

KKR and the Pitfalls of the Leveraged Buyout





Introduction

KKR is one of the largest private equity firms in the world, with [nearly \\$700 billion](#) in assets under management as of June 2025. While the firm does not currently publish employee data, KKR [reported](#) having 828,000 employees across its portfolio as of December 2023. Headquartered in New York City, the firm invests across a range of industries.

The firm has its roots in some of the first-ever private equity buyouts; founders Jerome Kohlberg Jr., Henry Kravis, and George Roberts carried out some of the first leveraged buyouts while working together at Bear Stearns in the 1960s. In 1976, the trio founded KKR, crystallizing the LBO form. The firm gained notoriety for its \$25 billion acquisition of RJR Nabisco in 1988, at the time the largest leveraged buyout in history, inspiring the book and movie *Barbarians at the Gate*. The poorly managed buyout [resulted](#) in a \$730 million loss for the KKR fund, and the company was forced to split its food and tobacco businesses [just over a decade](#) after the acquisition. Over several years, the company [eliminated](#) 6,000 jobs. Despite this, KKR and company executives made millions in profit from the deal.

On the heels of recording the loss in 2004, KKR made another investment in 2005 that would ultimately destroy another company. Toys “R” Us [collapsed](#) under more than \$5 billion in debt piled on by KKR alongside private equity firm Bain Capital and real estate firm Vornado following their leveraged buyout of the retailer. When the company filed for bankruptcy in September 2017, it was spending about \$400 million a year to service the debt.

While 33,000 employees lost their jobs and limited partners in KKR and Bain Capital’s funds were wiped out, KKR and other investors appear to have profited from [\\$464 million](#) in fees and interest they collected from Toys “R” Us during the period they owned the company. After [former employees](#) and advocates launched a [campaign](#) to receive severance pay, KKR and Bain Capital eventually agreed to create a \$20 million dollar [hardship fund](#) – a hard-won victory that still fell short of the estimated [\\$75 million](#) that workers claimed they were owed in severance.

KKR's legacy of extracting value from its portfolio companies lives on, leading to financial distress that negatively impacts workers the most. Beyond layoffs, financial restrictions on portfolio companies as a result of large debts leaves little room for worker health and safety improvements, increased wages and benefits, or higher quality goods and services.

Five years after the Toys “R” Us bankruptcy, KKR became a [founding partner](#) of an effort to implement employee ownership programs in companies around the world. While some workers have received large, one-time payouts after their private equity-owned company has sold, employees are not guaranteed pay if the company underperforms.

In recent years, KKR has resisted [calls](#) from [advocates](#) to implement improved labor standards at its portfolio companies. In response to an inquiry from this report's authors, it highlighted the employee ownership effort when asked about implementing such standards. While these programs have provided benefits to many employees at KKR owned companies, KKR has an opportunity to improve the lives of significantly more of the employees it relies on by improving working conditions for the hundreds of thousands of employees that work at its portfolio companies.

This report reviews recent labor issues at KKR, featuring a series of portfolio company case studies.



Ongoing Labor Issues at KKR Portfolio Companies

KKR has positioned itself as a leader in giving workers a voice through its employee ownership program. Despite this [commitment](#) to “investing in an ownership culture,” employees at KKR-owned companies continue to face a range of problems at work. In fact, KKR received an F on the [PESP 2023 Labor Scorecard](#) as a result of labor issues across its largest portfolio companies, with one of the worst ratings among its peers. When PESP contacted the firm about the issues identified in the scorecard, KKR did not specifically address any of the concerns, stating instead that “there is no better fact pattern around our approach to the workforce in our private equity investments than our support for and actions around broad-based employee ownership.” While equity is a great benefit to workers, it does not replace the need for health and safety protections, a living wage, and a true voice at work.

Health and Safety

The Occupational Safety and Health Administration (OSHA) has identified health and safety violations at several KKR portfolio companies, including [Global Medical Response](#) ([American Medical Response](#)), [Brightview](#), [Channel Control Merchants](#), [Charter Next Generation](#), [Groundworks](#), and [Refresco](#). Across just these six companies, OSHA issued penalties for more than \$525,000 during periods of KKR ownership.

Documented OSHA violations and the resulting impacts on workers’ bodies are almost certainly an undercount. A 2023 literature review published in BioMed Central’s scientific journal [found](#)

that anywhere from 20 to 91 percent of workplace injuries and illnesses are under-recorded, and that “low wage earners, racial/ethnic minority workers, and workers who perceive a poor psychosocial work environment encounter more barriers to reporting a work-related injury or illness.” In addition to barriers to employee self-reporting, OSHA has limited capacity to perform inspections and respond to workplace issues, as the agency has only [one compliance officer](#) for approximately every 70,000 workers, or one inspector for every 4,324 worksites. This problem has likely been exacerbated under the [first](#) and second Trump Administrations as the President introduced cuts. The most recent budget proposal would [reduce](#) OSHA inspections by 10,000 – one third of the agency’s current capacity.

