

LIMITED PARTNERS' RESPONSIBLE INVESTMENT DUE DILIGENCE QUESTIONNAIRE

ABOUT THE PRI LIMITED PARTNERS' RESPONSIBLE INVESTMENT DUE DILIGENCE QUESTIONNAIRE

The *LP Responsible Investment DDQ* aims to understand and evaluate a General Partner's (GP) processes for integrating material environmental, social and governance (ESG) factors into their investment practices and to understand where responsibility for doing so lies.

It builds upon Section 1 of the *ESG Disclosure Framework for Private Equity (Disclosure Framework)*: where the *Disclosure Framework* provides high-level guidance and explains the rationale behind asking ESG-related questions, the *LP Responsible Investment DDQ* provides a detailed list of such questions that LPs can ask GPs pre-commitment.

The *LP Responsible Investment DDQ* acknowledges the core premise of the *Disclosure Framework*, that: "Due to the both the diverse nature of the private equity asset class and differing LP and GP approaches to ESG management and disclosure, what constitutes effective and relevant disclosure can be defined only through discussions between a GP and its LPs."

The PRI encourages all LPs to use the *LP Responsible Investment DDQ* as a starting point for these discussions, to encourage a consistent industry approach from LPs on ESG due diligence and to facilitate more effective disclosure from GPs.

- The *LP Responsible Investment DDQ* is not intended to be used as a check-list, but as a tool to establish dialogue.
- Any opportunities for improvement that the LP identifies may form a basis for engagement, either pre- or post-commitment.
- LPs may consider tailoring the *LP Responsible Investment DDQ* according to the GP's strategy, size, experience and resources.
- LPs may want to supplement the *LP Responsible Investment DDQ* with additional questions that meet their own requirements (although an LP should only ask for information that is required for its due diligence).

Section 1 aims to establish the GP's approach towards ESG integration; Sections 2 and 3 aim to establish the GP's processes for ESG integration; Section 4 aims to establish the GP's communication practices on managing ESG factors.

The *LP Responsible Investment DDQ* is accompanied by a guidance document, (*The Limited Partners' Responsible Investment Due Diligence Questionnaire and How To Use It*), which guides both LPs and GPs on how to enhance discussions during due diligence.

Important Information

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References to "KKR Capstone" or "Capstone" are to all or any of KKR Capstone Americas LLC, KKR Capstone EMEA LLP, KKR Capstone EMEA (International) LLP, KKR Capstone Asia Limited, and their affiliates, each of which are owned and controlled by their senior management. KKR Capstone is not a subsidiary or affiliate of KKR. KKR Capstone operates under several consulting agreements with KKR and uses the "KKR" name under license from KKR. References to operating executives, operating experts, or operating consultants are to employees of KKR Capstone and not to employees of KKR. In this presentation, the impact of initiatives in which KKR Capstone has been involved is based on KKR Capstone's internal analysis and information provided by the applicable portfolio entity. Impacts of such initiatives are estimates that have not been verified by a third party and are not based on any established standards or protocols. They may also reflect the influence of external factors, such as macroeconomic or industry trends, that are unrelated to the initiative presented.

References to "Senior Advisors" and "Industry Advisors" are to individuals who are engaged, as consultants, to assist KKR with sourcing or developing investment ideas and a variety of other matters. These individuals are not employees of KKR. The portion of the compensation paid to Senior Advisors and Industry Advisers that is related to fund activities, such as sourcing investments or monitoring portfolio companies, may be borne by the relevant funds. References to "KKR Advisors" are to individuals who were formerly employees of KKR and are engaged as consultants for KKR. None of the compensation of KKR Advisors is borne by the funds.

In this questionnaire, the reported impact of initiatives of the Green Solutions Platform is based on internal analysis of KKR and/or KKR Capstone and information provided by the applicable portfolio company. Impacts of such initiatives are estimates that have not been verified by a third party and are not necessarily reported according to established voluntary standards or protocols. KKR does not guarantee the accuracy, adequacy or completeness of such information. They may also reflect the influence of external factors, such as macroeconomic or industry trends. There is no guarantee that results shown will be replicated in the future and actual results may be better or worse in future years. For more information on the methodology and terms used in the Green Solutions Platform (GSP), please see www.green.kkr.com.

Unless otherwise indicated, statements in this Questionnaire are made as of December 31, 2017. The delivery of this Questionnaire at any time shall under any circumstances create an implication that the information contained herein is correct as of any time subsequent to such dates.

