

# **KKR & CO. INC. SUPPLEMENTARY ENVIRONMENTAL, SOCIAL, & GOVERNANCE (ESG) DISCLOSURES**

September 2020

We have developed the enclosed set of supplementary ESG disclosures, which we believe can serve as an additional source of ESG-related information for our shareholders and stakeholders. Links to relevant policies and programs, if applicable, are also included. These supplementary ESG disclosures should be read in conjunction with other disclosures made by KKR on [kkresg.com](http://kkresg.com), [kk.com](http://kk.com), [ir.kkr.com](http://ir.kkr.com), and reports filed with the U.S. Securities and Exchange Commission (SEC).

**KKR**

## KKR & Co. Inc. Supplementary Environmental, Social, & Governance (ESG) Disclosures

KKR is committed to consistent and thoughtful transparency and has been reporting publicly on its ESG-related efforts since 2011. Visit [kkresg.com](http://kkresg.com) for information on our programs, policies, management approaches, performance updates, and metrics as well as past ESG annual reports.

We have developed the below set of supplementary ESG disclosures, which we believe can serve as an additional source of ESG-related information for our shareholders and stakeholders. Links to relevant policies and programs, if applicable, are also included. These supplementary ESG disclosures should be read in conjunction with other disclosures made by KKR on [kkresg.com](http://kkresg.com), [kk.com](http://kk.com), [ir.kkr.com](http://ir.kkr.com), and reports filed with the U.S. Securities and Exchange Commission (SEC).

References to the “Firm,” “KKR,” “we,” “us,” and “our” refer to KKR & Co. Inc. and its subsidiaries, except where the context requires otherwise. Contents of this document may not be referenced, quoted, or linked by website, in whole or in part, except as agreed to in writing by KKR. References to KKR’s investments include the activities of its funds and investment vehicles. See “Cautionary Statement Regarding Forward-Looking Statements” appearing at the end of this document.

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## ESG INTEGRATION INTO THE INVESTMENT PROCESS

### Our Approach

We integrate responsible investment into our Firm's investment practices, as reflected in our global **Responsible Investment Policy**. This policy articulates our approach to integrating the consideration of environmental, social, and governance (ESG) risks and value creation opportunities into investment processes across various asset classes globally. We reduce risks and create value by identifying and managing critical issues across the full investment life cycle. All potential investments at KKR go through a rigorous due diligence process. An integral part of this process is evaluating potential deals from an ESG perspective.

We engage with industry efforts to drive more responsible investing. To help inform our governance framework, we follow relevant industry guidelines for responsible investment (see "[Our response](#) to the UN Principles for Responsible Investment Limited Partner Due Diligence Questionnaire (DDQ)").

For more information on KKR's approach, please see:

**KKR on Responsible Investment:**

[kk.com/responsibility/responsible-investment](http://kk.com/responsibility/responsible-investment)

**KKR Responsible Investment Policy:**

[kkresg.com/esg-policy](http://kkresg.com/esg-policy)

**KKR Responsible Investment Governance:**

[kkresg.com/governance](http://kkresg.com/governance)

**KKR's Responsible Investment Key Performance Indicators, organized according to the relevant Principles for Responsible Investment (PRI):**

[kkresg.com/kpi](http://kkresg.com/kpi)

**Our response to the UN Principles for Responsible Investment Limited Partner Due Diligence Questionnaire (DDQ):**

[kkresg.com/ddq](http://kkresg.com/ddq)

### KKR Global Impact Fund

In addition to the integration of ESG considerations into KKR's overall investment practices described above, the Firm created KKR's Global Impact Fund in 2018. Through its Global Impact Fund, KKR invests in leading companies where financial performance and positive societal impact are intrinsically aligned.

For more information about **KKR's Global Impact Fund and the broader strategy**, visit:

[kk.com/businesses/global-impact](http://kk.com/businesses/global-impact)

## CARBON EMISSIONS AND CLIMATE CHANGE STRATEGY

### Across the Firm

From our global operations to those of our portfolio companies, KKR has an ongoing commitment to environmental sustainability. Although the majority of the Firm's environmental impact arises from the activities of our portfolio companies, which we address separately, we are taking steps to reduce KKR's direct environmental footprint as well. We strive to improve our environmental footprint and encourage sustainability throughout our operations.

