

## Investing in Solutions

*Our portfolio includes companies that address societal issues while seeking to earn a competitive return.*

KKR is proud to invest in businesses that are working to address pressing societal issues. Today, while we apply the concept of responsible investment across our portfolio where applicable, we also invest in opportunities in which responsibility and sustainability are important to the investment thesis. KKR's capital, operational capabilities, and long-term ownership model position the Firm well for investing in strategies that have positive societal impact.

KKR has made investments in companies that have positive impacts on human capital, environmental capital, food safety, and health and well-being. Since 2007, we have invested in more than 30 businesses that are addressing these important societal issues.

//

**Investments in companies that provide solutions allow our fund investors to put their capital to work in meaningful ways that address big challenges.**

//

**Alisa A. Wood**  
KKR Member, Client and Partner Group

### SOLUTIONS IN ACTION<sup>1</sup>

Four million trees are saved and fewer carbon emissions are generated each year through the use of the world's largest fleet of reusable steel intermediate bulk containers operated by **Goodpack**.

More than 700,000 individuals, including small business owners and entrepreneurs in rural and semirural India, have received access to capital through **Magma Fincorp**.

More than 180 miles of streams restored and conserved; more than 11 million trees planted; and more than 40,400 acres of wetlands restored, enhanced, or preserved by **RES** since 2007.

Approximately 12,000 workers are employed in the direct operations of **Afriflora**, an Ethiopia-based grower of Fair Trade Certified, sustainably grown roses.

## Our Differentiated Approach to Responsible Investment

We aim to identify relevant environmental, social, and governance (ESG) issues and incorporate the consideration of these issues into our due diligence, decision-making, and management practices in varying ways in our Private Markets businesses. We view responsible investment through three lenses.



### ESG Integrated

Most broadly, when applicable, we work to integrate ESG considerations into our pre-investment diligence and post-investment management of a company, as an understanding of the material issues helps us make the most informed decisions. This is our broadest and most basic approach to ESG management.

### ESG Targeted

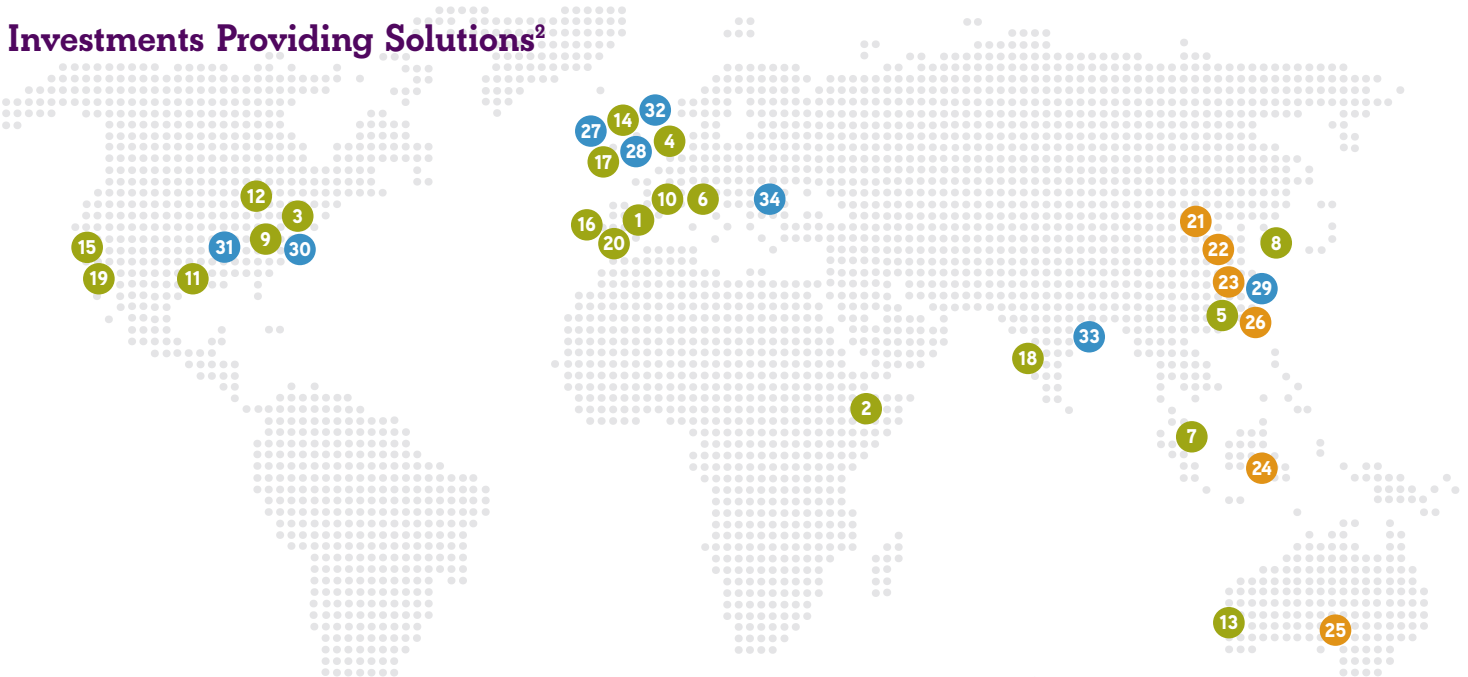
We identify investments where improving performance on material ESG issues helps create value or mitigate risk. We provide resources and tools to manage these issues and measure companies' progress through metrics and benchmarks. Examples include companies that participate in programs available through our sustainable innovation platform or utilize our network and resources to begin sustainability reporting.

