KKR

# 2024 Sustainability Report

How we create value by integrating sustainability in our investment activities

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SASB FN-AC-000.B

# About KKR

KKR & Co. Inc. is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. We have a deep commitment to our clients and portfolio companies and believe in shared success. KKR sponsors investment vehicles that invest in private equity, credit, and real assets and has strategic partners that manage hedge funds. KKR & Co. Inc.'s insurance subsidiaries offer retirement, life, and reinsurance products under the management of The Global Atlantic Financial Group LLC and its subsidiaries (Global Atlantic).

**KKR at a Glance**[1]

Approximately

**$28.6 B**

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

**$12.2 B**

of capital funded or committed from our balance sheet

**$11.0 B**

of additional capital committed by our balance sheet to our investment funds and other investment vehicles

**$4.2 B**

funded from personal investments

**$1.2 B**

of additional capital commitments from personal investments

"KKR was founded on a culture of partnership and shared success. It is a culture where collaboration is not just encouraged but expected. Every day, we show up with a sense of purpose and a commitment to delivering for the millions of people around the world who place their trust in us."

**George Roberts and Henry Kravis**

Co-Founders and Co-Executive Chairmen

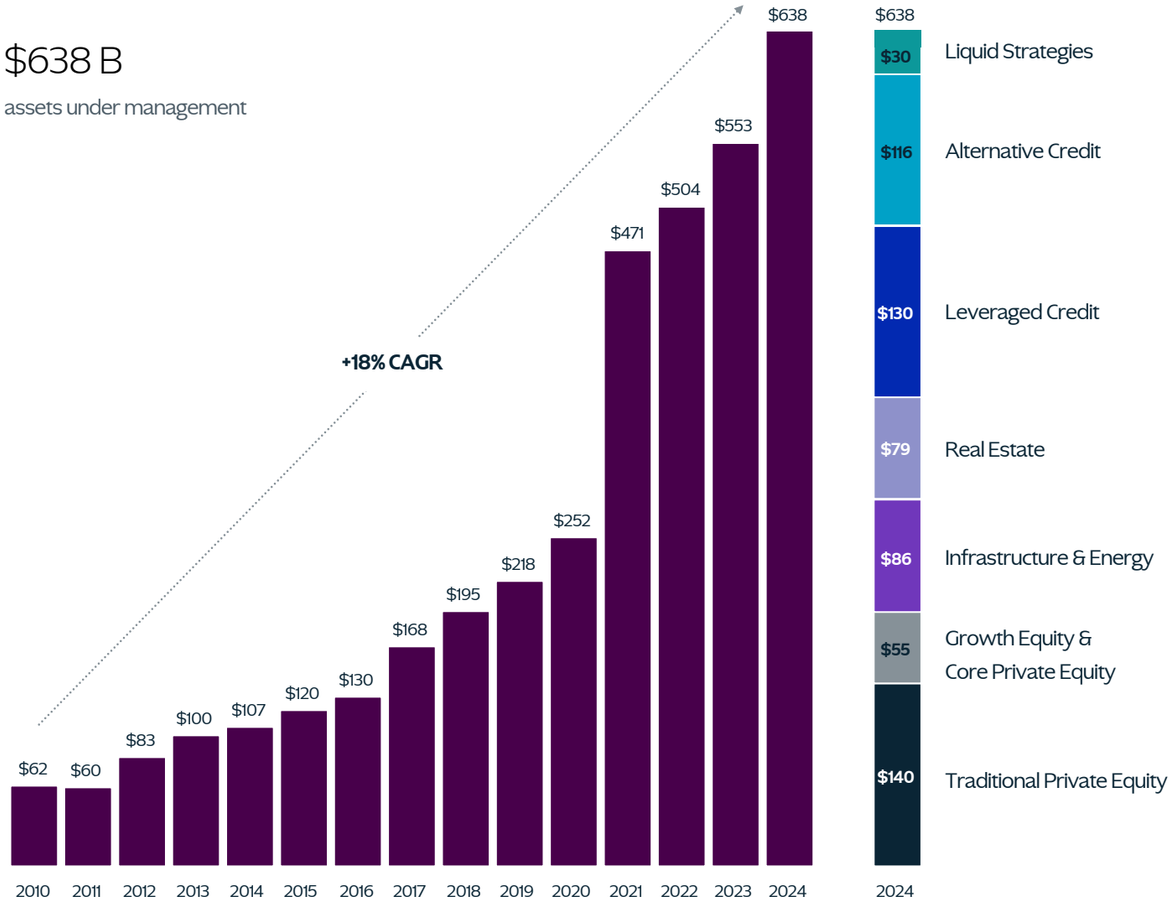
[1] KKR & Co. Inc., **Annual Report on Form 10-K (2024 10-K)**. See **Cautionary Statement**. See Appendix for information about GAAP reconciliations for non-GAAP measures and other important information relating to non-GAAP and other operating and performance measures used by management in making operational and resource deployment decisions as well as assessing the performance of KKR & Co. Inc.'s business for the year ended December 31, 2024.

**KKR Investments | KKR AUM ($ in B)**

*Scaled and Diversified Assets Under Management*[2]

$638 B

assets under management




**KKR Portfolio**

900K+

employees across 280 portfolio companies[3]

140+

companies in our traditional private equity portfolio, with

~$345 B

of annual revenues[4]

**Our Investors**

2,200+

investors and platforms who invest in and support our investment vehicles[4]

[2]KKR & Co. Inc., **KKR 2024 Investor Day Presentation**. Includes $1.4 billion of unallocated commitments from a strategic investment partnership within Real Assets. Growth Equity is inclusive of our Global Impact strategy.
[3]Includes portfolio companies across KKR's Private Equity, Infrastructure, select Energy, and Credit investments, for which KKR collects workforce data.
[4]KKR & Co. Inc., **Annual Report on Form 10-K (2024 10-K)**.

# Leadership Message

We believe that delivering strong outcomes and shared success starts with investing and operating responsibly. We view sustainability as a key lever to how we create and protect value across KKR, which helps guide where we invest, how we support our portfolio, and how we operate as a firm.

In 2024, we continued to take a business-first approach to sustainability, identifying the risks and opportunities that matter most, and aligning our capital with innovation, resilience, and long-term growth. That included investments across sustainability themes with macro tailwinds, the launch of new broad-based ownership programs in new markets like Japan and Vietnam, and expanded resources to help portfolio companies navigate regulatory change and complex sustainability challenges.

Our approach is grounded in nearly 50 years of investing experience and informed by the belief that companies that prioritize operational excellence are better positioned to thrive. This belief drives how we integrate sustainability throughout our investment life cycle — from diligence to exit — as one of many tools we use to enhance performance, strengthen operations, and deliver results.

This commitment also extends inward. Whether it is advancing responsible business practices, supporting our people, or acting as responsible corporate citizens, we believe leadership means leading by example.

As we look ahead, our goal remains the same: to be a trusted partner in a changing world. By staying focused on delivering outcomes that matter, we aim to create long-term value, not only for our clients, but for the millions of people and communities whose futures are tied to the work we do.

**Scott Nuttall and Joseph Bae**
Co-Chief Executive Officers

"At a time when powerful trends are shaping global challenges, we remain committed and ready to deliver great outcomes for our clients and companies."

Read more about our focus on **Delivering Better Outcomes**.

**Sustainability at KKR**

**As we look outward, our focus on sustainability comes to life in the way we...**

- Unlock financial value by investing behind sustainability-related trends with macro tailwinds
- Drive operational excellence by working across our portfolio to strengthen management of material sustainability topics
- Enable enhanced investment decision making by integrating material sustainability risks and opportunities into the investment process

**As we look inward, our focus on sustainability comes to life in the way we...**

- Advance responsible business practices and act with integrity
- Cultivate talent, foster inclusion, and deliver excellence
- Act as responsible corporate citizens in our communities
- Manage our environmental footprint

# About This Report

At KKR, we aim to disclose high-quality, relevant information as part of our annual sustainability reporting efforts, a commitment we have upheld since publishing our inaugural report in 2011.

To more effectively communicate our value creation story and meet stakeholder expectations for sustainability information, we have refined our approach to sustainability reporting.

**KKR's 2024 Sustainability Reporting Suite**

This year, updates on our sustainability-related activities across our investments and operations can be found across the documents listed to the right.

Additional information can be found on our website at the following links:

- **kkr.com/sustainability**
- **kkr.com/delivering-better-outcomes**

**KKR's 2024 Sustainability Reporting Suite**[5]

**Sustainability Report**

A summary of our sustainability-related efforts and progress across our investment activities, including:

- Sustainability-themed investments
- Portfolio engagement and examples
- Highlights by business

**Corporate Sustainability Disclosures**

Supplementary disclosures on various KKR-level operational sustainability topics, including:

- Governance and business ethics
- Human capital
- Operational footprint
- Data responsibility
- Corporate citizenship

**TCFD and SASB Annex**

Responses and/or locations of information addressing the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD) and SASB Standards

**Global Impact Summary**

An overview of our Global Impact strategy and recent highlights drawn from our full Global Impact Report, which is provided to our fund investors

**How to Navigate This Document**

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

- Links to other resources within our sustainability reporting suite and content on kkr.com
- Links to external documents or sites
- References to disclosures aligned with the SASB Standards

Our **Glossary** lists key terms used in this report and aims to provide clarity on our interpretations and definitions of certain terms and concepts.

[5] Our reporting suite documents activities and includes performance data for calendar year 2024, unless otherwise noted. Where noted, we also include our progress and planned activities for 2025.

# 2024 Highlights

"At KKR, we believe a key driver of value creation is our unrelenting focus on addressing a company's most significant sustainability opportunities and related risks to build resilience, pursue innovation, and deliver results."

**Dane Holmes**
Chief Administrative Officer

**Supporting Our Portfolio**

61

portfolio companies with 145,000+ non-senior management employees implemented broad-based ownership programs, awarding billions of dollars in equity since 2011, [6] including

22

new broad-based ownership programs launched in 2024, including the first in Japan (Bushu Pharma) and Vietnam (Medical Saigon Group)

10

full exits of companies with broad-based ownership programs since 2015

250+

attendees from 90+ portfolio companies across 30+ countries participated in our Climate Action Education series webinars

New Sustainability Regulatory webinar series launched to support relevant portfolio companies in navigating sustainability regulations

**Select Awards and Recognitions in 2024[7]**

- Impact Firm of the Year: Education | New Private Markets
- Energy Transition Investor of the Year, Europe | Infrastructure Investor
- GRESB Portfolio Integration & Commitment Award | BREEAM Awards
- Best ESG Program | Extel's 2024 All-America Executive Team

[6] Cumulative figures as of December 2024 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.
[7] Refer to the **Cautionary Statement** for important disclosures regarding awards.

Raj Agrawal, Global Head of Real Assets, speaks at KKR's 2024 Global Investors' Meeting.

**Investing Behind Trends**

$58+ B

in sustainability-focused investments since 2010,[8] including

$44+ B

in climate and environmental sustainability investments

$9+ B

in workforce and education investments

**2024 Investments Spotlight**

3

new investments in Global Impact strategy[9]

- PHINMA Education (Lifelong Learning)
- Instructure (Lifelong Learning)
- IQGeo (Inclusive Growth)

2

new investments in Global Climate Transition strategy[10]

- Avantus (solar development)
- Ignis P2x (renewable energy and hydrogen)

[8]Includes capital invested in or committed to sustainability-focused investments from 2010 to December 31, 2024 by KKR funds and syndicated co-investments (including Global Atlantic's sustainability-focused investments from 2015 to December 31, 2024). Relevant investments include the following sustainability-focused sectors: climate, environmental sustainability, education, workforce, cybersecurity and privacy, and inclusion.
[9]To learn more about our Global Impact strategy and its investment themes, see the **Global Impact** section.
[10]To learn more about our Global Climate Transition strategy, see the **Global Climate Transition** section.