### KKR's Operations

In 2019, the Firm achieved a significant milestone and became carbon neutral for the first time. We did this by measuring<sup>1</sup> the Firm's greenhouse gas (GHG) emissions in 2018 and then offsetting those emissions through the purchase of verified, high-quality carbon offsets. We purchased offsets for two projects: one focused on improving forestry management in the area surrounding McCloud River in Mount Shasta, California and a second providing clean cook stoves throughout India. The projects are certified to highly reputable standards: Climate Action Reserve and Gold Standard, respectively.

Our objective is to measure our footprint on an annual basis. We will evaluate and seek to implement mitigation and management techniques to offset and prevent these emissions, including maintaining KKR's carbon neutral status.

Across our global offices, we aim to integrate recognized environmental standards into new design and construction projects, including our offices in London, San Francisco, Menlo Park, and our new headquarters at 30 Hudson Yards in New York City. As an example, 30 Hudson Yards was designed to achieve and is seeking Leadership in Energy and Environmental Design (LEED) Gold certification.

KKR also takes action to reduce the environmental footprint of our core operations and encourage environmental awareness across our offices. For example, we have participated in Earth Hour, a global initiative to turn off all non-essential electric lights for one hour, for the past eight years. We have also hosted a number of clean-up days to honor Earth Day and have provided employees with information on how to take environmental action. Individual offices have also completed various topic-specific environmental awareness campaigns that have produced positive results, such as our New York office removing single-use plastic water bottles from its operations.

### KKR's Investments

We continue to advance and evolve our approach to incorporating the consideration of climate-related risks and opportunities into the investment life cycle. We utilize the framework developed by the Task Force on Climate-related Financial Disclosures (TCFD) as a primary input. Because climate change is currently one of KKR's cross-portfolio focus areas, we seek to develop tools and resources to make this process more comprehensive.

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<sup>1</sup> We measured our carbon footprint following the GHG Protocol Corporate Accounting and Reporting Standard to calculate scope 1, 2, and relevant scope 3 emissions. It is based on the Firm's direct impacts and operations; it does not account for the impacts of our investments.

This component of our strategy also includes understanding how individual investments contribute to a changing climate or to solutions to climate change. For example, we invest in a diverse range of energy sources, including renewables. We made our first investment in a renewable energy company in 2011 and have since invested in solar, wind, and district heating assets, which have a combined enterprise value exceeding \$19.5 billion.

Separately, KKR's [Global Impact Fund](#) was established to invest in businesses delivering solutions to significant societal challenges.

## Across the Portfolio

We have a strong record of working with our portfolio companies to understand and manage their environmental impacts through eco-efficiency and eco-innovation, such as with the Eco-Innovation Award. We are working to improve our approach to engaging portfolio companies on climate change strategies. Our goal is to identify effective ways to add value to our portfolio companies by assessing and addressing climate-related risks and opportunities.

In 2008, the Firm launched the Green Solutions Platform. Through this global effort, we identify, support, and highlight environmental initiatives at KKR portfolio companies across three areas: eco-efficiency, eco-innovation, and eco-solutions. The program applies KKR's approach of assessing, measuring, optimizing, and highlighting performance to support participating portfolio companies' efforts to manage their environmental impacts while also seeking to improve their businesses.

In 2016, KKR launched the [Eco-Innovation Award](#) (EIA) as part of the Green Solutions Platform. The EIA recognizes current projects by KKR's portfolio companies that provide innovative, environmentally beneficial solutions while creating business value. In 2019, KKR recognized three companies for their innovative projects with environmental and business benefits.

For more information on Carbon, Environmental, and Climate Change, please see:

### **Addressing Climate Change and Greenhouse Gas Emissions (GHG):**

[kkresg.com/climate](http://kkresg.com/climate)

### **Eco-Innovation Award and winning projects:**

[kkresg.com/ecoaward](http://kkresg.com/ecoaward)

## HUMAN CAPITAL

### **Management Approach**

We believe our people are the key to our success and are what sets our Firm apart. Our culture is based on our one-firm approach — the idea that everyone participates in everything we do. We strive to create a workplace environment where employees thrive both professionally and personally.

