

KKR

Working Together

2023 SUSTAINABILITY REPORT



Working Together

KKR's focus on sustainability is rooted in our commitment to value creation and value protection. 2023 reinforced how crucial collaboration is to our ability to deliver strong returns and shared success to those we serve. Our collaborative spirit is found in the ways we integrate sustainability into our investment and business activities — how and where we invest, how we support our companies, and how we operate as a business.

03 • Introduction

About KKR | Letter From Leadership | 2023 Highlights | About This Report

10 • Sustainable Investing

Reflections on KKR's Commitment to Sustainable Investing | Approach and Governance | ESG Integration | Engagement | Investing Behind Trends

50 • Sustainable Operations

Human Capital | Environment | Data Responsibility | Corporate Citizenship | Governance and Business Ethics

69 • Appendix

Stakeholder Engagement | SASB Index | TCFD Annex | Overview of Policies | Benefits Overview | KKR-level ESG Data Tables | Endnotes | Cautionary Statement

Introduction

- 4 About KKR**
- 5 Letter From Leadership**
 - 5 A Message From Joseph Bae and Scott Nuttall, Co-Chief Executive Officers
- 7 2023 Highlights**
- 8 About This Report**
- 9 Glossary

About KKR

KKR is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit, and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life, and reinsurance products under the management of The Global Atlantic Financial Group LLC and its subsidiaries (Global Atlantic).

Our Values

Teamwork

Our one-firm approach encourages proactive collaboration across businesses and geographies to strive for the best possible results. We continuously look to help one another and work together towards common goals.

Integrity

We endeavor to conduct ourselves with integrity in everything we do. Our word is our bond — we say what we mean and we do what we say.

Relationship-Driven^[1]

As a relationship-driven Firm, we are deeply committed to building and sustaining long-term internal and strategic partnerships, grounded in trust and transparency.

Accountability

We readily accept accountability for our actions, inactions, and decisions, both individually and as a Firm.

Innovation

We believe in questioning accepted wisdom, creating new ideas, offering new approaches, and finding creative solutions to our stakeholders' needs.

Excellence

We aspire to be the best at what we do, to lead by example, and to maintain high personal and company standards.

Diversity

We believe diversity makes us stronger and more effective. We see tremendous value in and are strongly committed to having a well-rounded, inclusive workplace.

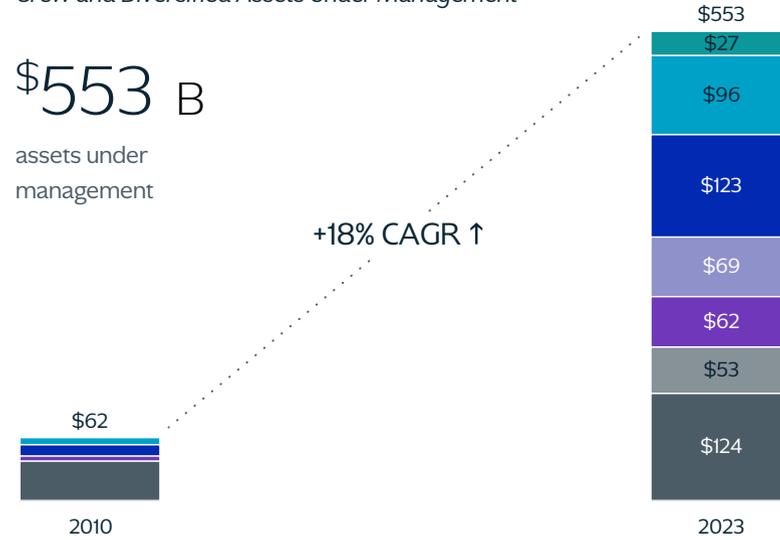
KKR Investments | KKR AUM (\$ in B)

Grew and Diversified Assets Under Management^[4]

\$553 B

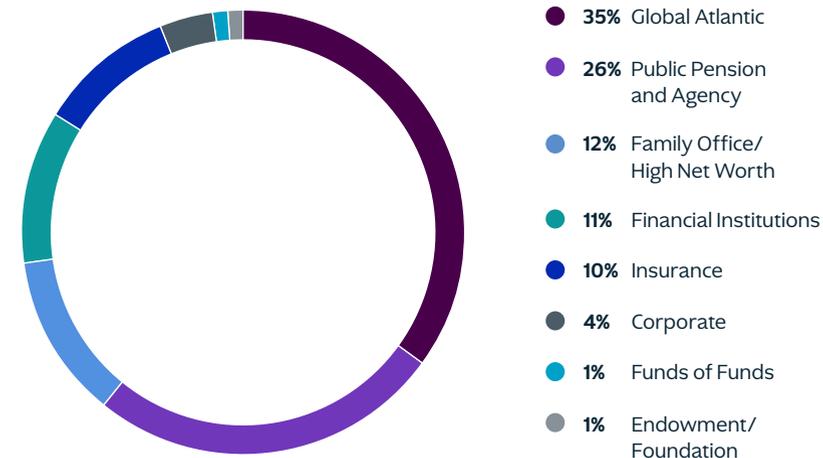
assets under management

+18% CAGR ↑



- Liquid Strategies
- Alternative Credit
- Leveraged Credit
- Real Estate
- Infrastructure and Energy
- Growth Equity and Core Private Equity
- Traditional Private Equity

Investor Base by Type



KKR Portfolio

200+

companies in our private equity portfolio,^[5] employing

850,000+

employees^[6]

[4] KKR & Co. Inc., [KKR 2024 Investor Day Presentation](#), 2024. Growth Equity is inclusive of our Global Impact strategy.

[5] [kkr.com/invest/private-equity](https://www.kkr.com/invest/private-equity).

[6] KKR & Co. Inc., [KKR 2024 Investor Day Presentation](#), 2024.

KKR at a Glance^[2]

Approximately

\$25.0 B

invested in or committed to our own funds and portfolio companies, including

\$19.8 B

of capital funded or committed from our balance sheet

\$3.0 B

after-tax distributable earnings

\$2.4 B

fee related earnings

~30%

of stock owned by employees^[3]

[1] The "Firm" means Kohlberg Kravis Roberts & Co. L.P. and the other subsidiaries of KKR & Co. Inc. that operate its investment management business, including capital markets activities, but excluding its insurance business and certain other businesses (see [Cautionary Statement](#) for further information regarding the scope of applicability of the disclosures made in this report).

[2] KKR & Co. Inc., [Annual Report on Form 10-K \(2023 10-K\)](#), 2023. See [Cautionary Statement](#). Fee related earnings are non-GAAP measures. See Appendix for information about GAAP reconciliations for non-GAAP measures and other important information relating to non-GAAP and other operating and performance measures used by management in making operational and resource deployment decisions as well as assessing the performance of KKR & Co. Inc.'s business for the year ended December 31, 2023.

[3] KKR & Co. Inc., [KKR 2024 Investor Day Presentation](#), 2024.

Letter From Leadership



Scott Nuttall and Joseph Bae, Co-Chief Executive Officers

A Message From Joseph Bae and Scott Nuttall, Co-Chief Executive Officers

At the beginning of 2023, we challenged our employees to embrace opportunities to support one another. As our business continues to grow, how we integrate and collaborate plays a critical role in our ability to stay nimble and use our collective strength to power great outcomes.

This collaborative approach fostered resiliency and yielded strong results. While we started 2023 amidst a volatile market, we ended the year on an exceptionally positive note, demonstrating great progress on many of our Firm-level priorities and our sustainability activities.

This success is a testament to how we approach our work at KKR. As further described in this report, our efforts over the past year — and throughout our many years as a Firm — are centered in four fundamental truths that inform what we do, why we do it, and how we deliver.

Creating and Protecting Value

Above all, we remain resolute in our focus to create and protect value in everything we do. This is core to our most central mission as a Firm — to fortify companies and communities. In doing so, we are able to help secure the futures of institutions and individuals, including the millions of teachers, firefighters, police, municipal workers, and others who are counting on us to deliver strong outcomes to safeguard their pensions and retirements. Our acquisition of Global Atlantic, a leading insurance company meeting the retirement and life insurance needs of individuals and institutions, enhances our focus on retirement security. Maximizing and protecting value is who we are and why we are in business.

We believe that sustainability is one key lever that helps us further our commitment to value creation and value protection.

Take, for example, the opportunities we capitalize on when investing behind sustainability trends: Since 2010, we have invested over \$45 billion across multiple asset classes behind trends like the energy transition, workforce development, and circularity, among others. Or the opportunity to increase employee engagement and productivity in the companies in which we invest through a broad-based ownership program. This model has been successful over the years: over 85,000 non-senior management employees have been awarded billions of dollars in equity since 2011 as part of shared ownership programs we support across our portfolio.

Materiality as Our North Star

Even with its wide-ranging potential, sustainability cannot be approached in a “one-size-fits-all” way. It is most impactful when tailored to a company’s specific business model, market, industry, and stakeholders, among other considerations. We believe focusing on business-relevant, material sustainability topics helps us address the most meaningful risks and capture the biggest opportunities. This could mean ensuring companies are well governed and take cybersecurity seriously, evaluating and preparing for the impacts of climate-fueled extreme weather on real estate and infrastructure assets, or exploring new market opportunities in education and job training to prepare the workforce of tomorrow.

Focusing on what matters also applies within our four walls. It informs how we manage and engage our own talent, work to reduce our environmental footprint, practice responsible data management and protect information security, serve our partners, and act with integrity. When it comes to our employees, we recognize the importance of an engaged and supported workforce as part of KKR’s success. For example, our Firm’s eight employee resource groups (ERGs) aim to foster strong ties across members of a community and their allies. ERGs are open to all employees and enable us to connect and collaborate with others who share similar experiences and interests. They also ensure everyone has a platform to share their voice. We are proud that 59% of our global Firm’s employees are affiliated with at least one ERG.

Meaningful Implementation

Our almost 50 years as investors have taught us that the “how” is just as essential as the “what.” We aim to create and protect value by leveraging sustainability, but our efforts will only be as effective as our ability to implement and execute.

This translates, for example, in the ways we integrate material sustainability factors throughout the investment process, which can differ in certain respects by business type. We also seek to tailor our approaches when providing portfolio companies with tools and resources to better understand their material topics, and how to benefit from the opportunities they present, as well as mitigate any downsides.

Within our own operations, we pursue an intentional approach to continually improving and tailoring the development opportunities we offer employees. Recognizing that upskilling and continued growth are key drivers of engagement, we prioritize how we help employees learn and grow, from becoming an effective manager, to acting with integrity and in compliance across everything they do.

The Power of Collaboration

Underpinning this diligent approach is KKR’s unique superpower: our collaborative and integrated culture — one that fosters the sharing of ideas across teams, functions, and regions, and that is a significant driver behind the success of our work.

Our acquisition of Global Atlantic is one of the best examples of the power of collaboration. In early 2024, KKR acquired all the remaining equity interests in Global Atlantic that we did not already own, which brought our ownership to 100%. Since the beginning of the strategic partnership between KKR and Global Atlantic in 2021, our work together has been transformative for both companies. We are eager to see how even closer collaboration will give us the ability to unlock new opportunities and grow faster together.

Additionally, in 2023, we launched our Global Climate strategy, enabled by teamwork within our Infrastructure business as well as by partnership with other experts across the Firm and beyond.

Teamwork also demonstrated the power of shared success among employees, as they leveraged their skills and expertise in service of their communities. In 2023, we recorded our highest volunteer participation rate since we started tracking.

This 2023 Sustainability Report celebrates this collective ethos with the theme of *Working Together*. In the many examples covered in this report, it is clear that shared efforts lead to shared success — both in the way we invest and how we operate as a business. With the publication of this 13th annual sustainability report, we are energized by the positive impacts we have made.

As we look towards next year and the years ahead, we have a lot of optimism for the future of KKR, and that is powered by our secret sauce: our people and our culture. With three avenues for long-term sustained growth — asset management, insurance, and strategic holdings — our business model allows us to compound earnings and value for the very long term while retaining our culture.

We look forward to sharing our continued progress and we thank you for your interest in our report.

Joseph Bae and Scott Nuttall



“Relationships power everything that we do as a Firm, because they are at the very core of how we collaborate, learn from one another, and continue to do better. We encourage each other to acknowledge and deepen those ties, because we can do so much more together than we can alone.”

George Roberts and Henry Kravis
Co-Founders and Co-Executive Chairmen



2023 Highlights

Partnering with Global Atlantic Financial Group

Deepening our successful partnership that began in 2021, Global Atlantic became a wholly owned subsidiary of KKR in 2024, unlocking more opportunities for collaboration.

Enhancing KKR's Sustainability Data Collection

We continued to improve our sustainability data collection and reporting efforts across our portfolio to inform decision-making, improve performance, and address regulatory requirements.

13th Year of Sustainability Reporting

This is KKR's 13th public sustainability report since our first report in 2011.

Select Awards and Recognitions

Best Places to Work in Private Equity by Mergers and Acquisitions

World's Best Companies of 2023 by TIME and Statista

2023-2024 Equality 100 Leader in LGBTQ+ Workplace Inclusion by the Human Rights Campaign Foundation

Top 100 Best Adoption-Friendly Workplaces by the Dave Thomas Foundation for Adoption

To learn more about these highlights, see the respective sections in this report.

In Our Investments

Human Capital

39

portfolio companies with

85,000+

non-senior management employees implemented ownership programs, awarding billions of dollars in equity since 2011, including

7

new broad-based ownership programs launched in 2023, and

9

full exits of companies with shared ownership since 2015, including KKR's first in the technology, media, and telecom (TMT) sector (RBmedia) and KKR's first in the APAC region (GreenCollar) in 2023

Launched Inclusion Exchange bringing together a community of leaders at portfolio companies to foster an inclusive workplace

In Our Operations

Human Capital

59%

of our global employees are affiliated with at least one Employee Resource Group (ERG)

Climate

Launched new Global Climate investing strategy and appointed dedicated climate leadership team focused on the deployment and scaling of net-zero solutions and accelerating the transition of higher-emitting assets

230+

participants from 130+ portfolio companies across 35+ countries participated in our Climate Action Education Series webinars

Environment

Pre-purchased permanent carbon removal tons from Frontier's offtake portfolio to support the acceleration and development of the carbon removal industry

Data Responsibility

165+

portfolio companies engaged to improve information security and cyber defense capabilities across our portfolio through Project Shield

Hosted two Chief Information Security Officers (CISO) Summits for portfolio companies to discuss cybersecurity-related topics and best practices

Data Responsibility

Enhanced KKR's cybersecurity annual training with updated content to reflect current threats and Firm policies

Set up generative AI (GenAI) working group to provide clear and direct governance of our artificial intelligence (AI) strategy and program

About This Report

At KKR, we are committed to disclosing high-quality, relevant information as part of our annual sustainability reporting, and have been since our first report was published in 2011. Our commitment is grounded in three key principles that inform how we disclose information:

Developing Clear, Comprehensive Disclosures

The structure of the report^[7] outlines the ways in which we aim to integrate sustainability into both our investment and business activities in two main sections:

- Sustainable Investing, which covers sustainability-related activities in our investments
- Sustainable Operations, which covers sustainability-related activities at the Firm level

We believe this framework provides a comprehensive overview of how sustainability applies to our business and provides a clear format for understanding its applicability across our investments and operations.

Our **Glossary** lists key terms used in this report and aims to provide clarity on our interpretations and definitions of certain terms and concepts. Where applicable, we aim to incorporate relevant third-party frameworks and standards into our definitions.

To simplify navigation and communication of our activities and performance, the report provides:

- 🔗 Links to internal sections of the report and external documents or sites;
- 📌 References to disclosures aligned with the Sustainability Accounting Standards Board (SASB) Standards.

We also make available our previous reports in KKR's online **Sustainability Resource Center**.

For additional sustainability-related disclosures for Global Atlantic and KJR Management (KJRM),^[8] please refer to their publicly available reports:

- [Globalatlantic.com/corporateresponsibility](https://globalatlantic.com/corporateresponsibility)
- [KJRM 2024 Sustainability Report](#)

Promoting Comparability of Information

When preparing this report, we referenced certain leading sustainability reporting frameworks and standards as we believe they can help us increase the comparability and usefulness of information across our industry and improve the quality of information we disclose.

Our report incorporates disclosures relating to the SASB Standards' Asset Management & Custody Activities Sector Standard for the Firm, as outlined in the **SASB Index** in the Appendix.

Detailed information on climate-related material topics aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) can be found in the **TCFD Annex** section in the Appendix.

We also refer to the United Nations (UN) Sustainable Development Goals (SDGs) in the **Global Impact Strategy** section, where we describe how our Global Impact portfolio contributes to the SDGs.

Proactively Monitoring an Evolving Landscape to Enhance our Approach

As part of our annual reporting process, we seek to advance our practices along with the latest evolving best practices. Recent years have brought a significant increase in disclosure expectations and heightened the scrutiny from report recipients, accompanied by an expansion of both voluntary and regulatory frameworks. To stay abreast of this evolving landscape, we continue to monitor ongoing changes from both the voluntary and regulatory perspectives, including the implementation and adoption of the International Financial Reporting Standards (IFRS) Sustainability Standards, which were released in 2023. Additionally,

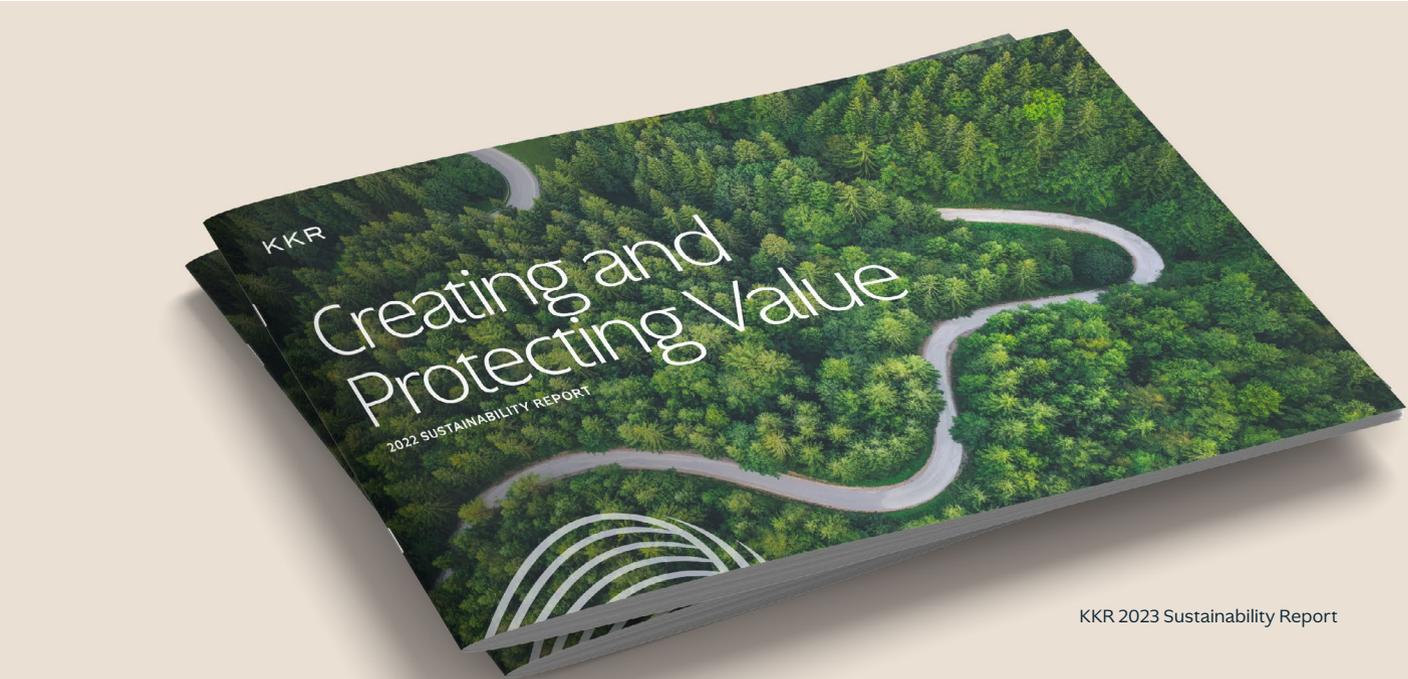
we monitor regulatory developments and related disclosure requirements, including the EU Sustainable Finance Disclosure Regulation (SFDR), the EU Corporate Sustainability Reporting Directive (CSRD), the UK Financial Conduct Authority's (FCA) Sustainability Disclosure Requirements (SDR), those put forth by the U.S. Securities and Exchange Commission (SEC), and California's SB 253, SB 261, and AB 1305, among others.

We believe our reporting approach, particularly our focus on materiality and consideration of third-party standards and frameworks like the SASB Standards and TCFD recommendations, has positioned us well to address increasing stakeholder expectations and information needs. We are also working to understand the overall implications of this evolving landscape for the Firm moving forward. For example, we have established cross-functional steering committees and working groups to guide both governance and management of business-relevant sustainability topics, including understanding the range of new disclosure requirements. For example, our SFDR Steering Committee includes senior leaders from across the Firm and meets regularly to discuss implications for implementation of SFDR reporting and compliance.

🔗 To learn more about information required under the EU SFDR, see [kkr.com](https://www.kkr.com).

[7] This report documents activities and includes performance data for calendar year 2023, unless otherwise noted. Where applicable, we also include our progress and planned activities for 2024. We provide detailed information about our efforts over the last year, as well as look ahead at our continued intentions.

[8] KKR acquired a majority controlling interest in Global Atlantic in February 2021. On January 2, 2024, KKR acquired all the remaining equity interests in Global Atlantic that KKR did not already own. As of January 2, 2024, KKR owns 100% of Global Atlantic. KJR Management ("KJRM") is a Japanese real estate asset manager, which KKR acquired on April 28, 2022.



Glossary

Our Glossary lists key sustainability-related terms used in this report and aims to provide clarity on our interpretations and definitions. For additional defined terms, including the definitions and uses of “KKR,” the “Firm,” and the “Company,” refer to the [Cautionary Statement](#) at the end of this report.

Business-Relevant Decarbonization Plan: At KKR, we consider a business-relevant decarbonization plan at a portfolio company to include, where applicable: portfolio company board-level oversight of its climate strategy, Scopes 1 and 2 greenhouse gas (GHG) emissions measurement, and GHG emissions reduction targets, which may be aligned to a science-based net-zero pathway or a benchmark.

Corporate Citizenship: Our Corporate Citizenship platform helps build stronger communities through philanthropy, employee engagement, and sustainable community programs where we operate.

Engagement: How KKR supports portfolio companies to strengthen management of material sustainability topics and to create long-term value, including managing climate-related risks and opportunities, engaging human capital management, and protecting data and cybersecurity.

Environmental, Social, and Governance (ESG) Integration (also referred to as “responsible investment”): In line with our Responsible Investment Policy and the six UN-backed Principles for Responsible Investment (PRI) — of which Kohlberg Kravis Roberts & Co. L.P. is a signatory^[9] — ESG integration describes our approach to integrating and managing material ESG considerations in our investment processes globally across asset classes. See “materiality” definition below.

ESG Management: How a company manages material ESG topics and engages with its stakeholders.

Financed Emissions: “Financed emissions” are the GHG emissions attributable to a firm’s lending and investing activities. These emissions are categorized under scope 3.15 in the GHG Protocol. See the [Engagement > Climate](#) section for more detail.

Global Ambitions: KKR-specific objectives that we believe can help create and protect value for companies across a wide variety of industries, sectors, and geographies to mitigate risk and create value across four focus areas: Implementing a governance framework to manage material sustainability topics, engaging human capital, managing climate-related risks and opportunities, and protecting data security and privacy.

Impact Investing: As defined by the Operating Principles for Impact Management — of which Kohlberg Kravis Roberts & Co. L.P. is a founding signatory — impact investing is the practice of investing in companies and organizations with the intent to contribute to measurable positive social or environmental outcomes alongside financial returns. As part of KKR’s Global Impact strategy, we invest in companies whose core product or service seeks to provide a solution to a critical environmental or social challenge, as defined by the UN SDGs, thereby driving positive, measurable outcomes or impact.

Investing Behind Trends: Defines the practice of investing behind sustainability-related trends with macro tailwinds across certain asset classes and investment strategies, including energy transition, circularity, workforce development, and supply chain resiliency.

Materiality: Defines ESG issues that have — or have the potential to have — a substantial impact on an organization’s ability to create or preserve economic value. In this report, we are not using such terms “material” or “materiality” as they are used under the securities or other laws of the U.S. or any other jurisdiction, or as they are used in the context of financial statements or financial reporting. For additional important information, see the [Cautionary Statement](#).

Net-Zero: In line with the Intergovernmental Panel on Climate Change (IPCC), net-zero emissions are achieved when anthropogenic GHG emissions to the atmosphere are balanced by anthropogenic removals over a specified period.

Sustainability Expert Advisory Council (SEAC): KKR’s SEAC, which is an outside council comprising leading experts across key sustainability topics aimed at bolstering KKR’s sustainability expertise and capabilities and advancing our practices.

Sustainable Investing: Sustainable investing is a key lever of KKR’s approach to value creation and value protection, and a way of doing business that we believe helps us mitigate risk and seize opportunities.^[10] This encompasses how we integrate material sustainability topics in the investment process, how we engage with our investments on various sustainability topics, and where we invest with regard to sustainability-related themes.

^[9] This refers to private markets investments managed by affiliates of Kohlberg Kravis Roberts & Co. L.P.

^[10] Sustainable investing as used and defined by KKR herein, which may differ from the technical definition of “sustainable investments” in Art. 2 No. 17 under the European Union’s Sustainable Finance Disclosure Regulation.



Sustainable Investing

- 11 Reflections on KKR's Commitment to Sustainable Investing**
- 13 Approach and Governance**
 - 13 Our Commitment and Approach
 - 13 Governance
 - 16 Spotlight: Building Resilience and Sustainability in an Age of Geopolitics
 - 17 Stakeholder Engagement
- 19 ESG Integration**
 - 19 Our Approach
 - 21 Credit
 - 23 Private Equity
 - 25 Real Estate
 - 27 Infrastructure
 - 29 Spotlight: Our Partnership with Global Atlantic
- 31 Engagement**
 - 31 Our Approach
 - 32 Examples of Effective Management of Material Sustainability Topics in KKR's Portfolio
 - 33 Human Capital
 - 36 Climate
 - 41 Data Responsibility
- 42 Investing Behind Trends**
 - 42 Our Approach
 - 42 Examples of Solutions in Practice
 - 43 KKR Global Impact
 - 47 KKR Global Climate

Reflections on KKR's Commitment to Sustainable Investing



Ken Mehlman

Global Head of Public Affairs and
Co-Head of KKR Global Impact (New York)

As I have **shared** in my reflections last year, our approach to sustainable investing is deeply rooted in our commitment to value creation and value protection. Sustainable investing is one of the many tools we use to create value — such as financial proficiency, operational insight, and macroeconomic expertise — and we believe that companies focused on business-relevant, material sustainability risks and opportunities can be more competitive and perform better.

Here, I want to reflect on how we delivered on this commitment in 2023, with a focus on two key topics: advancing climate action and how our investments create economic opportunity and benefit people's lives.

In this report, when we talk about “ESG” or sustainability topics, we refer to material risk factors and opportunities, which we seek to integrate in our investment process. These may include, for example, understanding the impact of extreme weather on our real estate assets, consumer lending practices at financial services investments, or health and safety performance at our infrastructure assets. We view ESG issues as business issues, which, when material, we consider integral to long-term value creation and value protection.

Looking back, our approach to sustainable investing over the past 15 years has been far from linear. We are constantly re-evaluating our approach and enhancing the ways we track our progress. We believe that dialogue, informed inquiry, and ongoing self-assessment help us to continuously adapt and result in better outcomes. It is always a good thing to question our approach and try to learn from others.

2023 reinforced how crucial collaboration is to our success. We demonstrated our collaborative spirit through our Firm-wide cooperation across the organization, and through our relationships with third-parties and the broader industry we work in to improve our knowledge and approach. The theme of this year's report, *Working Together*, comes to life in the examples highlighted here and those covered further in this report.

Working Together to Advance Sustainability and Climate Action in Our Portfolio

We continue to work with our portfolio companies to help them address material sustainability topics and adopt appropriate governance frameworks to manage these topics. We emphasize three key topics that we believe align with value creation and risk mitigation across a wide variety of industries: engage human capital; address relevant climate-related risks and opportunities; and protect data privacy and cybersecurity. When these topics are material for our investments, we work with the investments to advance their related performance.

To focus on one initiative, we believe proactively engaging on climate-related topics material to our companies can be critical for companies to drive performance and be competitive. For example, in many jurisdictions, there is a price attached to carbon and reducing those emissions can reduce costs for companies. In addition, energy efficiency can be good for the bottom line and the environment. In other cases, as more companies and jurisdictions make commitments to net-zero, we anticipate increased expectations to reduce emissions from suppliers and across value chains.

In 2023, we continued to work with our portfolio companies on measuring their GHG emissions, ultimately directly measuring data covering more than 90% of our financed emissions from majority-owned^[11] private equity and real assets investments. This effort has helped our companies create and protect value by better understanding their baselines, identifying when it makes sense to reduce emissions, and implementing business-appropriate decarbonization plans, when applicable.

We also learned that the majority of our financed emissions are from a very small number of our investments — more than half from only 20 investments — and that the biggest emitters are generally those with significant climate risk exposure. We are also investing in increasing numbers of carbon-intensive transition-themed investments where we see an opportunity to accelerate decarbonization as a means of protecting and creating value. For example, companies in the power sector and waste management industry, where regulatory and market trends make decarbonization a value driver, and where supporting the energy transition was part of our investment thesis. This is why we continue to enact change from the ground up, collaborating with portfolio companies with the greatest opportunities to drive meaningful reductions in KKR's financed emissions and support real-world decarbonization.

In 2023, we also launched KKR's **Global Climate** strategy, aimed at investing in companies that offer existing climate solutions, scale new climate solutions, and drive climate transitions with strong growth potential that we believe are positioned to lead the global net-zero transition. While incubated within our Infrastructure platform, the framework behind the strategy was developed in collaboration and consultation with experts inside and outside of the Firm.

Working Together to Enhance Economic Opportunity

There are many ways our investment and business activities can promote economic growth and security — from our own employees, to the employees and customers of our portfolio companies, to the retirees and pensioners served by our investment partners and Global Atlantic, to broader communities in which we do business — throughout all aspects of life, including education, career opportunity and stability, and retirement. Examples of KKR's role in fostering opportunity in people's lives are found throughout this report, however, the following examples stand out.

Education and Job Training

Across our Private Equity and Global Impact businesses, we are investing in companies that promote lifelong learning from early childhood to primary education to tackling the challenges presented by economic disruption, the change in required job skills, and gaps in educational access and delivery. Through our investments in and collaboration with portfolio companies like Teaching Strategies, Education Perfect, Graduation Alliance, EQuest, MasterD, and Lightcast, we support learning, including the upskilling and re-skilling of at-risk workers, ultimately creating better, long-term job opportunities.

[11] Includes companies in which KKR has greater than or equal to 50% equity ownership.

Financial Inclusion

Since 2011, we have worked with portfolio companies to establish shared ownership programs, which have helped build accountability and engage employees in shared success. As of 2023, 39 KKR portfolio companies, with over 85,000 non-senior management employees, have implemented broad-based ownership programs, awarding billions of dollars in equity since 2011. This includes seven new broad-based ownership programs launched in 2023.

Retirement Security

In early 2024, KKR acquired all the remaining equity interests in Global Atlantic that we did not already own, which brought our ownership to 100%. Global Atlantic is a leading insurance company meeting the retirement and life insurance needs of individuals and institutions. With nearly half of U.S. households lacking access to a retirement savings plan,^[12] there is a clear need to improve retirement security. We believe Global Atlantic has already made a significant contribution to addressing this challenge and is primed to do more.

With full ownership now in place, we are looking forward to even closer collaboration, which we believe can have a meaningful impact on securing the financial futures of millions of Americans.

Looking Forward: Working Together Through Times of Change

We recognize there is a wide range of perspectives among our stakeholders. At KKR, we seek to invest in a way that focuses first and foremost on our obligation as fiduciaries. We believe that sustainable investing can be a way to create value and mitigate risk. While some might say that incorporating ESG topics into investment decisions is a value judgment, we work very hard to focus on creating and protecting value — a deeply held mission of the Firm that is fundamental to our fiduciary duty to clients.

In almost every corner of the globe, intensive change is underway. In 2024, more than 50 countries around the world with a combined population of around 4.2 billion will hold national and regional elections in what is set to be the biggest election year in history,^[13] signaling the potential for political transformation at an extraordinary scale. This is in addition to the social, technological, and economic upheaval that has already come to define our era.

With this in mind, we will use the tools we have at our disposal to deliver for our investors, while supporting our companies and their employees, and the communities in which we operate. This includes focusing on any material factors that create and protect value. That is our obligation to our clients. Working together has proven to be critical to our ability to do just that. We look forward to collaborating with many of you on this important work.

[12]

Pew, [America Has a Retirement Crisis. We Need to Make It Easier to Save](#), 2024.

[13]

Forbes, [2024 Is The Biggest Election Year In History — Here Are The Countries Going To The Polls This Year](#), 2024.

Approach and Governance

We work together as one Firm toward achieving one common goal: helping build and support resilient businesses over the long term.

Our Commitment and Approach

At KKR, sustainable investing is a key lever of our approach to value creation and value protection, and a way of doing business that we believe helps us mitigate risk and seize opportunities. It is one of the many tools we have to create and protect value, including financial proficiency, operational insight, macroeconomic expertise, and our overall experience gained from nearly 50 years of investing.

We believe this approach is crucial to our ability to understand the range of business-relevant factors that could impact the commercial outcomes of our investments, and, therefore, our ability to deliver on behalf of our clients.

Our approach to sustainable investing encompasses three focus areas, which are also covered in the subsequent sections of this report: **ESG Integration**, **Engagement**, and **Investing Behind Trends**.

Our Focus Areas to Create and Protect Value Include:

ESG Integration	Engagement	Investing Behind Trends
In Practice		
Integrating material ESG considerations into the investment process to identify risks and opportunities	Working with portfolio companies to strengthen management of material ESG topics to create long-term value	Investing behind sustainability-related trends with macro tailwinds
Illustrative Examples		
Pre-investment due diligence, and post-investment decision-making and management, as appropriate	Managing climate-related risks and opportunities, engaging human capital, and protecting data and cybersecurity	Scaling solutions related to the energy transition, supply chain resiliency, and education
Transparency and Industry Engagement		
Promoting transparency through sustainability disclosures and engaging with industry groups to learn from others		

Governance

To govern our sustainable investing efforts, we take a highly collaborative approach, with accountability for Firm-level strategy development, implementation, and oversight responsibilities embedded throughout the Firm.

Oversight

Oversight of Firm-level Strategy

As described, working together, various teams throughout the organization are accountable for aspects of our responsible investment efforts, with ultimate oversight by KKR's senior leadership, which reports to KKR & Co. Inc.'s **Board of Directors ("KKR Board")**. The Risk Committee of the KKR Board receives periodic reports on the Firm's risks related to sustainable investing and related matters.

KKR's **Global Head of Public Affairs and Co-Head of Global Impact**, Ken Mehlman, oversees our Firm-level global sustainable investing strategy, including the development of key policies and procedures related to ESG integration, thematic investing, and related stakeholder engagement. Ken leads the Sustainability

team, and is a member of our Global Operating Committee, and Risk and Operations Committee. To promote a globally coordinated approach, he works closely with **Firm leadership**, in particular Dane Holmes, who joined the Firm's leadership team in late 2023 as **Chief Administrative Officer**.



"Since joining KKR's Board in 2021 and witnessing the firm's work firsthand, I have developed a deep respect for KKR's mission, culture, global team, and differentiated business model. KKR's growth trajectory over the last decade has been remarkable and I am honored to have even more of a front row seat on the exciting journey ahead."

Dane Holmes
Chief Administrative Officer (San Francisco)

Governance of Sustainable Investing Efforts at KKR

	Firm-level Strategy		Implementation		
Oversight	KKR Board	Firm Leadership	Investment Committees	Portfolio Management Committees	
Accountability	Sustainability Team		Investment and Asset Management Professionals		
Receives Input From	ESG Committee	Sustainability Expert Advisory Council (SEAC)	KKR Capstone	Sustainability Team	Internal SMEs
	Internal subject matter experts (SMEs) Global Public Affairs, KKR Global Institute, Global Macro		External Advisors		

For illustrative purposes only

Oversight of Day-to-Day Implementation

Our **Investment Committees (IC)**, where applicable, are responsible for considering material risks and opportunities identified by investment teams when deciding how and where to invest. This includes ensuring that significant ESG diligence findings are factored into the investment thesis, transaction terms, and the underwriting model, as appropriate.

Our **Portfolio Management Committees** are responsible for post-investment monitoring of material issues at the portfolio level, including by reviewing progress against sustainability-related strategic plans developed during deal structuring and afterwards by KKR and the portfolio company.

Additional Monitoring

Our **Risk and Operations Committee**, which includes senior employees from across the Firm and operating functions, focuses on KKR's operations and enterprise risk management. This committee focuses on the most significant operating and business risks, which include, among others, regulatory, cyber, operational, geopolitical, and reputational risks.

The **ESG Controls Working Group** brings together key stakeholders from the Sustainability, Legal, Compliance, Risk, and Internal Audit teams, and it is tasked with reviewing our global processes around ESG-related governance, controls, and compliance frameworks. The Working Group is a key forum for discussing matters related to the design and effectiveness of internal controls related to KKR's sustainability-related practices and compliance with sustainability-related regulations to which we are subject. The Working Group is also responsible for monitoring ongoing compliance with the requirements of our Responsible Investment Policy.

Implementation

Our **investment and asset management teams** are responsible for identifying, assessing, and managing material ESG-related risks and opportunities throughout the investment process, from pre-investment diligence to post-investment engagement and management. For example, this work can include conducting ESG due diligence, integrating relevant diligence outcomes into investment underwriting, and engaging with portfolio company management teams to address gaps — as well as opportunities — in sustainability programs.

To support and enable this work, **the Sustainability team** and other internal **subject matter experts (SMEs)** across KKR develop and deploy resources for investment professionals and portfolio companies, including topic-specific toolkits, training sessions, and strategic roadmaps.

KKR Capstone collaborates with investment teams, portfolio company leadership, the Sustainability team, and other key stakeholders in supporting the implementation of sustainability performance improvements within KKR portfolio companies.

At various points in the investment life cycle, we proactively invite **third-party advisors** to contribute to these internal resources so that our investment professionals, portfolio companies, and KKR as a whole can benefit from external expertise, especially on quickly evolving or highly nuanced topics. During diligence, we routinely leverage the services of industry, sustainability, and/or regulatory consultants to provide additional perspective. Additionally, post-investment, we may employ specialized sustainability firms to advise portfolio companies on best practices or support with implementation.

Firm-level Strategy

KKR's **Sustainability team** is responsible for leading the development of the Firm's sustainability strategy and approach, including our Responsible Investment Policy, with input and buy-in from across the Firm.

This team, which has representation across North America, EMEA, and APAC and expertise spanning various sustainability topics and disciplines, includes members of our Global Public Affairs, KKR Capstone, Global Client Solutions, Compliance, and Global Operations teams.

Dedicated asset class-specific and regional leads on the Sustainability team work closely with business units, KKR Capstone, investment teams, and portfolio companies throughout the investment life cycle. This work includes providing early hands-on support in identifying and managing material sustainability risks and value creation opportunities, training, and subject matter expertise on relevant sustainability topics.

