

KKR

2023 Global Impact Summary

Growing and Sustaining Impact



A Note from the Co-Heads

Over the past year, we have continued our efforts to deliver attractive, risk-adjusted returns and significant impact through solutions-oriented private equity investments. In 2023, we held a final close for Global Impact Fund II (Fund II) at approximately \$2.8 billion, more than twice the size of its predecessor fund. We also exited two investments from Global Impact Fund I (Fund I) — GreenCollar, an Australia-based developer of environmental management projects that provide carbon credits, and KnowBe4, a U.S.-based cybersecurity awareness training platform.

We seek to invest in leading companies where financial performance and positive societal impact are aligned across four investment themes: climate action, sustainable living, lifelong learning, and inclusive growth. Despite economic and geopolitical volatility, the trends behind which we have invested — including the global energy transition, the need for skilled workers, and the drive for a more sustainable and inclusive global economy — have continued to present opportunities for our strategy and remain critically relevant to societies and economies around the world.

CoolIT, a 2023 investment from Fund II, is a great example of how an accelerating and durable global trend remains investable through market volatility. CoolIT designs, engineers, and manufactures direct liquid cooling technologies for data centers. As computing needs expand with the momentum behind big data and artificial intelligence (AI), we believe the need to operate data centers more efficiently and sustainably becomes increasingly important. CoolIT's direct liquid cooling technology is designed to enable data centers to reduce their high demand for energy resources, thereby growing and scaling more efficiently.

Each of our portfolio companies addresses a structural challenge, many of which are not correlated to markets, which we believe will help us to create value and build a resilient portfolio. For example, as the consequences of climate change put water and land quality as well as food supply at risk in some markets, we believe that resilient environmental infrastructure



Ken Mehlman
Co-Head, KKR Global Impact



Robert Antablin
Co-Head, KKR Global Impact

built by Resource Environmental Solutions (RES) and high-yielding seeds produced for smallholder farmers by Advanta Seeds can become impactful mitigants.^[1] As cities and industries grow, putting pressure on the natural environment, we believe that sustainable waste management services like those of Re Sustainability, and waste-reducing e-commerce solutions like those engineered by CMC Packaging Automation (CMC), can improve environmental health and resilience.

In addition to the need for solutions that address environmental challenges, we believe new labor and workforce solutions are also imperative. Globally, the labor market continues to be tight, largely due to aging populations and rapidly changing needs for specific skills.^[2] Inflation, the rising cost of capital and interest rates, low unemployment, and wage pressures continue to amplify the scale of these challenges and the necessity of solving them.^[3] The future of work remains a critical investment theme for our strategy and one we believe will continue to yield attractive investment opportunities in the years ahead. Through our investments in and collaboration with portfolio companies like Education Perfect, Graduation Alliance, EQuest, MasterD, and Lightcast, we aim to support learning, including the upskilling and reskilling of at-risk workers, which we believe will ultimately create better, long-term job opportunities.

These are just a few examples of how we believe solutions-oriented businesses can create value and drive tangible and lasting impact that benefits individuals' daily lives.

LESSONS LEARNED

While we remain confident in our approach to investment and portfolio management, reflecting on how we can improve in the future and sharing our learnings openly is core to how we manage our impact business. To that end, we share below some of our learnings from 2023:

1 Execute Impactful Exits

The year was marked by the first two full exits from Fund I: GreenCollar and KnowBe4. We believe both companies meaningfully scaled their impact during our ownership.^[4] GreenCollar's projects reduced 12 million metric tons of greenhouse gas (GHG) emissions during our ownership, and KnowBe4 saved approximately 165% more records from being exposed in data breaches in 2022 versus 2019, the year we initially invested.^[4] Our experience with both GreenCollar and KnowBe4 reinforced our belief that the most effective way to ensure sustained impact is through the thoughtful implementation of sustainability- and impact-focused value creation initiatives we support during our ownership. For example, we believe strong governance, sustainable operations, and meaningful employee engagement practices — such as the broad-based employee ownership program we implemented during our investment at GreenCollar — can reduce risk and create value for our investors, employees, and customers, and for the next owners as well.

2 Prioritize Talent Management

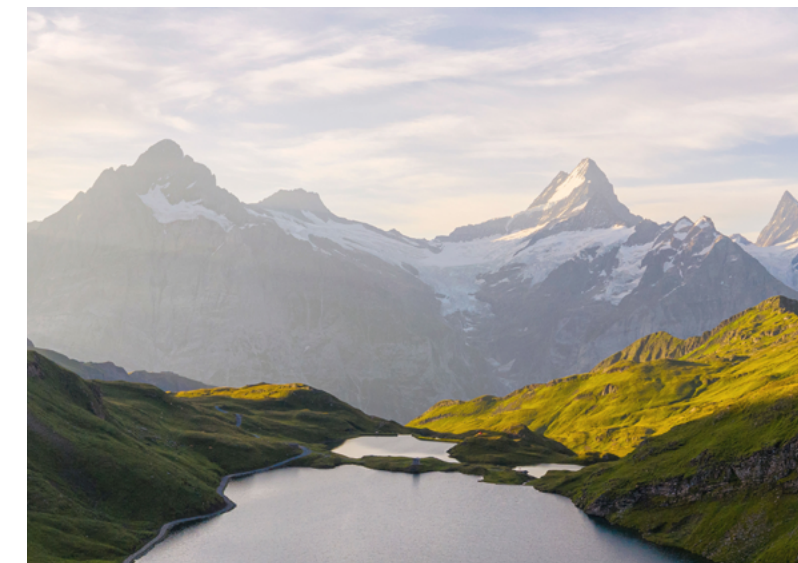
In our portfolio companies, we believe that people make all the difference. While we may make the right thematic or business selection decisions, we may still underperform if we do not effectively manage the risks and opportunities associated with company talent. Therefore, we consider each prospective investment's talent profile as part of our diligence process. This past year, we also doubled down on supporting talent initiatives across our portfolio, including the implementation of leadership assessments at portfolio companies, the development of more explicit succession planning, and making progress on employee engagement initiatives. We continue to believe that a proactive talent management approach in diligence and as part of value creation will help to drive success.

3 Deploy with High Conviction

2022 was a particularly active year for private equity deals, but market dynamics changed in 2023 with relatively low deal volumes. As a result, we were disciplined in 2023, focusing on unlocking proprietary opportunities and pursuing only our highest conviction ideas. We believe that our highest conviction ideas will be strong value drivers for the portfolio, just as our recent investments' early performance has shown. We are excited about the compelling opportunities we see in today's market to drive real value creation and differentiated outcomes.