# Our Approach

We take a highly collaborative approach to governing our sustainable investing efforts. Accountability and oversight of our firm-level strategy are embedded at senior levels, and many teams across KKR play a part in day-to-day strategy development and implementation. We work to continuously evolve our approach to reflect best practice, emerging issues, and relevant stakeholder input.

The following section covers our governance model and approach to sustainable investing, as well as highlights from our stakeholder engagement activities in 2024.

Members of the Global Client Solutions team engage with clients at KKR's 2024 Global Investors' Meeting.

# Governance

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

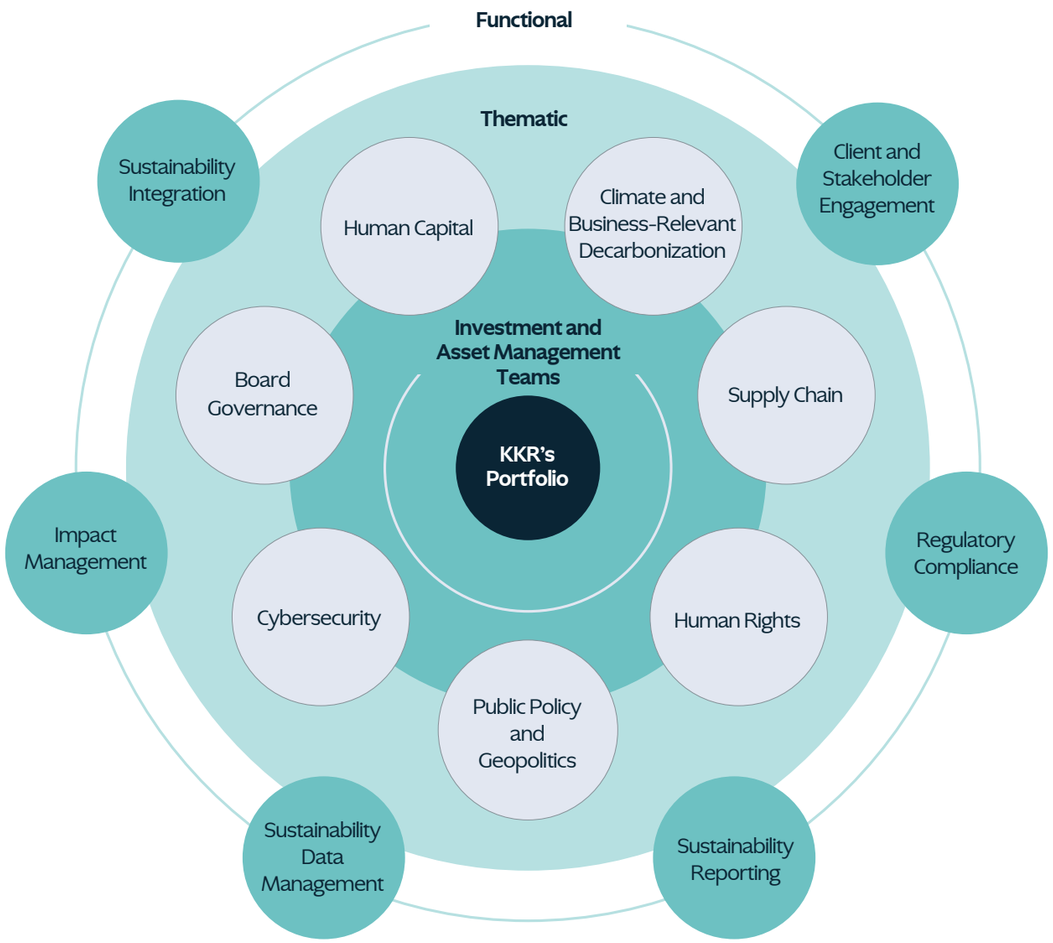
Read more about our **Sustainable Investing** strategy and roles and responsibilities.

| | KKR-level Strategy | | Implementation | | |
|---|---|---|---|---|---|
| **Oversight** | **KKR & Co. Inc. Board** | **KKR Leadership** | **Investment Committees** | **Portfolio Management Committees** | |
| **Accountability** | Sustainability Professionals | | Investment and Asset Management Professionals | | |
| **KKR Receives Input From** | Sustainability Committee | Sustainability Expert Advisory Council (SEAC) | KKR Capstone | Sustainability Professionals | Internal SMEs |
| | Internal subject matter experts (SMEs)<br>Global Public Policy and Affairs, KKR Global Institute, Global Macro | | External Advisors | | |
| | Legal and Compliance | | | | |

*For illustrative purposes*

## Sustainability-related Expertise Our Teams Bring to Support the Investment Process

KKR's Sustainability professionals are seamlessly integrated across teams, providing direct support to our investment professionals and portfolio companies, as applicable. Our one-firm approach leverages a robust network of resources, spanning various sectors, investment platforms, nonprofit organizations, and technical experts.



# Sustainable Investing at KKR

**Our North Star: Integrated, Materiality-driven 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 seize opportunities and mitigate risk. It is one of the many tools we have to create and protect value, including maximizing operational proficiency, macroeconomic insights, financial investment, and our overall experience gained from nearly 50 years of investing.

Our approach to integrating sustainability in our investment activities encompasses several key strategies aimed at enhancing and safeguarding value:

- Allocating capital towards sustainability-related themes with macro tailwinds
- Leveraging our active ownership model to support our efforts across the portfolio to manage their material business-relevant sustainability topics
- Integrating material sustainability topics throughout the investment life cycle

These strategies are all underpinned by our focus on transparency and stakeholder engagement efforts.

This report covers progress updates on key initiatives, highlights, and case studies related to these focus areas.

| Our Focus Areas to Create and Protect Value | | |
|---|---|---|
| **Investing Behind Trends** | **Engagement** | **Sustainability Integration** |
| **In Practice** | | |
| Unlocking financial value by investing behind sustainability-related trends with macro tailwinds | Driving operational excellence by working with our investments to strengthen management of material sustainability topics | Enabling enhanced investment decision making by integrating material sustainability risks and opportunities into the investment process |
| **Illustrative Examples** | | |
| Scaling solutions related to the energy transition, educational opportunity, and workforce development | Fostering employee engagement, managing climate-related risks and opportunities, and protecting data and cybersecurity | Sustainability-focused pre-investment due diligence, and post-investment decision making and management as appropriate |
| **Transparency and Stakeholder Engagement** | | |
| Promoting transparency through sustainability disclosures and engaging with industry groups to learn from others | | |

We recognize that each investment has a unique set of material, business-relevant sustainability-related opportunities and risk factors. These may be based on a variety of factors, such as the company or asset's industry, its stakeholders, and where it operates, including where its supply chain is located. When we refer to the consideration of sustainability topics in the investment process, we take a broad definition, which may include how a company manages its operational footprint, engages its workers, and upholds effective governance.

Read more on **Sustainability Integration** and specific examples of sustainability topics.

We seek to constantly refine our approach and to work with our portfolio companies, real estate assets and operators, portfolio companies, and, where relevant, sponsors to strengthen management of material topics.

Referencing select global sustainability frameworks and standards in our investment processes helps inform our thinking as we develop our own approaches. 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 refer to 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.

**2024 TCFD and SASB Annex**

"Since we started this work in 2008, we have found that companies that prioritize business-relevant, material sustainability risks and opportunities are better positioned for long-term success."

**Ken Mehlman**

Global Head of Public Policy and Affairs and Co-Head of KKR Global Impact

SASB FN-AC-410a.1

### KKR's Responsible Investment Policy

Our Responsible Investment Policy[11] articulates KKR's responsible investment framework and approaches KKR believes are broadly relevant for each asset class, from pre-investment evaluation to post-investment stewardship and engagement. This approach applies globally but, across our asset classes and investments, the actual procedures through 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.

We last updated this policy in 2024 to incorporate our latest practices and initiatives, including detail around our Gating Issues list, which is used across asset classes and products as a strategic tool to help us mitigate risk.

KKR's **Responsible Investment Policy**

[11]This policy applies globally across asset classes to certain types of investment vehicles in our Asset Management segment's Private Equity, Real Assets, and Credit businesses. Refer to the **Cautionary Statement** for important disclosures regarding KKR's sustainability-related initiatives, policies, and procedures.

# Stakeholder Engagement

Stakeholder engagement is central to our sustainable investing strategy, enabling us to inform and refine our approach to deliver better outcomes. We actively seek feedback from and engage with a range of stakeholder groups, including fund investors, shareholders, portfolio companies, employees, communities, industry groups, NGOs, policymakers, and regulators.

The following engagements provide examples from 2024 where we sought to create forums to understand the needs, interests, and concerns of stakeholders and share insights to foster knowledge sharing and best practices.

**Fostering Dialogue Across Our Client Network**

In 2024, we deepened our engagement efforts by meeting with sustainable investing leaders across our client network in the Americas, Europe, and Asia, including pension funds, insurance company clients, and other institutional investors. These conversations provided insights into evolving market trends, priorities, and useful feedback on our practices as we work to improve our value creation efforts and identify ways to better deliver for our clients. Some of the key focus areas and themes included:

- Exploring the evolving complexities of the regulatory landscapes, industry priorities, and sustainability expectations across regions to determine how KKR can aim to align with investor needs across various markets. We emphasized our global reach and strategy, tailoring our approach to what we believe is most material and value additive by region.
- Examining the evolving geopolitical and public policy landscape and its impact on our businesses, including the dual imperatives of energy transition and security, AI-driven data infrastructure demand, the future of workforce development and lifelong learning, and shifting trade dynamics. As global sustainability-related risks and opportunities can intersect with geopolitical interests and dynamics, KKR's longstanding focus on stakeholder engagement has been critical to identifying and navigating geopolitical trends, while also creating opportunities for us to serve as a trusted partner to our clients.
- Understanding critical sustainability priorities, market pressures, and emerging trends for our clients, and discussing valuable tools, resources, and service providers for their due diligence processes. We exchanged insights on topics such as biodiversity, human rights, modern slavery, physical climate risks, and supply chain management and gathered feedback on the sustainability-related information our clients rely on for internal decision making and regulatory compliance. This has helped us to better meet their needs and clearly communicate our processes and initiatives.
- Sharing practical examples and learnings from KKR's sustainable investing approach and insights into how sustainability can drive value creation and protection within our portfolio. We shared updates on key initiatives, including our experience rolling out broad-based ownership programs across our Private Equity portfolio, conducting a portfolio-wide financed emissions assessment, and our approach to making transition-themed investments.

We plan to continue having these dialogues in 2025 and look forward to further refining our approach across geographies and continuing to learn from our client network.

**Connecting with Thought Leaders**

In September 2024, KKR hosted several events during Climate Week NYC to connect with industry leaders on the opportunities presented by the energy transition.

The first reception brought together more than 130 portfolio company CEOs, business executives, clients, policymakers, and KKR leaders.

In one panel discussion with portfolio company executives, participants stressed viewing decarbonization as an opportunity. Panelists discussed how decarbonization provides the opportunity for businesses to create and protect value by focusing on their most material sustainability concerns, the opportunity to invest behind companies at the forefront of the transition, and, more generally, opportunities to invest behind businesses that are trying to solve the issues that could threaten the long-term viability of businesses or even entire industries in a changing world.

Read more in our **blog post**, "The Energy Transition Conversation Is Changing, Say KKR Portfolio Company Executives."

In 2024, we also hosted a Climate Symposium and Dinner Series across certain major European hubs to connect with climate industry leaders and tap into relevant knowledge about the unmet needs of the energy transition. Discussions spanned the evolving geopolitical landscape, emerging technologies, AI and the growing demand for energy power, as well as how our Global Climate Transition strategy is investing in solutions at scale to support the transition to a low-carbon economy.

