

building a more resilient future.

KKR GLOBAL IMPACT FUND

OVERVIEW AND HIGHLIGHTS

FROM THE 2020 LIMITED PARTNER

IMPACT REPORT



KKR

KKR Global Impact Fund.

OUR MISSION

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

OUR VISION

By investing in companies that deliver impact through their products or services and actively managing environmental, social, and governance (ESG) risks, we seek to deliver more resilient, long-term outperformance.

About This Report

This 2020 Overview and Highlights Report is a summary of our full 2020 Impact Report, which is provided to Global Impact Fund Limited Partners only. Impact and ESG data are cumulative as of December 31, 2020, unless otherwise noted. Learn more about the Global Impact Fund at kkr.com/global-impact.

about the KKR Global Impact Fund.

helping build a better world.

Launched in 2018, the Global Impact Fund is KKR's dedicated private equity strategy established to invest in businesses delivering solutions to significant societal challenges. We seek to partner with management teams to help our portfolio companies scale their businesses and achieve more – greater financial success,

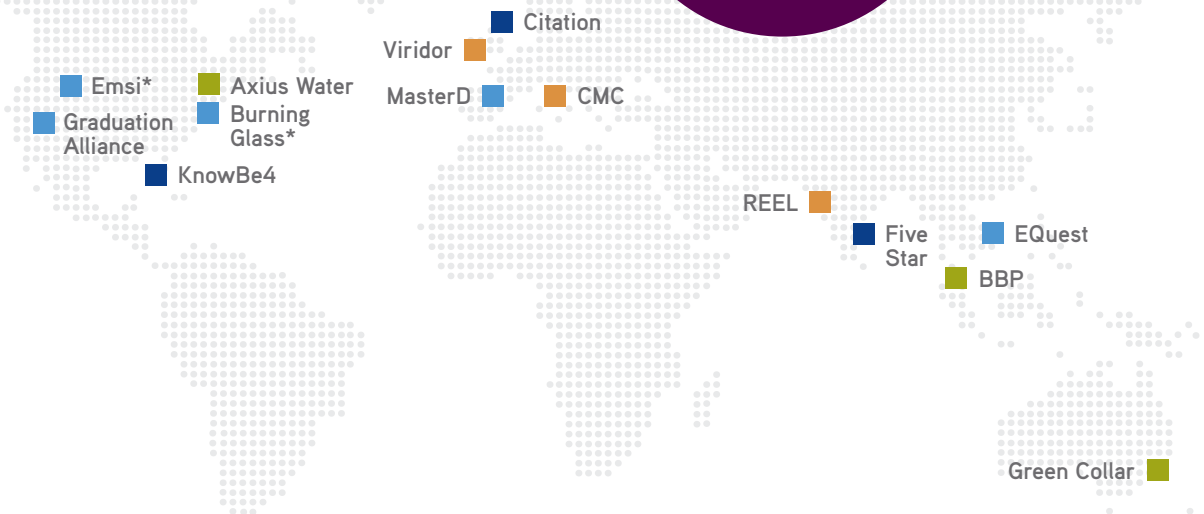
incremental positive impact, and improved ESG performance. The Global Impact Fund invests around four core investment themes – climate action, lifelong learning, sustainable living, and inclusive growth – where we believe we can create value for our investors and contribute meaningful solutions to the UN Sustainable Development Goals (SDGs).



our investment themes

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

our portfolio companies



* Emsi and Burning Glass merged to become Emsi Burning Glass in 2021. The company is headquartered in Boston, Massachusetts, and Moscow, Idaho.
1. Data as of March 2021, with the exception of the number of diverse board members, which is as of December 2020, in line with our annual impact reporting period
2. Individuals self-identifying as female, LGBTQ, or as from a historically underrepresented group. For more detail on assumptions and calculation methodologies, please refer to the Endnotes of this report.

a note from our co-heads.

preparing for tomorrow, today.

This moment is a call to action for all of us to do more to scale solutions to critical challenges.

Across the world, investors are joining forces to provide the capital and resources needed to help solve issues of an unprecedented scale. In 2018, we launched the Global Impact Fund as a vehicle to invest in and scale companies positioned to play an integral role in building an inclusive and resilient society.

During the past year, we experienced the consequences of the world being unprepared for a global crisis. Events highlighted deficiencies in our global health networks, infrastructure, education systems, and supply chains, as well as deep social inequality and injustice.

A core element of KKR's approach to impact investing and ESG management is continuous improvement and learning from others. As part of this approach, we also believe it is important to share key learnings with our stakeholders, including our portfolio companies and the wider impact community. Here are a few lessons learned during 2020.

Thoughtful Asset Selection Is Critical

When we launched our Fund in 2018, we hypothesized that by taking a thematic approach focused on investing in commercial solutions to structural challenges, we would create investments more resilient to economic volatility. This past year was one of the most volatile in years, but our companies performed well and grew year over year because they provided solutions to structural challenges heightened by the moment. For example, Graduation Alliance thrived in 2020 by repurposing its digital learning and social support capabilities to help school districts support students struggling to engage in a digital learning environment.

Successful Impact Investing Requires Rigorous ESG Management

In addition to maximizing impact, we focus on opportunities where we believe we can improve

ESG performance to produce meaningful outcomes. In 2020, while helping our companies build or implement their ESG strategies, we also supported their efforts to navigate the effects of COVID-19. On other important, longer-term ESG issues, however, we must continue to be strategic. In 2020, we challenged ourselves and our companies to make progress on diversity, equity, and inclusion and continue to focus on this effort.