Sustainability Team	
Strategy-specific Support	
<ul style="list-style-type: none"> • Credit • Private Equity • Infrastructure 	<ul style="list-style-type: none"> • Real Estate • Global Impact
Regional Representation	
North America, EMEA, APAC	
Functional Support and Expertise	
<ul style="list-style-type: none"> • Climate • Human Capital • Compliance • Data Collection 	<ul style="list-style-type: none"> • Product Development and Client Engagement • Reporting and Stakeholder Engagement

Other members of the Sustainability team have responsibility for key functional sustainability-focused areas, including supporting value creation initiatives in the portfolio, ESG data collection, engagement with fund investors and shareholders, and public reporting and stakeholder engagement efforts.

Additionally, for our sustainability-focused thematic strategies, Global Impact and Global Climate, the respective leadership teams are responsible for setting the investment strategy and respective priorities.



“When it comes to sustainability, there is no one-size-fits-all approach, and that’s why we partner closely with teams across the region to bring a nuanced understanding of how different topics may affect our investments. This work can range from considering how a manufacturer manages its value chain and upholds human rights in its operations and supply chain, to how an infrastructure asset measures and manages its greenhouse gas emissions.”

Erika Rodriguez
Principal, Sustainability (Hong Kong)

To learn more, see the **Investing Behind Trends** section.

The primary forum for us to socialize and discuss strategic priorities related to our sustainable investing approach is through regular meetings of the **ESG Committee**, which includes senior executives from across the Firm with representation from across asset classes and business functions.

The ESG Committee is tasked with advancing a globally coordinated approach to sustainable investing across the Firm, and monitoring emerging issues that may impact Firm-level strategy development. In 2023, meetings of the ESG Committee covered a wide range of topics, including new and emerging sustainability-focused regulations, updates on KKR's portfolio-wide ESG data collection efforts, and a presentation on KKR's new Global Climate strategy and framework.

Further, other teams provide analysis and insights on specific ESG, regulatory, and geopolitical issues that inform our investment process, such as **Public Policy** and **KKR Global Institute (KGI)**, and **KKR Global Macro and Asset Allocation (GMAA)**. For example, KGI, led by General (Ret.) David Petraeus, provides analysis and insights about geopolitical, technological, demographic, and

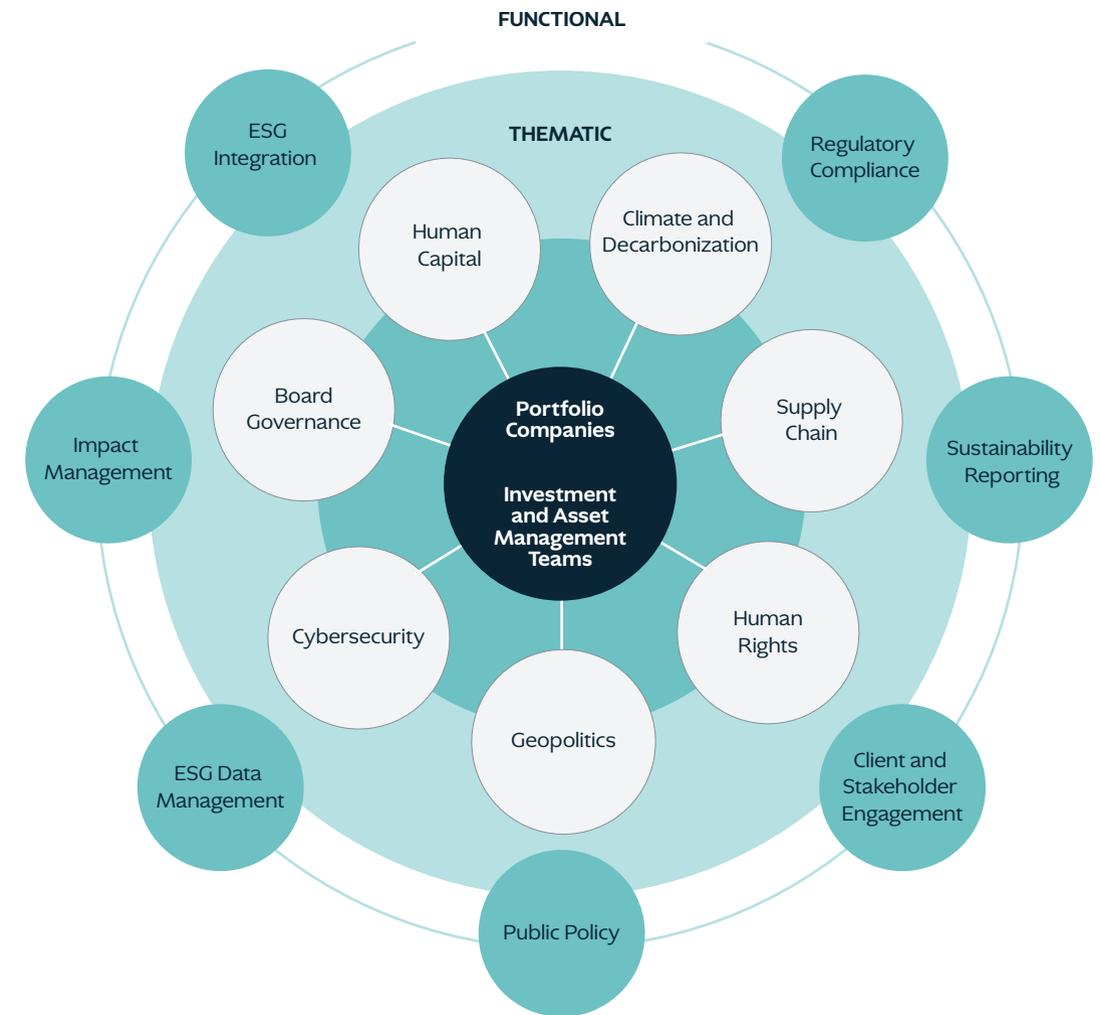
macroeconomic developments and long-term trends that inform global investing. Drawing on the GMAA team and the broader KKR Global Public Affairs team, KGI is actively involved in our investment processes by serving as a resource for KKR's investment teams, clients and investment partners, and portfolio companies.

ESG Committee Composition	
70%+ Partners and 25% Managing Directors	<ul style="list-style-type: none"> Representation across North America, EMEA, and APAC Asset classes represented: Credit, Private Equity, Infrastructure, Real Estate Functions represented: KKR Capstone, Compliance, Legal, Public Affairs, Human Capital, Investor Relations, Global Client Solutions

For illustrative purposes only

KKR's **Sustainability Expert Advisory Council (SEAC)** helps us advance our sustainable investing efforts by acting as a trusted advisor and sharing external insights and best practices related to sustainability matters for KKR to consider when developing our approach and practices.

KKR Sustainability Expertise to Support the Investment Process



“Given the increasing regulatory focus on sustainability practices, the ESG Committee has been an effective avenue not only to stay abreast of current and upcoming developments, but also to increase connectivity and work together to constantly evaluate and improve our efforts.”

Kathryn K. Sudol
Chief Legal Officer and General Counsel (New York)



“As a global, multi-strategy investment firm, the nature of sustainability risks and opportunities faced by our portfolio is truly multifaceted. Hearing what other businesses at KKR are doing and collectively discussing the implications for our investment processes in this forum allows us to connect the dots and advance thoughtful practices.”

Ted Oberwager
Partner, Americas Private Equity (New York)

To learn more, see the SEAC Charter at kkf.com.

Spotlight: Building Resilience and Sustainability in an Age of Geopolitics



General David H. Petraeus, U.S. Army (Ret.)

Partner, KKR and Chairman, KKR Global Institute (New York)

The KKR Global Institute (KGI), which I am privileged to chair, strives to integrate geopolitical analysis across our investment processes. As my colleague KGI Executive Director Vance Serchuk [explained](#) in last year's report, we believe this approach helps us identify geopolitical *and* sustainability risks, which we then seek to ensure can be sufficiently mitigated to preclude such risks undermining the prospects for a potential investment. We also strive not only to identify and reduce geopolitical risks, but also to identify opportunities created by the emerging global context.

The need for a focus on geopolitical risk has increased over the past decade, as the world evolved from one that could be described as one of benign globalization, in which economics largely drove geopolitics, to one of renewed great power rivalries, in which geopolitics actually drives economics. This trend increased significantly in 2023, with the continuing war between Russia and Ukraine, the upheaval in the Middle East following Hamas' brutal terrorist attack on Israeli civilians, and the intensification of geopolitical competition in Asia.

But what does an era of great power rivalries and regional power competition mean for us as investors?

First, the return of great power rivalries has led nations around the world to increase their emphasis on security and their domestic economies. Additionally, in a world of increased state-sponsored cyberattacks and cyber espionage, and with the ever-increasing weaponization of data for geopolitical purposes, secure and responsible stewardship of information has become an imperative for companies to avoid both financial and reputational risks. And this has also been an area of extensive focus for us at KKR, as we seek investment opportunities and support our companies.

As another example, governments around the world are passing laws and embracing policies to encourage and protect the growth of domestic manufacturing and work to improve the security of supply chains for sensitive industries like semiconductors, life sciences, quantum, AI, and clean tech. We are also seeing an increasing focus on the recapitalization and modernization of the defense industrial bases that are among the foundations of sustainable security and stability, not only in the U.S. but also in Europe, Japan, and other countries in response to geopolitical developments. These sectors are among those in which we invest at KKR, and our focus on the energy transition, infrastructure, aerospace and defense sectors is informed by geopolitical considerations.

Second, similarly to how we consider the regulatory and social license to operate for any investment, we also strive to understand a company's geopolitical footprint and the challenges in the various areas of operation. This requires continuous evaluation of the evolving strategic environment, including the intensifying regulatory scrutiny around both inbound and outbound investments for select countries and sensitive sectors. To this end, we seek to integrate these factors during the investment life cycle, and have developed and adopted additional geopolitical protocols and screening processes inside KKR, such as the creation of a Geopolitical Governance Subcommittee (which I co-chair) under KKR's Risk and Operations Committee.

We believe that in an era of renewed great power rivalries, many commercial or economic activities that were previously assumed to be irrelevant to or insulated from geopolitics are increasingly in the crosshairs of national security considerations. Areas of special sensitivity include investments in critical and emerging technologies with dual-use or military implications, as well as investments that entail access to data that could be exploited for espionage and other intelligence purposes.

All these factors reinforce our belief that the concepts of resilience, sustainability, and security must take careful account of the new global realities, as global sustainability risks and opportunities increasingly intersect with geopolitical interests and dynamics during the life cycles of the companies in which we invest.



Stakeholder Engagement

Stakeholder engagement is a core component of our approach to sustainable investing. Through regular and effective interaction with key stakeholders, we seek to better understand their interests, address their concerns, and deliver on their expectations, all while working together to create value.

We benefit from stakeholder feedback and engage with multiple groups who contribute to the success of our Firm, including fund investors, shareholders, portfolio companies, Firm and portfolio company employees, communities, industry groups, non-governmental organizations (NGOs), and regulators.

In 2023, for example, we engaged with our fund investors in multiple ways on sustainability topics, including through due diligence discussions and questionnaires.

Industry Engagement

Since 2008, KKR has sought to incorporate certain leading global frameworks and standards as inputs to help inform our sustainability-related disclosures and processes. We also support certain industry groups and cross-sector initiatives where we have determined that our participation can support and advance our core business objectives. These engagements allow us to tap into the knowledge of experts, thereby strengthening our capacity at KKR and at our portfolio companies to understand and address sustainability topics and emerging trends.

For example, KKR is a founding partner of Ownership Works, a nonprofit created to support public and private companies transitioning to shared ownership models. This partnership also helps us advance the work of our recently launched Human Capital Center, allowing us to leverage best practices and tools for our portfolio companies to use in developing shared ownership programs, and cultivating ownership cultures.

As part of our membership in Initiative Climat International (iCI), we supported the development of new tools and resources for managing climate-related risk among portfolio companies, including resources related to decarbonization for private markets. Our membership in iCI has given us the opportunity to address our own need for an approach and criteria to classify portfolio companies along the decarbonization trajectory. This work has helped us refine our thinking on climate-related topics and better understand and manage risk, thanks to resources that tie back to financial materiality but are flexible enough to be tailored by investors in application.

As a long-time member of the IFRS Sustainability Alliance (formerly known as SASB Alliance), we have been a member of the International Sustainability Standards Board (ISSB) Investor Advisory Group (IIAG) since 2022. The IIAG serves as an advisory body to the ISSB, and membership allows us to contribute an investor perspective as part of the ISSB's standard-setting process.

In 2023, we also played a leading role in advancing industry-wide efforts toward a more standardized approach to sustainability-related disclosures in the Credit asset class through our engagement with the ESG Integrated Disclosure Project (IDP), including as part of the Executive Committee.



To learn more, see the [Stakeholder Engagement](#) section in the Appendix.



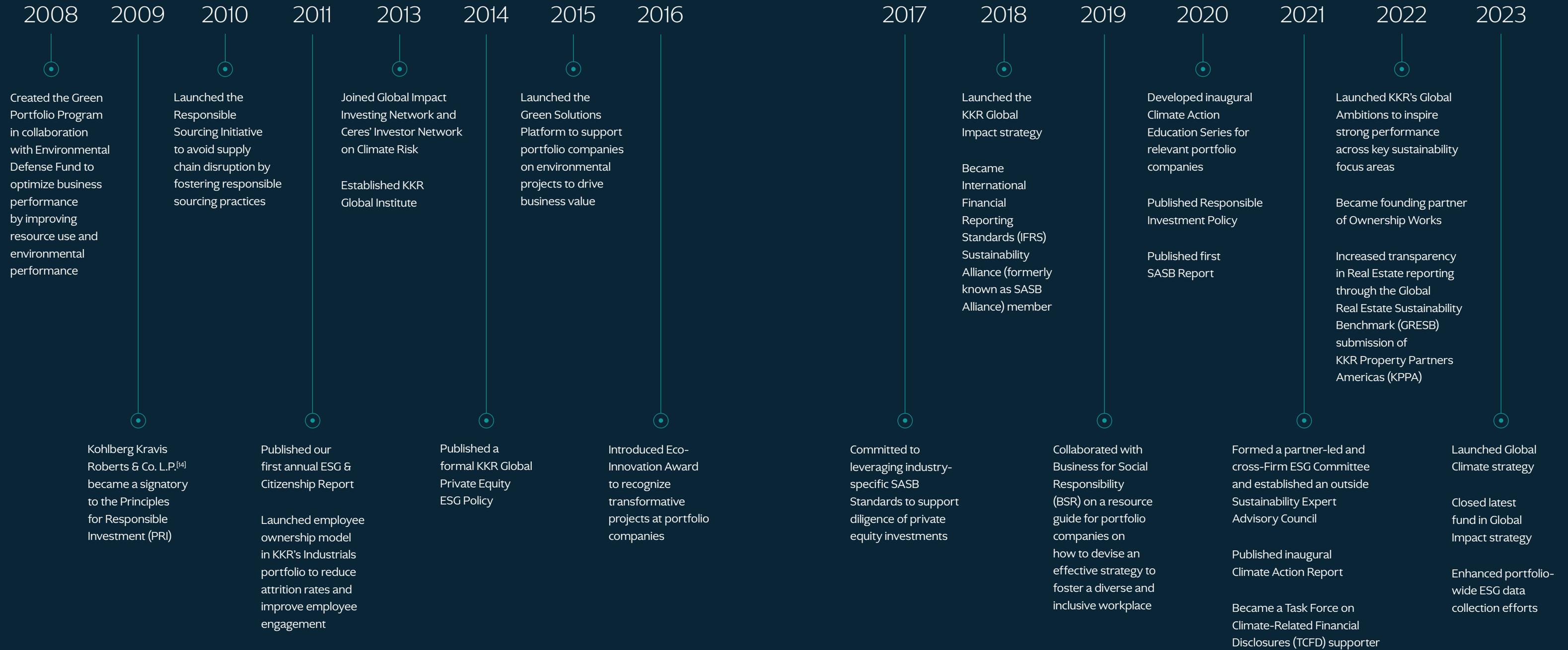
To learn more, see the [Engagement > Human Capital](#) section.



To learn more, see the [ESG Integration > Credit](#) section.



Select Milestones of Innovation and Progress



[14] This refers to private markets investments managed by affiliates of Kohlberg Kravis Roberts & Co. L.P.

ESG Integration

We seek to integrate material ESG considerations into our investment processes to enhance our ability to mitigate risk, monitor performance, and seize sustainability-related opportunities across our investment platforms.

Our Approach

Our North Star: Integrated, Materiality-Driven Approach

We believe that thoughtful management of sustainability issues in our investment process can not only build resiliency against potential risks, but also create opportunities.

Our approach to identifying material risks and opportunities — which are based on a variety of factors, such as the company’s industry, its stakeholders, and where it operates, including where its supply chain is located — is integrated into our existing investment processes.

We recognize that each investment has a unique set of business-relevant sustainability risks and opportunities, and how they are managed is not “one size fits all.” When we talk about ESG topics, we refer to material opportunities and risk factors, which may include, for example, understanding the impact of extreme weather on our real estate assets, consumer lending practices at financial services investments, or health and safety performance at our infrastructure assets.

When we refer to the consideration of “ESG” or “sustainability” topics in the investment process, we take a broad definition, which may include how a company manages its own footprint, engages its workers, upholds effective governance, and avoids unnecessary geopolitical risks.

Specific examples of potential ESG and sustainability topics include:

Environmental
<ul style="list-style-type: none"> • Energy efficiency and renewable energy generation • Management of water consumption and waste production • Transition climate risk and opportunities
Social
<ul style="list-style-type: none"> • Measurement and management of GHG emissions • Impacts and dependencies on biodiversity and ecosystems • Human capital management and workplace culture • Human rights • Health and safety practices
Governance
<ul style="list-style-type: none"> • Cybersecurity processes, controls, and risk assessments • Business ethics and compliance • Supply chain resiliency and responsibility

We seek to constantly refine our approach, and to work together in collaboration with assets, operators, portfolio companies, and, where relevant, sponsors to strengthen management of material topics. This multi-viewpoint and dynamic approach allows for shared learnings, greater capacity building, buy-in, and appropriately nuanced and tailored processes as we strive toward our goal of working together to create and protect value.

We aim to reference select global sustainability frameworks and standards in our investment processes to obtain better insights on investments, drive performance improvements, and report information to stakeholders.

For example, when identifying sustainability factors that may be material to an investment, we consider the industry-specific SASB Standards as one input. We also reference the TCFD recommendations to guide our consideration of climate-related management and governance practices in the investment process, with different applications based on the nature of the investment and the level of influence we have over companies’ decisions.

KKR’s Responsible Investment Policy

Our Responsible Investment Policy^[15] articulates KKR’s responsible investment framework and approaches that KKR believes are broadly relevant for each asset class. This approach applies globally, but across our asset classes and investments, the actual procedures via which we execute these activities may be tailored to reflect what we believe to be most suitable and practicable for the asset class or investment taking into account factors such as: investment style, investment process, KKR’s governance rights with respect to an investment, KKR’s ability to monitor ESG-related performance, and other relevant factors.

Our Responsible Investment Process

We seek to integrate the consideration of material ESG factors throughout the investment life cycle, from pre-screening during the pre-investment phase through documentation and monitoring in the post-investment phase.

The application of this approach varies across asset classes due to the nature of our investments, which are described in more detail in the **Credit, Private Equity, Real Estate, and Infrastructure** sections.

Pre-Investment
<ul style="list-style-type: none"> • Pre-Screening • Commercial, Legal, and Compliance Diligence • Investment Committee Evaluation
Post-Investment
<ul style="list-style-type: none"> • Portfolio Management • Documentation and Monitoring

[15] This policy is applicable to 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. This policy does not apply to KKR’s Capital Markets business or other non-fund management business activities. Actual results may differ materially. This policy does not apply to externally managed funds, joint partnerships, or other indirect investing vehicles. Refer to the **Cautionary Statement** for important disclosures regarding KKR’s ESG-related initiatives, policies, and procedures.

To learn more, see the **About This Report** section, **SASB Index**, and **TCFD Annex**.

To learn more about how different asset classes integrate sustainability considerations through the investment life cycle, see the **Credit, Private Equity, Real Estate, and Infrastructure** sections.

To learn more, see the Responsible Investment Policy on kkr.com.

To learn more about how we support the management of material topics post-investment, see the **Engagement** section.

Gating Issues

We consider the Gating Issues List to be a cornerstone of KKR's ESG integration approach and a strategic tool to help us mitigate risk in the investment process. This List is referenced by investment teams during the pre-screening phase to identify investments that may require further diligence and internal consultation. It is designed to capture learnings from decades of investing experience about sensitive investment areas that warrant deeper, earlier diligence and collaboration with internal subject-matter experts (SMEs) when evaluating opportunities, and to share those learnings with our investment professionals. This may include taking into account the sector or activities of a company or other considerations, such as the tenant activities for real estate investments, sponsor activities and behavior for credit investments, or operating partner activities and behavior where relevant.

While KKR's Gating Issues List is explicitly not an exclusionary list, it does provide guidance on the types of activities, operations, or industries that we believe raise critical ESG, geopolitical, or reputational concerns, and is periodically updated to account for an evolving risk landscape. If a potential

investment is directly or indirectly involved in such activities, this prompts further dialogue among investment teams, Global Public Affairs, and others, where applicable, to review a number of factors in evaluating a way forward, which may include declining to invest based on the implications for business value over time. Some examples of these factors include:

- Where the investment is located and who its key stakeholders are
- The nature and complexity of the issue
- Levels of influence and length of time we would hold the investment, which would impact our ability to adequately address the issues identified
- Previous portfolio experience in the same industry or issue area
- Relationships with SMEs or advisors who can support management of these issues.

Education and Training Resources

Consideration of ESG factors in the investment process is highly collaborative and integrated across KKR. We seek to educate our investment and operational professionals about their responsibilities and best practices related to various sustainability topics. We do so through annual new employee training and other meetings, where relevant, stressing their accountability for working in cooperation with internal experts.

Investment professionals are also provided with periodic regional or asset class-specific training and program updates, where applicable. In 2023, for example, we held training for our Infrastructure investment teams on sustainability regulations and other topic areas relevant to the business. Similarly, in Europe we developed a training and knowledge-sharing series targeted to Private Equity investment teams covering emerging sustainability themes.



By the Numbers^[16] Credit

\$219 B

assets under management

~230

investment professionals

20

years of credit investing

^[16]
As of December 31, 2023. Investment professionals across Credit & Capital Markets.

To learn more, visit KKR's global Credit platform on [kkr.com](https://www.kkr.com).

^[17]
The Responsible Investment Credit Scorecard is not a determining factor for the investment decisions of the Investment Committee. The degree of influence varies based on the applicable investment strategy and may otherwise vary on a case-to-case basis; for example, our ability to engage with and influence borrowers and sponsors within our Leveraged Credit strategy is likely to be quite limited.

Approach

To integrate material sustainability considerations in our Credit investing process, we focus on meaningful dialogue with sponsors and borrowers and pursuing better investment decision-making through data-driven insights. We believe this is both practical and effective and allows for improved portfolio construction and investment outcomes.

Our Credit teams partner with and are supported by our Sustainability, Technology, Data Operations, and Compliance teams when integrating relevant sustainability factors into the investment process. We believe working together in this way allows us to utilize our full range of expertise, promote process efficiencies, and standardize the way we integrate sustainability factors.

Since 2020, our Credit team has used a proprietary evaluation tool, the Responsible Investment Credit Scorecard (also known as the RICS, or "Scorecard") embedded in CreditQB — KKR Credit's diligence, analytical, and monitoring tool — to evaluate companies using a numeric rating scale against a set of criteria relating to environmental management, diversity and inclusion, and litigation, among others. The RICS is used to inform investment decisions and to monitor companies' sustainability-related performance over time.^[17] The RICS system also allows us to document sustainability-related engagement activities in Credit.

The Credit investment teams are responsible for completing the Scorecard and engaging with companies, while our Sustainability team helps support this process by setting the overall strategy as to how the RICS is used, and helping to review and interpret the Scorecard responses and data. Our Data Operations team is also a partner in supporting the data collection process and Scorecard completion, including by collecting annual survey data from portfolio companies, issuers, and agent banks to evaluate performance. This process may also include a questionnaire, which is integrated as part of our analysis to assess an issuer's performance with available information as appropriate.

Progress and Highlights

We aim to proactively engage and interact with applicable prospective investments through direct dialogue with upper management, where appropriate, and request additional sustainability-related disclosures and/or performance-based information as needed to inform our overall assessment.

Analysts utilize an engagement dashboard, which was rolled out in 2023 as part of the RICS, to track engagement on material sustainability issues with our Credit investments. To support engagement with fund investors, we have become more systematized in the way we monitor discussions, outcomes, and performance related to material issues, potentially including governance, human capital, climate-related risks and opportunities, and data privacy and cybersecurity.

Illustrative Examples of Key Activities

	Pre-Investment	Post-Investment
Investment Teams	<ul style="list-style-type: none"> Review Gating Issues to seek to identify any critical ESG, geopolitical, or reputational concerns Conduct reputational risk search using third-party platform Consider engagement opportunities and send relevant Responsible Investment Credit Questionnaire (RIQC) to the sponsor or borrower, if applicable Complete RICS and include as part of Investment Committee discussions and memorandum 	<ul style="list-style-type: none"> Monitor sustainability considerations regularly Engage, where possible, with investments on monitoring and implementing action plans and targets Complete quarterly reviews of the Responsible Investment Credit Scorecard (RICS) as part of the quarterly Portfolio Management Committee (PMC) process Record findings in internal reporting systems, when applicable Track progress and potential risks
Internal Subject Matter Experts	<ul style="list-style-type: none"> Sustainability team, including the asset class and regional leads, and KGI engage regularly with investment teams, and support pre-screening and diligence processes by evaluating specific sustainability issues on a case-by-case basis 	<ul style="list-style-type: none"> Sustainability team conducts ongoing review of submitted scorecards to seek to ensure alignment and consistency across scoring Data Operations team helps track sustainability performance by collecting key quantitative and qualitative metrics

The development and implementation of the RICS over the past few years has been a learning opportunity for us to continually improve and seek to standardize the scoring and engagement features in the tool with the goal of mitigating risk and enhancing value protection in our portfolio. To address potential ambiguities and promote comparability of information, in 2023 we conducted a refresh of the RICS and refined the scoring criteria guidance. We also introduced a new Scorecard specifically tailored for collateralized loan obligations (CLOs) at the investment manager level, and integrated internal sustainability-related indicators with a broader range of externally sourced datasets. These efforts improved the technology and data analytics capabilities of the tool and, we believe, provide more nuanced insights into responsible investment opportunities for Credit.



"We aim to work with sponsors and borrowers through our investment process to enhance engagement, monitoring, and reporting, while fostering a proactive approach within the private markets we invest in and lend to. We have seen continued improvements over the last few years in the quality of sustainability data and reporting, ultimately raising the standards across the market, which we believe will help investors more appropriately assess sustainability-related risks as part of their underwriting process."

Ian Anderson
Managing Director, Credit & Markets (London)



Enhancing Transparency Through the ESG Integrated Disclosure Project

To support efforts to promote more transparent disclosure and standardized data in the credit space, Kohlberg Kravis Roberts & Co. L.P. joined the ESG Integrated Disclosure Project (IDP), an industry initiative bringing together leading lenders in the private credit and syndicated loan markets to improve transparency.

KKR currently sits on ESG IDP's Executive Committee. Through this role, we supported industry-wide efforts in 2023 to advance more harmonized sustainability-related disclosures. Working with other members, we provided feedback on the ESG IDP template, a standardized reporting tool that acts as a guide for how to transparently disclose relevant, industry-specific sustainability-related information.

Looking Ahead

In 2024 and beyond, we aim to:

- Continue to enhance how we engage with sponsors, borrowers, and industry groups in support of industry-wide efforts to improve transparency regarding sustainability
- Expand sustainability-related data collection efforts across our Credit platform through the use of third-party tools to access higher quality climate data and by including additional Credit names in our annual ESG survey process
- Build upon our efforts in 2023 to further our understanding of climate risk modeling in Credit

By the Numbers^[18] Private Equity

\$142 B

capital invested

\$57 B

available capital to invest

200+

portfolio companies

Approach

Since starting our responsible investment efforts in 2008 and publishing our global Private Equity ESG Policy in 2014, our approach has been grounded in collaboration and innovation across a range of topics relevant to value creation and value protection, including worker safety, worker wellness, responsible sourcing, diversity and inclusion, and veterans hiring. Our work with portfolio companies, particularly in our Private Equity portfolios, has shaped our learnings

and helped to inform areas where we believe we can help capture value creation opportunities and mitigate material sustainability risks. As part of this, a key focus globally in 2023 was helping companies to mature their business-relevant sustainability approaches, including through the identification, management, and governance of material ESG topics.

We leverage a variety of internal resources and work together with our portfolio companies' management teams to integrate material sustainability considerations across our Private Equity platform.

Illustrative Examples of Key Activities

	Pre-Investment	Post-Investment
Investment Teams	<ul style="list-style-type: none"> Review Gating Issues list to screen for activities, operations, or industries that raise critical ESG, geopolitical, or reputational concerns Where relevant, investment teams or third-party experts perform in-depth diligence to evaluate material sustainability topics, key risks, and potential value creation opportunities Highlight material risks and value creation opportunities for discussion with Investment Committees 	<ul style="list-style-type: none"> Include ESG onboarding in the 100-day plan (or shortly thereafter) Engage portfolio companies through regular performance reviews Support portfolio companies' efforts to establish board-level oversight of material sustainability matters Connect portfolio companies to KKR preferred vendors if additional support is needed On a quarterly basis, track and monitor performance and initiatives via boards Track progress against engagement priorities with annual ESG survey
Internal Subject Matter Experts	<ul style="list-style-type: none"> Sustainability team, including the asset class and regional leads, KKR Capstone, and KGI engage regularly with investment teams, provide support and advice on ESG diligence on a case-by-case basis, and communicate identified material sustainability risks and opportunities for Investment Committee discussions 	<ul style="list-style-type: none"> Sustainability team supports with identification of sustainability priorities, good practices, data collection and analysis, and development of resources for investment teams and portfolio companies KKR Capstone supports company specific implementation and cross-portfolio sustainability activities Data Operations team helps track sustainability performance by collecting key quantitative and qualitative metrics

[18] As of December 31, 2023.

To learn more, visit KKR's global Private Equity platform on [kkr.com](https://www.kkr.com).



Progress and Highlights

While our strategy is global, we often adapt programs for a more nuanced application in certain regions in order to account for varying dynamics across regions and markets. Highlights from 2023 include:

- **Americas:** In 2023, with the support of the newly established Human Capital Center, KKR’s employee engagement efforts were expanded across our Americas Private Equity portfolio, with the launch of six new broad-based ownership programs in the Americas. We also enhanced our onboarding portal for portfolio companies, providing a variety of resources on human capital and other topics.
- **APAC:** The APAC Sustainability and Capstone teams developed a toolkit to help portfolio companies identify their material ESG topics, and offered webinars and dedicated office hours. In addition to identifying material ESG topics based on industry practices and frameworks, such as the sector-specific SASB Standards, companies were also supported in developing action plans related to their material topics.
- **EMEA:** The EMEA Sustainability and Capstone teams ran a series of workshops for portfolio companies to help them understand sustainability reporting and data requirements of certain emerging regulations. This included how to refresh business-specific transformational topics and KPIs, further improve ESG data management capabilities, and enable business value creation. Our teams also provided hands-on support to help our companies establish robust business-relevant decarbonization roadmaps, where applicable.

To learn more about the Human Capital Center and our approach to employee engagement and ownership, see the [Engagement > Human Capital](#) section.

To learn more, see the [Engagement](#) section.



Company description: A leading international supplier of lifecycle refrigerant management products and services
Year of investment: 2017 **HQ:** Bristol, UK

On a global basis, in 2023 we made significant updates to improve our annual ESG data collection process across our Private Equity portfolio to better monitor company performance on the management of material sustainability topics and gain insights into how the Sustainability and investment teams can engage more meaningfully with companies to support their efforts to incorporate improvement strategies into action plans.

Finally, in 2023, we also developed a guide for companies to create value and mitigate ESG-related risks at exit. This playbook provides step-by-step guidance on key activities to consider as part of the exit journey, tailored by industry maturity levels and runway/timeline to exit, and informed by market expectations.

A-Gas: Taking the Next Step in the Company’s Sustainability Journey

For over 30 years, through its first-class recovery and reclamation processes, A-Gas has been at the forefront of capturing refrigerant gas for future re-use or safe destruction, creating a closed-loop system that prevents its harmful release to the atmosphere. The company’s proprietary gas separation technology and extensive recovery network is reported to have effectively abated approximately 8.6 million metric tons of CO₂e in 2022, the equivalent to removing over 1.8 million cars from the roads for a year.

KKR’s support, funding, and global platform have supported A-Gas in significantly accelerating the company’s growth into new markets and geographies, while also developing new sustainability-driven capabilities and building market leadership. This includes, for example, setting a goal to reduce emissions by 50% by 2028, and to reach net-zero emissions by 2035 (using 2020 Scope 1 and Scope 2 GHG emissions footprint as a baseline).

Since KKR’s acquisition, which was made through KKR European Fund IV in 2017, A-Gas has grown revenue by 14% and EBITDA by 18% on average annually.^[19] In 2023, we sold our majority stake in the company to another private equity firm, and we believe this investment to be a validation of A-Gas’ growth strategy and the quality of the company’s products and services.

To learn more: [agas.com](https://www.agas.com).

[19] As of December 2023.



“A-Gas plays a critical role in the circular economy for refrigerant gases and in supporting environmental targets to fight climate change and global warming. We have been proud to work with Jack Govers and the A-Gas team over the past years, building market-leading capabilities for the recovery and reclamation of used gases, and positioning the business to benefit from future growth in gas reclamation and destruction opportunities globally.”

Mattia Caprioli
 Co-Head of KKR EMEA, Co-Head of European Private Equity (London)

Looking Ahead

In 2024 and beyond, we aim to:

- Work with portfolio company management to mature their business-relevant sustainability plans, building on work conducted to identify priority topics to set action plans and KPIs
- Continue to support the development and deployment of employee engagement and ownership programs globally, and apply learnings and best practices from successful programs to share with other portfolio companies
- Continue to monitor the evolving regulatory landscape to better understand how mandatory sustainability disclosure requirements will impact portfolio companies, and launch a new webinar series for portfolio companies to help them navigate sustainability regulations

By the Numbers^[20] Real Estate

\$69 B

assets under management

~150

investment and asset management professionals

\$251 B

assets owned or lend on

Approach

Across our Real Estate platform, we believe that working together to identify and manage material ESG risks and opportunities can create economic value in a variety of ways, including reducing energy or water costs, finding operational efficiencies, improving resilience, attracting and retaining high-quality tenants, and making our assets desirable to lenders and future buyers.

Our approach seeks to systematically incorporate material ESG considerations into each stage of the investment process. During acquisition, we leverage a sustainability checklist, where applicable, which covers material risk and opportunity areas and is tailored to the asset type and region. For example, while certain topics such as physical climate risk or energy efficiency are relevant for all investments, the checklist also accounts for asset-type specific differences such as quality of care for senior housing assets or fair rental practices for housing assets.

Early in diligence, we focus on identifying heightened risks including but not limited to physical climate risk, regulatory risk, and KKR's Gating Issues. As part of screening, we leverage a cloud-based physical climate risk assessment tool to identify an asset's exposure to acute and chronic hazards, as we deem appropriate. If an acute hazard that is classified by the tool as high or extreme is identified, teams may utilize technical due diligence to either identify existing mitigation measures or propose those that can help future-proof the asset. Once a deal has moved forward, a more comprehensive and thorough diligence is conducted and teams may leverage third-party technical advisors to identify other material risks, relevant mitigation measures, and

value creation opportunities, as well as potential underwriting implications. Where deemed relevant, we also conduct decarbonization analyses, leveraging industry-specific tools such as the Carbon Risk Real Estate Monitor (CRREM).

During the post-investment phase, we develop asset-specific action plans, which are focused on implementing measures that have a clear link to asset value, including reduction of operating expenses. Additionally, our asset management teams work to integrate sustainability-focused action items into asset-level operational plans during the annual budget season, including energy efficiency initiatives, which are further described on the next page.

Illustrative Examples of Key Activities

	Pre-Investment	Post-Investment
Acquisition and Asset Management Teams	<ul style="list-style-type: none"> Review Gating Issues list and identify potential issues during initial screening Utilize physical climate risk assessment tool to identify heightened acute and chronic risk exposure as we deem appropriate Leverage sustainability checklist and, where relevant, third-party advisors Document material findings, underwriting implications, and proposed action plans 	<ul style="list-style-type: none"> For RE Equity, develop sustainability action plan for the investment and integrate into annual budgets and business plan, and seek to implement initiatives that mitigate risks and create value Seek to track and monitor performance and initiatives on a regular basis
Internal Subject Matter Experts	<ul style="list-style-type: none"> Sustainability team, including the asset class and regional leads, KKR Capstone, and KGI engage regularly with investment teams, and support pre-screening and diligence process by evaluating specific ESG issues on a case-by-case basis 	<ul style="list-style-type: none"> Sustainability team develops best practice resources and toolkits and engages with investment teams KKR Capstone supports implementation of asset and cross-portfolio sustainability initiatives Data Operations team helps track sustainability performance by collecting key quantitative and qualitative metrics

[20] As of December 31, 2023.

To learn more, visit KKR's global Real Estate platform on [kkr.com](https://www.kkr.com).



Progress and Highlights

We remain focused on expanding our internal capabilities and building on our suite of resources to assess and manage material sustainability considerations and risks.

In 2023, we finalized a series of asset-specific sustainability playbooks to support asset management teams in identifying material ESG considerations to incorporate in underwriting and in creating post-investment action plans, in each case as deemed appropriate. The playbooks codify our approach and simplify decision-making, allowing asset management teams and operating partners to develop action plans that prioritize sustainability-focused initiatives with a strong return on investment. Key considerations for certain assets include energy efficiency measures such as LED lighting, occupancy sensors, smart thermostats, and high efficiency appliances, all of which contribute to net operating income growth and decarbonization efforts. Additionally, we launched toolkits for U.S. operating partners and property managers to promote knowledge sharing and upskilling on sustainability-related best practices. These resources are available on a micro-site and provide guidance on key topics such as energy, water, and waste efficiency; benchmarking performance; building certifications; and tenant engagement.

To further develop our sustainability expertise, we continued conducting internal teach-ins to help our Real Estate investment professionals effectively incorporate material ESG risks and opportunities into the investment process. In 2023, trainings covered a broad range of topics, including physical climate risk, guidance on sustainability playbook implementation, and decarbonization.

Additionally, in 2023 we focused on improving our global data collection process to drive operational performance and engagement efforts across the portfolio. We added additional resources and tools to support the continuous development of our sustainability data collection, analysis, and reporting processes.

We continued to participate in GRESB Real Estate Assessments and expanded our participation to include KKR Property Partners Europe (KPPE), KKR Property Partners Asia (KAPP), in addition to continuing to participate for KKR Property Partners Americas (KPPA). We also introduced fund-level investor sustainability reporting for applicable funds. Through these efforts, we seek to promote investor understanding of our sustainability practices and performance and to incorporate industry standards like GRESB so that we can continuously improve our efforts.

We also completed a physical climate risk assessment of our global Real Estate Equity and Credit portfolios. Understanding which assets are exposed to heightened climate risks can help us prioritize where implementation of resiliency measures or further technical assessments may be required, and we will continue to use these findings to prioritize actionable resiliency measures across our portfolio.

Finally, we enhanced our typical due diligence process for Real Estate Credit in 2023 to incorporate a sponsor questionnaire, a sustainability checklist, and a third-party physical climate risk assessment tool. We piloted this process in EMEA and the U.S. in early 2023, and were able to scale this approach across both markets by early 2024.



“Establishing a clear framework for sustainability decision-making empowers us to navigate with purpose and precision. Our sustainability playbooks codify our value creation approach, guiding our Asset Management teams and our Operating Partners towards actions that can increase net operating income, improve tenant and occupier engagement, and future-proof the portfolio.”

Karen Hollinger
Managing Director, KKR Capstone (New York)

KKR Real Estate Sustainability Playbook: In Practice

In 2023, leveraging the guidance in the sustainability playbook for student housing, we implemented sustainability and cost-saving initiatives for an asset in Charlottesville, Virginia, as part of our investment in University Partners. These initiatives included:

- Installing smart connected thermostats in all common areas from smart building and energy savings property technology solutions, which is expected to save 15% on energy usage for the entire building within the first year and eventually integrate demand response for increased savings
- Installing LED lights in common areas and the public garage
- Installing a water conservation flow controller into the primary water main, which is expected to save 15% on water usage
- Upgrading the major appliance standard to an Energy STAR™ model for replacements and negotiated a master procurement agreement simultaneously to save 17% on cost of appliances

This playbook supported the prioritization of these initiatives based on their link to risk mitigation and value creation, and we aim to gather additional data following their implementation to track ongoing performance. We also aim to use this as an example as we leverage this guidance for future student housing projects.

Looking Ahead

In 2024 and beyond, we aim to:

- Work with external advisors to leverage insights from our physical climate risk assessment of our global Real Estate Equity portfolio to continue maturing our climate intelligence and focusing on assets that are exposed to higher risks
- Create adapted versions of sustainability playbooks tailored to EMEA and APAC markets, and build on monitoring and tracking of key implementation priorities globally
- Enhance monitoring approach for Real Estate Credit portfolio to engage sponsors on an annual basis

↓ University Partners, One Easton Apartments (Newark, DE).



By the Numbers^[2] Infrastructure

\$59 B

assets under management

~115

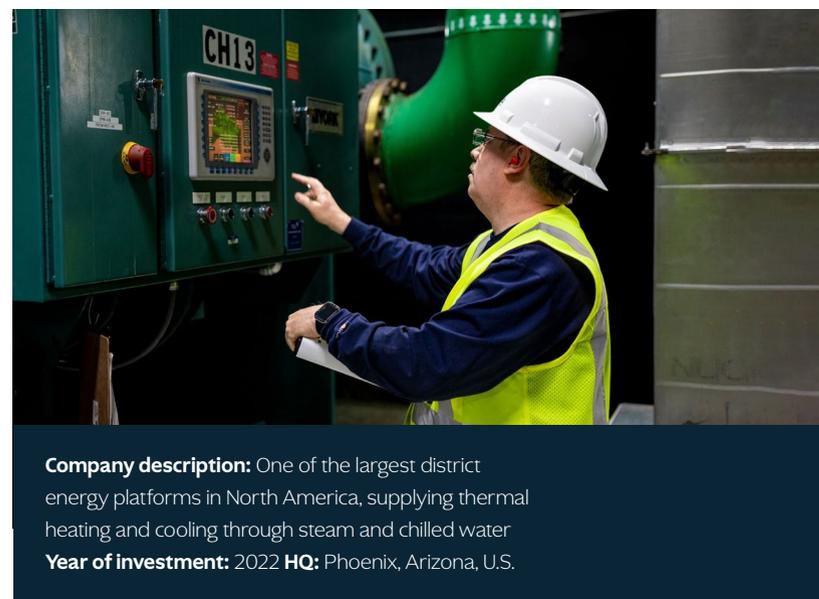
investment and asset management professionals

15

years of infrastructure investing

Approach

KKR invests on behalf of the funds it manages across a broad range of critical and real assets that provide for essential infrastructure needs such as electricity, water, and data. We believe the essential and physical nature of these assets makes the integration of material sustainability topics in the investment process critical to our ability to create and protect value. This includes the thoughtful consideration of topics such as climate change, environmental stewardship, health and safety, cybersecurity, biodiversity, and community engagement in our investment process, as appropriate.



Company description: One of the largest district energy platforms in North America, supplying thermal heating and cooling through steam and chilled water
Year of investment: 2022 **HQ:** Phoenix, Arizona, U.S.

Illustrative Examples of Key Activities

	Pre-Investment	Post-Investment
Investment Teams	<ul style="list-style-type: none"> Review Gating Issues list to screen for activities, operations, or industries that raise critical ESG, geopolitical, or reputational concerns Where relevant, engage a third party to perform in-depth diligence to evaluate material sustainability topics, key risks, and potential value creation opportunities Highlight material risks and value creation opportunities for discussion with Investment Committees 	<ul style="list-style-type: none"> Include ESG onboarding in the 100-day plan (or shortly thereafter) Engage portfolio companies through regular performance reviews Support portfolio companies' efforts to establish board-level oversight of material sustainability matters Connect portfolio companies to KKR preferred vendors if additional support is needed On a quarterly basis, track and monitor performance and initiatives via boards Track progress against engagement priorities with annual ESG survey
Internal Subject Matter Experts	<ul style="list-style-type: none"> Sustainability team, including the asset class and regional leads, KKR Capstone, and KGI provide support and advice on ESG diligence and communicate identified material sustainability risks and opportunities for Investment Committee discussions 	<ul style="list-style-type: none"> Sustainability team supports with identification of sustainability priorities, good practices, and development of resources for investment teams and portfolio companies KKR Capstone directly supports operationalization and implementation of activities at portfolio companies Data Operations team helps track sustainability performance by collecting key quantitative and qualitative metrics

[2] As of December 31, 2023.

To learn more, visit KKR's global Infrastructure platform on [kkr.com](https://www.kkr.com).

Cordia: Developing a Strategy to Deliver Sustainable and Innovative Energy Solutions

Heating and cooling buildings is a major source of carbon emissions in the U.S. Cordia's district energy systems are designed to be a sustainable, energy efficient alternative to outdated, inefficient, and expensive in-house boilers and chiller plants. Providing high-quality and innovative energy solutions is an essential part of Cordia's mission.

After investing in the business in 2022, KKR worked with Cordia to develop a 100-day plan to kick off its business growth strategy, which included identifying material sustainability topics, establishing a baseline GHG footprint, and developing business-relevant decarbonization projects, where appropriate. This work set the foundation for Cordia's sustainability strategy, and as of 2023, Cordia has completed an inaugural GHG footprint

analysis, published its Scope 1 and 2 emissions in its publicly available ESG Report, set a GHG emissions reduction target and long-term net-zero commitment, and is executing various decarbonization initiatives.

The company is also taking action on other sustainability topics that are material to its business and stakeholders. For example, it has introduced water conservation technologies across its fleet, in an effort to prepare for increased water costs and future water scarcity. It is also focused on hiring and supporting veterans in the community, as a significant portion of its workforce is connected with the military. OperationMVP, for example, is a targeted hiring program that helps veterans transition into civilian life by bringing them into the organization.

To learn more: cordiaenergy.com/esg-report-welcome.

Before making an investment, we focus on identifying, assessing, and underwriting asset-specific material sustainability risks and opportunities that may impact business value. To aid us in these efforts, we often leverage the expertise of third-party diligence providers to assess the quality of systems, policies, and processes in place to manage material sustainability risks based on their industry expertise and with reference to applicable third-party standards. Given the asset-heavy nature of infrastructure investments, this work can range from conducting physical climate risk assessments to analyzing sub-contractor safety practices.

Post-investment, we strive to leverage insights from our diligence to support companies in developing business-specific plans to manage material topics as part of a formal strategy. These efforts, which are discussed and monitored at the portfolio company board level, may include developing a decarbonization strategy and climate targets, implementing health and safety programs, or conducting cybersecurity and data privacy assessments. These efforts are led by the investment teams and supported by members of the Sustainability team and KKR Capstone, among others.



"Sustainability was core to our investment thesis in Cordia. We recognize that creating long-term value for the company and its customers requires a proactive approach to the management of material sustainability topics, and one of the first actions we took upon investment was to support the company in developing a sustainability strategy. We look forward to continuing our work together as part of Cordia's next stage of growth."

Kathleen Lawler
 Managing Director, Infrastructure (New York)

Progress and Highlights

In 2023, we focused on working with majority-owned companies in our portfolio to manage material ESG topics and strengthen their governance of these issues. To do so, we took a more systematic approach to company engagement across the portfolio, including enhancing our approach to onboarding companies and improving how we track and monitor performance against companies' sustainability ambitions.

In 2023, we advanced and tailored our support of infrastructure companies in establishing mature sustainability strategies. This work started with a commitment to strengthen governance practices by working with companies to establish board-level oversight of sustainability issues, where not already in place. We then worked with companies to identify sustainability topics material to value creation and value protection and to develop performance baselines, targets, and action plans to drive performance. We also encouraged companies across the portfolio to regularly report progress against these plans to board leadership to promote accountability and monitor progress.

Where appropriate, we emphasized employee engagement, health and safety performance, cybersecurity, and climate-related target setting and measurement in 2023.

Another priority was working with companies to establish business-relevant decarbonization plans, where appropriate. This work is particularly salient to the Infrastructure business given the real-asset nature of the companies we invest in and the importance of having a clear understanding of the carbon footprint of the businesses.

Finally, to support ongoing learning as the landscape continues to evolve, we continued to conduct training for our investment teams, covering sustainability regulations and topics relevant to infrastructure, and how we track and measure progress. Additionally, as part of our reporting efforts for fund investors, we enhanced our annual sustainability reports for applicable funds, including expanded asset-level data provided to fund investors.

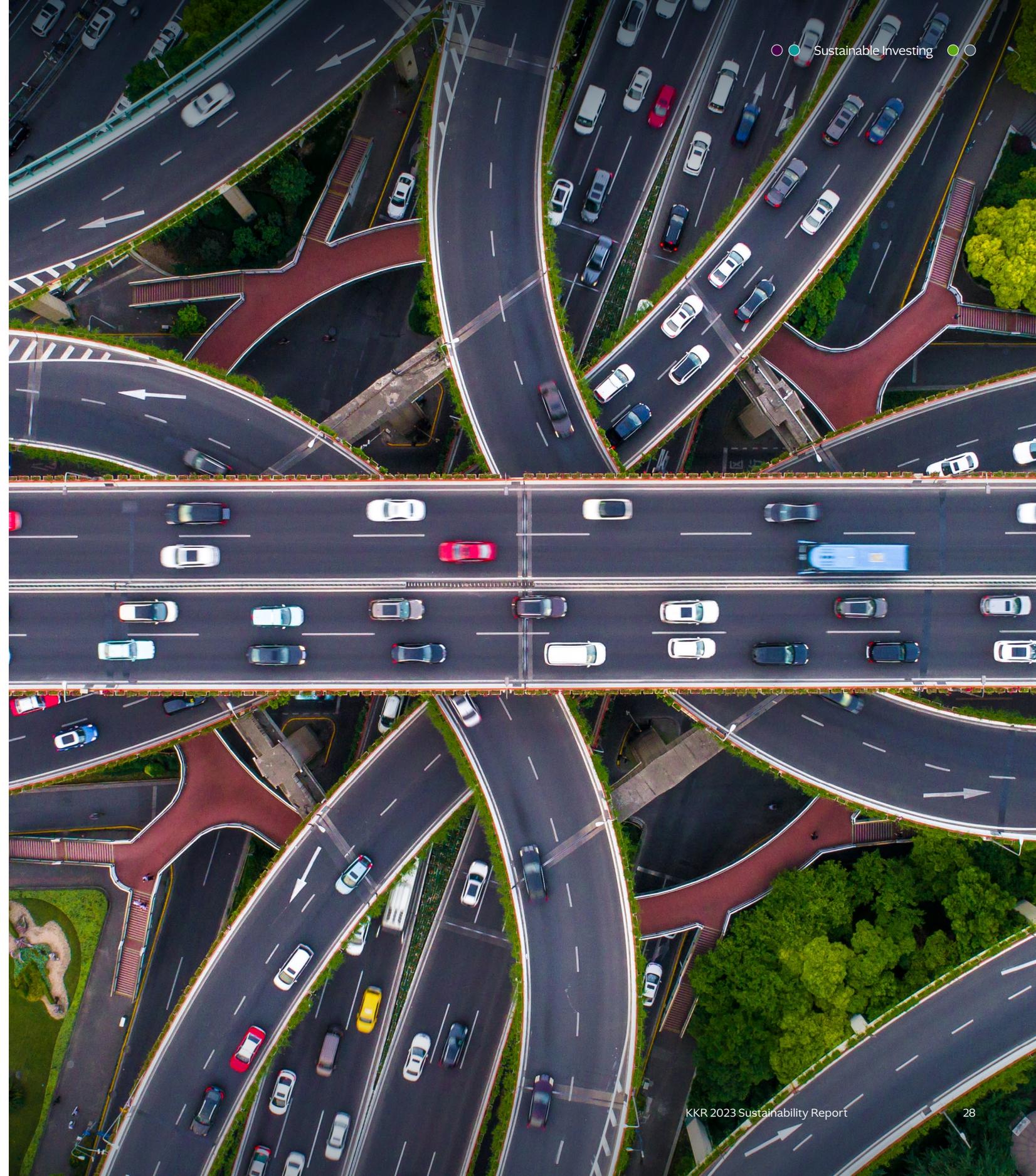
Looking Ahead

In 2024 and beyond, we aim to:

- Continue to work together with portfolio companies to drive performance improvements, including working toward identified sustainability goals, as well as driving progress against business-relevant climate, health and safety, employee engagement, and cybersecurity efforts
- Support our portfolio companies in operationalizing climate-related strategies, including by improving data related to decarbonization costs, and further integrate climate risk assessments and metrics in our investment processes
- Continue to build our network of third-party experts and facilitate connections across the Infrastructure portfolio to share best practices and enhance learning opportunities and engagement



To learn more about our approach to investing in the energy transition, see the [Investing Behind Trends](#) and [Global Climate](#) sections.



Spotlight: Our Partnership with Global Atlantic

Global Atlantic is a leading insurance company meeting the retirement and life insurance needs of individuals and institutions. In early 2024, KKR acquired all the remaining equity interests in Global Atlantic that KKR did not already own, which brought KKR's ownership to 100%. With increased alignment across both organizations, we believe the acquisition will support Global Atlantic by creating more growth opportunities, more investing synergies, and more value for the individuals and institutions we serve.



“KKR and Global Atlantic are a powerful combination. Our shared culture and commitment to excellence continues to enhance our ability to think — and invest — longer-term and deliver compelling solutions for our clients and policyholders. We are thrilled for what lies ahead as a wholly owned subsidiary of KKR.”

Allan Levine
Co-Founder, Chairman & Chief Executive Officer of Global Atlantic

Since the beginning of the strategic partnership in 2021, KKR has served as Global Atlantic's asset manager, offering access to our global investment and origination capabilities for the benefit of Global Atlantic's policyholders. Since the announcement of this strategic partnership in 2020, Global Atlantic has grown its assets under management from \$72 billion to \$158 billion (as of December 31, 2023); executed cross-border reinsurance transactions in Hong Kong, Japan, and Singapore; and attracted more than \$3 billion in third-party investor capital. As of December 31, 2023, Global Atlantic served over three million policyholders.

For additional sustainability-related disclosures for Global Atlantic, please see www.globalatlantic.com/corporate-responsibility.



Expert Viewpoints: Helping Clients Enhance and Secure Value



Life expectancy has risen over the last half-century,^[22] and while this is great news, it does complicate retirement planning. Longevity risk — the possibility of outliving one's retirement savings — has increased as the population lives longer. At the same time, many Americans struggle to save and plan for retirement: nearly half of U.S. households have no retirement savings.^[23]

Through a broad range of competitive and innovative products, leading integrated risk and investment management expertise, and highly experienced leadership, Global Atlantic is working to further its aim to create more secure financial futures.

Q&A with Paula Nelson, Managing Director & Head of Strategic Growth, Individual Markets at Global Atlantic

With more than 35 years of experience in the financial services industry, Paula Nelson joined Global Atlantic in 2010 to lead the company's annuity distribution organization. Today, she focuses on strategic growth and new market opportunities for Global Atlantic's Individual Markets business. In 2022, Nelson was recognized by the Insured Retirement Institute with the Industry Champion of Retirement Security award, recognizing her efforts to enhance retirement security in the U.S. through advocacy, communication, and education. This recognition also highlights the significant role that the business sector — and insurance companies in particular — plays in helping Americans plan for and protect their retirement income.

Q: Tell us more about the current backdrop. What role can insurance companies, and annuities in particular, play in helping address longevity and retirement planning and savings risks?

We are facing the largest demographic of aging Americans ever seen, which means a growing market of retirees seeking to secure their financial futures.^[24] In the past, many companies provided employees with traditional pension plans for retirement security. However, only one in 10 Americans working in the private sector today participates in a defined-benefit pension plan.^[25] Americans who are active in planning and saving for retirement outside of a pension plan tend to follow the default investment-centric approach, such as 401(k) contributions, rather than income. Converting these savings into predictable income that will last through retirement is a challenge. This gap in our retirement security framework can and should be filled by proven, value-added solutions that create secure retirements, such as annuities.

[22] Statista, [Life Expectancy \(From Birth\) in the United States, From 1860 to 2020](#), 2024.

[23] Politico, [Seven Reasons Why People Need Annuities](#), 2024.

[24] Protected Lifetime Income, [Welcome to the Peak 65® Zone — A New Chapter In America's Retirement Landscape](#), 2024.

[25] The New York Times, [The Pension: That Rare Retirement Benefit Gets a Fresh Look](#), 2023.



Much like a modern-day defined-benefit pension plan, annuities can provide a predictable, protected lifetime income stream. Through a guaranteed monthly check to Americans as long as they live, regardless of how the markets perform, annuities can fill a critical gap by providing reliable income to cover core spending needs and greatly reduce the risk of outliving assets in retirement. Annuities can also provide an attractive alternative as part of an overall personalized investment strategy across a wide range of risk profiles. This is particularly important for the roughly two-thirds of Americans for whom an investments-only approach is not the most effective, often due to a lack of guaranteed lifetime income.

At Global Atlantic, we offer a variety of what we believe are valuable specialized life insurance, fixed-rate annuities, fixed-indexed annuities and registered annuities. These products offer tax-deferred savings and guaranteed income strategies that help cover essential retirement expenses, maintain a desired lifestyle, leave a lasting legacy, and pre-plan for final expenses. In fact, we were recently honored with two of [Barron's Best 100 Annuities in 2023](#) in the Registered Index-Linked Annuities and Fixed-Indexed Annuities categories.

Q: How is Global Atlantic working to make sure Americans know about annuities in particular, and the value of retirement security more broadly?

We think it is vitally important that people engage an independent financial professional. To bring our products to market, we rely on a network of unaffiliated distribution partners including banks, broker-dealers, and insurance agencies. We provide these partners a suite of resources they can use in conversations with potential clients and current policyholders to show how our products can create value. These resources help educate both financial advisors and clients in understanding annuities as well as they do investments.

The main way we provide this is through our [Global Atlantic Consulting](#) platforms and workshops. Global Atlantic Consulting also helps financial professionals communicate and build relationships with new markets and communities with practice management techniques. We view this as a crucial resource for engaging financial professionals in the need to provide more financial options to the growing market of American retirees.

Additionally, we believe it is important to collaborate across our sector and be an active participant in the dialogue around industry-wide issues, such as digitalization and policymaking. We are actively engaged with industry organizations such as the [American Council of Life Insurers](#) and [Money Management Institute](#). I have personally been a long-time board member of the Insured Retirement Institute.

In my role, I have access to policymakers helping to increase awareness about issues related to retirement security, including the value of annuities and the importance of guaranteed lifetime income, especially to middle income Americans. This directly ties to our ongoing objective at Global Atlantic to offer retirement income generating annuities inside of defined contribution plans making these strategies more accessible to middle market retirees.

Q: How can KKR and Global Atlantic work together to secure the financial futures of millions of Americans?

I believe that KKR and Global Atlantic have an opportunity to use our unique backgrounds and expertise to bring more innovation to the retirement segment. There are a lot of synergies between alternatives and annuities, as both strategies increase diversification and help protect value. Additionally, we both care deeply about our clients and the communities we serve. KKR has an extensive history of working with both corporate pension plans and public ones that serve firefighters, teachers, and other civic workers. We believe that this acquisition will help KKR broaden its footprint in the retirement sector, innovating new products and bringing more alternative products to more people. And of course, it will also help Global Atlantic continue to do the same. Together, we believe we can help to make innovative strategies — not just annuities but new solutions as well — more readily available to the many everyday Americans planning for and reaching retirement. This is shared success — not just for KKR and Global Atlantic — but for those who can count on enhanced and secured value in their later years.

Engagement

We work together with portfolio companies to mitigate risk and strengthen management across key sustainability topics.

Our Approach

Once we are invested in a company, we lend our strategic and operational expertise to enable our shared success. This includes direct engagement with management at portfolio companies on a variety of sustainability topics as well as providing access to tools, resources, and a network of SMEs.

The KKR Capstone team is critical to coordinating and driving our operational engagement strategy with our portfolio companies. With a global team of approximately 90 full-time operating professionals, KKR Capstone collaborates with investment teams, portfolio company leadership, the Sustainability team, and other key stakeholders in identifying and supporting the implementation of sustainability performance improvements within KKR portfolio companies.

Since formalizing our approach to ESG management around value creation and value protection in 2008, we have focused on supporting our portfolio companies' efforts to manage their material ESG topics. Building on these learnings, we identified four key objectives that we believe can help companies across a wide variety of industries, sectors, and geographies to mitigate risk and create value. We call these our Global Ambitions. It is our intent to support the majority-owned companies in our portfolio with respect to these focus areas:

- **Implementing a governance framework to manage material sustainability topics:** Adopting an appropriate framework for governance of material topics, supported by board-level and executive capabilities, accountability, and performance measurement of the company's material topics

- **Engaging human capital:** Having a strategy in place for fostering a highly engaged and diverse workforce
- **Managing climate-related risks and opportunities:** Measuring GHG emissions and developing and implementing business-relevant decarbonization plans, where appropriate
- **Protecting data security and privacy:** Mitigating cybersecurity risks, promoting a culture of cyber awareness, and handling personal or sensitive data responsibly

These are common areas of focus and opportunity across our portfolio, and ones for which we have built out dedicated subject matter expertise. In 2023, we launched a new KKR Portfolio Company Portal to centralize access to resources, toolkits, and how-to guides that we have produced over the years on a variety of topics, including those related to the focus areas above.

KKR's 2023 ESG Data Collection Process

We believe that ongoing tracking and monitoring of ESG metrics and indicators, accompanied by comprehensive analytics, is a powerful tool to engage with portfolio companies and support them in the management of material sustainability risks and opportunities. As such, we conduct an annual survey across our portfolio companies to collect ESG data. We ask for both qualitative and quantitative information, and supplement the survey data with additional detail gathered through other methods of engagement such as in-person or virtual meetings with management.

In 2023, we focused on enhancing our data collection process in several ways, such as by streamlining the number of survey data points to be more consistent across strategies and enhancing our in-house data reporting platform for consistent analysis. We also built up our expertise in and capacity for sustainability data analysis and reporting by centralizing this effort within a dedicated internal team. This effort was led by our ESG Data Operations team, in close collaboration with the broader Sustainability and KKR Capstone teams.

Leveraging Insights from the Data Collection Process

We believe our ability to collect and utilize this data helps us to measure and therefore advance key focus areas — governance of material topics, human capital, climate-related risks and opportunities, and data responsibility — across our portfolio.

KKR's 2023 ESG Survey Process Highlights

254

companies surveyed with a 99% response rate

9

survey versions based on sector- or market-specific contexts

38

topics covered

1,267

Real Estate assets included, with 26 operating partners

Portfolio 2023 ESG Performance Insights

Highlights

Management and Governance

88%

of companies have board-level oversight of material sustainability and ESG topics^[26]

Climate^[27]

Across our controlled private equity and real assets companies,

Over

90%

of financed emissions are directly measured

Over

80%

of financed emissions are addressed by business-relevant decarbonization plans

Human Capital

80%

of companies conduct employee engagement surveys^[26]

96%

of companies have an employee health and safety policy^[26]

77%

of companies have a strategy for promoting and maintaining a diverse and inclusive work environment^[26]

39

portfolio companies with

85,000+

non-senior management employees implemented ownership programs, awarding billions of dollars in equity since 2011^[28]

Data Responsibility

80%

of companies have a data management process or policy in place^[26]

Looking Ahead

Looking ahead to 2024 and beyond, we aim to continue building on our internal data collection and analysis capabilities, broadening our efforts to collect data from a larger percentage of the portfolio, and improving on our ability to track sustainability-related initiatives and opportunities for engagement.

^[26] As of December 2023. Includes majority-owned portfolio companies (where KKR has greater than or equal to 50% equity ownership) across Private Equity, Growth, Infrastructure, Energy, Global Impact, and select Credit investments. For more detail on scope and calculation methodologies, see the **Endnotes** of this report.

^[27] See the **Climate** section for more detail on scope and calculation methodology.

^[28] Cumulative figure as of December 2023 including active and exited portfolio companies with ownership programs covering 100% of full-time employees, typically with opportunities to earn over six months' worth of salary. See the **Human Capital** section for more information.

Examples of Effective Management of Material Sustainability Topics in KKR's Portfolio



Company description: Innovative global hair, nails, and beauty tech leader with over 140 years of hair heritage and history, Wella Company is today one of the fastest growing players in the beauty sector **Year of investment:** 2020 **HQ:** Geneva, Switzerland and New York, New York, U.S.

Wella Company: Sustainable Innovation in the Beauty Industry

Wella Company manufactures and distributes professional and retail hair color and care solutions, nails, and beauty tech with iconic brands including Wella Professionals, ghd, OPI, Nioxin, Clairol, Briogeo, and Sebastian Professional. Since the investment by funds managed by KKR, the company has set its overall Environmental and Social Impact (ESI) strategy, which is informed by the UN Global Compact principles and includes 2030 goals set against three pillars: People, Planet, and Product.

Under its Products umbrella, the company developed a framework that can be used to evaluate criteria across the entire product life cycle — from design to distribution and consumer use to end-of-life — to understand a product's impacts and opportunities for improvement, while keeping customer needs top of mind.

Another key focus for Wella Company has been responsible ingredient sourcing. Through its membership with the Roundtable on Sustainable Palm Oil (RSPO), Wella Company has set a target of sourcing 100% RSPO Mass Balance-certified palm oil in its factories by 2025. In 2022, the Company achieved 80% biodegradable ingredients and 98.85% of non-animal derived ingredients in its factories by volume.

Wella Company also continues to focus on the sustainability of its packaging. In 2022, the company has achieved 77% recyclable packaging of its products, with plans to increase the recycled portion of its packaging materials and eliminate PVC. The company's willingness to reduce its carbon footprint and create circularity in its packaging is also visible in its efforts to move further towards fully recycled aluminum color tubes on its Professional lines, including its global-best-seller Koleston Perfect.

To learn more: wellacompany.com/about-us/sustainability.



Company description: Second largest lighting company in China that sells branded lighting products and offers lighting solutions to consumers and business clients **Year of investment:** 2019 **HQ:** Guangdong, China

NVC Lighting: Creating Value Through Employee Engagement

As a leading lighting brand in China, NVC designs, develops, produces, and sells integrated branded lighting products and solutions. The company seeks to improve consumer quality of life through energy efficient products.

After the initial investment, KKR supported NVC in establishing oversight of material sustainability topics, and creating a sustainability-focused action plan to support value creation, which was approved and is regularly monitored by KKR through its NVC board representatives.

NVC China has put in place 15 task force teams consisting of colleagues across functions, who are actively working on sustainability-related initiatives. NVC China also participates in KKR's annual ESG survey. KKR uses our annual ESG survey as a means to understand our portfolio companies' performance against sustainability topics that may be material to their businesses and find areas of value creation opportunities. This supplements the various sustainability-related engagements we support throughout the year.

An area of focus for the company has been improving the employee experience and workplace culture. Since 2021, NVC has conducted annual employee engagement surveys to garner feedback on learning and

development opportunities, leadership effectiveness, pay and rewards, and culture and vision. In 2023, NVC grew the scope of the survey to include an additional 2,000 workers and expanded the breadth of topics covered. NVC believes that the results of the 2023 survey led to improved annual salary reviews, quarterly awards and recognition, and additional internal communication and feedback opportunities. In 2023, at a KKR-hosted webinar for portfolio companies on employee engagement, NVC shared learnings and insights for measuring and acting on employee surveys.

To learn more: nvc-lighting.com.cn/esg.



Company description: Destination resort in the Costa Dorada area in Spain, consisting of three themed amusement parks, a convention center, and multiple hotels **Year of investment:** 2013 **HQ:** Costa Dorada, Spain

PortAventura World: Managing Social and Environmental Impacts in the Tourism Industry

PortAventura World is southern Europe's largest destination resort, featuring three themed amusement parks (including a water park and Ferrari Land Park), a convention center, five four-star themed hotels, a five-star hotel, and three four-star hotels under management close to the sea. The resort also has three adjacent golf courses. We have worked with PortAventura World to mature the company's sustainability efforts throughout the lifespan of our partnership.

PortAventura World's sustainability journey has included the transition to consuming 100% renewable electricity in the resort with the construction of its own solar field, 93% waste recovery, and working towards a GHG emissions reduction goal validated by the Science Based Targets initiative (SBTi) in 2023. The company also became a certified B Corp in 2022.

Additionally, PortAventura Dreams, an initiative of the PortAventura Foundation, is a pioneering initiative in Europe. It offers a free six-day stay to children between four and 17 years old who have suffered or are suffering from serious illnesses. The program seeks to highlight the

importance of emotional well-being in the fight against disease, and provide affected families with support, unity, and encouragement. The project is expected to be expanded in 2024 with four new villas, amounting to 10 villas that will be able to host more than 370 families per year.

In 2023, PortAventura was recognized by Private Equity Wire's ESG AAA European Award for Portfolio Companies, in the Best Social Initiative category.

To learn more: portaventuraworld.com/en/corporate-responsibility.

Human Capital

In 2023, employee disengagement reached a nine-year high in the U.S.^[29] This can have severe negative consequences for organizations, as disengaged employees were found to be 18% less productive than their more engaged peers, with an estimated cost of \$450 billion to \$550 billion annually in lost productivity.^[30] In this context — which extends beyond the U.S. — companies face unprecedented challenges but also clear opportunities for improvement. Engaged teams are found to drive 14% higher productivity, 23% higher profitability, and 18-23% lower turnover.^[31]

[29] Costar, [US Employee Engagement a Complicated Relationship](#), 2024.

[30] Gallup, [Employee Engagement](#), 2024.

[31] Harter, Schmidt, Agrawal, Plowman, & Blue, [The Relationship Between Engagement at Work and Organizational Outcomes](#), 2020. When comparing business units in top quartile of engagement with those in the bottom quartile.

[32] Cumulative figure as of December 2023 including active and exited portfolio companies with ownership programs covering 100% of full-time employees, typically with opportunities to earn over six months' worth of salary.

Our own experience across our portfolio has shown us that. We believe that an engaged workforce can be a powerful performance driver, and that we can build a competitive advantage by more effectively unlocking the broad base of human capital potential in our portfolio companies.

Our Approach

To support the development and implementation of a well-rounded human capital strategy across our portfolio companies, members of our KKR Capstone team collaborate across KKR, including with investment teams, KKR's Global Head of Talent Development and Chief Diversity Officer, and the Sustainability team.

In 2023, we created a dedicated Human Capital Center, a significant investment in our capacity to support KKR investment teams and portfolio company management in sharing human capital management

best practices. With two fully dedicated Capstone professionals and a network of advisors and vendors, the Human Capital Center supports companies across the following focus areas:

- Driving employee engagement and ownership
- Cultivating empowering leadership
- Creating a high-performing and inclusive culture
- Investing in employee well-being

Working Together: 2023 Highlights

39

portfolio companies with

85,000+

non-senior management employees implemented ownership programs, awarding billions of dollars in equity since 2011,^[32] including

7

new broad-based ownership programs launched in 2023, and

9

full exits of companies with shared ownership since 2015, including KKR's first in the technology, media, and telecom (TMT) sector (RBmedia) and KKR's first in the APAC region (GreenCollar) in 2023

Programs and Initiatives

Driving Employee Engagement and Ownership

From our experience with our portfolio companies, we believe that increased employee engagement can both drive business outcomes and better the lives of individual employees. The Human Capital Center collaborates directly with portfolio companies and investment teams to implement engagement programs, including the integration of governance and oversight of critical human capital metrics like engagement, voluntary turnover, and safety into companies' regular review process. In addition, we work with portfolio companies to help them set program goals, establish program governance, take a problem-solving approach to engagement and turnover, and plan for program milestones such as launch events, dividends, and exits as appropriate.

In 2023, we expanded our breadth of expertise to better support portfolio companies in advancing their culture and engagement agendas across a variety of topics. For example, we added a new KKR executive advisor with decades of experience working in corporate culture and engagement consulting. We also worked with third parties — ranging from engagement survey providers to safety and engagement training groups — and internal communications and culture consultancies.

We believe employee ownership is an effective way to create an empowered and engaged workforce, where employees have the means to improve their lives and are part of creating better, more productive businesses. Since 2011, employee engagement and ownership has been a key priority in working with our private equity portfolio companies, first with our Americas Industrials investments and now across sectors and regions.

To support our ongoing efforts, the Human Capital Center has created a suite of resources, including guidelines to ensure, as applicable, the integrity of shared ownership programs and tools to help effectively launch and communicate these programs to employees. As part of these resources, we established Firm-wide broad-based ownership structuring standards in 2023 for consistency across the portfolio, and we also held regional education sessions.

We also recently rolled out a standardized “Ownership Culture Index” of survey questions to over 90% of our portfolio companies with shared ownership programs in place, allowing us to provide detailed benchmarking on how well they are implementing their ownership and engagement programs and to direct them towards relevant resources to further support them. This has been a globally coordinated effort with the survey professionally translated into many different languages.

We often collaborate on employee engagement resources and topics with Ownership Works, a nonprofit of which we are a founding partner, created to support public and private companies transitioning to shared ownership models. In 2023, we co-organized two events with Ownership Works, bringing together leaders from portfolio companies and other private equity professionals to discuss best practices around shared ownership programs. The Ownership Works CEO Convening in May 2023 saw participation from over 25 KKR CEOs, and the Shared Ownership Fundamentals Convening in November 2023 had 45 KKR portfolio company executives in attendance.

Expert Viewpoints: Creating an Ownership Culture

In this report, we explore how creating an ownership culture can transform employee experiences and “turn ordinary investment outcomes into extraordinary ones.” While there is no rigid rulebook for creating an ownership culture, we have seen great outcomes follow from eight key practices.

To learn more, see the report “Creating an Ownership Culture” on [kkr.com](#).



“When every employee is engaged, supported, and rowing in the same direction, every other aspect of our value creation agenda becomes more achievable and everyone’s work becomes more meaningful. This helps us achieve shared success for our clients, our companies, and their employees.”

Graham Thomas
Principal, KKR Capstone (New York)



Company description: Leading international publisher dedicated to sharing a broad range of works that educate, entertain, and inspire readers of all ages **Year of investment:** 2023 **HQ:** New York, New York, U.S.

Simon & Schuster: Advancing Employee Engagement Through Broad-Based Ownership

Since becoming a standalone independent publishing company within the KKR portfolio of companies, Simon & Schuster has launched a broad-based equity ownership program, giving the company’s 1,700 employees the opportunity to participate in the benefits of ownership. By combining a leadership in the publishing industry – highlighted by more than 36,000 titles available for sale in print and digital formats – and with the backing of KKR, Simon & Schuster is poised to accelerate growth by further extending its domestic publishing program, expanding third-party distribution relationships, and accelerating growth in international markets.

Simon & Schuster is already seeing the rewards of instilling an ownership mindset, demonstrating an ability to attract top editorial and publishing talent with a number of new key hires made and new imprints launched, which in turn helps attract the best authors to Simon & Schuster. The company is implementing multiple initiatives to provide employees with

greater transparency into company priorities and performance, enhance employee voice throughout the organization so that ideas come from those closest to the work, and align the entire team around a common set of goals that benefit everyone.

Additionally, since investing in the company, KKR has brought a diversity of backgrounds and skill sets to the board of directors through the addition of three independent board members with significant publishing and media industry operational expertise. Through these strategic additions, we believe Simon & Schuster has gained access to unique and dynamic insights into how the company can better attract talent and serve customers, explore innovative avenues and new channels through which to publish and sell its titles.

To learn more: simonandschuster.biz/p/social-impact-sustainability.



Company description: A leading carbon markets business in Australia and one of the largest carbon abatement developers globally **Year of investment:** 2020 (exited in 2023) **HQ:** Sydney, Australia

GreenCollar: Shared Ownership at Exit

GreenCollar is an environmental markets investor and project developer focused on helping Australian landowners identify market- and nature-based solutions that create value for landowners and the environment. In its collaboration with KKR’s Global Impact team, GreenCollar broadened its product offerings, implemented new sustainability programs, and scaled through international expansion. Upon KKR’s sale of GreenCollar to Ontario Teachers’ Pension Plan (OTPP), all GreenCollar employees shared in the proceeds from the sale under a program that aims to build stronger companies and drive greater financial inclusion through employee ownership and engagement. This represents the first broad-based ownership exit for the Global Impact strategy and for the Australian private equity market.

“The ownership program aligned exactly with what we were trying to achieve at GreenCollar in the first place. It really is about trying to share the value that we are creating, and having full employee buy-in for what we do.”

James Schultz
CEO and Co-Founder, GreenCollar

To learn more: greencollar.com.au.



Company description: Leading global audiobook publisher **Year of investment:** 2018 **HQ:** Landover, Maryland, U.S.

RBmedia: Employees Reap Dividends of Broad-Based Ownership

Following five years of successful collaboration and notable growth, in July 2023, KKR announced the sale of RBmedia, a leading audiobook publisher. With the support of KKR, RBmedia expanded the company’s distribution channels, invested in new and diverse content, and more than doubled the size of its audiobook catalog, from over 31,000 to 66,000, all of which led to five years of double-digit revenue growth. Through RBmedia’s employee ownership program, all employee-owners participated in the

positive financial outcome of this sale. Upon closing of the transaction, all RBmedia employees received a cash payout based on their tenure with the company, with long-term employees earning up to two times their annual salary.

To learn more, see the article “Employees at Leading Audiobooks Publisher RBmedia Reap Dividends of Broad-Based Ownership” on [kkr.com](https://www.kkr.com).

To learn more: rbmediaglobal.com.

Cultivating Empowering Leadership

A highly engaged and productive workforce starts with passionate, inspiring leaders, and we have developed numerous resources to help source and support these types of executives for our portfolio companies. This starts with our network of talent advisors who maintain and manage a talent ecosystem and help assess and onboard new executives and portfolio company board members who we believe will thrive with KKR’s people-first management philosophy.

The Human Capital Center also helps executives access coaching from our executive advisors throughout our hold period. In 2023, we piloted a CEO 360-review process to promote self-awareness, personal development, and teamwork among CEOs and their teams. We anticipate further scaling these resources in 2024.

As part of our focus on inclusive leadership, we believe that boards composed of individuals with diverse perspectives — which are informed by a diverse set of backgrounds, skill sets, and experiences — enable better business decisions and, therefore, better results.

To best lead and govern our companies, we focus on helping the companies bring the appropriate expertise into the boardroom, including through independent directors, who often bring outside industry-specific and/or operational executive experience. Where we have the authority to appoint board members at our companies, our investment teams actively consider a broad, diverse pipeline of candidates for board positions, while assessing the needed skill sets to help our companies be successful.

Over the past year, we advanced our data collection efforts by expanding the breadth of demographic and experience data we collect on our portfolio company directors, starting with North America-based companies in early 2024 and with plans to expand globally next year. These attributes may vary globally, to reflect regional nuances, but broadly include gender, sexual orientation, age, race/ethnicity, veteran status, disability status, low-income background, nationality, career experiences, and more. We believe more and better data on a broader set of characteristics will help us drive discussion on whether we are bringing in a diverse set of backgrounds, skill sets, and experiences in the boardrooms of our companies, in a way that is relevant to the geographies in which each company operates.

We ask portfolio company board members to self-identify against multiple attributes, including the ones listed here:

Affiliation	Background	Experience
<ul style="list-style-type: none"> • KKR employee • KKR advisor 	<ul style="list-style-type: none"> • Age • Gender 	<ul style="list-style-type: none"> • Executive • Operational
<ul style="list-style-type: none"> • Portfolio company executive • Co-investor • Independent 	<ul style="list-style-type: none"> • Sexual orientation • Race/ethnicity • Veteran status • Disability status 	<ul style="list-style-type: none"> • Industry- and Sector-specific

For illustrative purposes only

2023 Board Composition^[33]

Global

20%
female

26%
independent

North America

47%
with executive/c-suite experience

22%
first-generation college graduate

Creating a High-Performing and Inclusive Culture

We believe that a diverse workforce and an inclusive culture can boost creativity and innovation, while driving better performance and decision making. As such, we seek to increase our engagement and dialogue with our portfolio companies on these topics by providing practical tools and opportunities to connect. Through KKR-developed relationships, we can help portfolio companies access broad talent pools when seeking to fill positions at all levels of the organization and share best practices. We also offer our companies a curated library of resources, including a handbook providing guidance on how to devise an effective strategy to foster a diverse and inclusive workplace and reference materials for companies to consider as they develop this strategy.

In 2023, we launched KKR Inclusion Exchange, an initiative to help build a connected community of leaders from our portfolio companies to share insights on workplace inclusivity, provide development opportunities, and foster relationships across our portfolio. We initially launched three affinity groups — the Black Inclusion Exchange, the LGBTQ Inclusion Exchange, and the Women’s Inclusion Exchange. These affinity groups are open to any portfolio company leader, irrespective of their race/ethnicity, gender, or sexual orientation. Over 30 companies are represented by one or more “champions,” who communicate the interests of their company and share opportunities with their broader employee bases. Each affinity group has an established email distribution list, resource library, events, and a regular meeting cadence to discuss key topics. For example, we welcomed members of the LGBTQ Inclusion Exchange to KKR’s Pride Reception in New York in 2023. In early 2024, we launched a Veterans Inclusion Exchange and look forward to growing this affinity group further.

To help portfolio companies access talent from varied and diverse backgrounds and experiences, we continued our internship program in conjunction with the nonprofit Sponsors for Educational Opportunity (SEO). Since starting this program in 2020, we have had nine companies participate in the KKR-SEO program.

Investing in Employee Well-being

We believe that portfolio companies that care for their employees’ broader well-being will see a return — not just through increased retention and talent attraction but also in the energy, engagement, and productivity employees bring to work each day. As such, we seek to support our portfolio companies in creating a culture of well-being through personal financial wellness programs; community involvement; and prioritizing safety, and physical and mental health.

[33] Includes majority-owned portfolio companies across investment strategies. For more detail on scope and calculation methodologies, see the **Endnotes** of this report.

In 2023, we piloted multiple new financial and general wellness offerings across our portfolio, including the development of a financial wellness support package for employees at companies with broad-based ownership payout events. Through this support, employee-owners access free financial planning and tax preparation support.

We also engaged directly with multiple portfolio companies to invest more deeply in community service partnerships and internal initiatives aimed at improving work conditions and employee well-being.

Looking ahead, we continue to evaluate our approaches and aim to enhance the programs and tools to support companies in these efforts, ultimately to reflect our learnings and adapt to a rapidly evolving landscape.

Looking Ahead

In 2024 and beyond, we aim to:

- **Scale impact:** Expand the regional reach, depth and resources of the Human Capital Center team, including deepening support in APAC and EMEA to advance ownership cultures at portfolio companies
- **Develop solutions:** Drive and track meaningful progress on financial wellness initiatives across the portfolio, including employee assistance funds, financial coaching, and educational programs
- **Connect the community:** Continue to foster portfolio connectivity through the KKR Inclusion Exchange, webinars, in-person events, and other initiatives
- **Measure progress:** Collect and monitor performance through data collection and reporting at the portfolio company board level

SASB FN-AC-410b.1, FN-AC-410b.2, FN-AC-410b.3, FN-AC-410b.4

Climate

Nations, businesses, and consumers around the world are embracing the energy transition for environmental, economic, and security reasons. The effects of a changing climate are becoming increasingly urgent, creating greater need for investment behind, and action around, the energy transition. 2023 was the hottest year on record, and the 10 warmest years have all occurred in the past decade.^[34] At the same time, with more than 10 million net new jobs expected by 2030,^[35] the energy transition represents one of the greatest evolutions to the global economic system since the Industrial Revolution. Additionally, upheaval in the energy markets globally over the past few years reinforced the importance of energy security and the benefits of a decarbonized world. We believe that proactively engaging on climate-related topics material to our investments is critical to drive performance and compete in an evolving marketplace. These topics can include decarbonization and climate risk mitigation, as well as investing in climate-related opportunities.

Our Approach

To help manage climate-related risks and opportunities in our portfolio, we engage, educate, and collaborate with the companies we invest in on their climate-related activities. This includes supporting their efforts to attract new customers, enhance operational efficiencies, anticipate and manage regulatory requirements, address physical climate risk, and decarbonize their businesses, where material. For example, as more companies and jurisdictions make commitments to net-zero, we anticipate increased expectations to reduce emissions from suppliers and across value chains. This also means helping our portfolio companies assess how climate change can impact value, and working to put in place strategies to prepare for, adjust to, and manage their material risks and opportunities.

We recognize that this work is a continuous process, which takes time and resources. On a day-to-day basis, our approach has been to work with portfolio companies to support the direct measurement of GHG emissions, where relevant, and the implementation of business-relevant decarbonization plans across our portfolio, where we believe it contributes to value creation and risk mitigation.

Going forward, we expect to continue working with companies to drive continuous improvement in their plans. We also expect to continue to refine our approach based on learning from the portfolio. To carry out this work, we rely on a toolkit of resources as well as a global network of expert advisors and capabilities. Internally, this includes KKR Capstone, which helps support operational improvements at portfolio companies, and experts in our Sustainability, Global Macro, and KKR Global Institute teams. Externally, we also leverage third-party technical experts and consultants, including ERM, the largest global pure-play sustainability consultancy, and a KKR portfolio company.

Programs and Initiatives

Working with Portfolio Companies to Support the Direct Measurement of GHG Emissions

Building on efforts to enhance our approach to emissions measurement that began in 2022, we continued to support our majority-owned companies in 2023 in measuring and collecting GHG emissions data in alignment with the GHG Protocol. Our annual

ESG data collection process is an important inflection point for us to directly engage with portfolio companies to help them improve the quality of their GHG emissions data and understand progress overall. We believe quality performance data is critical in informing companies' climate action plans and roadmaps, and for KKR to benchmark our companies against their peers and KKR's broader portfolio. We leverage GHG emissions data for two key objectives:

- Supporting portfolio companies in developing and implementing business-relevant and tailored decarbonization strategies, where appropriate
- Measuring and reporting to fund investors the emissions profile of certain funds and strategies. In such cases, we leverage the Partnership for Carbon Accounting Financials (PCAF) methodology for attributing emissions

Supporting the Implementation of Business-relevant Decarbonization Plans

Building on our measurement work, in 2022 we started identifying opportunities to help our portfolio companies reduce GHG emissions and implement business-relevant decarbonization plans, where appropriate. This remained a key focus area in 2023. We support companies' decarbonization efforts in different ways, including providing resources and templates for emissions measurement and target setting, working directly with senior management on strategic implementation, and connecting them with third-party experts.

[To learn more about KKR's climate strategy and how we seek to integrate climate-related risks and opportunities into our investment process, including physical climate risks, see the **TCFD Annex**.](#)

[34] National Oceanic and Atmospheric Administration (NOAA), **2023 Was the World's Warmest Year on Record, by Far**, 2024.

[35] World Economic Forum, **How Many Jobs Could the Clean Energy Transition Create?**, 2022.

As developing a decarbonization strategy is only the first step, we also support companies in operationalizing their plans, which ultimately can help create broader organizational buy-in and business value. We know that our approach to decarbonization is not “one size fits all,” and we help our investments tailor their approaches based on where they are in their respective journeys.

Supporting decarbonization is a particular focus for several private markets funds^[36] that have piloted net-zero by 2050 goals across their portfolios. In these funds, where appropriate, we are working to support majority-owned companies in developing and implementing business-relevant decarbonization plans that are consistent with a sector- and market-relevant ambition to reach net-zero emissions by 2050 or sooner.

In our Real Estate portfolio, the majority of emissions come from tenant-controlled spaces.^[37] As such, we have developed a strategy for collecting data and identifying decarbonization measures, in partnership with our Operating Partners, including implementation of energy efficiency or renewable energy technology and/or efforts, as appropriate (e.g., LED lighting, solar feasibility assessments, smart thermostats, and occupancy sensors).

Finally, our Climate Action Education Series is one of the tools we leverage to help educate our portfolio companies on climate-related topics. Launched in 2020 and refreshed regularly, this webinar series highlights recent and upcoming developments and best practices for portfolio companies to consider to better manage their relevant climate-related risks and opportunities. Topics covered in 2023 included:

- Establishing business-relevant decarbonization plans
- Introduction to physical climate risk management
- Understanding and managing Scope 3 (value chain) emissions



Company description: A global materials science company that develops hard and super-hard materials based on cemented carbide and synthetic diamond technologies for a variety of industries and applications **Year of investment:** 2018 **HQ:** Worthington, Ohio, U.S.



Company description: A leading transport operator in New Zealand **Year of investment:** 2022 **HQ:** Auckland, New Zealand

The webinars had a global reach, with more than 230 participants from over 130 portfolio companies across over 35 countries. In an effort to further our teams’ understanding of climate-related topics, we also distributed this content internally to Firm employees. Additionally, recordings and materials from prior years’ Climate Action Education Series are available on the portfolio company resource library for on-demand access.

Hyperion Materials & Technologies: Measurement, Decarbonization Planning, and Target Setting

In 2018, Hyperion was acquired by funds managed by KKR, a leader in advanced materials solutions including in tungsten carbide powder, cemented carbide, industrial diamond, and cubic boron nitride. With KKR’s support and collaboration, Hyperion determined that climate action has the potential to be a value driver to achieve energy cost savings, deliver on the increased expectations of customers, and meet growing regulations around the globe.

Over the past two years, Hyperion measured its Scope 1 and 2 emissions and related energy costs, identified 19 projects with compelling return on investment (ROI) that can reduce energy demand, and evaluated strategic

opportunities to procure clean energy. From this analysis, the company developed a decarbonization plan that includes a target for a 45% absolute reduction in Scope 1 and 2 emissions by 2030, from a 2022 baseline. By blending positive ROI projects that drive energy cost savings with clean energy supply purchases, we believe Hyperion’s plan has a positive net present value and can deliver the material benefits of decarbonization that the company identified.

To learn more: www.hyperionmt.com/sustainability.

Ritchies: Paving the Way for Sustainable Transportation

Founded in the South Island town of Temuka in 1935, Ritchies is one of the largest public transport providers in New Zealand, with a fleet of more than 1,600 vehicles and a large network of strategically located depots across the country. The company provides the government, local councils, and private customers with reliable and accessible public transport solutions in some of New Zealand’s largest cities. Since acquisition, KKR has supported Ritchies with electrifying its fleet of vehicles with the help of Zenobē, a KKR portfolio company and investment in the Global Climate strategy.

By the end of 2024, Ritchies will have 39 electric vehicles in service with more planned. The company is committed to reducing its carbon emissions by replacing diesel buses with electric vehicles and installing charging infrastructure to support the New Zealand government target of 100% zero-emission public transport buses by 2035.

To learn more: www.ritchies.co.nz.

Working Together: 2023 Highlights

230+

participants from 130+ portfolio companies across 35+ countries participated in our Climate Action Education series webinars

Supporting the Energy Transition in Carbon-intensive Sectors

The energy transition requires massive amounts of capital to support the decarbonization of carbon-intensive sectors. For example, to decarbonize shipping, aviation, steel, cement, and aluminum, an estimated total investment of over \$6 trillion will be needed by the year 2050.^[38] Decarbonizing the energy system will require trillions more. Over the course of the transition, these sectors must continue to provide secure and economical power, heating, transportation, and supply chain needs for the global economy.

^[38] Glasgow Financial Alliance for Net Zero Secretariat, [Scaling Transition Finance and Real-economy Decarbonization](#), 2023.

^[36] Applies to majority-owned companies in three of our Private Equity and Infrastructure funds. There can be no assurance that such companies’ plans will be realized or that any historical trends or practices will continue.

^[37] Applies to Real Estate Equity and Real Estate Credit portfolios.

We believe that being a responsible investor through the transition entails investing in carbon-intensive sectors where we have the ability to help enhance their decarbonization efforts, instead of exiting these sectors entirely. For example, where we invest in fossil fuel energy, including upstream oil and gas, midstream, and power through our Energy Real Assets and Infrastructure businesses, we aim to emphasize progress toward a stable energy transition and responsible business practices.

We believe that private capital is particularly well suited to be the “patient” capital this multi-decade transition requires due to the longer term time horizons of our investment strategies. We also believe that applying KKR’s dedicated operational resources and processes to help transition-themed investments enables us to actively support business-relevant decarbonization plans as part of value creation efforts.

When we invest in carbon-intensive assets, we aim to take appropriate steps to support companies through the energy transition. For example, this may include:

- **Pre-investment:** Understanding the scope, cost, and feasibility of potential decarbonization and other improvements required during due diligence and integrating those findings into our underwriting process
- **Post-investment:** Working with management to set credible and value-based targets, and appropriate pathways to deliver against them, and establish the right levels of oversight and expertise at the board level

Through these efforts, we have identified opportunities to transition the business models of carbon-intensive companies in ways we believe will create differentiated returns, such as transitioning conventional power generators to renewables. To date, funds managed by KKR have invested more than \$3 billion in companies with explicit transition theses. These investments comprise the majority of financed emissions associated with KKR’s private equity and real assets companies — a number we expect to increase as we identify more opportunities in this space.



Company description: Independent renewable energy producer
Year of investment: 2022 **HQ:** Paris, France

Albioma: Advancing Renewable Energy in Overseas France

Albioma is committed to the energy transition by deploying renewable energies, including biomass, solar, and geothermal. The company develops, constructs, and operates biomass power plants in French Overseas territories, and solar power plants in French Overseas territories, mainland France, and Brazil. Albioma also produces renewable power from bagasse, a fibrous residue of sugar cane and operates 14 biomass power plants representing >1GW of installed capacity.

We believe Albioma has developed a comprehensive sustainability strategy that positions it well to support the energy transition in a credible manner. For example, it has set a target of providing 100% renewable energy by 2030 by facilitating the ongoing conversion of Albioma’s plants to biomass. A particular area of focus in 2023 has been on Réunion Island,

where Albioma has finalized the conversion of one coal-biomass plant (Bois-Rouge) and started the conversion of another coal-biomass plant (Le Gol). With all coal consumption replaced by renewable energy, converting the Le Gol plant is expected to increase the share of renewables in the energy mix by almost 20% and to reduce the island’s GHG emissions by more than 40%. Additionally, Albioma has started construction of a Solid Recovered Fuel Plant on Réunion Island, which is expected to be up and running by the end of 2026. In addition to providing a local resource promoting the circular economy, we believe it will also contribute to the region’s energy self-sufficiency.

To learn more: albioma.com/en/sustainable-development.

Looking Ahead

In 2024 and beyond, we aim to:

- Continue supporting our portfolio companies in measuring their GHG emissions and leveraging insights and learnings to inform portfolio company decision-making across asset classes, including devising, setting, and implementing business-relevant decarbonization plans, where appropriate
- Continue supporting our companies through ongoing education initiatives, new tools, and a vetted network of third-party experts
- Create playbooks on climate-related topics, such as energy efficiency, renewables and developing business-relevant decarbonization plans, to provide as resources to support portfolio companies in developing and executing their climate strategies, where appropriate



Spotlight: Taking a Data-driven Approach to Climate-related Performance: Reflecting on Our Learnings

^[39]
Scope and methodology: In-scope strategies for our 2023 financed emissions include: Private Equity, Growth, Infrastructure, Energy, Global Impact, Leveraged Credit, Alternative Credit, Real Estate, as well as Global Atlantic's investments. KKR's financed emissions calculations closely follow the PCAF approach and include KKR's attributable share of the absolute Scope 1 and 2 GHG emissions of our in-scope investments as well as the Scope 3 (tenant) emissions of our Real Estate business. KKR's attributable share is proportional to the capital invested in a company as a percentage of the company's total enterprise value. By normalizing portfolio company performance according to its respective share of KKR's total financed emissions, we are able to better understand performance based on attributable climate impact. With reference to the guidance provided by third-party frameworks, for the

purposes of portfolio governance, monitoring, and reporting, KKR considers financed emissions to be:

- "Directly measured" when a company calculates its Scope 1 and 2 emissions using primary physical activity data and emissions factors specific to that primary data
- "Addressed by business-relevant decarbonization plans" when such plans include, where applicable: portfolio company board-level oversight of its climate strategy, Scopes 1 and 2 GHG emissions measurement, and GHG emissions reduction targets, which may be aligned to a science-based net-zero pathway or a benchmark.

For additional detail on scope and methodology, see the **Endnotes** of the report.

^[40]
 See the **Cautionary Statement** for relevant disclaimers.



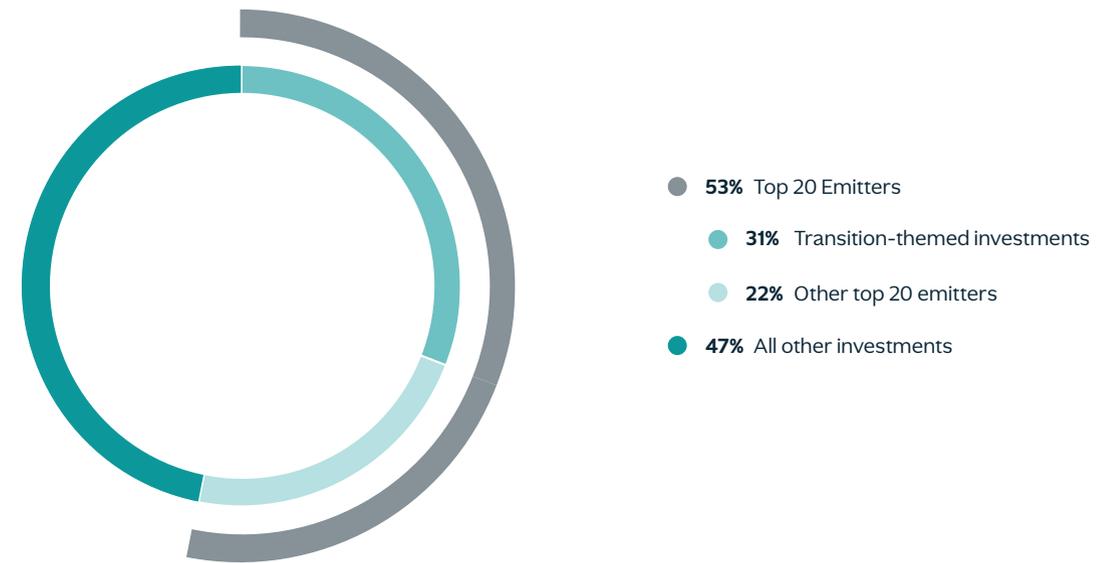
Jesse Audet
 Director, Sustainability (New York)

KKR has been engaging with our portfolio companies on climate-related risks and opportunities for over a decade. In line with our materiality-driven approach, we have historically focused our efforts on those companies with the greatest climate-related risks and opportunities. More recently, we have been working to improve how we can estimate and monitor our portfolio-wide GHG emissions^[39] to better understand our climate-related performance and support companies, where appropriate. A few important preliminary findings from these efforts stand out:

Based on our data, the majority of KKR's financed emissions come from a very small number of our investments^[39] (53% from 20 companies out of the thousands of investments in our portfolio). While this includes several transition-themed investments, i.e., investments in hard-to-abate sectors for which accelerated decarbonization was an explicit part of KKR's investment thesis, high-emitting companies can also be found across KKR strategies.^[40]

While it is not a surprise that GHG emissions vary greatly across different sectors of the economy, the extreme nature of the distribution has important implications for how we monitor and engage across the portfolio. For example, changes in performance at one or two high-emitting companies can significantly change portfolio-wide emissions metrics. Moreover, as we add or exit high-emitting companies from our portfolio, emissions attributable to KKR may increase or decrease significantly, even if a given transaction comprises a small portion of AUM. These potentially significant changes can be driven by investments across KKR strategies, including those where we have less ability to engage on climate matters, such as minority equity positions or Credit investments.

KKR Financed Emissions^[39]: By Investment



High-emitting companies in KKR's portfolio are overwhelmingly companies for which climate action is highly material to long-term value — and where management teams are already taking action with regard to decarbonization, with KKR's support. We see this pattern when looking across KKR's entire portfolio, as well as at specific strategies.

This finding reinforces our materiality-driven approach: While it is expected that companies with large emissions profiles would already be working to address climate-related risks material to them, the same could be true for other companies across the portfolio for whom climate is also a material risk due to customer, regulatory, or other market forces. The impact on portfolio-wide performance is also informative: the strong correlation we have observed between materiality and emissions indicates that

focusing efforts on those companies where decarbonization is financially material is likely to be effective at addressing KKR's financed emissions profile, as well as supporting real-world decarbonization and driving value.

We believe focusing solely on GHG emissions as a key performance indicator is not enough. Even as improvements are made in an effort to reduce GHG emissions in the current portfolio, certain of our businesses and our AUM continue to grow. We are also investing in increasing numbers of carbon-intensive transition-themed investments where we see an opportunity to accelerate decarbonization. This means portfolio-wide emissions may increase in the short- and medium-term as we work to support the implementation of business-relevant decarbonization plans.

In line with what we consider to be best practice guidance, we believe a better approach to assessing performance is to put emissions in the context of company activities. For example, we work to engage with our portfolio companies to encourage them to assess climate-related risks that can impact their supply chains and/or operations, measure GHG emissions, to establish emissions reduction targets tied to commercial drivers, and to monitor this progress across the portfolio. Through this work, we have also concluded that assessing performance based just on the number of companies taking action across all of KKR's portfolio is counterproductive, as we have learned that there is a long-tail of companies for whom climate may be less material given their specific business context. Instead, we have observed using GHG emissions alongside other factors as metrics to assess performance, such as the percentage of GHG emissions being addressed by decarbonization plans, aligns better with KKR's materiality-based approach. We expect to improve on this approach over time.

Financed Emissions: Key Highlights

Across our majority-owned private equity and real assets companies,

over

90%

of financed emissions are directly measured

over

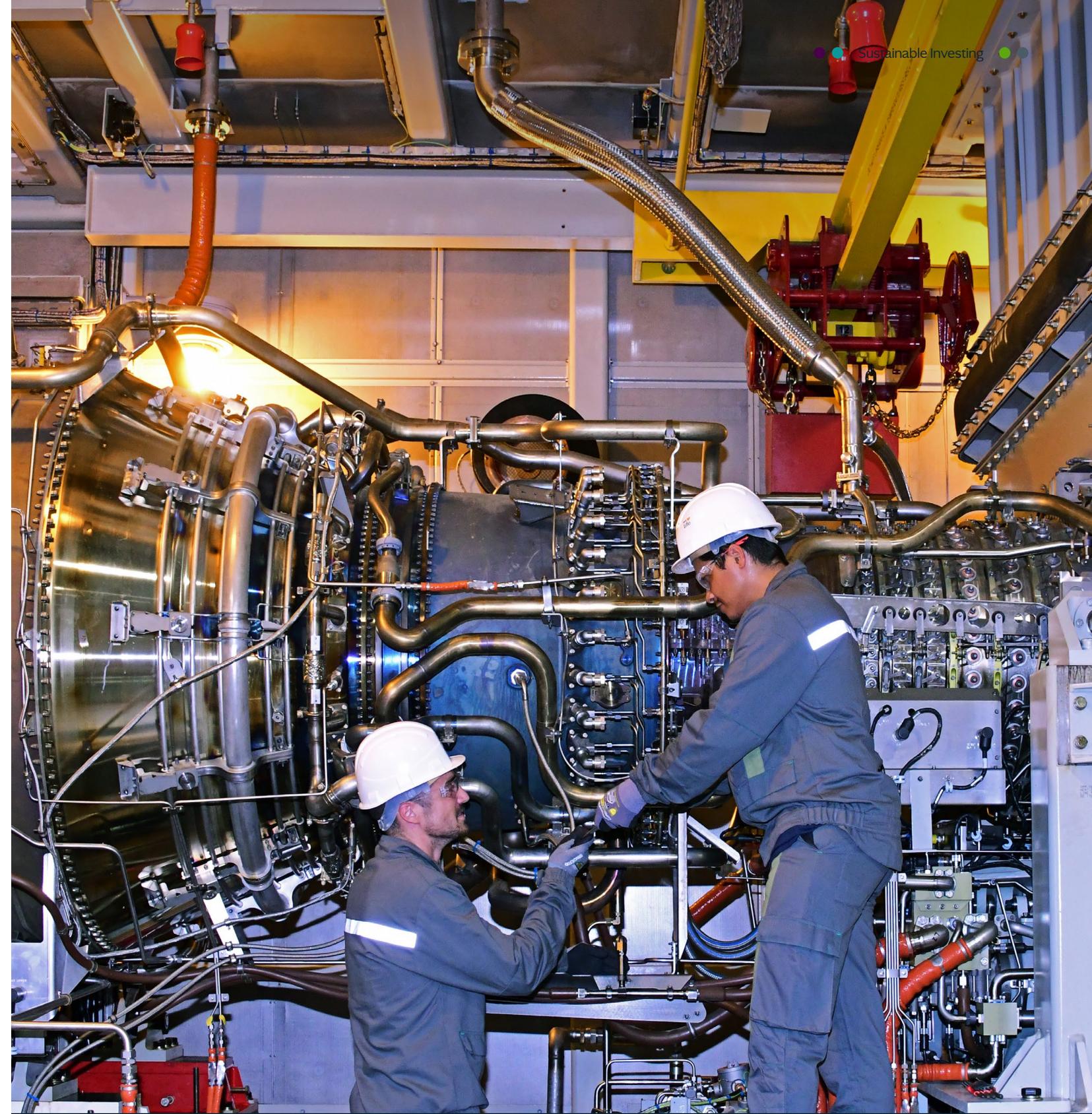
80%

of financed emissions are addressed by business-relevant decarbonization plans

These learnings have helped us enhance our go-forward engagement approach with companies on climate-related topics. This includes:

- Further integrating climate considerations into our investment process, with a special focus on carbon-intensive investments. This may include, for example, conducting enhanced due diligence on the cost of GHG emissions reductions necessary to align to net-zero by 2050 where that is a clear driver of value creation or risk protection for the investment. Post-investment, we also seek to prioritize supporting companies where emissions are greatest and where climate change may present a material risk or opportunity to the company.
- Working with certain companies to implement business-relevant decarbonization plans, where appropriate, based on emissions baselines, GHG emissions reduction targets, and board-level oversight of climate risks and opportunities while factoring in the costs of decarbonization. For some companies, where it is a clear driver of value creation or risk protection opportunities, this may include setting long- and short-term goals aligned with net-zero by 2050.
- Continuing to track company performance across the portfolio as part of our annual data collection process, establishing consistent climate-related performance metrics to support our data collection and analysis efforts, and monitor and report on performance to our key stakeholders

We recognize that we have a lot more to learn. We are approaching climate considerations across our portfolio with a growth mindset while working with our companies, our clients, and other stakeholders that are directly impacted by our activities.



↑ Albioma's bioethanol combustion power plant of Saint-Pierre.

Data Responsibility

As societies have become more interconnected and technologically advanced, the cybersecurity risks facing every enterprise continue to grow. We believe these risks are higher in certain industries and geographies. In 2023, the global average cost of a data breach was \$4.45 million, a 15% increase over three years.⁴¹ As the use of AI continues to accelerate, we expect these risks will only become more prevalent. We believe that working together with our portfolio companies to responsibly manage their data and cybersecurity practices can improve operational efficiency and mitigate reputational, regulatory, and financial risks, for both KKR and our portfolio.

Our Approach

Our data responsibility programs encompass a wide scope of issues, including cybersecurity, data privacy, and data protection. Across our portfolio, we seek to empower businesses to effectively manage risks associated with their IT infrastructure, data management and security, and customer privacy.

Our Global Cybersecurity lead for KKR Capstone provides ultimate oversight of our cybersecurity efforts within KKR's portfolio. This position reports to the Head of Technology (EMEA and Americas) in KKR Capstone and provides periodic reporting to KKR senior management, in close collaboration with KKR's Chief Information Security Officer.

Working Together: 2023 Highlights

165+

portfolio companies engaged through Project Shield

77

companies enrolled in KKR's cyber insurance program in 2023 alone

Programs and Initiatives

We work together with portfolio companies to better understand their threat landscapes, active risks, and opportunities for improvement, and to plan and prioritize their cyber and information security roadmap. Our Information Security and KKR Capstone teams have devised a dedicated strategy to improve information security and cyber defense capabilities across our portfolio, also known as Project Shield.

This program — which was first introduced in 2016 and has evolved over time depending on the region — involves a comprehensive technical and data-driven review of a company's cyber maturity against industry-leading standards. Using these standards, we expect to establish a security baseline for KKR portfolio companies, which helps us evaluate their ability to detect, suppress, respond, and recover from a security incident. This baseline assessment serves as the foundation of our engagement with portfolio companies on data responsibility issues. If companies do not already complete a rigorous cyber maturity review as part of their existing risk management, KKR supports companies in completing the assessment.

For new portfolio companies, as part of their onboarding process, we encourage them to complete a review as part of Project Shield to integrate into 100-day plans. Upon completion, we map any gaps observed to support companies in addressing high-profile risks. Furthermore, we work with portfolio companies to adopt longer-term controls and a roadmap to get there.

We engage on at least a quarterly basis to follow up on the results of the Project Shield review and to ensure, as applicable, that portfolio companies are making progress on gaps that were identified. This can include conducting more comprehensive cyber risk reviews, and actively engaging with senior management and board leadership on the management of these issues. Through this engagement, we aim to better understand the distinct threat landscape of our portfolio companies, create specialized plans for them to meet the KKR minimum security threshold, and tailor these plans to their business strategy and the level of maturity and complexity of their operations. We provide portfolio companies with ongoing guidance and support in planning, budgeting, and executing the roadmap to increase maturity and reduce any identified risks.

Throughout our engagement, the KKR Information Security and KKR Capstone teams seek to enhance the relationship with portfolio companies, help embed support functions into their operations, and engage with leadership, as needed.

“The content of the KKR CISO Summit, and the connections that came from the event, have been incredibly meaningful — especially as I took on a new role at Cordia. Not only were we introduced to new thinking and important best practices, but we also had the opportunity to build a stronger relationship with KKR and with peer portfolio companies. These connections have helped us improve our practices and capabilities, and learn from others. I'm excited to be participating as a speaker in this year's event, helping to further continued knowledge sharing and connection.”

Jerry Bastian

Manager of Cybersecurity, Cordia

Our engagement with portfolio companies through Project Shield allows us to have a high degree of visibility into their level of maturity and suggest areas of improvement where needed. It also helps us to continue to adapt and refine the program, especially in response to changing environments and incidents so that we are able to collect and deploy lessons learned across the portfolio.

In 2023, KKR hosted two Chief Information Security Officer (CISO) Summits, one in Europe and one in the U.S. We are pleased with the outcomes of these gatherings, as they helped to not only provide additional guidance and share best practices with our host of portfolio companies, but also to bring together these companies for the shared purpose of developing robust cybersecurity programs. Discussions covered key topics in the information security and cyber defense industry, including harnessing the power of AI, preventing CISO burnout, and managing an effective application security program.

We also encourage our portfolio companies to enroll in KKR's cyber insurance program. This program provides portfolio companies access to established insurance companies and cyber-focused advisors that have been vetted by the Capstone Risk & Insurance team. By enrolling in this program, companies gain access to free ransomware assessments. Since inception, 112 companies have enrolled in this program with \$3.6 billion of total insurance limits provided.

Looking Ahead

In 2024 and beyond, we aim to:

- Build on our Project Shield and cybersecurity review process to continue to foster engagement with portfolio companies on outcomes and strategic objectives
- Continue promoting a culture of cyber awareness in our portfolio through dedicated forums and resources
- Expand the scope of cybersecurity reviews for manufacturing or plant-based environments beyond enterprise risk management to have an increased focus on operational technology and industrial control systems

^[41] IBM, [Cost of a Data Breach Report 2023](#), 2023.

Investing Behind Trends

We seek to invest behind sustainability themes with macro tailwinds, such as the energy transition, educational opportunity, workforce development, and circularity.

[42]

Includes capital invested in or committed to sustainability-focused investments from 2010 to December 31, 2023 by KKR funds and syndicated co-investments (including Global Atlantic's sustainability-focused investments from 2015 to December 31, 2023). Relevant investments include the following sustainability-focused sectors: climate, environmental sustainability, cybersecurity, lifelong learning (including education and workforce development), and social equality (including financial inclusion and food security).

[43]

Fortune, **The Leaders of Fortune 500 Companies View the Talent Shortage as the No. 1 Threat to Business**, 2022.

[44]

UNESCO, **Driving a Global Movement to Transform Education: Key Moments of 2022**, 2022.



To learn more, see the **Global Impact** and **Global Climate** sections.

Our Approach

We believe that there are a number of societal and sustainability-related trends that are transforming businesses and economies, and that investing behind these trends can support our commitment to value creation and value protection.

In certain asset classes, including Private Equity and Infrastructure, we invest behind these and other sustainability-related trends and macro opportunities, by investing in and building companies that strive to be part of the solution to critical environmental and social challenges. Our Global Impact strategy, launched in 2018, is KKR's dedicated impact private equity strategy to invest behind scalable, commercial solutions to solve critical global challenges across four key investment themes: climate action, sustainable living, lifelong learning, and inclusive growth. In 2023, we launched a new climate investing strategy and appointed a dedicated climate leadership team as part of KKR's Infrastructure platform focused on pursuing energy transition opportunities and accelerating the transition of higher-emitting assets.

Working Together: 2023 Highlights

\$45+ B

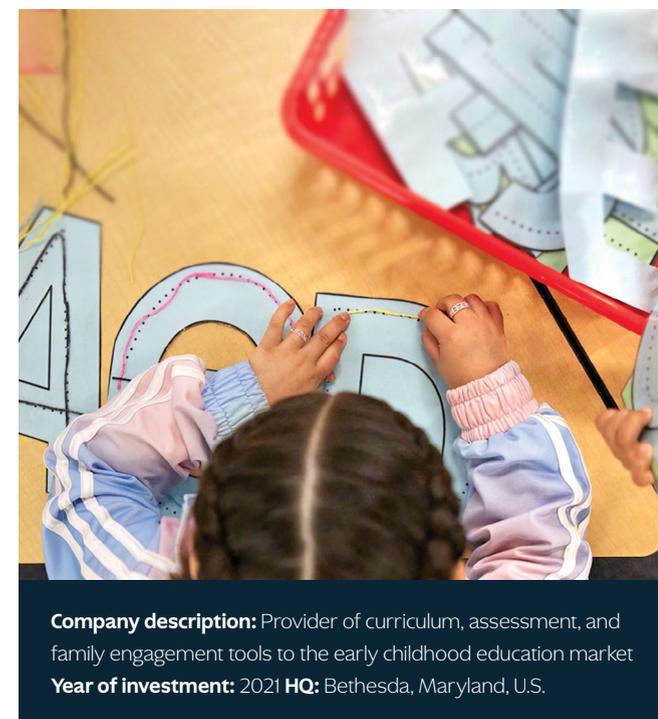
in sustainability-focused investments, including \$34 B in climate and environmental sustainability investments, since 2010^[42]

Examples of Solutions in Practice

Education and Job Training

We, and funds managed by KKR, invest in companies that are working to address major societal trends of inequality, like access to upskilling and educational programs. Unequal access to educational resources can deepen social inequalities, and can be costly to governments, businesses, and communities. For example, according to a survey of Fortune 500 leaders, the skills gap is currently the number one threat to business success.^[43] This presents a significant opportunity to upskill working professionals, and provide ongoing education to adults so they can fill employment gaps. Youth literacy rates also present an opportunity to address inequalities, as 60% of children globally are unable to read and understand simple text by the age of 10.^[44]

We seek to address this trend by investing in companies that promote learning and education at varying life stages, from early childhood to professional adulthood, including the examples featured here.



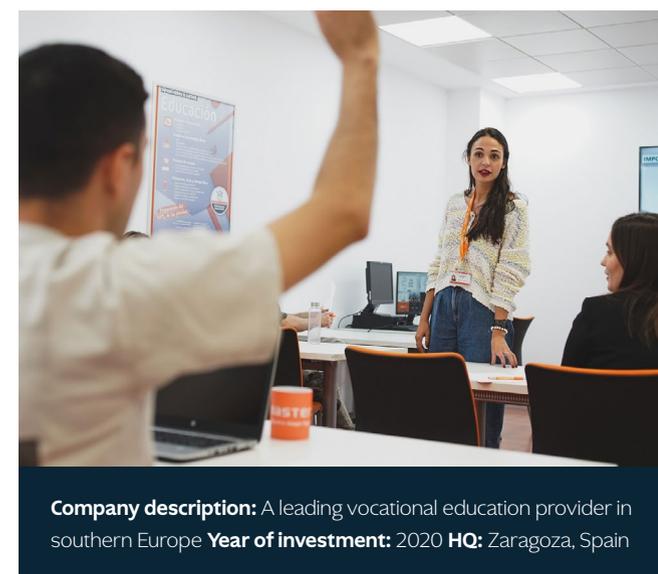
Company description: Provider of curriculum, assessment, and family engagement tools to the early childhood education market
Year of investment: 2021 **HQ:** Bethesda, Maryland, U.S.

Teaching Strategies: Transforming Early Childhood Education

Teaching Strategies is the largest provider of SaaS-based comprehensive early childhood education solutions for holistic child development, offering the leading digital early learning platform, integrating curriculum, assessment, engagement, and professional development tools for educators and families. The company employs a whole-child teaching philosophy designed to support and nurture all areas of children's development and learning from social-emotional and cognitive skills to literacy, math, and science.

In early 2024, Teaching Strategies was named for the fourth year in a row to the GSV 150, an annual list of the top 150 private companies transforming digital learning and workforce skills. Selected from over 2,000 private education technology companies, Teaching Strategies is one of just six early childhood education companies to receive the recognition.

To learn more: teachingstrategies.com.



Company description: A leading vocational education provider in southern Europe **Year of investment:** 2020 **HQ:** Zaragoza, Spain

MasterD: Narrowing the Skills Gap Through Vocational Training

MasterD provides affordable and accessible vocational and professional training across Spain, Portugal, and Italy. MasterD helps narrow the skills and employability gap by increasing access to training with flexible financing options. Across its network of over 100 centers in Spain, Portugal, and Italy, the company offers over 600 courses. In 2023, MasterD opened 16 new centers, and received an online university license in Spain, and continued its expansion in Italy, opening a center in Turin. In conjunction with this growth, a total of 67,000 new students enrolled in MasterD's program in 2023.

To learn more: masterd.es.

KKR Global Impact

Our Approach

Launched in 2018, the Global Impact strategy is KKR's dedicated impact private equity strategy established to invest in businesses that seek to deliver solutions to critical global challenges.

Global Impact's approach entails seeking to invest in leading companies where financial performance and positive societal impact are aligned across four investment themes: climate action, sustainable living, lifelong learning, and inclusive growth. By focusing on these themes, we believe we can create value for our fund investors and contribute meaningfully to the achievement of the SDGs.

Our Mission

To invest behind scalable, commercial solutions that seek to address critical global challenges.

Our Vision

By investing in companies that deliver impact through their core products or services and actively managing material sustainability topics, we seek to deliver more resilient, long-term out performance.

Our Global Portfolio

The trends behind which we seek to invest continue to present opportunities for our strategy and remain critically relevant in societies and economies around the world. These trends include geopolitical dynamics, global supply chain realignment, the need for skilled workers, the global energy transition, and the drive for a more sustainable and inclusive global economy.

By investing in businesses that seek to address these structural challenges, many of which are not correlated to markets, Global Impact aims to create value and build a resilient portfolio.



Our Investment Themes

- Climate Action
- Sustainable Living
- Lifelong Learning
- Inclusive Growth



To learn more on how KKR defines "impact" and "ESG management," see the [Glossary](#).

Investment Selection Criteria

Our investment approach for Global Impact begins with the same rigorous playbook for investment selection, governance, and value creation as our other private equity funds. As with all KKR strategies, we work together to integrate thoughtful management of sustainability topics to protect and drive value.^[45]

In addition, our strategy includes an intentional focus on investing behind companies whose core products or services seek to provide credible solutions to critical environmental and social challenges.

To qualify for an investment by Global Impact, we must determine a company meets the following criteria:

- Can achieve attractive risk-adjusted returns
- Contributes a locally relevant solution to the SDGs through its core products or services
- Generates impacts that are measurable, using metrics sourced from credible third-party frameworks wherever possible
- Seeks to measurably improve sustainability performance during KKR's ownership, including mitigating potential negative externalities

Credible Measurement

To demonstrate our commitment to tangible impact, we seek to leverage third-party standards and measurement frameworks to bring greater credibility and consistency to the impact investing market. We use the SASB Standards, where appropriate, and seek input from leading sustainability experts to help us identify sustainability topics material to companies. We also track each company's contributions to relevant SDGs at the target level, with each company typically determined by KKR Global Impact to contribute to two

to three SDGs. We measure these contributions using defined third-party reporting frameworks wherever possible, such as the Global Impact Investing Network's IRIS catalogue of metrics, SDG Compass, and the SDG target indicators.

As a founding signatory of the Operating Principles for Impact Management (Impact Principles), Global Impact uses its nine Impact Principles to inform our impact management approach. In 2023, we worked on our fourth annual **disclosure statement**^[46] and **third-party verification statement**,^[47] which describes how our activities align with the nine Impact Principles. We plan to conduct a third-party verification of our impact management processes at least every three years, completing our next verification in 2024.

Wherever feasible, we seek to measure beyond outputs and focus on outcomes to gain a deeper understanding of impact progress and identify opportunities for value creation. In 2023, we worked with many of our portfolio companies to improve impact measurement methodology. For example, we collaborated with MasterD — which offers affordable and accessible vocational education and professional training to equip people with skills to meet employment market needs — to refine its methodology to report new students enrolled net of dropouts from 2023 onward, compared to gross new students enrolled reported in previous years. CMC — a leading manufacturer of on-demand e-commerce packaging solutions — successfully completed a Life Cycle Assessment (LCA) that was launched in 2022 on its Genesys packaging machine to assess impact outcomes, such as a reduction in paperboard and associated emissions. And Lightcast — a labor market and skills data solutions provider — launched its first-ever customer surveys across the talent, public sector, and education business segments to further measure the company's impact on workers and learners.

Investment Themes

Global Impact seeks investments that measurably contribute to locally relevant SDGs aligned with our four investment themes:

Climate Action. We believe the severe consequences of climate change are becoming increasingly evident across the globe. Since 1980, the U.S. has sustained a total cost of \$2.7 trillion in overall damages from weather and climate disasters, with over \$1 billion in damages for each climate disaster event in 2023.^[48] In response to these conditions, countries are taking concrete fiscal and planning measures for climate change mitigation and energy security and companies are contributing to climate change efforts. More than 140 countries have set net-zero targets, covering approximately 88% of global emissions, and 929 companies from Forbes' 2000 list have set net-zero targets, covering an aggregate annual revenue of \$26 trillion.^{[49],[50]}

Sustainable Living. Natural resource extraction has soared almost 400% since 1970, and the global extraction of raw materials is expected to increase 60% by 2060.^[51] This is projected to continue to cause biodiversity loss, water stress, increasing emissions, and adverse human health impacts.^[52] This can also have an impact on business and present huge opportunities. Using resources efficiently, such as embracing circular strategies, has the potential to help business cut costs, drive innovation, and access new markets. Material savings alone show that the circular economy could provide the EU's complex medium-lived products (e.g., mobile phones and washing machines) with an annual net-material cost savings opportunity of up to \$630 billion.^[53] At the same time, consumers are becoming more aware of how their consumption habits can impact the environment: 71% of global consumers are making changes to the way they live and the products they buy in an effort to live more sustainably.^[54]

[45] Please refer to the Firm's **Responsible Investment Policy** for further information.

[46] Kohlberg Kravis Roberts & Co. L.P., **Global Impact Fund Disclosure Statement**, 2023.

[47] Kohlberg Kravis Roberts & Co. L.P., **Third-party Verification Statement**, 2023.

[48] National Centers for Environmental Information, **Billion-Dollar Weather and Climate Disasters**, 2023.

[49] United Nations, **Climate Action: For a livable climate: Net-zero commitments must be backed by credible action**, 2023.

[50] Net Zero Tracker, **Net zero targets among world's largest companies double, but credibility gaps undermine progress**, 2023.

[51] The Guardian, **Extraction of Raw Materials to Rise by 60% by 2060, Says UN Report**, 2024.

[52] International Institute for Sustainable Development, **Global Outlook Highlights Resource Extraction as Main Cause of Climate Change, Biodiversity Loss**, 2019.

[53] The Ellen MacArthur Foundation, **The circular economy in detail**, 2024.

[54] Simon Kucher, **Global Sustainability Study: The Growth Potential of Environmental Change**, 2022.



Lifelong Learning. Economic disruption has exacerbated gaps in accessibility to education and other advanced technology services around the world, and 23% of global jobs are projected to change in the next five years due to industry transformation through artificial intelligence and other text, image, and voice processing technologies.^[55] Technology is clearly reshaping all industries and work functions, while demographic and social shifts are transforming our workforce, reducing the number of available workers, and requiring ongoing training and skills development for the workforce of today and tomorrow.

Inclusive Growth. Global inflation has risen amid the cost-of-living crisis, causing tightening financial conditions in most regions.^[56] This has highlighted long-existing challenges related to inclusive growth, including disparities in access to resources and barriers disadvantaged groups face to full and equitable participation in society. Studies also show that financial inclusion has a significantly positive impact on economic growth.^[57] In addition, the pandemic has amplified the importance of stable, transparent systems in which economies can thrive and where workers are safe. Solutions that protect personal freedoms and promote equitable access to opportunity are also essential to ensure that growth is stable and fully inclusive.

Global Impact’s 2023 Cross-Portfolio Sustainability Performance^[58]

<p><i>Climate</i></p> <p>42,000+ metric tons of CO₂e in financed Scopes 1 and 2 emissions</p>	<p><i>Data Responsibility</i></p> <p>100% of companies conduct regular cybersecurity risk assessments and testing</p>
---	--

<p><i>Human Capital</i></p> <p>26% women board members</p>	<p>34% women employees</p>	<p>4,411 jobs created</p>
---	---------------------------------------	--------------------------------------



Company description: CoolIT designs and manufactures direct liquid cooling technologies for data centers, servers, and enthusiast computer systems **Year of investment:** 2023 **HQ:** Calgary, Canada



“We are very excited about Global Impact’s investment in CoolIT Systems, which sits at the intersection of AI and decarbonization. As global computing needs rise, so do energy needs and — importantly — data centers’ impact on the climate. Liquid cooling plays a critical role in helping to reduce data center emissions, and CoolIT is a leader in this space. We are thrilled to work with CoolIT to expand its scale and its impact across new applications, customers, and end markets.”

Hedy Gutfreund
Principal, Global Impact (New York)

CoolIT: Reducing the Energy Demand from Data Centers

It is estimated that by 2030, data centers will consume up to 21% of the world’s electricity supply.^[59] As this growing energy usage and related environmental impacts are only expected to accelerate with the rise of AI and other high-performance applications, direct liquid cooling technology presents a solution to help reduce the emissions footprint of the digital economy.

CoolIT’s direct liquid cooling technology brings liquid coolant — via piping, manifolds, and coolant distribution units — directly to cold plates on data center chips to remove heat. CoolIT estimates its solutions can help customers achieve a 27% reduction in energy use versus air cooling when using warm water, a 12% reduction in energy use when using chilled water, and 10% efficiency gains at the server due to operating at lower temperatures.^[60] In 2023, CoolIT helped customers save over

550 million kWh of energy through its direct liquid cooling solutions.^[61] By combining KKR’s manufacturing and decarbonization expertise with CoolIT’s track record of product innovation, we expect to further scale its best-in-class direct liquid cooling solution to meet the anticipated demand for higher-density, more energy efficient data centers.

To learn more: coolitsystems.com.

[59] Energy Institute Blog, [UC Berkeley, Data Centers are Booming](#), 2023.

[60] Source: Proprietary CoolIT research.

[61] CoolIT worked with a third party to estimate the amount of kwh of energy savings for customers in 2023, multiplying the product and sales information by assumed uptime, power usage, and savings. Baseline year of investment is 2023.

Working Together to Address Shared Issues

Global Impact investment teams seek to leverage KKR’s long experience and approach of working together to integrate and manage sustainability topics across the entire investment life cycle, focusing on what is most meaningful to each company. Similar to the approach described in the Engagement section of this report, we collaborate to draw from the best expertise across the Firm to support portfolio companies in managing cross-portfolio topics, such as management and governance, human capital, climate, and data responsibility.

Once we are invested in a company, we seek to engage with the company on sustainability management best practices, where relevant. For example, since our investment in 2022, we have supported Advanta Seeds in establishing an ESG committee and launching a third-party sustainability review to enhance the company’s approach to managing material sustainability topics, including supply chain-related human rights risks. Following this review, we plan to work with Advanta Seeds to implement improvements as needed.

Looking Ahead

In 2024 and beyond, we aim to:

- Continue to monitor how portfolio companies integrate material sustainability topics into their board materials, including enhancement of quantitative metrics and targets where relevant
- Further engage with portfolio companies on decarbonization plans and scale learnings and best practices across our portfolio
- Continue supporting the expansion of employee engagement and ownership efforts and expanding broad-based engagement strategies across our Global Impact portfolio
- Scale our efforts in supporting the implementation of impact or sustainability-related management incentives to drive progress and create long-term value

[55] World Economic Forum, [Future of Jobs Report](#), 2023.

[56] International Monetary Fund, [World Economic Outlook October 2022 Countering the Cost-of-Living Crisis](#), 2022.

[57] IMF, [Identifying Constraints to Financial Inclusion and Their Impact on GDP and Inequality](#), 2022.

[58] Data as of 2023. For more detail on reporting scope and calculation methodologies, refer to the [Endnotes](#) of this report.

Creating Impact by Contributing to the SDGs^[62]

To measure the impact performance of the investments in our portfolio, we currently track more than 50 SDG-linked metrics. Each portfolio company in our Global Impact portfolio typically reports at least two metrics measuring its contribution toward the advancement of SDGs that are locally- and business-relevant, in addition to reporting performance on company-specific and cross-portfolio sustainability topics. Here we present a sampling of Global Impact's cumulative contributions to the SDGs, featuring at least one SDG metric per company and one metric per SDG addressed. Details on performance toward all SDG metrics are presented in our full KKR Global Impact report, which is provided to fund investors.

[62] The table includes all 11 SDGs addressed by Global Impact in 2023 and at least one finalized metric per company in our Global Impact portfolio, but do not include all metrics for every company. The majority of results are cumulative contributions to the SDGs since baseline (defined as investment year), and SDG metrics with percent values expressed as most recent result for 2023, unless otherwise noted in **Endnotes**. All figures are rounded totals. To learn more about the methodology for developing our KPIs, see the **Endnotes**. Data presented in this section excludes portfolio companies exited in 2023.

1 NO POVERTY

No Poverty

307,000

loans provided by Five Star to micro-entrepreneurs and self-employed individuals in India over the life of KKR's investment

2 ZERO HUNGER

Zero Hunger

94

million kilograms of seeds sold to smallholder farmers in Asia, Africa, and Latin America by Advanta Seeds over the life of KKR's investment

4 QUALITY EDUCATION

Quality Education

In 2023, approximately 1,100 higher education institutions used Lightcast's labor analytics solutions, approximately 67,000 new students enrolled in MasterD vocational courses, over 16,000 former high school dropouts earned credit towards a diploma with Graduation Alliance's support, over 1 million students had access to personalized, digital learning content through Education Perfect, and approximately 17,000 K-12 students accessed affordable, English education in Vietnam through EQuest

6 CLEAN WATER AND SANITATION

Clean Water and Sanitation

360

million kilograms of harmful nutrients removed from wastewater treated with Axius products and 75 miles of nature-based terraces or shorelines restored by Resource Environmental Solutions (RES) over the life of KKR's investment

7 AFFORDABLE AND CLEAN ENERGY

Affordable and Clean Energy

16%

average energy efficiency improvement per HVAC (heating, ventilation, and air conditioning systems) project through Barghest Building Performance (bbp) in 2023

8 DECENT WORK AND ECONOMIC GROWTH

Decent Work and Economic Growth

80%

lower likelihood of reportable work-related injuries across small- and medium-sized enterprises using Citation's health and safety services representing almost 800,000 employees in 2023

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Industry, Innovation, and Infrastructure

241,000

metric tons of CO₂e of customer emissions reduced due to energy efficiency projects provided by bbp over the life of KKR's investment. 550 million kWh saved by customers through CoolIT's services in 2023

11 SUSTAINABLE CITIES AND COMMUNITIES

Sustainable Cities and Communities

30

million metric tons of municipal waste treated by Viridor and Re Sustainability over the life of KKR's investments

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible Consumption and Production

6

million metric tons of hazardous waste collected and treated by Re Sustainability over the life of KKR's investment, and 547,000 metric tons of paperboard avoided in packaging by CMC over the life of KKR's investment

13 CLIMATE ACTION

Climate Action

120,000

metric tons of CO₂e savings associated with customers' use of Accell's e-bikes over the life of KKR's investment

15 LIFE ON LAND

Life on Land

7,600+

acres of land restored and protected by RES in 2023

KKR Global Climate

Our Approach

Launched in 2023, KKR’s Global Climate strategy seeks to deploy existing climate solutions, scale new climate solutions, and support the energy transition. We see opportunities to invest across and support the decarbonization of high-emitting and hard-to-abate sectors, including transportation, power, food, agriculture, steel, and aviation. While the strategy was incubated within our Infrastructure platform, cross-functional expertise and collaboration from across the Firm will enable our success.

To help us evaluate investment opportunities that fit within our strategy’s mandate, we developed a climate investing framework. In developing the framework, we collaborated with outside experts and advisors, including the Center for Climate and Energy Solutions (C2ES) — a non-partisan thought leader and trusted convener on climate change and energy — and considered leading climate-related frameworks such as TCFD, applicable aspects of the EU Taxonomy, the SBTi, and the GHG Protocol. Our intent is to create a systematic, repeatable, and consistent approach to investing behind climate solutions.

Investment Selection Criteria

To determine whether a company may qualify for an investment by Global Climate, we evaluate whether the company can achieve attractive risk-adjusted returns and whether the climate solution aligns with our climate framework principles:

- The investment is **relevant** by addressing GHG emissions in sectors critical to advancing the energy transition, such as energy, transport, heavy industry, or agriculture
- The investment can produce **significant** decarbonization outcomes, such as directly reducing GHG emissions in a high-emitting sector or scaling climate solutions critical to decarbonization pathways
- The solution is **credible** and the climate outcomes can be measured and reported against third-party frameworks and standards



Company description: A global fleet electrification and battery storage business **Year of investment:** 2023 **HQ:** London, UK

“C2ES has welcomed the opportunity to work with KKR, leveraging our expertise to inform the development and implementation of their Global Climate framework. As an organization focused on accelerating the global transition to net-zero, C2ES strongly believes that the private sector has a critical role to play in scaling climate solutions. The partnership with KKR has allowed us to weigh in on the principles underpinning their climate strategy and to provide our perspective on what investment opportunities meet those principles. Working with external experts, and asking for critical feedback throughout the process, has been a hallmark of KKR’s approach.”

Nat Keohane

President, Center for Climate and Energy Solutions (C2ES) and KKR SEAC member

Zenobē: Accelerating Global Transport Decarbonization and Essential Grid Services

Zenobē is a global player in electrification solutions for fleets and battery storage solutions for grid network infrastructure, with leading positions in the UK, Australia, and New Zealand, and a growing presence in continental Europe and North America. Today, Zenobē is one of the leading fleet electrification platforms in the world, helping companies that operate buses and heavy goods vehicles to decarbonize their fleets and meet emissions-reduction objectives.

KKR’s \$750 million investment in Zenobē marks the first investment as part of the Global Climate strategy. In alignment with the climate framework principles, we believe Zenobē’s solutions are relevant to advancing the energy transition, have the capability to produce significant decarbonization outcomes for the transport and energy industries, and the solutions are credible.

This investment is a unique opportunity to capitalize on electric vehicle adoption and grid-scale battery storage. We plan to work with Zenobē to meet the growing demand for electric vehicle adoption from bus operators and other commercial fleet businesses globally. We also expect to help Zenobē expand its grid-scale battery storage capacity to complement the growth of intermittent reduced carbon energy generation.

To learn more: zenobe.com/sustainability.

Additionally, for each potential investment, we work with C2ES, which provides an opinion on alignment with our climate framework. C2ES’s opinion informs but does not dictate Global Climate investment decisions. We believe this approach helps us clearly identify the climate problem the investment seeks to address, the scale at which it aims to do so, and ways in which we will measure and validate climate outcomes.

Credible Measurement

Measuring climate outcomes is a critical component of how we select and monitor investments within the Global Climate strategy. We plan to use generally accepted third-party measurement frameworks to bring greater credibility and consistency to Global Climate’s internal monitoring and fund investor reporting. We plan to use recognizable climate metrics, as well as asset-specific key performance indicators for ongoing measurement. This builds on KKR’s long history of and commitment to transparency and fund-level reporting.



“We believe Zenobē will continue to benefit from strong secular tailwinds including stricter emissions regulation in urban and regional areas, and the greater use of low carbon generation in the energy mix driving a need for grid balancing solutions.”

Shreya Malik

Managing Director, Infrastructure (London)

Expert Viewpoints: Investing in the Decarbonization of Transportation

Electrified transport has overtaken renewable energy to become the largest sector for global energy transition spending at \$634 billion in 2023, up 36% over the previous year.^[63] As this segment continues to see rapid growth, to address the question *What is the right way to invest in this megatrend?* our Global Climate co-heads Charlie Gailliot and Emmanuel Lagarrigue share their perspectives.

To learn more, see the article "The Charging Challenge: Investing in the Decarbonization of Transportation" on [kkr.com](https://www.kkr.com).

[63] BloombergNEF, [Global Clean Energy Investment Jumps 17%, Hits \\$1.8 Trillion in 2023, According to BloombergNEF Report](#), 2024.

Looking Ahead

In 2024 and beyond, we aim to:

- Continue to assess and refine our methodology for measuring and monitoring climate outcomes related to the Global Climate strategy, aligning with our climate framework principles and leveraging third-party frameworks and standards
- Scale our efforts to implement effective reporting on climate outcomes for increased transparency
- Further engage and deepen relationships with a diverse range of stakeholders in the broader community
- Continue to enhance our organizational capacity as we add to our Infrastructure team

To learn more on climate-related topics across the portfolio, see the [Engagement > Climate](#) section.



Expert Viewpoints: Q&A with Global Climate Co-Heads

In August 2023, KKR announced it would expand its focus on climate investing through the hiring of Charlie Gailliot and Emmanuel Lagarrigue, global co-heads of the Firm's new Global Climate strategy. Gailliot's decades of experience as a private markets investor coupled with Lagarrigue's deep expertise in industrials position them well to support the Global Climate strategy, which seeks to create and protect value by deploying capital into climate solutions and accelerating the transition of higher emitting assets, as appropriate.

[64] Includes capital invested in or committed to sustainability-focused investments from 2010 to December 31, 2023 by KKR funds and syndicated co-investments (including Global Atlantic's sustainability-focused investments from 2015 to December 31, 2023). Relevant investments include the following sustainability-focused sectors: climate and environmental sustainability.



Emmanuel Lagarrigue
Global Co-Head of Global Climate (New York)



Charlie Gailliot
Global Co-Head of Global Climate (New York)

Q: Where does KKR see the opportunity when it comes to the climate investing landscape?

KKR has long invested in the energy transition, having committed \$34 billion to climate and environmental sustainability investments since 2010.^[64] KKR is an active investor in the renewable energy sector across our Infrastructure and Credit strategies, and in the U.S., KKR is the 10th largest owner of solar assets in operation and under construction.^[65] Although we have long been in the space, we see an enormous opportunity to accelerate progress further, especially across the entire physical economy.

According to BloombergNEF, the energy transition requires massive global investment: \$200 trillion — or \$7 trillion annually — is needed by 2050 to align with a net-zero pathway by 2050. Today, about \$1.5 trillion per year is being invested into climate, but more than half of that is going towards investments in legacy core renewable opportunities, which only address about a quarter of the problem.

On the other end of the spectrum, capital is flowing into venture capitalists and growth equity funds focusing on clean technology, like nuclear fusion and carbon removal. While promising, we believe these solutions are still very early stage and need to scale in order to generate significant impact.

For the global economy to advance towards net-zero, there must be a whole economy transition cutting across all major sectors. From our perspective, capital is most needed in the middle of the climate investing spectrum: in electrification, transportation, agriculture, energy efficiency and, importantly, heavy industry. This middle of the spectrum is characterized by platforms that have already demonstrated their technological capabilities and market offering yet are still growth-focused and will require large amounts of capital to scale commercially and/or operationally. This includes the developing and scaling of hard assets, which is not currently a well-traveled space.

Q: Why incubate the strategy within KKR's Infrastructure business?

The energy transition is inherently a physical economy, hard asset challenge, and leaders in the space exhibit many traditional infrastructure characteristics, like limited sensitivity to economic cycles, structural downside protections, and minimal technology risk. That is why when it comes to climate, we want to apply an infrastructure mindset to everything we do while also leveraging the very deep experience KKR has in the industrials space. Overall, this results in a focus on scaling earlier-stage platforms backed by hard assets with proven technologies, that either have existing contracts or the potential to put new contracts in place, in order to deliver consistent cash flows in the future.

Q: Tell us more about KKR's new climate investing strategy: What themes and types of companies are you invested in?

We are focusing our efforts on three key areas that we believe are critical to accelerating the energy transition:

- **Deploying existing solutions:** Large scale deployment and development of climate solutions with competitive and proven technologies and business models. For example, this would include certain opportunities across the energy ecosystem within renewable energy and storage and energy efficiency and management, among others.
- **Scaling new solutions:** Advancing and scaling climate solutions with no identified material technology risk that are reaching their commercial tipping points, like certain solutions related to transportation, the battery value chain, waste and the circular economy, industrial infrastructure, and others
- **Driving transitions:** Accelerating transitions and decarbonization of existing assets and business models. This includes certain opportunities in industrial infrastructure, conventional power and utilities, and others.

When it comes to investment opportunities, we are looking for established companies that are well positioned to both address challenges and benefit from the energy transition. A great example of this is Zenobē, a market leader in transport electrification and battery storage solutions and is contributing to the acceleration of transforming the transportation sector from diesel to electric options. There are many reasons the company fits the profile for KKR Global Climate, including because of the benefits of battery energy storage as a rapidly accelerating technology and limited technology risk of heavy-duty EVs.

Q: How is KKR's new climate investing different from KKR's Global Impact strategy?

While climate action is a component of KKR's Global Impact strategy, it is not the only focus. Global Impact seeks to contribute to the UN SDGs by investing in companies where financial performance and positive societal impact are aligned, across four themes: climate action, sustainable living, lifelong learning, and inclusive growth. KKR Global Climate is focused on real assets with a different level of financial risks and returns compared to Global Impact, which is a private equity strategy and, thus, generally focused on investments that are asset "light." These strategies are highly complementary and we believe they have the potential to help both strategies access more opportunities, and teams are expected to benefit from each other's expertise as part of our one-firm approach.

[65] Bloomberg New Energy Finance, As of January 2023.

Sustainable Operations^[66]

51 Human Capital

- 51 Our Approach
- 51 Attracting Exceptional Talent
- 52 Fostering a High-Performing and Inclusive Culture
- 56 Driving Accountability at all Levels of the Organization
- 56 Supporting Employee Well-being
- 57 Rewarding Our People

58 Environment

- 58 Our Approach
- 58 Carbon Emissions
- 58 Sustainable Operations

60 Data Responsibility

- 60 Our Approach
- 60 Cybersecurity
- 61 Data Privacy

62 Corporate Citizenship

- 62 Our Approach
- 62 Programs and Initiatives

65 Governance and Business Ethics

- 65 Corporate Governance
- 65 Enterprise Risk Management
- 66 Responsible Product Governance and Marketing
- 67 Business Ethics

[66] The "Sustainable Operations" section of this report describes practices, policies, and procedures applicable to the Firm.

Human Capital

Our people set our Firm apart and are key to our success.

Engaging all our colleagues to maximize their contributions helps us strive to deliver the best investment outcomes. To achieve this, we work to foster an inclusive, respectful, safe, and engaging environment where all our people can thrive both professionally and personally.

Our Approach

Our one-firm approach — where everyone participates in everything we do and success is best enjoyed collectively — is designed to involve the responsible management and engagement of our people and enable us to work together to deliver on our mission: creating and protecting value for our clients. This approach means that we accept our responsibilities and focus on driving success. We seek to operate with a single culture that governs how we work with each other and our clients, and is ingrained in every aspect of our organization. Our approach to talent management is centered around five core objectives:

- Attracting exceptional talent
- Fostering a high-performing and inclusive culture
- Driving accountability at all levels of the organization
- Supporting employee well-being
- Rewarding our people



To learn more about the relevant policies below, see the [Overview of Policies](#) section:

- Harassment Policy
- Equal Employment Opportunity Policy.

Our People and Talent function is managed by KKR's Global Head of Human Capital, who reports to KKR's Chief Administrative Officer. Our Global Head of Talent Development and Chief Diversity Officer is responsible for KKR's global talent practices, which include our approach to sustaining our culture of inclusion and fostering diversity. KKR's Human Capital team manages our people strategy from both a business partner and functional perspective and comprises experts in talent acquisition, which includes campus recruiting and lateral hiring; organizational design; talent management; talent development; diversity and inclusion; compensation; benefits; wellness; technology; and operations.

Attracting Exceptional Talent

Creating value for our companies and our clients requires highly skilled, motivated, diverse, and impact-driven individuals who see collaboration as being critical to our collective success. We believe in the importance of “like and trust,” and we operate with the mindset that we can accomplish more together than alone. As part of our efforts to connect to exceptional talent in all its forms, we employ robust recruitment strategies, candidate assessments, and decision-making processes.

KKR's recent global growth has required an expansion of our talent acquisition function and scaling of our processes. Over the past year, we focused on promoting a globally aligned approach to talent acquisition across all our markets, with a special focus on better integrating teams in Asia and Europe.

Through our comprehensive campus recruiting strategy, we seek to collaborate with a variety of organizations and look for opportunities to build additional relationships and broaden our talent pipeline. We market to over 90 colleges and universities, including Historically Black Colleges and Universities (HBCUs), through a digital job recruiting platform specifically geared toward college students.

We host a variety of programs to develop our talent pipeline and provide junior talent with the skills needed to succeed in our industry. These include summer internship programs, geared toward both third-year college students and MBA students, and full-time analyst/associate programs, which provide comprehensive training and support to entry-level candidates who join KKR directly from campus.

Working Together: 2023 Highlights

81%

of 2023 full-time analysts participated in the 2022 summer analyst program

96%

acceptance rate for summer analysts who received a full-time offer

50%

of the 2023 analyst class is composed of underrepresented individuals^[67]

KKR Scholars

In 2023, we launched a program to identify high-potential college students and provide them an immersive career experience in the alternative investments industry. Over the course of a one-week program, 23 rising sophomores took part in skills-based training, learning modules, and a peer-based cohort, along with mentorship from senior leaders — all in our New York office.

The KKR Scholars program aims to provide deeper insight into future career opportunities at KKR while also providing skill-building opportunities through educational seminars; workshops to practice resume writing and interviewing; insights from senior leadership; and social engagements with KKR executives and employee resource groups.

Following the end of the program, KKR Scholars stay in close contact with their mentors who encourage their ongoing skill development.

Our Talent Acquisition function implements a forward-looking process to fill talent gaps and help ensure, as deemed relevant and applicable, that we have the right talent at the right time in the right role. At junior levels, we work to recruit strong candidates and offer key learning and development opportunities for young employees to progress their careers at KKR. At senior levels, we use succession plans to identify eligible candidates based on performance and potential to succeed.

When recruiting for lateral positions, we use a structured process that assesses for both technical competencies and cultural alignment. We believe that this approach helps us not only identify successful candidates with the right qualities for the role but also eliminate biases and increase objectivity in hiring decisions.

[67] Underrepresented individuals include those who identify as a woman, Black, or Hispanic/Latino, which are underrepresented minorities in Financial Services.

Fostering a High-Performing and Inclusive Culture

Spotlight: Reaffirming Our Commitment



Kerryann Benjamin

Global Head of Talent Development and Chief Diversity Officer (New York)

At KKR, we are committed to a vibrant and inclusive workplace, one where everyone is treated fairly and where people with different backgrounds, experiences, and perspectives are encouraged to contribute to our Firm's success. We believe having the perspectives of a broad and diverse group of talented people results in better decision making and differentiated investment performance for our clients.

In our almost 50 years as investors, we have learned that our people and our culture are critical drivers of success, and that creating value for our clients and stakeholders requires us to harness and unlock insights from *all* of our people.^[68]

At KKR, we firmly believe that:

- Effective collaboration, a core tenet of our culture, is a competitive advantage
- Exceptional talent comes from all backgrounds and experiences, and teams with different perspectives often challenge one another, make better decisions, avoid mistakes, identify new trends that others might miss, and can mitigate all forms of bias
- An environment where everyone's contributions are valued supports collaboration and accelerates value creation
- Our leaders are accountable for creating an environment that is inclusive and collaborative to enable our people to perform at their best

This shared mindset was one of the drivers to creating the Inclusion & Diversity Council (IDC) 10 years ago. It has translated into a multi-faceted approach that enables long-term, sustainable progress, centered on empowering our people, fostering robust debate, and creating value for our clients, our people, and our stakeholders. The ways in which we do this are further described in the examples included in this report.

Our key priorities for 2024 build on those from recent years: we aim to drive accountability, encourage robust debate, foster community, and recruit, develop, and invest in exceptional talent. Having an impact on diversity and inclusion is a shared responsibility at KKR that we believe ensures our Firm's ongoing success.

Programs and Initiatives

Enhancing Engagement

We work to cultivate an environment where all employees at the Firm feel a sense of purpose, belonging, and achievement. Our eight Firm-sponsored employee resource groups (ERGs) work together to foster a sense of connection across members of a community and their allies. We believe these groups, which are open to all employees, irrespective of their race/ethnicity, gender, or sexual orientation, aim to foster collaboration and productivity by enabling employees to connect with others who share similar experiences and interests, learn from each other about our business and culture, and ensure everyone has a platform to share their voice.

Our Firm's Eight Global ERGs

KKR / API Asian Pacific Islander Network & Allies	KKR / PRIDE LGBTQ Network & Allies
KKR / KULANU Jewish Heritage Network & Allies	KKR / UNITY Black Network & Allies
KKR / LA CASA Latinx and Hispanic Network & Allies	KKR / VETERANS Veterans Network & Allies
KKR / PARENTS Working Parents Network & Allies	KKR / WOMEN Women's Network & Allies

Select Key Milestones



[68] Please refer to the **Cautionary Statement** for important information relating to the scope of statements made in this report and this section.

Celebrating Jewish Heritage Month with KKR Kulanu

Our newest ERG, KKR Kulanu, brings together employees of Jewish heritage and allies and aims to foster a strong sense of community within KKR as well as a forum for connecting with others.

In May 2023, KKR Kulanu commemorated its first Jewish Heritage Month as an official KKR ERG. Throughout the month, KKR Kulanu hosted multiple events to recognize Jewish culture and history, including a KKR Conversation with leaders and an initiative to offer KKR Parents a curated selection of children's books that celebrate Jewish heritage.

As of January 2024, 59% of our employees are affiliated with at least one ERG. Each ERG has hosted programming targeting their membership and engaging the broader Firm. ERG programming and events in 2023 included:

- **KKR La Casa:** Facilitated industry networking events for Hispanic/Latino professionals
- **KKR API:** Paired over 100 API members with over 15 API senior sponsors, and hosted more than 10 events
- **KKR Women:** Visited the New York Stock Exchange (NYSE) to ring the Opening Bell for International Women's Day
- Hosted a robust roster of external speakers across ERGs to raise awareness and drive meaningful dialogues

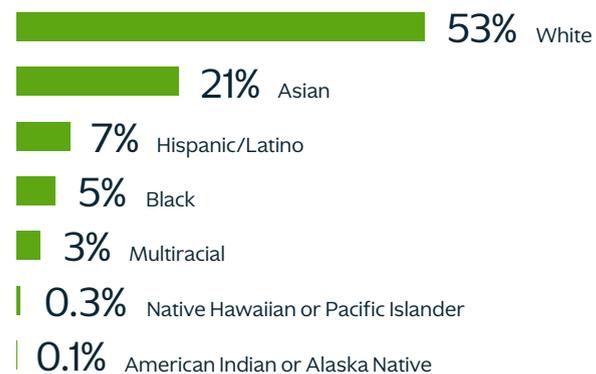
We leverage our internal experience to promote connectivity across our portfolio companies. In 2023, we launched KKR Inclusion Exchange, a cross-portfolio initiative, with the goal of building a community of leaders to share best practices around building an inclusive workplace, providing development opportunities, and fostering a cohesive network.

Working Together: 2023 Highlights

59%

of our global employees are affiliated with at least one ERG

Ethnic/Racial Diversity (Americas)



6x

increase^[69] in individuals from underrepresented racial/ethnic communities^[70] in investment roles (U.S. only)

Global Gender Diversity

47%

of our total workforce are women

28%

of KKR senior executives are women (including Partner, Managing Director, and Director)

6x

increase^[69] in the number of senior women (Partners and Managing Directors)

Investing in Our People

KKR seeks to provide our people with the expertise and experiences they need to lead in their roles now and in the future. We do this by offering effective training and professional development opportunities. Our learning and development programs aim to enable our people to achieve their career aspirations and optimize their business impact. We tailor and design these experiences to enhance employees' ability to

engage, motivate, and drive high performance across their teams. Ultimately, we want to equip our people with the right skills, knowledge, and leadership behaviors they will need to advance their careers at KKR.

In 2023, we continued to invest in supporting critical roles across the Firm that we see as strategic drivers of performance given the influence they have on their teams and other employees. These roles include early career managers and senior-level employees.

↓ **KKR Women members celebrate International Women's Day at the NYSE's opening bell ceremony.**
Image courtesy of NYSE Group. NYSE does not recommend or endorse any investments, investment strategies, companies, products, or services.



^[69] Since the formation of the IDC in 2014; as of December 31, 2023.

^[70] Comprises employees who identify as African American or Black, Hispanic/Latino, or Native American or Alaska Native. Since the formation of the IDC in 2014; as of December 31, 2023.

🔗 To learn more about how we support our portfolio companies to foster an engaged and inclusive workforce, see the [Engagement > Human Capital](#) section.



We offer multiple programs to encourage employees to continue developing their leadership and technical skills. Through these programs, we leverage the expertise of our internal leaders and teams to pass on critical skills and best practices to those around them.

- **Analyst and Associate Career Experience (ACE):** Aimed at employees who are in the early stage of their career, this program consists of four distinct components: onboarding; cultural integration; technical training; and functional and skills-based development. Upon joining, Analysts and Associates spend four weeks covering a holistic view of the Firm's culture and values, in addition to networking and community volunteer opportunities; technical and skills-based training; on-the-job mentoring; and business-specific deep dives.
- **Manager Edge:** An immersive, cohort-based development experience launched in 2023 for Managing Director and Director-level employees. Topics covered in this program include honing leadership communication style, delivering effective feedback, and promoting an inclusive environment. Content is delivered through in-person workshops and virtual coaching sessions facilitated by industry leading executive coaches.
- **Manager Essentials:** Also new as of 2023, this program is tailored toward mid-level managers and includes workshops focused on coaching fundamentals and best practices for effective feedback and delegation
- **Learning Hub:** Developed and piloted in 2023, the Learning Hub is an interactive library and source of self-directed learning content that provides additional skills development opportunities for employees, with continued expansion in 2024
- **Tuition Reimbursement:** The Firm encourages employee growth and development by offering tuition reimbursement for eligible full-time employees to further their education with external undergraduate, graduate, MBA, or certification classes

To evaluate the effectiveness of our learning and development programs, our Human Capital team gathers employee feedback throughout the year, including anecdotal feedback and live post-training surveys. We also conduct program assessments to evaluate KKR's professional development and career advancement opportunities. Feedback from these surveys helped to hone our 2023 focus on managers and leaders as key audiences for programming, given their unique role in empowering employees to advance their careers. We seek to continually improve our programs to future-proof our global workforce and ensure they have the skills needed to succeed. Our approach to talent development directly affects our ability to retain our employees and achieve our business strategy. In 2023, our voluntary turnover rate for the Firm's employees was approximately 7%.

Aspire

Introduced in 2023, the Aspire program provides leadership and skills enhancement opportunities for early career, high-performing, and high-potential employees. The program consists of workshops facilitated by executive coaches and programming on subjects such as executive presence and relationship building. The program seeks to ensure, as deemed relevant, that development efforts are more accurately aligned with populations at KKR that have grown in recent years — such as women — and therefore merit additional investment.

Working Together: 2023 Highlights

1,160+

employees trained through skills-based development workshops

35

executive coaching engagements

15

training programs hosted

Listening to Our People

We value continual and robust dialogue with our employees as we believe this feedback loop enhances our culture and reflects the changing needs and perspectives of our diverse workforce at the Firm. We regularly conduct anonymous employee surveys to directly gather feedback to better understand employee needs and how we can best support them.

In 2023, we conducted a culture survey, which focused on employees' experience of KKR's culture and values and saw a 91% participation rate. Due to our recent growth, we sought to gain a better sense of how key dimensions of the Firm's culture were being retained. Following survey completion, advanced data analytics provided insights at both the Firm level and by business unit. Key opportunities identified from the results include: simplifying our processes to increase efficiency in how we operate our business, adding transparency around career progression, and reinforcing the importance of a supportive culture.

Informed by the responses to our survey, we began expanding our Career Navigator initiative to increase clarity around career progression and promotion. Informed by previous culture surveys, our KKR-hosted Culture & Connectivity Panels continued, which allow leaders to demonstrate our values and for our employees to learn, experience, and contribute to the Firm's culture.

Beyond our survey, we also stay connected with our employees through internal communication channels, seeking to foster a greater sense of community and increase transparency across the business. The KKR Conversation Series program aims to connect employees with external and internal thought leaders by learning about their stories, experiences, and backgrounds. We also provide regular opportunities for employees to hear from KKR senior leaders, stay updated on Firm priorities, and learn about various events available to them, such as wellness- and community-related activities.

Diversity and Inclusion Expert in Residence

We seek to create programs that incorporate internal and external thought leadership to facilitate training and dialogue among our employees. One way we do this is through our Expert in Residence series, where we invite leaders to present on a topic of their expertise.

Our inaugural Expert in Residence in 2023 was Professor Kenji Yoshino, an expert in constitutional law as well as the Director of the Center for Diversity, Equity, and Inclusion at New York University. Over the course of six months, Professor Yoshino worked with employees in a series of discussions, covering globally meaningful topics and key themes of inclusion and belonging. In 2023, these topics centered around "covering" behavior — when an individual goes to great lengths to fit in — and allyship.

Empowering Career Progression Through Career Navigator

Following a pilot in 2022, we expanded our Career Navigator initiative in 2023 to multiple global businesses. Through Career Navigator, we strive to empower management teams to have effective conversations that enable upward mobility at KKR. The initiative aims to provide a clear framework to successfully navigate career advancement and promotion at KKR. It also

clarifies the required skills, behaviors, and qualities in each role, level, and function in each business and includes elements such as interactive panel discussions where leaders, managers, and team members detail their own journeys and paths to promotion within KKR.

Working Together for New Opportunities Through KKR Talent Marketplace

We recognize how important it is that employees gain experience in various parts of the business and across our geographic footprint as a way to gain new skills and progress in their careers. The launch of an internal KKR Talent Marketplace in April 2023 aims to improve the awareness of and access to these types of opportunities and reinforce mobility as a part of KKR culture. We believe continuing to provide our employees with engaging and new experiences over the long term helps them build lasting careers with the Firm.

Development of the new Talent Marketplace began with questionnaires facilitated by our Co-CEOs to identify employee interest in new opportunities and areas of expertise. In 2023, we had several successful matches where employees were given a chance to expand their skills in new roles and/or in new locations. We look forward to further increasing participation in our mobility programs in 2024.

Driving Accountability at all Levels of the Organization

We believe that driving progress starts at the top. Our Inclusion & Diversity Council (IDC), sponsored by our Co-CEOs and co-chaired by our Chief Administrative Officer and Global Head of Talent Development and Chief Diversity Officer, brings together senior Firm leaders and works to realize our strategic priority of creating high-performing teams who operate in a collaborative and inclusive workplace. The IDC collaborates with regional IDCs in the Americas, EMEA, and APAC, which collectively comprise approximately 45 executives at various levels across the Firm, to help embed a culture of inclusivity throughout everything we do and promote broad and diverse representation across our recruitment and engagement efforts.

Among our portfolio companies, we believe we create value by bringing a broad set of backgrounds, perspectives, and experiences to the boards of our companies, and by integrating these considerations into the boards' and/or board committees' oversight of how their companies operate.

In 2020, we established an Accountability Framework designed to drive greater ownership across the Firm by linking human capital outcomes across each business with how we evaluate and recognize our leaders.

We believe that holding leaders accountable for making progress on our priorities related to fostering a culture of collaboration unlocks the value that diverse backgrounds, perspectives, and experiences offers to our business.

A key component of our Accountability Framework is evaluating how well our leaders foster dialogue within their teams that supports problem solving and better investment outcomes. In support of this, we have outlined the behaviors and actions that business unit leaders can adopt and promote within their teams to impact employee engagement, productivity, and retention. During conversations with each business unit, leaders are encouraged to surface best practices, as well as challenges they experience in integrating, developing, and managing their people. To deliver on these outcomes, our talent review discussions with business leaders not only consider how broadly diverse their teams are, but also focus on highlighting employees who make outside contributions and identifying development experiences team members may need to sustain or improve their performance.

Global IDC		
Americas IDC	EMEA IDC	APAC IDC
Co-chairs and council members	Co-chairs and council members	Co-chairs and council members
Employee resource groups and forums		

Additionally, we believe that providing guidance, support, and feedback to employees is a key aspect of their career development. Our employees participate in formal performance evaluations annually, with a six-month informal review to track progress against pre-set goals. These evaluations include a discussion on feedback, performance, conduct, and contributions to our Firm's culture, values, and sustainability-related efforts. These considerations all factor into compensation and promotion decisions. The evaluation process is based on input from a wide range of sources, which we feel promote a measure of objectivity as a balance to a single manager's judgment. In 2023, approximately 2,355 full-time employees participated in the Firm's review process, with a 91% completion rate.

Furthermore, the Firm's employees participate in a goal-setting exercise at the beginning of each calendar year and evaluate progress against these goals as part of the mid-year and year-end review process. We believe that defining clear, ambitious performance goals enables our employees to work together and advance their careers at the Firm.

Supporting Employee Well-being

We can only be our best when our people are thriving at work and at home. KKR invests in our employees and their families by offering top-tier benefits designed to maximize value and provide access to care that supports employees throughout their work-life continuum. We aim to equip our people with the tools necessary to maintain physical, mental, and emotional health and well-being in a demanding yet rewarding environment.

Differentiated Healthcare and Wellness Benefits

Our comprehensive healthcare benefits focus on preventive care and provide navigation for the myriad healthcare challenges eligible employees and their loved ones may face, including primary care, mental health, musculoskeletal, and cancer care, through multiple modalities — on-site, near-site, or virtually. We have on-site health centers for New York- and London-based employees, which include access to in-person primary care, mental health, and physical therapy services. At KKR, we believe in the power of prevention and encourage employees to get their annual physical and/or age-related screenings and endeavor to remove barriers to care by providing annual physicals in our on-site clinics. Additionally, the Firm's U.S. employees are provided a medical premium discount based on their engagement each year.

In the U.S., we offer a multi-cancer early detection screening test for the Firm's employees over age 50 or with elevated risk factors, as well as send Cologuard colon cancer screening tests to all health plan members over age 45. We also reserve a block of mammogram appointments at Memorial Sloan Kettering every year.

KKR has a strong culture and our benefits and programming are designed to facilitate opportunities to connect with colleagues. We provide a wide variety of free healthy meal options, snacks, and drinks to help our employees stay energized throughout the day. Our fitness reimbursement program provides flexibility for custom wellness journeys and can be used for wellness expenses including gym memberships, personal trainers, online subscriptions, yoga, or meditation studios. We host an annual global step challenge and a variety of activities and programming to increase employee engagement in health and fitness. To support a healthy lifestyle, KKR introduced a new mobile-enabled nutrition support program and we provide Firm-sponsored subscriptions to one of the top mindfulness and meditation apps.

To learn more about our efforts with portfolio companies, see the [Engagement > Human Capital](#) section.

To learn more about the Firm's offerings, see the [Benefits Overview](#) section.

We are deeply committed to supporting employees' mental health at the Firm. In 2023, we increased the number of counseling sessions covered for all of the Firm's employees and their family members globally to 12 in-person or virtual mental health therapy visits per year. The offering includes access to online self-guided content, a personalized care plan, mental health coaching, and access to a mental health advocate who provides support throughout the healthcare journey. The program also includes access to pediatric behavioral health and substance abuse support services.

Inclusive Benefits

We are continually focused on expanding our inclusive benefits offerings to support the diverse needs of our global employees at the Firm, whether they are starting or growing their families, looking for help balancing work and home life, seeking gender-affirming care, or looking for additional support for later-in-life needs, such as menopause.

Our family-forming benefits program at the Firm provides financial assistance and personalized guidance to support one's unique path to parenthood, including support for in vitro fertilization, fertility preservation, donor tissue, surrogacy, fostering, and adoption. Our family support benefits include access to behavioral health experts for parents with children with developmental disabilities, as well as caregiver support, including back-up child and elder care.

In 2023, we developed a curated guide outlining KKR's LGBTQ+ benefits, including newly expanded gender-affirming surgery benefits with a dedicated resource to support the Firm's U.S. KKR employees who participate in our healthcare plan throughout their transition journey.

In the U.S. and the UK, KKR hosted a menopause education and awareness event in 2023, and expanded capabilities throughout our UK-onsite health provider to support women's health needs specific to menopause and peri-menopause.

Expert-facilitated Financial Security Resources

KKR is committed to helping the Firm's employees build financial security now and in the future through life insurance, disability benefits, and retirement plans — and for eligible employees, through the ability to commit their own capital to KKR investment funds — all of which are designed to build a solid foundation for long-term wealth creation, preservation, and planning. Through a combination of Firm-sponsored and supplemental life and disability coverage, and certain voluntary benefits such as a group personal umbrella program, long-term care, and legal assistance, each of the Firm's employees is provided with options to secure their families' long-term financial well-being. In addition, KKR offers access to financial counseling in the U.S. and UK through advisors who can help the Firm's employees make the most of benefits available to them and create a plan to meet their personal financial goals.

Rewarding Our People

We believe our one-firm approach helps ensure we share responsibility and success at the Firm. This approach extends to our compensation practices, which are based on the performance of the Firm as a whole, in addition to an individual's contributions to the Firm. Our evaluation, pay, promotion, and succession processes are designed to engage and reward employees, and we believe that this structure promotes collaboration, resource sharing, shared accountability, and alignment of interests. To ensure our employees at the Firm are compensated appropriately and competitively compared to the market, we conduct annual benchmarking exercises.

All employees at the Firm receive a base salary and are eligible for a cash bonus and equity compensation as well as additional incentives. Select employees are also eligible to receive a carried interest allocation. As of January 2, 2024, the carry pool allocation percentage increased to 80%, depending on the fund's vintage. Our equity awards are a critical element of our compensation program. These awards help attract highly skilled people in our highly competitive industry, encourage retention, and align the financial interests of such individuals with those of our Firm. We believe that providing an equity stake in the future success of our business motivates our employees to achieve our long-term business goals and to increase stockholder value. 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.

The Firm is an equal opportunity employer and prohibits discrimination in all aspects of employment, including compensation. To promote pay equity, our compensation structure and determinations are required to be based on job qualification and financial and personal performance-based factors. We periodically review our compensation structure, along with our other human capital and workplace policies and practices, to help ensure that our commitment to equal employment opportunity and pay equity is upheld.

Looking Ahead

We remain focused on strengthening our employee value proposition to attract and retain diverse, exceptional talent for the Firm. In 2024 and beyond, we aim to:

- Improve interview processes through structured questions and interviewer skills training

- Continue to expand talent acquisition's reach globally
- Work with undergraduate students to increase interest in careers in alternative investments
- Enable self-directed learning with curated content, incorporating apprenticeship opportunities to allow employees to learn at their own pace
- Conduct enterprise leadership reviews to support leaders in critical or new roles
- Modernize our platform and approach for performance management to drive desired outcomes
- Leverage internal talent for intentional future succession planning
- Continue to expand learning and development programs and invest in leadership and management capabilities through: Edge, Essentials, Career Navigator, and Talent Marketplace
- Continue to pursue opportunities to invest in our employees by providing well-rounded benefits to drive greater productivity, engagement, and retention
- Maintain our performance review programs to ensure, where relevant, that employees receive relevant and helpful feedback to help them advance their careers; continue to analyze our performance to promote equity in our compensation practices

[🔗](#) To learn more about our compensation practices, see the 2023 10-K, available on ir.kkr.com.

Environment

We aim to improve resource efficiency to reduce our operational footprint and minimize environmental impacts.

Our Approach

At KKR, environmental sustainability is a key consideration, from our global operations to those of our portfolio companies. We are proactive in reducing KKR’s direct footprint, including through efforts to manage and reduce GHG emissions from our own operations. Furthermore, we recognize the majority of our environmental impact stems from our investment portfolio, and we are committed to working together to support the effective management of environmental issues alongside our portfolio companies.

Carbon Emissions

Since 2018, we have been actively tracking our GHG footprint and working to reduce our emissions. Our carbon inventory follows the revised GHG Protocol Corporate Standard and the Corporate Value Chain Accounting and Reporting Standard. The methods used for calculating our GHG footprinting for reporting year 2023 satisfy ISO Standard 14064-1.

Our 2023 GHG emissions footprint comprises emissions from both direct (Scope 1) and indirect sources (Scopes 2 and certain Scope 3), amounting to an estimated 30,142 metric tons CO₂e. This figure^[71] does not incorporate our financed emissions.

Working Together: 2023 Highlights

6th

annual calculation of our GHG footprint

Sustainable Operations

As a Firm with global operations, we strive to integrate recognized environmental standards into our site selection processes and new design and construction projects. When selecting office buildings, we seek to review the sustainability attributes of their structures and operations. Some of the considerations we evaluate include whether the building has obtained a sustainability certification, such as LEED (Leadership in Energy and Environmental Design) or BREEAM (Building Research Establishment Environmental Assessment Method), and if there are elements such as charging stations for electric vehicles, waste management and recycling programs, procurement of renewable energy, and/or use of cleaning products with qualities that mitigate their environmental impact.

For example, our Los Angeles office is in a LEED Platinum building, and our Frankfurt office is in a building that is powered by 100% renewable energy and LEED Gold certified, joining our New York, San Francisco, Seoul, and Beijing buildings in achieving various LEED certifications. KKR’s Madrid office is BREEAM Outstanding — the highest level of environmental recognition available for BREEAM — and has charging stations for electric vehicles, while our Hong Kong office is in a LEED Platinum building as of early 2024.

Helping to Advance the Carbon Removal Industry

In 2023, as part of our ongoing efforts to mitigate our own environmental impact, we engaged Frontier, an advance market commitment that aims to accelerate the development of permanent carbon removal technologies by guaranteeing future demand for them. The goal is to send a strong demand signal to researchers, entrepreneurs, and investors that there is a growing market for these technologies. In practice, Frontier’s team of technical and commercial experts facilitates purchases from high-potential carbon removal companies on behalf of buyers like KKR. Frontier has committed to an initial over \$1 billion of permanent carbon removal between 2022 and 2030. To avoid the worst effects of climate change, most climate models agree we need to remove carbon dioxide from the atmosphere on the scale of five to 10 gigatons per year by 2050.^[72] New permanent carbon removal technologies need catalytic early buyers to grow to the scale and affordability the world needs. By acting as an early buyer for these technologies, KKR is helping catalyze innovative new solutions and advance corporate climate action.

In order to help catalyze innovative new technologies, KKR has pre-purchased permanent carbon removal tons from Frontier’s offtake portfolio that will be delivered in the future. Long-term

offtakes can help carbon removal companies prove out and scale new technologies, achieve cost efficiencies, and access new forms of financing. Frontier’s offtake portfolio^[73] is a diverse and globally distributed portfolio comprised of what we believe are promising carbon removal pathways and companies, and that we expect will continue to grow as other solutions become offtake ready. Today it includes:

- Direct Air Capture (DAC): Heirloom; CarbonCapture Inc.
- Biomass Carbon Removal and Storage (BiCRS): Charm Industrial & Vaulted Deep
- Enhanced Rock Weathering (ERW): Lithos

Our purchase from Frontier aims to support the acceleration and development of the carbon removal industry, support climate mitigation action beyond KKR’s value chain, and improve the climate expertise we can offer to our portfolio companies, each of which we believe to be important to protecting and enhancing the long-term value of KKR.

[72] Intergovernmental Panel on Climate Change, [Climate Change 2023 Synthesis Report](#), 2023.

[73] Frontier, [Our Portfolio](#), 2024.

Additionally, our London office at 18 Hanover Square was designed to achieve BREEAM Outstanding and also participates in the ESOS scheme, a mandatory energy assessment administered by the UK’s Environmental Agency, which is conducted on a four-year cycle. In 2023, it obtained ISO 14001 accreditation.

When renovating existing interior office spaces, we have worked to pursue the highest level of LEED Interior Design and Construction certification, to the extent feasible. This has included achieving interior certification for recent projects in our offices in Beijing, Shanghai, Houston, Frankfurt, and Sydney. Looking forward, we plan to achieve LEED, BREEAM, and/or Fitwel certifications based on the scope of the projects and what is achievable in the local market.

Various offices have carried out successful campaigns centered on specific environmental topics. For example, our London office continues to collaborate with Plan Zheroes, a charity that collects and distributes food to grassroots organizations that feed vulnerable people across London. The London office also joined forces with Slow Food, a nonprofit organization dedicated to advocating for healthier eating habits, embracing the diverse culinary traditions of the UK, and safeguarding our food biodiversity. Our commitment to the Slow Food movement is demonstrated through our purchase of Slow Food-certified produce for KKR’s London office, which supports farmers employing traditional farming techniques. We also established a partnership with NEMI Teas, and through this partnership we have funded 287 hours of employment for the refugees employed at TRAMPOLINE Cafe, where they learn a variety of customer service skills, improve their English, and in turn feel a greater sense of community in London.

[71] Our 2023 GHG emissions footprint includes emissions from Global Atlantic, and does not include emissions from KJRM. For more detail on calculation methodologies, see the [Endnotes](#) of the report.

🔗 To learn more about initiatives with portfolio companies, see the [Engagement > Climate](#) section.

🔗 To learn more about the metrics related to our operations, see the [KKR-level ESG Data Tables](#) section.

We make a deliberate effort to reduce food waste by managing food ordering, deliveries, and food production quantities. Despite these efforts, there is always an element of food waste in the catering industry, and we continue to work to reduce the food waste that KKR produces.

In 2023, our onsite cafe operators employed new tools to track and minimize food waste and donate leftovers where possible. For example, our San Francisco office cafe operator uses a tablet-based food waste tracking application to manage and reduce food and packaging waste. The app helps operators identify surpluses to be donated to local organizations, streamline carbon and water footprint reporting, and achieve waste reduction goals. The app also provides the hospitality team with tools to help comply with California's food waste reduction law.

We are continuing our global effort to eliminate single use plastics across our offices in favor of reusable or biodegradable products, where possible. We incorporate the use of reusable cutlery, glassware, and dishes, and offer recyclable or compostable containers.

Looking Ahead

We continually seek opportunities to advance our environmental efforts in our operations and in our communities. We aim to finalize or continue renovation and construction projects that incorporate advanced environmental standards, including our Dublin office and our Hudson Yards office expansion in New York. We also seek to foster engagement with building landlords to better understand our footprint and use our tenancy to have a larger influence over building operations.

In addition to collaborating with external organizations to reduce food waste at our offices, we strive to contribute to a sustainable economy through reinventing how we design, produce, and serve our food products; rethink our consumption practices; and redefine our waste systems through reuse and recycling.



Data Responsibility

We recognize the importance of protecting Firm, employee, investor, and vendor information, and we employ a systematic approach to safeguard data and information security across the Firm.

Our Approach

Data responsibility at KKR encompasses cybersecurity and data privacy. Our cybersecurity practices include our efforts to secure data from unauthorized use or access. Data privacy refers to how we collect, manage, store, and appropriately control the use of personal information. Both pillars are critical components of our approach to operating with integrity in everything we do to maintain the trust of our clients and other stakeholders. This has become an increasingly high priority with the growing presence and sophistication of cyber threats and cyber threat actors, and we are committed to continuous improvement in our data responsibility processes to protect our data, clients, and other stakeholders.

Working Together: 2023 Highlights

- Continued global Cybersecurity Awareness Month programming
- Enhanced KKR's Cybersecurity Annual Training
- Globalized the KKR Consumer Privacy Policy and Procedures
- Established KKR's Generative AI Working Group

Our Data Responsibility efforts are guided by the following policies:

- Information Security Policy
- Use of Technology Policy
- European Data Protection Policy
- Consumer Privacy Policy and Procedures.

Cybersecurity

Governance

Our Chief Information Security Officer (CISO) leads the Information Security team that is responsible for information security at the Firm, including its cybersecurity strategy and program, which includes, among other things, annual employee training about cybersecurity risks and new employee onboarding about KKR's security policies. The KKR Information Security team's mandates can be broadly grouped into three categories:

- Operations and engineering
- Threat detection and response
- Governance

Additionally, the Information Security team maintains various levels of certifications — including CISSP, GIAC security operations certification, certified information security manager, and other certifications focused on specific technologies.

The Firm CISO also chairs the Technology and Information Security Risk Committee for the Firm, which consists of employees from the Firm's technology group and other groups, including Risk, Legal, and Compliance. The Technology and Information Security Risk Committee is responsible for overseeing the cybersecurity risk environment for the Firm, which includes identifying and monitoring KKR's technology risks, including those related to information security, business disruption, fraud and privacy related risks, and also promoting cybersecurity awareness at the Firm. Periodically, including at least annually and more

often as circumstances may require, management will present to the Audit Committee and the Risk Committee of the KKR Board on various topics relating to KKR's technology risks, including KKR's cybersecurity program (including the results of an annual cybersecurity table top exercise), cybersecurity issues (including those relating to data protection, insider threats, regulatory changes, and geopolitical cyber threat management), and risk management (including the results of periodic technology audits).

Risk Management and Strategy

The Firm has a cybersecurity incident response plan as a key component of its cybersecurity program, which is generally incorporated as part of our enterprise risk management program. The KKR CISO and KKR's Chief Compliance Officer co-chair a Cybersecurity Incident Response Team (KKR CIRT), which aims to manage and mitigate the risk and impact of cybersecurity breach events at the Firm, including those arising from third-party service providers, including those providers that have access to KKR's customer and employee data. Cybersecurity considerations affect the selection and oversight of our third-party service providers. We perform diligence on third parties that have access to our systems, data, or facilities.

Members of the KKR CIRT include members of the firm's Legal, Technology, Compliance, Risk, Public Affairs, Fundraising, and Finance groups. KKR has established a notification decision framework to determine when the KKR CIRT will provide notifications regarding certain cybersecurity incidents, with different severity thresholds triggering notifications to different recipient groups, including the Risk and Operations Committee, senior members of management, and the KKR Board or its committees.

The KKR Information Security team undertakes a variety of measures to monitor and manage the cybersecurity risks of the Firm. For example, the KKR Information Security team monitors our technology infrastructure with tools designed to detect suspicious behavior. Our technology platforms and applications are designed to enable us to monitor user and network behavior at the Firm, identify threats using certain analytics, and mitigate attacks across various layers of the enterprise. The KKR Information Security team conducts regular internal and external audits with third-party cybersecurity experts to identify and evaluate potential weaknesses in our cybersecurity systems. 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. In addition, the KKR Information Security team conducts periodic phishing simulations, and they also conduct periodic employee training on KKR's security policies and controls and provide other security trainings as part of new employee onboarding.

Over the past year, we have seen an increase in the sophistication and variety of attacks coming from threat actors. Distributed Denial-of-Service (DDoS) activity across the financial sector remains high with record DDoS attacks. The Information Security team endeavors to be highly vigilant, allocating cybersecurity and IT resources to investigate, mitigate, and validate controls in response to these events so that we can endeavor to prevent or mitigate future issues.

For additional information on cybersecurity at KKR, see Part 1 Item 1A of our 2023 10-K available on [ir.kkr.com](https://www.kkr.com).

To enhance security in our offices and data centers at the Firm, we use card or biometric access along with video surveillance, and environmental monitoring systems, which are designed to provide timely alerting of any breach. Frequently, IT infrastructure management reviews the list of users with access to the computer facilities. Role-based access control regulates access to systems and capabilities within the Firm, and remote access requires multi-factor authentication.

Advancing a Culture of Cyber Awareness

The Firm's commitment to cybersecurity starts with our employees, and, as such, we focus on providing dynamic, tailored employee programming. For example, in October 2023, our Information Security team hosted a range of events for Cybersecurity Awareness Month, from sessions covering cybersecurity scams, online best practices, and social media risks to discussions around the specific cyber threat landscape in the U.S. The month-long programming also included a special online cybersecurity education session for KKR employees, and an external speaker event on global cyber threats and attacks.

In 2023, we updated our group privacy policy, expanding it from an EU-specific focus to all KKR's operations globally. This policy, along with our standards and procedures, has been developed to align with applicable privacy laws, and we aim to proactively work to update our practices consistent with the ever-evolving legal and regulatory privacy landscape. We currently have projects underway to assess and address the evolving regulatory space regarding data privacy, specifically across California, China, and India.

At KKR, we believe in the potential of AI to enhance productivity and analytics capabilities. Recognizing the responsibility that comes with deploying such powerful technology, we are striving for the ethical, responsible, and legally compliant use of AI. In 2023, we set up a GenAI working group seeking to provide clear and direct governance of our strategy and programs. We have put in place internal controls, policies, training, oversight, risk assessment and mitigation, and actively monitor legal and regulatory changes to guide our internal implementation of this technology.

We proactively seek to evaluate the impact that GenAI can have on our existing investments and our potential acquisitions. We utilize a robust due diligence process, including early assessment of AI materiality, to inform investment decisions.

Looking Ahead

Looking forward, we aim to build on our previous work and continue strengthening our data protection and security systems while also advancing our processes to identify insider threats and risks throughout our supply chain. We also aim to continue our focus on updating processes and working toward global consistency. Lastly, we seek to continue to pursue opportunities to increase privacy training and enhance privacy expectations globally.

Data Privacy

Our stakeholders trust us to handle their personal information responsibly, and we take this trust seriously. Our Legal, Compliance, and Enterprise Risk teams are responsible for implementing leading data-protection standards and help oversee KKR's data privacy efforts focusing on governance, third-party risk management, policies and procedures, and continuous assessment of regulatory developments.



To learn more about our initiatives with portfolio companies, see the [Engagement > Data Responsibility](#) section.



To learn more about our privacy practices, see the California, United Kingdom and European Union, Non-European Union, Singapore, and Job Applicant privacy notices, available on [kkcr.com](#).

Corporate Citizenship

The Firm's Corporate Citizenship platform helps build stronger communities through philanthropy, employee engagement, and sustainable community programs where we operate.

Our Approach

We strive to take a holistic approach to Corporate Citizenship at KKR, empowering strong communities where we have a presence through Strategic Philanthropy and leveraging the expertise of our global team. We seek to collaborate on programs that create pathways for economic mobility.

The Corporate Citizenship team, led by our Head of Corporate Citizenship, who reports to our Chief Administrative Officer, is responsible for developing and leading our global Corporate Citizenship strategy in collaboration with team members across KKR's global offices.



“Our support of communities is strongest where we align with, and leverage, the unique skills, energy, and talents of the KKR team.”

Pamela Alexander
Managing Director, Head of Corporate Citizenship (New York)

Programs and Initiatives

KKR Cares: Coming Together to Support Communities

KKR team members are a vital asset in our efforts to support and empower communities, and a key 2023 priority involved leveraging the skills, expertise, and energy of our global Firm-wide employees to advance our Corporate Citizenship efforts. We see this as a win-win — both to continue generating positive social outcomes and to enhance employees' experience and connection to the Firm.

KKR Cares encompasses the collaborative effort and engagement of our employees through four key programs:

- **40 for 40 Volunteering:** KKR employees are eligible for up to 40 hours of paid volunteer time each year
- **Matching Gift:** KKR matches employee donations to eligible nonprofits up to a designated limit
- **Nonprofit Board Service:** KKR provides pathways for employees to serve on nonprofit boards aligned with their interests
- **Pro Bono Service:** KKR employees and teams share their skilled expertise to help people and businesses achieve their goals

40 for 40 Volunteering and Matching Gift

Understanding local perspectives and gathering a range of input is key to successful employee engagement. In support of these efforts, the KKR Cares Advisory Committee was launched in 2023 and is composed of team members from around the world who work together to develop and implement Firm-wide KKR Cares programming. Representatives from various offices organize local volunteer events based on global themes and promote fundraising initiatives, encouraging employees to take advantage of our matching gift program.

In 2023, our employees mentored students to help them navigate their career goals, offered pro bono advising services to small businesses and nonprofits, and provided meals to people experiencing food insecurity. We also held matching gift campaigns to mark cultural heritage months in partnership with our ERGs and to provide disaster relief support for events such as the earthquake in Turkey and other crises.

Altogether, in 2023, we recorded our highest employee volunteering rates since tracking began in 2017.



“It has been incredibly humbling joining the board of Teach For All. The world is facing many more challenges today than ever before and needs new solutions. It is truly an honor to be part of a community that seeks to reshape education to develop leaders, who can in turn, build a better future. Joining Teach For All is also a very personal reminder for me of where I started: a teen of modest means, hoping to make a difference, then gifted an education that opened the path toward so much more. I look forward to what we can do together!”

Frances Lim
Managing Director, Head of Asia Pacific Macro (Singapore)

Board Service: Empowering Impact Through Leadership

Many of our KKR team members also share their time and talent through service on nonprofit boards, providing valued expertise that helps to empower the mission of the charitable organization they serve.

Teach For All is a global organization that spans six continents and 62 countries and envisions a world where all children have the education, support, and opportunity to shape a better future for themselves and all of us. Most recently, KKR is supporting Teach For All's Leadership for Learning Through Displacement initiative that is addressing the global learning crisis for displaced youth and children. To contribute to this and other initiatives, KKR Managing Director and Head of Asia Pacific Macro, Frances Lim, recently joined Teach For All's Board of Directors.

Collaborating to Build Allyship with KKR ERGs

The Firm's Corporate Citizenship team collaborates closely with KKR ERGs on volunteering, fundraising, and other nonprofit involvement related to their communities and missions. In 2023, the Corporate Citizenship team, KKR Pride ERG, and KKR Parents ERG hosted an Ally Training Workshop in partnership with The Trevor Project for National Coming Out Day. During Hispanic Heritage Month, Corporate Citizenship partnered with KKR La Casa ERG and Upwardly Global to practice job interviewing techniques through mock interviews with job seekers from Latin American countries.

To learn more about our ERGs, see the [Sustainable Operations > Human Capital](#) section.

Pro Bono Service

Leveraging KKR's expertise to amplify our impact is a key aspect of our Corporate Citizenship philosophy. GBR Gives Back is a global initiative of KKR's Global Macro and Asset Allocation, Balance Sheet, and Risk (GBR) team that is designed to help nonprofits optimize their business models by leveraging KKR's expertise in macroeconomic analysis, asset allocation, and financial modeling. Created by Henry McVey, KKR Head of Global Macro and Asset Allocation, Balance Sheet, and Risk, and Chief Investment Officer of KKR Balance Sheet, the program aligns the skills of the GBR team with the needs of the nonprofit to provide expertise and analysis to build tools that support the long-term financial goals of the organization.

Since its launch, the program has provided support to multiple organizations across the globe, including The TEAK Fellowship, Sponsors for Educational Opportunity (SEO), and Impetus. In 2023, GBR Gives Back worked with the National Civil Rights Museum, providing them with expertise and insights and building a financial model to assist the museum in achieving its long-term goals. Located at the site of the Lorraine Motel, where Dr. Martin Luther King, Jr. was assassinated, the National Civil Rights Museum is focused on developing initiatives for peace, equality, and justice.

"We at the National Civil Rights museum value our partnership with KKR. What began as a focused investment analysis project has blossomed into something far more profound. The KKR team's expertise, combined with their genuine passion for our museum and mission, led us beyond the initial scope. Now, alongside investment insights, we delve into financial modeling and price analysis. This expanded collaboration isn't just about the numbers, it is about shaping our future. With KKR's expert guidance, we are poised to make business decisions as we continue to move forward in growing the National Civil Rights museum's assets in perpetuity."

Russell Wigginton
President, National Civil Rights Museum

Working Together: 2023 Highlights

\$11.8M

in grants provided through Corporate Citizenship programs impacting

29

countries

800+

nonprofits supported^[74]

1,200+

KKR employees participated in KKR Cares through volunteering or matching gifts program

Strategic Philanthropy: Innovating Together for Improved Outcomes

In 2023, KKR's Corporate Citizenship team launched a new Strategic Philanthropy approach to increase the positive impact we can make in our communities. Through this new approach, we aim to drive long-term, sustainable economic opportunity and economic security in communities where we operate by building businesses, opening pathways, and growing financial preparedness in support of shared economic mobility globally.

We plan to measure our success based on outcomes, and the positive impact our funded programs drive in communities. Our philanthropy is focused on four key constituencies:

- Opportunity Talent
- Opportunity Youth
- Small Businesses and Social Enterprises
- Civil Servants

Selecting our nonprofit partners is a team effort at KKR. KKR's Global Grants Committees review and approve grants to nonprofits aligned with our priorities. Including representatives from each of our business regions enables local team members to advance programming tailored to community needs. In 2023, KKR approved grants to nonprofits in 18 countries.

Supporting Social Entrepreneurs

Social Entrepreneurs Ireland's mission is to harness the cumulative power of people to accelerate social change. Social Entrepreneurs Ireland achieves this by seeking out people with unique insight and scalable ideas to social problems and offering them a deeper level of support (personal, professional, and financial) to grow their impact. Since its foundation in 2004, Social Entrepreneurs Ireland has supported more than 600 social entrepreneurs across the country who are championing and driving solutions in areas such as mental health, housing, the environment, and education.

KKR supports Social Entrepreneurs Ireland's Community, a new initiative to facilitate connections, consultancy, and mentorship to social entrepreneurs who have previously completed a program with Social Entrepreneurs Ireland or are currently in a program. Social Entrepreneurs Ireland's Community initiative gives back in a variety of different ways, including through mentorship, specialized workshops, modulated work streams, networking, and connecting opportunities. Additionally, through tailored supports, this initiative amplifies the work and accomplishments of the social entrepreneurs and helps propel them on to the next level. For more information, see www.socialentrepreneurs.ie/about-us/our-community.

[74] Includes KKR strategic philanthropy grants, matching gifts, and corporate contributions.

↓ Members of KKR's Global Macro and Asset Allocation, Balance Sheet, and Risk team at the National Civil Rights Museum with NCRM leadership.



*Building the Next Generation of Leaders:
Cornell — KKR Accelerator Scholars Program*

Students who are the first in their family to attend college face unique challenges that go beyond financial and other traditional barriers to success. These obstacles can have a negative impact on graduation rates, and consequently, future career endeavors.

To address this, KKR is partnering with Cornell University's SC Johnson College of Business, specifically with the College's two undergraduate business schools, The Charles H. Dyson School of Applied Economics and Management and The Nolan School of Hotel Administration, on an innovative and collaborative program called the Accelerator Scholars program. As the inaugural sponsor, KKR provides mentoring, social, and professional support to a cohort of 91 first-generation business students during their time at Cornell through to graduation. In 2023, scholars participated in workshops on leadership, networking, negotiating, and professional business culture, and are supported through mentoring and peer cohort groups. KKR also hosted the cohort at our Hudson Yards office in New York in February 2023.

Looking Ahead

Looking forward, our 2024 priority is to continue to build on our achievements to date, leveraging strategic philanthropy and the global KKR employee base to build opportunities and pathways for economic mobility.

“The Accelerator Scholars program is so enriching and just a beautiful experience for everyone involved, and I am glad it came to fruition while I’m still here and I can still reach others.”

Chayil Hyland

Cornell '25, Accelerator Scholars Program Participant



↑ Students participating in the Cornell Accelerator Scholars program gather at the KKR New York office.

Governance and Business Ethics

As fiduciaries of capital, we are dedicated to employing the highest standards of integrity in all our dealings to uphold the trust of and create and protect value for our clients.

Corporate Governance

KKR's continued success and ability to maintain our social license to operate requires a robust corporate governance framework. With support from the KKR Board, the management team aspires to nourish a culture that goes above and beyond risk management and compliance requirements, valuing responsible business practices, personal integrity, and ongoing communication. We believe this commitment to operating ethically creates long-term value for our clients and shareholders.

🔗
To learn more about governance at KKR and the relevant policies below, see the Corporate Governance page on ir.kkr.com.

- [Audit Committee Charter](#)
- [Corporate Governance Guidelines](#)
- [Code of Business Conduct and Ethics](#)

🔗
To learn more about the composition and committees of the KKR Board, see the 2023 10-K, available on ir.kkr.com.

In October 2021, we announced the appointment of Joe Bae and Scott Nuttall as Co-CEOs of KKR. Alongside this CEO succession, we also announced structural changes that are expected to increase the rights of our common stockholders, further align the interests of the current and future leadership of KKR with our common stockholders, enhance corporate governance at KKR, and simplify KKR's corporate structure. By 2027, all common stock of KKR & Co. Inc. will have one vote per share.

In 2023, to enhance our governance structure, we established a new Risk Committee of the KKR Board.

KKR Board Composition

The KKR Board consists of 13 directors, of whom nine are independent under NYSE rules relating to corporate governance matters and the independence standards described in our corporate governance guidelines. To enhance the diversity of the KKR Board, we seek candidates who encompass a broad range of experience and backgrounds. We believe the diversity of expertise of the KKR Board can strengthen its oversight capabilities and support a well-rounded approach to decision-making. Out of 13 directors, four have self-identified as women, and three have self-identified as non-white.

We strive to maintain an appropriate mix of skills and expertise on the KKR Board to enable effective oversight of the KKR's strategy and risks as a financial services company. With respect to ESG matters, we believe KKR Board directors have business experience and backgrounds that are relevant to these topics. This includes, among other significant relevant experience, board service at leading U.S. nonprofit organizations, including ones focused on environmental advocacy and education, and multiple board roles at leading technology and software companies.

The KKR Board serves across five standing committees: the Audit Committee, the Risk Committee, the Conflicts Committee, the Nominating and Corporate Governance Committee, and the Executive Committee.

Enterprise Risk Management

KKR seeks to maintain a robust approach to risk management supported by an integrated team of experienced risk professionals. The Enterprise Risk Management (ERM) team is responsible for ensuring the consistent application of our risk management framework to help KKR achieve its strategic objectives and operational efficiency while operating within the Firm's risk appetite. The ERM team's objectives are to:

- Identify and monitor risk from KKR's businesses to understand global, horizontal risk trends and issues
- Assess and measure risks and controls for risk relevant programs
- Aggregate risk information to better monitor, report, and inform risk-based decision-making

Using this approach, KKR works to manage a broad set of risks that are relevant to our global businesses, operations, and stakeholders. Additionally, our risk leaders and governing bodies evaluate the evolving list of risk areas to enable proactive risk management, prioritization, and identification.

KKR Enterprise Risk Management Governance Structure

KKR has three primary governance and oversight committees that are responsible for risk oversight for the Firm.

- **The Risk and Operations Committee (ROC)**, which includes senior employees from across the Firm and operating functions, focuses on KKR's operations and enterprise risk management. This committee focuses on the most significant operating and business risks, which include, among others, regulatory, cyber, operational, geopolitical, and reputational risks.

- **The Risk Committee of the KKR Board**, which was created in 2023, meets at least quarterly to provide assistance to the KKR Board with respect to its oversight of KKR's levels of risk, risk assessment and risk management, and its oversight of KKR's overall risk management framework, including monitoring KKR's reporting systems for compliance with legal and regulatory requirements

- **The Audit Committee of the KKR Board** meets at least quarterly to provide assistance to the KKR Board in fulfilling its responsibility with respect to its oversight of the quality and integrity of our financial statements, including investment valuations; our compliance with legal and regulatory requirements; our independent registered public accounting firm's qualifications, independence and performance; and the performance of our internal audit function

Key Programs and Initiatives

We devise programs and initiatives that are aimed at responding to a constantly evolving business landscape, with a focus on managing operational risks that occur in day-to-day business execution.

- **Operational Risk Incident Management:** In 2023, we enhanced our oversight of operational risks with a new policy and incident reporting approach. This effort was informed by lessons learned from previous incidents, and will allow us to collect more meaningful data, improving our ability to identify trends and apply key learnings going forward.

- **Vendor Risk Management:** We engage third-party vendors to support our business activities. We regularly review outsourced providers to assess their control environment for key risk areas, including cybersecurity. The vendor risk management team within our ERM team is responsible for oversight of our vendor risk management program including diligence of third-party vendors utilized by the Firm. In 2023, we continued working to expand and deepen our efforts to effectively onboard and monitor vendors. We also hired a new Global Head of Procurement and Third Party Relationship Management who is tasked with advancing our vendor onboarding best practices and risk management initiatives globally.
- **Data Privacy:** To safeguard personal information and data we manage on behalf of our stakeholders, we collaborate with the Compliance team to seek to ensure, as appropriate, that we are maintaining personal information in accordance with applicable global privacy laws and the evolving regulatory privacy landscape



“As KKR continues to grow in size and complexity, the considerations that inform how we strategically partner with outside vendors become increasingly important. I am excited to join the Firm at this juncture — as we look to maximize opportunities to manage risk, capture efficiencies, and continue to mature how we engage our ecosystem of vendors.”

Sha Ling

Director, Global Head of Procurement and Third Party Relationship Management (New York)

To learn more about KKR's approach to data privacy and cybersecurity, see the [Sustainable Operations > Data Responsibility](#) section.

To learn more, see the [Geopolitics Spotlight](#) section.

- **Information and Cybersecurity:** With an increasing sophistication of cyber threats, protection of our data and technology infrastructure is important for our operations. Cyber attacks are becoming more frequent, complex, and damaging across the market, with attackers using advanced tactics to gain unauthorized access to systems and data. Our Information Security team actively monitors cyber threats and implements safeguards to protect our technology and data infrastructure.
- **Geopolitical Developments:** As global tensions arise, proactively assessing impact of new regulatory developments is important to our efforts to mitigate risk and impact to our business activities and operations. In partnership with the Public Affairs, Compliance, and Global Macro teams, the ERM team works to assess potential exposure and impacts to our operations including our investment portfolio. This was a key focus of 2023, where we sought to strengthen our controls and capabilities to respond to geopolitical crises around the world.

Looking Ahead

In 2024 and beyond, we aim to:

- Continue to enhance our vendor risk management program and monitoring approaches, with a focus on monitoring cybersecurity risk
- Expand our risk incident program to better identify risk trends through enhanced analytics and reporting
- Align Global Atlantic business and governance structures into KKR's existing ERM processes for improved oversight and collaboration



Responsible Product Governance and Marketing

We place great importance on maintaining the trust established with our clients, shareholders, and communities. We expect all our employees to conduct business in compliance with applicable ethical, business, regulatory, and legal standards, and, as such, we work to raise awareness of internal policies to drive progress and facilitate transparency.

At KKR, we are committed to those who invest their capital with us. Verifying our clients remains an important step in meeting our commitment to practicing ethical behaviors and we enact protocols to help prevent financial crime. KKR implements a Know-Your-Customer (KYC) Policy as part of our Anti-Money Laundering (AML) program.

The Head of the KKR Global Client Solutions (KCS) Group, in conjunction with the Compliance team, are responsible for ensuring that employees under their supervision comply with all relevant requirements for fundraising and marketing efforts in connection with KKR funds. Our KCS team — which comprises more than 250 executives and professionals globally — is responsible for our fundraising and related investment activities and acts as the link between KKR and our fund investors, using KKR's various capabilities to meet the needs and goals of investors. Our relationship managers (RMs) sit at the center of KCS's investor engagement, providing investors a full range of products and solutions, including private and public markets, while also responding to their inquiries.

RMs based in the U.S. are registered with the Financial Industry Regulatory Authority (FINRA) as representatives of KKR Capital Markets LLC (KCM). Where relevant and applicable, and to help ensure compliance with applicable securities laws and regulations, KCM has established Written Supervisory Procedures that provide guidelines regarding marketing securities offerings and/or KCM's broker-dealer business. RMs globally are also expected to comply with relevant local regulatory requirements.

Informing Fund Investors About Products and Services

We seek to build our approach to investor relations on honest, open, and frequent communication, delivering high-quality solutions, and providing idea-driven distribution capabilities. Our RMs oversee our investor relations and communications. They are supported by KCS, which provides in-depth knowledge on specific KKR products and customized product delivery, as well as a globally integrated support team and KCM, which offers direct investment opportunities in equity and debt. KCS team members have resources to help resolve investor issues and craft expert advice and solutions.

As KKR employees, RMs play a key role in securing capital for KKR's funds and are registered as representatives of KCM. They are overseen by KCM regarding their use of broker-dealer materials, and by KKR, for their use of investment advisor materials. RM marketing activities are subject to federal and state securities laws and regulations for both investment advisors and broker-dealers.

To learn more about responsible product governance at KKR and the relevant policies below, see the [Overview of Policies](#) section: Know-Your-Customer Policy Written Supervisory Procedures.

SASB FN-AC-510a.2

Business Ethics

We understand that every person at KKR is responsible for acting in alignment with the Firm's business ethics and values. All employees are expected to adhere to the responsibilities of our one-firm approach, to speak up, and to respect and listen to each other. KKR aims to foster a culture of compliance and ethics to meet the expectations of our clients, shareholders, employees, and other stakeholders. The Firm maintains policies and procedures that foster ethical conduct in our business activities and interactions to promote ethical behavior across KKR.



To learn more about business ethics at KKR and the relevant policies below, see the **Overview of Policies** section:

Anti-Bribery and Anti-Corruption (ABC) Policy

Anti-Money Laundering (AML) Policy

KKR's Antitrust Policy

Code of Business Conduct and Ethics

Code of Ethics (Ethics Policy)

Contingent Worker Policy

Customer Due Diligence Policy

Information Barrier Policy

Whistleblower Policy

Our Global Chief Compliance Officer (CCO) maintains oversight of KKR's overall compliance program in conjunction with the Chief Compliance Officers of various business lines and regions. The CCOs act as a resource for all KKR employees and are responsible for supplying relevant and adequate compliance training. They also serve as a reporting mechanism for compliance violations or concerns and keep KKR employees informed about changes to compliance policies and procedures. The Global CCO answers to the Audit Committee of the KKR Board, which takes into consideration concerns and violations directly reported to it by KKR employees and the Legal and Compliance team.

The Global CCO is a member of the Firm's Global Conflicts Committee, which includes senior members of KKR's management, including the Chief Financial Officer and Chief Legal Officer and General Counsel. The Global Conflicts Committee oversees compliance with the Firm's policies in its **Global Conflicts Policy** and will review and analyze specific issues, such as potential investment fund-related conflicts of interest and other compliance risks related to KKR's business as a whole or individual transactions. After reviewing compliance risks, the Global Conflicts Committee, as needed, passes the analyses to the appropriate other members of KKR management and to investment committees for action, as needed. Additionally, KKR's Risk and Operations Committee identifies and prioritizes the Firm's operating and business risks, including non-financial risks such as operational, cyber, geopolitical, and reputational risks.

We expect all directors, officers, and employees of KKR to adhere to KKR's Code of Business Conduct and Ethics, which outlines our expectations on business ethics and personal integrity. The Conflicts Committee of the KKR Board is responsible for reviewing related party transactions under SEC rules for public companies and other matters that the KKR Board believes may involve a conflict of interest.

These various oversight committees and management work together to help make sure all business conduct, ethics, and compliance policies are rigorously upheld. As part of these efforts, policies are reviewed on a periodic basis and updated as appropriate to reflect changing regulations, company strategy, and industry trends. In 2023, we created a new policy for contingent workers, which outlines KKR's expectations for onboarding and managing this population of service providers. In support of this new policy, we also updated our contingent worker onboarding process.

Working Together: 2023 Highlights

114

KKR policies and guidelines were updated in 2023

Created a new policy and updated onboarding process for our contingent workers

Fostering an Ethical Culture

We aim to integrate our robust culture of compliance and ethics into our business practices. Our numerous Firm-wide internal policies and procedures help us meet the legal and regulatory requirements and ethical standards applicable to the Firm's operations, products, and services. Our communication channels for familiarizing employees with these internal policies include the Firm's intranet, which enables our employees to access and stay updated on specific policies and creates a culture of compliance and accountability. We regularly review and update these policies, as applicable, to help ensure effectiveness, maintain a strong control environment, and stay ahead of regulatory advancements and industry best practices.



Our policies help to mitigate business and compliance risks and establish a standard of ethical and legal behavior that aims to prevent and detect any wrongdoing within the Firm. The foundation of this commitment is our Code of Ethics (Ethics Policy) and our Code of Business Conduct and Ethics. Our Ethics Policy outlines the various governance structures and procedures that help ensure, as applicable, that the Firm can mitigate and manage business and compliance-related risks. The Code of Business Conduct and Ethics aims to help all directors, officers, and employees of KKR & Co. Inc. and its subsidiaries navigate particular ethical and legal issues and helps us prevent and detect wrongdoing. We expect all employees to act with the utmost honesty and integrity when engaging with clients, shareholders, regulators, and colleagues. Our employees are guided by our Ethics and Compliance Handbook, which highlights significant existing policies as well as KKR's values, principles, and core rules that we follow, including rules governing personal investing, conflicts of interest, financial crimes, information security, media and communication usage, and workplace social behavior.

In 2022, KKR formed an ESG Controls Working Group, which brings together key stakeholders from the Sustainability, Legal, Compliance, Risk, and Internal Audit teams. It is tasked with reviewing our global processes around ESG-related governance, controls, and compliance frameworks.

Enhancing Consistency and Transparency Through Firm-wide Platforms

Using our newly launched, global in-house training platform, KKR University (KKRU), we began delivering more customized and consistent ethics and compliance training across the Firm in 2023. Our new Ethics and Compliance Global Training course, which is administered on an annual basis, can be found on KKRU.

Using KKRU allows KKR to track, monitor, and display certain risk-based metrics, such as training completion rates.

In 2023, we updated the compliance information on our intranet platform to consolidate and centralize policies, codes, and trainings all in one place. In a similar effort to make information more accessible, we also continued to enhance our means of identifying and reviewing internal committees as well as governance structures.

Ethical Trainings, Audits, and Reporting Mechanisms

We provide mandatory trainings on our Ethics Policy and various policies for all full-time employees at the beginning of their employment and periodically thereafter. Where applicable, training may also be required for part-time employees and contractors. We believe in the importance of periodic regulatory self-assessments to educate employees of regulatory expectations, identify potential areas of enhancement to controls, and prepare the Firm for potential regulatory examinations. Our internal SEC Exam Response Team engages independent third parties on a periodic basis to examine our control environment, policies, and procedures. Third parties also interview our employees to provide an independent assessment of the Firm's exam readiness. Pursuant to the Code of Business Conduct and Ethics, the directors of the KKR Board as well as the Company's Co-CEOs, Chief Operating Officer, Chief Financial Officer, Chief Legal Officer and General Counsel, Chief Administrative Officer, Global CCO, and other officers and employees of the Company serving in a finance, accounting, corporate treasury, or tax role must promptly report any known or suspected violations of laws, rules, regulations, or provisions in the Code of Business Conduct and Ethics to the chair of the Audit Committee. They may choose to submit these reports confidentially or anonymously. Additionally, they must report any matter that could compromise the integrity of the company's financial statements.

The Compliance team annually tests our policies and procedures to align with the ongoing monitoring program of business activities, including Anti-Money Laundering, Anti-Bribery, and Anti-Corruption policies and procedures. In alignment with our internal testing procedures, the Internal Audit group also monitors compliance activities by conducting regular reviews.

It is expected that all of our employees seek guidance from the Chief Legal Officer and General Counsel, Global CCO, any member of the Legal and Compliance team, or other applicable KKR personnel regarding any known or suspected unethical or illegal behavior. Our Whistleblower Policy further outlines the process for employees to anonymously report complaints or concerns about: questionable accounting, internal accounting controls and auditing matters, compliance with legal and regulatory requirements, and retaliation against any employees making such allegations. To help ensure anonymity, we encourage individuals, where relevant and applicable, to use a third-party operated 24/7 hotline or a website commissioned by us, both of which are administered by a third party and confidential. We do not tolerate retaliatory action of any kind against individuals submitting such a report in good faith or assisting in an investigation.

Looking Ahead

We value the trust we have built with our clients, shareholders, and other stakeholders. As the Firm grows, maintaining strong corporate governance, enterprise risk management, and business ethics practices is important for our ability to deliver positive financial outcomes and optimize operational efficiencies. In 2024, we plan to continue to work to ensure, as applicable, compliance with new rules and regulations, as applicable to KKR, refine our risk reporting through enhancements to Compliance dashboards, systemize an in-person training tracking feature in KKRU, and further improve the Firm's employee intranet site to provide readily accessible information pertaining to the memberships of various Firm committees.



Appendix

- 70 Stakeholder Engagement**
 - 70 Industry Engagement
 - 70 Channels and Topics of Engagement
- 71 SASB Index**
- 72 TCFD Annex**
- 76 Overview of Policies**
- 78 Benefits Overview**
- 79 KKR-level ESG Data Tables**
- 80 Endnotes**
- 82 Cautionary Statement**

Stakeholder Engagement

Industry Engagement

KKR chooses to participate in or engage with initiatives and organizations that align with our values and/or broaden our impact on society, or provide an opportunity to share learnings.

The organizations highlighted below represent a selection of the groups with which KKR currently has or has had in the past significant relationships. A list of our relationships with organizations focused on diversity and inclusion can be found on [kkr.com](https://www.kkr.com).

SUSTAINABILITY-FOCUSED ENGAGEMENT ^[75]		
<ul style="list-style-type: none"> American Investment Council Guides for Responsible Investment, co-developer BSR, member Ceres Investor Network on Climate Risk, member Center for Climate and Energy Solutions (C2ES), strategic partner Environmental Defense Fund ESG Integrated Disclosure Project (IDP), Executive Committee organization member Fixed Income Investor Network, ESG Task Force member 	<ul style="list-style-type: none"> Global Impact Investing Network (GIIN), member GRESB, participant member Initiative Climat International (ICI), member Institutional Limited Partners Association (ILPA) Private Equity Principles, endorsed International Financial Reporting Standards (IFRS) Sustainability Alliance, member International Sustainability Standards Board (ISSB) Investor Advisory Group, member 	<ul style="list-style-type: none"> Invest Europe, Responsible Investment Affiliate Network, organization member Operating Principles for Impact Management, founding signatory Ownership Works, founding partner Principles for Responsible Investment (PRI), signatory and Private Equity Advisory Council, member Task Force on Climate-related Financial Disclosures (TCFD), supporter Trellis Network, participant member Urban Land Institute (ULI), Greenprint, member

[75] References to external organizations do not imply an endorsement of KKR or its practices. The referenced organizations have worked with KKR or its portfolio companies at some point since 2008, and KKR may or may not have a partnership agreement currently in place.

Channels and Topics of Engagement

This table outlines channels and methods of engagement on various ESG and sustainability topics with key stakeholder groups, along with examples of engagement during 2023.

KEY STAKEHOLDER GROUPS	CHANNELS AND METHODS OF ENGAGEMENT	2023 EXAMPLES
Fund Investors	<ul style="list-style-type: none"> Annual meetings Due diligence questionnaires (DDQs) One-on-one engagement, including dialogues and road shows Website, annual ESG/sustainability reports, and other quarterly and ad hoc reporting Updates via our fund investor portal 	We engaged with our fund investors in multiple ways on sustainability topics, including through due diligence discussions and questionnaires, and sharing fund-specific reports highlighting sustainability priorities and progress.
Stockholders	<ul style="list-style-type: none"> Website, annual ESG/sustainability reports, and other quarterly or ad hoc reporting Investor presentations One-on-one conversations and queries from stockholders with IR and Sustainability team members Direct dialogue with ESG ratings providers 	As part of KKR's September 2023 Investor presentation, we provided an update on the launch of our Global Climate strategy as well as our continued implementation of KKR's broad-based ownership program.
Portfolio Companies	<ul style="list-style-type: none"> One-on-one support and value creation activities via KKR Capstone and other teams Sustainability webinars and events, tools and resources across a variety of topics ESG data collection surveys 	We engaged our portfolio companies to share best practices through webinars, leadership conferences, toolkits, and other forums on sustainability topics material to them such as employee engagement, climate risks and opportunities, and cybersecurity.
KKR Employees	<ul style="list-style-type: none"> Centralized sustainability guidance and resources shared on the Firm's intranet (KKR Central) Employee surveys Firm-wide and functional ESG-focused trainings, presentations, and email updates Ongoing mentoring and employee engagement programs Employee engagement forums, e.g., Employee Resource Groups (ERGs) Corporate volunteering programs and events 	<p>We engaged employees across the Firm through our eight ERGs, which are employee-led affinity groups for employees with shared identities, backgrounds, and interests, as well as for allies. In 2023, we launched KKR Kulanu, a new ERG that brings together employees of Jewish heritage and allies and aims to foster a strong sense of community within KKR as well as a forum for connecting with others.</p> <p>In 2023, we conducted a culture survey, which focused on employees' experience of KKR's culture and values and saw a 91% participation rate. Due to our recent growth, we sought to gain a better sense of how key dimensions of the Firm's culture were being retained.</p>
NGOs/Civil Society	<ul style="list-style-type: none"> Pro bono and technical support for nonprofits Direct funding to organizations on key projects and initiatives Expert consulting and insight on sustainability-related topics and emerging trends 	<p>In addition to providing funding to nonprofit organizations, we engaged KKR employees to provide capacity support to small businesses, social enterprises, and nonprofit organizations.</p> <p>We also collaborated with outside experts and advisors, including C2ES, on the development of our climate investing framework.</p>

SASB Index

The following table provides responses and/or locations of information for KKR addressing the requirements of the SASB's Asset Management & Custody Activities industry standard (version 2023-12). All data are as of December 31, 2023, unless otherwise noted.

CODE	ACCOUNTING METRIC	KKR RESPONSE AND/OR DISCLOSURE SOURCE
Transparent Information and Fair Advice for Customers		
FN-AC-270a.1	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	During 2023, KKR had no covered employees with new disclosures of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings. KKR has policies and procedures, as deemed applicable, reasonably designed to ensure compliance with regulations requiring covered employees to make and update applicable regulatory filings in a timely manner.
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	In 2023, KKR did not sustain any monetary losses resulting from legal proceedings associated with marketing and communications of financial product-related information to new and return customers that were material to the Company's results of operations, financial position, or cash flows.
FN-AC-270a.3	Description of approach to informing customers about products and services	2023 Sustainability Report, Sustainable Operations > Governance and Business Ethics > Responsible Product Governance and Marketing
Employee Diversity and Inclusion		
FN-AC-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	2023 Sustainability Report, Appendix > KKR-level ESG Data Tables 2023 Sustainability Report, Sustainable Operations > Human Capital
Incorporation of Environmental, Social, and Governance Factors in Investment Management and Advisory		
FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing and (3) screening	(1) KKR's Responsible Investment Policy articulates the responsible investment framework and approaches that KKR believes are broadly relevant for each asset class with regard to the integration of ESG issues in the investment process. This policy applies globally across asset classes to 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 other non-asset management business activities, externally managed funds, joint partnerships, or other indirect investing vehicles. 2023 Sustainability Report, Sustainable Investing > ESG Integration > Credit, Private Equity, Real Estate, Infrastructure (2) 2023 Sustainability Report, Sustainable Investing > Investing Behind Trends, KKR Global Impact Strategy / KKR Global Climate Strategy
FN-AC-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies	2023 Sustainability Report, Sustainable Investing > ESG Integration

CODE	ACCOUNTING METRIC	KKR RESPONSE AND/OR DISCLOSURE SOURCE
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	KKR has adopted proxy voting policies and procedures (the "Proxy Voting Policy") in accordance with requirements under Rule 206(4)-6 of the Investment Advisers Act. To assist in our proxy-voting responsibilities, KKR currently subscribes to proxy-related services offered by the proxy advisory firm Institutional Shareholder Services, Inc. ("ISS"). ISS provides KKR with its independent analysis and recommendation with respect to generally all proxy proposals that KKR votes on behalf of our Clients, with respect to both U.S. and non-U.S. securities of publicly traded companies. KKR has engaged ISS to assist with our proxy voting, however, KKR retains ultimate voting discretion with respect to our Clients. Compliance, in conjunction with the Firm's investment analyst(s) who provides coverage for the relevant issuer, will document the basis for the voting decision in accordance with KKR's proxy voting guidelines. KKR may occasionally be subject to conflicts of interest in the voting of proxies due to business or personal relationships we maintain with persons having an interest in the outcome of certain votes. If at any time, KKR becomes aware of an existing or potential conflict of interest relating to a particular proxy proposal, KKR's management global conflicts committee, or its designee, must be notified. Provided KKR's management global conflicts committee has determined that a conflict or potential for a conflict exists, the proxy must be voted in alignment with the recommendation set forth by ISS. Appropriate documentation will be maintained by KKR's management global conflicts committee and Legal and Compliance. In accordance with Rule 204-2 of the Advisers Act, KKR maintains appropriate books and records in connection with the Proxy Voting Policy.
Financed Emissions		
FN-AC-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	KKR does not disclose total financed emissions as defined by SASB. For more information on KKR's approach to financed emissions, please see 2023 Sustainability Report, Sustainable Investing > Engagement > Climate
FN-AC-410b.2	Total amount of assets under management (AUM) included in the financed emissions disclosure	See the response to FN-AC-410b.1
FN-AC-410b.3	Percentage of total assets under management (AUM) included in the financed emissions calculation	See the response to FN-AC-410b.1
FN-AC-410b.4	Description of the methodology used to calculate financed emissions	2023 Sustainability Report, Appendix > Endnotes
Business Ethics		
FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	In 2023, KKR did not sustain any monetary losses resulting from legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations that were material to the Company's results of operations, financial position, or cash flows.
FN-AC-510a.2	Description of whistleblower policies and procedures	2023 Sustainability Report, Sustainable Operations > Governance & Business Ethics > Business Ethics
Activity Metric		
FN-AC-000.A	Total assets under management (AUM)	(1) Total registered AUM was approximately \$21 billion as of December 31, 2023. (2) Total unregistered AUM was approximately \$532 billion as of December 31, 2023. Our unregistered AUM equals total AUM minus total registered AUM.
FN-AC-000.B	Total assets under custody and supervision	We have renamed this metric to "total assets under management" from "total assets under custody and supervision" because assets under management is a more relevant activity metric for asset managers, and KKR is an alternative asset manager, not a custodian bank. As of December 31, 2023, KKR had total assets under management of approximately \$553 billion. 2023 Sustainability Report, Introduction > About KKR

TCFD Annex

Overview

KKR recognizes that, as investors, we have a critical role to play in enabling and supporting climate action. We believe proactively engaging on climate-related topics material to our companies^[76] can be critical for companies to drive performance and be competitive. Additionally, the energy transition represents one of the greatest evolutions to the global economic system since the Industrial Revolution. At KKR, we see this as an opportunity to not only invest behind the energy transition, but also to support our companies in both capitalizing on this opportunity and navigating related risks.

We use the TCFD framework as an input to how we integrate climate considerations in our investment process, and we have been a public supporter of the TCFD recommendations since 2021.

We have organized these disclosures with reference to the TCFD pillars:

- **Governance** — KKR's governance around climate-related risks and opportunities
- **Strategy** — Overview of our Firm-level climate action strategy to consider the actual and potential impacts of climate-related risks and opportunities to our business

[76] "Material" and "materiality" as used to discuss climate-related risks and opportunities in this TCFD Annex should not be taken to mean that such information is "material" as understood under the securities or other laws of the U.S. or any other jurisdiction, or as they are used in the context of financial statements or financial reporting.

- **Risk Management** — The processes and tools we deploy to identify, assess, and manage climate-related risks
- **Metrics and Targets** — The metrics and targets we use to assess and manage relevant climate-related risks and opportunities

These disclosures are also supplemented by information on climate-related risks and opportunities that can be found throughout this 2023 Sustainability Report, our **2023 Form 10-K**, and in select reporting to investors.

Governance

Oversight

Working together, various teams throughout the organization are accountable for aspects of our responsible investment efforts, with ultimate oversight by KKR's senior leadership, which reports to KKR & Co. Inc.'s **Board of Directors ("KKR Board")**. The Risk Committee of the KKR Board receives periodic reports on the Firm's risks related to sustainable investing and related matters.

KKR's **Global Head of Public Affairs and Co-Head of Global Impact**, Ken Mehlman, oversees our Firm-level global sustainable investing strategy, in partnership with KKR leadership, and leads the Sustainability team. This includes the development of key policies and procedures related to ESG integration, including the consideration of climate topics; thematic investing, including investments related to addressing climate change; and related stakeholder engagement.

Our **Investment Committees** (IC), where applicable, are responsible for considering material risks and opportunities, including climate-related risks and opportunities, identified by investment teams when deciding how and where to invest.

Post-investment, our **Portfolio Management Committees** are responsible for post-investment monitoring of material issues at the portfolio level, including reviewing progress against climate-related strategic considerations identified pre-investment.

Additionally, our **Risk and Operations Committee**, which includes senior employees from across the Firm and operating functions, focuses on KKR's operations and enterprise risk management. This committee focuses on the most significant operating and business risks, which include, among others, regulatory, cyber, operational, geopolitical, and reputational risks.

Implementation

Our **investment and asset management teams** are responsible for identifying, assessing, and managing climate-related risks and opportunities material to our investments throughout the investment process, from pre-investment diligence to post-investment engagement and management. This may include conducting climate-risk diligence and engaging with portfolio company management teams on climate-related topics, such as supporting the direct measurement of GHG emissions.

To support and enable this work, the **Sustainability team, KKR Capstone**, and other **internal SMEs** across KKR develop and deploy resources for investment professionals and portfolio companies, including climate-related toolkits, training sessions, and strategic roadmaps. We also proactively invite third-party advisors, including those with climate-related expertise, to contribute to and/or provide feedback on these internal resources.

Strategy

Our **Sustainability team** leads the development of the Firm's climate-related priorities and approach, with expertise spanning various sustainability topics and disciplines, including decarbonization and renewable energy. This team comprises members of our Global Public Affairs, KKR Capstone, Global Client Solutions, Compliance, and Global Operations teams. Team members collaborate with investment teams and portfolio companies throughout the investment life cycle to identify and manage investments' climate-related risks and opportunities.

To learn more about how we govern our sustainable investing efforts, see the **Sustainable Investing > Approach and Governance** section.

KKR's Firm-level Climate Action Strategy		
How We Invest	How We Engage	Where We Invest
Integrating climate considerations into the investment process as appropriate to identify, assess, and manage climate-related risks and opportunities material to KKR's investments	Helping our portfolio companies identify and manage material climate-related risks and opportunities, including by supporting them in measuring their carbon emissions and implementing business-relevant decarbonization strategies, where appropriate	Investing in the energy transition and behind climate-focused themes to create value while supporting a sustainable transition to a clean energy future
To learn more, see the ESG Integration section.	To learn more, see the Engagement > Climate section.	To learn more, see the Investing Behind Trends section.

Strategy

Climate-related Risks and Opportunities

In our Investments

Climate change presents potential risks and opportunities to our investments, and we are constantly working to better understand both. Our aim is to consider and manage climate-related risks and opportunities material to our investments through how we invest, where we invest, and how we engage our portfolio companies.

While climate change is a consideration across our business, we focus our attention on our investment activities given the significant scale and impact of our portfolio when compared to our own footprint as an office-based company. Therefore, our efforts to identify climate-related risks and opportunities focus largely on our investment activities and the industries in which we invest.

In identifying climate-related risks and opportunities for our investment activities, we evaluate both physical and transition risks. Risks that KKR has identified include:

Natural disasters and weather events caused by a changing climate, which have the potential to pose significant physical risk to infrastructure and response capabilities. Because of this, our investments in real assets such as real estate, infrastructure, and energy may be exposed to increased risks and liabilities.

The Firm and our investments also face climate transition risks from domestic and international climate-related legislation and policy developments, and business trends and changes in consumer behavior related to climate change and technology (such as the process of transitioning to a lower-carbon economy). New climate-related regulations or interpretations of existing laws may result in enhanced disclosure obligations, which could increase the regulatory burden and cost of compliance for portfolio companies and the Firm.

Finally, many of our stakeholders, including investors in our investment vehicles, stockholders, and regulators are increasingly focused on sustainability matters, such as climate change.

With an expected 10.3 million net new jobs globally by 2030,^[77] we believe that the energy transition represents a significant investment opportunity. We also believe that proactively engaging on climate-related topics material to our investments, which can include decarbonization, climate risk mitigation, and investing in climate-related opportunities, is critical to drive performance and compete in an evolving marketplace.

Since 2010, we have invested more than \$34 billion to climate and environmental sustainability investments,^[78] including more than \$16 billion in renewable energy assets, such as solar and wind.

Our Global Impact strategy, launched in 2018, is KKR's dedicated impact private equity strategy established to invest in businesses that seek to deliver solutions to critical global challenges across four key investment themes, including climate action and sustainable living. In 2023, we launched a new climate investing strategy and appointed a dedicated climate leadership team as part of KKR's Infrastructure platform focused on pursuing energy transition opportunities and accelerating the transition of higher-emitting assets.

KKR's Global Climate Strategy

Launched in 2023, KKR's Global Climate strategy seeks to deploy existing climate solutions, scale new climate solutions, and support the energy transition. We see opportunities to invest across and support the decarbonization of high-emitting and hard-to-abate sectors, including transportation, power, food, agriculture, steel, and aviation. While the strategy was incubated within our Infrastructure platform, cross-functional expertise and collaboration from across the Firm will enable our success.

For more on our Global Climate strategy, see the [Sustainable Investing > Investing Behind Trends > KKR Global Climate](#) section.

Climate Resiliency and Scenario Analysis

We continue to evaluate how climate scenario analyses may integrate into our processes and best practices as our climate approach to how we manage climate-related risks and opportunities matures. Our Global Macro and Asset Allocation team, which brings together KKR's experts focused on major trends impacting the economic and investing landscape, considers climate-related topics as part of their macro analyses to help inform investment decisions, where material. Our Public Affairs and Global Institute team also supports KKR's investment process by analyzing climate-related global trends and developments to identify new opportunities and mitigate risks.

⁸ To learn more about these climate-related risks and other risks, see the 2023 10-K available on ir.kkr.com.

[77] World Economic Forum, [How Many Jobs Could the Clean Energy Transition Create?](#), 2022.

[78] Includes capital invested in or committed to sustainability-focused investments from 2010 to December 31, 2023 by KKR funds and syndicated co-investments (including Global Atlantic's sustainability-focused investments from 2015 to December 31, 2023). Relevant investments include the following sustainability-focused sectors: climate and environmental sustainability.

⁸ To learn more, see the [Sustainable Investing > Investing Behind Trends](#) section.

Spotlight: Assessing Physical Climate Risk in our Real Estate Portfolio

KKR Real Estate's approach seeks to systematically incorporate material ESG considerations into each stage of the investment process. During acquisition, we leverage a sustainability checklist, where applicable, which covers material risk and opportunity areas and is tailored to the asset type and region. For example, while certain topics, such as physical climate risk or energy efficiency, are relevant for all investments, the checklist also accounts for asset-type specific differences such as quality of care for senior housing assets or fair rental practices for housing assets.

Early in diligence, we focus on identifying heightened risks including but not limited to physical climate risk, regulatory risk, and KKR's Gating Issues. As part of screening, we leverage a cloud-based physical climate risk assessment tool to identify an asset's exposure to acute and chronic hazards, as we deem appropriate. If an acute hazard that is classified by the tool as high or extreme is identified, teams may utilize technical due diligence to either identify existing mitigation measures or propose those that can help future-proof the asset.

Where deemed relevant, we also conduct decarbonization analyses, leveraging industry-specific tools such as the Carbon Risk Real Estate Monitor (CRREM).

Post-investment, considering the majority of emissions come from tenant-controlled spaces,^[80] we focus on collecting data and identifying decarbonization measures, in partnership with our Operating Partners, including implementation of energy efficiency or renewable energy technology and/or efforts, as appropriate (e.g., LED lighting, solar feasibility assessments, smart thermostats, and occupancy sensors).

In 2023, we also completed a physical climate risk assessment of our global Real Estate Equity and Credit portfolios. Understanding which assets are exposed to heightened climate risks can help us prioritize where implementation of resiliency measures or further technical assessments may be required, and we will continue to use these findings to prioritize actionable resiliency measures across our portfolio.

For more information on our ESG integration approach in Real Estate, see the [ESG Integration > Real Estate](#) section.

^[80] Applies to Real Estate Equity and Real Estate Credit portfolios.

Risk Management^[79]

Identifying and Assessing Climate-related Risks

We recognize that each investment has a unique set of business-relevant climate-related risks and opportunities, and how they are managed — and the role for KKR in supporting their management — is not “one size fits all.” A variety of factors are taken into consideration when identifying such risks and opportunities, including the company's industry, where it operates, its stakeholders, the nature of the investment, and the level of influence we have over companies' decisions.

Our Responsible Investment Policy articulates our approach to identifying and managing material ESG considerations, including climate-related risks, in our investment processes globally across asset classes.

We are constantly refining our approach, and working together in collaboration with assets, operators, portfolio companies, and, where relevant, sponsors to strengthen the management of climate-related risks and opportunities.

^[79] For further information on our approach to identifying and managing material ESG considerations in our investment processes, please refer to our [Responsible Investment Policy](#).

The [Sustainable Investing > ESG Integration](#) section provides more information our approach to identifying and managing ESG risks material to our investments, including climate-related risks, as well as potential value-creation opportunities across the investment life cycle and across asset classes.

Managing Climate-related Risks

To help manage climate-related risks and opportunities in our portfolio, we engage, educate, and collaborate with the companies we invest in on their climate-related activities. This includes supporting their efforts to attract new customers, enhance operational efficiencies, anticipate and manage regulatory requirements, address physical climate risk, and decarbonize their businesses, where material. For example, as more companies and jurisdictions make commitments to net-zero, we anticipate increased expectations to reduce emissions from suppliers and across value chains. This also means helping our portfolio companies assess how climate change can impact value, and working to put in place strategies to prepare for, adjust to, and manage their material risks and opportunities.

We recognize that this work is a continuous process, which takes time and resources.

On a day-to-day basis, our approach has been to work with portfolio companies to support the direct measurement of GHG emissions, where relevant, and the implementation of business-relevant decarbonization plans across our portfolio, where we believe it contributes to value creation and risk mitigation.

Going forward, we expect to continue working with companies to drive continuous improvement in their plans. We also expect to continue to refine our approach based on learning from the portfolio. To carry out this work, we rely on a toolkit of resources as well as a global network of expert advisors and capabilities. Internally, this includes KKR Capstone, which helps support operational improvements at portfolio companies, and experts in our Sustainability, Global Macro, and KKR Global Institute teams. Externally, we also leverage third-party technical experts and consultants, including ERM, the largest global pure-play sustainability consultancy, and a KKR portfolio company.

Building on efforts to enhance our approach to emissions measurement that began in 2022, we continued to support our majority-owned companies in 2023 in measuring and collecting GHG emissions data in alignment with the GHG Protocol. Our annual ESG data collection process is an important inflection point for us to directly engage with portfolio companies to help them improve the quality of their GHG emissions data and understand progress overall. We believe quality performance data is critical in informing companies' climate action plans and roadmaps, and for KKR to benchmark our companies against their peers and KKR's broader portfolio. We leverage GHG emissions data for two key objectives:

- Supporting portfolio companies in developing and implementing business-relevant and tailored decarbonization strategies, where appropriate
- Measuring and reporting to fund investors the emissions profile of certain funds and strategies. In such cases, we leverage the Partnership for Carbon Accounting Financials (PCAF) methodology for attributing emissions

Climate Action Education Series

One avenue for engaging portfolio companies is the Climate Action Education Series, which aims to share knowledge on climate-related topics. Since 2020, the series provides regular webinars on best practices to manage climate risks and opportunities, including physical climate risk management.

To learn more about our approach to managing climate-related topics with our investments, including case studies of this work in practice, see the [Engagement > Climate](#) section.

Supporting decarbonization is a particular focus for several private markets funds^[81] that have piloted net-zero by 2050 goals across their portfolios. In these funds, where appropriate, we are working to support majority-owned companies in developing and implementing business-relevant decarbonization plans that are consistent with a sector- and market-relevant ambition to reach net-zero emissions by 2050 or sooner.

Building on our learnings, we aim to enhance our go-forward engagement approach with companies on climate-related topics. This includes:

- Further integrating climate considerations into our investment process, with a special focus on carbon-intensive investments. This may include, for example, conducting enhanced due diligence on the cost of GHG emissions reductions necessary to align to net-zero by 2050 where that is a clear driver of value creation or risk protection for the investment. Post-investment, we also seek to prioritize supporting companies where emissions are greatest and where climate change may present a material risk or opportunity to the company.

- Working with certain companies to implement business-relevant decarbonization plans, where appropriate, based on emissions baselines, GHG emissions reduction targets, and board-level oversight of climate risks and opportunities while factoring in the costs of decarbonization. For some companies, where it is a clear driver of value creation or risk protection opportunities, this may include setting long- and short-term goals aligned with net-zero by 2050.

- Continuing to track company performance across the portfolio as part of our annual data collection process, establishing consistent climate-related performance metrics to support our data collection and analysis efforts, and monitor and report on performance to our key stakeholders

We recognize that we have a lot more to learn. We are approaching climate considerations across our portfolio with a growth mindset while working with our companies, our clients, and other stakeholders that are directly impacted by our activities.

In Our Operations

As an office-based company, the Firm's physical footprint is relatively small but there is a possibility of business interruption due to physical climate risks, such as flooding, wildfires, hurricanes, and rising sea levels. We work to actively assess and monitor potential business disruptions to strengthen our operational infrastructure and mitigate risk and impacts from potential disruptions. As appropriate, we incorporate ESG considerations into our ERM framework and report on these risks to the KKR Board and/or one of its committees to whom such responsibilities have been assigned on a periodic basis.

Metrics and Targets

Measuring Climate-related Risks and Opportunities

In Our Investments

We believe the calculation, collection, and monitoring of the emissions data of our portfolio companies is critical in informing companies' action plans and roadmaps, and for KKR to benchmark our portfolio companies against their peers and KKR's broader portfolio. We use this data to support the development of decarbonization strategies tailored to portfolio companies and to calculate KKR's financed emissions^[82] for certain funds and strategies. We believe this information helps us better understand our climate-related performance and improve how we monitor portfolio-wide emissions, with a view to better drive value across the portfolio.

As we expand our efforts to measure emissions at our portfolio companies, we recognize that GHG emissions are not always a perfect proxy for climate-related risk and opportunity. We approach climate considerations across our portfolio with a growth mindset as we continue to evaluate the most relevant indicators for our risk management and investment processes. In particular, we maintain a focus on carbon-intensive investments, which may include, for example, enhanced due diligence to determine the cost of GHG emissions reductions that would be necessary to reach net-zero by 2050.

Scope 1, 2, and 3 GHG Emissions Disclosures

In Our Investments

We recognize that the majority of our climate-related impacts are tied to our investments. Considering the variety of sectors represented in our portfolio, we understand that emissions vary greatly across our portfolio. Fluctuations in performance at such companies can significantly impact Firm-wide financed emissions metrics on a year-to-year basis.

Based on our data, the majority of KKR's financed emissions come from a very small number of our investments (53% from 20 companies out of the thousands of investments in our portfolio). While this includes several transition-themed investments, i.e., investments in hard-to-abate sectors for which accelerated decarbonization was an explicit part of KKR's investment thesis, high-emitting companies can also be found across KKR strategies. High-emitting companies in KKR's portfolio are overwhelmingly companies for which climate action is highly material to long-term value — and where management teams are already taking action with regard to decarbonization, with KKR's support. Across our majority-owned private equity and real assets companies, over 90% of financed emissions are directly measured and over 80% of financed emissions are addressed by business-relevant decarbonization plans.

In Our Operations

KKR conducts a GHG emissions footprint annually. Our 2023 GHG emissions footprint comprises emissions from Scope 1 and Scope 2, as well as certain Scope 3 categories, totaling 30,142 metric tons CO₂e. This figure^[83] does not incorporate our financed emissions.