KKR's Global Head of Human Capital is responsible for the Firm's people and talent function, while our Head of Inclusion & Diversity drives forward our inclusion efforts. Our Human Capital team includes Business Partner Coverage and Functional Coverage, with specialists in Talent Management, Professional Development, Inclusion & Diversity, Compensation, and Benefits & Wellness.

In 2014, KKR established the Inclusion & Diversity Council (IDC), a committee led by senior leaders to ensure KKR remains an entrepreneurial, vibrant, and innovative organization that values diverse teams and varied lifestyles and backgrounds. The IDC's goal is to attract, develop, and retain the best possible talent, actively work to make KKR a more diverse and inclusive workplace with increased representation among women and underrepresented demographic groups, and improve mentoring programs company-wide.

### **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, the Human Capital or Office Operations departments, or anonymously as described in the Firm's **Whistleblower Policy**.

We provide 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 last "Respect in the Workplace Training" was deployed globally in September 2019.

### **Equal Employment Opportunity Policy**

We provide equal employment opportunity to all employees and applicants for employment. Nobody will be discriminated against in hiring or employment because of race, color, sex, age, disability, religion, national origin, marital status, sexual orientation, gender identity and/or expression, ancestry, military status, genetic information, or any other basis protected by applicable law.

It is the policy of the Firm to:

- Comply with personnel procedures to ensure equal employment opportunity for all people without regard to race, color, sex, age, disability, religion, national origin, marital status, sexual orientation, gender identity and/or expression, ancestry, military status, genetic information, or any other basis protected by applicable law
- Comply with all the relevant and applicable provisions of the Americans with Disabilities Act (ADA). KKR will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability

- Make reasonable accommodations wherever necessary for all employees or applicants with disabilities, provided that the individual is otherwise qualified to safely perform the essential duties and assignments connected with the job and provided that any accommodations made do not impose an undue hardship on the Firm
- Achieve understanding and acceptance of KKR's policy on Equal Employment Opportunity by all employees and by the communities in which the Firm operates
- Investigate instances of alleged discrimination and take corrective action if warranted
- Refrain from discriminating against any employee based on the employee's or the employee's dependent's reproductive health decision making, as provided under New York Labor Law Section 203-E
- Be alert to identify and correct any practices by individuals that are at variance with the intent of the Equal Employment Opportunity Policy

## Investing in Our People

At KKR, our philosophy is to ensure we manage our investments in people – our human capital – as rigorously and effectively as we do our financial capital. Our key focuses include driving exceptional performance and enhancing our firm culture.

### *Diversity and Inclusion*

We see tremendous value in and are strongly committed to having a [well-rounded, inclusive workplace](#) — one that is reflective of the investors we serve, the companies and other stakeholders with whom we collaborate, and the communities in which we live and conduct business. In 2020, we earned a 100% score from the Human Rights Campaign Foundation's 2020 Corporate Equality Index, which identified KKR as a best place to work for LGBTQ equality for the 4<sup>th</sup> year in a row.

Across the Firm, there is increasing accountability for diverse candidate considerations in our new hire process, and we have set internal goals to ensure gender and ethnicity diversity in hiring. We are working to provide and promote programs that support the retention and development of diverse candidates. The IDC is working to help the Firm become more diverse and inclusive, with increased representation among women, underrepresented demographic groups, and people with varied experiences and perspectives. The IDC also drives business leader accountability for ultimate progress and results, and identifies other best practices to develop and retain diverse talent.

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

We have undertaken several initiatives to ensure our portfolio companies implement best practices around Diversity and Inclusion. Over the last two years we increased focus on ensuring diversity on our portfolio companies' boards of directors, and we are pleased to be making progress towards our goal with 100% of our Americas Private Equity Controlled Portfolio Companies meeting this goal.

## ***Career and Leadership Development***

The primary goal in human capital management is to develop and retain talent at KKR by providing meaningful and well-understood career paths for our people, and we therefore invest extensively in employee training and professional development. Our professional development efforts reflect our commitment to invest in our people. We offer workshops, mentoring, and executive coaching to supplement on-the-job experiences and ongoing feedback and coaching to maximize performances. KKR leaders and managers are dedicated to providing new employees with a seamless transition into our culture, while also targeting development opportunities over the course of careers. We regularly offer skills-based development workshops to maximize performance at every level across the organization.

