

Verifier Statement

Independent Verification Report

Prepared for KKR Global Impact: February 18, 2021

Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)¹, KKR engaged BlueMark to undertake an independent verification of the alignment of the KKR Global Impact Fund's (Global Impact) impact management (IM) system with the Impact Principles. Global Impact's assets under management covered by the Impact Principles (Covered Assets) total \$1,300 million².

Summary assessment conclusions

BlueMark has independently verified the KKR Global Impact Fund's extent of alignment with the Impact Principles. Key takeaways from BlueMark's assessment are as follows:

Principle 1: Global Impact has established clear impact objectives that have been mapped to the Sustainable Development Goals (SDGs), including underlying SDG Targets and specific SDG Indicators. The firm ensures the consistency of its impact objectives and investment strategy, compiling an impact thesis and supporting sustainability context for each investment.

Principle 2: Global Impact manages impact achievement on a portfolio basis throughout the investment process, from impact screening and diligence through monitoring and review. Team incentives are aligned with the overall performance of the firm and the Fund and an annual performance review. Team incentives were not explicitly tied to impact performance at the time of the verification completed in January 2021.

Principle 3: Global Impact establishes an investor contribution narrative in the due diligence process, including plans to improve Environmental, Social, and Governance (ESG) management, among other contributions. The firm compiles evidence supporting the investor contribution narrative for each portfolio company throughout the investment process.

Principle 4: Global Impact has developed a thorough ex-ante impact diligence process, including an assessment of potential positive and negative impacts and impact risks, among other considerations. The firm draws on Global Reporting Initiative (GRI) Topic-specific Standards and SDG Indicators, among other industry standards, to select impact metrics.

Principle 5: Global Impact's ESG management process includes conducting an ESG materiality assessment of portfolio companies, drawing on key industry standards. Global Impact works with portfolio companies to create short- and long-term ESG targets and management plans for meeting them, which are reviewed on a regular basis.

Principle 6: Global Impact monitors impact performance on an ongoing basis, including comparing actual and expected impact, and has clear processes to collect and review impact performance data. Global Impact uses tools to collect, track and report impact data and regularly evaluates the prior year's impact performance relative to expectations to identify areas of improvement.

Principle 7: Global Impact has developed a formal statement articulating an approach considering the sustainability of impact at exit, including assessing the effect of different exit pathways and the profile of potential acquirers. The fund is early in its lifecycle, and could consider further documenting its intended approach.

Principle 8: Global Impact tracks investee performance against impact metrics on an ongoing basis, assessing variance against impact projections and any unexpected negative impacts. Global Impact could further document how it uses impact performance review findings to improve operational and strategic investment decisions, as well as management processes.

¹ Principle 9 states that signatories "shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns."

² Assets under management figure as reflected in the Global Impact Disclosure Statement as of 06/20/2020. BlueMark's assessment did not include verification of the AUM figure.

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Assessment methodology and scope

KKR Global Impact provided BlueMark with the relevant supporting documentation for the policies, processes, and tools related to the IM system applicable to the Covered Assets. The scope of BlueMark’s work was limited to processes in place related to the Covered Assets as of January 29, 2021. BlueMark’s assessment of the IM system included an evaluation of both the system itself and supporting documentation, as well as the consistency of the draft disclosure statement with the IM system. BlueMark believes that the evidence obtained in the scope of its assessment is sufficient and appropriate to provide a basis for our conclusions.³

BlueMark’s full assessment methodology, based on its professional judgment, consisted of:

1. Assessment of the IM system in relation to the Impact Principles, using BlueMark’s proprietary rubric, and examining processes and policies against the following criteria:
 - *Compliance* of the IM system with a threshold level of practice;
 - *Quality* of the IM system’s design in terms of its consistency and robustness; and
 - *Depth* of sub-components of the system, focused on completeness
2. Interviews with KKR Global Impact staff responsible for defining and implementing the IM system;
3. Testing of selected KKR Global Impact transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to KKR, outlining areas of strong alignment and recommended improvement, as well as BlueMark’s proprietary benchmark ratings on the extent of alignment to each of the Impact Principles.

Permissions

This statement, including our conclusions, has been prepared solely for KKR Global Impact in accordance with the agreement between our firms, to assist KKR Global Impact in fulfilling Principle 9 of the Operating Principles for Impact Management. We permit KKR Global Impact to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate KKR Global Impact’s alignment with the Operating Principles for Impact Management. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than KKR Global Impact for our work or this statement except where terms are expressly agreed between us in writing.

About BlueMark

BlueMark, a Tideline company, is a leading provider of impact verification services in the impact investing market. BlueMark was founded with a mission to “strengthen trust in impact investing” and to help bring more accountability to the impact investment process. BlueMark is a wholly owned subsidiary of Tideline Advisors, LLC, a certified women-owned advisory firm in impact investing. Since its founding in 2014, Tideline has become a recognized leader in impact measurement and management, working with leading asset owners and managers to design and implement impact management systems.

BlueMark has conducted this verification with an independent and unconflicted team experienced in relevant impact measurement and management issues. BlueMark has implemented a Standard of Conduct requiring our employees to adhere to the highest standards of professional integrity, ethics, and objectivity in their conduct of business activities.

BlueMark has office locations in London, UK; New York, NY; Portland, OR; and San Francisco, CA and is headquartered at 915 Battery St, San Francisco, CA 94111, USA. For more information, please visit www.bluemarktideline.com.

³ The scope of BlueMark’s assessment procedures does not include the verification of the resulting impacts achieved. BlueMark’s assessment is based on its analyses of publicly available information and information in reports and other material provided by KKR Global Impact. BlueMark has relied on the accuracy and completeness of any such information provided by KKR Global Impact. The assessment results represent BlueMark’s professional judgment based on the procedures performed and information obtained from KKR Global Impact.