

KKR

Scaling Up

2021 SUSTAINABILITY REPORT

Scaling Up

With expanded resources and a growing investment portfolio, KKR continues to seek and create opportunities to “scale up” and advance sustainability across our investments and operations.

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WHAT’S NEW IN THIS REPORT

Since the publication of our first environmental, social, and governance (ESG) report in 2011, we have been committed to sharing our progress transparently and consistently. The scope of this 2021 Sustainability Report represents a significant expansion of previous KKR ESG, Impact, and Citizenship reports.

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This new content structure comprises two key sections: **Sustainable Investing**, which covers sustainability-related activities in our investments, including how we integrate ESG considerations in our investment process ([ESG Integration Across Asset Classes](#)); what we do to drive value creation across key issues

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([Driving Value Creation](#)); and examples of where we invest to advance sustainability solutions ([Global Impact Strategy](#)). **Sustainable Operations**, which covers sustainability-related activities at the Firm level, as part of KKR’s operations, including how we attract, develop, and retain

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talent ([People](#)); act as responsible corporate citizens in our communities ([Communities](#)); manage our environmental footprint ([Environment](#)); and advance responsible business practices ([Governance](#)).

🔗 To learn more, read [About This Report](#).

Introduction

2021 was a significant year of progress for KKR. As our investments grew and diversified, so did our sustainability and equity-focused resources and ambitions.



X-ELIO's solar photovoltaic plant in South Carolina, U.S. The company is a global leader in the development, construction, financing, and operation of renewable and sustainable energy projects in Europe, the United States, Latin America, Japan, and Australia.

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About This Report

■ OVERVIEW

This report incorporates content previously shared through KKR’s suite of environmental, social, and governance (ESG)-related reports, including our annual ESG, Impact, and Citizenship Report; Supplementary ESG Disclosures; Sustainable Accounting Standards Board (SASB) Report; Climate Action Report, in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations; and KKR’s Global Impact Fund Overview and Highlights Report. An archive of previous reports can be found at our Resource Center at kkresg.com/resource-center.

To simplify navigation and communication of our activities and performance, the report provides:

-  Links to internal sections of the report and external documents
-  References to SASB disclosures

Scope of Reporting and Alignment to Frameworks and Standards


This report documents activities for calendar year 2021, so information and data included in this report are as of December 31, 2021, unless otherwise noted. Where applicable, we have included an update on progress in 2021 and planned activities for 2022.

To advance transparency in our reporting, we support and align with leading sustainability reporting frameworks and standards. This report includes disclosures to the two SASB sector standards most relevant to our business: Asset Management & Custody Activities Sector Standard for the asset management activities of

KKR and the Insurance Sector Standard for the activities of Global Atlantic. Refer to the defined terms set forth in the [Cautionary Statement](#). Insurance sector responses are included because KKR acquired a controlling interest in Global Atlantic of 61.5% in early 2021. While Global Atlantic became a majority-owned subsidiary of KKR & Co. Inc., Global Atlantic operates as a stand-alone business and issues a separate ESG report, available at globalatlantic.com/esg. Located in the Appendix, the SASB indices direct readers to responses contained in this report or any external documents.

We published our inaugural [Climate Action Report](#), in line with the TCFD recommendations, in November 2021, and that document remains largely relevant. Highlights from this report, as well as performance updates, are incorporated throughout this report and can be located by referencing the [TCFD Index](#) in this report.

Finally, we closely monitor the evolving ESG reporting and regulatory landscape to keep up to date with new and upcoming ESG reporting standards and frameworks, such as the International Sustainability Standards Board (ISSB), and to comply with applicable reporting obligations, including the EU Sustainable Finance Disclosure Regulation (SFDR) and the SEC’s proposal for climate-related disclosures.

 [Read more about the information required under the EU SFDR on kkr.com.](#)

■ GLOSSARY

As sustainable investing practices accelerate, a vast lexicon of terminology continues to develop around them. At KKR, we seek to bring clarity to a confusing landscape by sharing definitions of our key terms used in this report, as interpreted by KKR and aligned with third-party organizations, frameworks, and standards, where relevant.

Carbon Neutrality: Carbon neutral means any greenhouse gas (GHG) emissions derived from a defined scope of company’s activities are balanced by an equivalent amount being removed, including through the use of offsets. In this report, carbon neutrality refers to KKR’s status at the Firm level for our office-based footprint.

Citizenship: KKR’s philanthropic platform and commitment to create healthy, inclusive, thriving communities through our investments, philanthropic grants, and leadership.

ESG Integration: In line with our Responsible Investment Policy, the thoughtful consideration of ESG issues and relevant risks and opportunities across the investment life cycle, from pre-screening and due diligence to Investment Committee evaluation and post-investment monitoring and management.

ESG Management: The evaluation and management of how a company operates on relevant ESG issues and engages with its stakeholders.

Global Ambitions: KKR-specific ambitions for ESG performance for select portfolio companies across four focus areas: management and governance, human capital, climate, and data responsibility.

Impact Investing: As defined by the Operating Principles for Impact Management – of which KKR is a founding signatory – impact investing is the practice of investing in companies and organizations with the intent to contribute to measurable positive social or environmental outcomes alongside financial returns. At KKR, as part of our Global Impact strategy, we invest in companies whose core product or service is providing a solution to a critical environmental or social challenge, as defined by the UN

Sustainable Development Goals (SDGs), thereby driving positive, measurable outcomes or impact.

Materiality: Defines business-relevant ESG issues that have – or have the potential to have – a substantial effect on an organization’s ability to create, preserve, or erode economic value, as well as environmental and social value for itself and its stakeholders.¹

Net-Zero: In line with the Intergovernmental Panel on Climate Change (IPCC), net-zero emissions are achieved when anthropogenic GHG emissions to the atmosphere are balanced by anthropogenic removals over a specified period.

Responsible Investment: In line with our Responsible Investment Policy and the six UN-backed Principles for Responsible Investment (PRI) – of which KKR is a signatory – “responsible investment” reflects our commitment to integrating and managing material ESG considerations into our investment processes globally across asset classes.

SEAC: KKR’s Sustainability Expert Advisory Council, which is an external independent council comprising leading experts across key ESG issues aimed at bolstering KKR’s ESG expertise and capabilities and advancing our ESG strategy and practices.

Solutions Investing: Defines the practice of investing behind sustainability themes across asset classes and investing strategies, thereby supporting companies that are part of the solution to critical social and environmental challenges. Themes include, but are not limited to, energy transition, climate action, education services, and food security. At KKR, solutions investing differs from impact investing in that solutions investments are not necessarily made with the intent to generate measurable outcomes and can be made outside of KKR’s Global Impact strategy.

Sustainable Investing: The umbrella term that includes our multiple approaches to how and where we invest as it relates to ESG issues and sustainability themes – from ESG integration to solutions and impact investing.²

¹ In this report, we are not using such terms “material” or “materiality” as they are used under the securities or other laws of the U.S. or any other jurisdiction, or as they are used in the context of financial statements and financial reporting. Materiality, for the purposes of this document should not, therefore, be read as equating to any use of the word in other KKR reporting or filings.

² Sustainable investing as used and defined by KKR herein, which may differ from the technical definition of “sustainable investments” in Art. 2 No. 17 of how it is defined by the European Union’s Sustainable Finance Disclosure Regulation

About KKR & Co. Inc.

Since KKR's founding in 1976, we have worked to create value for our fund investors, companies in which we invest, and other stakeholders. Today, the Company is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in our portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit, and real assets and has strategic partners that manage hedge funds. The Company's insurance subsidiaries offer retirement, life, and reinsurance products under the management of Global Atlantic Financial Group.

■ KKR AT A GLANCE³

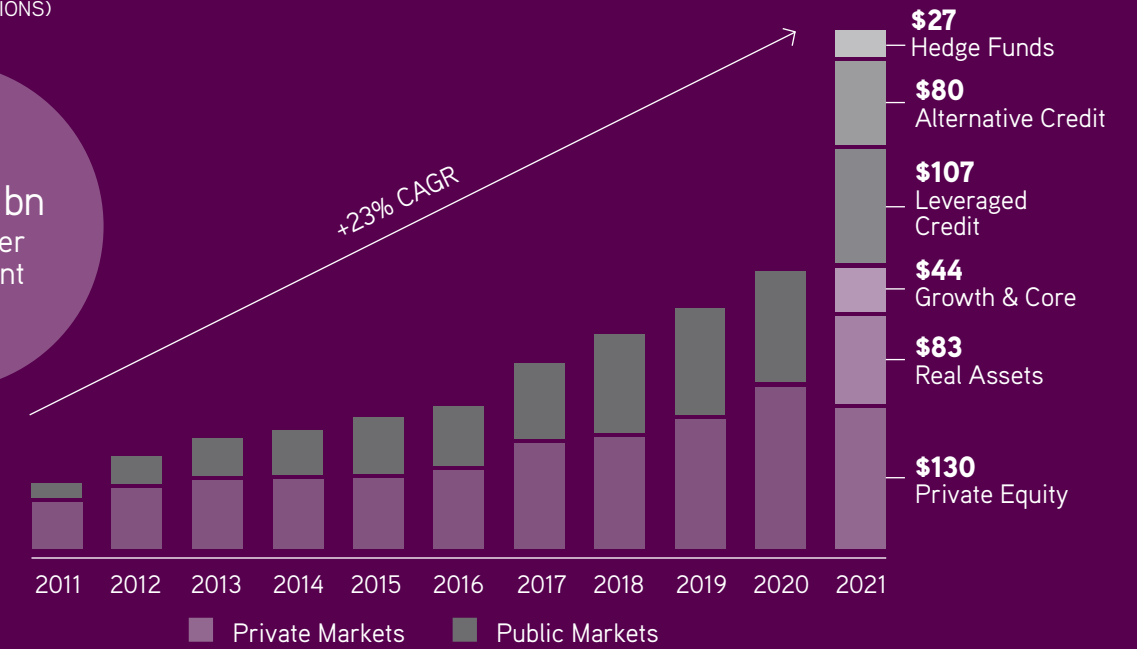


³ KKR 2021 Form 10-K; Data as of December 31, 2021

⁴ Each of KKR's employees receives a base salary and is eligible for a cash bonus and equity compensation as well as additional incentives. See [Performance Management and Compensation](#) for more details.

■ OUR INVESTMENTS⁵

KKR AUM (\$ IN BILLIONS)



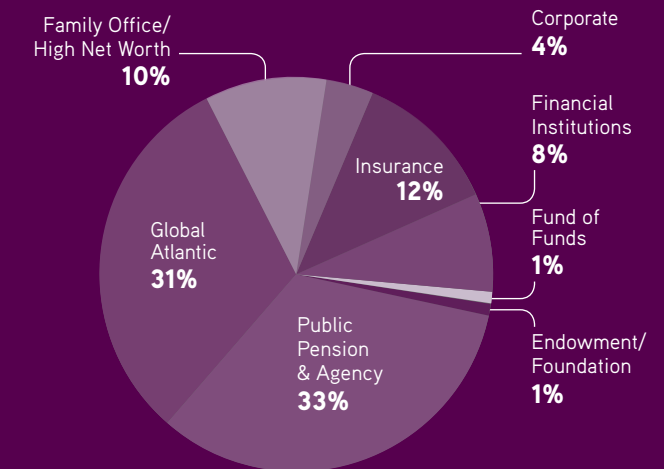
OUR PORTFOLIO

109 companies in our traditional private equity portfolio with approximately **\$265_{bn}** of annual revenues headquartered in 20+ countries

OUR INVESTORS

1,445 fund investors across all strategies

FUND INVESTOR BASE BY TYPE



⁵ KKR 2021 Form 10-K; Data as of December 31, 2021. There can be no assurance that historical trends or practices will continue.

To Our Stakeholders

■ REFLECTING ON 2021⁶

At the start of 2021, we asked our employees to reimagine our potential. We knew we had a big opportunity to continue to serve our clients and partners in new and better ways. We are proud of our progress over the past year and humbled to lead such a talented team with a lofty mission of supporting the retirements of millions of individuals around the world.

Today, more than ever, it is crucial to our ability to deliver on behalf of clients and shareholders for us to consider our responsibility to a wider range of stakeholders in our companies and communities.

Since publishing our first public ESG report in 2011, we have been committed to sharing our progress transparently and consistently. It gives us great pride to release our 2021 Sustainability Report.

Sustainable Investing Highlights

At KKR, sustainable investing is a key lever of value creation, and we believe thoughtfully managing environmental, social, and governance (ESG) issues helps us make better investments. Since formalizing our approach to ESG management in 2008, we have focused on scaling our efforts.

We deepened our ESG integration across asset classes, developing asset class-specific ESG management strategies (pp. 12-16), and continued to invest behind and support companies that strive to be part of the solution to complex societal challenges, investing more than \$25 billion in equity in climate and environmental sustainability-focused investments since 2010. This includes our Global Impact portfolio, which seeks to address critical global challenges as identified by the UN Sustainable Development Goals (SDGs) (pp. 24-26).



SCOTT NUTTALL AND JOSEPH BAE
CO-CHIEF EXECUTIVE OFFICERS

Building on over a decade of learnings collaborating with our companies across a wide range of topics, we also scaled our efforts to drive sustainable value creation (pp. 18-23). This includes, for example, supporting companies on decarbonization and setting goals to reach net-zero emissions by 2050 at three private markets funds, as well as implementing employee ownership and engagement (pp. 20-22). Since 2011, KKR’s employee ownership program has awarded billions of dollars in equity to over 45,000 non-management employees across more than 25 portfolio companies. In line with our commitment to support diversity, equity, and inclusion (DEI) across our portfolio, we are proud that in 2021 our majority-controlled portfolio companies and investment vehicles increased diverse board seats by 52%.

In 2021, we also further scaled our team and capabilities (p. 10), tripling our dedicated Sustainable Investing subject-matter experts and establishing a cross-Firm ESG Committee to advance a globally coordinated ESG agenda. We also formed a Sustainability Expert Advisory Council, a six-member independent council that brings different perspectives and bolsters our ESG expertise and capabilities (p. 7), and invested in ERM, the largest global pure-play sustainability consultancy, through our Core Private Equity strategy.

Sustainable Operations Highlights

Our approach to sustainability extends to our own operations, including how we attract, develop, and retain talent (pp. 28-31); act as responsible corporate citizens in our communities (pp. 32-33); manage our operational footprint (p. 34); and advance responsible business practices (pp. 35-37).

In particular, DEI is a key strategic priority for the Firm. Today we lead KKR’s Global Inclusion & Diversity Council (IDC) as co-chairs. We have made good progress over the last several years, but we believe we have more work to do as a firm and as an industry.

We are also proud of our work to create healthy and inclusive communities through our philanthropic grants and investments, most notably our \$50 million COVID-19 Relief Effort (pp. 32-33). Since its inception in 2020, we have provided funding to more than 150 nonprofit organizations in 17 countries and supported more than 250 small businesses, 74% of which reported that receiving a grant from KKR made the difference in their ability to survive the pandemic.

Over the past few months, we have been following the war in Ukraine with heavy hearts. In addition to KKR’s \$1 million commitment to Ukrainian support, we have individuals who are assisting in other ways – from advising our companies to providing sanctuary for refugees in their homes. We thank our employees for supporting each other and our communities.

Looking Ahead

In closing, looking ahead, we will continue to devote our time and energy to build on the progress we made over the last decade and in 2021.

We will look for opportunities to accelerate and expand on our efforts, for example, with our Global Ambitions (p. 11), building on a decade of learnings from pioneering value creation strategies to help our companies better manage their environmental impacts and decarbonize, foster a diverse and engaged workforce, and manage

data responsibly. In order to do that, we are taking a data-driven approach to our portfolio company engagement strategy, reengineering our firmwide ESG data collection capabilities, and investing resources to advance this effort (p. 11, p. 47).

We look forward to sharing more progress along the way on these and multiple other priorities. Thank you for taking the time to read this report.

“2021 represented a year of change, marked by important milestones: we grew as a Firm, welcoming over 550 team members, opened seven new offices, nearly doubled our assets under management, and closed an important strategic partnership with Global Atlantic.

We are looking forward to all that lies ahead and to working with Joe and Scott to fulfill our mission of fortifying companies and helping secure the retirements and livelihoods of the hundreds of millions of people around the world who depend on our support and investment expertise.”

HENRY KRAVIS AND GEORGE ROBERTS
CO-FOUNDERS AND CO-EXECUTIVE CHAIRMEN



⁶ For more detail on assumptions and calculation methodologies of some of the metrics included on this page, refer to the next page and the [Endnotes](#) of this report.

2021 Sustainability Highlights

Our progress during 2021 reflects the growing scale of our efforts. But we know there is always more we can do and are energized by what lies ahead.

■ SUSTAINABLE INVESTING

ESG INTEGRATION AND VALUE CREATION

\$25+ bn

Total equity committed to climate and environmental sustainability investments since 2010⁷

45,000+ non-management employees across more than **25** portfolio companies awarded billions of dollars in equity through KKR's employee ownership program since 2011

Set goals to implement decarbonization plans to reach net-zero emissions by 2050 at three private markets funds⁸

Developed KKR's ESG Scorecard to assess the ESG characteristics of our Credit portfolios and scored **1,100+** credit positions⁹ on our Credit platform

52% increase in diverse board seats across KKR's majority-controlled portfolio companies and investment vehicles in 2021¹⁰

⁷ Includes investments by KKR and Global Atlantic (KKR subsidiary). For more detail on calculation methodologies, refer to the [Endnotes](#) of this report.

⁸ Applies to majority-owned companies at three funds in Private Equity and Infrastructure. There can be no assurance that forward-looking plans will be realized or that any historical trends or practices will continue.

^{9,14} As of May 2022

¹⁰ Diversity defined as individuals self-identifying as female, LGBTQ, or as from a historically underrepresented group. For more detail on calculation methodologies, refer to the [Endnotes](#) of this report.

¹¹ Does not include dedicated Global Impact investing team members

ESG EXPERTISE AND OVERSIGHT

3X

Tripled the size of our dedicated Sustainable Investing subject-matter experts¹¹

Enhanced renewables investing expertise with new appointments to the Firm's Global Infrastructure team

Invested in ERM, the largest global pure-play sustainability consultancy, through our Core Private Equity strategy

Formed a cross-Firm ESG Committee to help advance a global, proactive ESG agenda

Launched an independent, third-party Sustainability Expert Advisory Council to bolster KKR's ESG expertise and advance our ESG strategy and practices

REPORTING AND TRANSPARENCY

11th

Year of publicly reporting on our ESG efforts

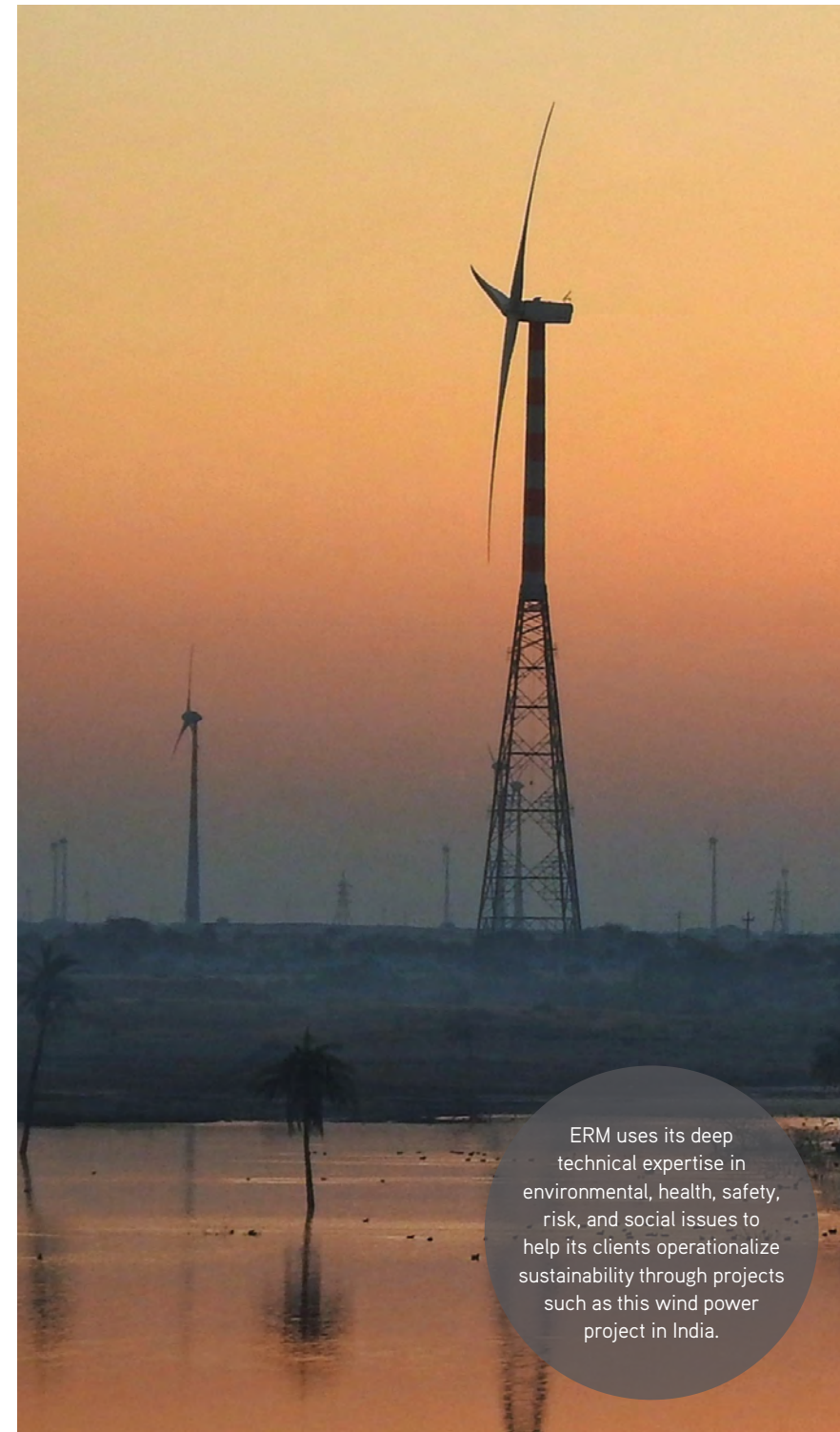
Published first TCFD-aligned [Climate Action Report](#), and first public [KKR Global Impact Report](#)

INDUSTRY DIALOGUE AND COLLABORATION

40+

Responsible Investment industry events participated in or supported

Joined the Initiative Climat International (iCI) and became a TCFD supporter



ERM uses its deep technical expertise in environmental, health, safety, risk, and social issues to help its clients operationalize sustainability through projects such as this wind power project in India.

■ SUSTAINABLE OPERATIONS

PEOPLE

100%

Score achieved from the Human Rights Campaign's Corporate Equality Index for the sixth year in a row

Appointed new Chief Diversity Officer and Head of Talent Development

Welcomed 550+ new employees¹² to the Firm, a record number, **51%** of whom are diverse¹³

COMMUNITIES

\$33+ mm

Allocated to 150+ nonprofits through KKR's COVID-19 Relief Effort since 2020 (including **\$21 mm** in 2021)¹⁴

Committed \$5.5 mm to 250+ small businesses to date (including **\$1.7 mm** in 2021)

ENVIRONMENT

4th

Year achieving carbon neutrality across our global operations

Consolidated office space to a LEED Gold certified building in New York City

¹² Does not include Global Atlantic employees

¹³ Diversity defined as individuals who either self-identify as female or from historically underrepresented groups within the United States or EMEA region

SPOTLIGHT:

KKR's Sustainability Expert Advisory Council

This independent council aims to bolster KKR's ESG expertise and capabilities and advance our Firm's ESG strategy and practices.

■ ABOUT THE SEAC

In 2021, KKR announced the formation of our Sustainability Expert Advisory Council (SEAC), a six-member independent council that brings together leading voices

across key ESG issues to help ensure KKR remains at the forefront of sustainable investing. SEAC members act as trusted counsel and contribute their individual perspectives and insights to help inform decisions related to our ESG strategies and practices.

🔗 Learn more about the SEAC on kkr.com/SEAC and in the SEAC charter at kkr.com/SEAC-Charter.

■ IN DIALOGUE WITH OUR SEAC MEMBERS¹⁵

Q: What ESG issues haven't historically been in the spotlight but are expected to rise in importance that investors should keep on their radars?

A: Alexandra Givens: Business owners and investors need a far greater focus on data – cybersecurity vulnerabilities; how companies respect and protect their users' information; and what steps they take to responsibly and ethically manage artificial intelligence (AI). This is an ESG issue because, while data can produce new insights, it

can also give rise to discrimination, exploitation, and abuse. Loose data practices, such as poorly developed AI, or sharing users' sensitive information with third-party data brokers, can bring reputational and legal harm to companies.

A: Robert Eccles: While not quite yet in the spotlight but where much work is going on is the issue of income inequality. Large universal owner investors understand how this contributes to system instability. Some feel it will bite us harder and faster than climate change. These are related. Climate change will have its worst impacts on those least able to bear it. Conversely, if income inequality isn't addressed it will be difficult to get the political will to address climate change.

Q: When it comes to your area(s) of expertise, what are you most excited about? What are you most hopeful for?

A: Andrew Stern: Although there has been an increasing amount of attention paid to environmental sustainability and governance issues, historically, issues relating to worker standards and their sharing in the success of profitable companies has often been more rhetoric than reality. Shareholder capitalism was too often a justification for an unacceptable level of economic inequality. People who work hard every day should not be poor. I believe this is a moment of potential change in public and investor attitudes on workers and ESG. Making that shift reality, not rhetoric, would be a big step forward.

A: Nat Keohane: Climate change is an area that needs some reasons for hope! This space is on the cusp of tremendous innovation. We have already seen dramatic gains. In the last decade, the average cost of generating electricity from solar power has fallen more than 80%, and from wind by more than half, making both now cheaper than coal in most places. Electric cars have gone from

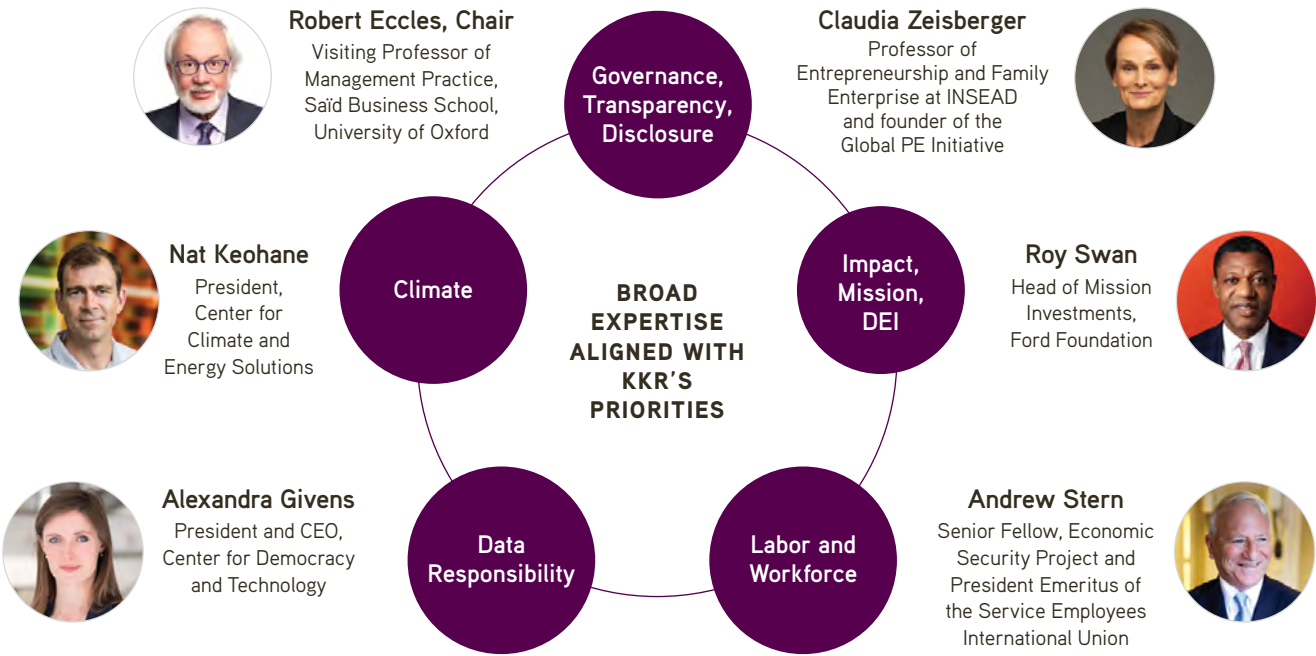
curiosity to marketing boon, with global sales doubling last year. But even that pales in comparison to the innovations on the horizon. The good news is that there are brilliant, motivated people working on them – and huge opportunities for investors who back them.

Q: Sustainability is often referred to as the new digital revolution for business. What is your #1 prediction when it comes to what's next for the sustainability movement?