### Solutions Focused

In these investments, a company's core product or service provides a solution to an ESG-related challenge. The products and services of these companies range from renewable energy to sustainable agriculture to financial inclusion.

<sup>1</sup> The above snapshots represent regional examples of solutions focused investments, are for illustrative purposes only, and are not representative of all investments made by KKR Funds or accounts, nor should it be assumed that any investment in the companies identified was or will be profitable.

# Investments Providing Solutions<sup>2</sup>



## Environmental Capital (Alternative Energy, Land and Water Use, Sustainable Agriculture)

- |  |  |   |
|--|--|---|
| <b>1</b> ACCIONA Energía Internacional<br>Renewable energy                   | <b>7</b> Goodpack<br>Sustainable shipping containers                     | <b>14</b> South Staffordshire Plc<br>Water infrastructure                 |
| <b>2</b> Afriflora<br>Sustainable, fair trade agriculture                    | <b>8</b> K Twin Towers<br>Green building                                 | <b>15</b> SunTap Energy RE LLC<br>Renewable energy                        |
| <b>3</b> Bayonne Water & Wastewater Concession<br>Water infrastructure       | <b>9</b> Middletown Borough Authority Concession<br>Water infrastructure | <b>16</b> T-Solar Global Operating Assets<br>Renewable energy             |
| <b>4</b> Calvin Capital<br>Gas and electricity smart metering                | <b>10</b> Renvico Renewable Energy<br>Renewable energy                   | <b>17</b> Temporis Capital<br>Renewable energy                            |
| <b>5</b> CITIC Envirotech Ltd. <sup>4</sup><br>Water treatment and recycling | <b>11</b> Resource Environmental Solutions (RES)<br>Ecological solutions | <b>18</b> The Address <sup>5</sup><br>Environmentally sustainable housing |
| <b>6</b> Coriance <sup>4</sup><br>District heating                           | <b>12</b> SSM Solar <sup>5</sup><br>Renewable energy                     | <b>19</b> Transphorm<br>Power conversion technology                       |
|  | <b>13</b> Santanol<br>Sustainable forestry                               | <b>20</b> X-ELIO<br>Renewable energy                                      |

## Food Safety

- |   |
|---|
| <b>21</b> Asia Dairy<br>Integrated dairy producer                           |
| <b>22</b> COFCO Meat<br>Integrated pork producer                            |
| <b>23</b> Fujian Sunner Development Co. Ltd.<br>Integrated poultry producer |
| <b>24</b> Japfa Comfeed<br>Integrated chicken feed and poultry producer     |
| <b>25</b> Sundrop Farms<br>Sustainable agriculture                          |
| <b>26</b> Yuehai Feed Group<br>Aquatic feed and nutrition solutions         |

## Human Capital (Access to Information, Education, and Financing; Health; Housing Development)

- |  |   |  |  |
|--|---|--|--|
| <b>27</b> Activate Capital <sup>3</sup><br>Irish housing development | <b>29</b> Far East Horizon Ltd. <sup>4</sup><br>Financial access  | <b>31</b> Learning House<br>Higher education           | <b>33</b> Magma Fincorp<br>Financial access                  |
| <b>28</b> Cognita Schools<br>K-12 schools globally                   | <b>30</b> Laureate International Universities<br>Higher education | <b>32</b> LGC<br>Life sciences measurement and testing | <b>34</b> SBB/Telemach Group<br>Transparency through telecom |

<sup>2</sup> The above investments are all considered solutions investments as identified by KKR's Global Public Affairs team. Such determination and assessment involves significant judgment and may differ from another party's review of the criteria used. Another party's assessment may include comparable companies not represented above. The specific portfolio companies identified are not representative of all of the securities recommended for advisory clients, and it should not be assumed that the investments in the companies identified were or will be profitable.

<sup>3</sup> KKR Credit and the Ireland Strategic Investment Fund established the Activate Capital lending platform.

<sup>4</sup> KKR exited this investment in 2016.

<sup>5</sup> KKR exited this investment in 2015.

**Important Information:** This document is being made available regarding Kohlberg Kravis Roberts & Co. L.P. and its efforts on environmental, social, and governance performance. It does not constitute an offer to sell or a solicitation of an offer to purchase any security of any fund or any other investment vehicle or product sponsored or managed by KKR. No part of this constitutes investment, legal, tax, regulatory, accounting, or other advice of any kind. Unless specified, any views reflected herein are those solely of KKR and are subject to change without notice. Neither KKR nor any of its affiliates are under any obligation to update or keep current the information contained herein. Additionally, this report contains forward-looking statements. Actual events or results may differ materially from those reflected or contemplated in such forward-looking statements. Some of the information in this document has been prepared and compiled by the applicable portfolio company and has not been reviewed or independently verified by KKR and its affiliates. KKR and its affiliates do not accept any responsibility for its contents and do not guarantee the accuracy, adequacy, or completeness of such information provided by the applicable portfolio company. The information herein is not intended to address the circumstances of any particular individual or entity and is being shared with you solely for informational purposes. All information and data are as of March 31, 2017, unless otherwise noted.