LOOKING AHEAD

On behalf of our entire Global Impact team, we are inspired by the impact our portfolio has delivered and the lessons we have learned. In the year ahead, we plan to continue focusing on creating and protecting value in our portfolio companies and building sustainable solutions to complex problems, and through these efforts, aim to deliver strong returns for our investors. We remain confident in the importance and resilience of the themes behind which we invest, and therefore in the opportunity set ahead. In the pages that follow, you can read about our portfolio's impact. As always, we welcome your suggestions, questions, or comments.



Overview

About the Global Impact Strategy

For nearly 50 years, KKR has helped investors achieve meaningful financial returns by investing in and helping to build leading companies. Launched in 2018, the KKR Global Impact strategy applies this tested approach to proven business models where financial performance and positive societal impact are aligned.

To accomplish this, the Global Impact team seeks to invest behind themes with macro tailwinds and apply KKR's full suite of global resources to support its portfolio companies as they scale impact, and pursue organic growth, new market entry, mergers and acquisitions, and operational improvements.

Learn more about KKR's Sustainable Investing approach in our [2023 Sustainability Report](#).

Learn more about the KKR Global Impact strategy at www.kkr.com.

About This Report

This 2023 Global Impact Summary report presents an overview and highlights from our full 2023 Global Impact Report, which is provided to Global Impact limited partners. Impact and sustainability data are from the date of each investment through December 31, 2023, unless otherwise noted. For more detail on some of the metrics and sources included in this report, refer to the Endnotes on [p. 12 and 13](#). For important disclosures regarding the case studies presented, refer to the Important Information section on [p. 12](#).

Our Global Portfolio

What is Impact Investing?

As defined by the Operating Principles for Impact Management (Impact Principles) — of which KKR 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. At KKR, as part of our Global Impact strategy, we invest in companies whose core products or services seek to provide solutions to critical and locally relevant environmental or social challenges, as defined by the United Nations Sustainable Development Goals (the SDGs), thereby driving positive, measurable outcomes or impact. Using our suite of global resources and tested private equity playbook, we seek to build and grow these companies and generate risk-adjusted returns for our investors.

What is Sustainability Management?

Sustainability management refers to the management of how a company operates on material sustainability topics and engages with its stakeholders.

Impact at Scale^[5]

- Global Impact has invested over **\$2.0 B** through two funds in 18 closed investments that seek to provide locally relevant solutions to critical global challenges, which we have determined contribute toward the achievement of 13 SDGs.
- Including investments made alongside Global Impact by other KKR strategies, KKR has put over **\$6.0 B** to work in SDG-aligned investments since inception.

Our Mission

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

Our Vision

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

2018

Founded

24

Dedicated Team Members

18

Closed Investments in 11 Countries Around the World Since Inception

13

Sustainable Development Goals Addressed Since Inception

2

Exits in Fund I

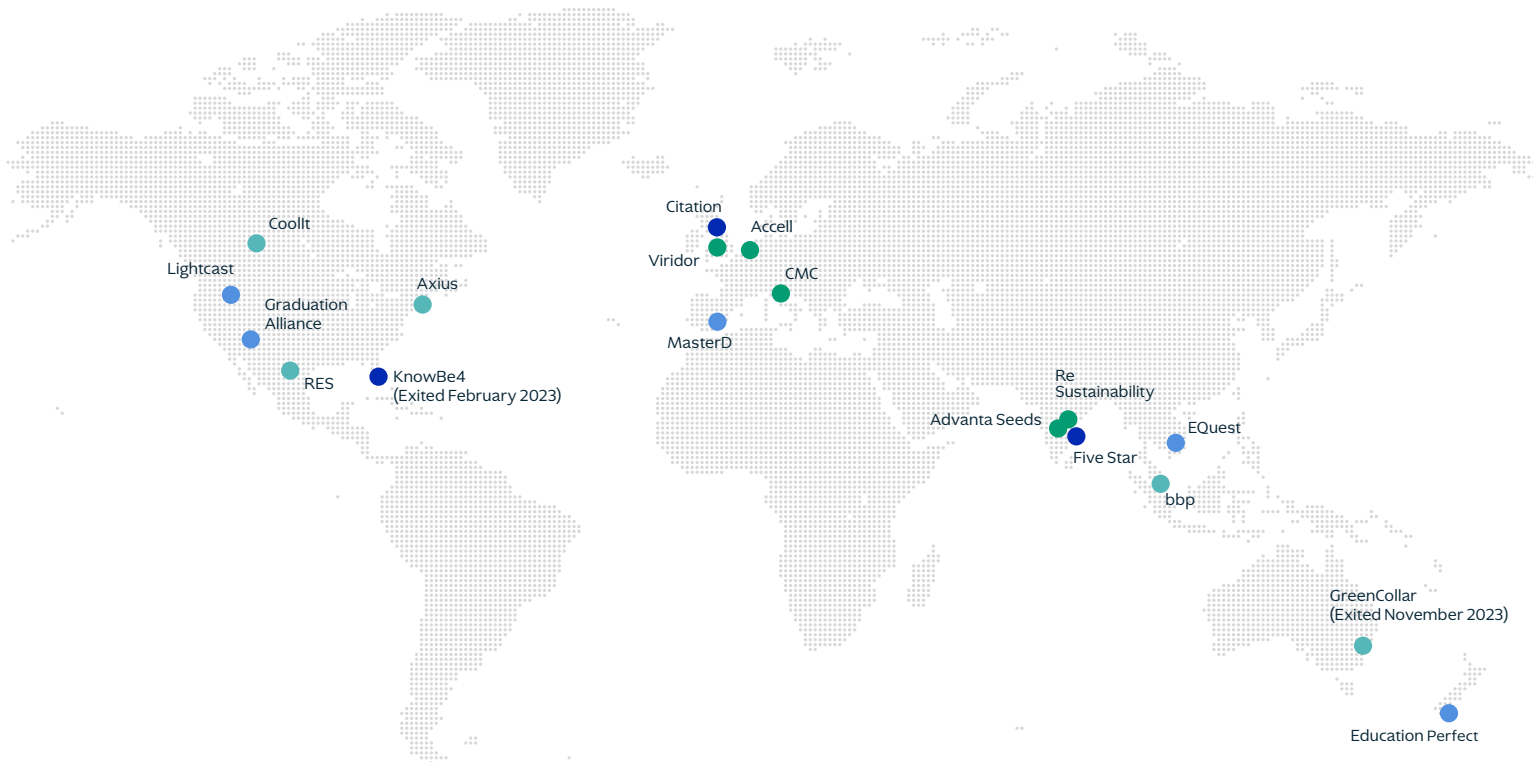
1

New Portfolio Company Investment in 2023 in Fund II

Global Impact Portfolio Companies

Our Investment Themes

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



Our Approach

Investment Selection Criteria

Our investment approach for Global Impact begins with the same rigorous playbook for investment selection, governance, and value creation as KKR’s other private equity funds. As with all KKR strategies, we integrate thoughtful management of sustainability topics to protect and drive value.^[6] In addition, our strategy includes an intentional focus on investing behind companies whose core products or services seek to provide credible solutions to critical environmental and social challenges. To qualify for an investment by Global Impact, we must determine a company meets the following criteria:

- ① **Can achieve attractive, risk-adjusted returns**
- ② **Contributes a locally relevant solution to the SDGs through its core products or services**
- ③ **Generates impacts that are measurable, using metrics sourced from credible third-party frameworks wherever possible**
- ④ **Seeks to measurably improve sustainability performance during KKR’s ownership, including mitigating potential negative externalities**

Credible Measurement

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

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

As a founding signatory of the Operating Principles for Impact Management, KKR Global Impact uses the nine Impact Principles to inform our impact management approach. In 2023, we worked on our fourth annual disclosure statement and third-party verification statement, which describes how our activities align with the nine Impact Principles.^[7,8] We plan to conduct a third-party verification of our impact management processes at least every three years, completing our next verification in 2024.

Wherever feasible, we seek to measure beyond outputs and focus on outcomes to gain a deeper understanding of impact progress and identify opportunities for value creation. In 2023, we worked with many of our portfolio companies to improve impact measurement methodology. For example, we collaborated with MasterD — which offers affordable and accessible vocational education and professional training to equip people with skills to meet employment market needs — to refine its methodology to report new students enrolled net of dropouts from 2023 onward, compared to gross new students enrolled reported in previous years. CMC — a leading manufacturer of on-demand e-commerce packaging solutions — successfully completed a Life Cycle Assessment (LCA) that was launched in 2022 on its Genesys packaging machine to assess impact outcomes, such as a reduction in paperboard and associated emissions. In addition, Lightcast — a labor market and skills data solutions provider — launched its first-ever customer surveys across the talent, public sector, and education business segments to further measure the company’s impact on workers and learners. In March 2024, Lightcast published its first public-facing impact report, informed by a survey of nearly 1,400 clients.

Our Global Team

We seek to combine local connectivity with KKR’s global resources to develop critical insights and relationships to source and evaluate investment opportunities and create value within our portfolio companies. Our dedicated team comprises 24 executives across North America, Europe, and Asia Pacific, who endeavor to collaborate effectively to achieve this mission. In partnership with management teams, we seek to help our portfolio companies achieve more (e.g., greater financial success, incremental positive impact, improved sustainability performance) by leveraging the full suite of KKR’s global resources, including:

- KKR Capstone
- KKR Capital Markets
- KKR Public Policy and Affairs
- KKR Global Institute
- Global Macro and Asset Allocation team
- KKR’s sustainability-related resources available to the Global Impact team

Working Together to Address Shared Issues

Our Global Impact investment team seeks to leverage KKR’s long experience and collaborative approach to integrate and manage sustainability topics across the entire investment life cycle, focusing on what is most meaningful to each company. We draw from the best expertise across the Firm to support portfolio companies in managing cross-portfolio topics, such as management and governance, human capital, climate, and data responsibility.

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



KKR Global Impact’s 2023 Cross-Portfolio ESG Performance^[9]

Climate

42,000+

metric tons of CO₂ equivalent (CO₂e) in financed Scope 1 and 2 Emissions

Human Capital

26%

women board members

34%

women employees

4,411

jobs created

Data Responsibility

100%

of companies conduct regular cybersecurity risk assessments and testing

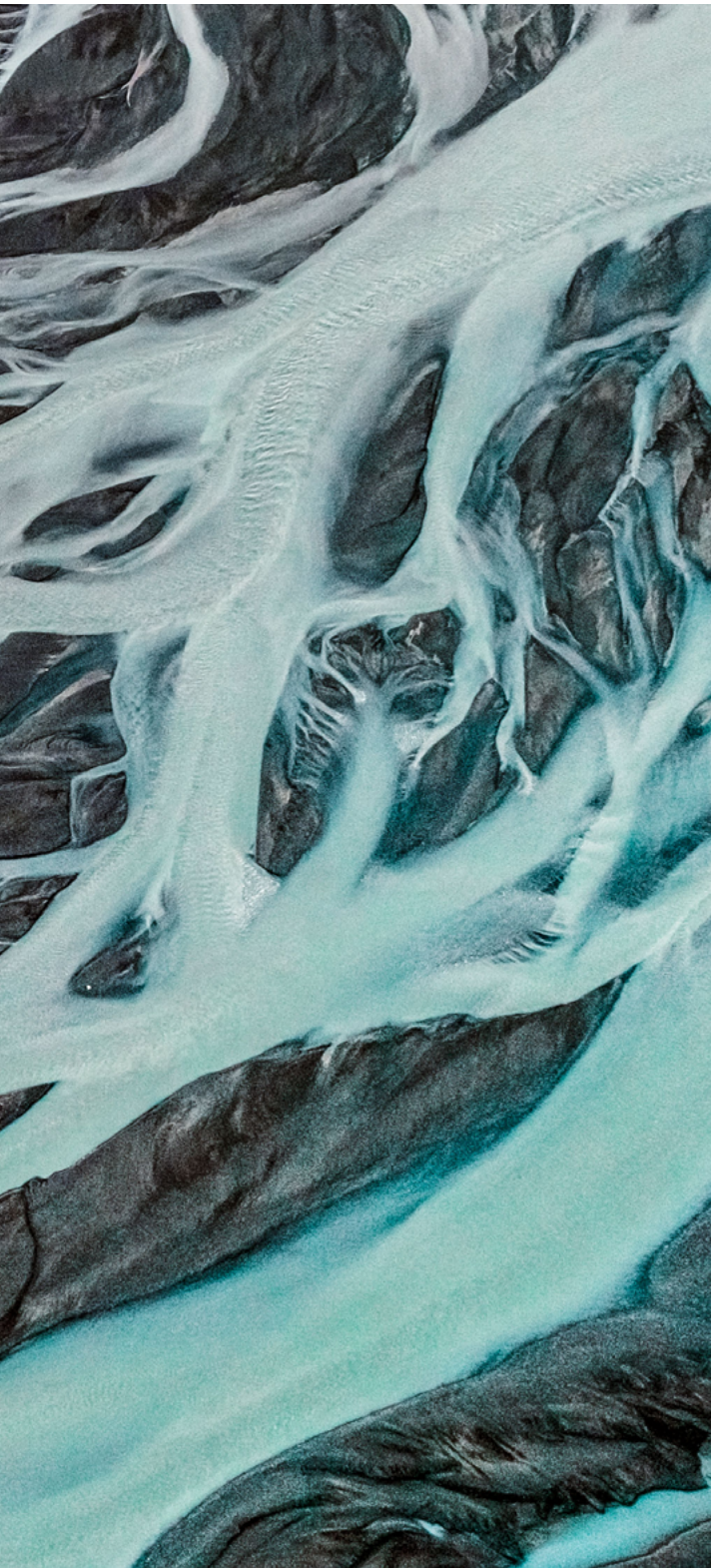
CoolIT systems™

As data center energy usage and related environmental impacts accelerate, direct liquid cooling technology presents a solution to help reduce the emissions footprint of the digital economy.

