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.
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.
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 Disclosure, 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 kkrresg.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 ESG 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 65% 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, and that document remains largely relevant. Highlights from previous reports, 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.

**INTRODUCTION**

**SUSTAINABLE INVESTING**

Impact Investing: As defined by the Operating Principles for Impact Management – of which KKR is a signatory – impact investing is the practice of investing in companies whose core business-relevant ESG issues are balanced by anthropogenic removals over a specified period.

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 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.

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.

**SUSTAINABLE OPERATIONS**

**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 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

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 jurisdictions, 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 The term “sustainability” is defined by KKR terms, which may differ from the technical definition of “sustainable investment” as set forth by the European Union’s Sustainable Finance Disclosure Regulation.

2021 Sustainability Report | kkrresg.com | 3
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.

Approximately $26.9 bn invested in or committed to our own funds and portfolio companies, including $23.0 bn of capital funded or committed from our balance sheet.

Approximately $3.9 bn after-tax distributable earnings.

$2.0 bn fee related earnings.

Approximately 30% of stock owned by employees.

SASB FN-AC-000.B

2021 Sustainability Report | kkresg.com | 4
To Our Stakeholders

**REFLECTING ON 2021**

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 our 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].

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 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 subject-matter experts and establishes ESG management in 2008, we have focused on scaling our efforts.

In 2021, 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 [pp. 7, 9], 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. 17], 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

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.

ESG EXPERTISE AND OVERSIGHT

3X

Tripled the size of our dedicated Sustainable Investing subject-matter experts.

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 (IC) and became a TCFD supporter.

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 employees to the Firm, a record number, 51% of whom are diverse.

COMMUNITIES

$33+ mm

Allocated to 150+ nonprofits through KKR’s COVID-19 Relief Effort since 2020 (including $21 mm in 2021).

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.

SUSTAINABLE OPERATIONS

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.

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ENVIRONMENT

4th

Year achieving carbon neutrality across our global operations.

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

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: 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, and 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.

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.

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: 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.
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.
Strategic and Governance

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

SUSTAINABLE INVESTING AT KKR

HOW WE INVEST

ESG Integration

Integrating ESG considerations into the investment process, including due diligence, decision-making, and management practices, as appropriate.

Learn more at ESG Integration Across Asset Classes.

WHERE WE INVEST

Solutions Investing

Investing behind ESG and sustainability themes and supporting companies that strive to be part of the solution to critical environmental and social challenges across various strategies, including KKR Global Impact.

Learn more at Spotlight: KKR Global Impact Strategy.

WHAT WE DO

Value Creation

Working with portfolio companies to strengthen ESG performance and drive value.

Learn more at Global Ambitions and Driving Value Creation.

SELECT MILESTONES OF ESG-RELATED INNOVATION AND PROGRESS

2008

Created the Green Portfolio Program in collaboration with Environmental Defense Fund.

2009

Kohler Kravis Roberts & Co. L.P. became a signatory to the Principles for Responsible Investment (PRI).

2010

Launched the Responsible Sourcing Initiative.

2011

Published our first annual ESG & Citizenship Report.

2014

Launched employee ownership model in KKR’s Industrials portfolio.

2015

Published a formal KKR Global Private Equity ESG Policy.

2016

Launched the Green Solutions Platform to support portfolio companies on environmental projects.

2017

Introduced the Eco-Innovation Award to recognize transformative projects at portfolio companies.

2018

Committed to leveraging SASB Standards to support diligence of private equity investments.

2019

Launched the KKR Global Impact Strategy.

2020

Collaborated with BSR on a diversity and inclusion best practices guide for portfolio companies.

2021

Developed a Climate Action Education Series for portfolio companies.

2021

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.

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, business operations, strategic initiatives, and other significant topics relating to business operations. Our Global Head of People 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.

Our Commitment and Approach

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.
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 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.

SUBJECT-MATTER EXPERTISE TO SUPPORT THE INVESTMENT PROCESS

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 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.

“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.)
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.

Learning 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.

Learn more about our expertise and value creation in Driving Value Creation.

<table>
<thead>
<tr>
<th>KKR’S 2021 ESG SURVEY PROCESS</th>
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<tbody>
<tr>
<td><strong>155</strong> companies surveyed, with a ~94% response rate</td>
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<tr>
<td><strong>5</strong> survey versions based on strategy-specific priorities</td>
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<tr>
<td><strong>70+</strong> questions on average per survey across ~25 topics</td>
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See the Appendix for more information and an overview of ESG metrics.