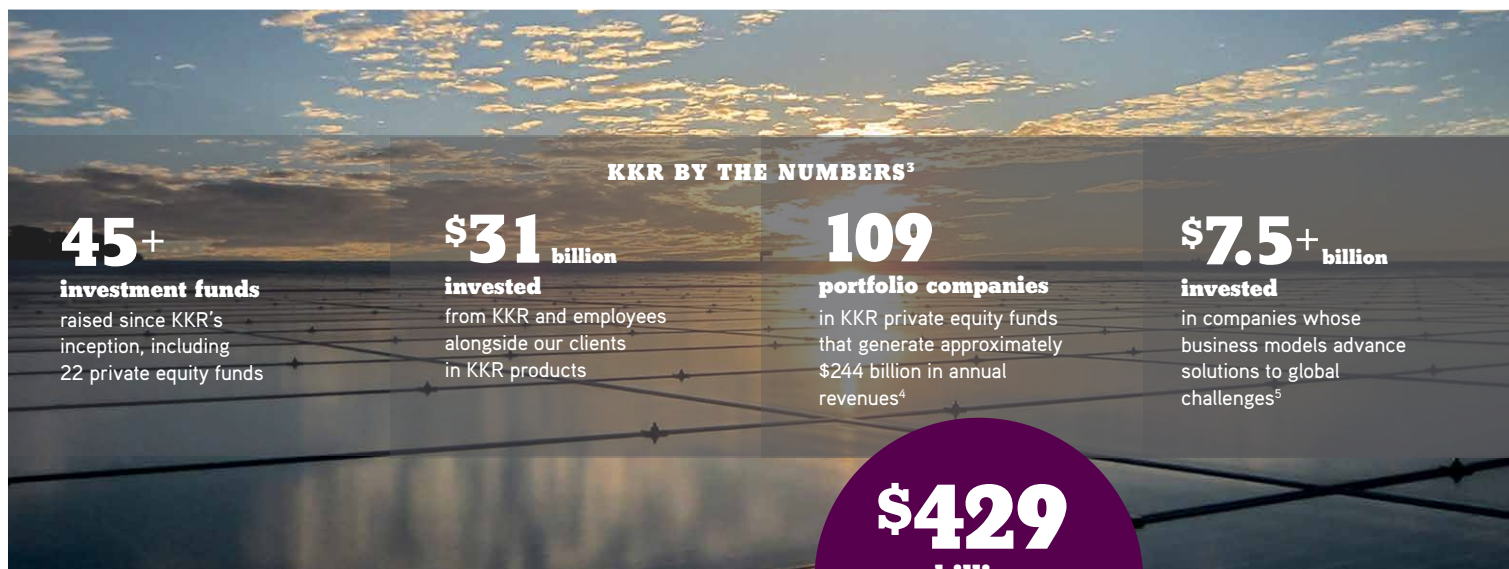
We Have Work to Do on Portfolio-wide Climate Performance

The devastation caused by recent natural disasters has further highlighted the urgency of addressing climate change in our investments and in our companies' operations. We have helped our portfolio companies measure Scope 1 and 2 greenhouse gas (GHG) emissions. We have also developed materiality-based approaches for assessing and managing potential climate risk and reducing emissions, including supporting the development of a net-zero strategy at Viridor. Today, we are building on these efforts to shape KKR's approach to net-zero commitments in its portfolio going forward.

Preparing for a Better World

In essence, the events of 2020 highlight our collective need for greater resiliency and preparedness through impact investing at scale. This moment is a call to action for those who are willing to make changes in our societies and prepare for a better world. We are pleased that our investments contribute to a world that is more prepared to address our most critical challenges, but we know that there is far more work ahead of us.

Ken Mehlman and Robert Antablin
Co-Heads, KKR Global Impact



about KKR.

investment and ESG management experience.

What Is Impact Investing?

To KKR, impact investing means investing in companies whose core product or service is providing a solution to a critical environmental or social challenge.

What Is ESG Management?

ESG management is thoughtfully evaluating and managing how a company operates on relevant ESG issues and engages with its stakeholders.

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

ESG Management and Sustainability Leadership

Investing responsibly is smart business and is critical to our ability to manage volatility, reduce risk, and unlock value. For more than a decade, KKR has thoughtfully partnered with its portfolio companies on ESG considerations. To

ensure continued understanding of important trends and best practices, KKR actively participates in several ESG-focused organizations and networks. KKR has been a signatory of the Principles for Responsible Investment (PRI) since 2009. KKR's approach to ESG management at the portfolio company level is informed by the Sustainability Accounting Standards Board (SASB) standards, and our climate strategy is informed by the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Moreover, the Firm has a history of partnering with leading sustainability experts, nongovernmental organizations, and other thought leaders to inform its work on ESG topics.

KKR's track record demonstrates its ability to meaningfully create and protect value, as shown by over a decade of progress and accomplishments. Learn more about KKR's approach to responsible investment, including its focus on value creation and major milestones at kkresg.com.

3. As of June 2021, except for annual revenues data, which is as of March 2021

4. As of March 2021

5. For more detail on assumptions and calculation methodologies, please refer to the [Endnotes](#) of this report.



Global Impact's criteria.

partnering with companies we can scale.

Our investment approach for Global Impact employs the same rigorous playbook for investment selection, governance, and value creation as that for KKR's other private equity funds. We begin by focusing on opportunities where we believe we can help scale

an existing business to deliver enhanced economic outcomes and societal impact. We choose to invest in leading companies where financial performance and positive societal impact are intrinsically linked and core to the company.

This process helps us understand, measure, and track the impacts our companies have on the world around them, and particularly how a company's core product or service contributes to the Sustainable Development Goals. The SDGs are the UN's blueprint to achieve a better and more sustainable future for all by 2030.

investment selection criteria

- ✓ Can achieve attractive, risk-adjusted returns
- ✓ Core product or service contributes locally relevant solutions to the SDGs
- ✓ Generates impacts that are measurable, using metrics sourced from third-party frameworks wherever possible
- ✓ Seeks to measurably improve its ESG performance during KKR ownership

Intentional Focus, Credible Solutions

This approach adds an intentional and rigorous focus on investing in credible solutions to relevant environmental and social challenges. To qualify for an investment by Global Impact, a business must meet four key criteria, as shown on the left.

impact and ESG management.

a rigorous approach to assessment and monitoring.

Transparent Reporting

KKR is committed to reporting companies' impacts with specificity and transparency and in alignment with third-party reporting frameworks. We share these outcomes and results through our annual Global Impact Fund Reports, which are provided to Limited Partners.

We invest in companies where commercial and impact success go hand in hand, and we have developed a rigorous approach to integrate impact and ESG considerations throughout the investment process in collaboration with Business for Social Responsibility (BSR). Our approach is aligned with the [Operating Principles for Impact Management](#), and includes the management of material ESG risks and potential risks to impact. To learn more about how Global Impact integrates impact and ESG considerations into our investment process, refer to our [Disclosure](#) and [Verifier Statements](#) on our website.

Measuring Impact

We define and measure each company's contribution to one or more of the SDG targets using indicators from third-party reporting frameworks wherever possible, such as IRIS, SDG Compass, and the SDG target indicators. Where feasible, we seek to measure outcomes, in addition to outputs, to gain a deep understanding of impact progress and to identify opportunities for value creation. For example, we are working with EQuest, Graduation Alliance, and MasterD to launch surveys to better understand student outcomes during Global Impact's ownership.

Determining Material ESG Issues

We use the [Sustainability Accounting Standards Board \(SASB\) industry standards](#) as the primary input to determine a company's most important, or material, ESG issues, tailoring that guidance to each company's unique circumstances. For each investment, we refer to one or more of the 77 industry standards to ensure that we monitor issues that are material and meaningful for that business.

We also support companies by helping them manage three cross-portfolio topics: greenhouse gas (GHG) emissions; diversity, equity, and

inclusion (DEI); and job creation. Our support has included developing GHG emissions baselines for seven companies that were not already monitoring their emissions.

2020 cross-portfolio ESG metrics performance⁶



Climate^{*}

60,000 metric tons of CO2 equivalent emitted



Diversity, Equity, and Inclusion^{**}

18% diverse board members

35% female employees

16% employees from historically underrepresented groups (United States only)



Jobs^{***}

589 jobs created

^{*} All 2020 portfolio companies except a late 2020 investment that will submit a baseline in 2021 reporting

^{**} Includes all 11 companies in the portfolio for 2020 reporting

^{***} Five portfolio companies in 2019 baseline

6. Calendar year data as of December 2020. Greenhouse gas emissions are weighted by Global Impact's ownership. For more detail on assumptions and calculation methodologies, please refer to the [Endnotes](#) of this report.

2020 in focus: diversity, equity, and inclusion.

acting with greater urgency.

Advancing diversity, equity, and inclusion performance is an area in which we have a lot of work to do. Though this topic has been an area of focus across KKR for many years, the racial justice movement in the United States and social inequalities high-

lighted by the pandemic have created a greater sense of urgency to ensure that our companies are advancing equity and equality in their operations and products. As part of our commitment to enhancing DEI, we are taking action on four fronts.

Engage with Companies on DEI

In 2020, we launched three DEI engagement pilots, partnering with one Global Impact portfolio company from each region – Citation, Graduation Alliance, and GreenCollar – to explore monitoring and best practices for enhancing DEI performance, from which we will develop tactics to replicate across the portfolio.

Focus on Team Diversity

The Global Impact Fund team is 50% diverse, defined as individuals self-identifying as female, from a historically underrepresented group, or LGBTQ. Increasing diversity of race, gender identity, ethnicity, sexual orientation, as well as diversity in experience and thinking, is a high priority for the team.⁷

Advance DEI at the Board Level Across our Portfolio

In 2020, we added 12 new diverse board members across the portfolio. In addition, for 2019 investments, we achieved the KKR diversity goal of adding one or two diverse board members within the first year for companies in which the Global Impact has a control position.⁷

Prioritize DEI Monitoring

Across all our portfolio companies, we monitor individuals self-identifying as female and/or as from a historically underrepresented group, at the board, senior management, and employee level. We partner with experts to continuously improve our monitoring approach and continue to expand our data collection processes; for example, we started to collect data for board members self-identifying as LGBTQ in North America this year.⁷

Understanding DEI in the Portfolio: Analyzing Student Outcomes

We are partnering with **Graduation Alliance**, a company that provides technology-enabled educational services with robust academic and social supports to high school dropouts, to gain greater insights into its performance and outcomes. As a first step, we have implemented pre- and post-graduation outcomes surveys to adult graduates to measure contributions to SDG 4: Quality Education and SDG 8: Decent Work and Economic Growth, which include results disaggregated by gender. We are also developing a third-party efficacy study evaluating longitudinal data on student outcomes by gender and racial diversity.



7. For more detail on assumptions and calculation methodologies, including definitions for DEI monitoring, please refer to the [Endnotes](#) of this report.

2020 in focus: pandemic response.

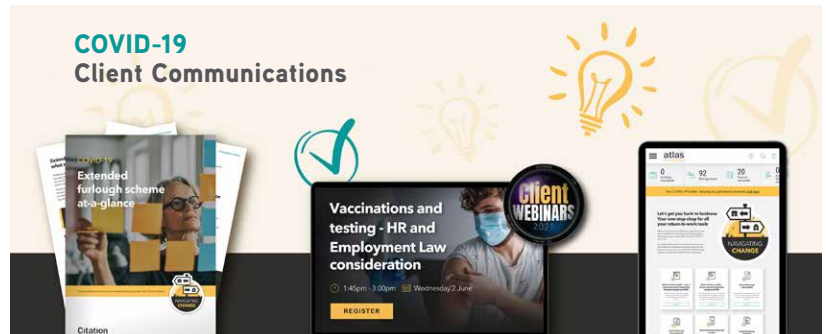
meeting critical needs.

We are proud that many Global Impact portfolio companies provided critical solutions during the COVID-19 pandemic, including the select examples below.



Delivering Essential Services

Global Impact's waste management businesses – REEL in India and Viridor in the UK – both implemented rigorous safety protocols to ensure workers could safely handle increased volumes of day-to-day municipal waste as well as dispose of COVID-19-related waste amid challenging operating environments.



Navigating Changes in Working Environments

Citation is a human resources and health and safety advisor to small and medium-sized enterprise clients in the UK. During 2020, Citation helped its customers navigate UK regulation around furlough schemes, social distancing, and personal protective equipment and advised them on the best way for employees to return to safe working environments. Citation issued 84 updates for its clients compared to 10 to 20 updates in a non-COVID-19 year.



Supporting Remote Learning

Graduation Alliance provides robust human support including outreach, onboarding, and coaching with technology enablement and real-time data on student progress/performance to recent and older adult high school dropouts, supporting them to obtain a high school diploma. During the pandemic, many school districts suffered from significant drops in attendance due to dramatic changes in school structure. Graduation Alliance quickly repurposed existing capabilities to assist schools in an attendance recovery program, providing outreach and triaging student needs. Support included ongoing coaching to successfully engage more than 40,000 disengaged, chronically absent, and academically at-risk students by removing obstacles to virtual attendance and academic performance. More than 90% of responding districts and students reported student engagement and grades improved or maintained as a result of the program.

learning from experts.

accountability and continuous improvement.

A core element of KKR's approach to ESG management and impact investing is learning from others. We recognize that there is a great deal of expertise on impact and ESG management and seek to leverage this knowledge in our investment approaches.

BSR: our valued partner

KKR partners with BSR to enhance and strengthen many aspects of our ESG management and impact investing efforts. Together with KKR, BSR's sustainability experts:

Collaborate to integrate positive impact into KKR Global Impact's overall approach, including impact criteria, connection to the SDGs, measurement, and transparency

Assess target investments' strategic fit and potential relative to KKR's impact strategy and objectives

Support KKR's efforts to measure companies' performance on material ESG issues and develop action plans to guide improvements

Advise how invested companies can enhance their impact

Assess portfolio company impacts for inclusion in KKR's reports to fund investors

Our partnership with BSR and membership to the Operating Principles for Impact Management (the Impact Principles) have allowed us to align Global Impact's impact and ESG management approach with best practices. To learn from others and improve our effectiveness, in 2019 we became founding signatories of the Impact Principles, a set of globally accepted principles that establish a common discipline and market consensus around impact management.

As part of our commitment to continuous improvement and accountability, KKR has engaged impact verification service BlueMark to complete two independent assessments of our impact management practices in 2019 and 2021. During 2020, we integrated key recommendations from the 2019 verification, particularly in our enhancement of post-investment impact management approaches, resulting in improved alignment with the Impact Principles. In addition, we engaged with BlueMark and with our Fund investors to review our 2019 Global Impact Fund Report and identify areas for improvement, which were integrated in our 2020 report to Limited Partners.



OUR INVESTMENT THEMES

We invest in leading companies where financial performance and positive societal impact are aligned with our four investment themes.

By leaning into these themes, we believe that we can create value for our investors and meaningfully scale solutions to some of the world's biggest challenges as identified by the SDGs.

**Climate
Action**
p.10

**Lifelong
Learning**
p.12

**Sustainable
Living**
p.14

**Inclusive
Growth**
p.16

INVESTMENT THEME

climate action.

addressing unprecedented risks.

SDGs Addressed

- 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

Focus Areas

Facilitating the Energy Transition

Managing Environmental Impact

Adapting to Climate Change

The Challenge

Nearly every day, we are confronted with examples of the impact climate change is having on our world, including extreme weather events, water scarcity and quality issues, infrastructure failure, agricultural disruption, and ocean acidification, as well as harms to human health and well-being.

Identifying Opportunities

Unprecedented weather catastrophes in the past year and longer-term climate trends highlight the urgent need to address climate change. Companies whose products and services provide solutions to managing environmental impacts and climate change adaptation and/or mitigation, as well as those facilitating the energy transition, will be essential to secure our planet's health for the near term and for future generations.

Axius Water (2019) Promoting Water Quality Solutions

Nutrient pollution, a form of water pollution caused by factors including wastewater discharge and fertilizer use, has been named by the U.S. Environmental Protection Agency as one of America's greatest environmental challenges. Through its global platform and end-to-end nutrient removal solutions for municipal and industrial wastewater treatment facilities, **Axius Water** helps reduce this pollution and improve water quality at locations around the world.

Impact Highlight⁸

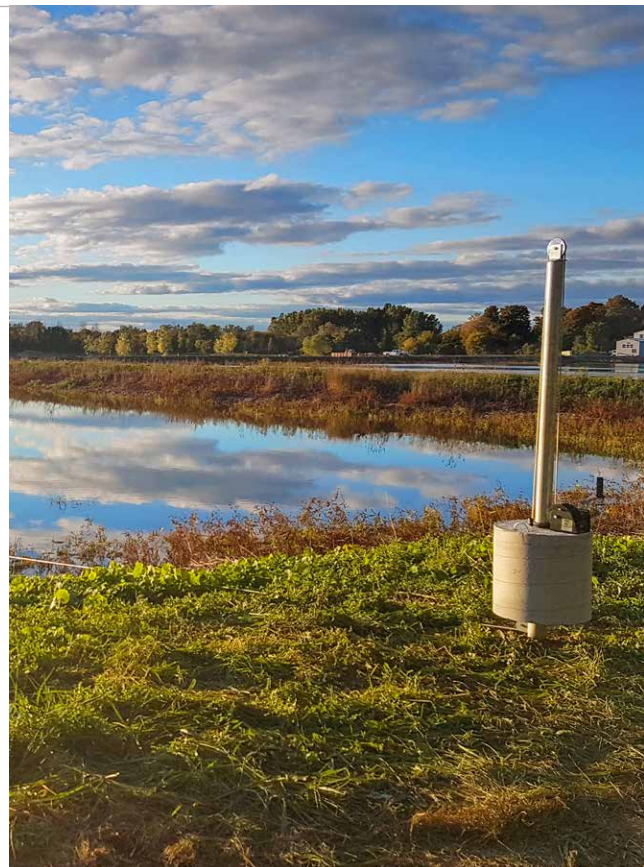
140 million kg of harmful nutrients removed from wastewater since baseline

Contributes to:

SDG 6: Clean Water and Sanitation (Target 6.3)

Metrics drawn from:

SDG indicators



8. Impact highlights contain metrics illustrative of each company's contribution toward the SDGs, with additional SDG metrics reported to Limited Partners on an annual basis. 2020 investments include data for calendar year 2020, while 2019 investments include cumulative 2019 and 2020 calendar year data. Refer to Endnotes for further information on metrics and calculations.



GreenCollar (2020) Valuing the Environment

Carbon offsets are increasingly recognized as a tool that will be a necessary part of corporate and government emissions reduction

Impact Highlight⁹

5 million tons of CO2 equivalent saved

since baseline, following the introduction of more sustainable farming practices

strategies, but it is challenging to find credible, high-quality offsets. With a market-leading reputation for quality and consistency of delivery, **GreenCollar** provides carbon credits by engaging with farmers,

Contributes to:

SDG 13: Climate Action (Target 13.1)

SDG 14: Life Below Water (Target 14.2)

SDG 15: Life on Land (Target 15.2)

including those from indigenous communities, to develop sustainable agriculture strategies that result in improved biodiversity, reduced nitrogen and phosphorus use, and reduced emissions.

Metrics drawn from:

IRIS, SDG Indicators, Reef Credit Methodology Technical Working Group, and a biodiversity key performance indicator (KPI) developed by the company

BBP (2018) Reducing Energy Use and Carbon Emissions in Asia

BBP provides energy-saving solutions to heating, ventilating, and air conditioning systems in commercial and industrial buildings, data centers, district cooling plants, and cold chains. Leveraging on the Internet of Things, data analytics, artificial intelligence, and machine learning, BBP's patented and award-winning solution reduces energy consumption and utilities expenses for customers while achieving carbon neutrality and sustainability goals.

Impact Highlight¹⁰

60,000 metric tons of CO2 equivalent saved

by customers using BBP's solution since baseline

Contributes to:

SDG 7: Affordable and Clean Energy (Target 7.3)

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

Metrics drawn from:

SDG indicators



9, 10. Impact highlights contain metrics illustrative of each company's contribution toward the SDGs, with additional SDG metrics reported to Limited Partners on an annual basis. 2020 investments include data for calendar year 2020, while 2019 investments include cumulative 2019 and 2020 calendar year data. BBP contains 2019 and 2020 cumulative data.