A: Claudia Zeisberger: Looking ahead, the Sustainability movement is bound to expand from Private Equity to Venture Capital, with some arguing that ESG should really be esTg; the "T" being for Technology. And given the power VC investors wield these days – in 2021, startups raised a record US\$621 billion from VCs – surely one can ask for responsibility. But AI – artificial intelligence – is arguably the most important vertical where scrutiny is needed. AI creates enormous value potential and, in turn, the opportunity to achieve outsized returns. But it also poses substantial risks.

A: Roy Swan: I predict that investors, policymakers, elected officials, and the public will realize that the identification and quantification of negative and positive externalities are essential to sustainable capitalism and society. Investors will incorporate the value or cost of externalities into their investment modeling. Policymakers and elected officials will require companies to stop dumping hidden costs on society and taxpayers and force companies to internalize such costs or change their behavior. The public will reward companies that produce positive externalities and avoid companies that produce negative externalities. When that happens, the objectives of ESG and impact investing will be met, and a new era of capitalism will be born.

🔗 Read the full Q&A at kkr.com/SEAC-Q&A.



¹⁵ The views expressed in the Q&A represent views of the respective individuals and not those of KKR or the strategies and products that KKR offers or invests. See additional disclaimers in the [Cautionary Statement](#).

Sustainable Investing

We believe we can have the greatest influence through the investment decisions we make. As such, we recognize the importance of managing the resources entrusted to us in a way that creates value for our investors and the world we share. We continue to refine and deepen our approach and Firm resources to create value through our investments.

Charter Next Generation's campus in Lexington, Ohio. The company is a leading independent producer of high-performance specialty films used in flexible packaging and other end-use markets.

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Strategy and Governance

We work collaboratively as one Firm toward our central purpose: helping our portfolio companies build stronger businesses.

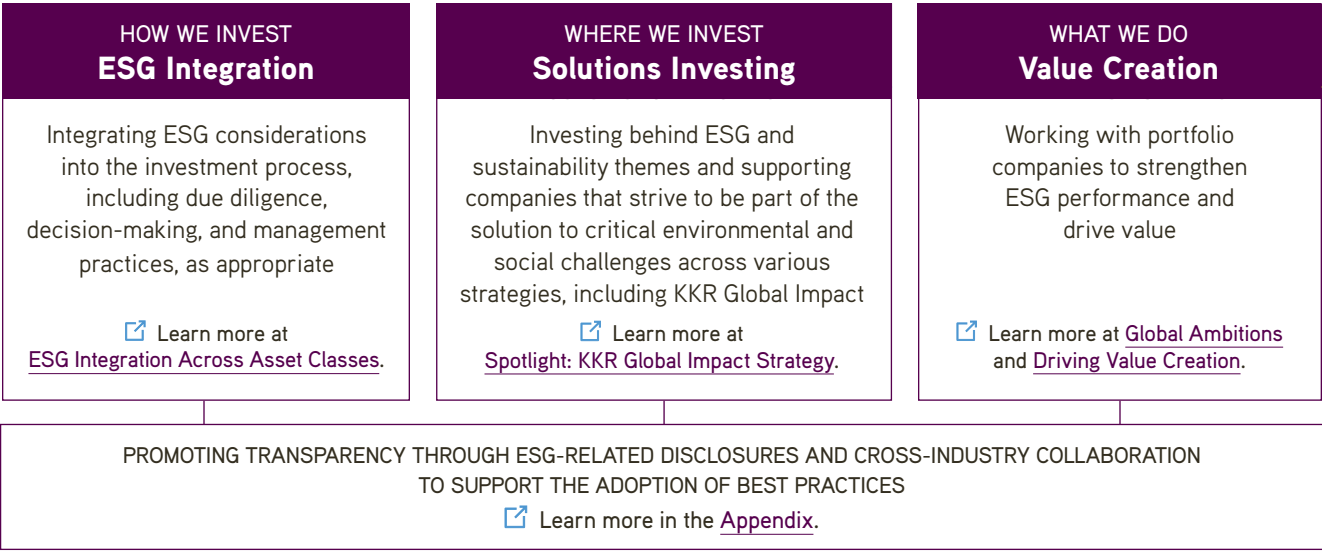
OUR COMMITMENT AND APPROACH¹⁶

Sustainable investing is a key lever of KKR’s approach to value creation and a way of doing business that we believe helps us make better investments. By assessing and managing ESG, regulatory, and geopolitical issues, we strive to create stronger, better business outcomes while also having a positive effect on the companies in which we invest and our stakeholders.

As sustainable investing practices accelerate, a vast lexicon of terminology continues to develop around them. At KKR, we seek to bring clarity to a confusing landscape by sharing the definitions of our key terms.

To learn more, see the [Glossary](#).

SUSTAINABLE INVESTING AT KKR



SELECT MILESTONES OF ESG-RELATED INNOVATION AND PROGRESS

2008	2009	2010	2011	2014	2015	2016	2017	2018	2019	2020	2021
Created the Green Portfolio Program in collaboration with Environmental Defense Fund	Kohlberg Kravis Roberts & Co. L.P. became a signatory to the Principles for Responsible Investment (PRI)	Launched the Responsible Sourcing Initiative	Published our first annual ESG & Citizenship Report Launched employee ownership model in KKR's Industrials portfolio	Published a formal KKR Global Private Equity ESG Policy	Launched the Green Solutions Platform to support portfolio companies on environmental projects	Introduced the Eco-Innovation Award to recognize transformative projects at portfolio companies	Committed to leveraging SASB Standards to support diligence of private equity investments	Launched the KKR Global Impact strategy	Collaborated with BSR on a diversity and inclusion best practices guide for portfolio companies	Developed a Climate Action Education Series for portfolio companies	Formed a partner-led and cross-Firm ESG Committee and established a third-party Sustainability Expert Advisory Council

To learn more, visit our full timeline on [kkresg.com](#).

¹⁶ There can be no assurance that KKR's ESG policies and procedures as described herein will continue, and KKR's ESG policies and procedures could change, even materially. See additional disclaimers in the [Cautionary Statement](#).

GOVERNANCE OF OUR EFFORTS

Through senior-level oversight and global teamwork, we collaborate on an integrated approach and focus on the issues where we have the greatest ability to add value.

ESG-related Governance and Oversight

KKR’s **senior leadership** provides ultimate oversight of our ESG-related efforts. Our collaborative culture allows us to connect the dots when it comes to identifying and managing ESG issues, including climate risks and opportunities, in our investment process.

Accountability for this work extends throughout the organization, with global and regional team members collaborating to achieve strong outcomes. Since 2021, our senior executives regularly report on our ESG-related activities to the Audit Committee of the **Board of Directors** of KKR & Co. Inc., which provides us with valuable governance oversight.

Where applicable, **Investment Committees** oversee ESG issues that are material to an investment when making a decision to invest. Our **Portfolio Management Committees** and investment professionals have monitoring and management roles with respect to material ESG issues that have been identified in the investment process. At the Firm level, KKR also has an active **Risk and Operations Committee**, which comprises the most senior leaders of each of KKR’s businesses. The Risk and Operations Committee meets monthly and focuses on critical operational issues, including operational oversight, legal and regulatory updates, geopolitical issues and global trends,



For illustrative purposes only.

business operations, strategic initiatives, and other significant topics relating to business operations. Our **Global Head of Public Affairs**, who is a member of our Risk and Operations Committee, has ultimate responsibility for our global responsible investment strategy.

In 2021, we established an **ESG Committee**, which comprises senior partners from across the Firm, to act as a single forum to help advance a globally harmonized and proactive ESG agenda. Additionally, KKR’s **Sustainability Expert Advisory Council** (SEAC), which is made up of independent, third-party experts, shares external insights and perspectives on ESG-related matters for KKR to consider in developing our strategy and practices.

**ESG-related Subject-matter Expertise:
KKR’s Sustainable Investing Ecosystem**

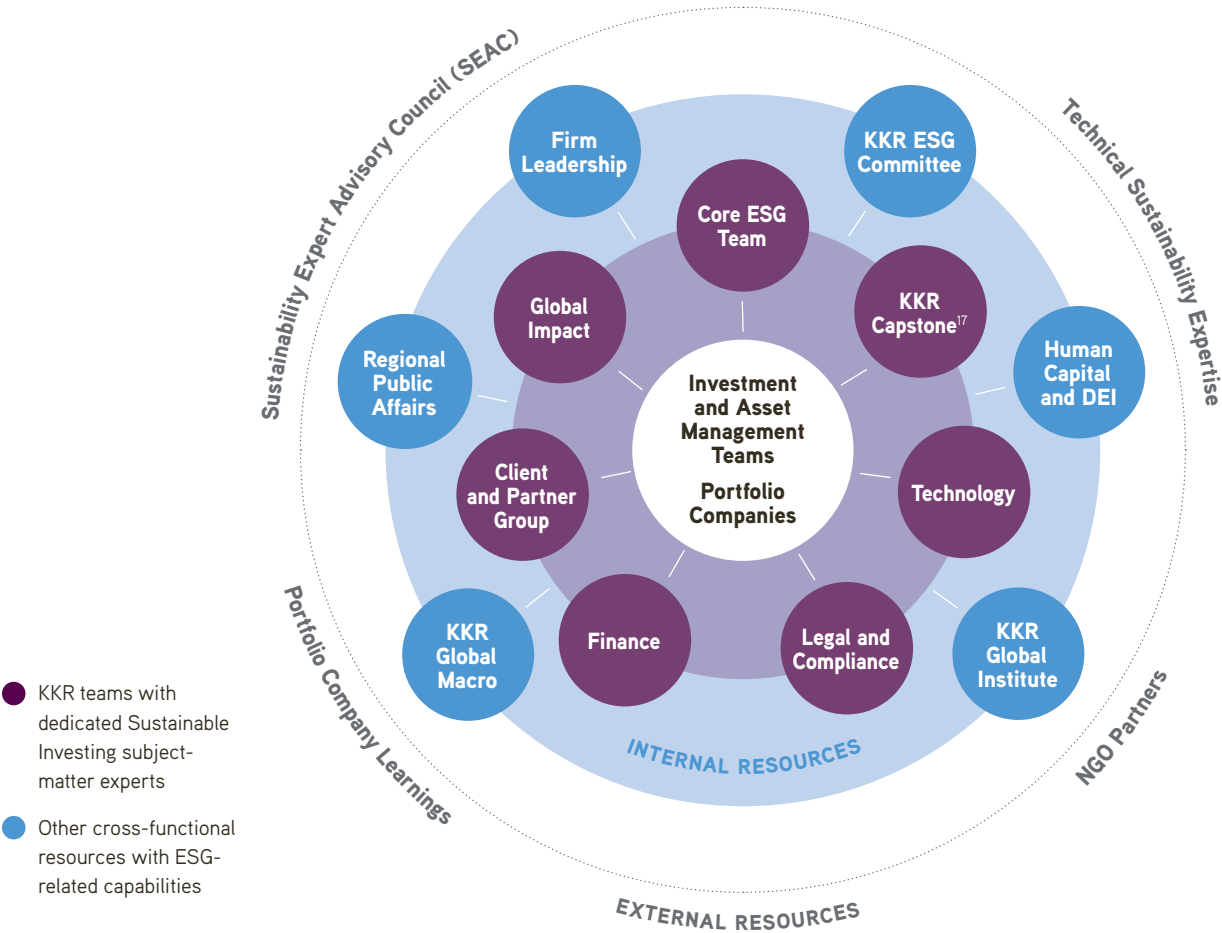
The responsibility for identifying, assessing, and managing ESG-related risks and opportunities lies with the investment teams, who work in partnership with subject-matter experts within KKR.

With deep connections across multiple teams within KKR, our dedicated Sustainable Investing subject-matter experts represent the core of our ESG domain expertise and are integrated across teams to act as a resource to KKR, our investment professionals, and our portfolio companies.

In 2021, we tripled our dedicated Sustainable Investing subject-matter experts; our diverse team includes experts across specialties – including ESG integration across asset classes, ESG compliance, impact, and reporting – and geographies, with representation across North America, APAC, and EMEA.

But our expertise on ESG topics extends beyond these resources. We believe our one-Firm culture allows us to connect the dots when it comes to thoughtfully identifying and managing ESG issues in our investment process. With resources and experts across sectors and investment platforms, as well as nongovernmental organization

SUBJECT-MATTER EXPERTISE TO SUPPORT THE INVESTMENT PROCESS



¹⁷ Refer to the [Cautionary Statement](#) for a description of KKR Capstone.



partners and technical experts, we believe we have access to a valuable network. For example, KKR Global Institute (KGI) plays a pivotal role in integrating geopolitical issues and global trends, including ESG issues, into our investment process, using policy, market, and macroeconomic analyses.

■ STAKEHOLDER ENGAGEMENT

We recognize that it is through stakeholder engagement and collaboration that we can continue learning and hold ourselves accountable.

We seek to regularly interact with multiple stakeholder groups, including limited partners (LPs), stockholders, portfolio companies, and Firm employees. We also engage with communities, industry groups, and regulators. These stakeholders are increasingly interested in learning

“North American private equity firms have been working on climate-related issues for many years, but the iCI provides a platform for improved sharing of knowledge and best practice between firms, including between European and North American firms, thereby accelerating the rate of climate action globally. We are excited to be a part of this expansion.”

Elizabeth Seeger | Managing Director, Sustainable Investing (Washington, D.C.)



more about our ESG-related efforts, understanding our approach, and seeing our leadership on key issues such as human capital, climate, and data responsibility.

[🔗](#) To learn more, see the [Stakeholder Engagement](#) section.

Advancing Industry Collaboration

In a field that is constantly evolving, we believe that collaboration helps us learn and apply best practices. It allows us to tap into the knowledge of experts who can help us and our portfolio companies understand and address ESG issues and emerging trends. Since 2008, KKR has sought to align with certain leading global frameworks and standards as well as supported and participated in industry groups and cross-sector initiatives. In 2021, we joined the G7 Impact Taskforce and the Sustainable Markets Initiative’s Private Equity Task Force and declared our public support for the TCFD recommendations by officially becoming a TCFD supporter.

[🔗](#) To learn more, see the [Partnerships and Collaborations](#) section.

Additionally, we joined the Initiative Climat International (iCI), a PRI-endorsed global community of investors who seek to better understand and manage the risks associated with climate change. We participate in the North American chapter of iCI, which was launched in 2022 and is chaired by our Managing Director of Sustainable Investing. We look forward to sharing knowledge, experience, and best practices with fellow members as we jointly develop resources that we believe will help standardize practices on climate risk-mapping, disclosure, and target-setting in private equity.

Global Ambitions

Building on over a decade of work with portfolio companies, we seek to scale our ambitions for ESG performance.

■ SCALING OUR AMBITIONS

Since formalizing our approach to ESG management in 2008, we have focused on supporting our companies' efforts on their business-relevant topics. We have also recognized that companies across sectors generally have responsibilities when it comes to managing a core

set of issues, including climate, human capital, and data responsibility. In each area, we have aimed to pioneer value creation strategies to share best practices around energy efficiency and reduced resource use; workforce engagement; diversity, equity, and inclusion (DEI); and responsible data governance.

[🔗](#) Learn more about our expertise and value creation in [Driving Value Creation](#).

Last year, building on this decade of learnings, we developed a set of Global Ambitions with the goal of inspiring strong performance across four focus areas, including management and governance, which are sector-agnostic and broadly applicable to our investments going forward. These ambitions reflect areas where we believe we can help mitigate ESG-related risks and capture value creation opportunities, particularly in our private markets funds.

TAKING A DATA-DRIVEN APPROACH TO ADVANCE OUR GLOBAL AMBITIONS

We believe that ongoing tracking and monitoring of ESG metrics and indicators, accompanied by comprehensive analytics, are powerful tools to advance KKR's Global Ambitions and ESG performance in general across our portfolio. Tracking and monitoring ESG data not only enables our analysis of performance across a number of topics but also facilitates dialogue that advances ESG-related competence at our portfolio companies. Finally, it enables reporting to our wide variety of different stakeholders.

In 2021, we started reengineering our annual ESG data collection process, which supplements the information gathered through our existing and ongoing engagements with portfolio companies, where relevant. As an executive-level priority, we continue to invest considerable resources to this effort, including the recent hires of dedicated resources to manage data collection, analysis, and technology, and we are

enhancing the technology platform that supports this process.

[🔗](#) See the [Appendix](#) for more information and an overview of ESG metrics.

KKR'S 2021 ESG SURVEY PROCESS¹⁸

155

companies surveyed,

with a ~94%

response rate

5

survey versions based on

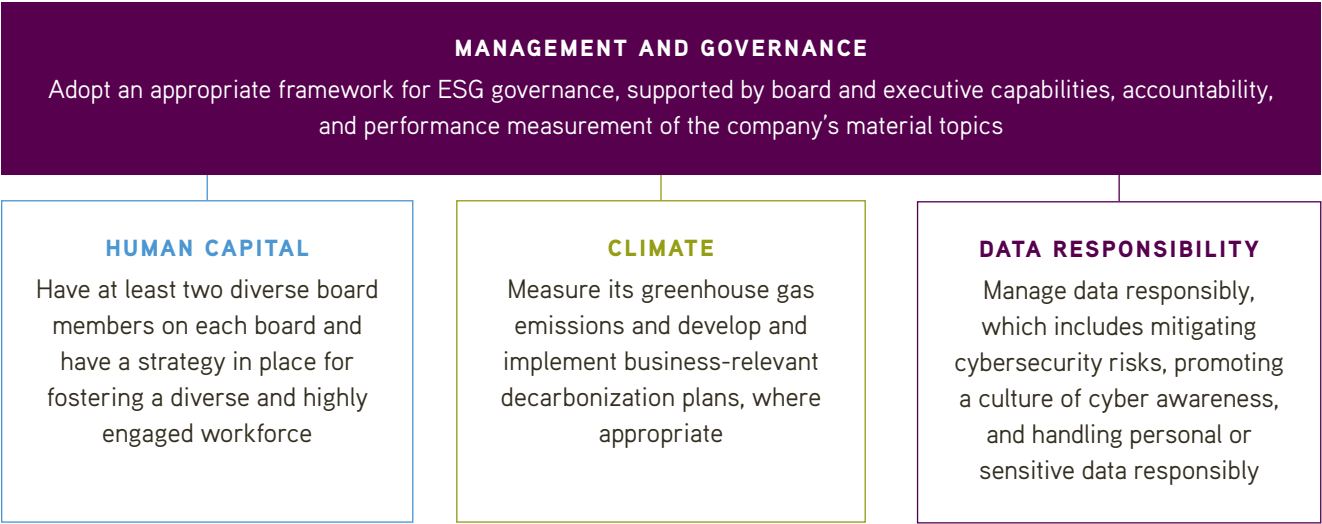
strategy-specific priorities

70+

questions on average per survey across

~25 topics

OUR AMBITION IS THAT, WITH KKR'S SUPPORT, MAJORITY-OWNED COMPANIES IN OUR PORTFOLIO WILL ALIGN WITH THESE OVERARCHING AMBITIONS GOING FORWARD:



Each area of the Global Ambitions includes a set of goals for investments going forward that differ by asset class but are meant to support our companies in achieving the ambitions outlined above. For example, our climate ambitions for the majority-owned companies in certain of our funds include:

- Integrating climate-related risks and opportunities into investment decision-making and portfolio management practices. This includes considering climate change risks and opportunities during diligence and engaging on these issues with the companies in which KKR invests or to which KKR provides financing
- Reporting on climate-related activities to fund investors annually, including seeking to provide information on

Scope 1 and 2 emissions and certain Scope 3 emissions data, and describing the steps taken by portfolio companies in developing and implementing decarbonization plans, where relevant and available

- Where we are a minority investor, implementing a stewardship and engagement strategy consistent with the greenhouse gas (GHG) measurement and decarbonization ambitions described above

We are working to develop asset class-specific objectives and action plans and have begun deploying tools and guidance for deal teams and portfolio companies to start acting on these priority issues where they have not already.

"KKR's Global Ambitions build on over a decade of lessons learned from our work with portfolio companies and reflect our approach to managing ESG risks and opportunities for long-term value creation."

Ken Mehlman | Global Head of Public Affairs and Co-Head of KKR Global Impact (New York)



¹⁸ Does not include Global Impact portfolio companies, which follow a separate ESG data collection process inclusive of impact metrics

ESG Integration Across Asset Classes

We believe ESG issues are business issues and that integrating ESG factors into the investment life cycle helps us make better investments.

OUR NORTH STAR

We take a materiality-driven approach and recognize that no two companies¹⁹ are the same. Thus, we take a company-specific approach to facilitating our understanding of the relevant risks and opportunities for long-term value creation.

We seek to align our understanding of relevant topics with the Sustainability Accounting Standards Board (SASB) Standards and incorporate these industry-specific standards as a primary input when identifying ESG issues that might be relevant to an investment.

Our approach is constantly evolving. While we are proud of the progress we have made, we believe that our work is far from over and seek to create value as our journey continues.

“ESG integration requires collaboration from all sides of the business, especially given the complex, global nature of the issues affecting our investments. Our collaborative culture helps us connect the dots and do this in an authentic, purposeful way.”

Alison Fenton-Willock | Director, Sustainable Investing (New York)



Setting Priorities and Leveraging Frameworks

Our [Responsible Investment Policy](#) defines “material” ESG issues as those issues that KKR in its sole discretion determines have – or have the potential to have – a substantial effect on an organization’s ability to create, preserve, or erode economic value as well as environmental and social value for itself and its stakeholders.

In addition to SASB, we also draw on the TCFD recommendations as a third-party framework to incorporate the consideration of climate-related risks and opportunities into the investment process. Some differences in application exist among the asset classes due to the nature of the investment and the level of influence we have over companies’ decisions, as outlined below.

OUR RESPONSIBLE INVESTMENT POLICY

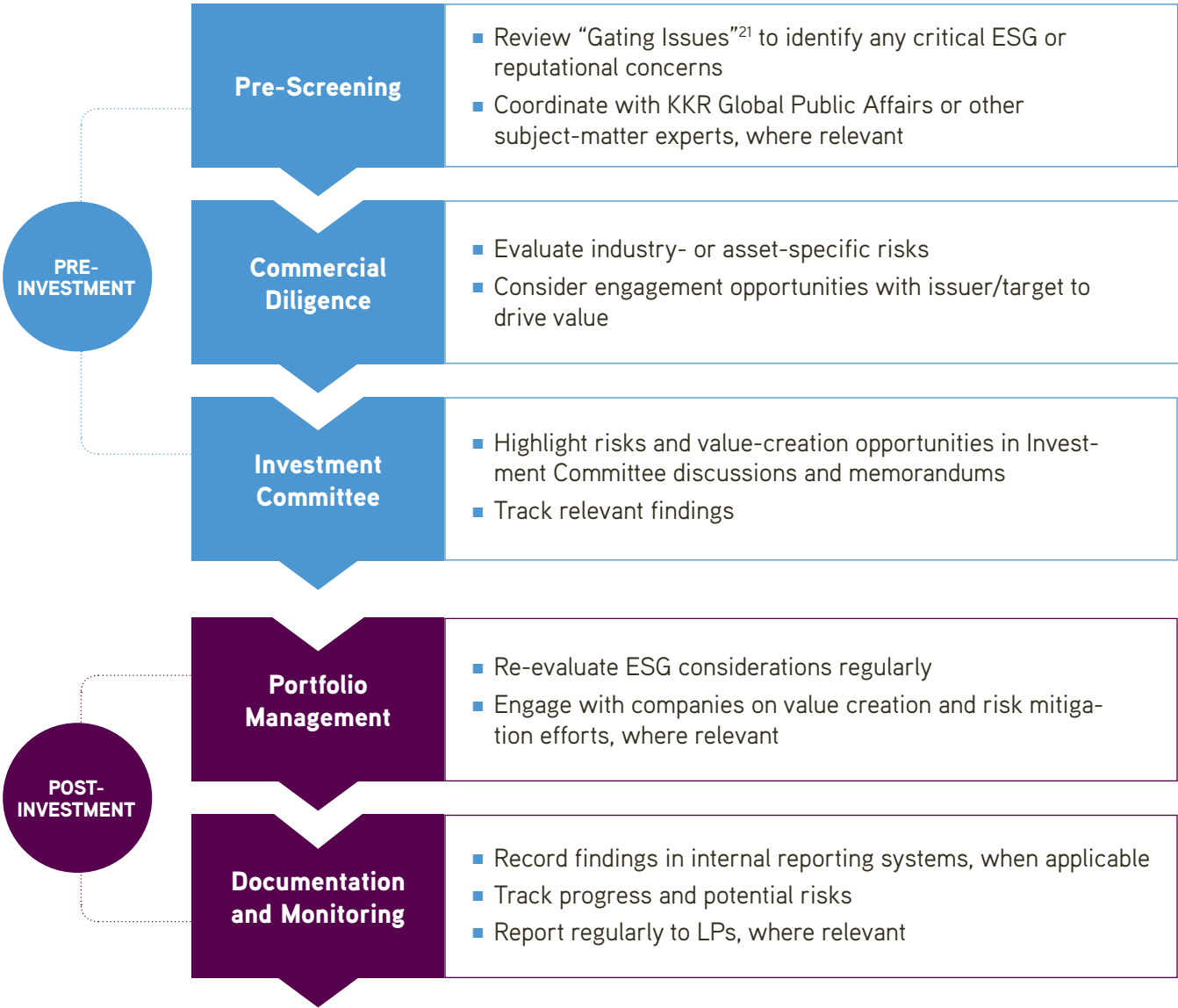
Our Responsible Investment Policy articulates our approach to integrating the consideration of ESG risks and potential value-creation opportunities into investment processes globally and across various asset classes.

In line with this policy, we have also developed business-specific ESG management strategies and guidance to reflect asset-specific nuances and considerations, such as KKR’s varying levels of influence and control of target companies, operators, issuers, and sponsors. Members of our core ESG team with asset-specific

expertise are assigned to each strategy and act as a resource. Ultimately, investment team members are responsible for devising and implementing our ESG integration and management programs.

[Learn more about our ESG integration process, including the scope and limitations of our Responsible Investment Policy, at \[kkresg.com/esg-policy\]\(https://kkresg.com/esg-policy\).](#)

OUR INVESTMENT PROCESS²⁰



¹⁹ In this section, the term “company” or “companies” also refers to assets, operators, issuers, and, where relevant, sponsors. The actual investment process used for any or all KKR’s investments may differ materially from the process described herein. Actual results may differ materially from any forward-looking statements.

²⁰ The businesses in scope for our Responsible Investment Policy include Credit (Public, Private, and Special Situations), Energy Real Assets, Infrastructure, Core, Private Equity, and Real Estate (Equity and Credit). Refer to the [Cautionary Statement](#) for important disclosures regarding KKR’s ESG-related initiatives, policies, and procedures.

²¹ The “Gating Issues” list is periodically updated to include activities, operations, or industries that raise critical ESG or reputational risks. If a potential investment is directly or indirectly involved in such activities, our investment teams will work with the Global Public Affairs team to evaluate the best path forward, which may include declining to invest based on the implications for business value over time.

CREDIT

■ STRATEGY OVERVIEW

Formed in 2004, [KKR Credit](#) has a number of active investment strategies across Alternative and Leveraged Credit that represent a range of risk/return and liquidity profiles. Across the KKR Credit platform, our investing philosophy has always been deeply rooted in fundamental credit underwriting, downside protection, portfolio construction, and asset allocation from both a top-down and bottom-up vantage point.

\$187bn AUM

- **\$80** bn Alternative Credit (Private Credit and SIG)
- **\$107** bn Leveraged Credit

~160 investment professionals

As of December 31, 2021

■ ESG INTEGRATION APPROACH

Our strategy in Credit incorporates ESG risk and opportunity analysis completed by deal teams and through engagement with sponsors and borrowers. Credit markets may pose particular challenges when it comes to the integration of ESG considerations in the investment process, as we believe the level of ESG disclosure across private credit, bank loan, and high-yield markets is limited. To address these limitations, we have developed what we believe is a robust, repeatable, and measurable process, which we are calling ESG Credit 2.0. This includes a variety

of tools to enable a systematic application of ESG diligence across our global Credit platform.

Starting in late 2020, our Credit team began developing a proprietary ESG Scorecard embedded in CreditQB – KKR’s proprietary diligence, analytical, and monitoring tool – to capture company information in a consistent format across our Leveraged and Private Credit portfolios. The process takes a materiality-based approach, informed in part by SASB. Analysts are expected to complete the scorecard for applicable investments during commercial diligence, which is then reviewed during the Investment Committee’s evaluation. To support this work, the team may utilize an ESG questionnaire, which is integrated as part of our analysis to assess an issuer’s ESG performance with available information.

Overall, our ESG underwriting process is twofold: We believe it reduces the downside risk to our investment decisions and highlights companies whose ESG-related efforts have not yet been rewarded by the market. Through this data set, which we believe will continue to grow over time, we have access to a more nuanced framework to evaluate companies. As part of our ESG performance monitoring process, company scorecards are reviewed at least annually across our Credit platform.²²

Working groups for our Leveraged Credit and Private Credit businesses collaborate in an effort to ensure a compelling and globally aligned approach to ESG management in our credit businesses and strengthen diligence and monitoring practices. In 2021, we also launched a series of sector-specific trainings led by ESG advisory consultancy ERM²³ for our Credit teams to

“Our scorecard is a key tool for understanding the ESG performance of our Credit portfolio and for engaging with borrowers. We reach out to them on a regular basis to better understand where they are today on their ESG-related efforts and encourage them to improve their performance on various ESG metrics.”