Leadership development is a key element in the investment in our people. We offer Leadership Development Training at key transition points throughout an employee's career. For example, our newly promoted Principals, Directors, and Managing Directors participate in programs that include assessments and insights around their personal leadership and management style, how those impact 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.

In 2019, we enhanced our efforts around internal mobility by launching "KKR Avenues," which offers employees new opportunities for long- and short-term positions across projects, teams, and regions. KKR Avenues promotes increased employee engagement, skill advancement, and greater connectivity and cross-pollination across the Firm and its capabilities and is another lever in developing transferable skill sets for increased/broader leadership responsibility in the future.

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

## **Caring for Our People**

Fostering a culture of physical, mental, and emotional health and wellness is a priority for KKR. We offer tools and resources to make informed health care decisions that foster physical and mental well-being for our employees and their families.

### ***Wellness***

Our wellness offerings include our Wellness Works program, which includes health clinics, nutrition, stretching and yoga sessions with on-site/virtual health coaches, walking and running challenges, boot camps, and meditation classes. U.S.-based employees are eligible to earn a discount on their healthcare premium contributions each year by completing certain activities that promote preventive healthcare, such as a biennial physical or age-related health screening. We collaborate with a third-party workforce health consulting company to ensure our employees' musculoskeletal health through virtual and on-site ergonomic consultations.

Our free annual onsite flu vaccine is available at most U.S. and non-U.S. KKR locations. We also offer smoking cessation support, health coaching, and, in our NY office, free annual mammograms.

To promote physical health, we reimburse full-time employees their annual gym membership, fitness facility, or personal training fees, subject to certain limitations. Several of our offices provide employees with Wellness Rooms or multi-purpose rooms.

## ***Benefits***

We work to create an environment where our employees can thrive, both professionally and personally. This includes offering a comprehensive benefits package.

Our health insurance coverage includes full medical, dental, and vision insurance, which includes prescription drug coverage. KKR offers life and accidental death and dismemberment insurance at no extra cost to employees, and all full-time employees have access to short-term and long-term disability insurance coverage.

We provide our employees with access to a suite of health programs through various third-party service providers, including (1) a 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; (2) medical consulting service for healthcare decisions and second opinion support; and (3) mental well-being platform that provides access to screening, navigation, and scheduling of virtual visits with licensed therapists/psychiatrists.

KKR is committed to helping employees build a family by offering various programs for every stage of the family planning process, whether fertility, adoption, healthy pregnancy, delivery and post-delivery services, and transition support back to work. We offer a fertility management program through a third-party. KKR provides employees with unlimited IVF coverage, covers the cost of egg-freezing treatments, sperm freezing and testing, and donor tissue coverage. KKR partners with a third-party to support employees in their planning journeys through their baby's first birthday. This benefit provides expert advice around fertility, birth preparation, newborn care, and transition back to work. Other resources include birth center coverage, support for home delivery, breast pump coverage, and breast milk shipping through a third-party for employees traveling for business both domestically and internationally. Several of our offices also offer dedicated nursing mothers' rooms.

We support the work-life balance of our employees through a variety of programs. Paid-time off (PTO) benefits include vacation time, personal days, sick days, funeral or bereavement days, and PTO for jury duty service. Our Employee Assistance Program (EAP) provides a variety of helpful resources, including pet care and identity theft support. We offer emergency back-up child/elder care, adult/elder care navigation, return to work support, and additional family support such as college coaching/application support through a third-party service provider. We also provide employees with access to a third-party service that provides navigation assistance for employees with children with special/developmental needs.

We are committed to giving our working parents and parents-to-be what they need to thrive. Our paid parental leave policy offers up to 18 weeks of paid leave for a primary caregiver new parent and four weeks for non-primary caregivers. Other policy includes childcare travel program to cover costs related to childcare provider accompaniment on essential business-related travel, and a coaching program for executives and their managers transitioning from parental leave to full-time work. We also offer all employees up to four weeks of paid family caregiving leave, regardless of tenure, to support a serious health condition of a family member.