Kate Richdale, Ken Mehlman,and General David H. Petraeus speak at KKR's 2024 Global Investors' Meeting.

# Sustainability-driven Value Creation

We see sustainability as a powerful opportunity. Investing behind broader societal needs and sustainability-related trends can help us create and protect value. We also believe that effectively managing topics such as employee engagement, climate-related risks and opportunities, and data security, where material, can enhance business performance and resilience in a rapidly changing world.

The following section outlines how we invest behind sustainability-related trends — including through our Global Impact and Global Climate Transition strategies — and examples of sustainability management from across our portfolio.

# Investing Behind Trends

**Our Approach**

We believe investing behind societal needs and sustainability-related trends that are transforming businesses and economies can support our commitment to value creation and value protection. We seek to invest behind sustainability themes with macro tailwinds, such as the energy transition, educational opportunity, and workforce development. For example, capital flows to the energy sector are set to rise in 2025 to $3.3 trillion, a 2% rise in real terms on 2024, with approximately $2.2 trillion going collectively to renewables, nuclear, grids, storage, low-emissions fuels, efficiency, and electrification.[12]

In certain asset classes, including Private Equity and Infrastructure, we invest in and build 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 support scalable, commercial solutions to solve critical global challenges across four key investment themes: climate action, sustainable living, lifelong learning, and inclusive growth. Our Global Climate Transition strategy, launched in 2023 as part of KKR's Infrastructure platform, seeks to invest in solutions that enhance the efficiency, productivity, resilience, and business-relevant decarbonization across all sectors of the physical economy.

Additionally, in the Credit asset class, KKR's Asset-Based Finance (ABF) strategy has deployed more than $11 billion in renewable assets, such as solar and wind.[13]

**2024 Highlights**

$58+ B

in sustainability-focused investments since 2010,[13] including

$44+ B

in climate and environmental sustainability investments and

$9+ B

in workforce and education investments

[12] International Energy Agency, **World Energy Investment 2025.**

[13] Includes capital invested in or committed to sustainability-focused investments from 2010 to December 31, 2024 by KKR funds and syndicated co-investments (including Global Atlantic's sustainability-focused investments from 2015 to December 31, 2024). Relevant investments include the following sustainability-focused sectors: climate, environmental sustainability, education, workforce, cybersecurity and privacy, and inclusion. Please refer to the **Cautionary Statement** regarding information relating to KKR's sustainability-related policies, procedures, and initiatives.

# KKR Global Impact

### Our Approach

The Global Impact strategy is our dedicated impact private equity strategy established to invest in businesses that seek to deliver solutions to critical global challenges.

### Mission

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

### 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 outperformance.

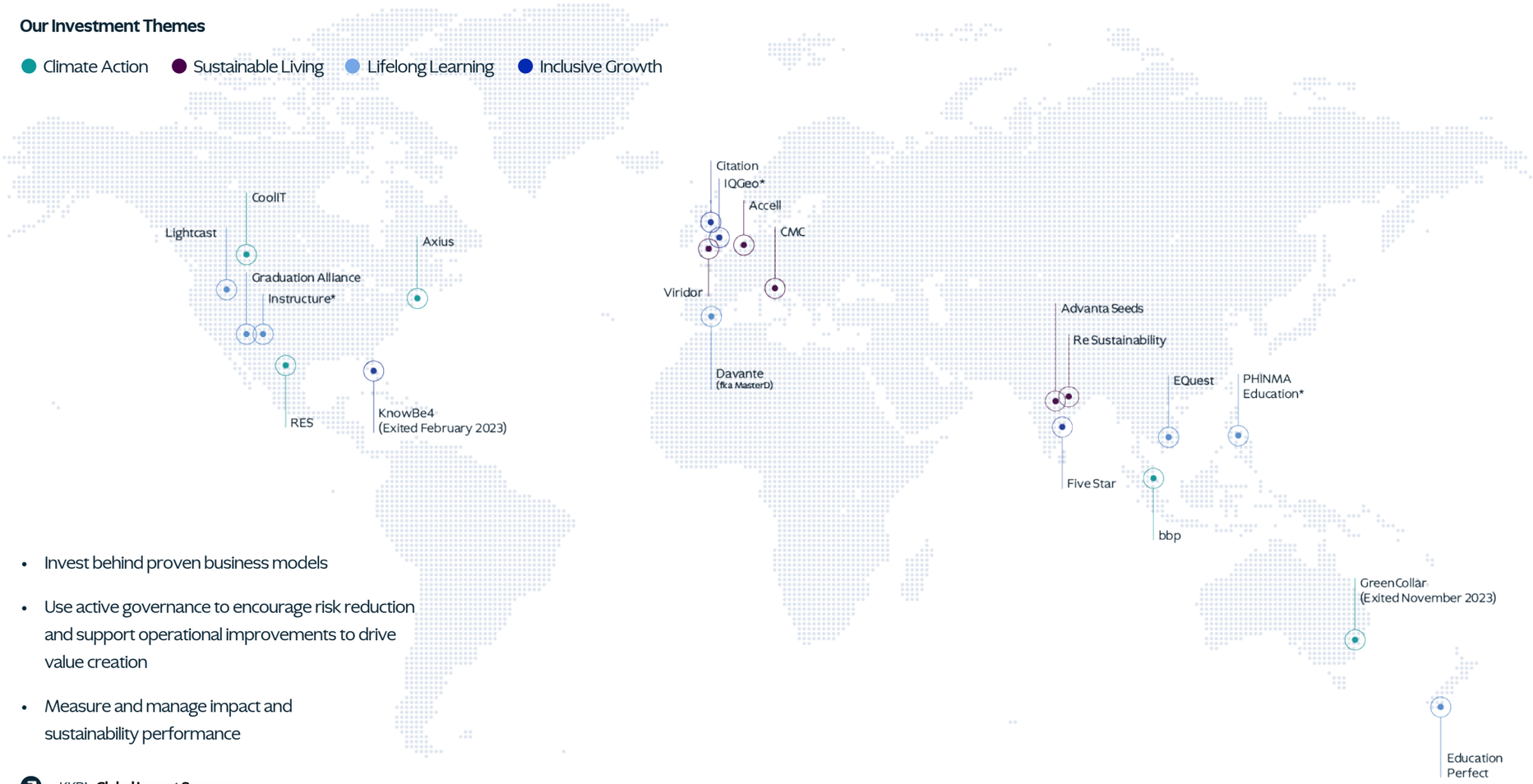
The Global Impact strategy focuses on opportunities where we believe we can help scale an existing business to deliver enhanced economic outcomes and impact. The strategy seeks to invest in leading companies where financial performance and positive impact are intrinsically linked and core to the company every step of the way. To do this, we:

- Focus on our four investment themes: climate action, sustainable living, lifelong learning, and inclusive growth
- Identify opportunities to scale solutions to a locally relevant challenge linked to a United Nations Sustainable Development Goal (SDG), in collaboration with third-party experts

## Global Impact's Portfolio

### Our Investment Themes

Climate Action · Sustainable Living · Lifelong Learning · Inclusive Growth




- Invest behind proven business models
- Use active governance to encourage risk reduction and support operational improvements to drive value creation
- Measure and manage impact and sustainability performance

KKR's **Global Impact Summary**

To learn more about how KKR defines "impact" and "sustainability management," see the **Glossary**.

**Denotes 2024 investments*

## 2024 Highlights

In 2024, we added three new companies to our Global Impact portfolio, which are featured in case studies on the following page: IQGeo, Instructure, and PHINMA.

All of our Global Impact investments seek to address critical social and environmental challenges, while also creating value. For example, IQGeo provides innovative geospatial software solutions that support fiber rollout, helping to bridge the digital access divide. Instructure reaches approximately 200 million learners globally via its online education platform, helping students around the world to access high-quality educational content. Finally, PHINMA provides low-cost higher education to first-generation students in the Philippines, seeking to improve learning outcomes and access to economic opportunities.

As part of Global Impact's commitment to manage and measure impact, Global Impact continued to support its portfolio companies with impact measurement in 2024. Global Impact worked with all three new portfolio companies to establish baseline impact measurement methodologies, including partnering with IQGeo to launch a preliminary customer survey to test and refine impact metrics. We believe that impact measurement also helps companies when engaging with key stakeholders, including governments, employees, and their customers.

Environmental credentials are a key purchasing criterion for many customers of Global Impact's portfolio companies. Additionally, some of these customers operate in countries where carbon is taxed, and regulators require disclosures on decarbonization pathways. Given this context, Global Impact has supported portfolio company leadership in developing science-based, business-relevant decarbonization strategies at seven portfolio companies, and emissions- or energy-reduction targets at an additional five companies.[14]

Global Impact also continued to engage with our portfolio companies on material sustainability topics more broadly, in order to create and protect value. For example, we supported eight Global Impact portfolio companies in implementing broad-based employee ownership programs, three of which launched in 2024, to promote employee engagement and productivity.

[14] As of June 30, 2025.

**2024 Investments Spotlight**

## **IQGeo:** Transforming Digital and Grid Infrastructure

IQGeo is a geospatial software developer headquartered in the United Kingdom whose services support operators in the telecommunications and utilities sectors to design and operate fiber and electricity networks.

High-speed fiber internet is critical for equal access to education, telemedicine, remote work, social services, and financial tools. IQGeo's products aim to streamline the deployment and maintenance of fiber and electric networks, delivering up to 90% time savings and 10% cost savings for customers.[15] Its solutions support telecommunications operators with the expansion of high-speed internet into underserved areas. By accelerating fiber rollouts, IQGeo helps bridge the digital divide, enable smarter cities, and strengthen grid resilience. This mission closely aligns with KKR's Global Impact strategy, which shares IQGeo's focus on innovation and commitment to expanding digital access and building the energy networks of the future.

Through investment in technology and organizational processes, IQGeo aims to scale its key operational areas, including sales and corporate development, to sustain its commercial momentum.

Read more in the **press release**.

## **Instructure:** Powering Innovative Lifelong Learning Solutions

Instructure is a leading global provider of learning management, EdTech effectiveness, and credentialing solutions. Since its founding, Instructure has reached approximately 200 million learners across more than 100 countries and built a thriving community of over 1,000 partners. A survey of more than 200 educators conducted as part of KKR's diligence indicates that Instructure's solutions deliver meaningful improvement in student learning outcomes, engagement, and reduction in teacher administrative burden relative to alternative solutions.

With a strong foundation and an expansive network, Instructure is committed to broadening its platform and delivering $1 billion in revenue by 2028. The company also plans to scale new features that are closely tied to learning outcomes across its existing client base. With KKR's support through this acquisition, Instructure aims to strengthen its position in core markets, expand its global presence, and uncover new opportunities, all while continuing to innovate and improve Canvas and the Instructure Learning Ecosystem to drive enhanced learning outcomes.

Read more in the **press release**.

## **PHINMA Education:** Providing Quality, Affordable Education to Underserved Youth

Established in 2004, PHINMA Education is one of the largest private higher education groups in Southeast Asia[16] serving approximately 160,000 students through its fast-growing network of colleges and universities.

In Southeast Asia, wealth significantly impacts access to higher education, with students from low-income backgrounds facing limited access to quality higher education due to financial challenges.[17] The company seeks to provide quality, affordable higher education to underserved youth focused on disciplines with the strongest job outcomes, equipping them with professional training that supports gainful employment.

This marks the first Global Impact investment in the Philippines and the third under the Lifelong Learning theme in Asia. KKR aims to leverage its global, cross-portfolio expertise in education to help improve student retention and support the company's digital transformation as it strives to improve lives through education.

Read more in the **press release**.

[15] Proprietary company research.
[16] KKR, **KKR Invests in Leading Filipino Higher Education Group PHINMA Education**, 2024.
[17] ASEAN, **The State of Higher Education in Southeast Asia,** 2022.