LIMITED PARTNERS' RESPONSIBLE INVESTMENT DUE DILIGENCE QUESTIONNAIRE

**Please Note: The following information is an excerpt of information shared with KKR's fund investors.*

1. WHAT ARE YOUR ESG-RELATED POLICIES AND HOW DO ESG FACTORS INFLUENCE YOUR INVESTMENT BELIEFS?

1.1 Do you have a policy that describes your approach to identifying and managing ESG factors within the investment and portfolio management processes? If so, please provide a copy. If not, please indicate whether you would consider adopting a responsible investment policy.

Yes. In 2013, KKR codified our processes and procedures related to responsible investment by developing a global Private Equity ESG Policy, which was published publicly in 2014. The policy applies to KKR's private equity investments going forward and establishes the various roles and responsibilities of KKR executives. Additionally, the policy details KKR's goals for ESG-related performance, referring to existing responsible investment frameworks for guidance. We will continue to make enhancements to the policy, as necessary.

View KKR's Private Equity ESG Policy [here](#).

1.2 What is the current implementation status of your responsible investment policy? Do you have any firm plans to develop your approach towards the management of ESG factors?

We have been publicly committed to being a responsible investor since becoming a signatory of the Principles for Responsible Investment ("PRI") in 2009 and are always seeking to make continuous improvements to our approach. In particular, we are focused on finding meaningful ways to create sustainable value in our private equity investments. With respect to KKR's non-private equity investments, we continue to make progress integrating ESG considerations across the investment lifecycle, depending on our level of access and influence, which can be different than in our private equity business. In 2010, we identified key performance indicators (KPIs) against which we have evaluated our performance to date. In KKR's [2017 ESG and Citizenship Report](#), please refer to pages 22-23 for a table of KPIs and the various ways in which we have made progress against our goals. The table is organized according to relevant PRI principles.

1.3 Do you commit to any international standards, industry (association) guidelines, reporting frameworks, or initiatives that promote responsible investment practices?

In addition to being guided by KKR's values, we endorse relevant industry guidelines for responsible investing. In 2009, KKR signed the PRI. Where consistent with our fiduciary responsibilities, we seek to follow the PRI's six principles for our private markets investments. Also in 2009, as a member of the American Investment Council ("AIC") (formerly the Private Equity Growth Capital Council), KKR worked with other AIC members to develop the Guidelines for Responsible Investing for the private equity industry.

Between 2014 and 2017, we participated in a variety of industry events and groups, including:

- Attended the Business for Social Responsibility (BSR) Conference multiple times and in 2017, participated in a panel about engaging boards on sustainability companies' sustainability strategies
- Sponsored the Private Equity International (PEI) Responsible Investment Forum New York in 2017 with two KKR executives delivering remarks
- Sponsored The Bloomberg Sustainable Business Summit in 2016 and 2017 In 2016, Member and Global Head of Public Affairs, Ken Mehlman, participated in keynote session
- Lead sponsored the inaugural Privcap ESG in Private Equity Conference in New York, providing the keynote speaker from KKR and also featuring a portfolio company for a case study during the event
- Sponsored and/or delivered remarks on our responsible investment efforts at multiple conferences and forums including the ESG panel at SuperReturn 2016 Conference, Conscious Capital Investor Summit, SRI Conference at Yale University, Global Ag Investing Conference, Stepstone Investor Conference, PricewaterhouseCoopers' Social Impact Investing Conference, Private Equity Summit, Invest4Impact Symposium, Ceres Investor Network on Climate Risk Meeting, High Water Women Investing for Impact Symposium, and 8th Annual Women's Alternative Investment Summit
- Sponsored and/or delivered remarks on our responsible investment efforts at events in Asia including the IIX Impact Forum 2014, the Responsible Business Forum on Sustainable Development, the 2014 Private Equity and Venture Forum in Hong Kong sponsored by the Asian Venture Capital Journal, the Women in Finance Asia: ESG& Diversity Tracking, the 30% Club - The Women's Foundation: Fireside Chat, the Australian Private Equity & Venture Capital Association Limited (AVCAL) Annual Conference: The Power of Social Impact Investing, the AVCJ ESG Forum, AVCJ Hong Kong Forum, and the Responsible Business Forum on Sustainable Development
- Co-hosted the 2015 and 2016 Veterans Initiative Summit alongside private equity peers, which is an opportunity to have portfolio companies, military leaders, and community leaders engage to make a more meaningful commitment to our veterans; Hosted KKR Vets@Work Roundtable and Military Hiring Fair with Hiring Our Heroes in 2017 to provide connections to veterans and military spouses to career opportunities at KKR portfolio companies
- Participated in and made commitment to, along with four portfolio companies, The 5th Anniversary of Joining Forces: Technology Sector Campaign to advance veteran and military spouse hiring in the technology sector
- Hosted ESG-focused events for fund investors in North America and Europe
- Convened a working group of our U.S.-based private equity peers to discuss responsible investment practices and policies
- Published KKR's eight annual ESG and Citizenship Report in 2018 (2015 report, 2016 update, and 2017 report available at www.kkresg.com). In our 2015 ESG and Citizenship Report, we identified five global challenges that can affect our companies, that our companies can impact, or both. Two years later, while these major themes remain relevant to the companies in which we invest, we have also recognized that workforce issues have become distinctly more relevant over time. Thus, in the 2017 ESG and Citizenship Report, we have identified a sixth global challenge that we also seek to understand: The Talent Puzzle: Focusing on Employees. We outline these six challenges at www.kkresg.com/global-challenges
- To further spur and support innovation at our portfolio companies, in 2016, we launched the Eco-Innovation Award for KKR portfolio companies as part of KKR's Green Solutions Platform ("GSP"). The Eco-Innovation Award is intended to reward current projects or initiatives within KKR portfolio