Antigone Xenopoulos | Analyst, Credit and Markets (New York)



better understand ESG risks and opportunities on an industry and company basis. Our aim is for analysts to be trained on the ESG Scorecard on an annual basis.

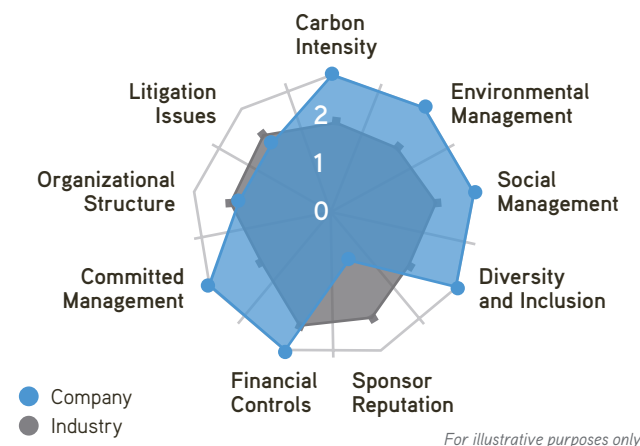
ESG SCORECARD

1,100+ credits scored²⁴

160 Credit investment professionals trained globally in 2021

12 ESG training sessions completed in 2021 across **24** sectors

ESG CRITERIA EVALUATION



Our ESG Scorecard is composed of the following elements:

- Positive tilting to hone in on investments that perform well relative to their peers across our ESG criteria
- Broad range of ESG topics to support robust evaluations
- Forward outlook to understand how a business may be mitigating existing and potential risks
- Availability of disclosed information by issuers and sectors as a metric for transparency in the credit market

- Consideration of business models driving sustainability, leveraging the UN Sustainable Development Goals (SDGs) and KKR’s Global Impact strategy as guidance

A PROACTIVE APPROACH THROUGH ENGAGEMENT AND DIALOGUE

As part of our ESG Credit 2.0 framework, we aim to take a proactive approach to ESG engagement and see this as a key differentiator. We interact with applicable prospective investments through direct dialogue with upper management to request additional ESG disclosures and/or performance-based information, which is tracked on CreditQB. Recently, as part of the pre-investment diligence for a global aviation company, we identified some concerns related to the company’s use of carbon offsets. This led to direct dialogue with company management around what a credible, industry-relevant climate and emissions reduction strategy is, and ultimately helped inform our assessment and scoring of the company to more accurately reflect its ESG-related performance.

[Learn more in this Expert Q&A](#) with KKR’s co-heads of Private Credit.

SCALING UP: OUR 2022 PRIORITIES

- Continue expanding and improving upon our ESG performance evaluation efforts
- Increase engagement and encourage more discussion around ESG performance with sponsors and borrowers
- Implement a framework to support structuring of ESG-linked incentives into the financial documentation and agreements
- Continue incorporating considerations on whether prospective investments advance the SDGs

²² This process does not apply to closed funds.

²³ ERM is a KKR portfolio company, as of May 2021.

²⁴ As of May 2022

INFRASTRUCTURE

■ STRATEGY OVERVIEW

Established in 2008, [KKR Infrastructure](#) has since been one of the most active infrastructure platforms around the world. Our platform acquires businesses critical to the functioning of the economy, seeking to protect capital while growing and improving the businesses to deliver attractive returns.

\$40 bn AUM

~70 investment professionals

As of December 31, 2021

■ ESG INTEGRATION APPROACH

In our Infrastructure business, our ESG management strategy strives to achieve a disciplined and globally consistent approach to integrating the consideration of ESG topics in our management of existing portfolio companies as well as with every potential company in which we may invest. Given the nature of our investments, the thoughtful management of issues, such as climate change, environmental stewardship, health and safety management, and community engagement, is particularly important.

As part of the diligence process, our evaluation of ESG risks and opportunities, coupled with on-site visits and the support of external advisors, where necessary, enables us to target areas of engagement and determine



priority initiatives. This can include conducting climate risk assessments and working closely with diligence providers and technical experts to bring to bear the most current specialized knowledge.

During the post-investment phase, we aim to engage our portfolio companies in value-creation opportunities, working closely with management and operators on ESG topics as well as monitoring and reporting on performance. To

"Viridor aims to be the first UK waste company to become net negative in terms of emissions. Through the establishment of a dedicated committee and business unit to consider the operational, capital expenditure, and business development aspects of achieving this objective, Viridor has made excellent strides in establishing concrete plans to achieve net negative emissions."

Tara Davies | Global Head of Core Infrastructure and Co-Head of European Infrastructure (London)



VIRIDOR: INTEGRATING CLIMATE OPPORTUNITIES INTO OUR INVESTMENT DECISION-MAKING²⁵

During our pre-investment decision-making, we identified opportunities for Viridor to integrate climate and circular economy considerations into its commercial strategy to position itself as a market leader in the responsible handling of waste. To help shape this strategy, we are supporting the company in various ways.

- We have supported Viridor in establishing an ESG and Health and Safety Committee with committee appointees, including independent industry leaders in these fields, to improve best practices and to deliver the company's net-zero 2040 and net-negative 2045 carbon emissions ambition.
- We are supporting Viridor in implementing initiatives at the site level, including enhanced plastic waste sorting and recycling, to increase site efficiency and reduce carbon emissions.

- Viridor is bidding as part of HyNet to capture and store up to 1 million metric tons of carbon dioxide emissions annually to help achieve the UK Government climate objectives and to be a net-negative carbon emissions waste firm.

In 2021, Viridor launched its Vision for zero export of plastic waste, backed by an investment in a new Avonmouth recycling and reprocessing plant, creating 125 jobs and saving 126,000 metric tons of carbon dioxide annually and enabling Viridor to fully recycle in the UK over 90% of the plastics it had previously exported.

Viridor is a leading UK waste management company operating 11 energy-from-waste (EfW) facilities as well as recycling facilities. The company operates the largest share (22%) of the UK's EfW market.

support these efforts, KKR Infrastructure works with a dedicated KKR Capstone team that engages with portfolio companies to improve operational performance. This may include introducing ESG improvement plans focused on addressing ESG risks and opportunities and developing decarbonization strategies and climate targets as part of 100-day plans.

In 2021, we focused on fund- and asset-level reporting and improving the quality of the data we collect. As part of this effort, we expanded our GHG emissions reporting to include emissions footprinting across our Asia Pacific Infrastructure strategy and leveraged the findings to drive engagement and action with portfolio companies. We are now planning to conduct GHG footprints across the entire infrastructure portfolio in 2022.

Over the last 10 years, our Infrastructure business has been an active investor in renewables, which remains an area of focus moving forward. In 2021, we expanded our

team focused on sourcing and executing investments in the energy transition within North America.

[To learn more on our approach to investing in the energy transition, see the \[Climate\]\(#\) section.](#)

SCALING UP: OUR 2022 PRIORITIES

- Continue strengthening our ESG integration capabilities by enhancing existing guidance and conducting trainings for deal teams
- Set a road map for achieving the Global Ambitions, with a focus on climate action
- Continue to engage with portfolio companies on decarbonization plans and scale learnings and best practices across our portfolio
- Expand and enhance our ESG reporting efforts to limited partners

²⁵ Case studies presented herein are for illustrative purposes only. Refer to the [Cautionary Statement](#) for important disclosures regarding the case studies presented.

PRIVATE EQUITY

■ STRATEGY OVERVIEW

For more than 45 years, KKR has invested in private equity, completing transactions with over \$679 billion of total enterprise value. Our [Private Equity](#) platform seeks to invest in industry-leading franchises and companies poised for significant growth where KKR can engage with management to drive operational improvement and value creation.

\$174 bn AUM (Private Equity, Growth, Core, and Impact)

185+ investment professionals

As of December 31, 2021

■ ESG INTEGRATION APPROACH

KKR has extensive experience with innovation when it comes to integrating ESG considerations into our investment process within our private equity strategies. In 2013, we codified our ESG integration processes and procedures in a global Private Equity ESG Policy, which was then superseded by KKR's Responsible Investment Policy in 2020 to cover additional asset classes.

We seek to leverage the influential nature of our relationship with portfolio companies to drive value creation. During the past 13 years, we have collaborated with our companies across a range of topics, including worker safety, worker wellness, responsible sourcing, inclusion and diversity, and veterans hiring. One example is the Green Solutions Platform, which we launched in 2008 as

“The long-term horizon we have for our investment in The Arnott's Group allows us to be proactive around sustainability. As an industry leader, Arnott's takes that responsibility seriously and aims to be ahead of consumers' expectations around sustainable brands and products.”

Rupert Pedler | Principal, Private Equity (Sydney)



the Green Portfolio Program in collaboration with the Environmental Defense Fund to improve portfolio companies' environmental and business performance. Over time, we have continued to partner with established organizations to help inform our work and the efforts of our portfolio companies.

We believe our one-Firm culture enables our people to connect the dots by sharing learnings and scaling initiatives across regions, but our approach also takes into account region-specific priorities. Recent examples of regional innovations include:



THE ARNOTT'S GROUP: DEVELOPING A SUSTAINABILITY STRATEGY FOR ICONIC BRANDS²⁶

Since KKR's investment in 2019, The Arnott's Group has taken a dedicated approach to ESG management. Its products have held a special place in Australian homes for over 155 years, and the establishment of The Arnott's Group in 2020 has given the team license to further build on good foundations and reassess its approach to sustainability. With KKR, ESG specialists, and a new chief transformation officer, the company has developed a sustainability strategy and set goals across:

- **Circular packaging:** Reduce, reuse, or repurpose plastic packaging in Australia and New Zealand by 10% by 2025 and meet Australia's 2025 National Packaging targets
- **Net-zero emissions:** Achieve net-zero emissions from operations by 2040 and across its value chain by 2050

- **Sustainable ingredients:** Sustainably grow and source 100% of key ingredients, namely flour, sugar, oils, dairy, and cocoa products, by 2035
- **Thriving communities:** Increase choice, opportunity, and well-being by promoting inclusion, belonging, supporting communities, and providing diverse food options and guidance on nutrition

KKR was recognized by the Asian Venture Capital Journal with the 2021 Responsible Investment Award for our work with The Arnott's Group on sustainability.

The Arnott's Group is a portfolio of snack and meal brands comprising the market-leading Australian biscuit brand Arnott's and Campbell Soup brands in the Asia Pacific region.

- **Americas:** As part of our overall efforts to better support portfolio companies on issues related to employee engagement, our North American team hosted a virtual summit for chief human resource officers addressing fair and equitable hiring and promotion practices for a diverse and inclusive workplace, among other topics. Other resources include a DEI Handbook and a five-part webinar series.
- **APAC:** To increase support and connectivity among portfolio companies in the region, KKR's APAC Capstone and ESG teams established an ESG advisory working group. Additionally, our APAC team developed a toolkit to guide portfolio companies in their ESG reporting efforts and hosted a webinar in 2022, which was attended by approximately 90 representatives from over 30 portfolio companies.
- **EMEA:** Our EMEA ESG Task Force is responsible for elevating EMEA Private Equity's ESG profile and enhancing ESG performance across our portfolio. In 2021, this task force led the development of a

playbook, which comprises a set of templates, processes, and workflows, to promote consistency in considering ESG issues and to unlock value-creation opportunities and manage risks in the portfolio.

SCALING UP: OUR 2022 PRIORITIES

- Continue expanding employee ownership and broad-based engagement strategies across our private equity portfolio
[Learn more in the \[Employee Ownership at Work\]\(#\) section.](#)
- Develop topic-specific toolkits and resources to support portfolio companies at scale, especially relating to our Global Ambitions
- Reengineer our ESG data collection systems and technologies and invest additional resources responsible for managing these processes to drive insights
- Continue to work with portfolio companies on ESG reporting and measurement to inform ESG management efforts

²⁶ Case studies presented herein are for illustrative purposes only. Refer to the [Cautionary Statement](#) for important disclosures regarding the case studies presented.

REAL ESTATE

STRATEGY OVERVIEW

[KKR Real Estate](#) is a global provider of equity and debt capital across real estate investment strategies. Real estate has been a part of our Firm’s strategy since 1981 when we first began pursuing opportunities through our private equity strategy. In 2011, we formed a dedicated real estate platform.

\$41 bn AUM

~135 investment professionals

As of December 31, 2021

ESG INTEGRATION APPROACH

As a real estate investor, we believe that considering and effectively managing relevant ESG topics mitigates risks and creates and preserves value to owners, customers, operating partners, and property managers. For example, for certain asset types and regions, “green premiums” have become common, whereby many tenants are willing to pay more to occupy buildings that are environmentally enhanced. Additionally, “brown discounts” are emerging for carbon-intensive assets, which, without significant capex for retrofits, are at risk of becoming obsolete.

We see the thoughtful management of ESG issues as a competitive advantage, not only to reduce costs and increase value but also to future-proof our assets and

“As our real estate platform grows, so do our ESG ambitions and responsibilities. The industry's role in driving necessary positive change through sustainable operations is becoming more apparent. We look forward to collaborating with our operating partners and property managers to continuously improve our built environment.”

Paul Wasserman | Managing Director and Head of Real Estate Portfolio Management (Houston)



make them more desirable to long-term owners. Our ESG integration framework for real estate relies on two key pillars:

■ **ESG management and governance**, including the integration of ESG considerations during due diligence, operations, and ongoing risk assessments of portfolios; engaging with property managers and service providers on ESG-related matters, where relevant; and monitoring and tracking ESG performance at the asset and fund level

■ **Asset performance**, working to ensure funds and assets have frameworks to manage key ESG issues such as climate risk, energy consumption, greenhouse gas emissions, water consumption, waste production, biodiversity, tenant and community engagement, health and wellness, and supply chain considerations as well as relevant certifications and green leases

As the bar for leadership and expectations for positive outcomes continue to rise, we strive for continuous improvement. In 2021, we focused on defining and strengthening our framework across our global Real Estate platform, including the development of a Global ESG Acquisition Checklist and the establishment of a strong bench of ESG advisors and implementation partners to help our teams assess material ESG considerations throughout the investment process.

In line with our commitment to constant learning and improvement, last year we began formulating an in-depth training program for 2022. Through a series of teach-ins covering a broad range of ESG topics, including climate

and decarbonization, green leasing processes, and sustainable engineering principles, we aim to equip our team with the expertise and skills to effectively incorporate ESG risks and opportunities into the investment process.

Finally, in 2021, we rolled out a cloud-based platform to measure baseline performance across a set of ESG-related metrics for select funds. We believe taking a data-driven approach to ESG management enables us to better benchmark assets, set ambitious targets, and identify opportunities for value creation.

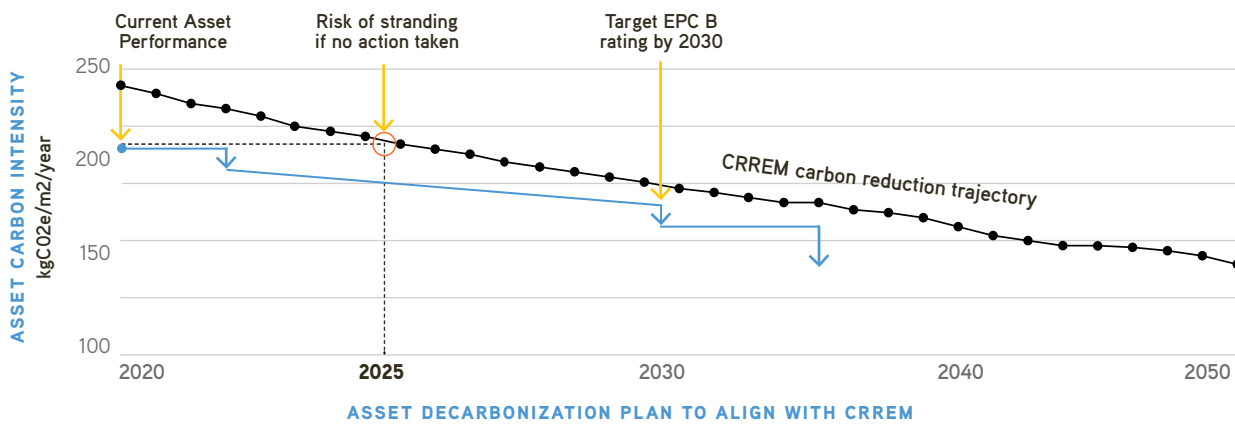
SCALING UP: OUR 2022 PRIORITIES

- Continue executing our ESG training program and extend trainings to operating partners and managers, where relevant
- Drive climate action by conducting a portfolio-level climate risk assessment and identifying opportunities to purchase energy from sustainable sources
- Leverage data to drive sustainability improvements through the rollout of a cloud-based platform at scale and development and implementation of asset-level ESG action plans
- Increase our transparency on efforts by participating in GRESB Real Estate Assessments for our KKR Property Partners Americas fund and introducing fund-level ESG reporting for select funds
- Roll out an enhanced approach for ESG integration for Real Estate Credit

INCORPORATING CLIMATE TRANSITION RISK ASSESSMENT IN INVESTMENT DECISION-MAKING

As part of our pre-acquisition diligence process, we regularly conduct climate risk assessments in alignment with industry best practice. In Europe, we often leverage the Carbon Risk Real Estate Monitor (CRREM), a real estate industry recognized benchmark for establishing decarbonization pathways and energy intensity targets, to identify short- and long-term ESG capex

initiatives to align to regional carbon targets by sector. In 2021, our European Real Estate team conducted a CRREM analysis on a potential logistics asset investment. This process allowed us, at an early stage, to identify a number of ESG issues related to the assets. We factored this into our investment decision-making process.



For illustrative purposes of typical asset-level assessment following CRREM analysis

SPOTLIGHT:

Global Atlantic²⁷

The consideration of ESG factors is integral to the insurer’s holistic investment approach.

■ **INTRODUCTION**

On February 1, 2021, KKR & Co. Inc. completed our acquisition of The Global Atlantic Financial Group LLC (“Global Atlantic”), a leader in the retirement and life insurance industry, serving the needs of individuals and institutions. With differentiated investment and risk management capabilities, deep client relationships, and a strong financial foundation, Global Atlantic has established a record of delivering value-added solutions that it believes result in long-term growth.

In line with its Responsible Investment Statement, Global Atlantic is committed to identifying, evaluating, and managing risks to the asset value and credit quality of its long-term investments. Its goal is to create value for its investors, communities, and employees and to honor policyholder obligations across economic cycles.

🔗 Read the [2021 Global Atlantic ESG Report](#); view the 2021 SASB-aligned disclosures in the [Appendix](#) of this report.

SCALING UP: 2021 HIGHLIGHTS

Formalized firmwide ESG framework and established cross-Firm working group

Developed Responsible Investment Statement and inaugural public ESG disclosure

100% of employees awarded equity at KKR acquisition of Global Atlantic



“For Global Atlantic, prioritizing key ESG considerations has been a focus since inception. I am proud of our progress over the past year and confident that our shared values will drive even greater progress with KKR in the future.”

Allan Levine | Chairman and CEO, Global Atlantic Financial Group



■ **IN DIALOGUE: FORMALIZING A FIRMWIDE ESG FRAMEWORK**



Logan Marshall
VP, Corporate Development, Global Atlantic (New York)

Q: KKR’s acquisition of Global Atlantic has opened the doors to opportunities for us to collaborate on meaningful ESG initiatives. How has this partnership benefited your efforts?

A: From the first KKR Firm Meeting we joined in February 2021, discussion of ESG management has been a focus. Since then, we have felt the weight of KKR’s commitments in countless ways. At Global Atlantic, while we had prioritized key ESG considerations since inception, we were motivated to assemble our efforts into a formal, firmwide framework in 2021 – in partnership with KKR. Every step of the way, the KKR team shepherded us through the development of our framework. It has been a great privilege to learn from Ken Mehlman, Elizabeth Seeger, and the broader KKR team. One year in, it is easy to understand why ESG initiatives are spoken about with enthusiasm and integrity across KKR.

Q: Can you tell us a bit more about Global Atlantic’s Responsible Investment Statement? What does it cover and how is it applied?

A: Our Responsible Investment Statement covers our entire investment portfolio, which is primarily composed of U.S.-focused, investment grade, fixed income-like assets. This is relevant for two reasons.

- Our investment portfolio is thoughtfully constructed to achieve our fundamental goal: to meet our policyholder obligations across economic cycles. When it comes to responsibility, this is an enormous one.
- Recognizing that Global Atlantic is primarily a fixed-income investor, we wanted to articulate the relevance of KKR’s well-established ESG practices for investment decisions that Global Atlantic makes for our balance sheet and on behalf of our stakeholders.

With respect to application, investments originated by KKR (that are relevant to Global Atlantic) are analyzed and documented through KKR’s Investment Committee processes (including relevant ESG diligence) prior to being considered by Global Atlantic’s Investment Committee for approval.

Q: Global Atlantic recently published its inaugural ESG Report. Looking back to 2021, what are you most proud of, and what are you looking forward to this year and beyond?

A: 2021 was an exciting year. Developing our inaugural ESG Report in 2021, and then publishing it in 2022, was a meaningful milestone. It has also opened the door to us pursuing potential commercial opportunities such as issuing ESG-linked policies and funding agreements.

This year, we want to continue that momentum. As an example, we are adding ESG-related training to our professional development curriculum and exploring a sustainable financing framework. Over the long term, we are evaluating ways to advance our ESG initiatives across asset and capital allocation decisions, the way we evaluate and manage risk, and the way we operate the business.

²⁷ Following KKR’s strategic acquisition of Global Atlantic in 2021, Global Atlantic continues to operate as a separate business with its existing brands and management team. KKR’s insurance subsidiaries offer retirement, life, and reinsurance products under the management of Global Atlantic.

Driving Value Creation

We strive to collaborate with companies, bringing operational expertise to enable our shared success.

■ OUR APPROACH

When we are invested in a company, we leverage our investment model and our focus on operational and strategic improvements to drive value creation on ESG issues across our investments, where relevant. This includes ad hoc engagement as well as tools and resources and access to a network of experts.

While we take a materiality-driven approach to identify business-relevant issues and engage with portfolio companies on a diverse range of issues, in line with our Global Ambitions, we believe there are three topics that are critical for all our portfolio companies, regardless of sector or geography:

- Human capital
- Climate
- Data responsibility

In addition to these topics, each portfolio company may also address ESG topics that are relevant to it based on its industry, where it operates, and its stakeholders, often collaborating with KKR.

[Learn more in the Global Ambitions section.](#)

■ IN DIALOGUE: CREATING SUSTAINABLE VALUE ACROSS REGIONS

KKR Capstone is an integral part of the overall Firm’s approach to value creation. With a global team of more than 90 full-time operating professionals dedicated to supporting our deal teams and portfolio companies, KKR

Capstone’s core mission is to create value for all of our stakeholders by identifying and delivering sustainable operational performance within KKR portfolio companies.

Q: Thinking about your work with portfolio companies, can you provide an example of a recent ESG-related project or initiative you are proud of?



Anne Arlinghaus

Managing Director, Co-Head of KKR Capstone Americas (New York)

A: KKR’s broad-based ownership programs have expanded across our Americas Private Equity portfolio and beyond. What began as an innovation in our Industrials portfolio several years ago is now the standard across all our deals in Americas Private Equity, implemented at every control position we closed in 2021. These programs address inequality, with billions of dollars paid out or awarded to over 45,000 non-executive employees by our portfolio companies. It’s a real win-win. When everyone shares in the outcome, we see employee engagement improving, which drives business results as well.



Corinne Sawers

Principal, KKR Capstone (London)

A: I’m proud of our portfolio’s commitment to climate action and the deep collaboration between KKR and our portfolio companies on the topic. Our companies are at various stages of the climate journey, but many are working toward full emissions baselining, developing and implementing Paris agreement-aligned decarbonization plans, and understanding and managing climate risk. We can have a meaningful role in supporting these efforts.



Juan de Ochoa

Partner, Co-Head of KKR Capstone EMEA (London)

A: Many of the companies in our European portfolio are doing an incredible job in driving our ESG agenda. They are investing in clean and renewable energy. They are driving diversity and inclusion across their management teams and broader organizations. And, they are implementing initiatives to support the communities in which they operate. Our recent investment in ERM is a great example of how we will support our existing portfolio and future investments to be at the forefront in their respective industries.



Michael Robson

Managing Director, Co-Head of KKR Capstone Asia Pacific (Sydney)

A: As an Australian, I’m delighted to see The Arnott’s Group enhancing its ESG efforts under KKR’s ownership. The leadership team is tackling important initiatives, including improvements in diversity and inclusion practices and efforts to implement less resource-intensive processes to achieve net-zero operational emissions by 2040.

Q: What gets you up and excited about your work, day in and day out?

A: Arlinghaus: I enjoy engaging with the management teams at our companies – many of which are founder-led – to help them grow their businesses. I’m inspired by their enthusiasm, and I learn so much every day from working with such talented people. And I see an entrepreneurial spirit is applied to more than driving profits. We are genuinely addressing some of the planet’s toughest problems. We definitely don’t have all the answers, but it’s

fun to be among smart, innovative people looking to be part of the solutions.

A: de Ochoa: I am really excited about the impact we can have across the industries in which our portfolio companies operate. Globally, our companies employ thousands of people, we partner with suppliers and clients that operate in multiple jurisdictions, and we sell to consumers around the world. We believe our “ESG-reach” through our companies can make a significant contribution to achieving the ESG-related targets our societies are demanding.

Q: What are you most looking forward to with regard to your work with portfolio companies?

A: Robson: Earlier this year, KKR acquired one of New Zealand’s largest bus companies, Ritchies. Acceleration of Ritchies’ decarbonization efforts was a core element of KKR’s investment thesis, and we’re working with the management team to develop a strategy that will play a meaningful role in New Zealand’s journey toward a greener society. In addition to the local impact, we also see opportunity to transfer our learnings across KKR’s global portfolio.

Q: How do you think about ESG performance as opportunity for value creation?

A: Sawers: In many cases, improving performance on ESG topics drives overall operational improvements – it just makes for better businesses. Diversity can challenge complacency. Robust governance is an essential feature of a sustainable business. Companies investing in climate action are managing risk and delivering financial resilience. Importantly, capital markets are starting to pay a premium for companies with robust ESG performance, which demonstrates alignment between the ESG agenda and creating value for shareholders.

HUMAN CAPITAL

Human capital issues have come to the fore recently as employers sought to keep employees safe amid an ongoing health crisis, address social justice issues, and recalibrate the employee value proposition. Amid these challenges, advancing a rewarding, inclusive culture is critical to a well-functioning, sustainable organization.

■ OUR APPROACH

We believe that a strategic approach to human capital issues, including employee engagement and Diversity, Equity, and Inclusion (DEI), is critical for companies today. In 2021, we increased our connectivity with our portfolio companies, equipping their leaders to better meet the needs of the moment.

To make connections and increase dialogue with and within our portfolios, we hosted a series of ongoing conversations, a five-part webinar series, and a virtual summit for chief human resource officers. In November

SCALING UP: 2021 HIGHLIGHTS

Created tools and resources for our portfolio companies, including an updated Diversity, Equity, and Inclusion (DEI) Handbook

52% increase in diverse board seats across KKR’s majority-controlled portfolio companies and investment vehicles²⁸

Launched Version 2.0 of the KKR Capstone Benefits Program for U.S.-based portfolio companies

2021, nearly 50 leaders representing more than 35 companies participated in this virtual conference. Speakers shared best practices for retaining key employees in a tough market and described fair and equitable hiring and promotion practices to attain a more representative workforce. We also launched the first in a five-part

WELLA: CELEBRATING BEAUTY IN ALL ITS FORMS²⁹

Wella Company serves its expansive customer base with diverse teams and brands that inspire and delight the legions of beauty enthusiasts it serves globally. Since KKR’s majority investment in late 2020, Wella Company has developed its ESG framework centered on People, Planet, and Products, embedding purpose at the core of the business.

Led by a minority-woman CEO, DEI is central to Wella Company, which has released its DEI ESG targets to make gender pay parity a 100% goal by 2025, and to raise representation of women in its executive ranks and on its Board of Directors. Reflecting this commitment to DEI, 57% of the company’s employees are women, 45% are at the director level and above, and

of the 1,100 new hires in 2021, 70% are women. To cultivate community for all employees, the company launched a cross-regional DEI Network and six global affinity groups.

The company’s focus on ESG is further reflected in its innovation pipeline and product development. In 2022, for example, Wella Professional color tubes, made with recycled aluminum, received a Global Packaging World-star Award.

Wella Company is a leading global beauty company focused on professional and retail hair, nails, and beauty tech with a family of iconic brands including Wella Professionals, Clairol, OPI, Nioxin, Sebastian Professional, and ghd.

“At Cengage Group, we believe in the power and joy of learning. Through KKR, we have partnered with SEO to advance diversity in our workplace. SEO’s access to a diverse network of high-caliber interns helps us bring new and different perspectives to the table as we develop innovative solutions for the millions of learners that we support. And that was just year one.