# KKR Global Climate Transition

### Our Approach

Launched in 2023, KKR's Global Climate Transition strategy[18] seeks to invest in solutions that enhance the efficiency, productivity, resilience, and business-relevant decarbonization across all sectors of the physical economy. The strategy particularly focuses on energy, buildings, digital infrastructure, transportation, manufacturing, chemicals, agriculture, water, and wastewater. Incubated within our Infrastructure platform and powered by the cross-functional expertise of teams from across KKR, the strategy seeks to invest in growth infrastructure opportunities, which require significant amounts of capital.

We developed a climate investing framework to seek to consistently evaluate the emission intensity and abatement of the opportunities we pursue. That framework was developed with outside experts and advisors — such as the Center for Climate and Energy Solutions (C2ES) and SystemiQ — and is mapped to the applicable aspects of commonly used frameworks, such as TCFD, the EU Taxonomy, the Science-Based Targets initiative (SBTi), and the Greenhouse Gas Protocol.[19]

### 2024 Highlights

2024 was our first full year of investing through our Global Climate Transition strategy in the transition of high-emitting assets and other solutions. In 2024, we have made two new investments — Avantus and IGNIS P2X — bringing us to a total of five investments since the launch of the strategy. We believe these investments have already demonstrated their technological capabilities and commercial viability, yet still require large amounts of capital to scale commercially and operationally.

In 2024, we continued deploying our firm-wide resources across the portfolio, including launching the first employee ownership program in the Global Climate Transition strategy at Avantus, and implementing 100-day plans to kick off strategy development across the portfolio.

### 2024 Investments Spotlight

## **Avantus:** Developing Utility Scale Solar and Battery Storage

Avantus is a U.S. developer of utility-scale solar and storage projects. Since its founding, Avantus has developed and sold 7.5 gigawatts (GWdc) of solar and 18 gigawatt-hours (GWh) of storage. The company has a strong track record of successful development in the southwestern United States power markets.

KKR's majority equity investment and arrangement of a new development financing facility seek to help accelerate the deployment of Avantus' pipeline and operating portfolio, including some of the nation's largest solar and energy storage projects.

Read more in the **press release**.

## **IGNIS P2X:** Partnering to Develop Industrial Decarbonization and Resilience Infrastructure

IGNIS Power-to-X is a joint venture between IGNIS Energy, a global renewable group based in Spain, and KKR. By combining the strengths of both firms, IGNIS P2X develops decarbonization and efficiency solutions for industrial companies, through the supply of critical inputs, such as ammonia, hydrogen, and electricity among others. IGNIS P2X assets serve blue chip companies active in aviation, biofuels, refining, chemicals, fertilizers, steel, and digital infrastructure.

Read more in the **press release**.

[18]Formerly known as the Global Climate strategy, the updated name, Global Climate Transition, reflects regulatory developments and evolving market standards. This change does not indicate a shift in the underlying strategy.
[19]The EU Taxonomy, the STBi, and the GHG Protocol frameworks were considered as they existed in 2023 and do not account for any updates that may have taken place.

# Portfolio Engagement

### KKR's Cross-portfolio Focus Areas

Since formalizing our approach to sustainability management around value creation and value protection in 2008, we have focused on supporting our portfolio companies' efforts to manage their material sustainability topics. Building on these learnings, we identified four key focus areas that we believe can help companies across a wide variety of industries, sectors, and geographies to create value and mitigate risk. 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:

- **Fostering employee engagement and building a culture of high performance:** Having a strategy in place to foster a highly engaged workforce
- **Managing climate-related risks and opportunities:** Measuring GHG emissions and developing and implementing business-relevant decarbonization plans, where appropriate based on industry and sector
- **Protecting data security and privacy:** Mitigating cybersecurity risks, promoting a culture of cyber awareness, and handling personal or sensitive data responsibly
- **Implementing a governance framework to manage material sustainability risks and opportunities:** Adopting an appropriate framework for governance of material risks and opportunities, supported by board-level and executive capabilities, accountability, and performance measurement of the company's material risks and opportunities

Read more on our approach to **Engagement** on sustainability topics across our portfolio.

### Optimizing Value Creation and Value Protection

**Human Capital**

A more engaged workforce is often more productive, safe, and resilient and can be a powerful performance driver

**Climate**

Pursuing climate-related opportunities can attract additional customers and offer new product lines. Mitigating climate impacts can reduce physical risk and energy costs, as well as operating expenses and cost of capital, and address regulatory imperatives

**Data Responsibility**

Avoiding data breaches and securing private information often protects customers, IP, and the company's reputation

**Management & Governance**

By effectively managing material sustainability topics and upholding strong governance practices, companies can enhance operational resilience, reinforce their license to operate, and foster long-term growth

## 2024 Portfolio Engagement Highlights

*Fostering Employee Engagement*

- **Global expansion of broad-based ownership programs:** After supporting companies with implementing broad-based employee ownership programs within our U.S. private equity portfolio for over a decade, we expanded our efforts significantly across new countries, including Canada, Spain, Japan, the United Kingdom, and Vietnam, and new asset classes, including Infrastructure, Growth Equity, and Credit.

- **Financial literacy:** Recognizing the importance of building financial resilience to reduce stress and drive engagement for companies' employees to think and act like owners, we doubled down on financial literacy programming in our portfolio through dedicated resources. This includes the launch of new emergency assistance funds and financial coaching programs alongside other relevant short-term liquidity solutions for employees.

- **Community and knowledge building:** To help standardize our human capital-related initiatives across the portfolio and leverage the scale and power of community, we developed new resources to foster best practice sharing. These efforts include enhanced self-service portal resources, regular expert webinars, and thematic forums tailored for specific roles, including our annual Chief Human Resources Officers (CHRO) summit on employee engagement and well-being and informal "coffee chats" for functional executives across portfolio companies to trade insights. In 2024, we also continued cultivating a community of inclusive leaders across our portfolio companies through our Inclusion Exchange. With representatives from more than 35 companies, involvement in Inclusion Exchange is open and welcome to all portfolio company employees. The Inclusion Exchange has an established email distribution list, resource library, and quarterly meetings to discuss key topics and share countless learnings.

- **Empowering leadership:** We continued our efforts to promote self-awareness and personal development among CEOs and their teams, including through pilots of executive empathy workshops. To best lead and govern our companies, we also continued helping them identify board candidates with the appropriate expertise, including through independent directors.

*Managing Climate-related Risks and Opportunities*

- **Financed emissions:** We continued to work with our portfolio companies on measuring their GHG emissions, ultimately directly measuring data covering more than 85% of our financed emissions from majority-owned[20] private equity and real assets investments. Using our financed emissions data, we improved due diligence and value creation planning for highest emitters. In 2024, ongoing business-relevant decarbonization efforts led to a decrease in the absolute and financed emissions from transition-themed investments among our top 20 emitters (accounting for 27% of KKR's financed emissions, down from 31% in 2023).

- **Physical climate risk:** We enhanced our approach to assessing physical climate risk across Credit, Private Equity, and Real Assets, to help identify vulnerabilities and inform engagement with our portfolio. This approach is tailored by asset class, where we work with various third-party data providers to help us conduct these assessments at diligence and as part of portfolio monitoring.

- **Expanded resources:** We developed new cross-portfolio resources to facilitate access to renewable energy and reduce costs through energy efficiency measures. Our 2024 Climate Action Education Series — a webinar series highlighting recent and upcoming developments and best practices that may be relevant for portfolio companies to consider to better manage their relevant climate-related risks and opportunities — covered understanding and managing Scope 3 emissions, and transition climate risk and opportunity management.

*Protecting Data Security and Privacy*

- **Expansion of Project Shield:** We expanded the scope of cybersecurity reviews through a program we call Project Shield, our dedicated strategy to improve information security and cyber defense capabilities across our portfolio. In addition to enterprise risk management, Project Shield seeks to develop initiatives for specific industries such as operational technology for plant and manufacturing businesses and secure code development practices for product-driven businesses.

- **Cyber awareness:** We continued fostering awareness and engagement among cybersecurity leads at portfolio companies through annual Chief Information Security Officer (CISO) summits in New York and London. In 2024, we also introduced a series of meetings, where we invite external experts and vendors to discuss cybersecurity topics, including market developments, products, and trends.

Read about how we seek to foster employee engagement, manage our operational footprint, and protect data security and privacy in our own operations in the **2024 Corporate Sustainability Disclosures.**

Minnesota Rubber & Plastics (MRP), a former KKR portfolio company, celebrates the sale of the company.

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

KKR portfolio company, Bushu Pharma, celebrates the roll out of its employee ownership program.

## 2024 Portfolio Sustainability Performance Highlights

*Management and Governance*

82%

of companies have board-level oversight of material sustainability topics[21]

*Climate*[22]

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

Over

85%

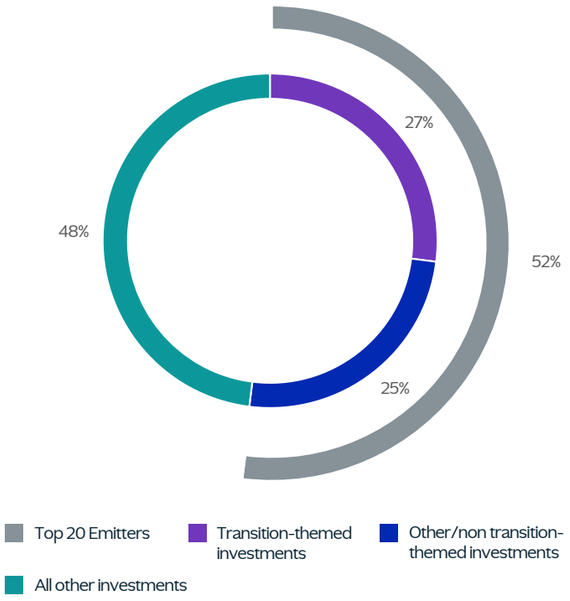
of financed emissions are directly measured

Over

80%

of financed emissions are addressed by business-relevant decarbonization plans

## KKR Financed Emissions: By Investment




*Human Capital*

22

new broad-based ownership programs launched in 2024, including the first in Japan (Bushu Pharma) and Vietnam (Medical Saigon Group)

84%

of companies conduct employee engagement surveys[21]

96%

of companies have an employee health and safety policy[21]

86%

of companies have a strategy for promoting an inclusive work environment[21]

*Data Responsibility*

82%

of companies have a data management process or policy in place[21]

165+

portfolio companies engaged through Project Shield

78

companies enrolled in KKR's cyber insurance program in 2024

[21]As of December 2024. Includes majority-owned portfolio companies (meaning that KKR has greater than or equal to 50% equity ownership) across Private Equity, Growth, Infrastructure, and Energy, and select Credit investments. For more detail on scope and calculation methodologies, see the **Endnotes** of this report.
[22]For more detail on scope and calculation methodologies for our financed emissions, see the **Endnotes** of this report.

### Navigating an Evolving Sustainability Regulatory Landscape

In recent years, the global landscape of sustainability regulations has experienced significant transformation, driven by new and enhanced sustainability rules, regulations, priorities, and guidance. Over the past decade, sustainability regulation has increased significantly, reflecting the rapid growth of sustainability-based policy interventions.[23] This highlights an opportunity for portfolio companies to stay ahead of an evolving regulatory environment.

Building on our multi-year efforts to increase connectivity and foster knowledge sharing among our portfolio, in 2024 we brought portfolio companies together through different forums across a variety of sustainability topics, including the changing regulatory landscape.

In 2024, we introduced a new Sustainability Regulatory webinar series to help support the needs of our portfolio companies. The webinar series acts as a source of information from external experts about certain major, current, or proposed sustainability-related regulations and standards that may be relevant for our portfolio companies. Webinars, which continued in 2025, addressed regulations such as Canada's new Fighting Against Forced Labor and Child Labor in Supply Chains Act and Europe's Corporate Sustainability Reporting Directive (CSRD).