Our ambition is that, with KKR’s support, majority-owned companies in our portfolio will align with these overarching ambitions going forward:

**HUMAN CAPITAL**
Have at least two diverse board members on each board and have a strategy in place for fostering a diverse and highly engaged workforce.

**CLIMATE**
Measure its greenhouse gas emissions and develop and implement business-relevant decarbonization plans, where appropriate.

**DATA RESPONSIBILITY**
Manage data responsibly, which includes mitigating cybersecurity risks, promoting a culture of cyber awareness, and handling personal or sensitive data responsibly.

**SUSTAINABLE OPERATIONS**
Report on climate-related activities to fund investors and on these priority issues where they have not already.

**SUSTAINABLE INVESTING**
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.

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)
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 companies 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 those 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.

OUR INVESTMENT PROCESS

- Pre-Screening
  - Review “Gating Issues” to identify any critical ESG or reputational concerns
  - Coordinate with KKR Global Public Affairs or other subject-matter experts, where relevant

- Commercial Diligence
  - Evaluate industry- or asset-specific risks
  - Consider engagement opportunities with issuer/target to drive value

- Investment Committee
  - Highlight risks and value-creation opportunities in Investment Committee discussions and memorandums
  - Track relevant findings

- Portfolio Management
  - Re-evaluate ESG considerations regularly
  - Engage with companies on value creation and risk mitigation efforts, where relevant

- Documentation and Monitoring
  - Record findings in internal reporting systems, when applicable
  - Track progress and potential risks
  - Report regularly to LPs, where relevant

"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.

KKR’s investments may differ materially from the process described herein. Actual results may differ materially from any forward-looking statements."

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.
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.

$187 bn 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 call 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.

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 ERM2 for our Credit teams to 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

As of May 2022

“Your 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)

2 This process does not apply to closed funds.
24 ERM is a KKR portfolio company, as of May 2021

2021 Sustainability Report | kkrasg.com | 13
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 ambitions.
- 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 126 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.

“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)
THE ARNOTT’S GROUP: DEVELOPING A SUSTAINABILITY STRATEGY FOR ICONIC BRANDS

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 2050 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.

SCALING UP: OUR 2022 PRIORITIES

- Continue to work with portfolio companies on ESG reporting efforts and hosted a webinar in 2022, which was attended by approximately 90 representatives from over 30 portfolio companies.
- 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.

Case studies presented herein are for illustrative purposes only. Refer to the Cautionary Statements for important disclosures regarding the case studies presented.

"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)
“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
Global Atlantic

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 its long-term investments. Its goal is to create value for its investors, communities, and employees and to honor its long-term investments.

"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

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

IN DIALOGUE: FORMALIZING A FIRMWIDE ESG FRAMEWORK

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 operate the business.

For more information, please visit kkresg.com.
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 industry, where it operates, and its stakeholders, often also address ESG topics that are relevant to it based on its sector or geography:

- Data responsibility
- Human capital
- Climate

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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?

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.

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

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.

Corinne Sawers
Principal, KKR Capstone (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.

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

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.

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

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

A: 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 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.

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

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Human capital issues have come to the forefront 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 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 attract a more representative workforce. We also launched the first in a five-part 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 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.

**WELLA: CELEBRATING BEAUTY IN ALL ITS FORMS**

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.

**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 vehicles

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

“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

**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
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 OWNERSHIP**

When KKR exited our investment in the manufacturer Ingersoll Rand in mid-2021, company employees shared in the value they had helped to 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 in 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. Secondarily, we look at company metrics such as levels of productivity, quality, and on-time delivery.
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.

KRR CLIMATE ACTION STRATEGY

INTEGRATING
climate considerations in our investment process

INVESTING
in the energy transition, including investing in and partnering with companies that address critical climate change challenges as well as responsible investments in conventional energy companies to support a sustainable transition to a clean energy future

ENGAGING
with portfolio companies on climate-related issues

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 STRATEGY

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 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.

Case studies presented herein are for illustrative purposes only. Refer to the Cautionary Statement for important disclosures regarding the case studies presented.