companies that are innovative, environmentally beneficial solutions that create business value. In 2017, we awarded our second annual award to US Foods¹ for its Serve Good product line, which comprises sustainable food and non-food products that are responsibly sourced or contribute to waste reduction. This line provides more sustainable alternatives to their food service customers. To learn more, visit www.green.kkr.com

- In 2017, KKR completed a cyber-assessment of relevant private equity portfolio companies. The assessment included a review of data privacy and risk management practices. At the conclusion of the assessment, portfolio companies were provided with individualized benchmarking reports for consideration and improvement
- We also participated in the broader responsible investment dialogue and shared resources with peers and portfolio companies, including:
 - Served on the American Investment Council Board of Directors, with KKR Global Head of Public Affairs Ken Mehlman as chair
 - Contributed to the development of ESG disclosure guidelines through our involvement on the Standards Council of the Sustainability Accounting Standards Board (SASB)
 - Engaged with the SASB since 2012 to enhance our understanding and evaluation of the sustainability factors that are material to our portfolio companies' businesses. Elizabeth Seeger, Director, Sustainable Investing, currently serves on the SASB Standards Board
 - Developed a series of educational webinars for our portfolio companies about common themes related to creating sustainable value
 - Participated in surveys and industry reports on trends and best practices

1.4 Do you make formal commitments relating to ESG integration in fund formation contracts, Limited Partnership Agreements or in side letters when requested by investors?

KKR seeks to accommodate the specific needs of our clients, and as such, in the past has entered into side letters that have been provided to, and are negotiated with, limited partners to address specific concerns that they may have.

2. HOW DO YOU IDENTIFY AND MANAGE MATERIAL ESG-RELATED RISKS AND USE ESG FACTORS TO CREATE VALUE?

2.1 How do you define the materiality of ESG factors? Please give 2-3 examples of ESG factors that you have identified as material to portfolio companies in your most recent fund.

For the purposes of KKR's private equity ESG policy, "material" ESG issues are defined as those issues that KKR in its sole discretion determines have—or have the potential to have—a direct, substantial impact on an organization's ability to create, preserve, or erode economic value, as well as environmental and social value for itself and its stakeholders. These issues are taken into the context of the industry sector, the countries in which the business operates, and the type of investment, e.g., control, minority, or public equity.

The process for evaluating materiality is described in great detail in KKR's public policy available at <http://www.kkr.com/files/pdf/kkr-esg-policy.pdf>.

¹ KKR exited US Foods in 2017.

To prioritize and focus its ESG assessment and management efforts during diligence and the life of the investment, KKR will consider the magnitude of ESG-related risks and impacts associated with each individual company as follows:

Magnitude of impact: When a company is being evaluated for investment, KKR will, as part of its internal due diligence, assess a company based on what KKR considers to be the magnitude of its potential ESG risks and impacts.