We also provided further resources for our portfolio companies, where relevant, in navigating complex and evolving sustainability regulations, including discussion forums with external experts to enhance understanding of these topics, such as the Australian Sustainability Reporting Standards and other emerging ISSB-aligned regulations in the APAC region, and roundtables for our portfolio companies to learn from each other.

### Enhancing How We Leverage Data for More Informed Decision Making

We believe that ongoing tracking and monitoring of sustainability 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 sustainability 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.

Our Sustainability Data Operations team, asset-class and topic area Sustainability professionals, and Capstone teams collaborate to support these efforts. For example, our Sustainability Data Operations team is primarily responsible for aggregating portfolio company sustainability data from various systems, while also maintaining integrity for regulatory purposes at the enterprise level. Our Sustainability professionals and Capstone team leverage this data to engage with portfolio company leadership on sustainability-related performance and support the integration of material sustainability issues for new investments into 100-day plans, as applicable.

In 2024, we focused on improving the delivery of and access to sustainability data and insights across KKR. We embedded this data into a self-service application within our broader data portal, significantly easing access to sustainability data across the firm. To foster accountability and help ensure high-quality data for informed decision making, we enhanced documentation on data ownership and individual metric descriptions, and introduced routine data quality checks. Additionally, to meet increasing regulatory reporting requirements, we began automating certain metrics for regulatory disclosures, enabling us to address these requirements in a way that we believe is more efficient and accurate.

**KKR's 2024 Annual Survey Process Highlights**

245

companies surveyed with a 96% response rate

8

survey versions based on sector- or market-specific contexts

39

topics covered

1,474

Real Estate assets included, with 28 operating partners

[23] Sustainability News, **ESG regulation in 2024: Everything you need to know**, 2024.

# Creating Value Through Sustainability

We believe that effective sustainability management is a key lever in our value creation toolkit, alongside other levers such as operational improvements, business expansion, and digital transformation.

Our experience supporting companies in managing their material sustainability topics has revealed several pathways for sustainability-driven value creation. For example, where relevant, adopting energy efficiency measures can lead to reduced operational costs; fostering an engaged and inclusive workplace can help attract and retain top talent and promote a culture of high performance; and expanding sustainable product offerings can help companies meet evolving customer demands and increase sales.

As a multi-strategy investment firm with a global portfolio, we recognize the multi-faceted nature of sustainability risks and opportunities. The value creation levers discussed in this section are not mutually exclusive or comprehensive, but rather illustrative examples of interconnected strategies that we believe can help improve business performance.

The following case studies from across KKR's portfolio highlight examples of how these sustainability levers can work together to help companies create and protect value.[24]

## Examples of Links to Value Creation

### Culture and Engagement

Prioritizing culture and improving workforce engagement can enable organizations to attract and retain top talent and boost productivity

### Operational Efficiency

By optimizing resource usage and streamlining processes, companies can lower operational costs, which may lead to significant savings, increased productivity, and new customer attraction

### Financing and Access to Capital

Companies with strong sustainability management practices can be more attractive to certain investors, potentially leading to better access to capital and lower financing costs

### Stakeholder Expectations

Working toward business-relevant decarbonization, where material, can help companies meet customers expectations, strengthen relationships with business partners, adapt to regulatory developments, and protect their license to operate

### Growth and Innovation

Increasing brand value and reputation, while expanding sustainability-related products and services, can help meet customer needs and drive sales growth

[24]The specific investments identified are not representative of all of the securities purchased, sold, or recommended by KKR, and it should not be assumed that the investment in the companies identified was or will be profitable. Please refer to the **Cautionary Statement** for important disclosures regarding case studies and information provided by portfolio companies, including forward-looking statements and estimates. Certain information was provided by third parties, including KKR's portfolio investments, and in certain cases has 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.

## **Triangle Multifamily:**
Increasing Operational Efficiency

**Company description:** 24 multifamily assets with over 1,200 units across 10 cities in Finland

**Year of investment:** 2023

**KKR Strategy:** Real Estate

**Location:** Finland

In the realm of real estate investment, we believe energy-efficient buildings present a compelling commercial opportunity. Energy efficient buildings can lead to lower heating and operational costs which, in turn, may reduce tenant turnover and increase property value.[25] To maximize these opportunities, KKR helped identify and implement sustainability and cost-saving initiatives across 24 multi-family assets in Finland.

More energy-efficient buildings are generally considered to be more comfortable for tenants because they can maintain consistent temperatures and offer better indoor air quality than traditional buildings. Additionally, an increase in regulations aimed at improving energy efficiency means that buildings must adapt to remain compliant. For instance, several European jurisdictions have introduced regulations mandating that buildings achieve minimum Energy Performance Certificate (EPC) ratings by specific deadlines. Non-compliance can result in reduced property values, and difficulty leasing or selling properties. We believe that adapting buildings to meet these regulations, therefore, is a matter of compliance and a strategic move to maintain and enhance asset value.

Across the Triangle Multifamily asset, KKR supported our operating partners in installing on-site solar and geothermal systems to provide more efficient heating solutions for the tenants and lower operational costs.

To effectively track and measure the performance of these initiatives, the asset leverages KKR's Real Estate sustainability data platform, which monitors efficiency measures, cost savings, and decarbonization impact. Following the implementation of these energy efficiency measures, the EPC rating for 72% of the Triangle Multifamily portfolio improved to a grade C or higher, up from 30% at time of acquisition. We believe that this improvement helps these assets comply with applicable regulatory requirements and also enhances the marketability and value of the properties. After successfully implementing the solar and geothermal solutions, which we expect will help reduce operational costs, the portfolio is expecting to see a 1.35x return on invested capital and a reduction of about 6% of total $CO_2$ emissions.[26]

**Key Highlights**

EPC rating for 72% of the portfolio improved to a grade C or higher (up from 30% at the time of acquisition)

Expected reduction of ~6% of total $CO_2$ emissions

Expected 1.35x return on invested capital

[25] JLL, **Low carbon buildings create economic value**, 2024.
[26] Please refer to the **Cautionary Statement** regarding forward-looking statements and information provided by portfolio companies, including estimates.

Multifamily asset in Turku, Finland.

## **Bushu Pharma:** Improving Sustainability Performance to Drive Customer Demand

**Company description:** Bushu Pharma is a leading pure play contract development and manufacturing organization in Japan

**Year of investment:** 2023

**KKR Strategy:** Infrastructure

**HQ:** Saitama, Japan

Based in Japan, Bushu Pharma (Bushu) provides pharmaceutical companies with pharmaceutical manufacturing services. Upon investment, KKR worked with Bushu to conduct a sustainability due diligence assessment to identify material sustainability risks and opportunities. This revealed strong practices around sustainability issues such as GHG emissions reduction, energy efficiency, and Environment, Health, and Safety (EHS) management.

Since the acquisition, KKR and Bushu have explored potential areas for growth, including scaling several of Bushu's sustainability-focused initiatives. Key focus areas based on customer feedback included reducing GHG emissions and improving sustainability ratings. For example, the EcoVadis' sustainability assessment and CDP climate questionnaires are considered indicators of a supplier's sustainability performance, and therefore suppliers may be prioritized based on their sustainability ratings.

KKR and ERM teams visit Bushu facilities to explore energy management processes.

To enhance how Bushu engages with its customers, KKR has collaborated with the company on initiatives such as elevating its EcoVadis score from Bronze to Silver and advancing its GHG emissions reduction efforts. CDP recognized Bushu as a company that has taken a proactive approach to managing its environmental performance by awarding it a CDP Climate Change score of a "B."

Bushu has also made significant progress on other areas of material sustainability-related risk, including incorporating energy efficiency measures, conducting a climate risk assessment, and an annual cyber security assessment.

Additionally, to enhance employee engagement, retention, and performance, Bushu implemented a broad-based ownership program, with support from KKR's Human Capital Center. This milestone marks the first time a Japanese company backed by a private financial sponsor has offered broad-based ownership to all its employees.

In 2024, the company was recognized with the Healthcare Asia Pharma Award in the "ESG Program of the Year" and "Sustainability Initiative of the Year" categories.

Read more at **www.bushu-pharma.com/en**.

**Key Highlights**

EcoVadis score increased from Bronze to Silver

CDP Climate Change score of a "B"

Named "ESG Program of the Year" and "Sustainability Initiative of the Year" by the Healthcare Asia Pharma Award

ContourGlobal facility under construction in Antofagasta, Chile.

## **ContourGlobal:** Shaping the Future of Energy Through Affordable and Reliable Renewable Electricity

**Company description:** Global independent energy producer with a diversified portfolio of 130 conventional and renewable energy generation assets

**Year of investment:** 2022

**KKR Strategy:** Infrastructure

**HQ:** London, United Kingdom

For the past 20 years, we believe that ContourGlobal has forged reliable partnerships with communities, institutions, and customers who entrust it to meet their power supply and energy management needs. In a rapidly evolving energy landscape, characterized by the widespread adoption of renewables and increasing demand for electricity, ContourGlobal is well-positioned to seize new opportunities and deliver sustainable value responsibly. As part of KKR's investment, we recognized the opportunity associated with adapting to these changes, and worked with the company to develop a transition pathway that focuses on transitioning generation capacity away from carbon-intensive forms of power and towards an increased emphasis on renewable technologies.

In early 2024, ContourGlobal appointed a new CEO, Antonio Cammisecra, further strengthening its leadership team and positioning the company to navigate the structural challenges of and capitalize on the commercial, industrial, and societal opportunities presented by the energy transition.

ContourGlobal seeks to accelerate the decarbonization of its portfolio, as demonstrated by its current ~45% share of renewables in the technology mix (assets in operating and under construction), up from around 30% at acquisition. This plan involves a sustainable transition of its thermal fleet, repowering existing renewable assets, and organically developing new renewable projects. The growth plan is well underway — since KKR's acquisition, ContourGlobal has signed up to 2.3 GW of renewables projects, including sizeable plants in Chile and in the U.S., consisting of both standalone solar photovoltaic (PV), as well as solar PV with co-located long-duration storage under construction or in different stages of development.

ContourGlobal's sustainability-focused business strategy has resulted in a 45% reduction in GHG emissions since 2022, achieved primarily through portfolio optimization measures, including shifting generation away from coal-fired sources, the sustainable transition of the remaining thermal fleet and strategic asset rotation. Building on its decarbonization efforts, ContourGlobal established an aspirational goal to achieve net-zero emissions by 2040 — subject to a supportive policy environment and technological progress aligned with the Paris Agreement. For residual emissions that cannot be eliminated, ContourGlobal aims at implementing measures to abate them by 2040.

ContourGlobal has also made significant progress in enhancing its greenfield capabilities. We believe key business development, energy management, and other hires in the United States, Europe, and Latin America, have enabled the company's ability to transition effectively towards carbon neutral technologies, enhance efficiencies, and expand into new markets. This strategic approach, combined with improved governance, systems, and processes, has resulted in optimization of operational costs and mitigation of potential social and environmental impacts associated with traditional greenfield projects. With strong new leadership and a clear strategic vision, we believe that the company is well-equipped to continue its transformation journey.

Read more at **www.contourglobal.com**.

**Key Highlights**

Signed up to 2.3 GW of renewable projects since KKR's acquisition, including Chile's largest solar and long duration Battery Energy Storage System (BESS) project which delivers "sun power at night"

Achieved a 45% reduction in GHG emissions since 2022

Established a goal to achieve net-zero emissions by 2040 — subject to a supportive policy environment and technological progress

## **Flora Food Group:** Creating Value Through Responsible Sourcing

**Company description:** Global market leader in branded dairy alternative food products

**Year of investment:** 2018

**KKR Strategy:** Private Equity

**HQ:** Amsterdam, Netherlands

As a branded food champion, Flora Food Group believes it is well-positioned to capitalize on an accelerating shift in consumer preferences towards healthier, more sustainable diets.[27] The company has been continuously broadening its dairy alternative portfolio to advance sustainability efforts and leverage this strategic business opportunity, with products now spanning butters and spreads, creams, liquids, and cheeses. These segments represent a €150 billion market with a current low penetration for dairy alternatives, with substantial growth opportunities. In part thanks to its broadened, reinvested, and optimized plant-based portfolio, Flora Food Group's net sales value has increased at a compound annual growth rate (CAGR) of approximately 4% since 2021.