While the impact of OSHA fines on KKR’s bottom line may be easily dismissed as inconsequential by executives, the impact on workers cannot be quantified. Workers at KKR-owned companies have been exposed to a range of serious health and safety violations: fire, slip, and fall [hazards](#) at Channel Control Merchants; lack of hazardous energy control [training](#) at Charter Next Generation; [chemical exposure](#) at Refresco possibly leading to an employee death.

In the case of [Groundworks](#), a foundation repair company acquired by KKR in 2021, OSHA inspected a Missouri worksite in which a trench wall caved in, trapping a worker who had to be [rescued](#) by emergency services. In 2024, the agency found that Groundworks did not remove workers from the site [despite](#) “evidence of a situation

that could result in a possible cave-in, indications of failure of protective systems, hazardous atmospheres, or other hazardous conditions.” OSHA also noted that Groundworks was [cited](#) for the same violation in 2022 at a different location. The incident in Missouri [cost](#) Groundworks just \$64,524 in OSHA fines.

Anti-Union Activity: Atlantic Aviation

In June 2021, KKR [acquired](#) flight services company Atlantic Aviation for nearly \$4.5 billion. In March 2024, Atlantic workers at the airport in Aspen, Colorado, [voted](#) to unionize with the Machinists union, even after the company [posted](#) anti-union materials in order to discourage workers from organizing. According to NLRB filings, Atlantic [hired](#) Morgan Lewis, a company with a [long history](#) of running anti-union campaigns. The Trump Administration [pick](#) for NLRB general counsel is Crystal Carey, who [served](#) as an attorney for Morgan Lewis from 2018 to 2025. For more on union-busting at KKR portfolio companies, see the BrightView case study on page 8.

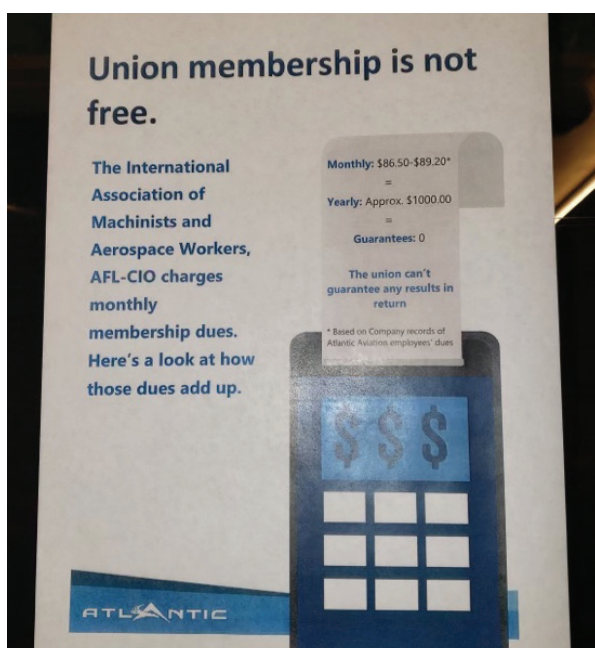


Photo source

Wage and Hour Violations: Global Medical Response

KKR acquired and merged two companies in 2018 to [create](#) Global Medical Response, an ambulatory services provider. GMR employs 33,000 people across all 50 states, offering both ground and air medical transport. In January 2025, GMR subsidiary American Medical Response [settled](#) with the Seattle Office of Labor Standards for wage and hour violations. The investigation found that AMR underpaid nearly 800 emergency medical technicians across the city when they used using paid sick leave, leading to a payout of more than \$150,000 to those workers. For more on wage and hour violations at KKR portfolio companies, see the BrightSpring case study on page 10.





CASE STUDY

Refresco

Refresco is the world's [largest](#) independent bottling company, with plants that mix, bottle, and distribute beverages for companies like Pepsi, Tropicana, and Gatorade. The company has over 5,000 [employees](#) in 26 locations in the US and locations in Mexico, Canada, Europe, Australia.

