

KKR's Responsible Investment Policy

Effective Date: May 15, 2020

Last Updated: May 15, 2020

1. Purpose

KKR maintains that the thoughtful management of environmental, social, and governance (ESG), regulatory, geopolitical, and reputational issues¹ makes KKR a better investor, and is an essential part of long-term business success in a rapidly changing world.

Companies that carefully manage ESG and stakeholder risk and opportunity today should be better positioned in the future as diminishing resources, changing consumer demands, evolving norms, and increased regulation are expected to pose greater challenges and opportunities for companies around the world. KKR seeks to reduce risk and enhance value by building a proactive focus on these issues across the investment life cycle, wherever possible.

The purpose of this policy is to articulate KKR's approach to integrating the consideration of ESG risks and value creation opportunities into investment processes across various asset classes.²

2. Commitment

KKR is committed to investing responsibly by:

- Incorporating material ESG, regulatory, geopolitical, and reputational considerations into KKR's investment decision-making and management practices, where relevant. This includes considering key risks and opportunities during the diligence process and, where applicable, then engaging on these issues with the companies in which KKR invests or to which KKR provides financing.
- Communicating KKR's responsible investment approach, progress, and goals transparently to the public, KKR's fund investors, and other stakeholders.
- Advancing consistent and thoughtful responsible investment processes in the financial industry by collaborating with industry peers, standard-setting organizations, and other stakeholders.
- Maintaining KKR's own internal governance and culture to ensure that KKR acts as a good citizen in the communities in which KKR operates.

¹ For the purposes of this policy, the term "ESG issues" includes environmental, social, governance, as well as reputational, geopolitical, and regulatory issues.

² Including KKR funds and other client accounts managed by Kohlberg Kravis Roberts & Co. L.P., KKR Credit Advisors (US) LLC, KKR Credit Advisors (Ireland) Unlimited Company, or their affiliates. For the avoidance of doubt, this policy does not apply to KKR's Capital Markets business or other non-asset management business activities.

3. Scope and Limitations

This policy is intended to provide a broad framework for our approach to ESG integration through the investment life cycle across KKR's investment businesses. KKR's influence and control of companies in which we invest varies significantly across and within certain asset classes. To this end, this policy articulates the approaches that KKR believes are broadly relevant for each asset class. Where KKR maintains control of a company, it seeks to work with the company to appropriately integrate and monitor progress on material ESG issues into business processes. In cases where KKR determines it has limited ability to conduct diligence or to influence and control the integration of ESG considerations in an investment, KKR will appropriately incorporate the applicable elements of this policy.³ Examples of such cases include where KKR is a lender with no indicia of influence or control, is a minority shareholder, has limited governance rights, or where other circumstances affect KKR's ability to assess, set, or monitor ESG-related performance goals.

For the purposes of this policy, "material" ESG issues are defined as those issues that KKR in its sole discretion determines have - or have the potential to have - a 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. As primary input to assessing what is material for each investment, KKR utilizes the industry-specific issue topics identified by the Sustainability Accounting Standards Board.⁴

This policy supersedes any policies or commitments made public prior to its effective date. KKR will seek to update the policy periodically, as appropriate.

4. Roles and Responsibilities

KKR's senior leadership provides ultimate oversight of its responsible investment efforts. Accountability for this work extends throughout the organization with global and regional team members, supported by subject matter experts, collaborating to achieve strong outcomes. This process is described in detail at kkresg.com/governance.

KKR's Global Public Affairs team, an internal team of subject matter experts, represents the core of the ESG-related expertise at KKR. The team was formed in 2008 to serve as a resource to KKR, KKR's employees, and KKR's portfolio companies. Overall, several individuals across KKR have a role in managing ESG issues, including, but not limited to, investment team members, KKR Capstone, and KKR's Legal and Compliance team.

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.

³ This policy does not apply to externally managed funds, joint partnerships, or other indirect investing vehicles. This policy applies to funds raised and closed after its effective date.

⁴ Sustainability Accounting Standards Board standards are available at www.sasb.org.

5. Transparency and Stakeholder Engagement

KKR will seek to be transparent in its approach to incorporating ESG considerations in its investment decisions by reporting at least annually on its progress and outcomes at the Firm level. The format of this reporting may vary between written public reports, informal verbal updates, or confidential fund- or asset-level reports to KKR fund investors.

KKR endorses relevant industry guidelines for responsible investment. In 2009, KKR⁵ became a signatory to the globally recognized voluntary framework of the Principles for Responsible Investment (PRI). KKR's progress is the result of productive partnerships, internally and externally. More on KKR's current partners is available in KKR's ESG, Impact, and Citizenship Report available at kkresg.com.

6. ESG Integration Processes

The preceding sections are applicable to all of KKR's investing activities across KKR's businesses, except where otherwise noted. The businesses in scope for this policy include Credit (Public, Private, and Special Situations), Energy Real Assets, Infrastructure, Core, Private Equity, and Real Estate (Equity and Credit). While some differences in application exist between the asset classes due to the nature of the investments, the table below describes our process across the relevant asset classes.

1. Evaluate Potential "Gating Issues"	2. Conduct Diligence on Company-Specific Relevant Issues	3. Document and Review Findings	4. Monitor and Manage
When: Pre-Screening	When: Commercial and Legal/Compliance Diligence	When: Investment Committee Evaluation	When: Post-Investment
What: <ul style="list-style-type: none"> Review "Gating Issues" to determine whether there are any critical ESG or reputational concerns with regards to target companies, operators, issuers, and, where relevant, sponsors 	What: <ul style="list-style-type: none"> Evaluate material ESG risks and opportunities applicable for the industry or asset type(s) with regards to the issuer or target company, including climate change risks and other portfolio-wide considerations and opportunities where relevant 	What: <ul style="list-style-type: none"> Include key risks and opportunities in the Investment Committee discussions and memorandums as they relate to the issuer or target company Track relevant findings, even when no additional actions are needed 	What: <ul style="list-style-type: none"> Include key ESG risks and opportunities in the Portfolio Management Committee discussions and memorandums, where applicable Engage with select companies on value creation efforts Document efforts on relevant issues or incidents for ongoing tracking as relevant

In addition, where relevant and appropriate, KKR will engage with management teams of its portfolio companies to provide guidance and support on key cross-portfolio ESG risks and opportunities. Visit kkresg.com for more about KKR's efforts related to portfolio company engagement and KKR's value creation resources.

This policy is subject to change and will be reviewed with a frequency of at least once every two years.

⁵ This refers to assets under management (AUM) of \$119 billion of assets managed by affiliates of Kohlberg Kravis Roberts & Co. L.P. as of December 31, 2019.