It is estimated that by 2030, data centers will consume up to 21% of the world’s electricity supply.^[10] As this growing energy usage and related environmental impacts are only expected to accelerate with the rise of AI and other high-performance applications, direct liquid cooling technology presents a solution to help reduce the emissions footprint of the digital economy. CoolIT’s direct liquid cooling technology brings liquid

coolant — via piping, manifolds, and coolant distribution units — directly to cold plates on data center chips to remove heat. CoolIT estimates its solutions can help customers achieve a 27% reduction in energy use versus air cooling when using warm water, a 12% reduction in energy use when using chilled water, and 10% efficiency gains at the server due to operating at lower temperatures.^[11] In 2023, CoolIT helped customers save over

550 million kWh of energy through its direct liquid cooling solutions.^[12] By combining KKR’s manufacturing and decarbonization expertise with CoolIT’s track record of product innovation, we expect to further scale its leading direct liquid cooling solution to meet the anticipated demand for higher-density, more energy efficient data centers.



Climate Action

The Challenge:

We believe the severe consequences of climate change are becoming increasingly evident across the globe. Since 1980, the U.S. has sustained a total cost of \$2.7 trillion in overall damages from weather and climate disasters, with over \$1 billion in damages for each climate disaster event in 2023.^[13] In response to these conditions, countries are taking concrete fiscal and planning measures for climate change mitigation and energy security, and companies are contributing to climate change mitigation efforts. More than 140 countries have set net-zero targets, covering approximately 88% of global emissions, and 929 companies from Forbes' 2000 list have set net-zero targets, covering an aggregate annual revenue of \$26 trillion.^[14, 15]

The Value Creation Opportunity

Global Impact invests behind companies that it believes provide solutions to the climate challenge as a way to capitalize on these global trends and to help companies adapt to climate change, manage impacts, and protect vulnerable ecosystems, all of which, in turn, help create and protect value for our investors. Within our climate action theme, we focus on the following solutions:

- Facilitating the Energy Transition
- Managing Environmental Impact
- Adapting to Climate Change

SDGs Addressed Since Inception:

- 6 – Clean Water and Sanitation
- 7 – Affordable and Clean Energy
- 9 – Industry, Innovation, and Infrastructure
- 13 – Climate Action
- 14 – Life Below Water
- 15 – Life on Land



bbp (2018)

HQ: Singapore

Reducing Energy Use and Carbon Emissions

Globally, heating, ventilation, and air conditioning (HVAC) systems account for approximately 38% of electricity consumption in buildings, which represents about 12% of final energy use worldwide.^[16] bbp provides energy-saving solutions for HVAC in commercial and industrial buildings, data centers, and district cooling plants. Its proprietary technology allows for real-time monitoring, control, and optimization of HVAC systems for its industrial and commercial clients, which can achieve savings on electricity used for the same cooling load and contribute to carbon savings, while also maintaining and improving system reliability and resilience.

Axius Water (2019)

HQ: Pocasset, MA, United States

Promoting Water Quality Solutions

Nutrient pollution in water supplies has been named by the U.S. Environmental Protection Agency as one of America's greatest environmental challenges, which is expected to worsen as a result of climate change. Currently, 58% of rivers and streams, 40% of lake acres, 17% of estuarine square miles, and 23% of Great Lakes shoreline miles are classified as impaired by nutrient pollution.^[16, 17] Axius provides integrated nutrient removal solutions for municipal and industrial wastewater treatment facilities, helping to reduce nutrient pollution and improve water quality in the U.S. and global markets in which Axius operates.

Impact Highlight*

241,000
metric tons

of CO₂e reduced due to energy efficiency projects provided by bbp over the life of KKR's investment

Contributes To:
SDG 7: Affordable and Clean Energy (Target 7.3)

Metrics Drawn From:
SDG Indicators

SDG 9: Industry, Innovation, and Infrastructure (Target 9.4)

Impact Highlight*

360 M kg

of harmful nutrients removed from wastewater by Axius products over the life of KKR's investment

Contributes To:
SDG 6: Clean Water and Sanitation (Target 6.3)

Metrics Drawn From:
SDG Indicators





CoolIT (2023)

HQ: Calgary, Canada

Reducing the Energy Demand from Data Centers

Electricity demand to power data centers is expected to increase between 13% and 15% compounded annually and consume up to 21% of global electricity by 2030.^[19, 20] Moreover, thermal management alone is projected to account for upwards of 40% of data center energy consumption.^[21, 22] CoolIT's proprietary technology delivers cooling fluid directly to high-powered components like central processing units (CPUs) and graphics processing units (GPUs), thereby enabling greater density in data centers, improved component performance, and reduced energy use.

Impact Highlight*

550 M
kilowatt
hours

saved by customers through CoolIT's services in 2023

Contributes To:
SDG 9: Industry, Innovation, and Infrastructure (Target 9.4)

Metrics Drawn From:
SDG Indicators

SDG 13: Climate Action (Target 13.1)

Resource Environmental Solutions (RES) (2022)

HQ: Houston, Texas, United States

Restoring Environmental Degradation

Ecosystem degradation, including biodiversity loss and land degradation, is one of the world's most pressing problems and will continue to intensify without rapid remedial action.^[23] RES is a leading provider of ecological restoration and water resource solutions in the U.S. aimed at preserving land, restoring wetlands, streams, and habitats, strengthening coastal resilience, and improving water quality for future generations.

