



LEA 02	Disclosures	Monetary	Principles
<p>By providing investors the most up-to-date and comprehensive information on the company's environmental, social and governance (ESG) performance, the company enables investors to make informed decisions on whether to invest in the company and on the terms of the investment.</p> <p>The company's ESG performance is disclosed in its annual report, which is available on the company's website. The company also provides information on its ESG performance to its investors through various channels, including investor briefings, analyst briefings, and other investor events.</p>	<p>LEA 02</p>	<p>Monetary</p>	<p>Principles PRI 1, 2, 3</p>
<p>Type of engagement</p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p>Reason for interaction</p> <p><input checked="" type="checkbox"/> To support investment decision-making in & company's ESG issues</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p> <p><input type="checkbox"/> To support investment decision-making in & company's ESG issues</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p> <p><input type="checkbox"/> To support investment decision-making in & company's ESG issues</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in service provider engagements</p> <p><input type="checkbox"/> To support investment decision-making in & company's ESG issues</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p>		

RI TRANSPARENCY REPORT

2013/14

Kohlberg Kravis Roberts & Co. L.P.

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

PRI disclaimer

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Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	🔒	n/a							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Private							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Breakdown of investments by strategy	✓	Private							✓
PE 02	Typical level of ownership	✓	Private							✓
PE 03	Description of approach to RI	✓	Public	✓						✓
PE 04	Investment guidelines and RI	✓	Public		✓					
PE 05	Fund placement documents and RI	✓	Public	✓			✓			✓
PE 06	Formal commitments to RI	✓	Private				✓			
PE 07	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 08	ESG advice and research when selecting investments	✓	Private	✓						
PE 09	ESG issues in investment selection process	✓	Public	✓		✓				
PE 10	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PE 11	Encouraging improvements in investees	✓	Private	✓	✓					
PE 12	ESG issues impact in selection process	✓	Private	✓						
PE 13	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 14	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 15	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Private		✓					
PE 16	Type and frequency of reports received from portfolio companies	✓	Private		✓	✓				
PE 17	Disclosure of ESG issues in pre-exit	✓	Private		✓					
PE 18	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PE 19	Examples of ESG issues that affected your PE investments	✓	Private	✓		✓				
PE 20	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓
PE 21	Approach to disclosing ESG incidents	✓	Private							✓

Kohlberg Kravis Roberts & Co. L.P.

Reported Information

Public version

Organisational Overview

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Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Other, specify

Execution and advisory only services

OO 02

Mandatory

Peering

General

OO 02.1 Select the location of your organisation's headquarters.

United States

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

1000

OO 02.4 Additional information. [Optional]

KKR has approximately 1,000 employees, which include 180 private markets investment professionals dedicated to the private equity, energy, infrastructure and real estate strategies managed by Kohlberg Kravis Roberts & Co. L.P.; 80 public markets investment professionals; and 120 capital markets and client services executives. The balance of employees support these teams or are dedicated to firm-wide resources, such as macroeconomic and asset allocation, public affairs and business operations. Therefore, the total number of FTEs for the reporting organization, Kohlberg Kravis Roberts & Co. L.P., is a portion of the approximately 1000 FTE at KKR.

OO 03 **Mandatory** **Descriptive** **General**

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 03.3 Additional information. [Optional]

Unless otherwise noted, responses provided are on behalf of Kohlberg Kravis Roberts & Co. L.P., which comprises KKR's private market activities.

OO 04 **Mandatory** **Gateway/Peering** **General**

OO 04.1 Indicate the year end date for your reporting year.

31/12/2013

OO 04.2 Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		61	243	000	000
Currency	USD				
Assets in USD		61	243	000	000

OO 04.3 Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06 **Mandatory** **Descriptive** **General**

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income – corporate	0	0
Fixed income – government	0	0
Fixed income – other	0	0
Private debt	0	0
Private equity	>50%	<10%
Property	<10%	0
Infrastructure	<10%	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

Gateway asset class implementation indicators

OO 11

Mandatory

Gateway

General

OO 11.1 Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Private equity
- Property
- Infrastructure
- None of the above

OO 11.2 Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- Private equity
- None of the above

OO 12	Mandatory	Gateway	General
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OO 12.1 The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Other asset classes with dedicated modules

- Private Equity
- Property
- Infrastructure

Closing module

- Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

Kohlberg Kravis Roberts & Co. L.P.

Reported Information

Public version

Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1 Indicate if you have a responsible investment policy.