In certain jurisdictions, increased regulation around deforestation and transparency over biodiversity impacts require companies to quickly adapt. We believe that the company's strategy reflects a forward-thinking approach that has resonated with consumers and kept it ahead of increasing regulation. Responsible sourcing continues to be a key focus for Flora Food Group, as it aims to proactively navigate an increasingly regulated environment and mitigate environmental impact, including on biodiversity. With KKR's support, Flora Food Group developed and implemented a comprehensive Sustainable Palm Oil Policy, which includes a plan to eliminate any new deforestation, ecosystem conversion, or land clearance through burning or clear-cutting within its supply chain by 2025. Since 2019, 100% of palm oil products used in the company's manufacturing sites have been certified by the Roundtable on Sustainable Palm Oil (RSPO). Flora Food Group also mainly sources soybean oil from areas with low, or negligible, risk of deforestation.

Another strategic priority for the company has been creating more sustainable packaging for its products. Notably, 87% of consumers globally believe it is important for regulations to mandate the reduction of the amount of plastic produced, highlighting what we believe is a significant commercial opportunity.[28] Since 2020, Flora Food Group has worked diligently to maintain high levels of recyclability for its packaging and increase its use of recycled content. In 2024, 93.2% of the company's packaging was either recyclable, reusable, or compostable and 37.9% of the company's packaging came from recycled materials, which is up over 14% since 2020.

Read more at **www.florafoodgroup.com**.

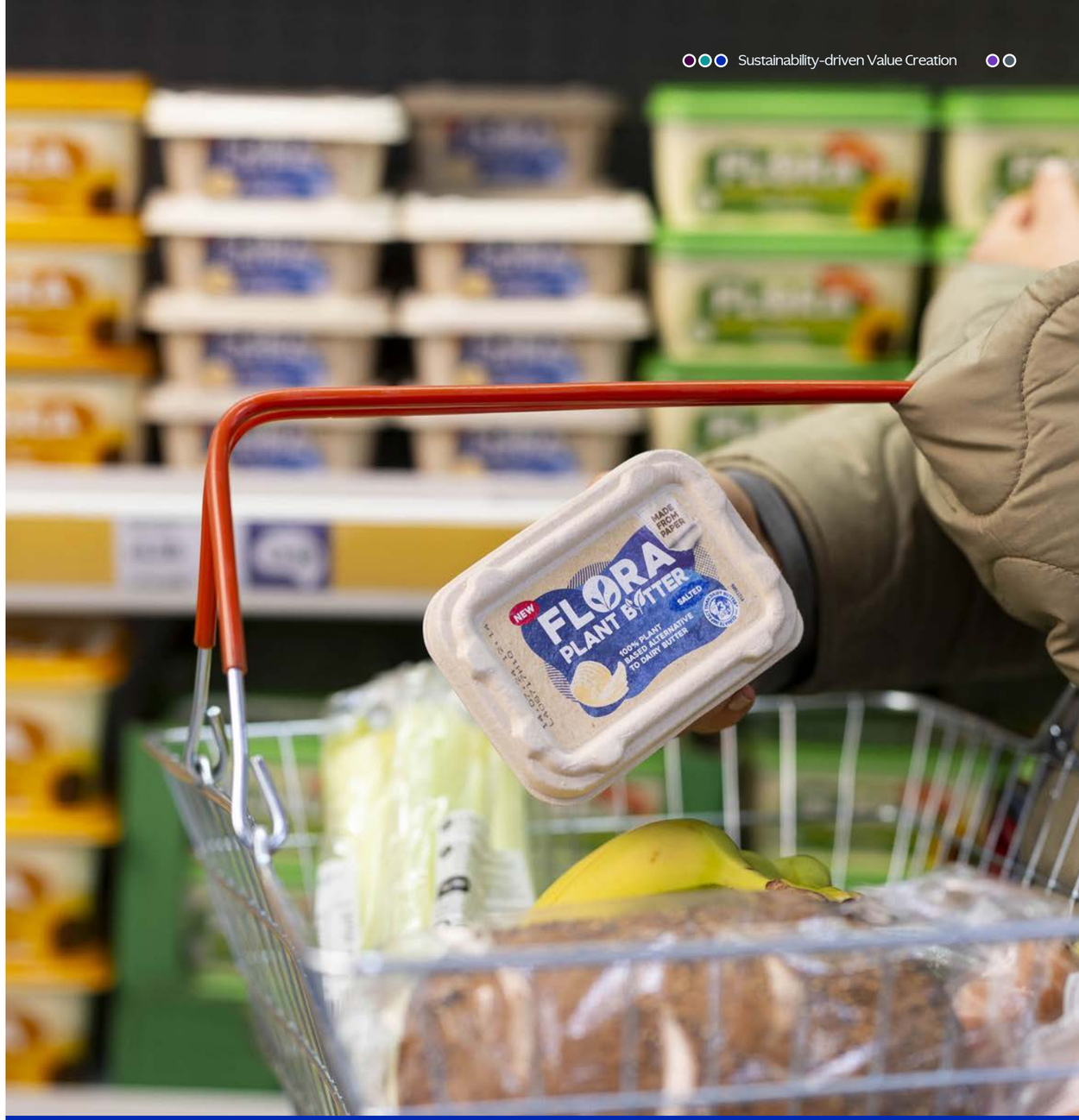
### Key Highlights

Net sales value at 4% CAGR since 2021 supported by various portfolio optimization initiatives

Reached its target of 100% sustainably sourced palm oil and soybean oil

In 2024, 93.2% of packaging was either recyclable, reusable, or compostable and 37.9% of packaging came from recycled material

[27] The EAT-Lancet Commission **defines a planetary health diet** as one optimal for human health and environmental sustainability.
[28] Ipsos, **Close to 9 in 10 in favour of global rules banning plastics**, 2024.




Flora Plant Butter, Flora Food Group's 100% plant-based alternative to dairy butter.

GSI CEO announces the sale of the company to employees in October 2024. As a result of the transaction, all of GSI's more than 900 employees, including 550 field service colleagues, earned cash payouts on their ownership stakes in the company.



## **GeoStabilization International:** Fostering an Ownership Culture to Empower Collective Success at Exit

**Company description:** A leading provider of geotechnical maintenance services for critical infrastructure

**Year of investment:** 2018

**KKR Strategy:** Private Equity

**HQ:** Westminster, Colorado, United States

GeoStabilization International (GSI) is a leading provider of geohazard mitigation solutions and roadway safety services. From the start of the investment in 2018, KKR partnered with GSI to invest in the company's service breadth and capabilities, business infrastructure, corporate development capabilities, customer service, and, notably, employees. Recognizing the importance of fostering an ownership culture, KKR launched a broad-based ownership program at GSI in 2019. This initiative aimed to increase worker engagement by allowing all employees to participate in the benefits of equity ownership.

Over the six-year period as a KKR portfolio company, GSI's employee-owners fully embraced the broad-based ownership program. We believe collective efforts drove significant growth at the company, helping to nearly triple both revenue and profits, while reducing employee turnover by 60%.[29] This performance is a testament to the power of an engaged and invested workforce. GSI also made notable strides in enhancing worker safety, improving its rate of delivery for customers, and expanding its family of brands and services, including complementary roadway safety services.

In October 2024, KKR announced the sale of GSI to Leonard Green & Partners (LGP). This transaction delivered a return of five times the original equity invested by KKR. As a result, all of GSI's more than 900 employees, including 550 field service colleagues, received cash payouts on their ownership stakes in the company. These payouts ranged from three months to over three years of annual pay, with the longest-tenured hourly employees receiving at least $325,000 in proceeds. GSI provided pre-paid personal financial coaching and tax preparation services, ensuring employees could make the most of these financial benefits. LGP, a fellow partner of Ownership Works, is committed to continuing the broad-based ownership program at GSI following the close of the sale, illustrating how programs help to create value.

Beyond financial incentives, GSI implemented a series of initiatives to foster a strong culture of engagement, including manager training, quarterly all-hands meetings, a strengthened culture of safety, volunteering activities, and investments to enhance the workplace environment.

Read more at **www.geostabilization.com**.

**Key Highlights**

Nearly tripled revenue and profits over the past six years

Sale to LGP in 2024 delivered returns 5x the original equity invested by KKR

900+ employees received cash payouts ranging from three months to three years of annual pay

[29] Reduction in turnover rate calculated from 2021 to 2024.

## **Charter Next Generation:** Creating Sustainable Solutions Through Material Science

**Company description:** A leading producer of high-performance, multi-layer, specialty films for Food, Consumer Goods, Industrial, and Healthcare end markets

**Year of investment:** 2021

**KKR Strategy:** Private Equity

**HQ:** Chicago, Illinois, United States

Charter Next Generation (CNG) is a leading provider of specialty films and advanced material science solutions in North America, serving the food, consumer goods, industrial, and healthcare end markets. CNG works closely with its customers to engineer and manufacture films tailored to their specific needs. Recognizing the growing demand for sustainable packaging solutions,[30] CNG has been investing in the development of breakthrough and third-party certified sustainable packaging products, including carbon-neutral films. These efforts aim to drive growth by meeting customer demand for products designed to help them achieve their sustainability objectives.

CNG's sustainable products are sold under the GreenArrow™ product line. These films are designed to be recycle-ready, incorporate recycled content, and minimize carbon footprint, enabling the brands CNG collaborates with to transition to more sustainable packaging without compromising on performance standards. Over the past several years, CNG has expanded its GreenArrow™ product portfolio, leading to a significant increase in sales of GreenArrow™ products.

This growth is a testament to the market's positive reception of CNG's sustainable packaging solutions and the company's ability to meet the evolving demands of its customers.

Additionally, CNG's strategic investment in Newlight Technologies is helping to advance the development of next-generation materials. Using Aircarbon® — a biomaterial derived from greenhouse gases — CNG co-developed high-performance, flexible packaging with a reduced carbon footprint. By helping to reduce CNG's relevant Scope 3 emissions, this is another example of how CNG's focus on innovative solutions is helping brands to decarbonize their supply chains and support the transition to a more sustainable future.

CNG is seeking to elevate this work by convening cross-functional industry leaders to share best practices. For example, CNG is an active member of the Sustainable Packaging Coalition (SPC), which works across the packaging value chain to advance sustainable packaging worldwide. As part of SPC, CNG hosts events that bring together brands, retailers, and sustainable materials innovators for solutions-focused dialogue across the value chain.

With the support of KKR, CNG's Board has also enhanced its sustainability governance by adding two external board members with deep sustainability expertise and establishing a Sustainability Committee, which meets quarterly to review the company's investments in sustainability innovation and progress against key sustainability-related objectives.

Beyond product innovation, KKR is supporting CNG in instilling an ownership culture across the organization. In only three years, the company has made significant progress on multiple fronts. Voluntary turnover has been reduced by 50%, and employee engagement increased from the 32nd percentile to the 86th percentile in Gallup's manufacturing database. The team has also harnessed the energy of their engaged workforce to take on the "Moonshot Challenge" to find $100 million in incremental margin through employee ideas. In 2024, employees identified over $30 million in actionable margin-enhancing ideas including one employee who worked with a customer to create a packaging materials return program, reducing new packaging materials and saving the company over $250,000 per year.