INVESTMENT THEME

advancing lifelong learning. closing the skills and access gaps.

SDGs Addressed

- 4 Quality Education
- 8 Decent Work and Economic Growth

Focus Areas

Creating Equitable Access to and Quality of Education

Closing the Skills Gap

Integrating Data and Technology

The Challenge

Technology is reshaping all industries and work functions, requiring ongoing training and skills development for the workforce of both today and tomorrow. The pandemic has accelerated this process, leaving millions unemployed, increasing digitization, and further widening the skills gap.

Identifying Opportunities

Closing the skills gap and creating equitable access to quality education will require technological innovations that personalize learning, break down barriers to delivering educational services, and improve access and affordability. Education solutions that have proven efficacy can reduce the education gap and support students in accessing further educational or economic opportunities.



Graduation Alliance (2020)

Improving Educational Opportunities in America

Each year, roughly 600,000 U.S. students¹¹ drop out of high school, and an estimated 27+ million American adults aged 18 and older lack a high school diploma. Failing to obtain a high school diploma¹² has a negative impact on quality of life and career trajectory, often resulting in a cycle of intergenerational poverty for families.

Graduation Alliance partners with school districts and state agencies in the United States to reengage, educate, and support youths and adults on a path to high school graduation and beyond. A recent independent study by Mission Measurement showed Graduation Alliance's Dropout Recovery program outperformed the national benchmark in efficacy by 27% and cost per outcome by 33% for similar programs.

Impact Highlight¹³

Supported **2,600** former high school dropouts and 700 at-risk students in obtaining high school diplomas since baseline. Older adult graduates reported an average \$2 increase in hourly wages and 6 percentage points increase in access to employer-sponsored health care benefits

Contributes to:

SDG 4: Quality Education
(Targets 4.3 and 4.6)

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

Metrics drawn from:

SDG indicators

11. U.S. Department of Education. *Trends in High School Dropout and Completion Rates in the United States: 2018*. (Source)

12. U.S. Census Bureau. *Educational Attainment in the United States: 2018*. (Source)

13. Impact Highlights contain metrics illustrative of each company's contribution toward the SDGs, with additional SDG metrics reported to Limited Partners on an annual basis. 2020 investments include data for calendar year 2020, while 2019 investments include cumulative 2019 and 2020 calendar year data.



MasterD (2020)

Narrowing the Skills Gap in Spain and Portugal

A leading vocational education provider in Spain and Portugal, **MasterD** provides more than 280 courses to more than 50,000 learners annually. As a provider of vocational education and professional training, MasterD helps narrow the skills gap, promotes equal and affordable access through flexible financing options, and significantly increases probability of employment.

Impact

Highlight¹⁴

35,000 new enrollments

since baseline, 85% of which were in Spain and the remainder in Portugal

Contributes to:

SDG 4: Quality Education
(Target 4.3)

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

Metrics drawn from:

SDG indicators

EQuest (2021)

Enabling English Fluency Needed for High-Quality Jobs in Vietnam

EQuest is an education group in Vietnam with offerings across grades K-12, educational technology, and vocational segments. EQuest provides accessible, affordable, and high-quality bilingual education to Vietnam's emerging middle-class population, and helps its students develop English proficiency, which is an increasingly important skill given continued globalization trends.

Impact

Highlight¹⁵

Metrics are under development because this is a 2021 investment

Contributes to:

SDG 4: Quality Education
(Target 4.6)

Metrics drawn from:

Metrics are under development



Emsi Burning Glass (2019)

Real-Time Data for Navigating a Changing Labor Market

Emsi Burning Glass' labor market analytics software delivers real-time data and planning tools to educators, employers, and public sector constituents. Emsi and Burning Glass, which merged in 2021, provide the data to drive lifelong learning and market-aligned training and contribute to support sustainable workforce development and effective outcomes for higher education. Combined, Emsi Burning Glass is active in more than 30 countries and has offices in the United Kingdom, Italy, New Zealand, and India.

Impact

Highlight¹⁶

200 higher education institutions

served since baseline, helping to ensure that 271,000 science, technology, engineering, and mathematics (STEM) graduates learned skills that were in high demand

Contributes to:

SDG 4: Quality Education
(Target 4.4)

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

Metrics drawn from:

SDG indicators

14, 15, 16. Impact Highlights contain metrics illustrative of each company's contribution toward the SDGs, with additional SDG metrics reported to Limited Partners on an annual basis. 2020 investments include data for calendar year 2020, while 2019 investments include cumulative 2019 and 2020 calendar year data. Refer to Endnotes for further information on metrics and calculations.

INVESTMENT THEME

supporting sustainable living. balancing consumption and resources.

SDGs Addressed

- 7 Affordable and Clean Energy
- 9 Industry, Innovation, and Infrastructure
- 11 Sustainable Cities and Communities
- 12 Responsible Consumption and Production

Focus Areas

Building Sustainable Cities

Moving Toward a Circular Economy

Consuming and Producing Responsibly and Sustainably

The Challenge

Globally, we are confronting the confluence of a rising middle class, population growth, trends toward urbanization, increasingly overburdened infrastructure and services, and worsening environmental consequences. Included in this mix are consumers, particularly millennials and Generation Z, who are increasingly sustainability conscious.

Identifying Opportunities

We view sustainable living as delivering continued societal growth and livelihood improvements in a harmonious manner that protects the environment and our planet while meeting the needs of future generations. Sustainable living requires integrating all aspects of human activity, especially the built environment in the increasingly larger cities and communities in which we live.



Viridor (2020)

Driving Circular Economy Transition in the UK Waste Industry

A leading UK waste processing and recycling company with a net-zero commitment, **Viridor** is driving a circular economy approach to waste management. The company operates recycling and plastic reprocessing facilities, landfills, and 10 energy recovery facilities, which process waste that cannot be recycled to generate energy for cities, communities, and local businesses.

Impact Highlight¹⁷

Treated almost **2 million tons** of municipal solid waste

equivalent to 6% of the UK's total, and 1 million metric tons of recycling, approximately 10% of the UK's total, since baseline

Contributes to:

SDG 7: Affordable and Clean Energy (Target 7.2)

SDG 11: Sustainable Cities and Communities (Target 11.6)

SDG 12: Responsible Consumption and Production (Target 12.5)

Metrics drawn from:

SDG indicators

17. Impact Highlights contain metrics illustrative of each company's contribution toward the SDGs, with additional SDG metrics reported to Limited Partners on an annual basis. 2020 investments include data for calendar year 2020, while 2019 investments include cumulative 2019 and 2020 calendar year data.