APPENDIX >

2021 Sustainability Report | kkrresg.com | 21
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 TRANSITION...
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 attacks, 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 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 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 $15 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 cybersecurity
- 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-owned 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

OPTIV: MANAGING CYBERSECURITY RISK HOLISTICALLY

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.

SUSTAINABLE OPERATIONS

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
KKR Global Impact Strategy

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, Macro and Asset Allocation team, KKR Capital Markets, 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 order 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 topics, which moving forward will also include data responsibility, in line with KKR’s Global Ambitions.

Can achieve attractive, risk-adjusted returns

Core product or service contributes locally relevant solutions to the SDGs

Generates impacts that are measurable, using metrics sourced from third-party frameworks wherever possible

Seeks to measurably improve its ESG performance during KKR ownership

CREDIBLE MEASUREMENT

To illustrate typical performance per company.

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Credible Measurement

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SUSTAINABLE LIVING
ACCELERATING SUSTAINABLE PACKAGING SOLUTIONS TO REDUCE E-COMMERCE WASTE WITH CMC
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
TAKING AN EVIDENCE-BASED APPROACH TO TRACKING EDUCATION OUTCOMES
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.

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.
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.

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.

“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 SDGS

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

2. 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

3. AFFORDABLE AND CLEAN ENERGY
14% average energy intensity reduction in heating, ventilation, and air conditioning systems at BBP

5. DECENT WORK AND ECONOMIC GROWTH
25% lower likelihood of work-related injuries at small and medium-sized UK enterprises using Citation’s product

6. 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

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
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.
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, business partner coverage and functional coverage, with specialists in talent acquisition and campus recruiting, community engagement, talent management and DEI, compensation, benefits, wellness, and operational expertise.

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 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 and 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 (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 HIGHLIGHTS

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
Created Inclusion & Diversity Council

2015
Rolled out Breaking Bias workshops

2016
Launched MBA Summer Internship Program

2017
Launched Inclusion Network and meaningfully enhanced fertility management benefits

2018
Began monitoring portfolio company board diversity

2019
Rolled out Managing Inclusively workshops globally

2020
Launched Junior Female Cohort and diverse early career programs

2021
Formed Asian Pacific Islander Network
Launched DEI Accountability Framework

* Since the formation of the IDC in 2014, as of December 31, 2021
Professionals and LGBTQ networks and other initiatives on previous employee-led efforts, including our Black formalize and expand the Inclusion Network into estab-

a culture of allyship, we are continuing our efforts to further encourage employee engagement and promote focused on other diversity dimensions.

Heritage months in addition to providing programming. Inclusion Network hosts annual events for Black History, Women’s History, Pride, Hispanic Heritage, and Asian

by the Inclusion Network Steering Committee, the KKR employees together across regions and offices. Managed greater inclusion, celebrate diversity, and bring our

In 2017, we launched the KKR Inclusion Network to foster 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.

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, their initiatives and activity, they have a shared purpose, their initiatives and activity, they have a shared purpose, their initiatives and activity, they have a shared purpose, their initiatives and activity, they have a shared purpose.


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.

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The Firm currently sponsors the following ERGs globally:

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

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.

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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)
We also provide individual coaching opportunities for a leader, and how to manage and coach team members. We believe we have experienced success in attracting qualified, diverse candidates.

**SCALING UP: 2021 HIGHLIGHTS**

- 59% of 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

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.

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

Employee Engagement

As part of KKR’s efforts to foster a culture of inclusion, we encourage employee growth and development by offering tuition reimbursement for full-time employees to further their education with external undergraduate, graduate, MBA, or certification classes. 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.

Early Careers Training Program

In 2021, we revamped the analyst experience to better support a successful introduction and growth 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 completes 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.

“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)

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**SCALING UP: 2021 HIGHLIGHTS**

- 120 employees introduced onto nonprofit boards
- 1,000+ employees trained through skills-based development workshops
- 60+ executive coaching engagements and 25+ training programs hosted
- 59% of 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

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<th>Program</th>
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<tbody>
<tr>
<td>Summer Analyst Internship Program</td>
<td>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.</td>
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<td>MBA Summer Internship Program</td>
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<td>Provide coaching opportunities for a leader, and how to manage and coach team members.</td>
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<td>Executive Coaching</td>
<td>Offer executive coaching services to individual leaders.</td>
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<td>Leadership Development Training</td>
<td>Provide leadership development training to managers and leaders.</td>
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<tr>
<td>Management Style</td>
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<tr>
<td>Coaching, presentation and communication skills development</td>
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**EARLY CAREERS TRAINING PROGRAM**

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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 expert.