Employees in the United States can contribute their eligible pay to the KKR 401(k) Profit Sharing Plan. KKR offers a matching program under the plan. In addition, KKR may, in its discretion, make a profit sharing contribution to the plan on behalf of participants. We also offer personalized planning and advice and free access to financial counseling and planning services through a third-party counseling service.

## ***Compensation***

Consistent with KKR's global, integrated culture, compensation is based on the performance of the Firm as a whole, as well as on an individual's contributions to the firm. We designed this structure to give everyone a direct financial incentive to ensure that the Firm uses its resources, knowledge, and relationships around the world toward maximizing risk-adjusted returns for each strategy. KKR believes that this compensation structure promotes teamwork, resource sharing, shared accountability, and alignment of interests, all of which reflect and reinforce our core culture and values as a firm. Each of KKR's employees receives a base salary and is eligible for a cash bonus and equity compensation, as well as additional incentives including allocation of carried interest from KKR's "carry pool" for certain employees.

The cash bonus, equity compensation, and carried interest allocation are discretionary, and carried interest and equity awards are typically subject to a vesting period of several years. Compensation and other incentives are not formulaic, but rather judgment and merit driven, and are determined based on a combination of: overall Firm performance, individual contribution and performance (as assessed via the Firm's semi-annual review process as well as other inputs), business unit performance, and relevant market and competitive compensation practices for our various businesses and the individual roles/responsibilities within each of those businesses. We believe this on-going compensation review and adjustment better aligns our executives with investors since we maintain the flexibility to annually adjust carried interest allocated to professionals to reflect changes in position and contribution to fund performance.

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

## BUSINESS ETHICS

We strive to conduct ourselves with integrity in everything we do. We readily accept accountability for our actions, inactions and decisions, both individually and as a firm. We also embrace the implied responsibilities of our one-firm approach: the obligation to speak up and say what we think and to respect and listen to our colleagues. We are committed to creating a strong culture of compliance to ethically deliver on our commitments to our stakeholders, our business partners, and one another.

### Management Approach

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 CCOs 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 ensure 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. In addition to KKR's Global CCO and other CCOs, KKR's General Counsel and other appropriate personnel, such as members of the Legal and Compliance department, KKR's Global Conflicts Committee, and the Audit Committee of KKR's Board of Directors are also involved in the handling of business ethics matters. The Global CCO reports to the Audit Committee, which reviews all concerns and violations directly reported to it by KKR employees and KKR Legal and Compliance. The Audit Committee must take action to ensure compliance, or redirect the issue to the Conflicts Committee of the Board of Directors or the KKR Global Conflicts Committee, as applicable, which analyze and address 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.

KKR's directors, officers and certain other employees performing finance, accounting, corporate treasury, or tax roles are required to report promptly any known or suspected violations of laws, rules, regulations, or provisions of the KKR **Ethics Policy** (defined below) 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 should consult with the General Counsel, the Global CCO, or other appropriate KKR personnel about known or suspected illegal or unethical behavior. KKR employees may also report questionable behavior in the same manner as they may report complaints regarding accounting, internal accounting controls, or auditing matters by notifying (anonymously, if desired) the Chairperson of the Audit Committee. We do not permit retaliatory action of any kind against anyone making such a report in good faith or assisting in an investigation, and the Audit Committee strictly enforces this prohibition.

### Our Policies

We believe that a strong culture of compliance and ethics must be integrated into business practices in order to set the foundation and expectations across the Firm. In furtherance of that objective, multiple internal policies and procedures designed to specifically address legal and regulatory requirements applicable to the Firm's operations, products, and services help us ensure compliance with legal and ethical standards at KKR and our portfolio companies. We review and test the implementation of these policies to improve our control environment and

proactively address new regulatory developments and industry best practices. We communicate legal and regulatory requirements through ongoing education and training, with employees required to complete trainings annually or more frequently, depending on the policy and the employee's role within the Firm.

Our **Code of Business Conduct and Ethics** (the [Ethics 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, provides reporting mechanisms for violations via the KKR **Whistleblower Policy**, and aims to prevent and detect wrongdoing within the Firm. This includes all violations of the associated **Anti-Money Laundering, Anti-Bribery and Anti-Corruption, Antitrust**, and other essential policies discussed below. There are mandatory live and web-based trainings on the Ethics Policy provided to KKR employees at the outset of their employment and on annual basis thereafter. In certain cases, a subset of the Firm receives targeted training regarding particular business ethics issues most relevant to their role.