Read more at **cnginc.com**.

CNG's campus in Lexington, Ohio.

**Key Highlights**

Significant growth in CNG's sustainable GreenArrow™ product line

Co-developed flexible packaging with a reduced carbon footprint through its strategic investment in Newlight Technologies

Established a Sustainability Committee of the Board to enhance governance around sustainability objectives

50% reduction in employee turnover and step-change increase in employee engagement

[30] Statista, **Global sustainable packaging industry – statistics & facts**, 2025.

# Highlights by Business

We view the integration of material sustainability considerations in the investment process not as a checklist, but as a strategic lens, one that helps us better understand risk, identify opportunity, and make more informed decisions. By focusing on what is most material to each business, we aim to support companies that are positioned to grow and endure. The application of this approach varies across asset classes due to the nature of our investments.

The following section summarizes key 2024 activities and progress to date across Credit, Private Equity, Real Assets, and Insurance.

Read more on our approach to **Sustainability Integration** across asset classes.

KKR's **Responsible Investment Policy**

**By the Numbers**[31]

$276 B

assets under management

~230

investment professionals

20+

years of investing in Credit

Read more about our global **Credit** business.

# Credit

To integrate material sustainability considerations in our Credit investing process, we seek to collect consistent, quality data, and engage sponsors and borrowers in meaningful dialogue.

### 2024 Progress and Highlights

We believe that gaining deeper insights into physical climate risk information relevant to underlying investments helps support informed investment decision making while also fostering engagement and transparency with fund investors. In 2024, we introduced a new Credit Climate Risk Model (CCRM) to help identify climate-related risks and opportunities in our investment process, where applicable and where we can access relevant data. The CCRM is integrated into our Responsible Investment Credit Scorecard (RICS),[32] a proprietary tool to evaluate companies' sustainability-related considerations and performance over time using a numeric rating scale against a set of material sustainability-related criteria. It provides analysts with physical climate risk information they may consider while reviewing new and existing issuers.

Where available, the CCRM identifies the climate hazard that poses the highest physical risk to the company. In 2024, our objective was to collect and integrate physical climate risk data, where available, into our internal systems and develop visualizations to provide investment teams with relevant data to consider as part of overall credit valuations.

In 2024, we also further enhanced our responsible investing capabilities in Credit by improving data collection processes. We engaged a third-party platform to support the collection of sustainability-related metrics using the ESG Integrated Disclosure Project (ESG IDP) template, an industry-wide standardized data collection template for Credit. The ESG IDP aims to promote more transparent disclosure and advance more harmonized sustainability-related disclosures.

### Looking Ahead

In 2025 and beyond, we aim to:

- Continue to engage with sponsors and borrowers to track these engagements through the RICS and data-driven systems
- Build upon our efforts in 2024 to improve and increase climate risk modeling for existing investments to better identify climate-related risks and opportunities

[31] As of December 31, 2024. Investment professionals across Credit and Capital Markets.
[32] The Responsible Investment Credit Scorecard is not a determining factor for the investment decisions of the Investment Committee. The degree of influence that the Scorecard has on the investment process 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.

Jeannie Cho, global sustainability lead for Credit, speaks at the Responsible Investment Forum in March 2025.

Photo Credits: PEI Group

**By the Numbers**[33]

$160 B

capital invested

$55 B

available capital to invest

225+

portfolio companies[34]

Read more about our global **Private Equity** business.

SASB FN-AC-410a.1

# Private Equity

For years, we have aimed to apply our materiality-based approach to help our Private Equity portfolio companies enhance long-term value. This is where our focus on human capital and broad-based ownership originated, and it continues to shape our ongoing efforts to support our companies in integrating material sustainability factors into day-to-day operations and strategic planning.

KKR portfolio company, Circor, celebrates the launch of its employee ownership program.

## 2024 Progress and Highlights

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. We continued deepening and operationalizing these programs in our Private Equity portfolio globally and across sectors, with 22 new ownership programs launched in 2024.

Employee ownership initiatives expanded globally, with programs now established in portfolio companies' headquarters across 10 distinct countries. For example, in 2024, we supported Medical Saigon Group in launching the first broad-based ownership program at one of our companies in Vietnam, marking a significant milestone in the region. Additionally, our sale of GeoStabilization International marked our 10th exit from a company with broad-based employee ownership. In total, over 30,000 non-management employees have received payouts from these exits.

In 2024, we continued working with portfolio companies to help them mature their business-relevant sustainability plans, starting with leveraging sustainability data as a way to identify value creation opportunities. This work involved both one-on-one engagement and scalable resources, including a review of portfolio companies' greenhouse gas (GHG) emissions reductions plans to identify potential value creation levers and the development of a physical climate risk tool that aids portfolio companies in assessing both their exposure to extreme weather and natural hazards driven by climate change, as well as the sufficiency of relevant risk mitigations in place.

In March 2025, KKR hosted its inaugural in-person Sustainability Summit in Europe, bringing together leaders from our Private Equity and Global Impact portfolio companies. The summit featured panels and workshops on unlocking sustainability opportunities and navigating risks. It also provided a chance for networking within the portfolio, enabling companies to engage directly with peers, share best practices, and exchange insights that help to strengthen sustainability efforts across our network.

In a continued effort to share learnings among KKR portfolio companies, in 2024, we hosted a series of meetings for sustainability leads within our Americas Private Equity portfolio to discuss a wide range of sustainability topics and provide access to new resources, including a dedicated Energy Attribute Certificate procurement program. These meetings brought together representatives from nearly 30 portfolio companies to discuss topics such as GHG emissions and energy efficiency, sustainability reporting regulations, and renewable energy procurement.

## Looking Ahead

In 2025 and beyond, we aim to:

- Expand regional reach, depth, and resources to help companies create an ownership culture and promote financial resilience and employee well-being across our portfolio
- Foster more direct and frequent engagement with portfolio company management to help better support and monitor their business-relevant sustainability plans and actions related to material topics identified during diligence

[33] As of December 31, 2024.
[34] Includes portfolio companies across KKR's Traditional Private Equity, Core Private Equity, and Growth Equity investments..

**By the Numbers**[35]

$166 B

assets under management across Real Assets

230+

investment and asset management professionals dedicated to Real Assets

Read more about our global **Real Estate** business.

Read more about our **Infrastructure** business.

# Real Assets

## Real Estate

We believe the thoughtful management of material sustainability risks and opportunities across our Real Estate platform can create economic value by reducing costs, improving efficiency and resilience, and enhancing asset desirability.

### 2024 Progress and Highlights

We refined our sustainability diligence process and enhanced capital expenditure underwriting by optimizing our resources and tailoring them to different regions, further leveraging technology and standardizing outputs.

We developed adapted versions of our sustainability playbooks for the EMEA and APAC markets and their respective regulatory requirements to support our operating partners. We offered trainings in local languages for operating partners in both EMEA and APAC to provide guidance on how to leverage the playbooks across the regions.

In the United States, we launched a new asset management support model to scale and better support our asset management teams in their efforts to both identify and support initiatives that are accretive or protective to asset value. We also had ongoing engagement with our U.S. Real Estate Operating Partners on key topics such as building performance standards.

We believe that understanding the sustainability profile of real estate assets to help identify cost reduction opportunities involves comprehensive tracking and monitoring of a wide range of metrics, where possible, including energy consumption, water usage, and waste management. A major effort of 2024 was the global roll-out of a new sustainability data management platform, which we believe helped us improve data quality and coverage across the Real Estate Equity portfolio.

In order to help preserve asset value we used data from the 2023 physical climate risk assessments across our Real Estate Equity and Credit portfolio to prioritize actionable resiliency measures and enhance our climate intelligence for higher-risk assets.

Lastly, we expanded GRESB Real Estate Assessments to additional funds, aiming to deepen investor understanding of the value of our sustainability practices through transparent reporting.

In the Real Estate Credit business, we scaled an enhanced due diligence process across EMEA and the United States to incorporate a sponsor questionnaire, sustainability checklist, and third-party physical climate risk assessment tool. We developed a scorecard to assess our investment's sustainability risk exposure and performance, which we plan to roll out for certain investments in future years.

### Looking Ahead

In 2025 and beyond, we aim to:

- Collaborate with thought leaders and across teams at KKR to better understand relevant climate risk at the market and city-level
- Scale the availability of tailored sustainability playbooks across regional markets to help capture net operating income growth opportunities through reductions in costs relating to energy, water, waste, and GHG emissions, while enhancing the monitoring and tracking of sustainability-related KPIs globally
- Enhance monitoring and engagement approach for Real Estate Credit portfolio, developing mitigation best practice guidance and insights from our Real Estate Equity activities

Tower Bridge Court in London, United Kingdom.

[35] As of December 31, 2024.

## Infrastructure

KKR invests on behalf of the funds it manages across a broad range of critical real assets that provide essential infrastructure needs such as electricity, water, and data. We believe integrating material sustainability topics into the investment process is a key part of effective asset management and critical to our ability to create value.

### 2024 Progress and Highlights

We seek to work with companies across our Infrastructure portfolio to facilitate operational improvements and unlock value. A key element of our strategy involves working with companies to support the management of material sustainability risks and opportunities. As part of this program, we continued to support companies in implementing board-level oversight of sustainability issues, where relevant. We also supported them in implementing action plans and clear strategies to enhance their sustainability performance where there is a clear link to value creation. Examples of this work in 2024 included supporting companies conducting physical climate risk assessments, improving contractor and employee safety practices, and assessing the costs of business-relevant decarbonization levers.

In 2024, we focused on monitoring health and safety performance across the Infrastructure portfolio. In the past year, we enhanced how we diligence safety risks and introduced an improved engagement model with portfolio companies based on critical safety controls. Where incidents took place, we worked with companies to help them identify the key sources of risk and put remediation efforts in place.

Due to the asset-intensive nature of infrastructure investments, business-relevant GHG emissions reduction was considered across the portfolio in 2024, where material. A key project, which started in 2024, focused on developing a detailed understanding of the costs of business-relevant decarbonization to help companies prioritize their efforts toward value creation while managing operational, regulatory, and customer decarbonization requirements or pressures.

To enhance connectivity and share best practices among our portfolio, we hosted several infrastructure summits in 2024. These included an Energy-focused summit for C-suite leaders in our Energy portfolio and a Climate Summit for our Core Infrastructure portfolio. The event highlighted the shared nature of key challenges and opportunities faced by companies across sectors, and the opportunity for KKR to continue providing support and resources so that companies can better understand business-relevant decarbonization and the quickly evolving sustainability regulatory landscape.

### Looking Ahead

In 2025 and beyond, we aim to:

- Continue working with portfolio companies to facilitate performance improvements across business-relevant climate, health and safety, employee engagement, and cybersecurity efforts
- Support our portfolio companies in operationalizing their business-relevant decarbonization strategies and collecting climate-related data, with an emphasis on better understanding decarbonization costs
- Continue fostering a community of practice across the portfolio to share best practices and tools that support companies in their sustainability efforts

Members of the Infrastructure leadership team speak at KKR's 2024 Global Investors' Meeting.

## 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 eight hard-to-abate sectors such as trucking and aviation, among others, an estimated total investment of $30 trillion in additional capital will be needed by 2050.[36] 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.

We believe being a responsible investor through the transition entails investing in carbon-intensive sectors where we have the ability to help enhance their decarbonization efforts, where material, 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 encourage progress toward a stable energy transition and responsible business practices where it is a clear driver of value creation or risk protection opportunities.

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.

- **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 business-relevant, credible, and value-based targets, as material, 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. KKR has invested approximately $5.5 billion in companies with explicit transition theses. These investments comprise the majority of financed emissions associated with KKR's majority-owned private equity and real assets companies — a number we expect to increase as we identify more opportunities in this space.[37]

For more information on this work in practice, see the **ContourGlobal case study**.