- Yes
- No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
- No

OA 01.3 Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

Our responsible investment policy and commitment are currently described publicly at www.kkr.com/responsibility and in our most recent ESG report at www.kkresg.com.

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1 Indicate if your responsible investment policy is publicly available.

- Yes

OA 02.2 Provide a URL to your responsible investment policy.

URL

<http://www.kkr.com/responsibility>

- No

OA 02.3 Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- Yes
 - Yes, all
 - Yes, some

OA 02.4 List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Green Portfolio Program	http://www.green.kkr.com
KKR Commitment	http://www.kkr.com/responsibility
KKR ESG report	http://www.kkresg.com

No

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
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Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.3	Additional information. [Optional]
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Not all of these components are publicly available.

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1 Indicate if your organisation sets objectives for its responsible investment activities.

Yes

OA 05.2 Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

OA 05.3 Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
 - Biannually
 - Annually
 - Every two years or less
 - It is not reviewed
- No

Governance and human resources

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1 Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
Head of Global Public Affairs

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
- Other role, specify
- Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
	Number

2

KKR has an internal team of experts (our Global Public Affairs team) in order to help us assess stakeholder and other ESG issues ahead of and in connection with prospective private equity investments, monitor regulatory changes affecting the industries in which we invest, and help our private equity portfolio companies address these issues as and when they arise. Overall, several individuals across KKR have a significant role in or accountability for managing ESG issues. KKR has two full-time professionals dedicated to working on KKR and KKR's private equity portfolio companies' overall sustainability programs. Both of these employees report to the head of KKR Global Public Affairs--who is a partner at KKR and a member of the Management Committee--and/or KKR Capstone. In addition to our internal team, KKR has developed a strong network of external advisors, such as non-profit organizations, membership organizations, and thought leaders, to help us manage critical issues, including evolving U.S. and non-U.S. rules governing investment activities generally, environmental and energy policy, labor relations, supply chain management, transparency, and other matters.

Investment Committees oversee ESG issues that are material to an investment and that have been raised to their attention when making an investment decision. Our Chief Executive Officers do not have an oversight or accountability role and we do not have a Chief Investment Officer.

Our Portfolio Management Committees and investment analysts have implementation roles with respect to material ESG issues that have been identified in the investment process.

Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

Yes

OA 10.2

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Local Authority Pension Fund Forum
- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

Regional private equity or growth capital associations and their responsible investment activities

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Varied depending on the activities of the association, but included the contribution of case studies and speaking at events.

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

No

OA 10.3 Additional information. [Optional]

KKR has a number of partnerships and memberships that enhance our responsible investment efforts. Some of our partners are listed at www.kkr.com/responsibility and www.kkresg.com.

OA 11	Mandatory	Core Assessed	PRI 4
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OA 11.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2 Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

Kohlberg Kravis Roberts & Co. L.P.

Reported Information

Public version

Direct – Private Equity

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Overview

PE 03

Voluntary

Descriptive

PRI 1-6

Our approach to responsible investment in private equity is disclosed publicly on our web site at www.kkr.com/responsibility and in our most recent ESG report at www.kkresg.com.

We work to understand the impacts of the companies in which we invest and believe that our understanding of ESG issues improves our opportunities to create shared value. In line with this belief, we have made a public commitment to formally incorporate the consideration of ESG factors into our investment processes.

In 2009 we became signatories of the globally recognized voluntary framework of the United Nations-backed Principles for Responsible Investment (PRI), and helped lead the development of the Private Equity Growth Capital Council's (PEGCC) Guidelines on Responsible Investment. These principles and guidelines serve as valuable platforms for formalizing and focusing our responsible investment efforts, raising internal awareness, and providing a common language and set of expectations for our investment partners, our portfolio company management teams, and other stakeholders. Just as importantly, we see the value of interacting with and learning from others who share this commitment. Therefore, we work regularly with our peers in these communities to help develop tools and resources and to learn from each other.

At KKR, we are committed to thoughtfully considering ESG issues as they pertain to our private equity investments. For us, this approach means more than just responsible investing; it means smart investing.