The CCO of each region (Americas, Europe, and Asia) and/or their respective compliance teams provide training regarding the **Whistleblower Policy** in local languages, if necessary, to KKR employees at the outset of their employment and thereafter on at least an annual basis. The Whistleblower Policy provides the contact information and instructions for contacting the Audit Committee. KKR offers separate hotlines for the Americas, Europe, and Asia, 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.

KKR's **Anti-Money Laundering (AML) Policy** requires that every KKR counterparty and business partner have an AML program with dedicated responsible individuals providing an appropriate level of oversight. KKR has a Global AML Compliance Officer and business-specific AML Compliance Officers responsible for implementation and operation of all AML-related procedures within the Firm, including the procedure for reporting suspicious activity, annual training programs for client transaction monitoring, and independent audits to test the AML program. As part of the AML program, we have established the [Know-Your-Customer \(KYC\) Policy](#), which is designed to provide appropriate diligence standards to evaluate and risk-rate KKR's counterparties and business partners, and identify potentially high-risk individuals or organizations that warrant heightened scrutiny.

KKR's **Anti-Bribery and Anti-Corruption (ABC) Policy** prohibits KKR employees from offering a benefit to a client in order to obtain an advantage for KKR or receiving a benefit from a client in return for a promise of a benefit from KKR. KKR complies with all requirements from the U.S. Investment Advisers Act of 1940, U.S. Foreign Corrupt Practices Act (FCPA), and the U.K. Bribery Act 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, will abide by, and report any violations of KKR's AML and ABC Policies. All KKR employees must complete mandatory trainings on both AML and ABC on an annual basis. We incorporate testing to verify understanding of these areas in annual web-based trainings, and a minimum score or better in each subject matter is required to complete these Compliance trainings.

We also conduct corporate criminal offense training and guidelines in the UK and post a no-tax-evasion statement on our public website, updated annually. Both derive from UK-based requirements.

KKR's **Antitrust 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 General Counsel or Global CCO. Employees can report concerns and/or violations of KKR's Antitrust Policy via the anonymous whistleblower hotline or website. The Audit Committee is responsible for reviewing these reports and conducting appropriate investigation and, if necessary, taking further remediating action as appropriate.

Finally, KKR has instituted various other essential policies and procedures 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 side and public side 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
- **[Global Cybersecurity Policy and Procedures](#)** – to ensure effective implementation of comprehensive cybersecurity controls, risk assessments, and employee training

For more information on Business Ethics, please see:

**KKR Code of Business Conduct & Ethics:**

[ir.kkr.com/app/uploads/2020/01/KKR Co. Inc. - Code of Business Conduct and Ethics.pdf](http://ir.kkr.com/app/uploads/2020/01/KKR_Co._Inc._-Code_of_Business_Conduct_and_Ethics.pdf)

## CYBERSECURITY, PRIVACY, AND DATA PROTECTION

KKR deploys a variety of security measures to fortify the integrity and continued reliability of our information security. These measures include written policies, intrusion prevention system, employee training, and internal and third-party audits of our security infrastructure.

### Management Approach

We designed our **Information Security Policy** and associated **Information Technology Policies** to provide a global framework that aligns the Firm'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. 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. 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).

KKR's Chief Information Security Officer (CISO) is ultimately responsible for developing and implementing policies and procedures, as well as making sure all employees have sufficient cybersecurity and data privacy training. The CISO reports directly to the Chief Information and Innovation Officer.

KKR's IT Security Committee is responsible for identifying, monitoring, and prioritizing the Firm's cybersecurity risk environment. The IT Security Committee promotes cybersecurity awareness throughout KKR, and promotes both proactive mitigation and accountability of cybersecurity risks. This committee or CISO reports periodically to the Audit Committee and Board of Directors about any material weaknesses or failures in KKR's Cybersecurity Program, and escalates any issues as necessary that present a material risk to the Firm, its clients, and employees. The Audit Committee conducts reviews of cybersecurity issues resulting from KKR's annual technology audits. The Firm's cybersecurity team monitors our security infrastructure with tools designed to detect suspicious behavior.