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

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. 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%.

COMPENSATION

Each of KKR’s employees receives a base salary and is compensated appropriately and competitively.

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.

All our full-time employees are eligible for annual 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 with a semiannual feedback model. We 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.

For more detail on coverage, refer to the Appendix 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 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.

**Elephant in the Room**
KKR Small Business Builders Grant Recipient

“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.”

**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

**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 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 the $10,000 KKR Small Business Builders Grant. 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**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Female Owned</td>
<td>68%</td>
</tr>
<tr>
<td>Military Affiliated</td>
<td>21%</td>
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<tr>
<td>LGBTQ Owned</td>
<td>15%</td>
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<tr>
<td>$21+ mm to 75+ nonprofits through our COVID-19 Relief Effort</td>
</tr>
<tr>
<td>171 businesses supported through KKR Small Business Builders</td>
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<tr>
<td>$10+ mm dispersed through employee donations and KKR’s enhanced matching gifts program</td>
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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 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.


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.

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)

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

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

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

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.

■ 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 are available. KKR’s 2021 GHG emissions footprint comprises our operational footprint.

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.

KKR also takes action to reduce the environmental footprint 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 WELL certification as a healthy building for employees, and a Gold standard WELL building accreditation.

PROMOTING SUSTAINABILITY AT OUR NEW LONDON HEADQUARTERS

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.

■ 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 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.

SCALING UP: 2021 HIGHLIGHTS

7 new offices2 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 promote environmental stewardship by responsibly managing our operational footprint.

2 Offices in New York City (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.

Learn more about our Corporate Governance at z.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-Officers 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 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 experience, expertise, 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.

Our Marketing Review Policy is set to the same standards as the policy of the National Association of Securities Dealers (NASD) as a “reasonable standard of care” and aligns with the requirements of the SEC and FINRA. The CPG team seeks to ensure that all marketing materials are materially accurate and consistent with the investment advisor firm’s and representative’s written supervisory procedures.

Learn more about our Marketing Review Policy at z.kkr.com/mrp/.

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

Learn more about our Board composition and committees in the KKR 2021 Form 10-K.
**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 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**

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.

**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.”

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 wrongdoing.

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 new joiner training, which covers the topic of data protection. As such, we present employees with dynamic training that is calibrated to 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 third-party security providers 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.

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.
## 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.

#### ESG-FOCUSED MEMBERSHIPS AND STRATEGIC PARTNERSHIPS

<table>
<thead>
<tr>
<th>Organization</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Heart Association</td>
<td>member</td>
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<tr>
<td>American Investment Council</td>
<td>member</td>
</tr>
<tr>
<td>Guides for Responsible Investment, co-developer</td>
<td>member</td>
</tr>
<tr>
<td>BSRR, member</td>
<td>member</td>
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<tr>
<td>Ceres Investor Network on Climate Risk</td>
<td>member</td>
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<tr>
<td>Environmental Defense Fund</td>
<td>member</td>
</tr>
<tr>
<td>GT Impact Taskforce, member</td>
<td>member</td>
</tr>
<tr>
<td>Global Impact Investing Network (GIIN), member</td>
<td>member</td>
</tr>
<tr>
<td>GRESS, participant member</td>
<td>member</td>
</tr>
<tr>
<td>Initiative Climat International (IC), member</td>
<td>member</td>
</tr>
<tr>
<td>Institutional Limited Partners Association (ILPA) Private Equity Principles, endorsed</td>
<td>member</td>
</tr>
<tr>
<td>Operating Principles for Impact Management, founding signatory</td>
<td>member</td>
</tr>
<tr>
<td>Principles for Responsible Investment (PRI), signatory</td>
<td>member</td>
</tr>
<tr>
<td>Sustainability Accounting Standards Board (SASB), Alliance member</td>
<td>member</td>
</tr>
<tr>
<td>Sustainable Markets Initiative’s Private Equity Taskforce, member</td>
<td>member</td>
</tr>
<tr>
<td>Task Force on Climate-related Financial Disclosures (TCFD), supporter</td>
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<td>Transparency International</td>
<td>member</td>
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</table>

#### CITIZENSHIP-FOCUSED PARTNERSHIPS AND NONPROFITS SUPPORTED

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### 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.

#### Key Stakeholder Groups | Channels and Methods of Engagement | 2021 Examples
---|---|---
**Limited Partners (LPs)** | Annual LP meetings | 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.
| 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 | | |

**Stockholders**

- ESG website, annual ESG/sustainability reports, and other quarterly and 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.

**Portfolio Companies**

- 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**

- Centralized ESG guidance and resources shared on the Firm’s intranet (KKR Central)
- Firmware 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.

**NGO/Civil Society**

- 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 taking on social challenges.

### References

1. 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.
2. Elizabeth Seeger, Managing Director of Sustainable Investing at KKR, chairs the G20’s North American chapter.

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## SUSTAINABLE OPERATIONS

### INTRODUCTION

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.

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- Pro bono and technical support for nonprofits
- Direct funding to organizations on key projects, partnerships, and initiatives
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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.
This page does not contain any new information or content. It seems to be a continuation of the previous page, discussing ESG disclosures and KKR’s approach to informing customers about products and services. The page includes a table with data from December 31, 2021, and references to KKR’s Responsible Investment Policy and Other Governance Practices. The page also includes references to KKR’s filings with the U.S. Securities and Exchange Commission.
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 such, 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.

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.

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.

<table>
<thead>
<tr>
<th>Code</th>
<th>Accounting Metric</th>
<th>Global Atlantic Response and/or Disclosure Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>FN-IN-270a.4</td>
<td>Description of approach to informing customers about products</td>
<td>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). 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.</td>
</tr>
<tr>
<td>FN-IN-270a.3</td>
<td>Customer retention rate</td>
<td>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.</td>
</tr>
<tr>
<td>FN-IN-270a.2</td>
<td>Complaints-to-claims ratio</td>
<td>For additional information, please refer to the NAIC National Complaint Index Report for Global Atlantic entities, including Forethought Life Insurance Company, Global Atlantic Life Insurance Company, and Accenda Life and Annuity Company, the company’s primary issuing entities of insurance products.</td>
</tr>
<tr>
<td>FN-IN-270a.1</td>
<td>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</td>
<td>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.</td>
</tr>
</tbody>
</table>

See the Definitions for details on AUM.
INTEGRATION OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE FACTORS IN INVESTMENT MANAGEMENT & ADVISORY

**ENVIRONMENTAL RISK EXPOSURE**

<table>
<thead>
<tr>
<th>Code</th>
<th>Accounting Metric</th>
<th>Global Atlantic Response and/or Disclosure Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>FN-IN-450a.1</td>
<td>Total invested assets, by industry and asset class</td>
<td>$124 billion total investments as of December 31, 2021. For more information on Global Atlantic’s total investments, see KKR &amp; 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. KKR 2021 Form 10-K</td>
</tr>
</tbody>
</table>

POLICIES DESIGNED TO INCENTIVIZE RESPONSIBLE BEHAVIOR

<table>
<thead>
<tr>
<th>Code</th>
<th>Accounting Metric</th>
<th>Global Atlantic Response and/or Disclosure Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>FN-IN-450a.3</td>
<td>Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes</td>
<td>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 &amp; Casualty business in which potential losses associated with climate change–related events could be more substantial. No products and/or product features to discuss as of December 31, 2021.</td>
</tr>
</tbody>
</table>

ENVIRONMENTAL RISK EXPOSURE

<table>
<thead>
<tr>
<th>Code</th>
<th>Accounting Metric</th>
<th>Global Atlantic Response and/or Disclosure Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>FN-IN-450a.2</td>
<td>Total amount of monetary losses attributable to insurance payments from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)</td>
<td>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.</td>
</tr>
</tbody>
</table>

ACTIVITY METRICS

<table>
<thead>
<tr>
<th>Code</th>
<th>Accounting Metric</th>
<th>Global Atlantic Response and/or Disclosure Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>FN-IN-000.A</td>
<td>Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance</td>
<td>Review KKR &amp; 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. KKR 2021 Form 10-K</td>
</tr>
</tbody>
</table>

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. 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. 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 7 of the Notes to Consolidated Financial Statements. KKR 2021 Form 10-K |

FN-IN-550a.2 Total fair value of securities lending collateral assets. 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. KKR 2021 Form 10-K |

FN-IN-550a.3 Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities. 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. KKR 2021 Form 10-K |
TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES INDEX

In November 2021, KKR published its 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

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)

b. Describe management’s role in assessing and managing climate-related risks and opportunities.