As part of our commitment to this investment approach, KKR worked with other members of Private Equity Growth Capital Council (PEGCC) to develop Guidelines for Responsible Investment in 2009. These guidelines serve as a platform for formalizing and focusing our responsible investment efforts - and those of our peers in the private equity industry. In accordance with these guidelines, KKR's private equity funds commit to take environmental, social, governance, and labor issues into account when making and managing investments:

- Consider environmental, public health, safety, and social issues associated with target companies when evaluating whether to invest in a particular company or entity, as well as during the period of ownership.
- Seek to be accessible to, and engage with, relevant stakeholders either directly or through representatives of portfolio companies, as appropriate.
- Seek to grow and improve the companies in which they invest for long-term sustainability and to benefit multiple stakeholders, including on environmental, social, and governance issues. To that end, Private Equity Growth Capital Council members will work through appropriate governance structures (e.g., board of directors) with portfolio companies with respect to environmental, public health, safety, and social issues, with the goal of improving performance and minimizing adverse impacts in these areas.
- Seek to use governance structures that provide appropriate levels of oversight in the areas of audit, risk management, and potential conflicts of interest and to implement compensation and other policies that align the interests of owners and management.
- Remain committed to compliance with applicable national, state, and local labor laws in the countries in which they invest; support the payment of competitive wages and benefits to employees; provide a safe and healthy workplace in conformance with national and local law; and, consistent with applicable law, respect the rights of employees to decide whether or not to join a union and engage in collective bargaining.
- Maintain strict policies that prohibit bribery and other improper payments to public officials consistent with the U.S. Foreign Corrupt Practices Act, similar laws in other countries, and the OECD Anti-Bribery Convention.
- Respect the human rights of those affected by their investment activities and seek to confirm that their investments do not flow to companies that utilize child or forced labor or maintain discriminatory policies.

- Provide timely information to their limited partners on the matters addressed herein, and work to foster transparency about their activities.
- Encourage their portfolio companies to advance these same principles in a way which is consistent with their fiduciary duties.

PE 04	Mandatory	Core Assessed	PRI 2
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PE 04.1	Indicate if your organisation's investment guidelines for private equity refer to responsible investment.
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- Our investment guidelines do refer to responsible investment

PE 04.2	Describe how your organisation's investment guidelines outline your expectations on staff and portfolio companies' approach towards ESG issues [Optional].
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In addition to our policies and commitments, which we state publicly at www.kkr.com/responsibility, the guidance we provide regarding discussions within the Investment Committees and Portfolio Management Committees includes reference to the identification, assessment, and management of material ESG issues for private equity portfolio companies.

- Our investment guidelines do not refer to responsible investment
- We do not have investment guidelines

Fundraising of private equity funds

PE 05	Mandatory	Core Assessed	PRI 1,4,6
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PE 05.1	Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.
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- Yes

PE 05.2

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
 - Always
 - In a majority of cases
 - In a minority of cases
- Approach to ESG issues in pre-investment processes
 - Always
 - In a majority of cases
 - In a minority of cases
- Approach to ESG issues in post-investment processes
 - Always
 - In a majority of cases
 - In a minority of cases

PE 05.3

Describe how your organisation refers to responsible investment in fund placement documents (PPMs or similar). [Optional]

KKR's approach and policy is integrated into more recent private equity fundraising materials, namely those launched after 2010.

No

Pre-investment (selection)

PE 07

Mandatory

Gateway

PRI 1

PE 07.1

Indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

Yes

PE 07.2	Describe your organisation's approach to incorporating ESG issues in private equity investment selection. [Optional]
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KKR shares this information publicly at www.kkr.com/responsibility and in the annual ESG report at www.kkresg.com.

Good investments begin with rigorous due diligence on key business drivers, such as macroeconomic trends, customer preferences, and raw materials prices.

KKR investment professionals consider how these factors provide opportunities and pose risks to growth and success over the long term. KKR due diligence also includes a review of how potential portfolio companies manage or are affected by environmental, social, and governance issues. Material ESG considerations that are discovered in the diligence phase can have an impact on our investment decisions. We formalized our ESG due diligence efforts in 2011 by assembling our team of internal experts and establishing regular meetings.

In recent years, we developed a process that allowed us to monitor relevant deals and their associated ESG issues throughout the pre-investment phase. We also deepened the resources available during the diligence process by creating a series of relevant industry guides.

No

PE 09	Mandatory	Core Assessed	PRI 1,3
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PE 09.1	Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.
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ESG issues

Environmental

	List up to three typical examples of environmental issues
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- Compliance with laws and regulation
- Performance of products
- Potential future regulation

Social

	List up to three typical examples of social issues
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- Worker safety
- Human rights in the supply chain
- Labor relations

Governance

	List up to three typical examples of governance issues
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- Corruption and bribery
- Transparency
- Engagement with stakeholders

PE 09.2	Additional information. [Optional]
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KKR's due diligence process focuses on issues material to each company and its industry and does not seek to apply a one-size-fits-all approach. For more on the KKR diligence approach, please view the most recent ESG report at www.kkresg.com.

