders Fund and an additional \$5 million of contributions to organizations orchestrating food delivery to those most impacted by the crisis in New York City

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Environmental

Portfolio Company Sustainability

- ▶ Blackstone's Portfolio Operations team, working alongside Blackstone Real Estate's asset management team, develops and integrates low-/no-cost operating improvements to reduce energy and water usage across portfolio companies in Blackstone-advised vehicles. The results of this work include: over 15% energy cost savings at participating portfolio companies, doubling Manhattan's solar capacity with 10,000 rooftop solar panels at New York City's Stuyvesant Town, and causing its Willis Tower investment to become the largest building in the U.S. to achieve LEED Platinum certification

Sponsor Compliance with Environmental Regulations

- ▶ Blackstone endeavors to be in full compliance with environmental regulations in all locations where it has offices
- ▶ Blackstone Real Estate Debt Strategies' loan origination business requires sponsors to remediate any material environmental concerns prior to the origination of a loan and requires documentary provisions, such as representations and warranties, covenants, indemnities and other provisions governing environmental matters to ensure ongoing sponsor compliance with applicable environmental laws

Corporate Sustainability Practices

Consistent with the focus on sustainability, Blackstone also pursues environmental performance improvements at its office locations, including with respect to energy usage, waste management, and water usage.

Energy Usage:

- ▶ Blackstone installs energy efficient lighting and daylight and occupancy sensors in all new office buildouts and retrofits. Our replacement of existing lighting with LED lighting in our New York offices has resulted in a ~5038% lighting energy reduction in lighting energy usage where applied where energy improvements were implemented.

Waste Management:

- ▶ In 2017, Blackstone implemented comprehensive glass, metal, and plastic recycling procedures throughout all pantries and meeting rooms
- ▶ Personal office printers in Blackstone's New York offices use recycled paper
- ▶ Installed water filtration systems in new office buildouts and retrofits, which resulted in a 10% decrease in bottled water consumption per-person overall
- ▶ Blackstone uses environmentally friendly kitchen disposables in its larger offices and were presented with the Emerald Sustainability Award in 2018 for strides Blackstone has made in adopting sustainable practices
- ▶ Blackstone's London office is a zero waste-to-landfill facility

Water Usage:

- ▶ Installed low-flow water systems in bathrooms during new office buildouts and retrofits, which results in nearly two gallons of water saved per flush

Installing building management systems on all floors in Blackstone's New York offices.

Governance

Board Composition and Effectiveness

We seek to ensure that our board of directors is composed of members whose experience, qualifications, attributes and skills, when taken together, will allow the board to satisfy its oversight responsibilities effectively.

- ▶ Michael B. Nash is the Executive Chairman of the Board of Directors, a senior managing director of Blackstone, the co-founder and chairman of BREDS, and a member of the Investment Committee for both BREDS and Blackstone Real Estate. Mr. Nash has extensive experience with, and a strong record of success in investing in, real estate-related assets and provides our board of directors with valuable insights into developments in our industry

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Governance (Cont'd)

Board Composition and Effectiveness (Cont'd)

- ▶ Stephen D. Plavin, our Chief Executive Officer, is also a senior managing director of Blackstone and a member of the Investment Committee for both BREDS and Blackstone Real Estate. Mr. Plavin's experience and background as a senior member of our Company's management since 1998 has provided him with valuable knowledge of and experience with our business, which we believe positions him to contribute to our board's oversight functions
- ▶ Jonathan L. Pollack is a senior managing director of Blackstone and the Global Head of BREDS and a member of the Investment Committee for both BREDS and Blackstone Real Estate. Mr. Pollack's extensive experience with, and strong record of success in investing in, real estate-related assets allows him to bring unique insight into our investment activities
- ▶ Leonard W. Cotton, the former vice chairman of Centerline Capital Group, has significant experience in various aspects of commercial real estate, including lending, equity investment and development, which we believe gives him unique insight into our investment activities
- ▶ Thomas E. Dobrowski, the former managing director of real estate and alternative investments for General Motors Asset Management, or GMAM, had a long career as a senior investment officer for a major pension plan investor and oversaw the original investment made by GMAM into the Company, which we believe gives him unique insight into our investment activities
- ▶ Martin L. Edelman, Of Counsel to Paul Hastings LLP, has extensive commercial real estate industry experience and knowledge developed over his nearly 40 years of practicing law as well as directorships on six listed companies, which we believe provides us with valuable perspectives into developments in our industry and corporate governance
- ▶ Henry N. Nassau, the chief executive officer and a partner of Dechert LLP, has significant professional experience as an officer of a public company and as an attorney and partner in a major law firm, which we believe allows him to make unique contributions in the area of corporate governance
- ▶ Lynne B. Sagalyn, the Earle W. Kazis and Benjamin Schore Professor Emerita of Real Estate at Columbia Business School, through her prominent positions in graduate real estate programs of leading universities and her 23 year-long tenure on the board of directors of a public REIT, including service as its vice chair from 2010 to 2018, brings expertise in real estate and finance to our board and the audit committee, of which she is the chair

Additionally, our Board of Directors is a majority independent board and each of its committees is comprised solely of independent directors. Each of the members of the Board of Directors' committees is a highly sophisticated business veteran, bringing experience from real estate, accounting and general business backgrounds to the Board of Directors' oversight function.

Independent Auditor

- ▶ Deloitte has served as our independent auditor since 2013 and we have received an unqualified opinion each year. In compliance with auditing standards set forth by the Public Company Accounting Oversight Board in the U.S., Deloitte has rotated the audit partner responsible for signing our financial statements at least every five years
- ▶ For information regarding the fees we paid to Deloitte in 2019 and 2018 and our approval procedures relating to Deloitte's fees, see "Proposal 2 – Ratification of Independent Registered Public Accounting Firm"

Financial Disclosures

- ▶ We maintain "disclosure controls and procedures," as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the Exchange Act"), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure