

KKR

2021
Sustainability
Factsheet

SCALING UP.

With expanded resources and a growing investment portfolio, KKR continues to seek and create opportunities to “scale up” and advance sustainability across our investments and operations.

[To learn more, read the full KKR 2021 Sustainability Report at \[kkresg.com\]\(http://kkresg.com\).](#)



2021 was a significant year of progress for KKR. As our investments grew and diversified, so did our sustainability and equity-focused resources and ambitions.

Since the publication of our first environmental, social, and governance (ESG) report in 2011, we have been committed to sharing our progress transparently and consistently. The scope of our 2021 Sustainability Report represents a significant expansion of previous KKR ESG, Impact, and Citizenship reports.

This new content structure comprises two key sections: **Sustainable Investing**, which covers sustainability-related activities in our investments, including how we integrate ESG considerations in our investment process (ESG Integration Across Asset Classes); what we do to drive value creation across key issues (Driving Value Creation); and examples of where we invest

to advance sustainability solutions (Global Impact Strategy).

Sustainable Operations, which covers sustainability-related activities at the Firm level, as part of KKR’s operations, including how we attract, develop, and retain talent (People); act as responsible corporate citizens in our communities (Communities); manage our environmental footprint (Environment); and advance responsible business practices (Governance).

■ **ABOUT THIS FACTSHEET**

As KKR grows in size and complexity, our stakeholders seek to understand how we address critical issues in a rapidly evolving world. This document addresses frequently asked questions on various sustainability-related topics, with a particular focus on KKR’s approach to sustainable investing,¹ and summarizes contents presented in our full 2021 Sustainability Report.

■ **ABOUT KKR & CO. INC.**

Since KKR’s founding in 1976, we have worked to create value for our fund investors, companies in which we invest, and other stakeholders. Today, the Company is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in our portfolio companies and communities.

KKR sponsors investment funds that invest in private equity, credit, and real assets and has strategic partners that manage hedge funds. The Company’s insurance subsidiaries offer retirement, life, and reinsurance products under the management of Global Atlantic Financial Group.

■ **FREQUENTLY ASKED QUESTIONS**

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¹ Sustainable investing as used and defined by KKR herein, which may differ from the technical definition of “sustainable investments” in Art. 2 No. 17 of how it is defined by the European Union’s Sustainable Finance Disclosure Regulation.

2021 Sustainability Highlights

Our progress during 2021 reflects the growing scale of our efforts. But we know there is always more we can do and are energized by what lies ahead.

■ SUSTAINABLE INVESTING

ESG INTEGRATION AND VALUE CREATION

Set goals to implement decarbonization plans to reach net-zero emissions by 2050 at three private markets funds²

Developed KKR's ESG Scorecard to assess the ESG characteristics of our Credit portfolios and scored **1,100+** credit positions³ on our Credit platform

REPORTING AND TRANSPARENCY

11th

Year of publicly reporting on our ESG efforts

Published first Task Force on Climate-related Financial Disclosures (TCFD)-aligned [Climate Action Report](#) and first public [KKR Global Impact Report](#)

“At the start of 2021, we asked our employees to reimagine our potential. We are proud of our progress over the past year and humbled to lead such a talented team with a lofty mission of supporting the retirements of millions of individuals around the world.”

Scott Nuttall and Joseph Bae | Co-Chief Executive Officers

² Applies to majority-owned companies at three funds in Private Equity and Infrastructure. There can be no assurance that forward-looking plans will be realized or that any historical trends or practices will continue.

^{3,7} As of May 2022

⁴ Does not include dedicated Global Impact investing team members

⁵ Does not include Global Atlantic employees

⁶ Diversity defined as individuals who either self-identify as female or from historically underrepresented groups within the U.S. or EMEA region

ESG EXPERTISE AND OVERSIGHT

3X

Tripled the size of our dedicated Sustainable Investing subject-matter experts⁴

Invested in ERM, the largest global pure-play sustainability consultancy, through our Core Private Equity strategy

Launched an independent, third-party Sustainability Expert Advisory Council to bolster KKR's ESG expertise and advance our ESG strategy and practices

■ SUSTAINABLE OPERATIONS

PEOPLE

550+

New employees⁵ welcomed to the Firm, a record number, **51%** of whom are diverse⁶

COMMUNITIES

\$33+

 mm

Allocated to **150+** nonprofits through KKR's COVID-19 Relief Effort since 2020 (including **\$21 mm** in 2021)⁷

[Read more](#) in the [2021 Sustainability Highlights](#) section in our 2021 Sustainability Report at [kkresg.com](#).

Over a Decade of Innovation Through Sustainable Value Creation, Transparency, and Collaboration

Since formalizing our approach to ESG management in 2008, we have focused on pioneering value creation strategies to support our companies' efforts on their business-relevant topics.

PROMOTING TRANSPARENCY

- Kohlberg Kravis Roberts & Co. L.P. has been a signatory to the UN Principles for Responsible Investment (PRI) since 2009
- Published first ESG report in 2011
- Committed to leveraging SASB Standards to support diligence of private equity investments in 2017
- Expanded Responsible Investment Policy in 2020

In a field that is constantly evolving, we believe that collaboration helps us learn and apply best practices. KKR has sought to align with certain leading global frameworks and standards as well as supported and participated in industry groups and cross-sector initiatives.

SELECT KEY MILESTONES

2008	2009	2010	2013	2018	2019	2021
Created the Green Portfolio Program in collaboration with the Environmental Defense Fund	Helped develop American Investment Council's Guidelines for Responsible Investment	Became a member of BSR	Joined Global Impact Investing Network (GIIN) Joined Ceres' Investor Network on Climate Risk	Became a Sustainability Accounting Standards Board (SASB) Alliance member	Became founding signatory of the Operating Principles for Impact Management	Became a member of Initiative Climate International (ICI) and a supporter of the TCFD



⁸ Includes cumulative figures for select value creation initiatives between 2008 and 2021.

⁹ Includes investments by KKR and Global Atlantic (KKR subsidiary) from 2010 to December 31, 2021. For more detail on calculation methodologies, refer to the Endnotes of the 2021 Sustainability Report at [kkresg.com/endnotes](#).

BY THE NUMBERS: DRIVING VALUE CREATION⁸

45,000+ **nonmanagement employees** across more than **25** portfolio companies awarded billions of dollars in equity through KKR's employee ownership program since 2011

\$25+ **bn total equity** committed to climate and environmental sustainability investments since 2010⁹

60+ **portfolio companies** participated in KKR's Green Solutions Platform between 2008-2017

80+ **portfolio companies** participated in KKR's Cyber Risk Review in 2021

Nearly 100,000 **veterans and spouses** hired by portfolio companies to date since 2011

30 **companies** participated in KKR's responsible sourcing initiative launched in 2010

What does “Sustainable Investing” mean at KKR?

We believe we can have the greatest influence through the investment decisions we make. Sustainable investing is a key lever of KKR’s approach to value creation and a way of doing business that we believe helps us make better investments. By assessing and managing ESG, regulatory, and geopolitical issues, we strive to create stronger, better business outcomes while also having a positive effect on the companies in which we invest and our stakeholders.

■ OUR NORTH STAR

We take a materiality-driven¹⁰ approach and recognize that no two companies are the same. Thus, we take a company-specific approach to facilitating our understanding of the relevant risks and opportunities for long-term value creation.

We seek to align our understanding of relevant topics with the Sustainability Accounting Standards Board (SASB) Standards and incorporate these industry-specific standards as a primary input when identifying ESG issues that might be relevant to an investment. Our approach is constantly evolving. While we are proud of the progress we have made, we believe that our work is far from over and seek to create value as our journey continues.

[Learn more](#) in the [Strategy and Governance](#) section in our 2021 Sustainability Report at kkresg.com.

SUSTAINABLE INVESTING AT KKR¹¹



“ESG integration requires collaboration from all sides of the business, especially given the complex, global nature of the issues affecting our investments. Our collaborative culture helps us connect the dots and do this in an authentic, purposeful way.”

Alison Fenton-Willock | Director, Sustainable Investing

How are KKR’s portfolio companies advancing the UN Sustainable Development Goals?

Launched in 2018, the KKR Global Impact strategy¹² (“Global Impact”) seeks to help investors achieve meaningful financial outcomes by helping to solve unprecedented societal challenges.

■ OUR APPROACH

We identify promising companies that we believe measurably contribute to solutions that address critical global challenges as identified by the UN Sustainable Development Goals (SDGs). We seek to engage with management teams to help our portfolio companies scale their businesses and achieve more – greater financial success, positive impact, and improved ESG performance.

We seek to invest in companies where commercial and impact success go hand in hand, and we have developed a rigorous approach to integrate impact and ESG considerations throughout the investment process in

SCALING UP: 2021 HIGHLIGHTS¹³

15 investments in **9** countries around the world, with **3** new investments in 2021

12 Sustainable Development Goals addressed

20 board members who are diverse¹⁴ added to company boards of directors since the Fund’s inception

20 dedicated team members across North America, Europe, and Asia, **60%** of whom are diverse

collaboration with BSR, a global sustainability organization. This approach adds an intentional and consistent focus on investing in credible solutions to relevant environmental and social challenges. To qualify for an investment by Global Impact, a business must meet the four key criteria shown below.

[Learn more](#) in the [KKR Global Impact Strategy](#) section of our 2021 Sustainability Report at kkresg.com.

OUR FOUR KEY INVESTMENT CRITERIA



¹⁰ In this document, 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 and financial reporting. Materiality, for the purposes of this document should not, therefore, be read as equating to any use of the word in other KKR reporting or filings.

¹¹ There can be no assurance that KKR’s ESG policies and procedures as described herein will continue, and KKR’s ESG policies and procedures could change, even materially. See additional disclaimers in the [Cautionary Statement](#).

¹² The above is for information purposes only. It shall not constitute an offer to sell or the solicitation of any offer to buy Interests.

¹³ Data as of March 2022, with the exception of the number of diverse board members, which is as of December 31, 2021, in line with our annual impact reporting period

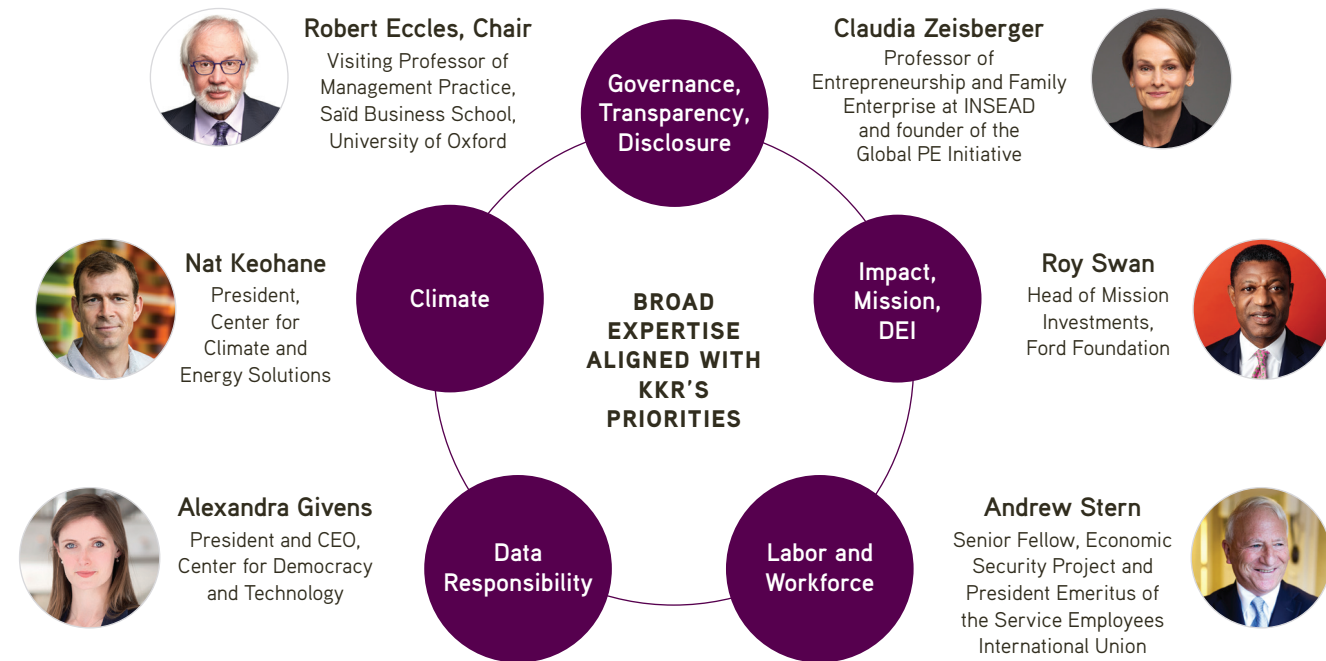
¹⁴ Individuals self-identifying as female, LGBTQ, Asian American, or as from a historically underrepresented group. For more detail on assumptions and calculation methodologies, refer to the Endnotes of the 2021 Sustainability Report at kkresg.com/endnotes.

What is the SEAC and why did KKR establish a Sustainability Expert Advisory Council?

In 2021, KKR announced the formation of our Sustainability Expert Advisory Council (SEAC), a six-member

independent council that brings together leading voices across key ESG issues to help ensure KKR remains at the forefront of sustainable investing. SEAC members act as trusted counsel and contribute their individual perspectives and insights to us to help inform decisions related to our ESG strategies and practices.

[Learn more in the Spotlight: KKR's Sustainability Expert Advisory Council section in our 2021 Sustainability Report at \[kkresg.com\]\(https://kkresg.com\).](#)



“Cross-disciplinary collaboration is critical to advancing sustainability goals and financial institutions like KKR play a key role in this effort. I look forward to helping KKR as it continues to raise the bar for responsible investing through its thoughtful and rigorous approach to managing ESG issues.”

Robert Eccles | KKR Sustainability Expert Advisory Council, Chair

How does KKR think about ESG performance across its portfolio?

Since formalizing our approach to ESG management in 2008, we have focused on supporting our companies’ efforts on their business-relevant topics. We have also recognized that companies across sectors generally have responsibilities when it comes to managing a core set of issues, including human capital, climate, and data responsibility. Last year, building on this decade of learnings, we developed a set of Global Ambitions with

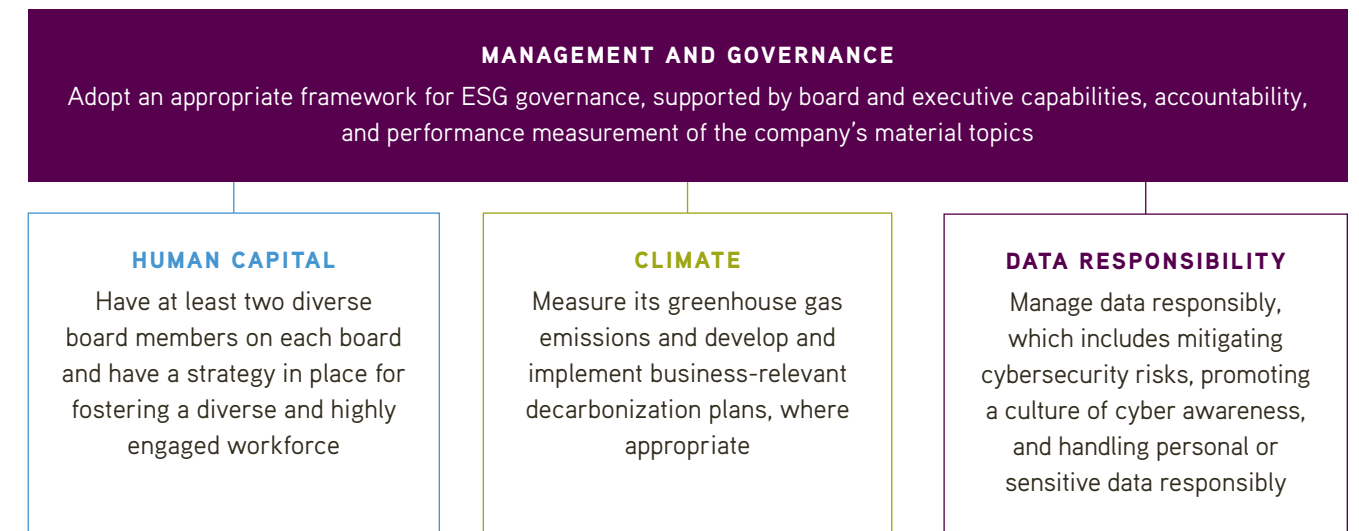
the goal of inspiring strong performance across the four focus areas shown below. These ambitions reflect areas where we believe we can help mitigate ESG-related risks and capture value creation opportunities, particularly in our private markets funds.

■ TAKING A DATA-DRIVEN APPROACH

In 2021, we started reengineering our annual ESG data collection process, which supplements the information gathered through our existing and ongoing engagements with portfolio companies, where relevant.

[Learn more in the Global Ambitions section in our 2021 Sustainability Report at \[kkresg.com\]\(https://kkresg.com\).](#)

OUR AMBITION IS THAT, WITH KKR'S SUPPORT, MAJORITY-OWNED COMPANIES IN OUR PORTFOLIO WILL ALIGN WITH THESE OVERARCHING AMBITIONS GOING FORWARD:



“KKR’s Global Ambitions build on over a decade of lessons learned from our work with portfolio companies and reflect our approach to managing ESG risks and opportunities for long-term value creation.”

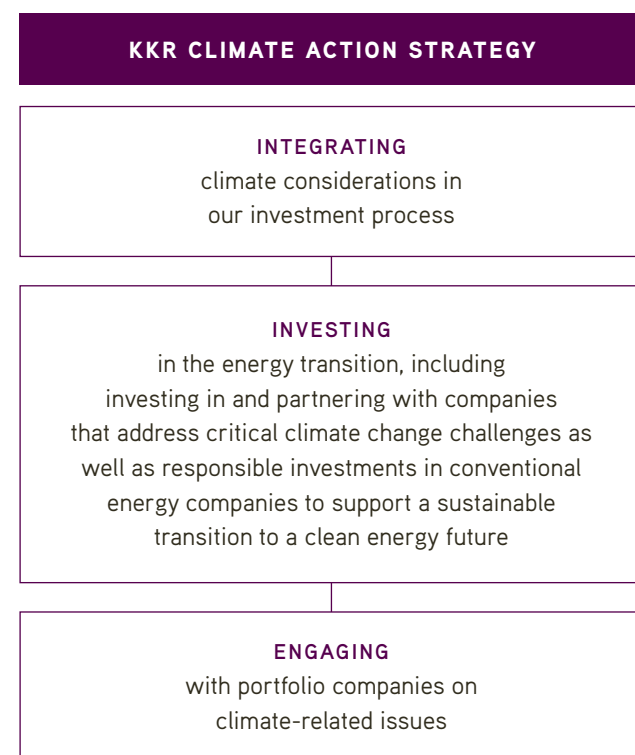
Ken Mehlman | Global Head of Public Affairs and Co-Head, KKR Global Impact

What is KKR's role in advancing the energy transition?

Globally, there is an urgent need to take climate action and address related risks and opportunities as we transition to a lower carbon economy.

OUR APPROACH

The physical and transition effects of climate change can influence a business' bottom line and its ability to compete in the future. We believe that proactively engaging on climate action is critical for all companies to drive performance and compete in their markets.



SCALING UP: INVESTING IN RENEWABLES

\$14+ bn¹⁵ committed into renewable assets, such as solar and wind, with total capacity **over 26 GW** since 2010

8th largest owner of solar assets in operation and under construction in the United States¹⁶

Our Climate Action Strategy is the latest chapter in KKR's long history of working with portfolio companies to understand and manage their environmental effects. We see climate change as a global challenge that requires solutions at all levels, and we are thinking about *how* we invest, *where* we invest, and *what* we do to drive value creation.

INVESTING IN A SUSTAINABLE ENERGY TRANSITION

KKR is working to be a responsible part of the solution to climate change by supporting sustainable energy transition to a clean energy future. We invest in a diverse range of energy sources, including renewable energy and conventional energy. We do not invest in new fossil fuel energy exploration and, where we do invest in fossil fuel energy through our Energy Real Assets business and Infrastructure business, we emphasize progress toward a stable energy transition and improved ESG practices.

We believe that by being a responsible operator through the transition, we can produce better outcomes than if we exited the space and sold our assets – and therefore transfer emissions – to other operators who may not share our commitment to stewardship.

Learn more in the Driving Value Creation > [Climate](#) section in our 2021 Sustainability Report at [kkresg.com](#).

How does KKR support employee engagement and diversity, equity, and inclusion?

We believe that different perspectives can enhance performance, and we are committed to engaging employees and supporting diverse, inclusive workplaces at both our investments and our Firm.

IN OUR INVESTMENTS: EMPLOYEE OWNERSHIP AT WORK

Since 2011, we have focused on employee ownership and engagement as key drivers in supporting companies throughout our private equity portfolio, first with our Americas Industrials investments and now more broadly across sectors and regions. Since 2011, KKR's employee ownership program has awarded billions of dollars in equity to over 45,000 non-management employees across more than 25 portfolio companies.

Learn more in the [Employee Ownership at Work](#) section in our 2021 Sustainability Report at [kkresg.com](#).

"We have a lot of momentum and aim to grow this model of employee engagement across the many strategies and regions we operate in. Recently, we also joined with 60 cross-sector partners to launch Ownership Works, a new nonprofit on a mission to increase prosperity through shared ownership at work by developing and implementing broad-based employee ownership programs."

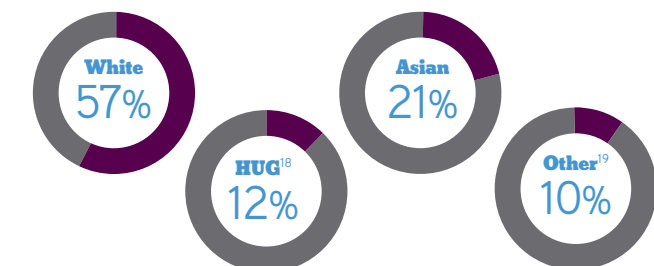
Pete Stavros | Co-Head of Americas Private Equity

IN OUR OPERATIONS: DEI ACCOUNTABILITY FRAMEWORK

We believe having people from different backgrounds and perspectives – gender, race, ethnicity, background, skills, and experiences – helps us make better decisions and create better outcomes for our clients and stakeholders. To more deeply embed Diversity, Equity, and Inclusion (DEI) throughout the fabric of our business, we created a DEI Accountability Framework that is being implemented in a phased approach. Efforts to advance DEI are also fully integrated into every phase of the employee lifecycle.

2021 DEI PERFORMANCE¹⁷

RACIAL/ETHNIC DIVERSITY IN THE AMERICAS



GLOBAL GENDER DIVERSITY



Learn more in the [People](#) section in our 2021 Sustainability Report at [kkresg.com](#).

¹⁵ As of December 31, 2021. Includes investments by KKR and Global Atlantic (KKR subsidiary). For more detail on calculation methodologies, refer to the Endnotes of the 2021 Sustainability Report at [kkresg.com/endnotes](#).

¹⁶ Bloomberg New Energy Finance, as of March 2022

¹⁷ Since the formation of KKR's Inclusion & Diversity Council in 2014; as of December 31, 2021

¹⁸ Comprised of employees who identify as African American or Black, Hispanic or Latino, or Native American or Alaska Native

¹⁹ Two or more races or preferred not to answer

CAUTIONARY STATEMENT

The data and information in this factsheet (“Factsheet”), which has been prepared by the investment management subsidiaries of KKR & Co. Inc. are presented for informational purposes only. This Factsheet 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 Factsheet 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 constitutes investment, legal, tax, or other advice nor is it to be relied on in making an investment or other decision. This Factsheet 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.

This Factsheet contains certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Certain information contained in this Factsheet constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “seek,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue,” “target,” “plan,” “believe,” “strive,” “could,” “would,” “approximate,” the negatives thereof, other variations thereon, or comparable terminology. Due to various known and unknown risks, assumptions and uncertainties related to the forward-looking statements included herein, actual events or results or actual performance could differ materially and adversely from those expressly or implicitly reflected, or contemplated, in such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and KKR assumes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law. Please refer to the Cautionary Statement set forth in KKR’s 2021 Sustainability Report for more important information regarding forward-looking statements, including but not limited to the nature and basis of such statements, the use of projections and estimates and risks that could affect actual events.

Furthermore, any projections or other estimates in this report, including estimates of returns or performance, are “forward-looking statements” and are based upon certain assumptions that may change. More broadly, statements that do not relate strictly to historical or current facts are based on current expectations, estimates, projections, opinions, or beliefs of KKR and its affiliates or its sources of information as of the date of this report. Due to various known and unknown risks, assumptions, and uncertainties related to the forward-looking statements in this report, including the ongoing impact of the COVID-19 pandemic, actual events or results or actual performance could differ materially and adversely from those expressly or implicitly reflected, or contemplated, in such forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results or actual performance. KKR has based these forward-looking statements on current expectations and assumptions about

future events, taking into account all information currently known by KKR. These expectations and assumptions are inherently subject to significant business, economic, competitive, regulatory and other risks and uncertainties; actual events are difficult to project and often depend upon factors that are beyond the control of the KKR and its affiliates. Additional risks of which KKR is not currently aware could cause actual results to differ. The risks and uncertainties that may affect the operations, performance and results of KKR’s business and forward-looking statements include, but are not limited to, those set forth in this report and in the documents KKR files from time to time with the Securities and Exchange Commission. In addition, unless the context otherwise requires, the words “include,” “includes,” “including,” and other words of similar import are meant to be illustrative rather than restrictive.

Certain information contained herein relating to any goals, targets, intentions, or expectations is subject to change, and no assurance can be given that such goals targets, intentions, or expectations will be met. Please refer to the Cautionary Statement set forth in KKR’s 2021 Sustainability Report for more important information regarding goals and statistics and metrics relating to ESG matters, including but not limited to the nature and use of such goals, statistics, and metrics and the ability of investors to rely on them.

Similarly, there can be no assurance that KKR’s ESG policies and procedures as described in this Factsheet, including policies and procedures related to responsible investment or the application of ESG-related criteria or reviews to the investment process, including the ESG Scorecard, will continue; such policies and procedures could change, even materially, or may not be applied to a particular investment. Please also refer to the Cautionary Statement set forth in KKR’s 2021 Sustainability Report for more important information regarding the factors KKR considers in making an investment and KKR’s engagement with portfolio companies.

The “Company” means KKR & Co. Inc. and its subsidiaries, which includes the Firm and Global Atlantic. The “Firm” means Kohlberg Kravis Roberts & Co. L.P. and the other subsidiaries of KKR & Co. Inc. that operate its asset management business, including capital markets activities. “KKR” means the Firm and, when the context requires, includes the investment funds and vehicles managed or sponsored by the Firm. “Global Atlantic” means The Global Atlantic Financial Group LLC 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 or KKR as defined. “We” and “our” refers to the Company or KKR, as the context requires, and does not include portfolio companies.

Please also refer to the Cautionary Statement set forth in KKR’s 2021 Sustainability Report for more important information, including but not limited to in relation to any investments described herein, the market and market conditions, the views of third parties, the operations and processes of KKR, the receipt of awards, information received from third party sources, and the nature of the information provided herein.

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