Impact Highlight*

7,600 acres

of land restored and protected by RES in 2023

Contributes To:
SDG 6: Clean Water and Sanitation (Target 6.6)

Metrics Drawn From:
SDG Compass

SDG 15: Life on Land (Target 15.5)



Sustainable Living

The Challenge:

Natural resource extraction has soared almost 400% since 1970, and the global extraction of raw materials is expected to increase 60% by 2060.^[24] This is projected to continue to cause biodiversity loss, water stress, increasing emissions, and adverse human health impacts.^[25] This can also have an impact on businesses and present huge opportunities. Using resources efficiently, such as embracing circular strategies, has the potential to help companies cut costs, drive innovation, and access new markets. Material savings alone show that the circular economy could provide the EU's complex medium-lived products (e.g., mobile phones and washing machines) with an annual net-material cost savings opportunity of up to \$630 billion.^[26] At the same time, consumers are becoming more aware of how their consumption habits can impact the environment: 71% of global consumers are making changes to the way they live and the products they buy in an effort to live more sustainably.^[27]

The Value Creation Opportunity

Global Impact invests in companies that deliver circular economy, waste management, and other sustainable solutions in support of more sustainable cities, businesses, and communities. Within our sustainable living theme, we focus on the following solutions:

- Building Sustainable Cities
- Moving toward a Circular Economy
- Consuming and Producing Responsibly and Sustainably

SDGs Addressed since Inception:

- 2 – Zero Hunger
- 7 – Affordable and Clean Energy
- 9 – Industry, Innovation, and Infrastructure
- 11 – Sustainable Cities and Communities
- 12 – Responsible Consumption and Production
- 13 – Climate Action





Accell Group (2022)

HQ: Heerenveen, The Netherlands

Accelerating Sustainable Living

Transportation is the fastest-growing source of emissions worldwide, accounting for more than a third of CO₂ emissions, and as such, the EU Green Deal has a goal of reducing 90% of transport emissions by 2050.^[28] Accell Group is a leading European manufacturer of e-bikes used predominantly for commuting. Customers who use e-bikes instead of a high-emissions mode of transport for commuting help reduce carbon emissions in urban areas.

Impact Highlight*

120,000 metric tons

of CO₂e saved from Accell customers transitioning from high emitting transport to e-bikes for commuting over the life of KKR's investment

Contributes To:
SDG 11: Sustainable Cities and Communities (Target 11.2)

Metrics Drawn From:
SDG Indicators

SDG 13: Climate Action (Target 13.2)

Advanta Seeds (2022)

HQ: Hyderabad, India†

Creating Innovative Agriculture Technologies

Smallholder farmers supply 34% of the world's food and increasingly face crop production challenges in light of rising temperatures and extreme weather events.^[29, 30] Advanta Seeds is a leading company in empowering smallholder farmers across Asia Pacific, Africa, and Latin America by providing access to high-quality hybrid seeds. The seeds are designed to boost crop yields relative to non-hybrid alternatives, reducing land use required for the same output and improving farmers' livelihoods. In addition, some varieties are drought resistant and more resilient to extreme weather events, enhancing smallholder farmers' ability to adapt to the impacts of climate change.

Impact Highlight*

94 M kg

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

Contributes To:
SDG 2: Zero Hunger (Target 2.3)

Metrics Drawn From:
SDG Indicators

† Management is located in Dubai, United Arab Emirates.



CMC Packaging Automation (CMC) (2020)

HQ: Città di Castello, Italy

Optimizing Packaging to Reduce E-Commerce Waste

Global e-commerce continues to boom, and global shipping volume could reach 498 billion parcels by 2028.^[31] This increased use and disposal of packaging leads to harmful environmental impacts, including increased GHG emissions, waste, water use, and deforestation. A leading manufacturer of sustainable packaging solutions, CMC installs and operates 3D packaging machines that match packaging size to product size. CMC provides large clients with innovative solutions to reduce corrugate and filler materials on millions of packages shipped.

Impact Highlight*

547,000 metric tons

of cardboard avoided in packaging by CMC's clients over the life of KKR's investment

Contributes To:
SDG 9: Industry, Innovation, and Infrastructure (Target 9.4)

Metrics Drawn From:
SDG Indicators

SDG 12: Responsible Consumption and Production (Target 12.2)

Re Sustainability (2019)

HQ: Hyderabad, India

Sustainably Managing India's Waste

It is estimated that approximately 95% of the total municipal solid waste generated in India is collected, and of this, 50% is processed and treated, and 18% is disposed of in landfills.^[32] Re Sustainability provides environmentally sound waste management collection and treatment services for municipal, industrial, and biomedical waste, reducing the adverse environmental and public health impacts of improper disposal and raising the living standards of millions of people in the regions in which it operates.

Impact Highlight*

6 M metric tons

of hazardous waste collected and treated by Re Sustainability over the life of KKR's investment

Contributes To:
SDG 11: Sustainable Cities and Communities (Target 11.6)

Metrics Drawn From:
SDG Indicators

SDG 12: Responsible Consumption and Production (Target 12.4)



Viridor (2020)

HQ: Ardley, United Kingdom

Driving Circular Economy Transition in the UK Waste Industry

The UK is the third-highest exporter of waste globally, and sustainably managing increasing waste volumes domestically is expected to remain a growing challenge.^[33] A leading UK resource recovery and recycling company, Viridor aims to reduce the amount of waste sent to landfills and drive a circular economy approach to waste management. The company operates plastic recycling and reprocessing facilities and 11 energy-from-waste facilities, which process waste that cannot be recycled to generate energy for cities, communities, and local businesses.

Impact Highlight*

7.9 M
metric tons

of municipal solid waste treated over the life of KKR's investment

Contributes To:
SDG 7: Affordable and Clean Energy (Target 7.2)

Metrics Drawn From:
SDG Indicators

SDG 11: Sustainable Cities and Communities (Target 11.6)

SDG 12: Responsible Consumption and Production (Target 12.5)



Lifelong Learning

The Challenge:

Economic disruption has exacerbated gaps in accessibility to education and advanced education technology services around the world. In addition, 23% of global jobs are projected to change in the next five years due to industry transformation through artificial intelligence and other text, image, and voice processing technologies.^[34] Technology is reshaping all industries and work functions, while demographic and social shifts are transforming the workforce, reducing the number of available workers, and requiring ongoing training and skills development for the workforce of today and tomorrow.

The Value Creation Opportunity

Through our investments, we aim to not only help upskill and future-proof the global workforce, but also help companies and organizations perform more successfully and produce better financial outcomes. Within our lifelong learning theme, we focus on the following solutions:

- Creating Equitable Access to and Quality of Education
- Closing the Skills Gap
- Integrating Data and Technology

SDGs Addressed since Inception:

- 4 – Quality Education
- 8 – Decent Work and Economic Growth



Education Perfect (2021)

HQ: Dunedin, New Zealand

Democratizing Access to Quality, Personalized Education

Australia has high average reading, math, and science scores, but yields unequal outcomes for poor, rural, and indigenous students.^[35, 36] Education Perfect is a leading Australian and New Zealand ed-tech business providing a digital learning toolkit for teachers and students across grades K-12. Education Perfect aims to democratize access to quality education by providing an affordable product that can increase teacher productivity, enable adaptive learning, and improve student outcomes.