CMC (2020) Optimizing Packaging to Reduce E-Commerce Waste

The exponential growth of e-commerce has increased the use and disposal of packaging, leading to harmful environmental impacts, including those associated with GHG emissions, water use, and forest product/resource use, including deforestation. A leader in sustainable packaging solutions, CMC installs and operates 3D packaging machines, which scan products to produce packaging that fit to product size. CMC provides large clients, such as Amazon, Best Buy, JD.com, and Walmart, with innovative solutions to reduce corrugate and filler materials on millions of packages shipped.

Impact Highlight¹⁸ Metrics to be confirmed based on results of life cycle assessment

Contributes to:

SDG 12: Responsible Consumption and Production (Target 12.1)

Metrics drawn from:

SDG Indicators

REEL (2019) Sustainably Managing India's Growing Waste

A leading provider of environment management services in India, Ramky Enviro Engineers Limited (REEL) provides cost-effective and customized solutions for a variety of complex environmental needs, including waste management and treatment. Waste management services are especially important in the Indian context, where it is estimated that 80-90% of municipal waste is disposed of in landfills without proper management practices, leading to air, water, and soil pollution.¹⁹

Impact Highlight²⁰ 7 million metric tons of municipal waste processed since baseline, 47% of the total municipal solid waste produced by the cities in which REEL operates, and 2 million metric tons of hazardous waste properly disposed since baseline

Contributes to:

SDG 11: Sustainable Cities and Communities (Target 11.6)

SDG 12: Responsible Consumption and Production (Target 12.4)

Metrics drawn from:

SDG indicators



18, 20. Impact Highlights contain metrics illustrative of each company's contribution toward the SDGs, with additional SDG metrics reported to Limited Partners on an annual basis. 2020 investments include data for calendar year 2020, while 2019 investments include cumulative 2019 and 2020 calendar year data. Refer to Endnotes for further information on metrics and calculations.

19. Current Research in Environmental Sustainability. *Recent Trends in Solid Waste Management Status, Challenges, and Potential For the Future Indian Cities – A Review*. As of December 2020. (Source)

INVESTMENT THEME

inclusive growth.

promoting economic and societal stability.

SDGs Addressed

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

Focus Areas

Enhancing Diversity, Equity, and Inclusion

Ensuring Equitable Access to Information and Opportunity

Protecting Personal Freedoms and Well-being

The Challenge

The pandemic has highlighted long-existing challenges related to inclusive growth, including disparities in access to resources and the barriers that disadvantaged groups face to full and equitable participation in society. In addition, the pandemic has amplified the importance of stable, transparent systems in which economies can thrive and where workers are safe.

Identifying Opportunities

The challenges of 2020 have heightened the role of solutions that promote equitable access to information and opportunity at the individual level, such as financial and digital inclusion products, to facilitate inclusive growth. In addition to expanding access, solutions that protect personal freedoms and enhance diversity, equity, and inclusion are also essential to ensure that growth is stable and fully inclusive.



Citation (2020)

Providing Health and Safety, Human Resource, and Compliance Support for SMEs

A leading partner to UK small and medium-sized enterprises, Citation offers a cost-efficient, effective solution that makes even smaller employers compliant with best practices in employment law, health and safety, and human resources. Citation provides small businesses with a solution that has measurable results in improving workplace safety.

Impact Highlight²¹

40% lower likelihood of work-related injury

among employees at organizations using Citation's products, relative to the UK average reported by the UK Health and Safety Executive in 2020

Contributes to:

SDG 8: Decent Work and Economic Growth (Target 8.8)

Metrics drawn from:

SDG indicators

21. Impact Highlights contain metrics illustrative of each company's contribution toward the SDGs, with additional SDG metrics reported to Limited Partners on an annual basis. 2020 investments include data for calendar year 2020, while 2019 investments include cumulative 2019 and 2020 calendar year data.

KnowBe4 (2019)

Strengthening Digital Infrastructure for Resilient Modern Economies

As societies have grown smarter, interconnected, and more technologically advanced, the cybersecurity risks associated with critical infrastructure and personal freedoms have become more pronounced, putting hospitals, pipelines, the grid, and other key services and institutions at risk. In addition, cyberattacks have implications for personal freedoms – a recent survey of breached organizations found that customers' personally identifiable information was compromised in 80% of breaches, far more than any other type of record.²² Through its market-leading software platform for cybersecurity awareness training, KnowBe4 helps clients protect against cyberattacks, reducing exposures of personally identifiable information and data breaches as well as strengthening digital infrastructure that is essential for stable economies and resilient institutions.

Impact

Highlight²³

84% of organizations

improved their susceptibility to phishing attacks in one year when following KnowBe4's recommended approach

Contributes to:

SDG 9: Industry, Innovation, and Infrastructure (Target 9.1)

SDG 16: Peace, Justice, and Strong Institution (Target 16.10)

Metrics drawn from:

SDG Compass



Five Star (2021)

Providing Inclusive Financial Services for Micro-entrepreneurs in India

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 with in Southern and Central India. Five Star enhances inclusion to formal finance to segments who are largely cut off from the formal lending ecosystem.²⁴

Impact

Metrics are under development because this is

Highlight²⁵

a 2021 investment

Contributes to:

SDG 1: No Poverty (Target 1.4)

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

Metrics drawn from:

Metrics under development

22. IBM, *Cost of a Data Breach Report 2020*, 2020. (Source)

23, 25. Impact Highlights contain metrics illustrative of each company's contribution toward the SDGs, with additional SDG metrics reported to Limited Partners on an annual basis. 2020 investments include data for calendar year 2020, while 2019 investments include cumulative 2019 and 2020 calendar year data except for KnowBe4, whose metric reflects 23,400 companies included in its 2021 Phishing Industry Benchmark Report. Refer to Endnotes for further information on metrics and calculations.

24. The Reserve Bank of India categorizes cities into six tiers according to population size; Tier-3 cities have 20,000 to 50,000 individuals, while Tier-6 cities have fewer than 5,000 individuals.

our portfolio's impact.

scaling solutions for a resilient, prepared future.