We recently reengaged SEO for a second class who we hope to matriculate to full-time roles in strategy, operations, product, and our businesses.”

Meghan Godfrin | VP Strategy, Cengage Group

virtual learning series on Strategic Governance for DEI, in collaboration with BSR. Our team of in-house experts and nonprofit partners provided additional support to portfolio company leaders.

Recognizing the importance of employee well-being and benefits to increasing engagement and bolstering recruitment and retention efforts, we also launched Version 2.0 of the KKR Capstone Benefits Program. This program aims to help portfolio companies develop a balanced approach to optimizing costs in an inflationary environment by providing innovative benefits to employees and their loved ones. The work is ongoing, and we seek to make considerable progress in 2022, including introducing new cross-portfolio benefits programs exclusive to KKR portfolio companies.

Additionally, to help portfolio companies build their pipeline of diverse talent, we launched an internship program in conjunction with the nonprofit SEO (Sponsors for Educational Opportunity). Four portfolio companies participated in the inaugural KKR-SEO program, hosting 11 undergraduate interns who each spent approximately 10 weeks working on strategic projects in a variety of functions. We are planning to continue this partnership with our summer 2022 programming. KKR supplemented this experience with access to senior Firm leaders and a mentorship program with KKR Capstone associates. The expectation is if these interns perform well, they will be welcomed to join full time after graduation. We view this as a key lever to bringing greater diversity into our

selection of highly qualified, entry-level talent in our portfolio companies.

Finally, we worked with diverse job boards to help portfolio companies reach candidates from a wide range of backgrounds. More than 70 positions were posted to job boards in 2021.

SCALING UP: LOOKING AHEAD

In line with our Global Ambitions, we seek to continue to support and collaborate with portfolio companies to improve performance on these topics. Some of our key focus areas for 2022 center on community building, performance, and data collection, including:

- Facilitating DEI goal setting, sharing best practices, and tracking progress against goals
- Continue expanding employee ownership and broad-based engagement strategies across our private equity portfolio
 - 🔗 Learn more in the [Employee Ownership at Work](#) section.
- Conducting cultural assessments and identifying tools to evaluate employee engagement
- Updating and developing new resources to share best practices and lessons learned, with a particular focus on engaging with our Asia-based portfolio companies
- Innovating cross-portfolio benefits programs with a focus on family planning and mental health

²⁸ Diversity defined as individuals self-identifying as female, LGBTQ, or as from a historically underrepresented group. For more detail on calculation methodologies, refer to the [Endnotes](#) of this report.

²⁹ Case studies presented herein are for illustrative purposes only. Refer to the [Cautionary Statement](#) for important disclosures regarding the case studies presented.

■ EMPLOYEE OWNERSHIP AT WORK

Since 2011, we have focused on employee ownership and engagement as key drivers in building stronger companies throughout our private equity portfolio, first with our Americas Industrials investments and now more broadly across sectors and regions. The centerpiece of the strategy has been:

- **Seeking to make everyone in the company an owner** by granting to all employees the opportunity to participate in the growth of a company's equity directly alongside KKR
- **Investing in employees** through a variety of portfolio company activities ranging from “worker voice,”

specifically delegating certain decision-making rights deep inside of a company, to improving safety and rolling out functional training programs to support a stronger workforce

- **Engaging with the community** by collaborating with nonprofit organizations that will benefit from our companies, products, skills, or services and help improve the quality of life of others

Since 2011, KKR's employee ownership program has awarded billions of dollars in equity to over 45,000 non-management employees across over 25 portfolio companies.

INGERSOLL RAND: CREATING VALUE THROUGH SHARED OWNERSHIP³⁰

When KKR exited our investment in the manufacturer Ingersoll Rand in mid-2021, company employees shared in the value they had helped create during our eight-year investment. In addition to expanding equity ownership from 86 employees to over 16,000 employees worldwide and delivering more than \$500 million of value in granted stock (exclusive of management), we supported a holistic operational transformation at the company.

There was intense focus on employee engagement, worker safety, improving working conditions, training, and building an ownership culture. As a result, the company reduced its voluntary turnover rate by over 80% and its injury rate approximately 70%, saw employee engagement go up from the 19th percentile to the 76th percentile, as measured by Gallup, while also creating a more than 4x return for our investors.

KKR exited our investment in Ingersoll Rand, a U.S.-based global market leader of mission-critical flow control and industrial technologies, in August 2021.



■ IN DIALOGUE: PIONEERING A NEW WAY OF DOING BUSINESS



Pete Stavros

Co-Head of Americas Private Equity (New York)

Q: How was this initiative born?

A: Growing up in Chicago as the son of a construction worker, I had a front row seat to the life of a blue-collar worker. Earning an hourly wage is the ultimate form of misalignment. Workers want more hours (and overtime when possible), while employers want just the opposite. There is no shared incentive for productivity, quality, or customer satisfaction. My dad had always advocated for profit sharing at his union as a way to better align incentives. I was fortunate enough to work on an employee stock ownership plan 25 years ago and then studied this model intensively at business school. Years later, when I was leading U.S. Industrials investing at KKR, I had the opportunity to put the model of shared ownership and enhanced alignment into effect.

Q: What have you learned from implementing the employee ownership model?

A: We have seen first-hand the positive results of combining shared ownership with efforts around employee engagement. One key learning is that the model works best when the company's leadership is passionate about the model because it does involve a tremendous amount of additional communication, education, and training. It is much more complicated than simply handing out stock ownership. We've also learned that the program is most effective when it is combined with financial literacy

training. This ensures workers fully digest the financial information shared with them and that they make the most out of the stock they earn.

Q: What other employee engagement strategies have you found successful? How do you track performance?

A: We have experimented with “worker voice,” specifically delegating certain decision-making rights deep inside of a company. So, for example, inside a factory that would involve asking employees to decide how a portion of the capital expenditures should be spent. Investing in employees and showing them they are cared for is another example – whether it be through new break rooms, building on-site health clinics, improving safety, or simply sharing information transparently. To track our impact, we look first at employee metrics such as employee engagement, safety, and the voluntary turnover rate. Secondly, we look at company metrics such as levels of productivity, quality, and on-time delivery.

Q: Looking ahead, what's next?

A: We have a lot of momentum and aim to grow this model of employee engagement across the many strategies and regions we operate in. Recently, we also joined with 60 cross-sector partners to launch Ownership Works, a new nonprofit on a mission to increase prosperity through shared ownership at work by developing and implementing broad-based employee ownership programs. Having seen the progress we have made at KKR in our portfolio thus far, we are excited at the prospect of how much more of an impact we can make as we join forces across the industry and the broader economy.

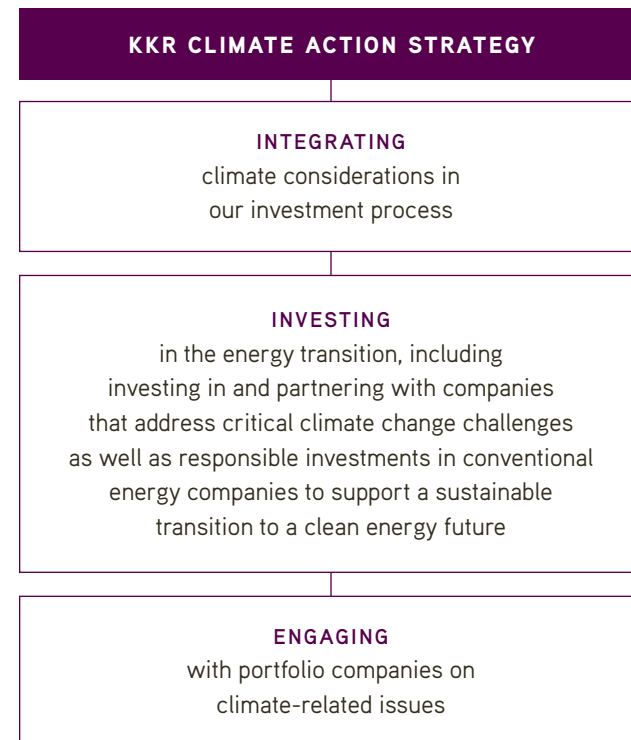
³⁰ Case studies presented herein are for illustrative purposes only. Refer to the [Cautionary Statement](#) for important disclosures regarding the case studies presented. Past performance is not indicative of future results.

CLIMATE

Globally, there is an urgent need to take climate action and address related risks and opportunities as we transition to a lower carbon economy. The physical and transition effects of climate change can influence a business' bottom line and its ability to compete in the future. We believe that proactively engaging on climate action is critical for all companies to drive performance and compete in their markets.

■ OUR APPROACH

Our [Climate Action Strategy](#) is the latest chapter in KKR's long history of working with portfolio companies to understand and manage their environmental performance. We see climate as a global challenge that requires solutions at all levels, and we are thinking about *how* we invest, *where* we invest, and *what* we do to drive value creation.



SCALING UP: 2021 HIGHLIGHTS

Estimated Scope 1 and 2 GHG emissions footprints for a number of funds representing more than **50** portfolio companies

Set net-zero by 2050 goals at three private markets funds that are currently being raised

1st **Climate Action Report** published, in line with TCFD recommendations

4th **webinar** presented, focusing on what carbon offsets can – and can't – do as part of our Climate Action webinar series

Our engagement with portfolio companies on climate-related topics dates to 2008 when our Green Portfolio Program Fund (now known as the KKR Green Solutions Platform) was launched in collaboration with the Environmental Defense Fund to support operational improvements, including energy efficiency and GHG emissions reductions that also drove business benefits. The KKR Eco-Innovation Award, launched in 2016, catalyzed and recognized portfolio company projects that provide innovative, environmentally beneficial solutions while creating business value. More recently, we conducted a four-part Climate Action webinar series with related resources to build capacity and spur action. While these and other programs have evolved, our ongoing commitment to engage with companies on climate-related risks and opportunities remains the same.

Today, we have dedicated team members working with companies on climate action. We regularly leverage our operational experts such as KKR Capstone and our Sustainable Investing subject-matter experts to help our portfolio companies develop, shape, and enhance their

climate-focused strategies. These resources can also include third-party technical experts such as ERM, the largest global pure-play sustainability consultancy, in which KKR invested in May 2021 through our Core Private Equity strategy.

While three of our new funds have set net-zero by 2050 goals, we are working across the portfolio to support companies' decarbonization efforts, which include developing guidance for our teams and portfolio companies on each step of this work, including carbon footprinting.



LCY GROUP: SHARING PROGRESS ON THE COMPANY'S CLIMATE STRATEGY³¹

Since 2019, LCY Group has been developing a proactive climate change strategy and advancing transparency, in line with third-party frameworks, including the Task Force on Climate-related Financial Disclosures (TCFD) to help articulate the financial effects of climate change.

With KKR's guidance and support, LCY Group established more robust executive oversight of ESG management and appointed its first Head of ESG. In 2020, the company also strengthened its climate governance and oversight activities by establishing a Climate Change Task Group, under the ESG Committee and supervised by the Board of Directors, which is responsible for climate change risk management and opportunity assessment.

Additionally, LCY Group was the first chemical company in Taiwan to publish reports in accordance with TCFD, SASB, and the Global Reporting Initiative (GRI). It has been recognized with ESG reporting awards, including the Bronze Award for Corporate Sustainability Reporting by the Taiwan Corporate Sustainability Awards in 2021.

The company is in the process of reassessing its decarbonization strategy and adjusting its GHG emission reduction goals to align with market-relevant ambition to reach net-zero emissions with action plans.

LCY Group is a leading petrochemical company headquartered in Taiwan committed to science innovation for a sustainable future.

³¹ Case studies presented herein are for illustrative purposes only. Refer to the [Cautionary Statement](#) for important disclosures regarding the case studies presented.

■ INVESTING IN A SUSTAINABLE ENERGY TRANSITION

KKR is working to be a responsible part of the solution to climate change by supporting a sustainable energy transition to a clean energy future. We also recognize that technological and commercial realities mean conventional energy resources will remain important even under aggressive carbon reduction scenarios.

Thus, we invest in a diverse range of energy sources, including renewable energy, such as wind and solar power generation, as well as conventional energy. We do not invest in new fossil fuel energy exploration and, where we do invest in fossil fuel energy through our

Energy Real Assets business and Infrastructure business, we emphasize progress toward a stable energy transition and improved ESG practices.

We believe that by being a responsible operator through the transition, we can produce better outcomes than if we exited the space and sold our assets – and therefore transfer emissions – to other operators who may not share our commitment to responsible stewardship.

In 2021, KKR’s Infrastructure team made a number of investments behind this theme globally, including recent investments in or partnerships with Caruna, Finland’s largest electricity distribution company, and Sol Systems (see case study at right). Additionally, KKR’s



SOL SYSTEMS: SCALING SOLUTIONS³³

In July 2021, KKR invested in Sol Systems LLC to help scale the company’s renewable energy solutions.

We also committed up to **\$1 billion** to acquire shovel-ready projects, helping fund Sol Systems’ development of contracted renewable energy and storage assets to meet the growing sustainability needs in North America.

Sol Systems is a leading national solar U.S.-based energy firm with an established reputation for integrity and reliability across its development, infrastructure, and environmental commodity businesses.

CRESCENT ENERGY: REDEFINING SMART ENERGY INVESTING³²

Crescent Energy recognizes that the global economy is transitioning away from fossil fuels and toward a low-carbon future. As such, the company aims to operate its business in a responsible manner, informed by the evolving understanding of an economy-wide transition to a net-zero world. For example, the company engages in the acquisition and management of existing fields – where the company invests to extend production within existing reservoirs – rather than the exploration of new ones.

Since becoming publicly listed at the end of 2021, Crescent Energy has made significant progress on its commitment to ESG stewardship. This includes:

- Publishing an **ESG report** establishing its ESG priorities and reporting 2020 performance on key ESG metrics aligned with the relevant SASB sector standards
- Establishing an independent **ESG Advisory Council** to advise management and Crescent’s Board of Directors on ESG-related issues

- Joining the **Oil & Gas Methane Partnership 2.0 Initiative**, the leading industry standard for reporting methane emissions

Crescent plans to release GHG emissions reduction targets in its 2021 ESG report that it expects to be published in mid-2022. The company strives to be a responsible operator and reduce emissions on both its existing assets and assets it acquires. For example, within weeks of closing the purchase of a natural gas asset in Wyoming in late 2021, Crescent identified opportunities to capture previously vented carbon dioxide and inject it into a carbon capture use and storage field. This is expected to eliminate approximately 580,000 metric tons of carbon dioxide emissions per year.

Crescent Energy is a well-capitalized, U.S. independent energy company with a portfolio of assets in key proven basins across the lower 48 states. Crescent is externally managed by KKR’s Energy Real Assets team and is based in Houston, Texas.

Global Impact strategy invests in businesses delivering solutions to critical global challenges, including climate action and sustainable living.

BY THE NUMBERS

\$25+ bn³⁴ total equity committed to climate and environmental sustainability³⁵ investments including **\$14+ bn³⁴** committed into renewable assets, such as solar and wind, with total capacity **over 26 GW**

8th largest owner of solar assets in operation and under construction in the United States³⁶

SCALING UP: OUR 2022 PRIORITIES

In line with our Global Ambitions, we seek to support and collaborate with companies to improve performance on these topics. We aim to:

- Integrate climate-related risks and opportunities into investment decision-making and management practices
- Report on certain of our assets’ climate-related activities to fund investors annually, including seeking to provide information on Scope 1 and 2 emissions and certain Scope 3 emissions data, and describing the steps taken by portfolio companies in developing and implementing decarbonization plans, where relevant and available
- Where we are a minority investor, implementing a stewardship and engagement strategy consistent with our Global Ambitions

^{32, 33} Case studies presented herein are for illustrative purposes only. Refer to the [Cautionary Statement](#) for important disclosures regarding the case studies presented.

³⁴ As of December 31, 2021. Includes investments by KKR and Global Atlantic (KKR subsidiary).

³⁵ Climate-focused sectors include: renewable energy, energy efficiency, emissions reductions, climate services; environmental sustainability-focused sectors include: pollution, waste, water, circular economy, land adaptation, transportation. For more detail on calculation methodologies, refer to the [Endnotes](#) of this report.

³⁶ Bloomberg New Energy Finance, as of March 2022

DATA RESPONSIBILITY

As companies face a growing list of data-protection regulations, customers become more knowledgeable about their privacy rights, and cyber criminals become more sophisticated in their efforts, managing data appropriately has emerged as a risk across industries. In fact, according to a KKR tech survey conducted in 2020, cybersecurity ranked as one of the primary technology areas in which our portfolio companies want more support from KKR.

■ OUR APPROACH

We seek to empower our portfolio companies to effectively manage risks associated with their IT infrastructure, data management and security, and customer privacy. We recognize that these issues directly link to business resilience and value creation. While KKR has managed these issues before, in 2021, we expanded our internal resources and added leadership positions.

Our Global Portfolio Cybersecurity Executive, a new role at KKR Capstone as of 2022, leads a formal, expanded organization with periodic reporting to KKR senior management. With oversight of cybersecurity for portfolio companies in Americas, EMEA, and APAC, this individual reports to the Head of Technology (Americas) within KKR Capstone and collaborates with KKR’s Chief Information Security Officer.

This individual provides portfolio companies with expert, dedicated support to mitigate, recognize, and respond effectively to the growing tide of cyberthreats. We engage third-party partners to conduct periodic Cyber Risk Reviews for portfolio companies globally across various strategies, and we periodically provide cybersecurity training. We also collect information from portfolio companies around data privacy practices and encourage companies to manage them, when this is a material issue for their organization.

Finally, we encourage our portfolio companies to enroll in KKR’s proprietary cyber insurance program. Now in its

OVHcloud: DATA SOVEREIGNTY IN THE CLOUD³⁷

The migration of data to the cloud poses increasing data privacy and cybersecurity challenges for corporate and public entities. With a focus on the European digital ecosystem, OVHcloud has committed to digital sovereignty – providing customers assurance that their data is protected from being transferred outside a certain jurisdiction and helping to ensure compliance with local regulation.

OVHcloud is a global player and Europe’s leading cloud provider operating over 400,000 servers within 33 data centers across four continents. Learn about OVHcloud’s sustainability efforts on the company’s [website](#).

sixth year, this opt-in program provides access to established insurance companies and cyber-focused advisors, which have been vetted by our team of experts. By enrolling into this program, companies also gain access to free ransomware assessments and are incentivized to improve their cyber posture through insurance discounts. Since inception, 85 companies have enrolled in this program with \$1.5 billion of total insurance limits provided.

SCALING UP: 2021 HIGHLIGHTS

4th Cyber Risk Review performed, with **80+** portfolio companies participating (**100%** of companies considered high risk participated)

\$1+ bn invested in cybersecurity³⁸

13 companies signed up for KKR’s cyber insurance program

■ PORTFOLIO CYBERSECURITY THROUGH THE DEAL LIFE CYCLE

In 2021, KKR Information Security and KKR Capstone began establishing Project Shield, a dedicated strategy to improve cybersecurity awareness and performance across the entire investment life cycle at certain majority-controlled portfolio companies as well as high-risk minority investments.

Pre-investment

- Partner with trusted advisors to conduct cybersecurity and cyber insurance due diligence on potential investments

Post-investment

- As part of 100-day plans, include a comprehensive cyber assessment and cyber insurance orientation, where relevant
- Perform periodic Cyber Risk Reviews and support incident response and remediation efforts

- Assess compliance with industry security frameworks and provide guidance for Information Security/Cybersecurity strategic road maps

SCALING UP: LOOKING AHEAD

In line with our Global Ambitions, we seek to continue to promote a culture of cyber awareness in our portfolio, and we remain focused on critical next steps to identify opportunities for value creation, including:

- Establishing a project management process within KKR Capstone to lead implementation and data collection
- Reinforcing cyber risk reporting at Portfolio Management Committees and company board meetings
- Creating a vetted ecosystem of cyber vendors and a community of chief information security officers within portfolio companies for educational purposes



OPTIV: MANAGING CYBERSECURITY RISK HOLISTICALLY³⁹

When KKR decided to expand the scope of our Cyber Risk Review in 2021 (performed in line with NIST, an industry-leading framework), we turned to a global cybersecurity leader – our own portfolio company Optiv. More than 80 of our companies engaged Optiv in our most comprehensive assessment to date, which included vulnerability scanning and penetration testing, as well as interviews, questionnaires, and open-source intelligence research and workshops with company executives. Data privacy-related questions were also incorporated into this assessment, alongside cybersecurity and risk management topics.

The resulting reports provided companies with an individualized summary of findings, including recommendations to improve their current cyber posture. We have already begun to remediate identified critical vulnerabilities and communicate the results with responsible KKR executives and committees. Overall, this initiative received positive feedback from portfolio companies.

Optiv is a U.S.-based cyber advisory and solutions leader, delivering strategic and technical expertise to more than 7,000 companies across every major industry, helping them manage cyber risk to secure their full potential.

^{37, 39} Case studies presented herein are for illustrative purposes only. Refer to the [Cautionary Statement](#) for important disclosures regarding the case studies presented.

³⁸ As of December 31, 2021. Includes companies offering cybersecurity-related software services, including employee security awareness training, penetration testing, and managed security services.

SPOTLIGHT:

KKR Global Impact Strategy⁴⁰

KKR’s dedicated private equity strategy invests in businesses delivering solutions to significant societal challenges.

■ OUR APPROACH

Launched in 2018, the KKR Global Impact strategy (“Global Impact”) seeks to help investors achieve meaningful financial outcomes by helping to solve unprecedented societal challenges. We identify promising companies that we believe measurably contribute to solutions that address critical global challenges as identified by the UN Sustainable Development Goals (SDGs). We seek to engage with management teams to help our portfolio companies scale their businesses and achieve more – greater financial success, positive impact, and improved ESG performance.

To accomplish this, the Global Impact team utilizes KKR’s full suite of global resources. These include KKR Capstone, the KKR Global Institute, KKR Public Affairs, the Global

SCALING UP: 2021 HIGHLIGHTS⁴¹

15 investments in **9** countries around the world, with **3** new investments in 2021

12 Sustainable Development Goals addressed

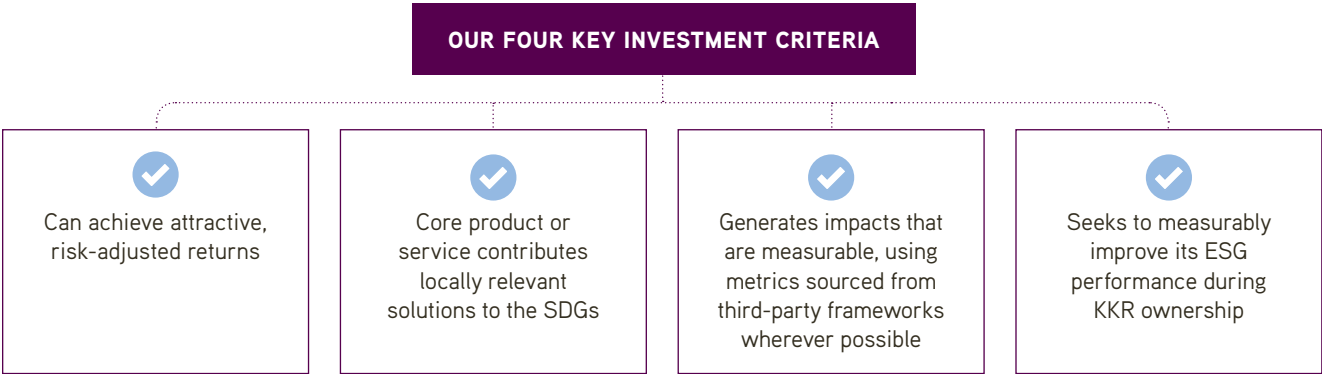
20 board members who are diverse⁴² added to company boards of directors since the Fund’s inception

20 dedicated team members across North America, Europe, and Asia, **60%** of whom are diverse

Macro and Asset Allocation team, KKR Capital Markets, and the SEAC, along with other external partners.

Investment Selection Criteria

We seek to invest in companies where commercial and impact success go hand in hand, and we have developed a rigorous approach to integrate impact and ESG considerations throughout the investment process in



⁴⁰ The above is for information purposes only. It shall not constitute an offer to sell or the solicitation of any offer to buy Interests.
⁴¹ Data as of March 2022, with the exception of the number of diverse board members, which is as of December 31, 2021, in line with our annual impact reporting period
⁴² Individuals self-identifying as female, LGBTQ, Asian American, or as from a historically underrepresented group. For more detail on assumptions and calculation methodologies, refer to the [Endnotes](#) of this report.

“We believe our investments contribute to a world that is more prepared to address our most critical challenges. We have invested over \$1 billion in 15 companies, scaling solutions to these global challenges, and contributing toward the achievement of 12 SDGs.”

Robert Antablin | Co-Head of KKR Global Impact (New York)



collaboration with [BSR](#), a global sustainability organization. This approach adds an intentional and consistent focus on investing in credible solutions to relevant environmental and social challenges. To qualify for an investment by Global Impact, a business must meet four key criteria (see below left).

Credible Measurement

In line with our commitment to transparency, we continue to leverage leading measurement frameworks to bring greater credibility, rigor, and discipline to the impact investing market. We recognize investor appetite for performance data that is consistent and comparable. Thus, we measure each company’s contribution toward one or more of the SDGs, using indicators defined by third-party reporting frameworks wherever possible. Additionally, Global Impact is a founding signatory of the Operating Principles for Impact Management (“the Impact Principles”), and since 2019, we have been using the Impact Principles to inform our impact management approach. In 2022, we published our third annual [Disclosure Statement](#), as well as our most recent [third-party verification statement](#) in 2021, which describes how our activities align with the nine Impact Principles.

Identifying Material Issues

Global Impact investment teams leverage KKR’s long experience and approach to integrating and managing ESG issues across the entire investment life cycle. We often engage with portfolio companies on ESG management best practices. For example, last year we supported Axis

2021 CROSS-PORTFOLIO ESG PERFORMANCE

CLIMATE⁴³

69,000 metric tons of CO2 equivalent emitted

HUMAN CAPITAL

22% diverse board members⁴⁴

38% diverse employees

550 jobs created⁴⁵

Water in the development of their inaugural Sustainability Report, which was published in early 2022. Since 2019, we have been helping companies manage cross-portfolio topics, which moving forward will also include data responsibility, in line with KKR’s Global Ambitions.

- Read about Global Impact at kkr.com/globalimpact and in our [Disclosure Statement](#).
- Learn more about our ESG integration and management approach in the [ESG Integration Across Asset Classes](#) section.
- Learn how we define impact investing and ESG management in the [Glossary](#).

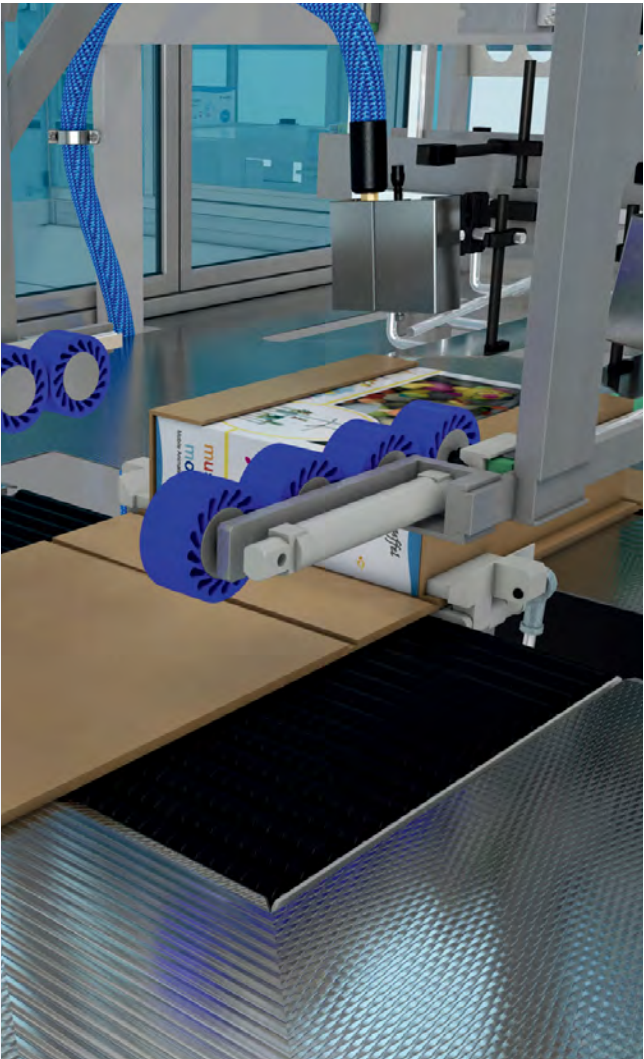
⁴³ Emissions data include 14 companies in the portfolio for 2021 reporting and are weighted by Global Impact's equity ownership.
⁴⁴ Board diversity data include 14 companies in the portfolio for 2021 reporting. Employee diversity percentages are calculated per company, from which an overall average is calculated, to illustrate typical performance per company.
⁴⁵ Job creation data include 11 companies with either a 2019 or 2020 baseline.