Impact Highlight*

1 M students

with access to personalized, digital learning content through Education Perfect in 2023

Contributes To:
SDG 4: Quality Education (Targets 4.1 and 4.5)

Metrics Drawn From:
SDG Indicators

EQuest (2021)

HQ: Ho Chi Minh City, Vietnam

Enabling English Fluency Needed for High-Quality Jobs in Vietnam

A recent study found that while English skills are crucial to prepare students for higher education and professional careers, there are significant gaps in English proficiency across Vietnamese schools.^[37] EQuest is an education group in Vietnam focused on providing accessible, affordable, and high-quality bilingual education to Vietnam's emerging middle-class population helping its students develop English proficiency.



Graduation Alliance (2020)

HQ: Salt Lake City, Utah, United States

Improving Educational Opportunities in America

The U.S. Census estimates that over 27 million adults aged 18 and older lack a high school diploma.^[38] Failing to obtain a high school diploma can have a negative impact on quality of life and career trajectory, often resulting in a cycle of intergenerational poverty for families.^[39] Graduation Alliance works with school districts and state agencies in the U.S. to reengage, educate, and support youths and adults on a path to high school graduation and beyond. An independent study showed Graduation Alliance's Dropout Recovery program outperformed the national benchmark in efficacy by about 25% and cost per outcome by 33% compared to similar programs.^[40]

Impact Highlight*

17,000 K-12 students

accessing affordable, high-quality bilingual education in Vietnam through EQuest in 2023

Contributes To: SDG 4: Quality Education (Target 4.4) **Metrics Drawn From:** SDG Indicators

Impact Highlight*

16,000 former high school dropouts

earned credits toward a diploma with Graduation Alliance's support in 2023

Contributes To: SDG 4: Quality Education (Targets 4.3 and 4.6) **Metrics Drawn From:** SDG Indicators

SDG 8: Decent Work and Economic Growth (Target 8.5)

Lightcast (2019)

HQ: Moscow, Idaho, United States

Providing Labor Market Insights

It is estimated that 85% of jobs that will exist in 2030 do not exist today.^[41] This transition will require continued workforce upskilling and reskilling, either through self-learning or employer-sponsored training. Lightcast's labor market analytics help companies, educators, public sector constituents, students, and workers understand the jobs and skills in highest demand and leverage these insights to provide or acquire training and education aligned with real career outcomes and mobility.

Impact Highlight*

1,100 higher education institutes

used Lightcast labor analytics solutions in 2023

Contributes To: SDG 4: Quality Education (Target 4.4) **Metrics Drawn From:** SDG Indicators

SDG 8: Decent Work and Economic Growth (Target 8.5)



MasterD (2020)

HQ: Zaragoza, Spain

Narrowing the Skills Gap in Spain, Portugal, and Italy

In 2023, Spain had the largest unemployment rate in the EU with 12% of its total workforce unemployed, double the European average of 6%.^[42] As a provider of vocational education and professional training in Spain, Portugal, and Italy, MasterD helps narrow the skills and employability gap and promotes equal and affordable access to vocational training through flexible financing options. MasterD offers over 600 courses via a network of over 100 centers across Southern Europe.

Impact Highlight*

67,000 students

enrolled in MasterD vocational courses in 2023

Contributes To: SDG 4: Quality Education (Target 4.3) **Metrics Drawn From:** SDG Indicators

SDG 8: Decent Work and Economic Growth (Target 8.5)



Inclusive Growth

The Challenge:

Global inflation has risen amid the cost-of-living crisis, causing tightening financial conditions in most regions.^[43] This has highlighted long-existing challenges related to inclusive growth, including disparities in access to resources and other barriers disadvantaged groups face to achieving full and equitable participation in society. Studies also show that financial inclusion has a significantly positive impact on economic growth.^[44] In addition, the pandemic has amplified the importance of stable, transparent systems in which economies can thrive and where workers are safe. Solutions that protect personal freedoms and promote equitable access to opportunity are also essential to ensure that growth is stable and fully inclusive.

The Value Creation Opportunity

Amid these challenges, Global Impact seeks to invest behind companies and solutions that promote (i) equitable access to information and opportunities at the individual level, such as financial and digital inclusion products, and (ii) the protection of personal freedoms and worker wellbeing, to help ensure that economic growth is stable and fully inclusive. Within our inclusive growth theme, we focus on the following:

- Ensuring Equitable Access to Information and Opportunity
- Protecting Freedoms and Wellbeing

SDGs Addressed:

- 1 — No Poverty
- 8 — Decent Work and Economic Growth
- 9 — Industry, Innovation, and Infrastructure
- 16 — Peace, Justice, and Strong Institutions

Citation (2020)

HQ: Wilmslow, Manchester, United Kingdom

Providing Health and Safety, Human Resource, and Compliance Support for Small Businesses

While the UK has strong health and safety and compliance regulation, small and medium sized enterprises (SMEs) often lack the in-house resources to implement best practices.^[45] A leading partner to UK SMEs, Citation offers cost-efficient solutions that enable SMEs to be compliant with employment legislation and health & safety regulation. Their best practice solutions have measurable results in improving workplace safety.

Impact Highlight*

80% lower likelihood

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

| | |
|--|--|
| <p>Contributes To: SDG 8: Decent Work and Economic Growth (Targets 8.5 and 8.8)</p> | <p>Metrics Drawn From: SDG Indicators</p> |
|--|--|



Five Star (2021)

HQ: Chennai, India

Providing Inclusive Financial Services for Micro-Entrepreneurs in India

The micro, small, and medium enterprise (MSME) sector is crucial to India's economy, where over 63 million MSMEs employ close to 111 million people.^[46] Five Star is a leading Indian lender providing secured financial solutions to micro-entrepreneurs and self-employed individuals, with a focus on Tier-3 to Tier-6 cities within Southern and Central India. Five Star aims to enhance financial inclusion for segments that have been largely cut off from the formal lending ecosystem.

Impact Highlight*

307,000 loans

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

| | |
|--|--|
| <p>Contributes To: SDG 1: No Poverty (Target 1.4)</p> | <p>Metrics Drawn From: SDG Indicators</p> |
|--|--|

SDG 9: Industry, Innovation, and Infrastructure (Target 9.3)



Creating Impact by Contributing to the SDGs*

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

Highlights of Global Impact portfolio companies’ contributions to the SDGs

1 NO POVERTY

307,000

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

2 ZERO HUNGER

94 M

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

4 QUALITY EDUCATION

1,100

higher education institutions used Lightcast’s labor analytics solutions in 2023.