To measure and manage the impact performance of the investments in our portfolio, we currently track more than 30 SDG-linked metrics. Each portfolio company reports two to three metrics measuring its contribution toward the advancement of the SDGs, in addition to reporting performance on company-specific and cross-portfolio ESG topics. Here we present a

representative sampling of Global Impact's cumulative contributions to the SDGs, featuring at least one finalized SDG metric per company, and one metric per SDG addressed by the Fund. We are excited to see the scale of this impact grow over time as our companies and our portfolio grow as well. Details on performance toward all SDG metrics are presented in our full Global Impact Fund report, which is provided to Limited Partners.

highlights of Global Impact's contribution to the SDGs²⁶

SDG Cumulative contribution since baseline

4 **QUALITY EDUCATION**
200 higher education institutions used labor analytics solutions, helping to ensure that 271,000 STEM graduates learned skills that were in high demand (+40%)

2,600 former high school dropouts and 700 at-risk students obtained a high school diploma

6 **CLEAN WATER AND SANITATION**
140 million kilograms of harmful nutrients removed from wastewater (+2%)

SDG Cumulative contribution since baseline

7 **AFFORDABLE AND CLEAN ENERGY**
14% average energy intensity improvement in heating, ventilation, and air conditioning systems

8 **DECENT WORK AND ECONOMIC GROWTH**
\$2 increase in hourly wages for older adults after obtaining a high school diploma

40% lower likelihood of work-related injuries at small and medium-sized enterprises based in the UK

26. For an explanation of the methodology in developing our KPIs and percentage increases, refer to the Endnotes of this report. 2020 investments include data for calendar year 2020, while 2019 investments include cumulative 2019 and 2020 calendar year data.

9 **INDUSTRY, INNOVATION,
AND INFRASTRUCTURE**

60,000 **metric tons**
of CO2 equivalent reduced due to
energy efficiency projects (+117%)

11 **SUSTAINABLE CITIES
AND COMMUNITIES**

9 **million metric tons**
of municipal solid waste properly
disposed (+12%)

12 **RESPONSIBLE CONSUMPTION
AND PRODUCTION**

2 **million metric tons**
of hazardous waste properly
disposed (+3%)

13 **CLIMATE ACTION**

5 **million metric tons**
of GHG emissions saved
following the introduction of more
sustainable farming practices

14 **LIFE BELOW WATER**

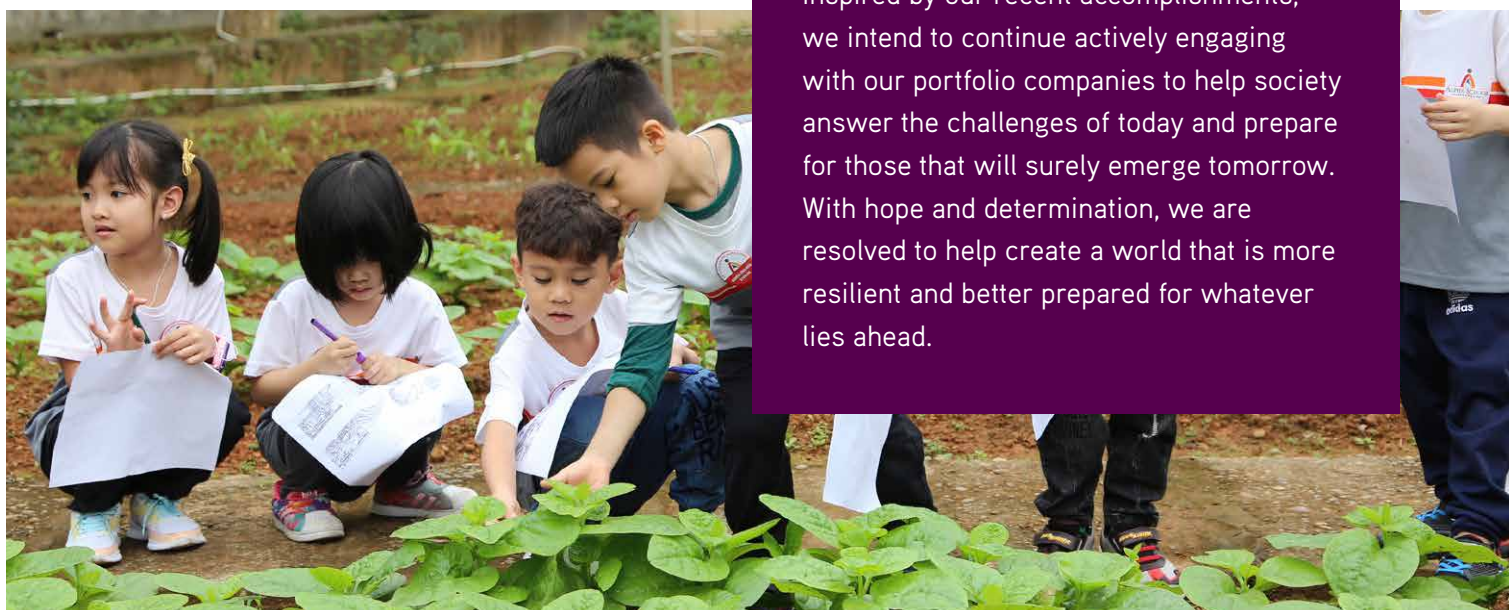
3,100 **kilograms**
of avoided nitrogen runoff

15 **LIFE ON LAND**

925,000
hectares of land
managed under
environmental projects

16 **PEACE, JUSTICE, AND STRONG
INSTITUTIONS**

84% **of organizations**
reduced their susceptibility
to phishing attacks



looking forward

Inspired by our recent accomplishments, we intend to continue actively engaging with our portfolio companies to help society answer the challenges of today and prepare for those that will surely emerge tomorrow. With hope and determination, we are resolved to help create a world that is more resilient and better prepared for whatever lies ahead.

ENDNOTES

4. KKR by the Numbers

\$7.5 billion represents KKR's solutions-oriented investments as identified by the KKR Global Impact team that were made globally by certain KKR funds and accounts from January 1, 2008 to March 31, 2021. The determination and assessment by the KKR Global Impact team of which investments to include in this figure involve significant judgment and may differ from another party's review of KKR's investments.

6. Cross-portfolio ESG metrics

Greenhouse gas emissions includes 10 companies, and excludes one investment made in late 2020 that is in the process of preparing a baseline assessment. Greenhouse gas emissions are weighted by Global Impact's equity ownership.

Diversity, equity, and inclusion (DEI) reporting includes all 11 portfolio companies that were in the portfolio in 2020. As Global Impact directly influences board composition, board diversity metrics are calculated by summing all diverse board members divided by total board members. For employee diversity metrics, percentages are calculated per company, from which an overall average is calculated, to illustrate typical performance per company.