Area of operation: In addition, KKR will consider the country of operations to further prioritize its efforts for those regions where existing standards are considered to be less robust.

Furthermore, in 2017, KKR began using the standards of the Sustainability Accounting Standards Board's standards to inform the assessment of material issues at portfolio companies. Examples of issues considered include data privacy, labor relations, and responsible lending.

2.2 Describe your process for identifying and understanding (i) potentially material ESG risks, and (ii) ESG-related opportunities during due diligence.

All potential investments at KKR go through a rigorous due diligence process. An integral part of this due diligence can be the evaluation of potential deals from an ESG management perspective, which includes both risks and opportunities.

During diligence, a team of cross-functional internal subject matter experts assesses prospective investments to identify key ESG factors and gathers the appropriate information about the company under review. Our ESG diligence team also reviews relevant considerations based on a company's geography and industry. Extensive evaluation of ESG risks and opportunities, coupled with on-site due diligence visits and the support of external advisors where necessary, enables us to target areas of engagement and determine priority initiatives.

Knowledgeable Pre-Investment diligence and risk assessment and Post-Investment reporting on:

- Environmental, such as air and methane emissions, fluid emissions, water resources, climate impact
- Social, such as understanding proximity and impacts of energy investment and necessary responsible relationships with proximal communities; and
- Governance, such as Environmental and Safety management systems in place to be proactive, responsive and compliant with all local, state and federal governments and regulatory agencies.

During 2017, our ESG diligence team met approximately 35 times and assessed approximately 190 companies. We expanded our ESG diligence team to include more individuals around the Firm and augmented our internal monitoring system to include more detail on findings and next steps for each investment.

2.3 Once identified, how might the identification of (i) potentially material ESG risks, and (ii) ESG-related opportunities impact the investment decision?

All potential private equity investments at KKR go through a rigorous due diligence process. As part of this process, in conversations with the respective KKR industry teams, cross-functional internal subject matter experts review prospective investments to identify material ESG factors, gather the appropriate information from the company in question, and make informed recommendations about potential risks and opportunities as potential investments move through the Investment Committee process.

ESG considerations discovered in the diligence phase can affect our investment decisions; however, a decision to invest or not is rarely due exclusively to ESG issues. ESG-related concerns are often intertwined with other business issues that make the business more, or less, attractive for investment. In rare cases, we may find an ESG issue poses such a risk to an investment that the investment does not occur. However, in most instances, we look to determine that a company has significant opportunities because of the way it addresses ESG issues or could have such opportunities if it were to address them in a proactive manner. Understanding the ESG challenges and opportunities of individual investments helps us to determine whether to invest in a company, and, more importantly, our best strategy for working with a company in the future.

2.4 How are ESG risks and/or ESG-related opportunities reported to, considered and documented by the ultimate decision making body, such as the Investment Committee?

KKR seeks to integrate the consideration and thoughtful management of ESG issues throughout the investment cycle.

ESG due diligence – We involve internal regional and global subject matter experts with ESG-related competence to conduct an assessment of ESG value creation opportunities or risks for potential private equity investments considered through the Investment Committee process. When material ESG issues are identified, they may be included in discussions with the applicable Investment Committee, and external advisors may be engaged to carry out additional ESG-related due diligence as needed. Where management of, or performance on, a material issue is considered by KKR to need improvement, we will work with company management to support the development of an action plan.

Monitor progress – During the diligence process, where material issues are identified that need addressing or monitoring if an investment is undertaken, we seek to include the management of these issues in a 100-day plan post-close, or otherwise monitor ongoing progress on ESG issues, as applicable. Where management of, or performance on, a material issue is considered by KKR to need improvement, we work with company management to support the development of an action plan.

Documentation – In cases where material ESG-related risks and opportunities are being monitored or managed by KKR, KKR will document, for internal use, the issue, progress, and next steps, if any.

2.5 During deal structuring, what is the process for integrating ESG-related considerations into the deal documentation and/or the post-investment action plan?

In the early stages of ownership, we focus on executing a detailed plan that outlines some of the company's most essential goals and steps to reach these goals. When material ESG issues are identified in the diligence process, they are often included in these plans. When companies do not have material ESG issues to address immediately, we may not engage with them in the first months of ownership and instead may choose to engage with them after the initial transition period.

2.6 Please describe how (i) oversight responsibilities, and (ii) implementation responsibilities for ESG integration are structured within your organisation. Please list the persons involved and describe their role, position within the organisation and how they are qualified for this role. Please also describe any external resources you may use.