SUSTAINABLE LIVING

ACCELERATING SUSTAINABLE PACKAGING SOLUTIONS TO REDUCE E-COMMERCE WASTE WITH CMC⁴⁶

The exponential growth of e-commerce has dramatically increased the use and disposal of cardboard, plastic wrap, and other packaging materials. This leads to harmful environmental impacts, including those associated with GHG emissions, water use, and forest product/resource use, including deforestation. A global leader in sustainable packaging solutions, **CMC** has a strategy to address this challenge. The company designs and installs packaging machines that utilize 3D technology to scan products and produce custom-sized boxes. Its clients, which include Amazon, Best Buy, JD.com, and Walmart, among others, use this innovative solution to minimize the amount of corrugated and filler materials used in millions of packages shipped.

Since the family-owned company joined KKR’s portfolio in 2020, we have helped scale CMC’s business and amplify its positive environmental impact. With our assistance, in 2021, Amazon bought a minority stake in CMC through its Climate Pledge Fund, a corporate venture capital fund that invests in companies working to develop sustainable technologies. The company also completed a life cycle assessment of CartonWrap, CMC’s core packaging product, in partnership with environmental experts, which validated its environmental benefits relative to traditional packaging solutions, including up to 58% less cardboard usage per parcel. In addition, we have collaborated with the company to enhance ESG management practices, including the calculation of the company’s baseline GHG emissions in 2021, and formalize the company’s ESG strategy with input from sustainability experts.



■ INVESTMENT THEMES

Global Impact seeks investments that measurably contribute to the SDGs aligned with our four investment themes.

Climate Action. Disruption and damage caused by extreme weather events and global dialogue spurred by the UN Climate Change Conference (COP26) gathering have increased the urgency for climate action. The race to decarbonization is gaining participants and momentum. Given the urgent need for action, we are investing in companies that provide solutions to managing

environmental impacts, climate adaptation, and climate mitigation.

Sustainable Living. We are in a moment marked by the confluence of a rising middle class, population growth, trends toward urbanization, and increasingly sustainability-conscious millennials and Generation Z. This convergence creates an opportunity to invest in solutions for responsible food production; sustainable cities; circular economy processes; and the safe, sustainable, and healthy products that align with consumer preferences.

Lifelong Learning. Unprecedented disruption has affected hundreds of millions of workers around the world. Technology is reshaping every industry while the COVID-19 pandemic has displaced workers and widened the skills gap. Through our investments, we aim to promote innovation and technology that companies and workers need to find and retain meaningful employment and financial stability.

Inclusive Growth. Disadvantaged groups confront significant barriers to full and equitable participation in society. To help drive inclusive growth, we seek to invest behind solutions that further diversity and inclusion; ensure equitable access to information and opportunity through social, financial, and digital inclusion; and protect personal freedoms.

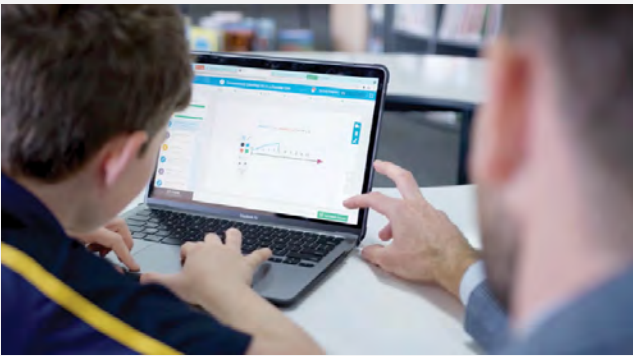
LIFELONG LEARNING

TAKING AN EVIDENCE-BASED APPROACH TO TRACKING EDUCATION OUTCOMES⁴⁷

We believe that investing in lifelong learning is critical to solving a variety of societal challenges. We also recognize and are working to address the challenges of effectively and consistently measuring the impact of learning solutions. In addition to tracking metrics, such as student enrollment and graduation rates, we engage with our lifelong learning portfolio companies below to better understand efficacy and areas for improvement.

We collaborated with **Graduation Alliance**, a company that works with school districts and state agencies in the United States to reengage, educate, and support youths and adults on a path to high school graduation and beyond and to conduct a robust, third-party efficacy study led by an independent research firm. Results showed that Graduation Alliance’s program, targeting those who recently dropped out of high school, outperformed the national benchmark in efficacy by about 25% and cost-per-outcome by about 33% compared to similar programs.

At **MasterD**, we have partnered with the company to expand the course portfolio, organically and through acquisitions, to areas that have stronger employment prospects, including digital, technology, and health care. Equally, we supported the company



to design an impact survey capturing economic outcomes following course completion, with a pilot survey in February 2021. Since then, the approach has been further refined, and surveys are now conducted monthly.

Additionally, we are working with **Education Perfect**, an online learning platform that adapts to users’ learning style, to enhance its existing teacher survey to include questions aligned with the SDGs and instituting this as an annual process. In addition, the company has partnered with three universities to launch academic studies to better understand the efficacy of its learning solutions beyond the teacher surveys.

Finally, **EQuest**, an education company in Vietnam, is also partnering with a third party to understand the efficacy of its online learning product, with results expected in 2022.

^{46, 47} Case studies presented herein are for illustrative purposes only. Refer to the [Cautionary Statement](#) for important disclosures regarding the case studies presented.

■ CONTRIBUTING TO THE SDGS

To measure and manage the impact performance of the investments in our portfolio, we currently track more than 30 SDG-linked metrics. Each portfolio company in our Global Impact portfolio reports two to three metrics measuring its contribution toward the advancement of the SDGs, in addition to reporting performance on company-specific and cross-portfolio ESG topics. Here we present

a sampling of Global Impact’s cumulative contributions to the SDGs, featuring at least one SDG metric per company and one metric per SDG addressed. We are excited to see the scale of this impact grow over time as our companies and our portfolio grow as well. Details on performance toward all SDG metrics are presented in our full Global Impact report, which is provided to limited partners.

"At a time when the need for scalable solutions to address critical global issues, such as climate change and access to essential services to underserved communities, has never been greater, it is a privilege to be able to partner with our Global Impact companies to tackle these challenges."

Chee Wei Wong | Director, Global Impact (Singapore)



SCALING IMPACT: HIGHLIGHTS OF GLOBAL IMPACT’S CONTRIBUTION TO THE SDGS⁴⁸
CUMULATIVE CONTRIBUTION SINCE BASELINE

1

NO POVERTY

67,200

loans

to micro-entrepreneurs and self-employed individuals in India provided by Five Star

4

QUALITY EDUCATION

760

higher education institutions

used Emsi Burning Glass labor analytics solutions

59,500

new enrollments

in MasterD vocational courses

10,800

former high school dropouts

earning credits toward a diploma supported by Graduation Alliance

974,000

students

accessing digital, personalized learning solutions through Education Perfect

8,000

K-12 students

accessing affordable, English language education in Vietnam through EQuest

6

CLEAN WATER AND SANITATION

170

million kilograms

of chemicals that contribute to biological nutrient pollution removed from wastewater by Axius Water's products and programs

7

AFFORDABLE AND CLEAN ENERGY

14%

average energy intensity reduction

in heating, ventilation, and air conditioning systems at BBP

8

DECENT WORK AND ECONOMIC GROWTH

25%

lower likelihood

of work-related injuries at small and medium-sized UK enterprises using Citation’s product

9

INDUSTRY, INNOVATION, AND INFRASTRUCTURE

116,000

metric tons

of CO2 equivalent reduced due to energy efficiency projects provided by BBP

11

SUSTAINABLE CITIES AND COMMUNITIES

16

million metric tons

of municipal solid waste treated by Viridor and Re Sustainability

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

3

million metric tons

of hazardous waste collected and treated

130

metric tons

of cardboard avoided in packaging

13

CLIMATE ACTION

8

million metric tons

of GHG emissions avoided through sustainable farming practices implemented by GreenCollar and independently verified

14

LIFE BELOW WATER

28,000

kilograms

of avoided nutrient runoff

15

LIFE ON LAND

1

million hectares of land

managed under environmental projects

16

PEACE, JUSTICE, AND STRONG INSTITUTIONS

84%

of KnowBe4 clients

reduced their susceptibility to phishing attacks

⁴⁸ For an explanation of the methodology in developing our KPIs, refer to the Endnotes of this report. Data is cumulative since baseline reporting unless otherwise noted.

Sustainable Operations

Our commitment to sustainability extends to our operations – from creating an inclusive workplace and building stronger communities to managing our environmental footprint and protecting the data entrusted to us. In all our actions, we strive to act with integrity to maintain the trust of those who depend on us.



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- 28 Management Approach
- 28 Diversity, Equity, and Inclusion
- 29 Talent Acquisition
- 30 Learning and Development
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- 31 Employee Well-being
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32 COMMUNITIES

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34 ENVIRONMENT

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35 GOVERNANCE

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People

We believe our people are the key to our success, and we are deeply committed to ensuring we are a Firm that attracts, develops, and retains exceptional talent.

■ MANAGEMENT APPROACH

Our culture is based on our one-Firm approach – the idea that everyone participates in everything we do. We believe that different perspectives will enhance performance, and we strive to create a workplace environment where employees thrive both professionally and personally. We also actively support management of these issues within our portfolio companies.

🔗 Learn more in Sustainable Investing > [Human Capital](#).

KKR’s Global Head of Human Capital, who reports to KKR’s Chief Operating Officer, is responsible for the Firm’s people and talent function, while our Chief Diversity Officer and Head of Talent focuses on KKR’s diversity, equity, and inclusion (DEI) strategy as well as KKR’s global talent development strategy. Our Human Capital team includes business partner coverage and functional coverage, with specialists in talent acquisition and campus recruiting, talent management and DEI, compensation, benefits and wellness, and operational expertise.

🔗 Relevant Policies
[Harassment Policy](#)
[Equal Employment Opportunity Policy](#)

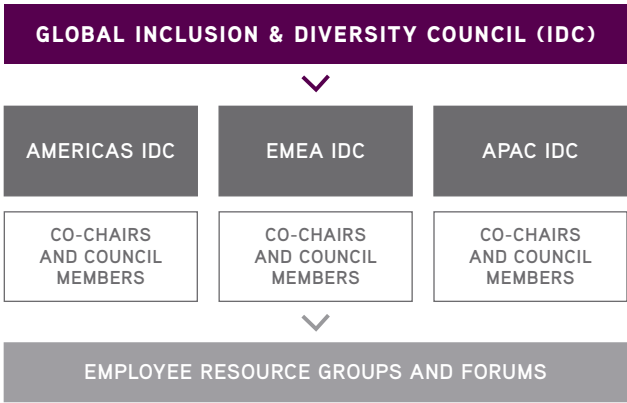
■ DIVERSITY, EQUITY, AND INCLUSION

We believe having people from different backgrounds and perspectives – gender, race, ethnicity, background, skills, and experiences – helps us make better decisions and create better outcomes for our clients and stakeholders. We also firmly believe that our people should reflect the

clients we serve, the companies we partner with, and the communities in which we live and conduct business. Therefore, becoming a more diverse and inclusive organization is an ongoing strategic priority for the Firm. We strive to enhance our efforts to recruit, invest in, develop, and retain exceptional diverse talent.

Strategy and Governance

As a strategic priority, DEI requires the right governance model to ensure longevity and drive outcomes. KKR’s Inclusion & Diversity Council (IDC) is led by senior Firm leaders and co-chaired by our Co-CEOs and our Chief Diversity Officer and Head of Talent. Formed in 2014, the IDC works to attract, develop, and retain the best possible talent and make KKR a more diverse and inclusive workplace with increased representation among women and underrepresented demographic groups.



Programs and Initiatives

The IDC sponsors programs and initiatives focused on mentorship, sponsorship, and leadership development and drives accountability by collaborating closely with business leaders across the Firm. We strive to take a DEI lens to all components of how we engage our people, including benefits programs, employee engagement, listening, recruiting practices, community engagement, and our work with portfolio companies.

As a strategic business imperative, DEI has been embedded into our existing business planning process. Each business leader has established three- and five-year DEI goals, reviewed biannually and subsequently factored into their year-end performance reviews and incentives. We believe these goals create greater accountability by linking DEI outcomes across each business with how we evaluate, recognize, promote, and pay our people.

To more deeply embed DEI throughout the fabric of our business, we created a DEI Accountability Framework that is being implemented in a phased approach. Efforts to advance DEI are also fully integrated into every phase of the employee life cycle.

🔗 Learn more in [Talent Acquisition](#), [Learning and Development](#), and [Employee Well-being](#).

In our portfolio companies, we have also focused on diversity on boards of directors of our companies and the boards’ oversight of how their companies operate.

🔗 Learn more in Sustainable Investing > [Human Capital](#).

We recognize that collective effort will be required to drive change that results in a more diverse workforce community and an inclusive culture where all feel a sense of belonging, purpose, and achievement. We are still on the journey but we are proud of our progress. Recently, we were recognized as a best place to work for LGBTQ equality for the sixth year in a row. Additionally, for the seventh year in a row, in 2021, KKR was recognized by The Dave Thomas Foundation for Adoption on its annual list of the Best Adoption-Friendly Workplaces.

DEI ACCOUNTABILITY FRAMEWORK

Phase 1 (2021): Embedded DEI criteria in the Partner and Partner Candidate Evaluations and year-end discretionary compensation discussions.

Phase 2 (2022/ongoing): Define and communicate key metrics to track progress toward business-unit DEI goals; cascade DEI accountability throughout the organization; discuss trends and progress against goals; and incorporate DEI into goal setting.

SCALING UP: DEI HIGHLIGHTS⁴⁹

100% **score** from the Human Rights Campaign’s 2022 Corporate Equality Index

5x **increase** in the number of senior women (partners and managing directors)

28% **women** in investing roles, up from 9%

5x **increase** in individuals from historically underrepresented groups (HUGs) in investment roles (U.S. only)

SELECT KEY MILESTONES

2014	2015	2016	2017	2018	2019	2020	2021
Created Inclusion & Diversity Council	Rolled out Breaking Bias workshops	Launched MBA Summer Internship Program	Launched Inclusion Network and meaningfully enhanced fertility management benefits	Began monitoring portfolio company board diversity	Rolled out Managing Inclusively workshops globally	Launched Junior Female Cohort and diverse early career programs	Formed Asian Pacific Islander Network Launched DEI Accountability Framework

⁴⁹ Since the formation of the IDC in 2014; as of December 31, 2021

2021 DEI PERFORMANCE

RACIAL/ETHNIC DIVERSITY IN THE AMERICAS



GLOBAL GENDER DIVERSITY



🔗 For a detailed overview of our DEI metrics, see [KKR-level ESG Data Tables](#).

Fostering a Culture of Inclusion

In 2017, we launched the KKR Inclusion Network to foster greater inclusion, celebrate diversity, and bring our employees together across regions and offices. Managed by the Inclusion Network Steering Committee, the KKR Inclusion Network hosts annual events for Black History, Women's History, Pride, Hispanic Heritage, and Asian Heritage months in addition to providing programming focused on other diversity dimensions.

To further encourage employee engagement and promote a culture of allyship, we are continuing our efforts to formalize and expand the Inclusion Network into established employee resource groups (ERGs). These build on previous employee-led efforts, including our Black Professionals and LGBTQ networks and other initiatives initiated by our employees to connect with colleagues that have shared interests and experiences.



2021 HIGHLIGHT: LAUNCHING THE API NETWORK

In 2021, we launched our first ERG for Asian Pacific Islander (API) colleagues and allies to enhance their sense of community and belonging and support their personal and professional development.

Currently comprised of approximately 150 members, the group is led by four senior sponsors and a broad leadership team responsible for setting the vision and programming. To foster dialogue and create meaningful connections, we leverage various channels and initiatives, including a formal mentorship program, an event series, a dedicated website and community board, and informal discussion groups. In addition to driving engagement internally, the API ERG seeks to offer opportunities to connect with our communities externally, including partnering with nonprofits and other API ERGs at peer firms.

We look forward to continuing to leverage our learnings to inform our engagement model for other affinity groups.

At KKR, ERGs are part of our governance model designed to drive accountability and translate our DEI strategic priorities into actions. A core component of that strategy is to promote engagement and invest in strengthening the sense of community and belonging throughout the Firm. Our ERGs play a critical role in helping us achieve this outcome. While the groups are given latitude to shape their initiatives and activity, they have a shared purpose, which is to accelerate the recruitment, development, and

retention of diverse team members and amplify the Firm's commitment to DEI inside and outside.

The Firm currently sponsors the following ERGs globally:

- Asian Pacific Islander (API) Network
- Black Professionals Network
- Hispanic/Latinx Network
- Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ) Network
- Veterans' Network
- Women's Network
- Working Parent Network

SCALING UP: LOOKING AHEAD

We aim to scale and institutionalize our approach to DEI to enable transformational change for our organization, our people, and across our industry. Key priorities include:

- **Our organization:** Drive effective governance and accountability by increasing regional and business unit participation in the IDC and embed DEI goals for each business unit in strategic plans to be factored into performance and compensation decisions
- **Our people:** Enhance our culture of inclusion and build capabilities at scale, including through our ERGs, bolstering our leadership bench, and upskilling managers
- **Our industry:** Work with portfolio companies on board diversity, workforce development, and supplier diversity initiatives as well as new external engagements to promote diversity practices

TALENT ACQUISITION

Our Talent Acquisition function, formalized in 2020, focuses on developing world-class talent acquisition strategies and driving successful recruiting outcomes for the Firm. This encompasses our campus and diversity recruitment strategies, candidate assessment, and decision-making process. We are also building out a robust recruitment infrastructure using data and applicant-tracking technology and assessment tools.

In 2021, we formalized a structured assessment process that integrates personality and temperament evaluations to identify candidates' strengths, weaknesses, and values. We believe that this systematic process helps us not only identify the most successful candidates but also to eliminate biases and increase objectivity in hiring decisions.

Additionally, KKR engages with organizations, academic institutions, and experts to enhance our practices and augment our diversity recruiting efforts. These organizations provide us the ability to host exclusive recruiting events, participate in their programming, and access their members who may not have considered us as a career choice previously. Over the past few years, for example, KKR has successfully hired interns, analysts, and associates from both Sponsors for Educational Opportunities (SEO) and Girls Who Invest.

🔗 View all KKR's DEI initiatives at kkr.com/diversity.

"The idea behind the formation of The Asian American Foundation (TAAF) is simple: build a robust infrastructure to combat the massive spike in violence against members of the Asian American community during the pandemic, and, ultimately, improve advocacy and representation efforts. But we can't do this by ourselves. We need to bring together key stakeholders and partners to the table and make this a truly collaborative effort."

Joseph Bae | Co-CEO of KKR and Co-Founder of TAAF (New York)



⁵⁰ Comprised of employees who identify as African American or Black, Hispanic or Latino, or Native American or Alaska Native

⁵¹ Two or more races or preferred not to answer

CAMPUS RECRUITING PROGRAMS

To address KKR’s growing need for qualified and diverse junior talent, we have built a comprehensive campus recruiting strategy.

Summer Analyst (Internship) Program (introduced in 2021): Targets second- and third-year college students for possible conversion to full-time analysts. This 10-week immersive work experience provides hands-on opportunities to learn about our investment approach and business processes. In January 2022, we hosted our 2022 Undergraduate Diversity Insights Program, a full-day virtual program designed to provide candidates with insights into our Firm, culture, and 2023 summer analyst opportunities. For the 2022 program, 501 undergraduate sophomores attended from 86 schools. Of the 501, 52% were women, 14% Hispanic-Latinx, 8% Black, and 14% two or more races.

Full-Time Analyst/Associate Program: Provides comprehensive training and support to entry-level analysts/associates who join KKR directly from campus. We welcome lateral associate hires who

also receive any necessary supplemental training needed to be successful in their roles.

MBA Summer Internship Program: Targets first-year MBAs for possible conversion to full-time hires. During the 10-week program, interns evaluate potential investments and monitor portfolio companies in a team setting as they interact with the Firm’s investors, management teams, clients, and/or limited partners.

We believe we have experienced success in attracting qualified, diverse candidates.

SCALING UP: 2021 HIGHLIGHTS

59% **2022 full-time analysts** pipelined from the 2021 summer analyst program

100% **acceptance rate** for summer analysts who received a full-time offer

59% **women** in incoming 2022 analyst class

leaders, and we run leadership training with emphasis on proven management practices and managing inclusively. Our manager resources include one-on-one executive coaching, presentation and communication skills development, and “proven management practices” to ensure they are informed of best practices regarding giving feedback, management, and leadership. Unconscious Bias and Promoting Diversity, Equity, and Inclusion Across Our Teams are additional workshops offered as part of the manager curriculum.

Our Human Capital team evaluates the effectiveness of our training programs through feedback shared by employees throughout the year, including anecdotal

SCALING UP: 2021 HIGHLIGHTS

120 employees introduced onto nonprofit boards⁵²

1,000+ **employees** trained through skills-based development workshops

60+ **executive coaching engagements** and **25+** training programs hosted

feedback and live post-training surveys, to inform any potential improvements or changes.

Additionally, KKR encourages employee growth and development by offering tuition reimbursement for full-time employees to further their education with external undergraduate, graduate, MBA, or certification classes.

■ EMPLOYEE ENGAGEMENT

As part of KKR Avenues, we aim to promote internal mobility and offer employees new opportunities for long- and short-term positions across projects, teams, and regions. Through the development of individual development plans, we believe this program enables us to increase employee engagement. It develops transferable skills for increased leadership while also fostering greater connectivity and cross-pollination across the Firm.

To understand what is most important to our employees and how we can best support them, we conduct an

“Fundamentally our goal is to nurture a culture of inclusion that enables everyone to perform at their best at the Firm. To do this, we strive to provide employees with the experiences, development, and resources needed to help them realize their full potential.”

Kerryann Benjamin | Managing Director, Chief Diversity Officer and Head of Talent Development (New York)

anonymous employee engagement survey annually. In 2021, 93% of our employees participated (up from 90% in 2020). While results improved by a meaningful percentage across the board, employees in historically underrepresented groups (HUGs) were found to have a higher level of engagement and a more positive sentiment with the Firm than non-HUG employees.. These insights and feedback mechanisms continue to help us build a strong foundation for keeping our people informed and engaged.

EARLY CAREERS TRAINING PROGRAM

In 2021, we revamped the analyst experience to better support a successful introduction and grow the pipeline of junior, diverse talent across the Firm. The KKR Analyst Experience begins before analysts arrive with access to our online Resource Center, pre-learning coursework and assessments, and one-on-one private tutoring, as needed. Upon arrival, analysts enter a four-week period of cultural integration, business-specific breakouts, and networking opportunities. This includes technical training with Wall Street Prep as well as business-specific breakout days. On average, each analyst completed 165 hours of technical skills training with Wall Street Prep, and additional training was offered as needed. Following that, analysts work alongside a buddy and receive on-the-job training on communication and technical and soft skills.



⁵² Across the U.S. and Europe since 2017

■ LEARNING AND DEVELOPMENT

We aim to develop and retain talent by providing meaningful and well-understood career paths, and we therefore invest extensively in employee training and professional development.

We offer Leadership Development Training at key transition points throughout an employee’s career. For example, our newly promoted principals, directors, and managing directors participate in programs that include assessments and insights around their personal leadership and management style, how those affect their effectiveness as a leader, and how to manage and coach team members. We also provide individual coaching opportunities for

In particular, employee feedback around the Firm’s COVID-19 response has been generally very positive. Throughout the period of working remotely, we kept employees informed via weekly updates from our leadership team, and we hosted regular calls with Dr. Stephen Ostroff, former Acting Commissioner of the U.S. Food and Drug Administration.

Looking ahead, in line with our commitment to keep an open line of communication and seek feedback more frequently, we intend to transition our annual employee survey to a semiannual feedback model. In early 2022, we conducted a firmwide survey following the Firm meeting presenting our 2022 strategy and priorities.

Being able to successfully engage employees is reflected in our ability to retain talent. In 2021, our voluntary turnover rate was 8%.

■ EMPLOYEE WELL-BEING

Fostering a culture of physical, mental, and emotional health and wellness is a priority for KKR. We offer industry-leading, comprehensive benefits for our employees’ overall well-being and strive to keep our program competitive and responsive to their and their families’ needs.

🔗 An overview of our benefits package is provided in the [Appendix](#).

Amid an ongoing pandemic, the health of our employees remained a top priority. In 2021, we worked to keep our employees safe by implementing testing procedures, whether through on-site COVID-19 testing or through distribution of at-home testing kits. This enabled us to monitor any uptick in cases and adjust our protocols as needed, including recommended work-from-home policies. In line with our Firm culture and values focused on collaboration and apprenticeship, employees returned to the office in 2021. With these guiding principles, business leaders were empowered to develop work-life flexibility practices that worked best for their teams.

Alongside our fertility management programs, we also scaled our family-building assistance for employees on

SUPPORTING WORKING PARENTS

We value our employees and try to best empower our people as they balance their responsibilities at work and at home. Informed by independently conducted employee focus group research and a 2020 engagement survey, we recognized the need to address satisfaction regarding work/life flexibility among women. We have responded by strategically expanding programs and policies that address challenges of employees and working parents. For example, we extended primary caregiver leave from 16 to 18 weeks and non-primary caregiver leave from two to four weeks, and we offer four weeks of family caregiving leave. New parents receive additional counseling from a coach who helps them navigate the transition and manage work/family life and provides access to extensive resources and experts.

Recent additional resources include a platform that provides access to experts to help guide employees around fertility, birth preparation, and newborn issues and successfully transition back to work, as well as a research-based program that is available 24/7 to caregivers of children who have learning, social, or behavioral challenges or developmental disabilities.

their path to parenthood. To assist employees with their fertility and family-building journey, we partner with third-party platforms, which provide access to qualified providers and a dedicated care team to navigate the coverage and available services.

As of January 2022, we increased reimbursements for surrogacy and adoption expenses in the United States and implemented a multi-cancer early detection screening test for employees over age 50. We also launched an on-site health center for New York-based employees.



■ PERFORMANCE MANAGEMENT AND COMPENSATION

Consistent with KKR’s global, integrated culture, compensation is based on the performance of the Firm as a whole as well as on an individual’s contributions to the Firm. We design our performance, pay, promotion, and succession processes to engage and reward employees, and we believe that this structure promotes teamwork, resource sharing, shared accountability, and alignment of interests. We conduct an annual benchmarking exercise to assess the market and ensure that our employees are compensated appropriately and competitively.

As an equal opportunity employer, KKR prohibits discrimination in all aspects of employment, including compensation. To that end, we prioritize pay equity in our compensation structure and determinations, which are required to be based on job qualification and financial and personal performance-based factors. We review our compensation structure, along with our other human capital and workplace policies and practices, to help ensure that our commitment to equal employment opportunity and pay equity is upheld.

Each of KKR’s employees receives a base salary and is eligible for a cash bonus and equity compensation as well as additional incentives, including allocation of carried interest from KKR’s carry pool for certain employees.

The cash bonus, equity compensation, and carried interest allocation are discretionary, and carried interest and equity awards are typically subject to a vesting period of several years.⁵³

All our full-time employees are eligible for annual employee performance evaluations, which include feedback from managers and colleagues on performance, conduct, and contributions to our culture, all of which factor into compensation and promotion decisions. As of 2020, one component of our performance assessment includes a consideration of an individual’s contribution to the Firm’s ESG-related efforts. Formal performance evaluations are conducted annually and with a six-month informal review to track progress against pre-set goals. In 2021, 100% of eligible employees participated in the review process with a 98% completion rate. Additionally, at the beginning of each year, employees go through a goal-setting exercise. We believe that setting clear and ambitious performance goals enables employees to focus their efforts on activities that drive business outcomes and grow their capabilities. Progress against goals is then reviewed as part of the mid-year and year-end reviews.

SCALING UP: LOOKING AHEAD

We remain focused on strengthening our employee value proposition to attract and retain the best talent. As part of our 2022 strategy, we aim to scale, sustain, and future-proof the initiatives we offer. This includes, for example, strengthening our Early Careers program as well as our onboarding and cultural integration process through the development of new hire resources at all levels. We intend to improve the ways we listen and recognize employees and supplement our annual employee survey through a semiannual feedback model. To facilitate mobility and succession planning, we plan to build on KKR Avenues, revamp our career path framework, and increase succession planning. Finally, we will continue to monitor ongoing COVID-19 developments to prioritize our employees’ health and safety.

⁵³ For more detail on coverage, refer to the [Endnotes](#) of this report.

Communities

We work to create healthy, inclusive, thriving communities through our investments, philanthropic grants, and leadership.

■ MANAGEMENT APPROACH

We believe successful companies are only as strong as the communities in which they operate, and in 2021, we helped our shared communities in their ongoing efforts to rebuild and recover from the reverberating effects of the pandemic. In April 2022, in line with the Firm devoting more resources to these efforts, KKR appointed a new Head of Corporate Citizenship who reports to our Global Head of Public Affairs and works collaboratively across the Firm to lead our strategic philanthropy, citizenship, and portfolio company advising programs.

■ DRIVING COMMUNITY RECOVERY

Our \$50 million COVID-19 Relief Effort strives to meaningfully help those most affected by the pandemic and its resultant economic dislocation. Formed in 2020, this effort has provided urgently needed humanitarian aid at the most acute phase of the crisis and, in 2021, helped our

“I wanted to provide a safe space for anyone to receive the mental health counseling they need...the grant from KKR allowed us to keep providing important health support services for children and their families.”