KKR’s senior leadership provides 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)

STRATEGY

Describe the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategies, 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, the organization has identified the short-, medium-, and long-term.

TCFD Recommended Disclosures

KRR Response and/or Disclosure Source

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:

- 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” (p. 8)

RISK MANAGEMENT

Describe 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.

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)
a. **Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.**

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 VII. Building on these efforts, we are working with third-party experts to estimate the GHG emissions of KKR’s public and private markets portfolio. 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, most relevant indicators for our risk management and investment process.

**KKR 2021 Sustainability Report, Sustainable Operations > Environment**

b. **Disclose Scope 1, Scope 2, and if appropriate, Scope 3 Greenhouse Gas (GHG) emissions, and the related risks.**

As KKR conducts a Firm-level GHG emissions footprint annually, as well as GHG emissions footprints for a growing number of selected funds. KKR’s 2021 GHG emissions footprint comprises emissions from Scope 1 and Scope 2, as well as numerous Scope 3 categories, totaling 6,796,7 metric tons CO2 equivalents.

**KKR 2021 Sustainability Report, Sustainable Operations > Environment and Appendix > KKR-level ESG Data Table**

c. **Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.**

As outlined in our Global Ambitions for climate, KKR intends to:

- 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 with those 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.

**KKR 2021 Sustainability Report, Sustainable Investing > Global Ambitions**

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**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 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 all 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.
      - Refer from discriminating against any employee based on the employee’s or the employee’s dependents’ 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.
KKR’s policy is to adhere to the regulatory requirements state securities laws and regulations applicable to registered representatives of the Financial Industry Regulatory Authority (FINRA), who are employees of KKR and who are registered with our Client and Partner Group (CPG) as investors deemed high risk. Based on its risk assessment of its fund investors, such providers to conduct an additional level of due diligence be subjected to additional and ongoing monitoring due 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 comply 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 may also potentially subject 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 or obtaining 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 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 remedial 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

SUSTAINABLE OPERATIONS
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 CC0 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 Overview

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)

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.

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

Emergency backup childcare, 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.

Dedicated nursing mothers’ rooms in several offices.

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

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

Employee or their family member passes away (for U.S.–based employees)

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 issue coverage, and surrogacy/adoptive 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 jury duty service.

Access to financial counseling services when an employee or their family member passes away (for U.S.–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 practices and disclosure regulations, these remain subject to change.

**ILLUSTRATIVE TOPICS**

**Management and Governance**

| Illustrative sample of questions included[
| 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 any 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? |

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[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.]
KEY TOPICS COVERED

- Cybersecurity practices
- Data privacy program
- GDPR Compliance
- Risk management

ILLUSTRATIVE SAMPLE OF QUESTIONS INCLUDED

- 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 baselines.
- Does your organization have a broad-based employee ownership program through which employees receive equity or profit interests in the company?

TABLE 1: GENDER REPRESENTATION OF GLOBAL EMPLOYEES (%)10

<table>
<thead>
<tr>
<th>Source</th>
<th>2021</th>
<th>2020</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Management</td>
<td>19%</td>
<td>81%</td>
<td>-</td>
</tr>
<tr>
<td>Non-Executive Management</td>
<td>38%</td>
<td>72%</td>
<td>-</td>
</tr>
<tr>
<td>Senior Executives</td>
<td>26%</td>
<td>74%</td>
<td>-</td>
</tr>
<tr>
<td>Professionals</td>
<td>43%</td>
<td>57%</td>
<td>-</td>
</tr>
<tr>
<td>All Other Employees</td>
<td>95%</td>
<td>5%</td>
<td>-</td>
</tr>
<tr>
<td>Total Firm</td>
<td>44%</td>
<td>56%</td>
<td>-</td>
</tr>
<tr>
<td>% of New Hires</td>
<td>45%</td>
<td>55%</td>
<td>-</td>
</tr>
<tr>
<td>KKR Board</td>
<td>19%</td>
<td>75%</td>
<td>6%</td>
</tr>
</tbody>
</table>