^[82]
Scope and methodology: In-scope strategies for our 2023 financed emissions include: Private Equity, Growth, Infrastructure, Energy, Global Impact, Leveraged Credit, Alternative Credit, Real Estate, as well as Global Atlantic's investments. KKR's financed emissions calculations closely follow the PCAF approach and include KKR's attributable share of the absolute Scope 1 and 2 GHG emissions of our in-scope investments as well as the Scope 3 (tenant) emissions of our Real Estate business. KKR's attributable share is proportional to the capital invested in a company as a percentage of the company's total enterprise value. By normalizing portfolio company performance according to its respective share of KKR's total financed emissions, we are able to better understand performance based on attributable climate impact. With reference to the guidance provided by third-party frameworks, for the purposes of portfolio governance, monitoring, and reporting, KKR considers financed emissions to be:

- “Directly measured” when a company calculates its Scope 1 and 2 emissions using primary physical activity data and emissions factors specific to that primary data

- “Addressed by business-relevant decarbonization plans” when such plans include, where applicable: portfolio company board-level oversight of its climate strategy, Scopes 1 and 2 GHG emissions measurement, and GHG emissions reduction targets, which may be aligned to a science-based net-zero pathway or a benchmark.

For additional detail on scope and methodology, see the [Endnotes](#) of the report.

^[83]
 Our 2023 GHG emissions footprint includes emissions from Global Atlantic, and does not include emissions from KJRM. For more detail on calculation methodologies, see the [Endnotes](#) of the report.

[🔗](#)
 To learn more about KKR's financed emissions, including scope and methodology, see the [Engagement > Climate](#) section.

[🔗](#)
 To learn more about our operational GHG emissions disclosures, see the [Sustainable Operations > Environment and KKR-level ESG Data Tables](#) sections.

^[81]
 Applies to majority-owned companies in three of our Private Equity and Infrastructure funds. There can be no assurance that such companies' plans will be realized or that any historical trends or practices will continue.

[🔗](#)
 To learn more about our approach to ERM, see the [Sustainable Operations > Enterprise Risk Management](#) section.

Overview of Policies

As referenced in the respective Sustainable Operations sections of this report, the below provides an overview of select KKR policies and procedures relevant to our business and operations. For additional publicly available corporate documents and policies, refer to the Corporate Governance section of ir.kkr.com.

People

Harassment Policy

KKR prohibits sexual harassment and harassment because of race, color, sex, age, disability, religion, national origin, marital status, familial status, family care status, gender (including pregnancy, childbirth, breastfeeding or related medical conditions), sexual orientation, gender identity or expression, ancestry, military or veteran status, genetic information, as well as any other basis protected by applicable law. All such harassment violates this policy and will not be tolerated. Sexual harassment may occur between individuals of the same or different gender and need not be motivated by sexual desire to be in violation of this policy. Harassment violates this policy whether it involves co-worker harassment, harassment by a manager, harassment by persons doing business with or for the Firm, or harassment by any individual with whom an employee comes into contact with as part of his or her job. This policy prohibits harassment that occurs at KKR's offices or outside KKR's offices while on the Firm's business.

Equal Employment Opportunity Policy

KKR will provide equal employment opportunity to all employees and applicants for employment. No employee 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 federal, state, or local 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 federal, state or local 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. Applicable remedies in case of violation of this prohibition include damages (including back pay and attorneys' fees), injunctive relief, reinstatement, or liquidated damages.
- Be alert to identify and correct any practices by individuals that are at variance with the intent of the Equal Employment Opportunity Policy

Governance

Know-Your-Customer (KYC) Policy

KKR has implemented a KYC Policy as part of its Anti-Money Laundering (AML) program. The KYC Policy includes risk-based procedures designed to obtain sufficient identifying information prior to establishing a relationship with a client, including to form a reasonable belief about the identity of the client. 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 onboarded or undergo enhanced due diligence and additional monitoring due to factors that may include its status as a senior foreign political figure or politically exposed person. KKR's policy is to use reliable, independent source documents, data, or information, where necessary, to conduct customer and enhanced due diligence.

KKR Capital Markets LLC Written Supervisory Procedures

KKR Capital Markets LLC (KCM) written supervisory procedures sets forth policies and procedures that KCM has adopted to govern Relationship Managers who are registered with the Financial Industry Regulatory Authority (FINRA) as representatives of KCM. Topics discussed in the KCM written supervisory procedures include but are not limited to communications with the public, activities of registered representatives, and legal and regulatory matters.

Global Vendor Management and Contingent Worker Policies

KKR has established a Global Vendor Management Policy and a Global Contingent Worker Policy to assess and manage risk associated with engaging external vendors and resources to provide additional staffing support for the Firm. These policies cover a wide range of vendor and contingent worker-related risks, including but not limited to legal, regulatory, information security, physical security, reputational, and operational risk.

Business Ethics

Anti-Bribery and Anti-Corruption (ABC) Policy

This policy prohibits KKR employees from offering anything of value to themselves, or to their family, friends, associates, or acquaintances to obtain an advantage for KKR or receive a benefit from a client or investor in return for a promise of a benefit from KKR. KKR is committed to conducting its businesses activities in accordance with the highest legal and ethical standards, and in a manner consistent with all applicable U.S. and non-U.S. laws, rules and regulations. 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 KKR employee must certify that they understand and will abide by KKR's ABC Policies.

Anti-Money Laundering (AML) and Sanctions Policies

These policies require that KKR business lines have AML and Sanctions Compliance programs reasonably designed to comply with the laws and regulations in the jurisdictions where they operate with dedicated responsible individuals providing an appropriate level of oversight. KKR has compliance officers in various jurisdictions and businesses responsible for implementation and operation of all AML-related procedures within the Firm, including the procedures for reporting suspicious activity, annual training programs, and independent audits to test the AML and Sanctions program. All KKR employees must complete mandatory trainings on AML and financial crime on an annual basis. We incorporate testing to verify understanding of these areas in annual web-based trainings, and a minimum score in each subject matter is required to complete these compliance trainings. The AML program includes an appropriate KYC Policy and Customer Due Diligence Policy designed to provide appropriate diligence standards to evaluate and risk rate KKR's clients and identify potentially high-risk individuals or organizations that warrant heightened scrutiny.

KKR's Antitrust Policy

This policy aims to preserve competition among businesses and protect consumers from anti-competitive business practices. All KKR employees should refuse any attempt by any business to form an anti-competitive alliance and report these illegal activities to the Legal or Compliance teams. Employees can report concerns and/or violations of KKR's Antitrust Policy via the anonymous whistleblower hotline or website.

Code of Ethics Policy (The Ethics Policy)

This policy is essential to our commitment to ethics and compliance. We expect all employees to 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, as applicable, can mitigate and manage business and compliance-related risks. The Ethics Policy outlines the standards for legal and ethical behavior and aims to prevent and detect wrongdoing within the Firm. We use the Code of Ethics to educate employees and help mitigate potential conflicts of interest that may arise from employee conduct involving personal trading, gifts and entertainment, political activity, and outside business activities, among others. KKR's Compliance Group reviews employee certifications, questionnaires, and pre-approval requests to identify such potential conflicts of interest. KKR has instituted various other essential policies and procedures designed to ensure compliance with legal and ethical standards and all applicable laws, rules, and regulations, including, but not limited to, the following:

- **Global Conflicts Policy** — to identify, address, and mitigate potential conflicts of interest that may arise in the course of the Firm's business activities
- **Confidential Information and Inside Information Barrier Policies and Procedures** — to support our commitment to conduct business with integrity and implement appropriate restrictions on information access as it relates to the private and public sides of the business

Whistleblower Policy

KKR has a Whistleblower Policy, which provides reporting mechanisms regarding questionable accounting, internal accounting controls and auditing matters, compliance with legal and regulatory requirements and retaliation against employees or others who make such accounting allegations or legal allegations. Consistent with these policies, employees who, in good faith, make a report or provide assistance to the Audit Committee, management, or any other person or group, including any governmental, regulatory, or law enforcement body, will not face retaliation, and the source of any report will remain anonymous unless compelled by judicial or other legal process or as necessary to fully investigate a particular matter.

The 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. In certain cases, a subset of the Firm receives targeted training regarding particular business ethics issues most relevant to their role. The Whistleblower Policy provides instructions for reporting a complaint or concern. KKR offers multiple hotlines, domestic and international, which are maintained by a third-party operator.

The Whistleblower Policy provides these reporting numbers and also details other methods of making a report to the Audit Committee, which include a website (hosted by a third-party operator), or in writing or in person to the Audit Committee, in the manner described in the Whistleblower Policy.

Cybersecurity, Privacy, and Data Protection

Information Security Policy and Use of Technology Policy

KKR maintains an Information Security Policy and Use of Technology Policy. KKR is also a member of the Financial Services Information Sharing and Analysis Center (FS-ISAC), a nonprofit group dedicated to reducing cybersecurity risks throughout the global finance industry. Additionally, our cybersecurity Incident Response Plan is a key component of our cybersecurity program, which is generally incorporated as part of our enterprise risk management program.

Benefits Overview

Fostering a culture of physical, mental, and emotional health and wellness is a priority for KKR. We offer industry-leading, comprehensive benefits for the Firm's employees' overall well-being and strive to keep our program competitive and responsive to their and their families' needs.

Comprehensive health insurance coverage, which includes full medical, dental, and vision insurance (including prescription drug coverage)

In 2023, we expanded our mental well-being platform that provides access to screening, navigation, and scheduling of up to 12 in-person or virtual visits with licensed therapists/psychiatrists in the U.S. to all KKR employees and their family members globally

Life and accidental death and dismemberment insurance (no extra cost)

Disability insurance coverage

Access to a suite of health programs through various third-party service providers (available in the U.S. only), including:

- Company-sponsored membership to a private primary care practice that offers virtual visits, same-day primary care physician appointments, 24/7 phone support, mobile app access, travel medicine needs, and email communications with physicians
- Medical consulting service for health care decisions and second opinion support

Access to Memorial Sloan Kettering (MSK) for annual mammograms (for New York-based KKR employees) as well as global access to MSK's cancer navigation support where KKR employees and their families can receive expedited appointments for in-person or remote care from MSK in collaboration with their local doctors

Early multi-cancer detection blood test in the U.S.

Fitness reimbursement program (global)

Free annual on-site flu vaccine and Covid vaccine in some locations (available at most U.S. and non-U.S. KKR locations)

On-site health and wellness suite with primary care, mental health, and physical therapy/chiropractic services, and access to wellness rooms (for New York- and London-based KKR employees) or multipurpose wellness rooms at select offices

Wellness Works program, which includes health clinics, walking/running challenges, wellness education, free subscription to a mindfulness and meditation app, and free subscription to a nutrition app

Discounts on health care premium contributions each year when preventive health care activities are completed (for U.S.- based KKR employees)

Virtual and in the U.S. on-site ergonomic consultations as well as tele-physical therapy (PT) (U.S.- and UK-based KKR employees, onsite PT and chiropractor in New York, global ergonomics program)

Fertility management/support programs, including IVF coverage, egg freezing treatments, sperm freezing and testing, donor tissue coverage, and surrogacy/adoption expense reimbursement (global)

Family support resources, including:

- Parental coaching and support through the spectrum of family needs, from considering to infant care, child/teen care, and elder care
- Birth center coverage
- Support for delivery at home (U.S. only)
- Breast pump coverage (through U.S. medical plan)
- Breast milk shipping through a third party for employees traveling for business both domestically and internationally
- Dedicated nursing mothers' rooms in several offices

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

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

In 2023, we introduced a curated guide outlining KKR's LGBTQ+ benefits, including newly expanded gender-affirming surgery benefits with a dedicated resource to support U.S. KKR employees who participate in our healthcare plan throughout their transition journey

U.S. voluntary benefits program, including long-term care, pet insurance, and group legal plan

Emergency backup child/elder care, adult/elder care navigation, return to work support, and additional family support, such as college coaching/application support (for U.S./UK/Dublin-based employees)

Access to a third-party service that provides navigation assistance for KKR employees with children with special/developmental needs (global)

Paid parental leave policy:

- 18 weeks of paid leave for a primary caregiver new parent
- Four weeks for non-primary caregiver
- Four weeks of paid family caregiving leave, regardless of tenure, to support a serious health condition of a family member

Childcare travel program covering costs related to childcare provider accompaniment on essential business-related travel

Coaching program for executives and their managers transitioning from parental leave to full-time work (for U.S./UK-based KKR employees)

Retirement benefits (including a company matching % contribution) are offered in our largest locations for our non-executive KKR employee populations

Lunch allowance, meal vouchers, and/or on-site canteen provisions for our global KKR employee population

Firm-sponsored personal financial planning with a specialist advisor (for U.S./ UK-based KKR employees)

KKR-level ESG Data Tables

Gender and Racial/Ethnic Representation^[84]

	2023			2022		
	Female	Male	N/A	Female	Male	N/A
Executive Management	23%	77%	-%	22%	78%	-%
Non-Executive Management	36%	64%	-%	34%	65%	-%
Senior Executives	32%	67%	-%	31%	69%	-%
Professionals	45%	55%	-%	46%	54%	-%
All Other Employees	94%	6%	1%	94%	6%	1%
Total Firm	47%	53%	-%	47%	53%	-%
% of New Hires	44%	56%	-%	56%	44%	-%
KKR Board	31%	69%	-%	19%	75%	6%

	2023								
	White	Asian	Black	Hispanic / Latino	American Indian or Alaska Native	Native Hawaiian or Other Pacific Islander	Two or more races	Other	Prefer not to answer/ Unknown
Executive Management	75%	11%	5%	2%	-%	-%	2%	-%	5%
Non-Executive Management	58%	21%	3%	5%	-%	-%	2%	1%	9%
Senior Executives	63%	18%	4%	5%	-%	-%	2%	1%	8%
Professionals	47%	25%	5%	7%	-%	-%	3%	2%	12%
All Other Employees	48%	11%	11%	14%	1%	2%	6%	1%	7%
Total Firm	53%	21%	5%	7%	-%	-%	3%	1%	10%
% of New Hires	43%	20%	5%	8%	-%	1%	3%	1%	18%
KKR Board	69%	8%	8%	8%	-%	-%	-%	-%	8%

[84] The information in this table relates only to the Firm. Definitions: "Executive Management" defined as global Partners and Managing Directors; "Non-Executive Management" defined as global Directors and Principals; "Professionals" defined as global Associates, Analysts, and Professionals; "All Other Employees" defined as global Staff and Support.

GHG Emissions^[85]

Scope	Source	Emissions			Details
		2023	2022	2021	
Scope 1	Space Heating; Fugitive Refrigerants	2,136 mtCO ₂ e	786 mtCO ₂ e	897 mtCO ₂ e	Estimated, based on site characteristics
Scope 2	Purchased Electricity, District Heating, District Cooling	4,828 mtCO ₂ e	2,315 mtCO ₂ e	1,878 mtCO ₂ e	KKR offices
Scope 3	Multiple Categories	23,178 mtCO ₂ e	11,241 mtCO ₂ e	4,012 mtCO ₂ e	Scope 3 includes: <ul style="list-style-type: none"> Category 1: Purchased goods and services (office-related materials, contractor spend) Category 3: Fuel- and energy-related activities Category 5: Waste generated in operations (office consumables, mixed solid waste) Category 6: Business travel (commercial air travel, car service and rental, private jet, rail, hotel) Category 7: Employee commute (physical commute, remote work)
	Commercial Air Travel	53%	61%	41%	% of Scope 3 Total

Total	Emissions		
	2023	2022	2021
Scope 1 and 2 Total	6,964 mtCO ₂ e	3,101 mtCO ₂ e	2,775 mtCO ₂ e
Scope 1, 2, and 3 Total	30,142 mtCO ₂ e	14,342 mtCO ₂ e	6,787 mtCO ₂ e

[85] Our GHG emissions footprint, as detailed in this table, is based on Firm-level Scope 1 emissions arising from our direct impacts and operations, indirect Scope 2 emissions, and certain categories of Scope 3 emissions; it does not account for financed emissions. Our 2023 GHG emissions footprint includes emissions from Global Atlantic, and does not include emissions from KJRM. For more detail on calculation methodologies, see the [Endnotes](#) of the report.

Endnotes

Footnote 26. 2023 ESG Data Collection Process

The scope of our 2023 ESG survey includes 254 portfolio companies and underlying operating companies within platform investments across Private Equity, Growth, Infrastructure, Energy, Global Impact, and certain Credit strategies. For these metrics, the denominator used is the number of companies and investment vehicles for which we have data (“Responding Entities”). ESG portfolio insights are calculated with respect to those Responding Entities, and not the entire portfolio.

Footnote 33. 2023 Portfolio Company Board Composition

The scope of our data collection includes majority-owned portfolio companies and investment vehicles (where KKR has greater than or equal to 50% ownership) across Private Equity and Infrastructure strategies, and select portfolio companies from the following strategies: Energy, Real Estate, Balance Sheet/Stakes, and Credit. For these metrics, the denominator used is the number of portfolio companies and investment vehicles for which we have data (“Responding Entities”). Board composition metrics disclosed in this report are calculated with respect to those Responding Entities, and not the entire portfolio.

Board seats are meant to highlight the composition of a specific board. Diverse directors found on multiple boards occupy more than one diverse seat in the portfolio; therefore, one individual can account for multiple diverse seats.

Footnotes 39, 82. KKR’s Financed Emissions

Scope

In-scope strategies for our 2023 financed emissions include: Private Equity, Growth, Infrastructure, Energy, Global Impact, Leveraged Credit, Alternative Credit, Real Estate, as well as Global Atlantic’s investments. In certain circumstances, individual portfolio companies with financed emissions we consider to be de minimis or asset classes where there is no widely-accepted methodology (e.g. municipal bonds) are excluded from KKR’s total due to limited data availability and/or quality.

Methodology

“Financed emissions” are the GHG emissions resulting from a firm’s lending and investing activities. These emissions are categorized under scope 3.15 in the GHG Protocol. A global standard for measuring and reporting financed emissions is the Partnership for Carbon Accounting Financials (PCAF) — an extension of GHG Protocol section 3.15. KKR’s financed emissions calculations closely follow the PCAF approach and include KKR’s attributable share of the absolute Scope 1 and 2 GHG emissions of our in-scope investments as well as the Scope 3 (tenant) emissions of our Real Estate business. KKR’s attributable share is proportional to the capital invested in a company as a percentage of the company’s total enterprise value.

By normalizing portfolio company performance according to its respective share of KKR’s total financed emissions, we are able to better understand performance based on attributable climate impact. With reference to the guidance provided by third-party frameworks, for the purposes of portfolio governance, monitoring, and reporting, KKR considers financed emissions to be:

- “Directly measured” when a company calculates its Scope 1 and 2 emissions using primary physical activity data and emissions factors specific to that primary data
- “Addressed by business-relevant decarbonization plans” when such plans include, where applicable: portfolio company board-level oversight of its climate strategy, Scopes 1 and 2 GHG emissions measurement, and GHG emissions reduction targets, which may be aligned to a science-based net-zero pathway or a benchmark.

Note on Data Quality: KKR’s financed emissions data presented herein is collected and calculated on a best-effort basis, using a combination of third-party data, which includes estimates based on economic and operational metrics where available, and data gathered directly from investments, which relies on the accuracy and completeness of data provided by management teams. Where companies measure GHG emissions but data was not available at time of publication, KKR estimated 2023 GHG emissions based on a combination of financial and other GHG emissions data.

While KKR cannot guarantee the completeness of the data presented, we extensively review the data provided and engage directly with certain investments to improve its quality. We expect GHG data quality in general to improve as approaches mature and, in turn, KKR’s data quality to improve over time.

Footnote 58. KKR Global Impact’s 2023 Cross-portfolio Sustainability Performance

Climate: Emissions data includes all 16 companies in the Global Impact portfolio for 2023. Financed emissions are reported in alignment with footnote 39. Please refer to the KKR Global Impact report for additional emissions detail. Re Sustainability and Viridor’s scope 1 and 2 emissions equate to 98.4% of the total Global Impact portfolio’s absolute scope 1 and 2 emissions, as the rest of the portfolio is largely comprised of office-based businesses. Global Impact has a small equity share in Re Sustainability and Viridor, although overall KKR holds a control position via co-investments with other KKR private markets strategies.

- Global Impact is actively involved in developing sustainability-focused strategies; for example, supporting the recruitment of sustainability expertise at the board and executive level and supporting Viridor’s net-zero and net negative strategy.

Human Capital:

- Over the past year, we advanced our data collection efforts by expanding the breadth of demographics we collect on our portfolio company directors, starting with North America in early 2024 with plans to expand globally next year. These attributes will vary globally to reflect regional nuances, but broadly include gender, sexual orientation, age, race/ethnicity, veteran status, disability status, low-income background, nationality, career experiences, and more. Diversity is measured as follows: APAC and EMEA include gender diversity; in North America, in addition to gender diversity, the term diversity encompasses (i) Historically Underrepresented Groups, which

includes individuals self-identifying as African American, Black, Hispanic, Latino, Native American, or Alaska Native and (ii) Asian American. We are continuing to engage with specialists to enhance our approach to collect more comprehensive diversity demographics globally, where possible. Gender representation metrics for the Global Impact strategy include both full-time and part-time employees. Job creation data reflects full-time employees only, which has been collected for Global Impact fund investor reporting since 2019. Job creation excludes jobs gained from acquisitions, and only includes companies with at least two years of employment data.

Footnote 62. KKR Global Impact Strategy: Highlights of Global Impact’s Contribution to the SDGs

The figure is for illustrative purposes only. Highlights of Global Impact portfolio companies’ contributions to the SDGs contain at least one finalized metric per company in our Global Impact portfolio, but do not include all metrics for every company. All figures are rounded totals.

SDG 1: NO POVERTY

- Metrics show total number of loans disbursed by **Five Star** to its micro-entrepreneurs and self-employed individual clients in India over the life of KKR’s investment.

SDG 2: ZERO HUNGER

- The volume of the seeds sold since baseline (2022) are the actual numbers pulled from **Advanta Seed’s** projections and sales monitoring tool for countries listed by Access to Seeds Index with exceptions of countries and crops where **Advanta Seeds** end user is a larger grower based on the Food and Agriculture Organization of the United Nations (FAO) definition of smallholder farmers, which is a grower with less than 10 hectares or 24 acres of land

SDG 4: QUALITY EDUCATION

- This metric captures the total number of higher education institutions served by **Lightcast's** solutions as of year-end 2023
- New students enrolled at Group level as of year-end of 2023. In 2020, 2021, and 2022, **MasterD** reported gross new students enrolled. In 2023, **MasterD** refined its methodology to report new students enrolled net of dropouts
- Total students who have earned credits through **Graduation Alliance's** Adult Workforce Diploma and Dropout Recovery Programs during the calendar year 2023. Both programs aim to engage former high school dropouts to earn credits towards a high school diploma. Baseline year of investments is 2020.
- Number of students with access to **Education Perfect's** platform at the end of 2023. Baseline year of investment is 2021.
- This number captures students across **EQuest's** portfolio of K12 schools that receive a higher quality and quantity of English education relative to the market. Baseline year of investment is 2021.

SDG 6: CLEAN WATER AND SANITATION

- Daily volumes of nutrient chemicals removed are calculated based on the treatment capacity for each of **Axius'** product or process over the life of KKR's investment (since 2019)
- This metric is based on the miles of nature-based terraces or shorelines restored through **RES's** ecological restoration services over the life of KKR's investment (since 2022). Linear feet of levees restored are only included if the restoration utilizes a nature-based approach.

SDG 7: AFFORDABLE AND CLEAN ENERGY

- **bbp** calculates the percentage change of total customer HVAC system's energy intensity before and after **bbp's** solution was implemented. The metric is calculated by dividing the total electricity consumption (kilowatt hours) by customers' HVAC systems by the total cooling load delivered (refrigeration ton hours). The result is an average of energy intensity improvements across client projects throughout the calendar year 2023.

SDG 8: DECENT WORK AND ECONOMIC GROWTH

- This metric reflects performance throughout the 2023 calendar year and was calculated by comparing the RIDDOR (Reporting of Injuries, Diseases, and Dangerous Occurrences Regulations) Injury Incidence Rate per 100,000 employees at Citation's health and safety clients with the fiscal year 2022/2023 UK average, sourced from the UK Health and Safety Executive, the most recent data available. Baseline year of investment is 2020.

SDG 9: INDUSTRY, INNOVATION, AND INFRASTRUCTURE

- Refer to SDG 7 **bbp** endnote. SDG 9 metric captures the CO₂e reduced due to energy efficiency savings generated at **bbp's** clients since baseline (2019).
- **CoolIT** worked with a third party to estimate the amount of kWh of energy savings for customers in 2023, multiplying the product and sales information by assumed uptime, power usage, and savings. Baseline year of investment is 2023.

SDG 11: SUSTAINABLE CITIES AND COMMUNITIES

- Metric is the total metric tons of waste treated since baseline for **Re Sustainability** (2019)
- **Viridor** tracks the amount of waste processed by Energy Recovery Facilities (ERFs) and estimates that 62% of waste processed in the ERFs is municipal waste according to third-party research. Baseline year of investment is 2020.

SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

- Metric is the total metric tons of hazardous waste treated since baseline for **Re Sustainability** (2019)
- The 2023 methodology includes Life Cycle Assessment (LCA) results for both CartonWrap and Genesys products and the average numbers of boxes per hours for both CW and Genesys have been slightly updated. The LCAs compared the paperboard and void filler used by a standard packaging process with their products across either a selection of household items or a selection of different size order. Metric captures the estimated paperboard reduced by **CMC's** clients due to the use of their CartonWrap and Genesys products, over the period 2021-2023.

SDG 13: CLIMATE ACTION

- To calculate the total estimated metric tons of CO₂e savings associated with the company since baseline year 2023, **Accell** has estimated life cycle emissions across a range of bike models, divided by average km of use for bikes, calculated a delta for these emissions per kilometer (km) against other modes of commuting, such as bus and train, and multiplied this CO₂/km delta by the estimated number of kms for each mode of transport that have been substituted by an e-bike after the purchase of an **Accell** e-bike. Data was captured from end-user research conducted in 2022 and 2024 by a third-party provider.

SDG 15: LIFE ON LAND

- This metric is based on the number of acres under an easement, deed restriction, or environmental covenant and reflect the acres of land restored and protected by **RES** through its ecological restoration services, including environmental mitigation, storm water and water quality, and climate and flooding resilience in the calendar year 2023

Footnotes 71, 83, 85. KKR's 2023 GHG Emissions Footprint

KKR's 2023 GHG emissions footprint is developed in accordance with the revised GHG Protocol Corporate Standard and the Corporate Value Chain Accounting and Reporting Standard. We believe the procedures developed and executed during development of the KKR Inventory for Reporting Year 2023 satisfy ISO Standard 14064-1. Scope 3 categories include:

- Category 1: Purchased goods and services (office-related materials, contractor spend)
- Category 3: Fuel- and energy-related activities
- Category 5: Waste generated in operations (office consumables, mixed solid waste)
- Category 6: Business travel (commercial air travel, car service and rental, private jet, rail, hotel)
- Category 7: Employee commute (physical commute, remote work)

Portions of KKR's 2023 inventory relied on proxy data to develop the resource consumption estimates and resulting emissions impact.

Cautionary Statement

The “Company” means KKR & Co. Inc. and its subsidiaries, including The Global Atlantic Financial Group LLC (together with its insurance companies and other subsidiaries, “Global Atlantic”), unless the context requires otherwise. The “Firm” means Kohlberg Kravis Roberts & Co. L.P. and the other subsidiaries of KKR & Co. Inc. that operate its investment management business, including capital markets activities, but excluding its insurance business and certain other businesses (see below for further information regarding the scope of applicability of the disclosures made in this report). “KKR” means the Firm and, when the context requires, includes the investment accounts, funds and vehicles managed or sponsored by the Firm, which may include Global Atlantic’s investments. “KJRM” means KJR Management and its subsidiaries. “Portfolio companies” are companies held as investments by the investment funds and vehicles managed or sponsored by the Firm. Portfolio companies are not part of the Company, the Firm or KKR as defined. The term “company” or “companies” also refers to assets, operators, portfolio companies, and, where relevant, sponsors. “We” and “our” refer to the Company or KKR, as the context requires, and does not include portfolio companies. References to our “funds,” “vehicles” or “investment vehicles” refer to a wide array of investment funds, vehicles and accounts that are advised, managed or sponsored by one or more subsidiaries of KKR, including collateralized loan obligations and business development companies, unless the context requires otherwise.

Notwithstanding the foregoing or any other statements made in this report, including the particular defined terms used throughout, the disclosures in this report do not purport to be applicable to, or derived from, all legal entities, business units, employees, investment vehicles, strategies, activities, operations of the “Company”, “Firm”, “KKR” “Global Atlantic”, “we” or “us”, as applicable.

This report documents activities and includes performance data for calendar year 2023, unless otherwise noted. This report is dated June 21, 2024 and speaks only as of such date, unless otherwise stated. The data and information in this report, which has been prepared by the investment management subsidiaries of KKR & Co. Inc., are presented for informational purposes only. This report shall not constitute an offer to sell or the solicitation of any offer to buy any interest, security, or investment product. The information in this report is only as current as the date indicated and may be superseded by subsequent market events or for other reasons, and KKR assumes no obligation to update the information herein. Nothing contained herein is intended to constitute, and shall not be construed as constituting, the provision of any tax, accounting, financial, investment, insurance, regulatory, legal or other advice nor is it to be relied on in making an investment or other decision. This report should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any securities or to adopt any investment strategy.

Without limiting the foregoing, this report is not and shall not be construed as an “advertisement” for purposes of the Investment Advisers Act of 1940, as amended, or an offer to purchase or sell, or the solicitation of an offer to purchase or sell, any security, service or product of or by any KKR entity, including but not limited to any investment advice, any investment fund, vehicle or account, any capital markets service, or any insurance product, including but not limited to (i) any investment funds, vehicles or accounts sponsored, advised or managed by (or any investment advice from) Kohlberg Kravis Roberts & Co. L.P., KKR Credit Advisors (US) LLC, KKR Credit Advisors (Ireland) or other subsidiary, (ii) any capital markets services by KKR Capital Markets LLC (“KCM”) or any KCM affiliate outside the United States, or (iii) any insurance product or reinsurance offered by Accordia Life and Annuity Company, Commonwealth Annuity and Life Insurance Company, Forethought Life Insurance Company, Global Atlantic Re Limited, Global Atlantic Assurance Limited or any other Global Atlantic owned or sponsored insurance company, or any investment or insurance product or reinsurance offered by any insurance-related vehicle sponsored or managed by Global Atlantic.

This report contains certain forward-looking statements pertaining to KKR, including investment funds, vehicles and accounts managed by KKR and Global Atlantic. You can identify these statements by the use of words such as “opportunity,” “believe,” “think,” “expect,” “feel,” “potential,” “continue,” “may,” “could,” “would,” “should,” “seek,” “strive,” “approximately,” “predict,” “will,” “plan,” “estimate,” “anticipate,” “visibility,” “positioned,” “target,” the negative version of these words, other comparable words or other statements that do not relate strictly to historical or factual matters. Forward-looking statements relate to expectations, estimates, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts, including but not limited to, any statements with respect to: KKR’s business, financial condition and results of operations; the potential for future business growth; KKR’s Global Ambitions and any related initiatives; fund-level climate commitments, including any net zero commitments; ESG data and performance metrics; KKR’s ability to grow its AUM and deploy its capital; expansion and growth opportunities and other synergies resulting from acquisitions, including of Global Atlantic, KJRM or strategic partnerships; the timing and expected impact to our business of any new fund, and investment vehicle or product launches, including our climate investing strategy. These 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. The use of words such as “consistent” or comparable words or other statements is not a guarantee of future performance or that any other statements to which these apply are guaranteed to occur. If a change occurs, forward-looking statements made as part of this report may differ materially from those expressed in the applicable forward-looking statements. These forward-looking statements include targets, goals, hypothetical or estimated results, projections and other comparable phrases and concepts that are hypothetical in nature and are shown for illustrative, informational purposes only. Except as otherwise specifically stated, this information is not intended to forecast or predict future events, but rather to show the hypothetical estimates calculated using the specific assumptions

presented herein. It does not reflect any actual results, which may differ materially. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in calculating the target, goal, hypothetical or estimated results have been stated or fully considered. Target, goal, hypothetical or estimated results or projections may not materialize. Certain information contained herein relating to any goals, targets, intentions, or expectations, including with respect to net-zero targets and related timelines, is subject to change, and no assurance can be given that such goals targets, intentions, or expectations will be met. These statements are subject to numerous risks, uncertainties and assumptions.

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.

Certain key non-GAAP and other operating and performance measures that were used by management in making operational and resource deployment decisions as well as assessing the performance of KKR & Co. Inc.’s business for the year ended December 31, 2023 are included in this report. This presentation includes certain non-GAAP measures, including fee related earnings and after-tax distributable earnings. These non-GAAP measures are in addition to, and not a substitute for, measures of financial and operating performance prepared in accordance with U.S. GAAP. We also caution readers that these non-GAAP financial measures may differ from the calculations made by other investment managers, and as a result, may not be directly comparable to similarly titled financial measures presented by other investment managers. While we believe that providing these non-GAAP measures is helpful to investors in assessing the overall performance of KKR’s business, they may not include all items that are significant to an investor’s analysis of our financial results. Please see the 2023 10-K for definitions ascribed to our key non-GAAP and other operating and performance measures, a reconciliation of non-GAAP measures to comparable GAAP measures, cautionary disclosures relating to forward-looking statements, and other important information about KKR.

The SDGs are aspirational in nature. The analysis involved in determining whether and how certain initiatives may contribute to the SDGs is inherently subjective and dependent on a number of factors. There can be no assurance that reasonable parties will agree on a decision as to whether certain projects or investments contribute to a particular SDG. Accordingly, investors should not place undue reliance on the KKR's application of the SDGs, as such application is subject to change at any time and in the KKR's sole discretion. Further, statistics and metrics relating to ESG matters are estimates and may be based on assumptions or developing standards (including KKR's internal standards and policies). Such statistics and metrics, including those relating to our financed emissions and the number of portfolio companies associated with such emissions, are subject to change in the future.

Certain information contained herein relating to any ESG, Impact, Responsible Investment initiatives or other similar industry frameworks is subject to change, and no assurance can be given that KKR will remain a signatory, supporter, or member of such initiatives or other similar industry frameworks.

Similarly, there can be no assurance that KKR's ESG policies and procedures as described in this report, including policies and procedures related to responsible investment or the application of ESG-related criteria or reviews to the investment process, including the Responsible Investment Credit Scorecard or any other scorecard, will continue; such policies and procedures could change, even materially, or may not be applied to a particular investment. The actual investment process used for any particular investment may differ materially from the process described herein. Further, the summaries of pre- and post-investment key activities presented herein are for illustrative purposes only, and have been selected in order to provide examples of KKR's responsible investment approach with respect to each asset class and do not purport to be a complete description thereof. KKR is permitted to determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives, policies, and procedures based on cost, timing, or other considerations. Statements about ESG initiatives or practices related to portfolio companies do not apply in every instance and depend on factors including, but not

limited to, the relevance or implementation status of an ESG initiative to or within the portfolio company; the nature and/or extent of investment in, ownership of or, control or influence exercised by KKR with respect to the portfolio company; and other factors as determined by investment teams, corporate groups, asset management teams, portfolio operations teams, companies, investments, and/or businesses on a case-by-case basis. ESG factors are only some of the many factors KKR considers in making an investment, and there is no guarantee that consideration of ESG factors will enhance long-term value and financial returns for fund investors. To the extent KKR engages with portfolio companies on ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the financial performance or risk profile of the investment. In addition, the act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by KKR will reflect the beliefs or values, internal policies or preferred practices of investors, other asset managers or with market trends. Further, there can be no assurance that the operations and/or processes of the Company as described herein will continue, and such processes and operations may change, even materially.

Except where opinions and views are expressly attributed to individuals, general discussions contained within this report regarding the market or market conditions represent the view of either the source cited or KKR. Nothing contained herein is intended to predict the performance of any investment. There can be no assurance that actual outcomes will match the assumptions or that actual returns will match any expected returns.

Case studies presented herein are for illustrative purposes only, and have been selected in order to provide examples illustrating KKR's application of its ESG policies and procedures with respect to its portfolio investments and do not purport to be a complete list thereof. It should not be assumed that investments made in the future will be comparable in quality or performance to the investments described herein. Further, references to the investments included in the illustrative case studies should not be construed as a recommendation of any particular investment

or security. Certain information was provided by third parties and certain statements reflect KKR's beliefs as of the date hereof based on prior experience and certain assumptions that KKR believes are reasonable, but may prove incorrect. Past performance is no guarantee of future results.

Descriptions of any ESG or impact achievements or improved practices or outcomes are not necessarily intended to indicate that KKR has substantially contributed to such achievements, practices, or outcomes. For instance, KKR's ESG efforts may have been one of many factors — including such other factors as engagement by portfolio company management, advisors, and other third parties — contributing to the success described in each of the selected case studies. Further, the receipt of any awards or designations by the Company or the portfolio companies described herein is no assurance that KKR's investment objectives have been achieved or successful. Further, such awards are not, and should not be deemed to be, a recommendation or evaluation of KKR's investment management business. Any such awards or designations presented herein are the opinion of the respective parties conferring the award or designation and not of the Company or portfolio company. The Company or portfolio company may have paid a fee to participate in such awards or assessments. The receipt of compensation influences, and is likely to present a potential material conflict of interest, relating to any granted award or designation. There can be no assurance that other providers or surveys would reach the same conclusions.

Certain information contained herein has been obtained from third parties, and in certain cases have not been updated through the date hereof. While these third party sources are believed to be reliable, KKR does not give any representation or warranty as to the accuracy, adequacy, timeliness or completeness of any of such information, assumes no responsibility for independent verification of such information, and expressly disclaims any responsibility or liability therefor.

In this report, we are not using such terms as “material” or “materiality” as they are used under the securities or other laws of the U.S. or any other jurisdiction, or as they are used in the context of financial statements and financial reporting. Materiality, for

purposes of this report should not, therefore, be read as equating to any use of the word in other KKR reporting or statements. In addition, the mere inclusion of a statement in this report should not and does not constitute a conclusion by management as to the materiality of any such statement for purposes of any other current or future regulatory or other reporting by the Company. “Material” ESG issues are defined as those issues that KKR, in its sole discretion, determines to have — or have the potential to have — a substantial effect on an organization's ability to create or preserve economic value. Any discussion of climate-related topics that are potentially material to a portfolio company refers only to the materiality of such topic to a portfolio company and does not imply or indicate that such topic is material to the Company.

References to “transition”-themed investments and similar references, as used herein, may differ from technical definitions of similar terms set forth within, or otherwise not align with, certain regulations.

Any discussion of specific KKR entities other than KKR & Co. Inc. is provided solely to demonstrate such entities' role within the KKR organization and their contributions to the business, operations and financial results of KKR. Each KKR entity is responsible for its own financial, contractual and legal obligations.

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 Capstone-branded subsidiaries, which employ operating professionals dedicated to supporting KKR deal teams and portfolio companies. In this document, views and other statements regarding the impact of initiatives in which KKR Capstone has been involved are based on KKR Capstone's internal analysis and information provided by the applicable portfolio company. Such views and statements are based on estimates regarding the impact of such initiatives that have not been verified by a third party and are not based on any established standards or protocols. They can also reflect the influence of external factors, such as macroeconomic or industry trends, that are unrelated to the initiative presented.



KKR

Kohlberg Kravis Roberts & Co. L.P.
30 Hudson Yards, New York, NY 10001
212-750-8300
www.kkr.com