67,000

new students enrolled in MasterD vocational courses in 2023.

16,000

former high school dropouts earned credit towards a diploma with Graduation Alliance’s support in 2023.

1 M

students had access to personalized, digital learning content through Education Perfect in 2023.

17,000

K-12 students accessed affordable, high-quality English education in Vietnam through EQuest in 2023.

6 CLEAN WATER AND SANITATION

360 M

kilograms of harmful nutrients removed from wastewater treated with Axius products over the life of KKR’s investment.

75

miles of nature-based terraces or shorelines restored by RES over the life of KKR’s investment.

7 AFFORDABLE AND CLEAN ENERGY

16%

average energy intensity reduction in heating, ventilation, and air conditioning systems through bbp’s services in 2023.

8 DECENT WORK AND ECONOMIC GROWTH

80%

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

9 INDUSTRY, INNOVATION, AND INFRASTRUCTURE

241,000

metric tons of CO₂e reduced due to energy efficiency projects provided by bbp over the life of KKR’s investment.

550 M

kilowatt hours saved by customers through CoolIT’s services in 2023.

11 SUSTAINABLE CITIES AND COMMUNITIES

30 M

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

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

6 M

metric tons of hazardous waste collected and treated by Re Sustainability over the life of KKR’s investment.

547,000

metric tons of cardboard avoided in packaging by CMC over the life of KKR’s investment.

13 CLIMATE ACTION

120,000

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

15 LIFE ON LAND

7,600

acres of land restored and protected by RES in 2023.

Important Information

The data and information in this report, which has been prepared by the investment management subsidiaries of KKR & Co. Inc., are presented for informational purposes only. The information in this report is qualified in its entirety by reference to the Limited Partnership Agreement, Confidential Private Placement Memorandum and Subscription Agreement, as applicable, of the relevant KKR fund, each as amended and/or restated from time to time.

“KKR” means the Firm and, when the context requires, includes the investment accounts, funds and vehicles managed or sponsored by the Firm. The “Firm” means Kohlberg Kravis Roberts & Co. L.P. and the other subsidiaries of KKR & Co. Inc. that operate its investment management business, including capital markets activities, but excluding its insurance business and certain other businesses. “Portfolio companies” are companies held as investments by the investment funds and vehicles managed or sponsored by the Firm. Portfolio companies are not part of the Firm or KKR as defined. “We”, “us” and “our” refer to KKR or Global Impact, as the context requires, and do not include portfolio companies.

The interests in Fund I (EUR) SCSp and Fund II (EUR) SCSp, and together with Fund I, “Global Impact” or “Global Impact Funds” referenced herein (the “Interests”) have not been approved or disapproved by the U.S. Securities and Exchange Commission (the “SEC”) or by the securities regulatory authority of any state or of any other jurisdiction. The Interests have not been registered under the U.S. Securities Act of 1933, as amended, the securities laws of any other state or the securities laws of any other jurisdiction, nor is such registration contemplated. None of the Global Impact Funds will be registered as an investment company under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Consequently, limited partners of the Global Impact Funds are not afforded the protections of the Investment Company Act. This report does not constitute an offer to sell or the solicitation of any offer to buy Interests, which may only be made at the time a qualified offeree receives a Confidential Private Placement Memorandum describing the offering and related subscription agreement. The Interests shall not be offered or sold in any jurisdiction in which such offer, solicitation or sale would be unlawful until the requirements of the laws of such jurisdiction have been satisfied.

Private funds, such as the Global Impact Funds, are speculative investments and are not suitable for all investors, nor do they represent a complete investment program. Private funds are available only to qualified investors who are comfortable with the substantial risks associated with investing in private funds. An investment in a private fund includes the risk that there is no assurance that an investment strategy will be successful. Investors in a private fund, such as the Global Impact Funds, may have no right to or a limited right to redeem or transfer their interests in a private fund. No Interests will be listed on an exchange and it is not expected that there will be a secondary market for any Interests.

Nothing contained herein is intended to constitute, and shall not be construed as constituting, the provision of any tax, accounting, financial, investment, 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.

Certain information contained in this document constitutes “forward-looking statements,” which can be identified by the use of words such as “opportunity,” “believe,” “think,” “expect,” “feel,” “potential,” “continue,” “may,” “could,” “would,” “should,” “seek,” “strive,” “approximately,” “predict,” “will,” “plan,” “estimate,”

“anticipate,” “visibility,” “positioned,” “target,” the negative version of these words, other comparable words or other statements that do not relate strictly to historical or factual matters. 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. 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. Certain information contained herein relating to the Global Impact Funds’ targets, intentions, or expectations, including with respect to the structure and terms of investments, and the size and type of individual investments (as applicable) is subject to change, and no assurance can be given that such targets, intentions or expectations will be met. For further information regarding certain forward-looking statements herein, refer to the Cautionary Statement in KKR’s 2023 Sustainability Report at kkr.com/sustainability-report.

In this report, we are not using terms such 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 the purposes of this document should not, therefore, be read as equating to any use of the word in other KKR reporting or filings. “Material” sustainability issues are defined as those issues that KKR, in its sole discretion, determines have - or have the potential to have - a substantial impact on an investment’s ability to create or preserve economic value. Any discussion of climate-related topics that are potentially material to a portfolio company refers only to the materiality of such topic to a portfolio company and does not imply or indicate that such topic is material to KKR.

The SDGs are aspirational in nature. The analysis involved in determining whether and how certain initiatives may contribute to the SDGs is inherently subjective and dependent on a number of factors. There can be no assurance that reasonable parties will agree on a decision as to whether certain projects or investments contribute to a particular SDG. Accordingly, investors should not place undue reliance on the Firm’s application of the SDGs, as such application is subject to change at any time and in the Firm’s sole discretion. Statistics and metrics relating to sustainability matters, including GHG metrics, are estimates and may be based on estimates and assumptions (which may be inaccurate) or developing standards (including KKR’s internal standards and policies). The accuracy of such statistics and metrics is therefore subject to variance. In addition, such statistics and metrics are generally provided on an ex-post basis and for informational purposes only, and the provision of such, in relation to an investment, should not be taken to mean that KKR (i) engaged with the relevant portfolio company on sustainability-related practices relevant to all specified statistics and metrics in order to bring about any potential enhancements or improvements thereto and/or (ii) took all such information into account in making the decision to make an investment. Furthermore, certain statistics and metrics are provided on a commingled portfolio basis in respect of the Global Impact Funds. Certain portfolio level information in respect of Fund I and Fund II is available on request from KKR and, in addition, certain portfolio level information in respect of Fund II will be set out in Fund II’s disclosure under Article 11 of Regulation (EU) 2019/2088 (“SFDR”). For the avoidance of doubt, Fund II provides additional (i) sustainability related disclosures in its fund documents in line with Article 9 of SFDR and (ii) reporting in line with Article 11 of SFDR (“Fund II SFDR Disclosures”), such that information in relation to how KKR (in respect of Fund II) may have (a) engaged with portfolio companies on sustainability-related practices in order to bring about any potential enhancements or improvements thereto and/or (b) taken into account any information when making the decision to make an investment, can also be found in the Fund II SFDR Disclosures. Accordingly, investors in Fund II should not only refer to the information provided herein, but also to the Fund II SFDR Disclosures when considering the sustainability approach of Fund II. Fund I closed prior to the application of SFDR and neither has sustainable investment as its objective in the same manner as Fund II does nor promotes environmental or social characteristics and hence has not made disclosure in accordance with SFDR.