KKR's Global Public Affairs team, an internal team of experts, represents the core of the ESG-related expertise at KKR. The team was formed in 2008 to serve as a resource to KKR, our professionals, and our portfolio companies. The Global Public Affairs team is involved in the due diligence process for all potential private equity investments and also regularly engages with portfolio companies and external stakeholders. Overall, several individuals across KKR have a role in managing ESG issues, including investment team members and KKR's legal and compliance team. Investment Committees oversee ESG issues that are material to an investment and that have been raised to their attention when making an investment decision. Our Portfolio Management Committees and investment professionals have implementation roles with respect to material ESG issues that have been identified in the investment process.

Ken Mehlman, KKR Member and member of KKR's Risk and Operations Committee, has ultimate responsibility of the Global Public Affairs team and over KKR's responsible investment efforts. With KKR Capstone² engagement, KKR has three full-time professionals dedicated to working on KKR and KKR's private equity portfolio companies' sustainability programs. Additional members of the team are responsible for specific ESG opportunities based on their geography or subject matter expertise.

In addition, the KKR Global Institute (KGI), led by General (Ret.) David Petraeus, is an integral part of the KKR investment process - working in partnership with KKR deal teams, portfolio companies, and limited partners to help enable smarter investing through a better understanding of the world. Whether working with a KKR deal team as we explore entering a new market, supporting a KKR portfolio company as it expands its international footprint, or assessing which countries stand the best chance of becoming the next "breakout nations," KGI provides critical inputs as the firm thinks through where to invest and how to help businesses grow.

In order to better capture value associated with environmental performance management, in 2014, KKR Capstone³ hired a professional that is 100% focused on environmental resource-related issues with a major focus on energy management. This executive is a Professional Engineer, a Certified Energy Manager, a Certified Building Commissioning Professional, and a LEED Accredited Professional. In addition to this individual, executives from KKR Capstone can play a significant role in managing and supporting KKR's ESG-related programs at KKR portfolio companies, including through the Responsible Sourcing Initiative and the Green Solutions Platform. More information on these programs is available at www.green.kkr.com and www.kkresg.com.

2.7 Do you provide training, assistance and/or external resources to your staff to help them understand and identify the relevance and importance of ESG factors in investment activities? If so, please describe what level of training is provided.

We seek to raise awareness among private equity investment and operational professionals about our commitment to, and their role in, responsible investment. To this end, we have educated our private equity investment and operational professionals about our commitment to managing ESG issues through new employee training and regular firm wide meetings, stressing their accountability for working in partnership with ESG internal experts. We have included ESG considerations in

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Investment Committee (IC) and Portfolio Management Committee (PMC) guidance materials.

We also seek to enhance the capabilities of our ESG professionals through subject-matter training and education and we encourage regular professional development activities for the ESG team, such as participation in key industry conferences and specialized development.

3. HOW DO YOU CONTRIBUTE TO PORTFOLIO COMPANIES' MANAGEMENT OF ESG-RELATED RISKS AND OPPORTUNITIES?

3.1 Upon investing in a company, would you review existing compliance, sustainability or ethical business guidelines, or introduce new guidelines if necessary?

Yes, where there are material issues identified during the diligence process, we include the management of these issues in our management plans post-close, or we monitor ongoing progress on ESG issues, as applicable. Where management of, or performance on, a material issue is considered by KKR to need improvement, KKR will work with company management to support the development of an action plan.

KKR considers engagement on material ESG issues to be an important element of our active management of the companies in our portfolio. The particular ESG-related challenges and opportunities faced by our private equity portfolio companies vary greatly over time and are based on a company's individual characteristics, including its industry, geography, and stakeholders. Thus, during the ownership phase, we provide both broadly applicable resources and customized support to assist or enhance our portfolio companies' efforts.

Sustainable innovation platform – We provide general resources to participating portfolio companies through our sustainable innovation platform (see more information at www.kkresg.com). We offer companies access to a range of best practices, trusted experts, tested resources, and a nuanced understanding of the issues that are most relevant to them. In addition, we provide resources such as best practices guides, webinars, and training on many of the key issues facing our portfolio companies.

Customized support – For some portfolio companies, we respond to specific ESG-related needs or challenges as part of an individually tailored plan. Also, KKR professionals are available to consult with portfolio company management teams and advise as needed. By ensuring that our approach to managing ESG-related issues is highly customized and collaborative, we believe we are more likely to achieve success.