Elephant in the Room

KKR Small Business Builders Grant Recipient

communities begin to rebuild, recover, and re-envision. This work has been accomplished through the Effort’s four key pillars:

- Supporting portfolio company employees
- Engaging KKR’s own employees as leaders and change-makers
- Providing strategic grants to leading nonprofits in our key focus areas
- Supporting small businesses around the world

KKR Grants is the Firm’s platform for making strategic grants to nonprofit organizations, designed to find and fund innovative solutions to complex problems directly and indirectly related to the pandemic.



Amplifying Our Scope and Impact

As the pandemic entered its second year, the need for this funding intensified. In our final round of KKR Grants in 2021, we received more applications than in all previous rounds combined. As the program unfolded, we have made refinements to amplify our reach and community insights. Foremost, we created an incubator model in key regions to help us find and grow innovative social entrepreneurs tackling the pandemic’s social challenges. Our partners

SCALING UP: 2021 HIGHLIGHTS

\$21+ mm to 75+ nonprofits through our COVID-19 Relief Effort

171 businesses supported through KKR Small Business Builders

\$10+ mm dispersed through employee donations and KKR’s enhanced matching gifts program

in this effort include Echoing Green, a U.S.-based social innovation organization; Impetus, a UK charity addressing poverty among youth; and Asia Venture Philanthropy Network, a social investment network.

KKR Small Business Builders supports entrepreneurs and their small businesses around the world with \$10,000 grants. Through funding, mentoring from KKR employees, and support through our partners at Hello Alice, the program is designed to help business owners sustain their enterprises, maintain or create jobs, and spur economic opportunity as they respond to the ongoing COVID-19 crisis and recover from economic dislocation. With an emphasis on impact and equity, the program prioritizes companies that are pivoting their business in response to the pandemic, are operated by historically underrepresented groups, or are providing important community services.

DIVERSITY AMONG KKR SMALL BUSINESS BUILDERS GRANT RECIPIENTS



KKR GRANTS

has allocated more than **\$33 million** to **150+ nonprofits** to date across our three strategic giving priorities:

COMMUNITIES

Support for vulnerable populations through efforts focused on food security, safe housing, public health, and disaster relief

HEROES

Support for teachers, first responders, essential workers, and front-line medical professionals

OPPORTUNITIES

Support for innovative pathways to workforce and educational recovery and development

“I am honored to be joining a company that shares my passion for community engagement and belief in the power that corporate citizenship can have in supporting and empowering people and communities to reach their full potential.”

Pamela Alexander | Managing Director and Head of Corporate Citizenship, Public Affairs (New York)



Measuring Our Impact

We are carefully assessing and working to quantify the outcomes of the funds we have provided to measure the value that individuals, small businesses, and communities are experiencing. We believe grant-making touched



SPOTLIGHT: DELIVERING HEALTH INFORMATION TO UNDERSERVED PATIENTS

After helping to incubate the nonprofit **CareMessage** in 2019, in 2020 KKR provided a \$500,000 grant to this organization that combines technology and online communications to deliver health information to patients from underserved populations.

Provided at the height of the pandemic, the grant supported CareMessage’s COVID-19 care and vaccine information distribution. To date, the group’s messaging platform has shared information to more than 7 million people throughout some of the hardest-to-reach communities. Formed in 2012, CareMessage has grown to become the largest patient engagement platform for underserved populations in the United States.



more than 20 million lives in hundreds of communities around the world. Our impact assessment indicates that our portfolio company offerings provided support and benefits, including financial coaching and mental health counseling, to more than 2,000 employees. And according to our survey of Small Business Builder grant recipients, 74% of their businesses would have shuttered without a grant from KKR. We have engaged Fidelity Charitable to review activity data and develop a comprehensive impact assessment of our work, believing that creating positive social outcomes is a process of continued reflection and enhancement.

📄 Read the KKR COVID-19 Relief Effort Report at [kkr.com/COVID-Relief-Report](https://www.kkr.com/COVID-Relief-Report).



■ KKR CARES

We seek to continue to generate positive social outcomes and advance employees’ career development through the four pillars of our long-standing KKR Cares Program:

KKR EMPLOYEE MATCHING GIFTS PROGRAM

Matched employee donations to eligible nonprofits to \$8,000 per employee annually in 2021 and offered a two-to-one match for all COVID-19 and equality-oriented giving

KKR 40 FOR 40

Provides employees with 40 hours of paid time annually to volunteer with community projects and nonprofit organizations that are meaningful to them

NONPROFIT BOARD SERVICE

Connects KKR executives with nonprofit board service opportunities relevant to their personal and professional interests

PRO BONO CONSULTING AND TECHNICAL SERVICE

Empowers employees to use their talent and passion to help social entrepreneurs and visionary nonprofit leaders solve problems, scale efforts, and measure impact

SCALING UP: LOOKING AHEAD

As we conclude allocation of the funding under its COVID-19 Relief Effort, we are at an inflection point. Our Citizenship team is reflecting on the results of our investments and programs and compiling our learnings to inform enhancements to our Citizenship approach, ever eager to increase the impact of our efforts.

Environment

We seek to promote environmental stewardship by responsibly managing our operational footprint.

■ **MANAGEMENT APPROACH**

From our global operations to those of our portfolio companies, KKR has an ongoing commitment to environmental sustainability. Although the majority of our Firm’s environmental impact arises from the activities of our portfolio companies, we are taking steps to reduce KKR’s direct footprint as well. Our approach also encompasses efforts to manage and reduce GHG emissions from our own operations, as reported in our [TCFD-aligned disclosures](#). We also actively support management of these issues within our portfolio companies.

🔗 Learn more in Sustainable Investing > [Climate](#).

■ **CARBON EMISSIONS**

At the Firm level, we have been measuring our firmwide carbon footprint since 2018 and have been carbon neutral since 2019. KKR’s inventory is developed in accordance with the revised GHG Protocol Corporate Standard and the Corporate Value Chain Accounting and Reporting Standard. The procedures developed and executed during development of the KKR Inventory for reporting year 2021 satisfy ISO Standard 14064-11.

KKR’s 2021 GHG emissions footprint comprises our Firm-level emissions from Scope 1 and Scope 2, as well as numerous Scope 3 categories, totaling to 6,786.7 metric tons CO2 equivalent. The footprint is based on the Firm’s direct impacts and operations; it does not account for the impacts of our investments. As forecasted, return-to-workplace plans in 2021 were the primary contributor to a 14% footprint increase from 2020, when our emissions were 5,930.6 metric tons CO2 equivalent.

SCALING UP: 2021 HIGHLIGHTS

7 **new offices**⁵⁴ opened or renovated, and “smart” digital offices created for creativity and collaboration

4th **annual calculation** of our GHG footprint

4th **consecutive year** achieving carbon neutrality

We seek to continue to offset our carbon emissions. In 2021, we continued to achieve carbon neutrality by implementing mitigation strategies, including purchasing carbon offsets. The projects to offset our 2021 emissions included the REDD+ Project, which supports conservation of the Caribbean coastline of Guatemala; the Haidong Afforestation Project, which increases carbon sequestration to improve the ecological environment around the area of Mengda Nature Reserve in northwest China; and the Wayang Windu Phase II Geothermal Project, which reduces GHG emissions and air pollutants by displacing energy from fossil fuel plants and supports Indonesia’s transition to renewables. All projects are certified to reputable standards, with the conservation and afforestation projects certified with Verra’s Verified Carbon Standard and the Climate, Community and Biodiversity Standards, and the renewable energy project certified under the Clean Development Mechanism.

🔗 For the complete metrics and details, see the [KKR-level ESG Data Tables](#).

We plan to continue measuring our carbon footprint annually and seek to implement mitigation and management techniques to prevent and offset emissions.

■ **SUSTAINABLE OPERATIONS**

Across our global offices, we aim to integrate recognized environmental standards into new design, construction projects, and site selection. For example, we prioritize



buildings that have access to plenty of natural light and leverage technologies including occupancy sensors and dimmable lights.

Our Shanghai office was awarded Leadership in Energy and Environmental Design (LEED) Gold certification in 2018, and our new headquarters at 30 Hudson Yards in New York City achieved LEED Gold certification in 2021. Similarly, our London office at 18 Hanover Square was designed to achieve Building Research Establishment Environmental Assessment Method (BREEAM) Outstanding, the highest level of environmental recognition available.

KKR also takes action to reduce the environmental footprint of our core operations and encourage environmental awareness across our offices. Individual offices have also

**PROMOTING SUSTAINABILITY
AT OUR NEW LONDON HEADQUARTERS**

Choosing to occupy sustainable office space is integral to achieving our low carbon footprint goal. In 2021, the decision to relocate our London office to 18 Hanover Square considered the building’s many environmentally responsible features, convenient access to mass transit, and central location, among other attributes. Features such as sustainable efficient sanitary fittings to reduce water consumption, green roofs and solar panels, combined with the removal of single use plastic, help significantly reduce the overall environmental footprint. Additionally, we offset emissions for the fit-out of the project.

The Hanover Square facility has achieved ISO 14001 standard for its environmental management system, and aspires to other leading green building standards including an Outstanding level BREEAM Certified New Construction accreditation, 3-star level Fitwell 3 certification as a healthy building for employees, and a Gold standard WELL building accreditation.

completed various topic-specific environmental awareness campaigns that have produced positive results, such as reducing or removing single-use plastic water bottles from many of our offices.

SCALING UP: LOOKING AHEAD

We continue to look for ways to reduce our environmental footprint at the Firm level and incorporate sustainable practices in our operations globally. We are expecting to finalize or pursue renovations and new construction projects that integrate leading environmental standards, including in Sydney and Seoul. Additionally, we are looking into ways to partner with external organizations to reduce food waste at our offices, where possible.

⁵⁴ Offices in New York (30 Hudson Yards, 10 Hudson Yards, and 4 World Trade Center), London, Paris, Stockholm, and Hong Kong

Governance

As fiduciaries of capital, we strive to conduct ourselves with integrity in everything we do to maintain the trust of our clients and other stakeholders.

CORPORATE GOVERNANCE

■ MANAGEMENT APPROACH

Corporate governance is critical to maintaining and sustaining our license to operate and ultimately KKR’s ongoing success. Our management team, in close partnership with our Board of Directors, is committed to operating KKR in an ethical manner to produce long-term value. With a focus on responsible business practices, personal integrity, and communication, our management and Board seek to foster a culture that goes beyond risk management and compliance.

🔗 Relevant Policies and Documents
[Audit Committee Charter](#)
[Corporate Governance Guidelines](#)

🔗 Learn more about our Corporate Governance at ir.kkr.com/corporate-governance/.

■ CEO SUCCESSION

We announced a major milestone with the appointment of Joe Bae and Scott Nuttall as Co-Chief Executive Officers effective October 11, 2021. Joe and Scott previously served as Co-Presidents and Co-Chief Operating Officers and have served as Officers and members of the Board of Directors since 2017. As part of the leadership transition, Co-Founders Henry Kravis and George Roberts remain actively involved as Co-Executive Chairmen of KKR’s Board of Directors.

Concurrent with the CEO succession, KKR announced a series of transformative structural and governance

“Over the last 25 years, Joe and Scott have played significant roles in shaping the Firm, our culture, and our leading businesses into what they are today. As Co-Presidents and Co-Chief Operating Officers, they have worked collaboratively and cemented a strong leadership team that has taken our Firm to new heights.”

Henry Kravis and George Roberts

KKR Co-Founders and Co-Executive Chairmen of KKR’s Board of Directors

changes. The corporate reorganization is expected to increase the rights of our common stockholders, further align the interests of the current and future leadership of KKR with our common stockholders, enhance corporate governance at KKR, and simplify KKR’s corporate structure. Notably, by no later than 2026, all common stock will vote on a one-vote-per-share basis on all matters customarily presented to common stockholders, including the election of directors.

🔗 Learn more about the details and disclaimers of these transactions at our [Investor Relations site](#).

■ BOARD OF DIRECTORS

Our Board of Directors is majority independent under NYSE rules relating to corporate governance matters and the independence standards described in our corporate governance guidelines. We seek to enhance the diversity of our Board of Directors to encompass a broad range of expertise, experience, and backgrounds. We believe that a diverse Board of Directors, such as ours, can strengthen the Board’s effectiveness in fulfilling its oversight role.

🔗 Learn more about our Board composition and committees in the [KKR 2021 Form 10-K](#).

RESPONSIBLE PRODUCT GOVERNANCE AND MARKETING

■ MANAGEMENT APPROACH

We recognize the trust our clients and communities place in us, and we expect all our employees to conduct business in compliance with applicable ethical, business, and legal standards. We set clear commitments to drive progress and facilitate transparency.

The Head of the **Client and Partner Group** (CPG) and/or their delegate, as well as the **Compliance** team, are responsible for ensuring that employees under their supervision comply with the requirements applicable to fundraising and marketing efforts in connection with the KKR funds.

Our **Marketing Review Policy** sets expectations and guidelines around marketing activities of relationship managers (RMs) in our CPG team who are employees of KKR and who are registered with the Financial Industry Regulatory Authority (FINRA) as representatives of KKR Capital Markets LLC (KCM). In addition to our Marketing Review Policy, KCM’s **Written Supervisory Procedures** provide guidelines around marketing materials that offer securities or KCM’s broker-dealer business.

🔗 Relevant Policies and Documents
[Know-Your-Customer Policy](#)
[Marketing Review Policy](#)
[Written Supervisory Procedures](#)

As part of our commitment to ethical behavior and responsible investment, KKR employees seek to verify

KKR’S CPG comprises more than 150 executives and professionals globally. These individuals raise capital for our asset management business across all products and expand our investment advisory relationships across asset classes and types of fund investors.

who our customers are and enact protocols to prevent financial crime. KKR has implemented a **Know-Your-Customer (KYC) Policy** as part of our **Anti-Money Laundering (AML)** program, discussed below.

■ INFORMING CLIENTS ABOUT PRODUCTS AND SERVICES

Our fund investors represent a critical relationship to KKR, and an important part of KKR’s mission is to become a good partner to those who entrust us with their capital. Our approach to client relations is based on honest, direct, frequent communication with investors; high-quality solutions; and idea-driven distribution capabilities.

CPG executives convey information between KKR and our fund investors, utilizing KKR’s various capabilities to address these investors’ needs and investment goals.

The core of CPG is relationship managers who provide investors with solutions across the full range of KKR products, including private markets and public markets, and address investor inquiries. Supporting the RMs are KKR product specialists, who provide specialized consulting on particular KKR products and customized product delivery; a globally integrated support team; and KKR Capital Markets (KCM), which provides direct investment delivery capability to fund investors interested in direct equity and debt investing. CPG team members have access to the entire Firm to help address investor issues and develop advice and solutions.

As employees of KKR, RMs participate in capital raising for KKR’s funds and are registered as representatives of KCM. Most RMs are subject to supervision by KCM, with respect to their use of broker-dealer materials, and by KKR, with respect to their use of investment advisor materials. Marketing activities by RMs are subject to federal and state securities laws and regulations applicable to investment advisors and broker-dealers.

BUSINESS ETHICS

■ MANAGEMENT APPROACH

The leaders and people of KKR are accountable for their actions, inactions, and decisions, both individually and as a Firm. They are also expected to embrace the implied responsibilities of our one-Firm approach: the obligation to speak up and say what they think and to respect and listen to their colleagues. Our Firm is committed to creating a strong culture of compliance to ethically deliver on our commitments to our stakeholders, our business partners, and one another. We utilize various support mechanisms to guide ethical conduct in KKR’s business activities and interactions.

KKR’s **Global Chief Compliance Officer (Global CCO)** and the Chief Compliance Officers of KKR’s various business lines and regions are ultimately responsible for developing and implementing relevant policies and procedures. The CCOs are a resource to all KKR employees; they are responsible for ensuring that all employees have relevant and sufficient compliance training, serve as a reporting vessel for compliance violations or concerns, and review and communicate changes to compliance policies and procedures to KKR employees. **The Global CCO** reports to the **Audit Committee** of the KKR Board of Directors, which reviews all concerns and violations directly reported to it by KKR employees and **Legal and Compliance**.

The handling of business ethics matters also involves KKR’s **General Counsel**, an executive officer of the company, the **Global Conflicts Committee**, and other appropriate personnel such as members of the Legal and Compliance department. The Audit Committee will also take action to ensure compliance or direct the issue to either the Conflicts Committee of the Board of Directors or to management’s Global Conflicts Committee, as applicable, which analyzes and addresses KKR’s management of conflicts of interest, including compliance risks related to KKR’s business as a whole or individual transactions. Once the Audit Committee has reviewed these compliance risks,

it passes the analyses to the appropriate management and investment committees for action. Additionally, KKR’s **Global Risk and Operating Committee** identifies and prioritizes KKR’s overall compliance risks, with focus on significant and emerging risks and regulatory developments.

Together, these committees and management are ultimately responsible for ensuring that business conduct, ethics, and compliance policies are appropriately enforced. A detailed description of the relevant policies and procedures is provided in the [Appendix](#).

- 🔗 Relevant Policies
 - [Anti-Bribery and Anti-Corruption \(ABC\) Policy](#)
 - [Anti-Money Laundering \(AML\) Policy](#)
 - [KKR’s Antitrust Policy](#)
 - [Code of Business Conduct and Ethics](#)
 - [Code of Ethics \(Ethics Policy\)](#)
 - [Customer Due Diligence Policy](#)
 - [Information Barrier Policy](#)
 - [Whistleblower Policy](#)

■ FOSTERING AN ETHICAL CULTURE

We believe that a strong culture of compliance and ethics must be integrated into business practices to set the foundation and expectations across the Firm. As stated above, multiple internal policies and procedures address legal and regulatory requirements applicable to the Firm’s operations, products, and services to help us ensure compliance with legal and ethical standards at KKR and our portfolio companies. We review and test the implementation of these policies to improve our control environment and proactively address new regulatory developments and industry best practices.

Our **Code of Business Conduct and Ethics** and the **Code of Ethics (Ethics Policy)** are the cornerstone of our commitment to ethics and compliance. They mandate that all employees act with integrity and honesty when dealing with clients, regulators, and fellow employees. These policies outline the governance structure, policies, and procedures to mitigate and manage business and compliance-related risks as well as the standards for legal and ethical behavior to prevent and detect wrongdoing within the Firm.

■ ETHICAL TRAININGS, AUDITS, AND REPORTING MECHANISMS

RECOGNIZING the complex and fast-moving nature of the ESG regulatory landscape, in 2021, KKR hired a dedicated ESG Compliance Officer. This individual is responsible for monitoring and enhancing ESG compliance, including the implementation of a comprehensive ESG compliance-focused training program, across the Firm.

We provide mandatory live and web-based trainings on our Ethics Policy and various KKR policies to KKR employees at the outset of their employment and periodically thereafter. In certain cases, employees receive targeted training regarding business ethics issues most relevant to their role. Where relevant, part-time employees and contractors may also be subject to these trainings. KKR’s directors, officers, and certain other employees performing finance, accounting, corporate treasury, or tax roles are required to promptly report any known or suspected violations of laws, rules, regulations, or provisions of the Code of Business Conduct and Ethics to the chairperson of the Audit Committee. Reports may be made confidentially or anonymously, if desired. They also must report any other matters that would compromise the integrity of KKR’s financial statements.

All other KKR employees are expected to consult with the General Counsel, the Global CCO, or other appropriate KKR personnel about known or suspected illegal or unethical behavior.

In addition, the Compliance team conducts annual testing of KKR policies and procedures to coincide with the ongoing monitoring program of business activities, including policies and procedures relating to Anti-Money Laundering, Anti-Bribery, and Anti-Corruption. The Firm’s Internal Audit group also conducts regular reviews of these compliance activities as part of its independent testing procedures.

As outlined in our **Whistleblower Policy**, KKR has procedures in place for employees to anonymously report violations or suspected violations of accounting, internal controls, auditing, legal, and regulatory matters, including the use of an independent and confidential 24/7 hotline or a website, both of which are administered on behalf of KKR by a third party. We do not permit retaliatory action of any kind against anyone making such a report in good faith or assisting in an investigation. We have structured procedures to process whistleblower reports, which are promptly reported to the Audit Committee.

“The management and integration of ESG considerations is a cross-functional effort across KKR, where we seek to incorporate best practices, including our ethics and compliance policies and programs. We are proud to have a global compliance team integrated throughout our various ESG initiatives across the Firm.”

Bruce Karpati | Global Chief Compliance Officer (New York)



CYBERSECURITY, PRIVACY, AND DATA PROTECTION

■ MANAGEMENT APPROACH

At KKR, data and privacy are protected through a system of governing policies, dedicated professionals, and oversight. We utilize advanced threat detection and mitigation technologies, conduct employee training, and monitor the performance of our security infrastructure through internal and third-party audits. Our approach is informed by our membership in the Financial Services Information Sharing and Analysis Center ([FS-ISAC](#)), a nonprofit group dedicated to reducing cybersecurity risks throughout the global finance industry. We also actively support management of these issues within our portfolio companies.

🔗 Learn more in Sustainable Investing > [Data Responsibility](#).

🔗 Relevant Policies
[Information Security Policy](#)
[Information Technology Policies](#)
[European Data Protection Policy](#)

KKR's **Chief Information Security Officer (CISO)** oversees our global cybersecurity strategy. This includes developing and implementing policies and procedures, escalating any issues as necessary that present a material risk to the Firm, our clients, and employees, and ensuring all employees have sufficient cybersecurity training. The CISO reports directly to the Chief Information and Innovation Officer and periodically briefs the Audit Committee of the Board of Directors about any material weaknesses or failures in KKR's Cybersecurity Program and cybersecurity issues resulting from KKR's periodic technology audits.

Our **Tech Risk Committee** is responsible for identifying, monitoring, and prioritizing the Firm's cybersecurity risk environment as well as promoting cybersecurity awareness and proactive mitigation and accountability of cyber risks. Our Cybersecurity team monitors our security infrastructure with tools designed to detect suspicious behavior.

SCALING UP: 2021 HIGHLIGHTS

Hired new Chief Information Security Officer

Formalized organizational structure and added areas of specialties, including Operations, Engineering, and Threat Detection and Response functions

Added dedicated cybersecurity professionals and security detection and incident response capabilities to our team

KKR's **Risk and Operating Committee** provides additional monitoring of cybersecurity issues and receives periodic reports from the Tech Risk Committee on the cybersecurity control environment, any issues that it identified, and how they were remediated.

■ THREAT DETECTION AND MITIGATION TECHNOLOGY

We employ leading next-gen security technologies to monitor user and network behavior, identify threats through advanced analytics, and proactively mitigate attacks across all layers of the enterprise. We employ a security awareness platform through which we conduct monthly simulations of phishing attacks coupled with real-time training, results of which the Tech Risk Committee reviews regularly.

Office and data center security includes card or biometric access along with video surveillance, and environmental monitoring systems provide timely alerting of any breach. On a quarterly basis, IT infrastructure management reviews the list of users with access to the computer facilities. Role-based access control regulates access to systems and capabilities within the Firm, and all remote access requires multi-factor authentication.

KKR assesses vendors who will have access to Firm data or systems to measure their adherence to relevant industry best practices and standards. Employees who work with vendors are expected to conduct appropriate

due diligence and monitor their compliance with the security assessment on an ongoing basis. These assessments encourage focus on the use of third-party service providers and their conduct as it relates to compliance with applicable laws, rules, and regulations. When attacks do occur, our dedicated Incident Response team aims to control and mitigate them by following best practice methodologies.

Employee Training

We use a variety of internal measures to help ensure a robust approach to data protection. Employees are provided online-module cybersecurity training at time of hire and every subsequent year. The KKR Compliance team also provides monthly new joiner training, which covers the topic of data protection. As such, we present employees with dynamic training that is calibrated to address the more pressing threats of the period. We also communicate monthly to the Firm on topics relevant to current events. KKR's Compliance, IT, and Internal Audit groups test understanding and application of relevant policies across the Firm on a regular basis. Our Compliance team, for example, directs employees to our internal Compliance Portal and elicits acknowledgments of the relevant policies from all KKR employees. Finally, all employees are responsible for reporting actual and perceived security threats and incidents.

Security Audits

In addition to internal audits, we contract with a third-party security provider to monitor our cybersecurity controls and leverage consulting resources to identify potential weaknesses in our security infrastructure. Generally, third-party assessments tend to provide a one-time snapshot of a firm's security controls and situation and do not reflect the ever-changing landscape we operate in.

TAKING A MORE PROACTIVE APPROACH

In 2021, we began conducting new self-assessments – including continuous assessments – and adversary team and automated vulnerability scans intended to enable ongoing enhancements to our processes.

Through these efforts, coupled with a robust employee training program, in 2021, we did not experience security incidents that had a material effect on the Firm's systems or data assets.

■ PRIVACY AND DATA PROTECTION

Strong performance and reliability of our technology systems are essential to our ability to protect the confidentiality and integrity of user information. We embrace the responsibility we have in handling data from our stakeholders and are committed to implementing leading data-protection standards. Our Technology, Legal, Compliance and Risk teams collaborate to help ensure that appropriate scrutiny is applied to new vendors who may be granted access to our information and help ensure that we and our vendors operate to the highest legal standards required by law. Details of how we may use an individual's data are set out in our privacy notices, which are available at [kkr.com](#).

SCALING UP: LOOKING AHEAD

We remain focused on strengthening our security controls systems, including self-assessments introduced in 2021, and plan to establish a cycle whereby we can track findings and scale learnings across the organization. As part of our 2022 strategy, we aim to strengthen our approach to data protection and insider threats, with the implementation of a surveillance program that builds behavioral analytics to predict employee behaviors.

Appendix

In an effort to advance the sustainability and transparency of our investment approach and operations, we continue to expand our sustainability disclosures. Our goal is to provide relevant, consistent, comparable, and reliable data and information that is decision-useful for our stakeholders.

Channel Control Merchants' warehouse in Hattiesburg, Mississippi. The company offers a vertically integrated solution to the growing issue of managing excess inventory and returns, helping support zero-waste initiatives of manufacturers and retailers by keeping products out of landfills.

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ESG Fundamentals

■ PARTNERSHIPS AND COLLABORATIONS

KKR chooses to participate in or support initiatives and organizations that align with our values, enable us to amplify our impact, and advance sustainable investing practices.

The organizations shown below represent a selection of the groups with which KKR currently has or has had in the past significant relationships. A list of our relationships with diversity organizations can be found on [kkr.com](https://www.kkr.com).

ESG-FOCUSED MEMBERSHIPS AND STRATEGIC PARTNERSHIPS ⁵⁵		
<ul style="list-style-type: none">■ American Heart Association■ American Investment Council Guides for Responsible Investment, co-developer■ BSR, member■ Ceres Investor Network on Climate Risk, member■ Environmental Defense Fund■ G7 Impact Taskforce, member	<ul style="list-style-type: none">■ Global Impact Investing Network (GIIN), member■ GRESB, participant member■ Initiative Climat International (iCI), member⁵⁶■ Institutional Limited Partners Association (ILPA) Private Equity Principles, endorsed■ Operating Principles for Impact Management, founding signatory	<ul style="list-style-type: none">■ Principles for Responsible Investment (PRI), signatory■ Sustainability Accounting Standards Board (SASB), Alliance member■ Sustainable Markets Initiative’s Private Equity Taskforce, member■ Task Force on Climate-related Financial Disclosures (TCFD), supporter■ Transparency International
CITIZENSHIP-FOCUSED PARTNERSHIPS AND NONPROFITS SUPPORTED		
<ul style="list-style-type: none">■ Asia Venture Philanthropy Network■ Echoing Green	<ul style="list-style-type: none">■ Global Entrepreneurship Network■ Hello Alice	<ul style="list-style-type: none">■ Impetus


⁵⁵ References to external organizations do not imply an endorsement of KKR or its practices. The referenced partners have worked with KKR or its portfolio companies at some point since 2008, and KKR may or may not have a partnership agreement currently in place.

⁵⁶ Elizabeth Seeger, Managing Director of Sustainable Investing at KKR, chairs the iCI’s North American chapter.

■ STAKEHOLDER ENGAGEMENT

This table outlines channels and methods of engagement on various ESG and sustainability topics with key stakeholder groups, along with examples of engagement during 2021.

We welcome questions and comments on both this report and our performance. Contact us via email at sustainability@kkr.com. Join the conversation on Twitter or LinkedIn by using [#KKRESG](#) and [#KKRGlobalImpact](#).