There can be no assurance that KKR’s sustainability policies and procedures as described in this Report, including policies and procedures related to

responsible investment or the application of sustainability-related criteria or reviews to the investment process are applied with respect to the Global Impact Funds or any particular investment and if applied will continue. Such policies and procedures could change materially (e.g. through new regulatory requirements such as changes to the law or guidance by competent authorities). KKR is permitted to determine in its discretion that it is not feasible or practical to implement or complete certain of its sustainability initiatives, policies, and procedures based on cost, timing, or other considerations (provided such sustainability initiatives, policies, and procedures are not required as part of Fund II’s undertakings set out in the Fund II SFDR Disclosures). KKR does not represent that it has adopted, or will in the future adopt, any particular practice or policy referenced in this Report at the Firm-level. Further, there can be no assurance that the operations and/or processes of the Firm as described herein will continue, and such processes and operations may change, even materially.

To the extent any information described herein relates to any goals, targets, intentions, or expectations (including with respect to any climate-related targets or decarbonization efforts and related timelines) in respect of Fund II, then they should be construed as being goals, targets, intentions, or expectations that are set by KKR (i) as part of its risk management framework in respect of Fund II and/or (ii) as part of the overall sustainability approach of Fund II (additional information in relation to such approach is set out in the Fund II SFDR Disclosures). Any goals, targets, intentions, or expectations in relation to the Global Impact Funds may be subject to change, and no assurance can be given that such goals, targets, intentions, or expectations (including with respect to any climate-related targets or decarbonization efforts and related timelines) will be met (other than those required to achieve the sustainability-related undertakings of Fund II).

Where statements about sustainability initiatives or practices relate to Fund II, such statements are made (i) in the context of the risk management framework employed in respect of Fund II and/ or (ii) as part of the overall sustainability approach of Fund II (additional information in relation to such approach is set out in the Fund II SFDR Disclosures). In addition, all such statements, including statements about sustainability initiatives or practices related to portfolio companies, do not apply in every investment and depend on a variety of factors including, but not limited to, the relevance or implementation status of a sustainability initiative to, or within, the investment; the nature and/or extent of investment in, ownership of or, control or influence exercised by KKR with respect to the investment; 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. The extent to which KKR engages with an investment on sustainability-related practices and potential enhancements thereto varies depending on the nature of the investment and, to the extent KKR does so engage in respect of Fund II, it does so for risk management purposes or in furtherance of the overall sustainability approach of Fund II. There is no guarantee that engagements will improve the risk profile of the investment and/or the Global Impact Funds and, accordingly, positively impact financial returns, or further the sustainability approach of the Global Impact Funds. There can also be no assurance that portfolio company policies and procedures, as described in this presentation, will continue. The sustainability factors described herein are only some of the many factors KKR considers when making an investment, and there is no guarantee that consideration of sustainability factors will improve the risk profile of the investment and/or the Global Impact Funds and, accordingly, positively impact financial returns, or further the sustainability approach of the Global Impact Funds. In addition, the act of selecting 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, internal policies or preferred practices of investors, other asset managers or with market trends.

Case studies presented herein have been selected in order to provide illustrative examples of KKR Global Impact’s application of its sustainable investment program with current portfolio companies generally rather than as a description of KKR’s implementation of (i) its risk management framework in relation to sustainability matters in respect of the Global

Impact Funds and/or (ii) the sustainability approach of the Global Impact Funds. Descriptions of any sustainability achievements or improved practices or outcomes are not necessarily intended to indicate that KKR Global Impact has substantially contributed to such achievements, practices, or outcomes generally and/or in respect of the Global Impact Funds. Certain information in relation to how KKR (in respect of Fund II) takes into account sustainability related factors in its investment management process or has worked with a portfolio company to improve sustainability practices or outcomes is set out in the Fund II SFDR Disclosures.

In gathering and reporting upon the sustainability information contained herein, KKR may depend on data, analysis, or recommendations provided by its portfolio companies or by third-party advisors or data sources, which may be incomplete, inaccurate, or not updated through the date hereof. KKR does not independently verify all sustainability information it receives from investments or third-party advisors or data sources, and it may decide in its discretion not to use certain information or accept certain recommendations. KKR does not give any representation or warranty as to the accuracy, adequacy, timeliness, or completeness of any such information, and expressly disclaims any responsibility or liability therefor.

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 investment teams and investments.

General discussions contained within this Report regarding the market or market conditions represent the view of either the source cited or KKR. Nothing contained herein is intended to predict the performance of any investment. There can be no assurance that actual outcomes will match the assumptions or that actual returns will match any expected returns.

This report documents activities and includes performance data for calendar year 2023, unless otherwise noted. The information contained herein is only current as of the date indicated and may be superseded by subsequent market events or for other reasons. KKR assumes no obligation to update or keep current the information contained herein.

Endnotes

A Note from the Co-Heads

- Smallholder farmers refers to those with 10 hectares of land or fewer.
- McKinsey Global Institute. Help wanted: Charting the challenge of tight labor markets in advanced economies. 2024. (<https://www.mckinsey.com/mgi/our-research/help-wanted-charting-the-challenge-of-tight-labor-markets-in-advanced-economies>)
- JP Morgan. Will the US labor market boom continue? 2024. (<https://www.jpmorgan.com/insights/global-research/economy/labor-market>)
- Based on information reported by the company to KKR and in publicly available materials.

Our Global Portfolio

- Since the inception of the Global Impact Strategy through December 2023.



KKR

Kohlberg Kravis Roberts & Co. L.P.
30 Hudson Yards, New York, NY 10001
212-750-8300
www.kkr.com