Post-investment (monitoring and active ownership)

PE 13	Mandatory	Gateway/Core Assessed	PRI 2
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PE 13.1	Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.
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Yes

PE 13.2	Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.
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- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies

(in terms of total number of portfolio companies)

PE 13.3	Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.
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ESG issues

Environmental

List up to three example targets of environmental issues
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- Compliance with laws and regulations
- Performance of products
- Potential future regulation

Social

List up to three example targets of social issues

- Worker safety
- Human rights in the supply chain
- Labor relations

Governance

List up to three example targets of governance issues

- Corruption and bribery
- Transparency
- Engagement with stakeholders

We do not set and/or monitor against targets

No

PE 13.4

Additional information. [Optional]

From initial investment to the point of realizing value, private equity portfolio companies are part of our portfolio for an average of five to seven years, depending on our investment thesis and market conditions. This longer-term horizon allows our portfolio companies to invest the time, resources, and attention needed to grow the company, while also providing an opportunity for our teams to partner with them to enhance their management of ESG issues where needed.

As in the pre-investment phase, our relationships with our private equity portfolio companies are overseen by our investment teams with support from KKR Senior Advisors, internal experts, and external advisors, as necessary. Each region has a Portfolio Management Committee (PMC) consisting of a chairperson, KKR and KKR Capstone professionals, and Senior Advisors. The PMC advises our portfolio companies on a variety of matters, such as where to deploy additional resources and how to improve underperforming businesses. Throughout the management process, the applicable PMC monitors each company's progress and advises them on strategies for realizing value.

The ESG challenges and opportunities faced by our private equity portfolio companies can vary greatly over time and are based on a company's industry, geography, and stakeholders. Therefore, to ensure the most success for our efforts after we have made an investment, our approach to ESG-related issues is highly customized and collaborative.

KKR monitors the material ESG issues of its private equity portfolio companies by regularly assessing whether there are any material issues for each company and, if so, whether the portfolio company could benefit from KKR's support and management. In many cases, the answer to both questions may be no.

(KKR 2012 ESG report www.kkresg.com)

PE 14	Mandatory	Core Assessed	PRI 2
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PE 14.1

Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

Yes

PE 14.2	Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).
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- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- 0% of portfolio companies

(in terms of total number of portfolio companies)

No

PE 14.3	Additional information. [Optional]
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For the purposes of this exercise, KKR is defining "ESG policy" as any written material, public or internal, that describes a goal or vision related to any environmental, social, and/or governance issues that are material to that company.

Communication

PE 20	Mandatory	Core Assessed	PRI 6
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PE 20.1	Indicate whether your organisation proactively discloses ESG information on your private equity investments.
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Disclose publicly

	provide URL
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<http://www.kkresg.com>

	provide URL
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<http://www.green.kkr.com>

PE 20.2	Indicate whether the type of ESG information you proactively provide to the public is the same as that you provide to your clients (LPs)/beneficiaries.
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- Yes
- No

PE 20.3	Indicate the type of ESG information that your organisation proactively discloses to the public and/or your clients (LPs)/beneficiaries.
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Public	Clients (LPs)/beneficiaries
<input checked="" type="checkbox"/> ESG information in relation to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relation to our post-investment monitoring and ownership activities <input type="checkbox"/> Information on our portfolio companies' ESG performance <input checked="" type="checkbox"/> Other, specify Portfolio company ESG performance as part of KKR programs is reported publicly.	<input checked="" type="checkbox"/> ESG information in relation to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relation to our post-investment monitoring and ownership activities <input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance <input type="checkbox"/> Other, specify

PE 20.4 Indicate your organisation's typical frequency of disclosing ESG information to the public and/or your clients (LPs)/beneficiaries.

Public	Clients (LPs)/Beneficiaries
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Semi annually <input checked="" type="radio"/> Annually <input type="radio"/> Every two years or less frequently <input type="radio"/> Ad-hoc, specify	<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Semi annually <input type="radio"/> Annually <input type="radio"/> Every two years or less frequently <input type="radio"/> Ad-hoc, specify

PE 20.5 Describe the ESG information and how your organisation proactively discloses it to the public and/or clients (LPs)/beneficiaries. [Optional]

Information on portfolio company performance as it relates to KKR programs is available publicly at <http://www.kkresg.com/programs> and www.green.kkr.com.

- Disclose to investor clients (LPs)/beneficiaries only
- No proactive disclosure to the public or to clients (LPs)/beneficiaries