Key Stakeholder Groups	Channels and Methods of Engagement	2021 Examples
Limited Partners (LPs)	<ul style="list-style-type: none">■ Annual LP meetings■ Due diligence questionnaires (DDQs)■ One-on-one engagement, including dialogues and road shows■ ESG website, annual ESG/sustainability reports, and other quarterly and ad hoc reporting■ Updates via our LP portal	We responded to more than 150 ESG-focused DDQs from LPs. We also hosted ESG and sustainability-focused sessions as part of LP due diligence sessions, where relevant.
Stockholders	<ul style="list-style-type: none">■ ESG website, annual ESG/sustainability reports, and other quarterly or ad hoc reporting■ Investor presentations■ One-on-one conversations and queries from stockholders with IR and ESG team members■ Direct dialogue with ESG ratings providers	As part of KKR’s 2021 Investor Day, our leadership team discussed ESG, culture, and values. At our November 2021 Investor Conference, Pete Stavros discussed our approach to portfolio company employee engagement.
Portfolio Companies	<ul style="list-style-type: none">■ One-on-one support and value creation activities via KKR Capstone■ ESG-focused webinars and events■ ESG-focused tools and resources■ ESG data collection surveys■ Shared best practices across a variety of topics (e.g., COVID-19 safety)	We engaged more than 80 portfolio companies as part of our Cyber Risk Review to help them improve their cyber posture. We also launched the first in a five-part virtual learning series on “Strategic Governance for DEI,” in collaboration with BSR targeted at portfolio companies.
KKR Employees	<ul style="list-style-type: none">■ Centralized ESG guidance and resources shared on the Firm’s intranet (KKR Central)■ Firmwide and functional ESG-focused trainings and presentations■ Ongoing mentoring and employee engagement programs■ Employee engagement forums, e.g., Employee Resource Groups (ERGs)■ Corporate volunteering programs and events	ESG-specific presentations were included in our new hire orientations, both for new Analysts/ Associates and senior hires. We also conducted a series of asset class-specific ESG trainings. For example, we launched a series of sector-specific ESG trainings for our Credit teams to better understand ESG risks and opportunities on an industry and company basis.
NGOs/Civil Society	<ul style="list-style-type: none">■ Pro bono and technical support for nonprofits■ Direct funding to organizations on key projects, partnerships, and initiatives■ Expert consulting and insight on emerging topics and trends related to ESG, DEI, and impact	We scaled the scope and impact of KKR Grants by creating an incubator model in key regions to help us find and grow innovative social entrepreneurs tackling social challenges.  To learn more, see Amplifying our Scope and Impact .

Supplementary ESG Disclosures

SASB INDICES

■ KKR

The following table provides responses and/or locations of information for KKR addressing the requirements of the SASB’s Asset Management & Custody Activities industry standard (version 2021-12). This is our third SASB-aligned public disclosure. All data are as of December 31, 2021.⁵⁷

Code	Accounting Metric	KKR Response and/or Disclosure Source
TRANSPARENT INFORMATION & FAIR ADVICE FOR CUSTOMERS		
FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	During 2021, KKR had no covered employees with new disclosures of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings. KKR has policies and procedures reasonably designed to ensure compliance with regulations requiring covered employees to make and update applicable regulatory filings in a timely manner.
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communications of financial product-related information to new and returning customers	KKR did not sustain any monetary losses in 2021 as a result of legal proceedings associated with our marketing and communications of financial product-related information to new and returning customers. KKR & Co. Inc., as the publicly listed holding company for its various businesses, reports all such matters that are material to KKR in its filings with the U.S. Securities and Exchange Commission (the “SEC”).
FN-AC-270a.3	Description of approach to informing customers about products and services	2021 Sustainability Report, Governance > Responsible Product Governance and Marketing
EMPLOYEE DIVERSITY & INCLUSION		
FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	2021 Sustainability Report, Appendix > KKR-level ESG Data Tables and People > Diversity, Equity, and Inclusion

Code	Accounting Metric	KKR Response and/or Disclosure Source
INCORPORATION OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE FACTORS IN INVESTMENT MANAGEMENT & ADVISORY		
FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues; (2) sustainability themed investing; and (3) screening	(1) KKR’s Responsible Investment Policy articulates our approach to ESG integration through the investment life cycle across KKR’s investment businesses. The businesses in scope for our policy include Credit (Public, Private, and Special Situations), Energy Real Assets, Infrastructure, Core, Private Equity, and Real Estate (Equity and Credit). (2) KKR’s Global Impact Fund closed in February 2020 and includes \$1.3 billion total committed capital to businesses delivering solutions to critical global challenges.
FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	2021 Sustainability Report, Sustainable Investing > ESG Integration Across Asset Classes
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	<p>KKR has adopted proxy voting policies and procedures (the “Proxy Voting Policy”) in accordance with requirements under Rule 206(4)-6 of the Investment Advisers Act. To assist in our proxy-voting responsibilities, KKR currently subscribes to proxy-related services offered by the proxy advisory firm Institutional Shareholder Services, Inc. (“ISS”). ISS provides KKR with its independent analysis and recommendation with respect to generally all proxy proposals that KKR votes on behalf of our Clients, with respect to both U.S. and non-U.S. securities of publicly traded companies. KKR has engaged ISS to assist with our proxy voting, however, KKR retains ultimate voting discretion with respect to our Clients. Compliance, in conjunction with the Firm’s investment analyst(s) who provides coverage for the relevant issuer, will document the basis for the voting decision in accordance with KKR’s proxy voting guidelines.</p> <p>KKR may occasionally be subject to conflicts of interest in the voting of proxies due to business or personal relationships we maintain with persons having an interest in the outcome of certain votes. If at any time, KKR becomes aware of an existing or potential conflict of interest relating to a particular proxy proposal, KKR’s Global Conflicts Committee (the “Conflicts Committee”), or its designee, must be notified. Provided the Conflicts Committee has determined that a conflict or potential for a conflict exists, the proxy must be voted in alignment with the recommendation set forth by ISS. Appropriate documentation will be maintained by the Conflicts Committee and Legal & Compliance.</p> <p>In accordance with Rule 204-2 of the Advisers Act, KKR maintains appropriate books and records in connection with the Proxy Voting Policy.</p>

⁵⁷ The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact of that information. See filings by KKR & Co. Inc. with the U.S. Securities and Exchange Commission, including its [Annual Reports on Form 10-K](#).

Code	Accounting Metric	KKR Response and/or Disclosure Source
BUSINESS ETHICS		
FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	KKR did not sustain any monetary losses in 2021 as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations. KKR & Co. Inc. (NYSE: KKR) is the holding company for the KKR businesses, and as a public company, KKR reports all such matters that are material to KKR in our filings with the SEC.
FN-AC-510a.2	Description of whistleblower policies and procedures	2021 Sustainability Report, Governance > Business Ethics
ACTIVITY METRICS		
FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM)	(1) Total registered AUM was approximately \$19 billion as of December 31, 2021. Our registered AUM includes pooled funds that, in our judgment, qualify as “registered AUM” ⁵⁸ as the term has been defined in the SASB Asset Management & Custody Activities Standard. These funds include (i) one real estate equity-oriented fund, (ii) two credit-oriented funds and (iii) certain business development companies that are subject to the regulations of the Investment Company Act of 1940. (2) Total unregistered AUM was approximately \$452 billion as of December 31, 2021. Our unregistered AUM equals total AUM minus total registered AUM.
FN-AC-000.B	Total assets under custody and supervision	We have renamed this metric to “total assets under management” from “total assets under custody and supervision” because assets under management is a more relevant activity metric for asset managers, and KKR is an alternative asset manager, not a custodian bank. As of December 31, 2021, KKR had total assets under management of approximately \$471 billion. 2021 Sustainability Report, Introduction > About KKR & Co. Inc.

⁵⁸ See the [Endnotes](#) for details on AUM.

■ GLOBAL ATLANTIC

The following table provides responses and/or locations of information addressing the requirements of the SASB Insurance Industry standard (version 2018-10) for Global Atlantic, which was acquired by KKR in February 2021.

Code	Accounting Metric	Global Atlantic Response and/or Disclosure Source
TRANSPARENT INFORMATION & FAIR ADVICE FOR CUSTOMERS		
FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	Global Atlantic did not sustain any material monetary losses in 2021 as a result of legal proceedings associated with its marketing and communications of insurance product-related information to new and returning customers. Global Atlantic reports all such matters that are material in KKR’s filings with the SEC.
FN-IN-270a.2	Complaints-to-claims ratio	For additional information, please refer to the NAIC National Complaint Index Report for Global Atlantic entities, including Forethought Life Insurance Company and Accordia Life and Annuity Company, the company’s primary issuing entities of insurance products.
FN-IN-270a.3	Customer retention rate	Global Atlantic does not disclose this specific metric. Delivering a consistent customer experience is a key corporate priority for Global Atlantic. It continues to explore ways to improve and invest in its customer experience, including digital interaction.
FN-IN-270a.4	Description of approach to informing customers about products	Global Atlantic primarily offers insurance products to individuals through a network of banks, broker-dealers, and independent marketing organizations. Global Atlantic does not sell insurance products directly to individuals. Product communications are held to Global Atlantic’s own standards, as well as the standards of regulatory agencies and bodies, including, where applicable: State Departments of Insurance, SEC, Financial Industry Regulatory Authority (FINRA), and Department of Labor (DOL). Product communications are created by Global Atlantic’s Marketing Organization, then reviewed and approved by the Advertising Review Unit within Compliance prior to external use. The Advertising Review Unit obtains input and support, as needed, from subject-matter experts in other departments, including Legal, Tax, and Product. Depending on the product type, related communications may include information on suitability of product offerings; costs; terms, conditions, and exclusions; explanation of claims process; and, availability of further information, via financial professional or agent, Global Atlantic’s website, call center, or online portal. Depending on the product type, Global Atlantic communicates product performance to customers through a statement of account on a quarterly or annual basis. Customer-Facing Websites: globalatlantic.com globalatlantic.com/life-insurance globalatlantic.com/retirement-annuities globalatlantic.com/preneed-life-insurance

Code	Accounting Metric	Global Atlantic Response and/or Disclosure Source
INCORPORATION OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE FACTORS IN INVESTMENT MANAGEMENT & ADVISORY		
FN-IN-410a.1	Total invested assets, by industry and asset class	<p>\$124 billion total investments as of December 31, 2021.</p> <p>For more information on Global Atlantic’s total investments, see KKR & Co. Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021, in particular Note 7 of the Notes to Consolidated Financial Statements.</p> <p>KKR 2021 Form 10-K</p>
FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	<p>Review the Responsible Investment Statement on page 13 of the Global Atlantic 2021 ESG Report.</p> <p>Global Atlantic ESG website: globalatlantic.com/esg</p>
POLICIES DESIGNED TO INCENTIVIZE RESPONSIBLE BEHAVIOR		
FN-IN-410b.1	Net premiums written related to energy efficiency and low-carbon technology	<p>This topic does not apply to Global Atlantic, a retirement and life insurance company.</p>
FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	<p>No products and/or product features to discuss as of December 31, 2021.</p>
ENVIRONMENTAL RISK EXPOSURE		
FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	<p>Global Atlantic, a retirement and life insurance company, does not currently use computer modeling to manage climate change–related risk as it is not in the Property & Casualty business in which potential losses associated with climate change–related events could be more substantial.</p>
FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	<p>This topic does not apply to Global Atlantic, a retirement and life insurance company.</p>
FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of Firm-level risks and capital adequacy	<p>With respect to risk management, Global Atlantic considers environmental and climate change–related risks as part of its overall Enterprise Risk Management Framework. A natural or man-made disaster or catastrophe or the occurrence of climate change could adversely affect Global Atlantic’s mortality, morbidity or other experience, adversely affect Global Atlantic’s investment portfolio and have a significant negative impact on Global Atlantic’s operations and results. Such events could also have an adverse effect on lapses and surrenders of existing policies, as well as sales of new policies. Global Atlantic is committed to continual learning and will seek to regularly reassess climate change–related risks, the degree to which those risks could affect Global Atlantic’s business, and Global Atlantic’s responses to those risks.</p>

Code	Accounting Metric	Global Atlantic Response and/or Disclosure Source
SYSTEMIC RISK MANAGEMENT		
FN-IN-550a.1	Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	<p>As part of Global Atlantic’s risk management strategy, the company employs derivative instruments to hedge certain market risks. Global Atlantic’s risk management hedge program seeks to mitigate economic impacts relating to its insurance products primarily from interest rate and equity price movements, while taking into consideration accounting and capital impacts by purchasing derivative financial instruments.</p> <p>For information on Global Atlantic’s use of derivatives, see KKR & Co. Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021, in particular Note 8 of the Notes to Consolidated Financial Statements.</p> <p>KKR 2021 Form 10-K</p>
FN-IN-550a.2	Total fair value of securities lending collateral assets	<p>For information on Global Atlantic’s repurchase agreements, see KKR & Co. Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021, in particular Note 7 of the Notes to Consolidated Financial Statements.</p> <p>KKR 2021 Form 10-K</p>
FN-IN-550a.3	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	<p>Review KKR & Co. Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021, for Capital & Regulatory Requirements Note 25 as well as Commitments and Contingencies Note 24 of the Notes to Consolidated Financial Statements for Global Atlantic’s liquidity and capital resources.</p> <p>KKR 2021 Form 10-K</p>
ACTIVITY METRICS		
FN-IN-000.A	Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance	<p>Review KKR & Co. Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021, in particular the Schedule IV – Reinsurance for in-force policies.</p> <p>KKR 2021 Form 10-K</p>

TASK FORCE ON
CLIMATE-RELATED FINANCIAL
DISCLOSURES INDEX

In November 2021, KKR published our first Climate Action Report, which is aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. This report communicates to our investors, partners, shareholders, and other stakeholders our

firmwide climate action strategy, including how we identify, assess, integrate, and manage climate-related risks and opportunities as a global investment Firm. The report documents activities and performance for calendar year 2020 and progress made in 2021, unless otherwise noted, and remains largely relevant. We have supplemented the Climate Action Report with additional information and updates in this report, as described below.

TCFD Recommended Disclosures	KKR Response and/or Disclosure Source
GOVERNANCE	
Describe the organization’s governance around climate-related risks and opportunities.	
a. Describe the Board’s oversight of climate-related risks and opportunities.	Beginning in 2021, senior executives began to provide regular periodic reports on the Firm’s management of ESG issues, including climate change, to the Audit Committee of the Board of Directors of KKR & Co. Inc. In spring 2021, we presented the Firm’s climate action strategy to the Audit Committee of the Board of Directors. KKR Climate Action Report , “Responsible Investment Oversight,” “Implementation Responsibility” (pp. 2-3) KKR 2021 Sustainability Report, Sustainable Investing > ESG-related Governance and Oversight
b. Describe management’s role in assessing and managing climate-related risks and opportunities.	KKR’s senior leaders provide oversight of our ESG integration and responsible investing efforts, including consideration of climate-related matters. Global and regional team members, supported by both internal and external subject-matter experts, collaborate on an integrated approach. In 2021, we expanded our expert network through the formation of KKR’s Sustainability Expert Advisory Council (SEAC). The SEAC brings together third-party experts who advise us on various topic areas including climate. KKR Climate Action Report , “Responsible Investment Oversight,” “Implementation Responsibility,” “Collaboration and Partnerships” (pp. 2-4) KKR 2021 Sustainability Report, Introduction > Spotlight: KKR’s Sustainability Expert Advisory Council
STRATEGY	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.	
a. Describe the climate-related risks and opportunities the organization has identified over the short-, medium- and long-term.	Given the significant scale of our investment activities compared to our footprint as an office-based company, our investment portfolio is more relevant than our Firm operations from a climate risk and opportunity perspective. Therefore, our climate action strategy focuses largely on our investment activities and considers the varying climate risks of the industries in which we invest. As part of our ESG-related work, we have focused on implementing processes to identify, assess, and manage climate-related risks and opportunities, when relevant. KKR Climate Action Report , “Investment Risks and Opportunities,” and “Firm-level Risks and Opportunities” (pp. 6-8) KKR 2021 Form 10-K (pp. 54-55, 76)

TCFD Recommended Disclosures	KKR Response and/or Disclosure Source
STRATEGY (CONTINUED)	
b. Describe the impact of climate-related risks and opportunities on the organization’s business, strategy and financial planning.	Climate change presents potential risks and opportunities to our investments, and we are constantly working to better understand both. In response, we have established a climate action strategy, which is integrated into our investment process and relies on three key pillars: <ul style="list-style-type: none">■ Integrate climate considerations into our investment processes■ Invest in the energy transition■ Engage with portfolio companies on climate-related issues KKR 2021 Sustainability Report, Sustainable Investing > Driving Value Creation: Climate, KKR Climate Action Report , “Climate Action Strategy” (pp. 5-6)
c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	In 2020, we began to test the use of climate scenario analysis. With the help of BSR, we ran a pilot scenario analysis workshop with our Infrastructure, Real Estate, and Global Macro and Asset Allocation teams. We are continuing to evaluate how to integrate climate scenario analyses into our processes and to look for ways to integrate learnings and best practices as our climate strategy matures. KKR Climate Action Report , “Climate Scenario Analysis” (pg. 8)
RISK MANAGEMENT	
Disclose how the organization identifies, assesses, and manages climate-related risks.	
a. Describe the organization’s processes for identifying and assessing climate-related risks.	Our Responsible Investment Policy articulates our approach to identifying and managing ESG risks, including climate-related risks, as well as potential value-creation opportunities across the investment life cycle and across asset classes. KKR 2021 Sustainability Report, Sustainable Investing > ESG Integration Across Asset Classes KKR Climate Action Report , “Pre-Investment” and “Post-Investment” (pp. 10-14)
b. Describe the organization’s processes for managing climate-related risks.	Across our investment portfolio, KKR focuses on driving operational and strategic improvements to ESG performance, including climate-related risks, during the investment life cycle. We consider climate as a critical topic for all companies to consider, regardless of sector or geography, and thus have identified it as one of our Global Ambitions .
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	At the Firm level, we are committed to promoting environmental stewardship by responsibly managing our operational footprint, including the management and reduction of GHG emissions from our own operations. KKR 2021 Sustainability Report, Sustainable Investing > Driving Value Creation: Climate and Sustainable Operations > Environment KKR Climate Action Report , “Risk Management” (pp. 8-12)

TCFD Recommended Disclosures	KKR Response and/or Disclosure Source
METRICS AND TARGETS	
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>KKR annually calculates our Firm’s GHG emissions footprint including emissions from Scope 1 and 2, and numerous Scope 3 categories. Within our investment activities, we have estimated the Scope 1 and 2 GHG emissions footprints for the following funds as of December 31, 2021: EIGF I and II, Global Infrastructure III, Europe V, Global Impact and Americas XII. Building on these efforts, we are working with third-party experts to estimate the GHG emissions of KKR’s public and private markets portfolio.</p> <p>Even as we expand our efforts to measure emissions at our portfolio, we recognize that GHG emissions are not always a perfect proxy for climate-related risk and opportunity. We continue to evaluate the best, and most relevant, indicators for our risk management and investment process.</p> <p>KKR 2021 Sustainability Report, Sustainable Operations > Environment</p>
b. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 Greenhouse Gas (GHG) emissions, and the related risks.	<p>As noted above, KKR conducts a Firm-level GHG emissions footprint annually, as well as GHG emissions footprints for a growing number of selected funds.</p> <p>KKR’s 2021 GHG emissions footprint comprises emissions from Scope 1 and Scope 2, as well as numerous Scope 3 categories, totaling 6,786.7 metric tons CO2 equivalent.</p> <p>KKR 2021 Sustainability Report, Sustainable Operations > Environment and Appendix > KKR-level ESG Data Table</p>
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>As outlined in our Global Ambitions for climate, KKR intends to:</p> <ul style="list-style-type: none">■ Integrate climate-related risks and opportunities into investment decision-making and management practices. This includes considering climate change risks and opportunities during diligence and engaging on these issues with the companies in which KKR invests or to which KKR provides financing■ Report on our assets’ climate-related activities to fund investors annually, including seeking to provide information on Scope 1 and 2 emissions and certain Scope 3 emissions data, and describing the steps taken by portfolio companies in developing and implementing decarbonization plans, where relevant and available■ Where we are a minority investor, implement a stewardship and engagement strategy consistent with the GHG measurement and decarbonization ambitions described above <p>KKR 2021 Sustainability Report, Sustainable Investing > Global Ambitions</p>

OVERVIEW OF POLICIES

As referenced in the respective Sustainable Operations sections of this report, the below provides an in-depth overview of KKR’s policies and procedures that govern our [People](#) and [Governance](#)-related activities.

■ PEOPLE

Harassment Policy

Our Harassment Policy strictly prohibits sexual harassment and harassment because of race, color, sex, age, disability, religion, national origin, marital status, sexual orientation, gender identity and/or expression, ancestry, military status, genetic information, or any other basis protected by applicable law. Employees have the option of reporting any incident of harassment prohibited by the Firm’s Harassment Policy to managers, management representatives, senior personnel in the Human Capital or Legal and Compliance departments, or anonymously as described in the Firm’s Whistleblower Policy. When managers become aware that harassment might exist, they are obligated by this policy to take prompt and appropriate action. Appropriate action, including investigation and disciplinary action, if warranted, will be taken with due regard to confidentiality. Retaliation or victimization against an individual for reporting discrimination or harassment or for providing information relevant to a claim of discrimination or harassment is also prohibited and is treated as a very serious disciplinary matter.

We provide robust web-based training on harassment and discrimination prevention on an annual basis to all employees globally. These web-based trainings may vary based on specific jurisdictional requirements. Such web-based training may be supplemented by in-person training as appropriate. The most recent “Respect in the Workplace Training” was deployed globally in 2021.

Equal Employment Opportunity Policy

We provide equal employment opportunity to all employees and applicants for employment. Our policy provides

that no one will be discriminated against in hiring or employment because of race, color, sex, age, disability, religion, national origin, marital status, sexual orientation, gender identity and/or expression, ancestry, military status, genetic information, or any other basis protected by applicable law. It is the policy of the Firm to:

- Comply with personnel procedures to ensure equal employment opportunity for all people without regard to race, color, sex, age, disability, religion, national origin, marital status, sexual orientation, gender identity and/or expression, ancestry, military status, genetic information, or any other basis protected by applicable law
- Comply with all the relevant and applicable provisions of the Americans with Disabilities Act (ADA). KKR will not discriminate against any employee or job applicant for employment based on race, color, religion, national origin, age, sex, marital status, ancestry, physical or mental disability, veteran status, sexual orientation, or any other category protected by applicable law
- Make reasonable accommodations wherever necessary for all employees or applicants with disabilities, provided that the individual is otherwise qualified to safely perform the essential duties and assignments connected with the job and provided that any accommodations made do not impose an undue hardship on the Firm
- Achieve understanding and acceptance of KKR’s policy on Equal Employment Opportunity by all employees and by the communities in which the Firm operates
- Investigate instances of alleged discrimination and take corrective action, if warranted
- Refrain from discriminating against any employee based on the employee’s or the employee’s dependent’s reproductive health decision-making, as provided under New York Labor Law Section 203-E
- Be alert to identify and correct any practices by individuals who are at variance with the intent of the Equal Employment Opportunity Policy

■ GOVERNANCE

Know-Your-Customer (KYC) Policy

KKR has implemented a Know-Your-Customer (KYC) Policy as part of its Anti-Money Laundering (AML) program. The KYC Policy includes risk-based procedures designed to obtain identifying information from a KKR fund investor and other persons or entities with whom the Firm is engaged in an investment activity, and to verify, to the extent required by applicable law, the fund investor’s identity. The information obtained during this due diligence review serves as the basis for making a determination as to, among other matters, whether such investor should be subjected to additional and ongoing monitoring due to its status as a senior foreign political figure or politically exposed person. KKR may also use third-party service providers to conduct an additional level of due diligence based on its risk assessment of its fund investors, such as investors deemed high risk.

Marketing Review Policy

The Marketing Review Policy sets expectations and guidelines around marketing activities of **Relationship Managers (RMs)** in our **Client and Partner Group (CPG)** who are employees of KKR and who are registered with the Financial Industry Regulatory Authority (FINRA), representatives of **KKR Capital Markets LLC (KCM)**. Marketing activities by RMs are subject to federal and state securities laws and regulations applicable to registered investment advisors and registered broker-dealers.

KKR’s policy is to adhere to the regulatory requirements covering the following areas, among others:

- Marketing and Advertising, and Communications with the Public
- Marketing material categories
- Fair and balanced communications
- No material misstatements
- Disclaimer placement
- Clear, balanced, and consistent communications
- Audience considerations

- Related performance information
- Performance data backup
- Survey data background
- Past specific recommendations
- Prohibited advertising practices
- No testimonials
- No cherry-picking recommendations
- Use of graphs and charts
- Past performance guidelines

Our Marketing Review Policy further outlines guidelines for marketing materials, the review and approval process, and content standards for the presentation of performance. We provide a checklist for employees to utilize when reviewing marketing materials to ensure that the materials are fair, balanced, and not misleading.

Finally, KKR has instituted various other policies and procedures that are designed to ensure compliance with legal and ethical standards and all applicable laws, rules, and regulations, including, but not limited to, the following:

- **Investment Allocation Policies** – to provide procedures for allocating investments in a way that ensures fair treatment of our clients and is consistent with contractual commitments
- **Fee Guidelines** – to ensure fees charged by KKR’s affiliated broker-dealers are appropriate, consistent, and at standard market rates
- **Expense Allocation Policies** – to provide procedures for allocating expenses among the Firm and our clients in a fair and equitable manner that is consistent with its contractual commitments

Written Supervisory Procedures

KKR Capital Markets’ Written Supervisory Procedures provide guidelines around marketing materials that promote securities or KCM’s broker-dealer business. KKR’s compliance procedures provide guidelines around marketing materials that promote managed accounts and investment strategies or KKR’s investment advisory business.

All employees registered with FINRA must certify compliance with the contents of the policy and keep a current copy of this policy on hand. Failure to adhere to the policy and procedures may result in disciplinary action. Violation of certain procedures also potentially subjects KCM and the individual employee involved to civil liability and damages, regulatory sanction, and criminal prosecution. As a broker-dealer registered with the SEC and a member of FINRA, KCM is subject to the U.S. federal securities laws and regulations applicable to the broker-dealers. KCM is registered in all 50 U.S. states and U.S. territories and is subject to the securities laws and regulations of those states and territories. With subsidiary investment advisors registered with the SEC, KKR is subject to the U.S. federal securities laws and regulations applicable to investment advisors. CPG complies with all applicable requirements of the federal and state securities laws as well as with KKR’s policies and procedures and any applicable law in other countries in which CPG operates.

■ BUSINESS ETHICS

Anti-Bribery and Anti-Corruption (ABC) Policy

This policy prohibits KKR employees from offering a benefit to a client to obtain an advantage for KKR or receive a benefit from a client in return for a promise of a benefit from KKR. KKR is committed to complying with all requirements of the U.S. Investment Advisers Act of 1940, U.S. Foreign Corrupt Practices Act (FCPA), and the UK Bribery Act of 2010. We seek to ensure that the requirements of these laws apply to our own employees as well as outside agents, consultants, representatives, and business partners. Every employee must certify that they understand and will abide by KKR’s Anti-Money Laundering and ABC Policies.

Anti-Money Laundering (AML) Policy

This policy requires that KKR business lines have AML programs reasonably designed to comply with the AML laws and regulations in the jurisdictions where they operate with dedicated responsible individuals

providing an appropriate level of oversight. KKR has AML compliance officers in various jurisdictions and businesses responsible for implementation and operation of all AML-related procedures within the Firm, including the procedures for reporting suspicious activity, annual training programs, and independent audits to test the AML program. All KKR employees must complete mandatory trainings on AML and financial crime on an annual basis. We incorporate testing to verify understanding of these areas in annual web-based trainings, and a minimum score in each subject matter is required to complete these compliance trainings. The AML program includes an appropriate Know-Your-Customer (KYC) Policy and **Customer Due Diligence Policy** designed to provide appropriate diligence standards to evaluate and risk rate KKR’s clients and identify potentially high-risk individuals or organizations that warrant heightened scrutiny.

KKR’s Antitrust Policy

This policy aims to preserve competition among businesses and protect consumers from anti-competitive business practices. All KKR employees must refuse any attempt by any business to form an anti-competitive alliance and are required to report these attempts to the Legal or Compliance teams. Employees can report concerns and/or violations of KKR’s Antitrust Policy via the anonymous whistleblower hotline or website. The Audit Committee is responsible for reviewing these reports and conducting appropriate investigation and, if necessary, taking further remediating action as appropriate.

■ CODE OF ETHICS (THE ETHICS POLICY)

This policy is essential to our commitment to ethics and compliance. It mandates that all employees act with integrity and honesty when dealing with clients, regulators, and fellow employees. The Ethics Policy outlines the governance structure, policies, and procedures that ensure the Firm can mitigate and manage business and compliance-related risks. The Ethics Policy outlines the standards for legal and ethical behavior and aims

to prevent and detect wrongdoing within the Firm. We use the Code of Ethics to educate employees and help mitigate potential conflicts of interest that may arise from employee conduct involving personal trading, gifts and entertainment, political activity, and outside business activities, among others. KKR’s Compliance Group reviews employee certifications, questionnaires, and preapproval requests to identify such conflicts of interest.

