

PRIVATE EQUITY
STAKEHOLDER
PROJECT

February 10, 2022

Ken Mehlman
Partner, Global Head of Public Affairs
KKR
30 Hudson Yards
New York, NY 10001

Dear Mr. Mehlman,

We are writing to follow up on your previous correspondence regarding KKR's investments in fossil fuels and fossil fuel infrastructure.

Thank you for taking the time to provide additional descriptions of your energy investment approach and share examples from your portfolio. We appreciate you sharing some of the policies you've developed related to investing in the energy transition.

Bloomberg recently reported that KKR's peer Apollo Global Management is pledging not to invest in fossil fuels in its next flagship buyout fund (See "Apollo to Shun Fossil-Fuel Investments in Next Buyout Fund").ⁱ

KKR recently raised its flagship buyout and infrastructure funds, KKR North America Fund XIII and KKR Global Infrastructure Investors IV.ⁱⁱ

Will KKR, like Apollo, make a similar commitment to shun fossil fuels and fossil fuel infrastructure as it invests its new funds?

The International Energy Agency's Net Zero by 2050 pathway calls for no new fossil fuel projects to be developed, and for intense focus on emissions reduction for all existing operations.ⁱⁱⁱ

In August 2021, the Intergovernmental Panel on Climate Change (IPCC) released a report that highlights the costs of inaction, details the devastating impacts of climate change around the world, and underscores that we are running out of time to tackle this crisis.^{iv}

Last October the Private Equity Stakeholder Project released a report, *Private Equity Propels the Climate Crisis*, which noted that KKR owned at least 28 fossil fuel companies.^v We have noted recent additional investments in fossil fuels such as Contango's acquisition of Wyoming drilling assets from ConocoPhillips.^{vi}

In June 2021, KKR-backed Gland Celsus Bio Chemicals acquired KSK Energy Ventures^{vii}, a power development company in India that currently operates four coal plants, generating over 4000 MW of energy.^{viii}

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The Coastal Gaslink Pipeline continues to be the focus of demonstrations and blockades by the Wet'suwet'en hereditary chiefs, with protests over the past few months that resulted in dozens of arrests.^{ix} Hundreds of academics signed a letter condemning the police action against the Indigenous people and the objecting to development of the pipeline.^x

A year ago, the Private Equity Stakeholder Project and a number of environmental and environmental justice groups sent KKR a letter asking the firm to transition its energy portfolio away from fossil fuels by 2030, support a just and equitable transition for workers and communities impacted by KKR's investments, and disclose how its, its executives', and its portfolio companies political spending aligned with the Paris Climate Accords.

Will KKR commit not to invest its new flagship funds in fossil fuels?

Sincerely,



Jim Baker
Executive Director
Private Equity Stakeholder Project



Alyssa Giachino
Research/Campaigns Director on Climate
Private Equity Stakeholder Project

ⁱ "Apollo to Shun Fossil-Fuel Investments in Next Buyout Fund," Bloomberg, Jan 21, 2022,

<https://www.bloomberg.com/news/articles/2022-01-21/apollo-plans-to-shun-fossil-fuel-investments-in-next-buyout-fund>.

ⁱⁱ KKR form 10-Q, Nov 5, 2021, <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001404912/000140491221000037/kkr-20210930.htm>.

ⁱⁱⁱ <https://www.iea.org/reports/net-zero-by-2050>

^{iv} <https://www.ipcc.ch/report/ar6/wg1/>

^v https://pestakeholder.org/wp-content/uploads/2021/10/PESP_SpecialReport_ClimateCrisis_Oct2021_Final.pdf

^{vi} https://trib.com/business/energy/contango-to-purchase-all-conocophillips-natural-gas-assets-in-wyoming%20/article_7477f5b9-7fcb-5914-967a-2608504a10c7.html

^{vii} <https://my.pitchbook.com/profile/12357-37/company/profile#deal-history/174837-79T>

^{viii} <http://www.ksk.co.in/ThermalPP.php>

^{ix} <https://www.cbc.ca/news/canada/british-columbia/15-arrests-journalists-wetsuweten-cgl-1.6256696>

^x <https://www.nationalobserver.com/2021/12/02/news/academics-condemn-rcmp-governments-coastal-gaslink-letter>