[36] World Economic Forum, **Net Zero Industry Tracke**r, 2024.
[37] Includes capital invested in or committed to investments in hard-to-abate or carbon intense sectors, with explicit transition themes identified and established as part of the pre-investment thesis, from 2020 to December 31, 2024 by KKR funds and syndicated co-investments (including certain Global Atlantic investments).

ContourGlobal facility under construction in Antofagasta, Chile.

**By the Numbers**[38]

$191 B

total assets under management, including $142 B Credit AUM

3.5 M

policyholders

# Insurance

Global Atlantic Financial Group is a leading insurance company meeting the retirement and life insurance needs of individuals and institutions. In early 2024, KKR & Co. Inc. indirectly 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 believe that our work originating and managing assets and developing opportunities for Global Atlantic enhances our expertise for the benefit of our global insurance clients and policyholders.

Sustainability matters are overseen by the Global Atlantic Board of Directors, which delegates primary oversight of sustainability-related matters to certain of its committees. With respect to Global Atlantic's investment portfolio, its assets are primarily managed by KKR, which has engaged Goldman Sachs Asset Management LP (GSAM) to manage certain liquid credit Global Atlantic assets. Both KKR and GSAM have adopted responsible investment policies of their own. Global Atlantic believes both KKR and GSAM have thoughtfully sought to integrate responsible investment practices into relevant investment strategies.

KKR's Responsible Investment Policy is publicly available on **kkr.com** and GSAM's Statement on Sustainable Investing is available at **gsam.com**.

[38] As of December 31, 2024.
[39] **Global Atlantic Investor Presentation**, 2024.

## 2024 Progress and Highlights

2024 was an important year bringing KKR and Global Atlantic together on an integrated basis, including strengthening our joint sustainability efforts in order to create value for our investments, communities, and employees, and honor policyholder obligations across economic cycles.

An example of our joint sustainability efforts in action was when Global Atlantic partnered with the KKR Infrastructure team in June 2024 to acquire an indirect minority equity interest in the Labrador Island Link (LIL) from Emera Inc. LIL is a recently commissioned large scale transmission line that delivers renewable energy from a hydro facility in Eastern Canada to the Northern American energy grid. LIL aims to play a critical role to harness renewable energy and reinforces the importance of clean energy infrastructure to serve Canada, North America, and potentially markets beyond.[39]

## Looking Ahead

KKR and Global Atlantic believe increased integration will help us create more growth opportunities, more investing synergies, and more value for the individuals and institutions we serve. In 2025 and beyond, we aim to:

- Continue to address the retirement challenge by providing high-quality and accessible products for policyholders
- Fully integrate our responsible investing practices across asset classes in our portfolio

Manu Sareen, Co-Head of Global Atlantic, Billy Butcher, Co-Head and Chief Financial Officer of Global Atlantic, and Allan Levine, Co-Founder and Executive Chairman of Global Atlantic, speak at the Insurance National Sales Meeting in June 2025.

# Appendix

# Industry Engagement

## Memberships and Affiliations

KKR participates in and engages with initiatives and organizations that align with our values and offer opportunities for shared learning.

The organizations highlighted below represent a selection of the groups with which KKR currently has or has had significant relationships.

### SUSTAINABILITY-FOCUSED ENGAGEMENT[40]

- 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
- ESG Integrated Disclosure Project (IDP), Executive Committee organization member
- Fixed Income Investor Network, ESG Task Force member
- 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
- 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[41]
- Task Force on Climate-related Financial Disclosures (TCFD), supporter
- Urban Land Institute (ULI), Greenprint, member

[40]References to external organizations do not imply an endorsement by KKR of the organization or its practices. The order in which the organizations are listed is based solely on alphabetical order. 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.
[41]PRI signatory refers to private markets investments of funds managed by Kohlberg Kravis Roberts & Co. L.P.

Scott Nuttall and Joseph Bae, Co-CEOs, speak at KKR's 2024 Global Investors' Meeting.

# Channels and Topics of Engagement

This table outlines channels and methods of engagement on various sustainability topics with key stakeholder groups, along with examples of engagement during 2024.

| KEY STAKEHOLDER GROUPS | CHANNELS AND METHODS OF ENGAGEMENT | 2024 EXAMPLES |
|---|---|---|
| Fund Investors | • Annual meetings<br>• Due diligence questionnaires (DDQs)<br>• One-on-one engagement, including dialogues and road shows<br>• Website, annual sustainability reports, and other quarterly and ad hoc reporting<br>• Updates via our data site and fund investor portal | We engaged with our fund investors on sustainability topics in multiple ways, including through due diligence discussions, questionnaires, and fund-specific reports highlighting sustainability priorities and progress. |
| KKR & Co. Inc. Stockholders | • Website, annual sustainability reports, and other quarterly or ad hoc reporting<br>• Investor presentations<br>• One-on-one conversations and queries from stockholders with IR and Sustainability professionals<br>• Engagement with select sustainability ratings providers, whose rating assessments may be referenced by our stockholders | As part of KKR's 2024 Investor Day presentation, we provided an update on the launch of our Global Climate Transition strategy, as well as the continued scaling of KKR's broad-based ownership program globally and across strategies. |
| Portfolio Companies | • One-on-one support and value creation activities via KKR Capstone and other teams<br>• Sustainability webinars and events, tools, and resources across a variety of topics<br>• Sustainability data collection surveys | In 2024, we introduced a new Sustainability Regulatory webinar series, to help support the needs of our portfolio companies. The webinar series acts as a source of information from external experts about certain major, current, or proposed sustainability-related regulations and standards that may be relevant for our portfolio companies. |
| KKR Employees | • Centralized sustainability guidance and resources shared on KKR's intranet (KKR Central)<br>• KKR-wide and functional sustainability-focused trainings, presentations, email updates, and regulatory trainings. | We provided sustainability-focused presentations as part of the new Analyst and Associate Orientation, as well as asset class-specific trainings for certain investment teams. |
| External Experts | • Expert consulting and insight on sustainability-related topics and emerging trends | As part of our Global Climate Transition strategy, we continued to collaborate with external experts and advisors — including C2ES — to inform and strengthen the deployment of our climate investing framework. |

### Proactively Monitoring an Evolving Landscape to Enhance Our Approach

Recent years have brought a significant increase in sustainability-related disclosure expectations and heightened the scrutiny from stakeholders, 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 at the KKR & Co. Inc. level, including the implementation and adoption of the International Financial Reporting Standards (IFRS) Sustainability Standards. Additionally, we monitor regulatory developments and related disclosure requirements at KKR as well as more broadly at the KKR & Co. Inc. level, including the EU Sustainable Finance Disclosure Regulation (SFDR), the EU Corporate Sustainability Reporting Directive (CSRD), the UK Financial Conduct Authority's (FCA) ESG Sourcebook, 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 KKR moving forward.

**Resource Center on kkr.com.**

# 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," 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.

**Engagement:** How KKR supports portfolio companies to strengthen management of material sustainability topics and to create long-term value, including, where material and relevant, cross-portfolio topics managing climate-related risks and opportunities, fostering employee engagement, and protecting data and cybersecurity.

**Sustainability Integration (also referred to as "responsible investment"):** In line with our Responsible Investment Policy, sustainability integration describes our approach to integrating and managing material sustainability considerations in our investment processes globally across asset classes. See "materiality" definition at right.

**Sustainability Management:** How a company manages material sustainability 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.

**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 United Nations Sustainable Development Goals (UN SDGs), thereby aiming to drive 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, educational opportunity, workforce development, and supply chain resiliency.

**Materiality:** Defines sustainability 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 United States 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.[42] 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.

[42] 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 or other regulations.

# Endnotes

**Footnote 21. 2024 Sustainability Data Collection Process**

The scope of our 2024 sustainability 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"). Sustainability portfolio insights are calculated with respect to those Responding Entities, and not the entire portfolio.

**Footnote 22. KKR's Financed Emissions**

*Scope*

In-scope strategies for our 2024 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 2024 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.

# Cautionary Statement

"KKR" means Kohlberg Kravis Roberts & Co. L.P. and its subsidiaries that operate KKR's legacy asset management business, which includes its capital markets subsidiaries but does not include KKR & Co. Inc.'s insurance subsidiaries under the management of Global Atlantic Financial Group ("Global Atlantic") or any other subsidiaries of KKR & Co. Inc., including KJR Management and its subsidiaries ("KJRM"). "KKR"includes the investment funds, vehicles, and accounts advised by KKR, as the context requires, but does not include the portfolio companies owned by KKR's investment funds, vehicles and accounts. References to KKR & Co. Inc. in this report refer to KKR & Co. Inc. and its subsidiaries, as the context requires. "We" and "our" refer to KKR & Co. Inc., KKR or Global Atlantic, as the context requires. For further information on the scope of KKR's Responsible Investment Policy, see the publicly available Responsible Investment Policy at www.kkr.com. Notwithstanding the foregoing or any other statements made in this report, the disclosures in this report do not purport to be applicable to, or derived from, all of the legal entities, business units, activities or operations constituting KKR & Co. Inc., KKR or Global Atlantic, as defined.

This report documents activities and includes performance data for calendar year 2024, unless otherwise noted. This report is dated July 30, 2025 and speaks only as of such date, unless otherwise stated. The data and information in this report, which has been prepared by KKR, 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 in any jurisdiction in which such offer, solicitation or sale would be unlawful, 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," "potential," "continue," "may," "could," "would," "should," "seek," "strive," "approximately," "predict," "will," "plan," "estimate," "anticipate," "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; sustainability 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 investment vehicle 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. Further, the information included herein does not imply that KKR sets any greenhouse gas emissions-related goals, targets, intentions, or expectations, including with respect to net-zero targets and related timelines. 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, 2024 are included in this report. This presentation includes certain non-GAAP measures. 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 2024 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 KKR's application of the SDGs, as such application is subject to change at any time and in KKR's sole discretion. Further, statistics and metrics relating to sustainability matters, including greenhouse gas ("GHG") metrics, are estimates and may be based on assumptions or developing standards (including KKR's internal standards and policies) and, as a result, may be hypothetical in nature and may vary materially. 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.

Similarly, there can be no assurance that KKR's policies and procedures as described in this report, including policies and procedures related to sustainability or the application of sustainability-related criteria or reviews to the investment process, including the Real Estate Credit sustainability checklist, 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 Real Estate Credit sustainability checklist is not a determining factor for the investment decisions of the Investment Committee. The degree of influence that the sustainability checklist and scorecards have on the investment process varies based on the applicable investment strategy and may otherwise vary on a case-to-case basis. 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 sustainability-related policies and procedures based on cost, timing, or other considerations. Certain information contained herein relating to any Sustainability, 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.

References herein to "sustainability" considerations, factors, topics, issues, risks, opportunities, or other comparable words or other statements, refer to environmental, social, and governance factors. Statements about sustainability 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 sustainability 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. Sustainability factors are only some of the many factors KKR considers in evaluating an investment, and there is no guarantee that consideration of sustainability factors will enhance long-term value and financial returns for fund investors. To the extent KKR engages with portfolio companies on sustainability-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 identifying and evaluating material sustainability factors is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by KKR will correlate with the perceived material sustainability risks, views, internal policies or preferred practices of investors, other asset managers or with market trends.

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 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 sustainability 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, the specific investments discussed herein are not representative of all of the securities purchased, sold or recommended by KKR, and it should not be assumed that the investment in the companies identified was or will be profitable. 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 sustainability 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 sustainability 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 KKR, KKR & Co. Inc, 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 KKR, KKR & Co. Inc, or portfolio company. KKR, KKR & Co. Inc, 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. "Material" sustainability issues are defined as those issues that KKR, in its sole discretion, determines to have — or have the potential to have — a substantial impact on an organization's ability to create or preserve economic value. Any discussion of sustainability-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 KKR or KKR & Co. Inc.

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.

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