KKR has instituted various other essential policies and procedures designed to ensure compliance with legal and ethical standards and all applicable laws, rules, and regulations, including, but not limited to, the following:

- **Global Conflicts Policy** – to identify, address, and mitigate potential conflicts of interest that may arise in the course of the Firm’s business activities
- **Information Barrier Policy** – to ensure our commitment to conduct business with integrity and implement appropriate restrictions on information access as it relates to the private and public sides of the business
- **Balance Sheet Guidelines** – to clarify governance and oversight structure of the KKR balance sheet and provide a framework for ensuring the Firm’s fiduciary duty to clients and public shareholders

Whistleblower Policy

KKR has a Whistleblower Policy, which provides reporting mechanisms for all violations of the Ethics Policy and associated Anti-Money Laundering, Anti-Bribery and Anti-Corruption, Antitrust, and other essential policies. Consistent with these policies, employees who, in good faith, make a report or provide assistance to the Audit Committee, management, or any other person or group, including any governmental, regulatory, or law enforcement body, will not face retaliation, and the source of any report will remain anonymous unless compelled by judicial or other legal process or as necessary to fully investigate a particular matter.

The CCO of each region (Americas, Europe, and Asia) and/or their respective compliance teams provide training regarding the Whistleblower Policy in local languages, if necessary, to KKR employees at the outset of their employment. In certain cases, a subset of the Firm receives targeted training regarding particular business ethics issues most relevant to their role.

The Whistleblower Policy provides the information and instructions for contacting the Audit Committee. KKR offers two hotlines, one domestic and one international, which are maintained by a third-party operator. The Whistleblower Policy provides these reporting numbers and also details other methods of making a report to the Audit Committee, which include a website (hosted by a third-party operator), or in writing or in person to the Audit Committee, in the manner described in the Whistleblower Policy.

■ **CYBERSECURITY, PRIVACY, AND DATA PROTECTION**

Information Security Policy and Associated Information Technology Policies

These policies provide a global framework that aligns KKR’s cybersecurity activities with our business requirements, risk tolerances, and resources. These policies provide guidance around governance, training structures, incident response plans, and risk assessments to ensure our data is secure, and they are reviewed on an annual basis. KKR’s Compliance, IT, and Internal Audit groups test understanding and application of these policies across the Firm on a regular basis.

KKR is also a member of the Financial Services Information Sharing and Analysis Center (FS-ISAC), a nonprofit group dedicated to reducing cybersecurity risks throughout the global finance industry. Additionally, our formal Incident Response Plan is based on the National Institute of Standards and Framework’s Cybersecurity Framework

(NIST CSF). Our policies are designed to comply with privacy-related regulations across all relevant jurisdictions, including the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA).

European Data Protection Policy

This policy is designed to ensure that employees act appropriately when handling personal data, including the leakage, loss of, or damage to personal data. Where personal data breaches occur, they must be reported in accordance with the policy.

BENEFITS OVERVIEW⁵⁹

Fostering a culture of physical, mental, and emotional health and wellness is a priority for KKR. We offer industry-leading, comprehensive benefits for our employees’ overall well-being and strive to keep our program competitive and responsive to their and their families’ needs.

Health insurance coverage, which includes full medical, dental, and vision insurance (including prescription drug coverage)

Life and accidental death and dismemberment insurance (no extra cost)

Short-term and long-term disability insurance coverage

Access to a suite of health programs through various third-party service providers (available in the U.S. only), including:

- Membership-based medical program that offers virtual visits, same-day primary care physician appointments, 24/7 phone support, mobile app access, travel medicine needs, and email communications with physicians
- Medical consulting service for health care decisions and second opinion support
- Mental well-being platform that provides access to screening, navigation, and scheduling of virtual visits with licensed therapists/psychiatrists

Smoking cessation support, health coaching, and access to Memorial Sloan Kettering (MSK) for annual mammograms (for New York-based employees) as well as global access to MSK’s cancer navigation support where employees and their families can receive remote care from MSK in collaboration with their local doctors

Fitness reimbursement program

Free annual on-site flu vaccine (available at most U.S. and non-U.S. KKR locations)

⁵⁹ Benefits eligibility varies across benefit programs and geographic location. The benefits in this overview are available globally unless otherwise noted.

On-site health and wellness suite with primary care, mental health, and physical therapy/chiropractic services, and access to wellness rooms (for New York-based employees) or multipurpose rooms at select offices

Wellness Works program, which includes health clinics, nutrition, stretching, and yoga sessions with virtual health coaches, walking/running challenges, and meditation classes

Discounts on health care premium contributions each year through preventive health care activities (for U.S.-based employees)

Collaboration with third-party health and wellness vendors to ensure our employees’ musculoskeletal health through virtual and on-site ergonomic consultations as well as tele-physical therapy (for U.S.-based employees)

Fertility management/support programs, including IVF coverage, egg freezing treatments, sperm freezing and testing, donor tissue coverage, and surrogacy/adoption expense reimbursement

Family planning resources (for U.S.-based employees), including:

- Parental coaching children up to age 12
- Birth center coverage
- Support for home delivery
- Breast pump coverage
- Breast milk shipping through a third-party for employees traveling for business both domestically and internationally
- Dedicated nursing mothers’ rooms in several offices

Paid time off (PTO) benefits, including vacation time, personal days, sick days, funeral or bereavement days, and for jury duty service

Access to financial counseling services when an employee or their family member passes away (for U.S.-based employees)

Employee Assistance Program (EAP) and voluntary benefits program, including long-term care, pet insurance, and legal assistance services

Emergency backup child/elder care, adult/elder care navigation, return to work support, and additional family support, such as college coaching/application support (for U.S./UK/Dublin-based employees)

Access to a third-party service that provides navigation assistance for employees with children with special/developmental needs

Paid parental leave policy:

- 18 weeks of paid leave for a primary caregiver new parent
- Four weeks for non-primary caregiver
- Four weeks of paid family caregiving leave, regardless of tenure, to support a serious health condition of a family member

Childcare travel program covering costs related to childcare provider accompaniment on essential business-related travel

Coaching program for executives and their managers transitioning from parental leave to full-time work (for U.S./UK-based employees)

KKR 401(k) Profit Sharing Plan for U.S. employees, including a KKR matching program under the plan

Profit-sharing contribution to the plan on behalf of eligible participants, at KKR’s discretion (for U.S.-based employees)

Personalized planning and advice and free access to financial counseling and planning services (for U.S./UK-based employees)

Portfolio-wide ESG Data Collection

At KKR, we use the term “ESG data” to refer to a comprehensive set of decision-useful, nonfinancial metrics and indicators that we collect from our portfolio companies. We recognize the importance of ongoing tracking and monitoring of this data, accompanied by comprehensive reporting to Firm leadership and heads of various businesses, as well as externally to our limited partners and portfolio companies’ management teams and boards.

Given the scale of the effort, teams involved in this effort at KKR include the Portfolio Company Reporting team, Technology and Engineering, KKR Capstone, core ESG team, as well as key partners in each of our businesses. The work is also supported by external consultants.

Complementing ESG information gathered through our ongoing engagement with portfolio companies, including at the board level, where relevant, we conduct an annual ESG survey of our Infrastructure and Private Equity portfolio companies, with some degrees of

variation depending on asset class and region. We expect to improve upon and expand this effort in 2022 and 2023. For more information on how we currently collect ESG data in other asset classes, see [ESG Integration Across Asset Classes](#).

■ ILLUSTRATIVE TOPICS

To supplement the information we receive on material issues performance through our Board and other engagements with portfolio companies, we intend to collect data to monitor ESG performance on broad, universal ESG topics and those that are sector-specific and company-specific, including metrics and indicators for each of our Global Ambitions. The table below represents an illustrative overview of these topics; as we continue to refine our approach and continue to align with industry best practice and disclosure regulations, these remain subject to change.

MANAGEMENT AND GOVERNANCE

Illustrative sample of questions included⁶⁰

- What does your organization consider to be its material ESG topics?
- For each topic that your organization considers to be a material ESG topic, indicate whether there is a strategy or policy in place to address that topic, as well as the KPIs that are used for monitoring performance.
- Does your organization offer any products or services that directly advance one or more of the UN Sustainable Development Goals?

⁶⁰ These questions are examples and not every question will apply to every company; ESG considerations differ per region, industry and strategy, and variations exist to account for these differences as well as other asset class-specific priorities.

HUMAN CAPITAL	CLIMATE	DATA RESPONSIBILITY
Key topics covered		
<ul style="list-style-type: none">■ Board diversity■ DEI strategy and programs■ Employee benefits■ Employee engagement■ Human capital management■ Remuneration practices■ Supplier diversity■ Workplace safety	<ul style="list-style-type: none">■ Climate strategy■ Emissions■ Energy management■ Environmental management■ Environmental targets■ Waste management■ Water consumption	<ul style="list-style-type: none">■ Cybersecurity practices■ Data privacy program■ GDPR Compliance■ Risk management
Illustrative sample of questions included ⁶¹		
<ul style="list-style-type: none">■ What were the total training hours offered to employees (excluding regulatory/compliance) in the previous calendar year?■ In the previous calendar year, what was your organization’s overall attrition rate?■ Briefly describe any DEI objectives and goals that your organization has set, including any quantitatively measurable objectives and your current base-lines.■ Does your organization have a broad-based employee ownership program through which employees receive equity or profit interests in the company?	<ul style="list-style-type: none">■ Has your organization established any greenhouse gas emissions reduction targets?■ What were your organization’s total greenhouse gas emissions in the previous calendar year [CO2e/yr]?■ Describe what is included in your organization’s Scope 3 greenhouse gas emissions.■ In the previous calendar year, what was your organization’s total waste generation?	<ul style="list-style-type: none">■ What issues are covered in your organization’s data protection and/or privacy policy?■ Does your organization have a GDPR compliance program in place?■ Has your organization identified a C-suite executive with responsibility for cybersecurity?■ Does your organization perform periodic cybersecurity assessments?

⁶¹ These questions are examples and not every question will apply to every company; ESG considerations differ per region, industry and strategy, and variations exist to account for these differences as well as other asset class-specific priorities.

KKR-level ESG Data Tables

TABLE 1: GENDER REPRESENTATION OF GLOBAL EMPLOYEES (%) ⁶²			
	Female	Male	N/A
Executive Management	19%	81%	-
Non-Executive Management	28%	72%	-
Senior Executives	26%	74%	-
Professionals	43%	57%	-
All Other Employees	95%	5%	-
Total Firm	44%	56%	-
% of New Hires	45%	55%	-
KKR Board	19%	75%	6%

TABLE 2. RACIAL/ETHNIC REPRESENTATION OF U.S. EMPLOYEES (%) ⁶²									
	White	Asian	Black	Hispanic or Latinx	American Indian or Alaska Native	Native Hawaiian or Other Pacific Islander	Two or more races	Other	Prefer not to answer/Unknown
Executive Management	78%	12%	3%	1%	0%	0%	0%	0%	5%
Non-Executive Management	60%	22%	4%	3%	0%	0%	3%	2%	6%
Senior Executives	66%	19%	4%	2%	0%	0%	2%	1%	6%
Professionals	52%	27%	4%	6%	0%	0%	3%	2%	6%
All Other Employees	49%	10%	9%	17%	1%	2%	5%	2%	4%
Total Firm	57%	21%	5%	6%	0%	0%	3%	1%	6%
% of New Hires	52%	23%	7%	6%	0%	0%	3%	1%	8%
KKR Board	63%	6%	13%	6%	0%	0%	0%	0%	13%

TABLE 3: EMISSIONS BY SCOPE ⁶³				
	Source	Emissions		Details
		2021	2020	
Scope 1	Space Heating; Fugitive Refrigerants	896.8 mtCO2e	536.1 mtCO2e	Estimated, based on site characteristics
Scope 2	Purchased Electricity, District Heating, District Cooling	1,877.8 mtCO2e	2,241.7 mtCO2e	KKR offices
Scope 3	Multiple Categories	4,012.2 mtCO2e	3,152.8 mtCO2e	
	Commercial Air Travel	41%	53%	% of Scope 3 total”

TABLE 3: EMISSIONS BY SCOPE ⁶³		
Total	Emissions	
	2021	2020
Scope 1 + 2 Total	2,774.6 mtCO2e	2,777.8 mtCO2e
Scope 1, 2, and 3 Total	6,786.7 mtCO2e	5,930.6 mtCO2e

⁶² Definitions: “Executive Management” defined as global Partners and Managing Directors; “Non-Executive Management” defined as global Directors and Principals; “Professionals” defined as global Associates, Analysts, and Professionals; “All Other Employees” defined as global Staff and Support

⁶³ KKR’s 2021 GHG emissions footprint is based on Firm-level emissions arising from our direct impacts and operations; it does not account for the impacts of our investments. KKR’s inventory is developed in accordance with the revised GHG Protocol Corporate Standard and the Corporate Value Chain Accounting and Reporting Standard. We believe the procedures developed and executed during development of the KKR Inventory for Reporting Year 2021 satisfy ISO Standard 14064-1. For more detail on calculation methodologies, refer to the [Endnotes](#) of the report.

Endnotes

Footnotes 7 and 35. 2021 Sustainability Highlights: Climate and Environmental Sustainability Investments

- 1) Climate investments include all of KKR’s* investments from 2010 to December 31, 2021 in the following climate-focused sectors: renewable energy, energy efficiency, emissions reductions, climate services.
- 2) Environmental sustainability investments include all of KKR’s* investments from 2010 to December 31, 2021 in the following sustainability-focused sectors: pollution, waste, water, circular economy, land adaptation, transportation.

* Includes investments/commitments made by KKR Private Market Funds and other affiliates, Global Atlantic (KKR subsidiary), and syndicated co-investments. Excludes investments that are also involved in sectors not intrinsically aligned with climate mitigation, such as fossil fuel generation/ distribution, airports, or highways, regardless of the company’s long-term energy transition ambitions.

Footnote 10. 2021 Sustainability Highlights: Portfolio Company-level Board Diversity

The scope of our data collection includes majority-controlled portfolio companies and investment vehicles (where KKR has more than 50% equity ownership) across Private Equity, Growth Funds, Infrastructure, and Global Impact strategies, and select portfolio companies from the following strategies: Energy, Real Estate, Balance Sheet/Stakes, Credit. Board seats are meant to highlight the composition of a specific board. Diverse directors found on multiple boards occupy more than one diverse seat in the portfolio; therefore, one individual can account for multiple diverse seats.

Footnote 42. KKR Global Impact Strategy: Board Diversity

Global Impact monitors diversity at portfolio companies as follows:

- Global: Gender diversity
- North America: In addition to gender diversity, the term diversity encompasses (i) Historically Underrepresented Groups, which includes individuals self-identifying as African American, Black, Hispanic, Latino, Native American, or Alaska Native; (ii) Asian American; (iii) individuals self-identifying as LGBTQ for board members only.

Footnote 48. KKR Global Impact Strategy: Highlights of Global Impact’s Contribution to the SDGs

This table is for illustrative purposes only. The illustrations include all 12 SDGs addressed by Global Impact in 2021 and at least one finalized metric per company in our Global Impact portfolio, but do not include all metrics for every company. Unless otherwise noted, the results are cumulative contributions to the SDGs since baseline, and SDG metrics with percent values expressed as averages since baseline. All figures are rounded totals.

SDG 1: NO POVERTY

- Five Star: total loans disbursed by Five Star to its micro-entrepreneurs and self-employed individual clients in India for calendar year 2021.

SDG 4: QUALITY EDUCATION

- Emsi Burning Glass: metric captures the total number of higher education institutions served by Emsi Burning Glass’ solutions since 2019 baseline. 2019 and 2020 values reflect Burning Glass operations only, as the merger with Emsi occurred in 2021.
- MasterD: students enrolled in Spain and Portugal as of 2021.
- Education Perfect: number of students with access to Education Perfect’s platform at the end of 2021.
- EQuest: metric reflects number of students in EQuest’s portfolio as of 2021.
- Total students enrolled in Graduation Alliance’s Adult Workforce Diploma and Dropout Recovery Programs in 2021.

SDG 6: CLEAN WATER AND SANITATION

- Axios Water offers end-to-end nutrient management solutions for municipal and industrial wastewater treatment facilities to reduce the harmful effects of biological nutrient pollution. Daily volumes of nutrient chemicals removed are calculated based on the treatment capacity for each product or process provided by Axios Water.

SDG 7: AFFORDABLE AND CLEAN ENERGY

- BBP provides energy-saving solutions to HVAC systems in commercial and industrial buildings. BBP calculates the percentage change of total customer HVAC system’s energy intensity before and after BBP’s solution was implemented. The result is an average of energy intensity improvements across client projects since baseline reporting.

SDG 8: DECENT WORK AND ECONOMIC GROWTH

- Citation provides health and safety, human resource, and compliance support (through expert advice, internationally recognized quality standards, e-learning modules, guides, templates, etc.) to small and medium-sized enterprises across the United Kingdom. This metric reflects 2021 performance and was calculated by comparing the Injury Incidence Rate per 100,000 employees at Citation’s health and safety clients with the 2021 UK average, sourced from the UK Health and Safety Executive.

SDG 9: INDUSTRY, INNOVATION, AND INFRASTRUCTURE

- Refer to SDG 7 BBP endnote. SDG 9 metric captures the CO2 equivalent reduced due to energy efficiency savings generated at BBP’s clients.

SDG 11: SUSTAINABLE CITIES AND COMMUNITIES

- Re Sustainability is a waste management company that collects and treats municipal solid waste. Viridor is a waste management companies that treats municipal solid waste.

SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

- Reflects metric tons of hazardous waste treated by Re Sustainability since baseline, such as industrial and medical waste.
- CMC installs and operates 3D packaging machines, which scan products to produce packaging that fit to product size, supporting retail and logistics clients to reduce corrugate and filler materials on millions of packages shipped. The estimated reduction in paperboard material is for calendar year 2021 and is based on a Life Cycle Assessment (LCA) conducted in the same year. The LCA compared the paperboard used by a traditional packaging machine with its CartonWrap product across a selection of household items.

SDG 13: CLIMATE ACTION

- GreenCollar: Australia’s leading carbon markets business and one of the largest carbon abatement developers globally. Australian Carbon Credit Units represent one metric ton of stored carbon dioxide equivalent (tCO2-e) or avoided emissions through approved management activities and methodologies, which is calculated by using a methodology defined by Australia’s Clean Energy Regulator and independently audited.

SDG 14: LIFE BELOW WATER

- GreenCollar provides Reef Credits where one Reef Credit is equivalent to 1 kilogram (kg) of dissolved inorganic nitrogen pollution or 538 kg of sediment prevented from reaching the Great Barrier Reef, as a result of more sustainable farming practices via GreenCollar’s engagements with farmers.

SDG 15: LIFE ON LAND

- GreenCollar measures the total land area for accredited carbon projects, which is a subset of total land area under environmental projects as the accreditation process takes time. Metric is as of 2021.

SDG 16: PEACE, JUSTICE, AND STRONG INSTITUTIONS

- KnowBe4 monitors employee susceptibility to simulated phishing security tests before and after implementing its solution. For 2021, the overall Phish-Prone percentage baseline average across all industries and size organizations was 31.4%, meaning just less than a third of an average company’s employee base could be at risk of clicking on a phishing email. However, we found that only 16.1% of those same users failed within 90 days of completing their first KnowBe4 training. After at least a year on the KnowBe4 platform, we found that only 4.8% of those users failed a phishing test. More information on the methodology is available [here](#).

Footnote 53. People: Performance Management and Compensation

Compensation and other incentives are not formulaic, but rather judgment and merit driven, and are determined based on a combination of overall Firm performance, individual contribution and performance (as assessed via the Firm’s semiannual review process as well as other inputs), business unit performance, and relevant market and competitive compensation practices for our various businesses and the individual roles/responsibilities within each of those businesses. Awards under our equity plan are subject to time- and/or performance-based vesting

requirements. Restricted stock units are generally subject to a service-based vesting condition and vest in equal annual installments over a multiyear period (generally three to five years) from a specified grant date. Certain equity awards may be subject to minimum retained ownership requirements that mandate the employee to retain and not sell a certain percentage of such employee’s equity awards for as long as he or she is an employee of KKR. Certain awards may also be subject to transfer restrictions, prohibiting the sale of equity by the employees for one and two years after vesting.

Footnote 58. SASB Index: KKR & Co. Inc. – AUM Disclaimer

References to “assets under management” or “AUM” represent the assets managed, advised or sponsored by KKR from which KKR is entitled to receive management fees or performance income (currently or upon a future event), general partner capital, and assets managed, advised or sponsored by our strategic BDC partnership and the hedge fund and other managers in which KKR holds an ownership interest. We believe this measure is useful to stockholders as it provides additional insight into the capital raising activities of KKR and our hedge fund and other managers and the overall activity in their investment funds and other managed or sponsored capital. KKR calculates the amount of AUM as of any date as the sum of: (i) the fair value of the investments of KKR’s investment funds and the Global Atlantic insurance companies; (ii) uncalled capital commitments from these funds, including uncalled capital commitments from which KKR is currently not earning management fees or performance income; (iii) the fair value of investments in KKR’s co-investment vehicles; (iv) the par value of outstanding CLOs; (v) KKR’s pro rata portion of the AUM of hedge fund and other managers in which KKR holds an ownership interest; (vi) all AUM of KKR’s strategic BDC partnership; and (vii) the fair value of other assets managed or sponsored by KKR. The pro rata portion of the AUM of hedge fund and other managers is calculated based on KKR’s percentage ownership interest in such entities multiplied by such entity’s respective AUM. KKR’s definition of AUM (i) is not based on any definition of AUM that may be set forth in the governing documents of the investment funds, vehicles, accounts or other entities whose capital is included in this definition, (ii) includes assets for which KKR does not act as an investment adviser, and (iii) is not calculated pursuant to any regulatory definitions.

Footnote 63. KKR-level ESG Data Tables: Emissions by Scope

Portions of KKR’s 2021 inventory relied on proxy data to develop the resource consumption estimates and resulting emissions impact. As 2021 was still impacted by COVID-19, data access, aggregation and timely transfer was challenging. As such, the inventory was developed with as much primary data as possible, but did apply what we believe to be industry standard and best practices approaches to data estimates, where necessary (e.g., office electricity and fuels, employee commute).

Cautionary Statement

The data and information in this report (“Report”), which has been prepared by the investment management subsidiaries of KKR & Co. Inc., are presented for informational purposes only. This Report shall not constitute an offer to sell or the solicitation of any offer to buy any interest, security, or investment product. The information in this Report is only as current as the date indicated and may be superseded by subsequent market events or for other reasons, and KKR assumes no obligation to update the information herein. Nothing contained herein constitutes investment, legal, tax, or other advice nor is it to be relied on in making an investment or other decision. This Report should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any securities or to adopt any investment strategy.

This report contains certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Certain information contained in this report constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “seek,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue,” “target,” “plan,” “believe,” “strive,” “could,” “would,” “approximate,” the negatives thereof, other variations thereon, or comparable terminology. Furthermore, any projections or other estimates in this report, including estimates of returns or performance, are “forward-looking statements” and are based upon certain assumptions that may change. More broadly, statements that do not relate strictly to historical or current facts are based on current expectations, estimates, projections, opinions, or beliefs of KKR and its affiliates or its sources of information as of the date of this report. Due to various known and unknown risks, assumptions, and uncertainties related to the forward-looking statements in this report, including the ongoing impact of the COVID-19 pandemic, actual events or results or actual performance could differ materially and adversely from those expressly or implicitly reflected, or contemplated, in such forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results or actual performance. KKR has based these forward-looking statements on current expectations and assumptions about future events, taking into account all information currently known by KKR. These expectations and assumptions are inherently subject to significant business, economic, competitive, regulatory and other risks and uncertainties; actual events are difficult to project and often depend upon factors that are beyond the control of the KKR and its affiliates. Additional risks of which KKR is

not currently aware could cause actual results to differ. The risks and uncertainties that may affect the operations, performance and results of KKR’s business and forward-looking statements include, but are not limited to, those set forth in this report and in the documents KKR files from time to time with the Securities and Exchange Commission. In addition, unless the context otherwise requires, the words “include,” “includes,” “including,” and other words of similar import are meant to be illustrative rather than restrictive.

Any forward-looking statement speaks only as of the date on which such statement is made, and KKR assumes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

Certain information contained herein relating to any goals, targets, intentions, or expectations, including with respect to net-zero targets and related timelines, is subject to change, and no assurance can be given that such goals targets, intentions, or expectations will be met. The United Nations Sustainable Development Goals (SDGs) are aspirational in nature. The analysis involved in determining whether and how certain initiatives may contribute to the SDGs is inherently subjective and dependent on a number of factors. There can be no assurance that reasonable parties will agree on a decision as to whether certain projects or investments contribute to a particular SDG. Accordingly, investors should not place undue reliance on the Firm’s application of the SDGs, as such application is subject to change at any time and in the Firm’s sole discretion. Further, statistics and metrics relating to ESG matters are estimates and may be based on assumptions or developing standards (including KKR’s internal standards and policies).

Similarly, there can be no assurance that KKR’s ESG policies and procedures as described in this report, including policies and procedures related to responsible investment or the application of ESG-related criteria or reviews to the investment process, including the ESG Scorecard, will continue; such policies and procedures could change, even materially, or may not be applied to a particular investment. KKR is permitted to determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives, policies, and procedures based on cost, timing, or other considerations. 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 or, control or influence exercised by KKR 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. ESG factors are only some of the many factors KKR considers in making an investment, and there is no guarantee that KKR will make investments in companies that create positive ESG impact or that consideration of ESG factors will enhance long-term value and financial returns for limited partners. To the extent KKR engages with portfolio companies on ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the financial or ESG performance of the investment. In addition, the act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by KKR will reflect the beliefs or values, internal policies or preferred practices of investors, other asset managers or with market trends.

Except where opinions and views are expressly attributed to individuals, general discussions contained within this Report regarding the market or market conditions represent the view of either the source cited or KKR. Nothing contained herein is intended to predict the performance of any investment. There can be no assurance that actual outcomes will match the assumptions or that actual returns will match any expected returns.

Case studies presented herein are for illustrative purposes only, have been selected in order to provide examples illustrating KKR’s application of its ESG policies and procedures with respect to its portfolio investments and do not purport to be a complete list thereof. It should not be assumed that investments made in the future will be comparable in quality or performance to the investments described herein. Further, references to the investments included in the illustrative case studies should not be construed as a recommendation of any particular investment or security. Certain information was provided by third parties and certain statements reflect KKR’s beliefs as of the date hereof based on prior experience and certain assumptions that KKR believes are reasonable, but may prove incorrect. Past performance is not necessarily indicative of future results.

There can be no assurance that the operations and/or processes of the Company as described herein will continue, and such processes and operations may change, even materially. The actual investment process used for any or all of KKR’s investments may differ materially from the process described herein.

The receipt of any awards by the Company or the portfolio companies described herein is no assurance that KKR’s investment objectives have been achieved or successful. Further, such awards are not, and should not be deemed to be, a recommendation or evaluation of KKR’s investment management business.

Certain information contained herein has been obtained from third parties, and in certain cases have not been updated through the date hereof. While these third party sources are believed to be reliable, KKR makes no representation or warranty, express or implied, with respect to the accuracy, fairness, reasonableness or completeness

of any of the information contained herein, and expressly disclaims any responsibility or liability therefor. Actual results may differ materially from any forward-looking statements.

The inclusion of the SEAC Q&A on page 7 of this Report does not constitute an endorsement by KKR of the content contained herein and KKR makes no representation or warranties with respect to the accuracy, applicability, or completeness of such content. Nothing contained herein constitutes investment, legal, tax or other advice nor is it to be relied on in making an investment or other decision. Such information was prepared solely for information purposes and should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any securities or to adopt any investment strategy. This Report and the SEAC Q&A contain projections or other forward-looking statements, which are based on beliefs, assumptions and expectations that may change as a result of many possible events or factors. If a change occurs, actual results may vary materially from those expressed in the forward-looking statements. All forward-looking statements speak only as of the date such statements are made, and neither KKR nor the relevant SEAC member assumes any duty to update such statements except as required by law.

References to “KKR Capstone” or “Capstone” are to all or any of KKR Capstone Americas LLC, KKR Capstone EMEA LLP, KKR Capstone EMEA (International) LLP, KKR Capstone Asia Limited and their Capstone-branded subsidiaries, which employ operating professionals dedicated to supporting KKR deal teams and portfolio companies. In this document, views and other statements regarding the impact of initiatives in which KKR Capstone has been involved are based on KKR Capstone’s internal analysis and information provided by the applicable portfolio company. Such views and statements are based on estimates regarding the impact of such initiatives that have not been verified by a third party and are not based on any established standards or protocols. They can also reflect the influence of external factors, such as macroeconomic or industry trends, that are unrelated to the initiative presented.

The “Company” means KKR & Co. Inc. and its subsidiaries, which includes the Firm and Global Atlantic. The “Firm” means Kohlberg Kravis Roberts & Co. L.P. and the other subsidiaries of KKR & Co. Inc. that operate its asset management business, including capital markets activities. “KKR” means the Firm and, when the context requires, includes the investment funds and vehicles managed or sponsored by the Firm. “Global Atlantic” means The Global Atlantic Financial Group LLC and its subsidiaries. “Portfolio companies” are companies held as investments by the investment funds and vehicles managed or sponsored by the Firm. Portfolio companies are not part of the Company or KKR as defined. “We” and “our” refer to the Company or KKR, as the context requires, and do not include portfolio companies.



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