3.2 What monitoring processes would you have in place to assess portfolio companies' management of ESG factors?

To the extent they are material to our private markets investments, ESG-related issues are managed and monitored as part of our portfolio management processes. As in the pre-investment phase, engagement on ESG issues with our portfolio companies is overseen by our industry and country teams with support from KKR Senior Advisors⁴, internal experts, and external advisors, as necessary.

⁴ Senior Advisors, Industry Advisors, and KKR Advisors are engaged as consultants and are not employees of KKR. Please see Important Information at the beginning of this DDQ for additional information.

Throughout our investment period, KKR offers our portfolio companies expertise and resources to achieve mutually agreed upon, ESG-related performance goals. When engaged, KKR Capstone⁵ partners with the Global Public Affairs team and company leaders on ESG-related operational issues that affect the bottom line.

Performance Monitoring – In an effort to promote progress across the portfolio, we monitor the ESG-related performance of companies, where relevant. This performance could be assessed relative to their engagement with any of our resources or to other predetermined metrics relevant to their business. In certain cases, we aim to share program successes across the KKR portfolio of investments in order to promote engagement and accelerate the adoption of best practices within our portfolio companies.

3.3 Give 2-3 examples of how you have contributed to portfolio companies' management of ESG factors. Specify which initiative(s) you worked with management to identify and instigate, which you supported your portfolio company to achieve (and how) and/or what the portfolio company was already doing that you identified as existing good practice.

We partner with certain companies through our sustainable innovation platform (see www.kkresg.com and www.green.kkr.com), which is intended to support our portfolio companies' management of ESG issues. Our programs leverage our knowledge and the experience within our portfolio companies to provide a structured approach and tested solutions to common challenges. Please refer to the web sites and the 2017 ESG and Citizenship Report for portfolio company case studies.

For example, we provided resources and training for portfolio companies, including:

- The KKR Eco-Innovation Award was launched in June 2016 and is intended to encourage and reward KKR portfolio companies for innovative, environmentally beneficial projects or initiatives that create business value. The award recognizes the achievements of our portfolio companies and is intended to inspire them to identify new and enhanced ways of creating sustainable value. In 2017, US Foods⁶, one of the largest foodservice distributors in the United States, won the second annual award for its Serve Good product line, which is composed of sustainable food and non-food products that are responsibly sourced or contribute to waste reduction. Learn more at <https://green.kkr.com/award/>.
- In late 2017, KKR released program updates for 13 of the portfolio companies participating in the Green Solutions Platform (GSP), three of which are entirely new participants. These 13 case studies describe projects across four asset classes, including private equity, special situations, real estate, and infrastructure, as well as span a range of geographies and focus areas. Individual results are available at www.green.kkr.com/results.
- In 2016, we developed a seven-topic webinar series for portfolio companies globally. Topics included:
 - Telling Your Sustainability Story (Asia-Pacific)
 - Supply Chain Regulations: The UK Modern Slavery Act
 - Driving Business Results with "Materiality"
 - Health and Safety Performance: Understanding the Value
 - Circular Economy: Innovative Business Models to Enhance Value
 - Engaging Stakeholders through Sustainability Disclosure
 - Paris Agreement on Climate Change: How Businesses Can Take Action

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⁶ KKR exited US Foods in 2017.

- Between 2014 and 2016, we hosted two summer Climate Corps fellows from Environmental Defense Fund and KKR Capstone⁷ hired a full-time resource efficiency expert to assist companies with energy efficiency and management across our private equity, real estate, and energy and infrastructure asset classes. In 2017, this executive worked with approximately 12 KKR private equity and real estate portfolio companies to help implement resource efficiency programs.

3.4 How do you assess that adequate ESG-related competence exists at the portfolio company level? How do you ensure that portfolio company management devotes sufficient resources to manage ESG factors that have been identified?

We engage with portfolio companies in a variety of ways when they are part of the KKR portfolio. Any material issues or opportunities identified during the diligence or management phases are shared with the relevant industry team and KKR Capstone⁸, with the top issues being integrated into ongoing PMC discussions to ensure the appropriate level of management and oversight.

Please see the answers to 3.1 and 3.2 for more information.