Global Impact monitors diversity at portfolio companies as follows:

- Global: gender diversity
- North America: in addition to gender diversity, monitors (i) Historically Underrepresented Groups, which includes individuals self-identifying as African American, Black, Hispanic, or Latino; (ii) individuals self-identifying as LGBTQ for board members only.

Global Impact's team diversity follows the same approach as above. We will continue to collaborate with diversity, equity, and inclusion experts to enhance our DEI monitoring approach across regions.

Job creation includes full-time employees only. Excludes jobs gained from acquisitions and only includes companies with two years of employment data, i.e., the five portfolio companies that were in the 2019 Impact Report.

7. Refer to endnote 6 for more information on our DEI monitoring approach.

Investment Theme: Climate Action (pp. 10-11)

9. **Axius Water:** Axius Water offers end-to-end nutrient management solutions for municipal and industrial wastewater treatment facilities to reduce harmful nutrient pollution. Daily nutrient removals are calculated based on the treatment capacity for each product process.

10. **GreenCollar:** GreenCollar is Australia's leading carbon markets business and one of the largest carbon abatement developers globally. Australian Carbon Credit Units represent one metric ton of stored carbon dioxide equivalent (tCO₂-e) or avoided emissions through approved management activities and methodologies, which is calculated by using a methodology defined by Australia's Clean Energy Regulator.

11. **BBP:** BBP calculates the total kilograms of CO₂ equivalent saved for its customers' heating, ventilation, and air conditioning (HVAC) units by multiplying the energy saved (kilowatt hours) per unit by regional grid emissions factors sourced from the Institute for Global Environmental Strategies (2020).

Investment Theme: Lifelong Learning (pp. 12-13)

14. **Graduation Alliance:** Graduation Alliances monitors number of graduates from its programs on an ongoing basis. The company also measures changes in the average hourly wages for graduates from its Adult Workforce Diploma programs, which support adults without a high school diploma. Adult graduates self-report economic data via an online survey between six and nine months after graduating from a program.

15. **MasterD:** MasterD reports new student enrollments during the academic year in Spain and Portugal.

17. **Emsi Burning Glass:** Emsi Burning Glass offers solutions to help job market constituencies, including higher education institutions, to understand and adapt to the landscape of opportunity more clearly. The metric captures the total number of higher education institutions served by Burning Glass' solutions since baseline and STEM graduates across institutions for calendar year end 2019 and 2020. 2020 impact reporting did not include data for Emsi as this was merged with Burning Glass in 2021 after the impact and ESG reporting period.

Investment Theme: Sustainable Living (pp. 14-15)

18. **Viridor:** This metric sums the total million metric tons of municipal solid waste treated during calendar year 2020, Viridor's baseline reporting year.

20. **REEL:** This metric sums the total million metric tons of municipal solid waste treated by REEL since 2019 baseline reporting.

Investment Theme: Inclusive Growth (pp. 16-17)

22. **Citation:** Citation provides health and safety, human resource, and compliance support (through expert advice, e-learning modules, guides, templates, etc.) to small and medium-sized enterprises across the United Kingdom. This metric was calculated by comparing the Injury Incidence Rate per 100,000 Employees at Citation's health and safety clients with the UK average in 2020 sourced from the UK Health and Safety Executive

23. **KnowBe4:** KnowBe4 monitors employee susceptibility to simulated phishing security tests before and after implementing their solution. For 2021, the overall Phish-Prone percentage baseline average across all industries and size organizations was 31.4%, meaning just less than a third of an average company's employee base could be at risk of clicking on a phishing email. However, only 16.1% of those same users will fail within 90 days of completing their first KnowBe4 training. After at least a year on the KnowBe4 platform only 4.8% of those users will fail a phishing test. More information on the methodology is available [here](#).

25. Highlights of GIF Contributions to the SDGs (p. 18)

The illustrations on pages 18 and 19 include all 11 SDGs addressed by Global Impact in 2020 and at least one finalized metric per company but do not include all metrics for every company. In addition to these 11 SDGs, Global Impact also contributes to SDG 1: No Poverty through its 2021 investment in Five Star, an MSME finance provider in India. The results are cumulative contributions to the SDGs since baseline, with year-on-year percentage growth rates provided for companies included in 2019 reporting. All SDG metrics tracked for five companies included in 2019 reporting improved except for one. For metrics that have two years' worth of data and are reported as percentages, cumulative contributions are expressed as averages. All figures are rounded totals. Detail on calculation methodologies follows below.

SDG 4: Quality Education

- STEM degrees: refer to Emsi Burning Glass endnote. Annual growth rate reflects growth in the number of higher education institutions served by Burning Glass since baseline.
- High school diplomas: refer to Graduation Alliance endnote

SDG 6: Clean Water and Sanitation

- Refer to Axius Water endnote

SDG 7: Affordable and Clean Energy

BBP provides energy-saving solutions to HVAC systems in commercial and industrial buildings. BBP calculates the percentage change of total customer HVAC system's energy intensity before and after BBP's solution was implemented. The result is an average of energy intensity improvements across client projects since baseline reporting.

SDG 8: Decent Work and Economic Growth

- Hourly wages: refer to Graduation Alliance endnote
- Workplace injuries: refer to Citation endnote

SDG 9: Industry, Innovation, and Infrastructure

- Refer to BBP endnote

SDG 11: Sustainable Cities and Communities

REEL and Viridor are waste management companies that collect and treat municipal solid waste. This metric sums the total million metric tons they have treated since baseline reporting. Growth rate only reflects REEL's operations since Viridor is a 2020 investment providing baseline reporting this year.

SDG 12: Responsible Consumption and Production

REEL is a leading waste management company in India. It collects data for the volume of hazardous waste treated daily and reports monthly aggregates to KKR.

SDG 13: Climate Action

- Refer to GreenCollar endnote

SDG 14: Life Below Water

- GreenCollar provides Reef Credits where one Reef Credit is equivalent to 1 kilogram of dissolved inorganic nitrogen pollution prevented from reaching the Great Barrier Reef, as a result of more sustainable farming practices via GreenCollar's engagements with farmers.

SDG 15: Life on Land

- GreenCollar measures the total land area for accredited carbon projects, which is a subset of total land area under environmental projects as the accreditation process time. GreenCollar also monitors areas of land that overlap with Key Biodiversity Areas, designated areas of importance for Australian biodiversity, and is working to develop land outcome metrics such as improved forest cover to better track enhanced biodiversity as a result of sustainable farming practices.

SDG 16: Peace, Justice, and Strong Institutions

- Refer to KnowBe4 endnote

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