KKR's Risk and Operating Committee (ROC) also provide additional monitoring of cybersecurity issues, and the IT Security Committee provides periodic reporting to the ROC on the cybersecurity control environment, any issues that it identified, and how they were remediated.

The Firm has a written **Information Security Policy** and formal Incident Response Plan based upon the National Institute of Standards and Framework's Cybersecurity Framework (NIST CSF), and associated policies which are reviewed on an annual basis. These form the basis of KKR's Information Security Program of which the program and individual policies are reviewed annually.

In addition to internal audits, we contract with a third-party security provider to monitor many of our cybersecurity controls, and leverage consulting resources to identify potential weaknesses in our security infrastructure. Some of these third-party monitoring functions continue throughout the year, while other third-party security experts are periodically retained to audit specific areas of the cybersecurity program on a schedule determined by KKR's Cybersecurity, IT, and Compliance teams.

## Protection Measures

### *External Safeguards*

To safeguard information within our operations, we use leading security controls that serve as the first line of defense against cyberattacks. Intrusion Prevention Systems at key offices and data centers monitor and alert us about potential malicious traffic from the Internet or traversing internal networks. We use a variety of tools as part of our dynamic defense-in-depth approach including web filtering, endpoint protection systems, hardware data port control, loss and/or theft alerting, mobile device security, and data-loss prevention systems. We employ a security awareness platform through which we conduct monthly simulations of phishing attacks coupled with real-time training, results of which IT Security Committee reviews regularly.

We operate a secure office environment and data center that require card or biometric access to all KKR floors 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 to validate that access rights are commensurate with assigned job responsibilities, and revokes inappropriate access noted during the review process.

KKR also requires all vendors who will have access to Firm data or systems to pass a vendor data security assessment to ensure their adherence to relevant industry best practices and standards. Any vendor with access to KKR data requires an IT security assessment, and the CISO regularly reviews those identified as high-risk. Employees who work with vendors must conduct appropriate due diligence and monitor their compliance with the security assessment on an ongoing basis. We have established procedures to ensure the engagement of third-party service providers is conducted in compliance with all applicable laws, rules, and regulations.

### *Internal Measures and Training*

We use a variety of internal measures to ensure a robust approach to data protection throughout the Firm. All employees are required to complete cybersecurity training at the time of hire and then every two years. Our **Personal Data Protection Policy** is designed to ensure that employees act appropriately when handling personal data, including the leakage, loss of, or damage to personal data. All employees are responsible for reporting actual and perceived security threats and incidents.

Role-based access control regulates access to systems and capabilities within the Firm, and all remote access require multi-factor authentication.

Our Compliance team directs employees to the KKR Compliance Portal accessible via KKR's internal website, and elicits acknowledgements of the relevant policies by all KKR employees across business lines and regions. KKR's Compliance, IT, and Internal Audit groups test understanding and application of such policies across the Firm on a regular basis.

## Our Investments

As one of a diverse range of topics that we discuss with our portfolio companies, we focus on benchmarking the companies' data privacy and risk management practices. We conducted a cybersecurity assessment of a majority of private equity portfolio companies, and to ensure they are appropriately managing this highly important topic, we provided each company with an individualized report for review to assist in their cybersecurity improvements. We also periodically provide cybersecurity and incident response training and support to our portfolio companies.

## RESPONSIBLE PRODUCT GOVERNANCE

### Responsible Marketing

We recognize the trust our clients and communities place in us, and we expect all of our employees to conduct business in compliance with applicable ethical, business, and legal standards. We set clear commitments to drive progress and facilitate transparency. Our **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), often as representatives of KKR Capital Markets LLC (KCM). Marketing activities by RMs are subject to federal and state securities laws and regulations applicable to investment advisers and broker-dealers, as well as other SEC and FINRA rules.

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. KKR's compliance procedures provide guidelines around marketing materials that promote managed accounts and investment strategies or KKR's investment advisory business.

All employees registered with FINRA must certify compliance with the contents of the policy, and keep a current copy of this policy on hand. Failure to adhere to the policy and procedures may result in disciplinary action. Violation of certain procedures also potentially subjects KCM and the individual employee involved to civil liability and damages, regulatory sanction, and criminal prosecution.