3.5 How do you use your interaction with the board to influence the portfolio company's management of ESG factors?

When relevant, we insist on active, engaged boards of directors that consist of industry and operational experts who roll up their sleeves with portfolio company management to help improve the companies. In addition, the boards of the portfolio companies are staffed with our investment professionals, who remain actively involved over the life of the investment, even in the case of some public investments where we may continue to hold shares. This interaction at the highest levels can allow us to be informed about and enhance the management of material ESG issues that may arise.

3.6 Do you systematically incorporate ESG considerations into preparations for exit? If yes, please describe your approach. If not, please explain why.

KKR's investment professionals are deeply engaged in continuous monitoring and management of material issues affecting our portfolio companies, including ESG issues where relevant. Throughout the management process, the applicable Portfolio Management Committee monitors each company's progress and provides input on strategies for realizing additional value. Throughout this process, we work to support our portfolio companies' efforts to build long-term, sustainable efforts that exist beyond investment period. We do not have policies that apply solely to the exit phase of any investment. We do include information related to ESG issues in exit memos when required under the relevant KKR Fund limited partner agreement or where those issues are material to the performance of the business.

3.7 Do you measure whether your approach to ESG factors has affected the financial and/or ESG performance of your investments? If yes, please describe how you are able to determine these outcomes.

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When a material ESG-related issue has been identified for ongoing management and oversight, KKR tracks the progress of that issue over time. Where possible, performance is quantified, for example: the number of work-related injuries or the number of kilowatt hours consumed.

In addition, KKR measures the outcomes of the programs that are part of our sustainable innovation platform, which were all designed to drive both business and ESG-related value.

For example, in 2008, we entered into a partnership with the environmental advocacy nonprofit, Environmental Defense Fund. Through this first-of-its-kind partnership, known as the Green Portfolio Program, we were seeking cost-effective ways to measure and improve the efficiency and environmental performance of our global private equity portfolio companies, similar to the way that we drive operational and financial improvement.

In 2015, the Firm re-launched the Green Portfolio Program, with a new name and expanded mission, as "The Green Solutions Platform (GSP)," a global program centered around three focus areas: eco-efficiency, eco-innovation, and eco-solutions. This updated strategy expanded the program's focus from eco-efficiency to additional types of projects. The results from the GSP, which include both environmental and financial performance, are available at www.green.kkr.com.

For additional information, please refer to our Key Performance Indicators on pages 22-23 of the 2017 ESG and Citizenship Report.

4. HOW CAN LPS MONITOR AND, WHERE NECESSARY, ENSURE THAT THE FUND IS OPERATING CONSISTENTLY WITH AGREED-UPON ESG-RELATED POLICIES AND PRACTICES, INCLUDING DISCLOSURE OF ESG-RELATED INCIDENTS?

4.1 Which channels do you use to communicate ESG-related information to LPs? Can you provide samples of ESG-related disclosures from an earlier fund? If not, please indicate whether you would consider introducing ESG-related disclosures.

In 2018, KKR published our eighth annual ESG report, which contains information about our overall strategy, our work with stakeholders, our governance of these efforts, and summary tables of some of our KPIs. We consider the PRI to be closely aligned with the expectations of our stakeholders. Therefore, through our reporting efforts, we aim to show how our commitment to the PRI has materialized. See pages 22-23 of the 2017 ESG and Citizenship Report.

In addition to the annual public report, updates regarding ESG considerations at the Firm, portfolio, and portfolio company level are included in annual investor meetings for our limited partners, when material.

4.2 Is the management of ESG factors included on the agenda of the Limited Partners Advisory Committee and/or Annual General Meeting?

Yes. For example, since 2010 we have integrated ESG management into discussions at annual global private equity investment partner conferences and distributed periodic ESG-related updates, when appropriate. We continue to facilitate conversations with limited partners about our approach to responsible investment.

4.3 Describe your approach to disclosing and following up on material ESG incidents to your LPs.

Updates regarding ESG performance at the general partner, portfolio, and portfolio company level are included in annual investor meetings for our limited partners, when material. Additional reviews may include how KKR or portfolio companies are managing ESG considerations, as appropriate. In the rare instance where there is a material ESG-related incident at one of KKR's portfolio companies, KKR's Client Partner Group, along with KKR's Global Public Affairs team and others at KKR, will evaluate the need for communication about an incident and the management of that incident over time. The format of this communication may vary between written reports or verbal informal reports, depending on the issue, the timeline, and the audience for the communication as well as on internal policies and agreements and regulations regarding disclosure of such information.