TABLE 2: RACIAL/ETHNIC REPRESENTATION OF U.S. EMPLOYEES (%)11

<table>
<thead>
<tr>
<th>Source</th>
<th>2021</th>
<th>2020</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>76%</td>
<td>12%</td>
<td>3%</td>
</tr>
<tr>
<td>Asian</td>
<td>12%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>Black</td>
<td>3%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>American Indian or Alaska Native</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Two or more races</td>
<td>57%</td>
<td>27%</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Total Firm</td>
<td>57%</td>
<td>27%</td>
<td>4%</td>
</tr>
<tr>
<td>% of New Hires</td>
<td>52%</td>
<td>23%</td>
<td>7%</td>
</tr>
<tr>
<td>KKR Board</td>
<td>43%</td>
<td>6%</td>
<td>13%</td>
</tr>
</tbody>
</table>

TABLE 3: EMISSIONS BY SCOPE12

<table>
<thead>
<tr>
<th>Source</th>
<th>2021</th>
<th>2020</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Space Heating, Fugitive Refrigerants</td>
<td>896.8 mTCO2e</td>
<td>536.1 mTCO2e</td>
<td>Estimated, based on site characteristics</td>
</tr>
<tr>
<td>Commercial Air Travel</td>
<td>3,152.6 mTCO2e</td>
<td>2,241 mtCO2e</td>
<td>KKR offices</td>
</tr>
<tr>
<td>Multiple Categories</td>
<td>6,786.7 mTCO2e</td>
<td>5,930.6 mTCO2e</td>
<td>% of Scope 3 total</td>
</tr>
</tbody>
</table>

*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; “Total Firm” is the sum of the above categories. The emissions reductions reported above reflect the scope fo our greenhouse gas emissions in accordance with the revised GHG Protocol Corporate Standard and the Corporate Value Chain Accounting and Reporting Standard. KKR’s inventory is developed in accordance with the 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.
Footnotes 7 and 35. 2021 Sustainability Highlights: Climate and Environmental Sustainability Investments
- 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.
- 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, and carbon capture, utilization, and storage.
- Includes investments/commitments made by KKR Private Market Funds and other affiliates, Global Atlantic (KKR subsidiary), and syndicated co-investments. Exclusions to investments that are also involved in sectors not explicitly identified, 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/Stats, Credit. Board seats are meant to highlight the composition of a specific board. Diverse directors found on multiple boards occupy more than one Board seats in the portfolio therefore, one individual can account for multiple diverse seats.

Footnote 42. KKR Global Impact Strategy: Board Diversity
- Diverse directors found on multiple boards occupy more than one Board seats in the portfolio therefore, one individual can account for multiple diverse seats.

Footnote 48. KKR Global Impact Strategy: Board Diversity
- Diverse directors found on multiple boards occupy more than one Board seats in the portfolio therefore, one individual can account for multiple diverse seats.

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
- Eumi Burning Glass: metric captures the total number of higher education institutions served by Eumi Burning Glass’ solutions since 2019 baseline. 2019 and 2020 values reflect Burning Glass operations only, as the merger with Eumi occurred in 2021.
- Morningstar students enrolled in Spain and Portugal as of 2021.
- Education Perfect: number of students with access to Education Perfect in the end of the year.
- EQ vous metric reflects number of students in EQ vous portfolio as of 2021.

SDG 8: CLEAN WATER AND SANITATION
- Aquar 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 service provided by Aquar Water.

SDG 9: 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 energy intensity before and after BBP’s solution was implemented. It was the result as an average of energy intensity improvements across client projects since baseline reporting.

SDG 10: 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 for 100 employees at Citation’s health and safety clients with the 2021 UK average, sourced from the UK Health and Safety Executive.

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 (CO2-e) or avoided emissions through approved management activities and methodologies, which is calculated by using a methodology defined by the Australian Clean Energy Regulator and independently verified.

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 588 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 measures 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 16.7% 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 can be found in the KnowBe4 Training Success Report, which can be accessed on the KnowBe4 website.

SDG 8: CLEAN WATER AND SANITATION
- Axius 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 service provided by Axius Water.

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INTRODUCTION

SUSTAINABLE INVESTING

SUSTAINABLE OPERATIONS

APPENDIX

2021 Sustainability Report

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