As a broker-dealer registered with the SEC and a member of FINRA, KCM is subject to the U.S. federal securities laws and regulations applicable to the broker-dealers as well as to FINRA rules. KCM is registered in all fifty U.S. states and U.S. territories and is subject to the securities laws and regulations of those states and territories. With subsidiary investment advisers registered with the SEC, KKR is subject to the U.S. federal securities laws and regulations applicable to investment advisers. CPG complies with all applicable requirements of the federal and state securities laws and regulations and FINRA rules, as well as with KKR's policies and procedures and any applicable law in other countries in which CPG operates.

CPG RMs are employees of KKR who participate in capital raising for KKR's funds and who are often registered as representatives of KCM. Most RMs are dual-employees and therefore are subject to supervision by KCM with respect to their use of broker-dealer materials, and by KKR with respect to their use of investment adviser materials.

CPG's primary business activity under KCM is the marketing of KKR's funds. KCM may also market third party funds and managed accounts in its capacity as a placement agent. CPG's primary business activity under KKR is the marketing of investment strategies. CPG employees engage only in marketing activities; they do not execute securities transactions. The KKR fund in question effects all sales of its limited partnership interests. KCM is not compensated for marketing the KKR funds. The Head of CPG and/or their delegate is responsible for ensuring that employees under their supervision comply with the requirements applicable to fundraising and marketing efforts in connection with the KKR funds.

KKR's policy is to adhere to the regulatory guidelines and SEC requirements covering the following areas, among others:

**Broker-deal materials (FINRA rules)**

- Marketing material categories
- Fair and balanced communications
- No material misstatements
- Disclaimer placement
- Clear, balanced, and consistent communications
- Audience considerations
- No hypothetical performance or projections
- Statement of target performance
- Related performance information
- Performance data backup
- Survey data background
- Graphs and charts
- Past specific recommendations

**Adviser materials (SEC rules)**

- Prohibited advertising practices
- No testimonials
- No cherry-picking recommendations
- Use of graphs and charts
- Past performance guidelines

The policy further outlines guidelines for marketing materials, the review and approval process, providing context and explanations on performance relating to broker-dealer and adviser materials, and antitrust considerations. 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 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 fair, consistent, and at standard market rates
- **Expense Allocation Policies** -- to provide procedures for allocating expenses among the Firm and its clients in a fair and equitable manner that is consistent with its contractual commitments

For more information on anti-corruption and anti-bribery policies, please see:

**KKR's Code of Business Conduct and Ethics:**

[ir.kkr.com/app/uploads/2020/01/KKR Co. Inc. - Code of Business Conduct and Ethics.pdf](http://ir.kkr.com/app/uploads/2020/01/KKR_Co._Inc._-Code_of_Business_Conduct_and_Ethics.pdf)

(See next page for Know-Your-Customer Policy)

## Know-Your-Customer Policy

KKR has implemented a **Know-Your-Customer (KYC) Policy** as part of its **Anti-Money Laundering** (AML) program. The KYC Policy includes risk-based procedures designed to obtain identifying information from a KKR fund investor and other persons or entities with whom the Firm is engaged in an investment activity, and to verify, to the extent reasonable and practicable, the fund investor's identity. The information obtained during this due diligence review serves as the basis for making a determination as to, among other matters, whether such investor should be subjected to additional and ongoing monitoring due to its status as a Senior Foreign Political Figure or Politically Exposed Person. KKR may also use third party service providers to conduct an additional level of due diligence based on its risk assessment of its fund investors, such as investors deemed high risk.

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This document contains certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Forward-looking statements may be identified by use of words such as “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning, and relate to expectations, estimates, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements are based on KKR’s beliefs, assumptions and expectations, taking into account all information currently available to it. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to KKR or are within its control. If a change occurs, actual results may vary materially from those expressed in the forward-looking statements. Factors that could cause actual results to vary from the forward-looking statements are discussed in KKR & Co. Inc.’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and other filings with the SEC, which are available at [www.sec.gov](http://www.sec.gov). All forward-looking statements speak only as of the date hereof. KKR does not undertake any obligation to update any forward-looking statements to reflect circumstances or events that occur after the date on which such statements were made except as required by law.