Workers first [began organizing](#) at a plant in Wharton, New Jersey in early 2020, staging a walkout over lack of Covid protections amidst existing health and safety concerns. After unsuccessful efforts to improve conditions directly with the company, workers voted to join the United Electrical, Radio and Machine Workers of America (UE) in 2021. At the time, private equity firm PAI Partners owned the company. Refresco [paid](#) union-busting firm Quest Consulting more than \$600,000 to stifle organizing. In May 2022, the union won the election despite a successful effort by the company to invalidate an earlier vote by workers to unionize. The same week of the May election, OSHA [notified](#) Refresco of penalties totaling over \$60,000 for serious violations at the Wharton plant.

OSHA [found](#) that workers faced wet, dangerous surfaces, noise levels at more than double the permissible limit, amputation hazards from unguarded machinery, poor documentation of potential hazards, and lack of equipment operator training. Though the penalty amount may seem negligible to a large multinational corporation like Refresco, the violations themselves are anything but negligible – [according to OSHA](#), “a serious violation exists when the workplace hazard could cause an accident or illness that would most likely result in death or serious physical harm.”

On April 22, 2022, just two weeks before the union election, a Refresco production manager [asked](#) Cesar Moreira to remove a union sticker from his clothing in the batching room, claiming that it could potentially contaminate the products. Though Moreira had been wearing stickers for a year, he complied with the request. The union alleged that Refresco violated the National Labor Relations Act by banning union stickers in the batching

department. In December 2024, the NLRB [ordered](#) Refresco to stop ordering employees to remove union insignia and to post a notice in the plant that the company had violated labor law. Refresco filed a [motion for reconsideration](#) in early 2025; the motion is pending as of September 2025.

KKR acquired the company in 2022 after the union was recognized, but [refused](#) to meet with workers at any time during negotiations – even when workers showed up at KKR headquarters in New York City. Nevertheless, workers [pressed on](#) in their campaign, meeting with KKR investors, creating consumer petitions, and taking on workplace actions. Two years after the workers first joined UE, they won a first contract that [featured](#) immediate wage increases, with additional increases that will equal 10-20% in the next two years, improved overtime calculations, better holiday pay, an improved scheduling system that will result significantly reduced mandatory 12-hour shifts, company paid English classes, as well as other changes that will mean better conditions and higher take home pay for Refresco employees.”

Unfortunately, labor issues persist at Refresco locations around the country. Soon after the union won the contract, a former Refresco employee in California [filed](#) a class action lawsuit against the company, alleging that the company engaged in unfair competition and failed to provide overtime pay, meal and rest periods, wages due at separation, and accurate wage statements. Refresco [denied](#) all of the claims in the suit, and argued that the case should be dismissed due to a mandatory arbitration agreement. Arbitration clauses, which force dispute resolution into a private setting, require workers to waive their right to go to court in order to complete their hiring process. The case [ended](#) in arbitration in January 2025, and the result has not been made public.

Forced arbitration is a [growing issue](#) for workers according to the Department of Labor. Employers place mandatory arbitration clauses in employee contracts, ensuring that labor disputes around things such as wage theft, retaliation, and harassment can only be settled through a private arbitrator. This [serves](#) to “force claims into an employer-controlled system and keep them out of federal court,” preventing workers from filing lawsuits or pursuing other means of restitution. Despite employer attempts to limit workers’ options, the Department of Labor [pledges](#) to “vigorously prosecute violations at workplaces where workers are bound by mandatory arbitration.” In 2020, workers [only won 1.6%](#) of arbitration cases against their employers, according to one study.

Problems with workplace health and safety persist at Refresco plants. Within the last year, OSHA has identified serious violations at worksites in [Michigan](#) and [Texas](#), leading to an amputation and penalties of more than \$20,000 for the company.

CASE STUDY

Brightview

KKR created BrightView in 2014 by merging two landscaping businesses. Since then, the company has acquired nearly 40 small businesses to [become](#) “the nation’s largest commercial landscaper” with locations in 35 states. As of September 2024, Brightview [employed](#) nearly 20,000 people, more than 98% of which were full-time employees.

In recent years, the company has hired around 2,000 seasonal workers per year through the H-2B visa program. According to US Citizenship and Immigration Services, BrightView has been a [top ten employer](#) for H-2B visa beneficiaries since 2019. The Economic Policy Institute explains that:

“Like other temporary work visa programs, H-2B is rife with abuse and in desperate need of reform. It fails both to ensure that migrant workers are paid fairly and treated with dignity and to prevent harm to the domestic workforce. Problematically, the current structure does not prevent employers with track records of labor and wage and hour violations from hiring through the H-2B program. In addition, current rules make it easy for employers to game the system to bypass available U.S. workers who may be seeking seasonal jobs. The families of H-2B workers in practice are not able to join workers in the United States, and H-2B workers have no path to permanent residence and U.S. citizenship.”

Since June 2017, OSHA has [fined](#) Brightview more than \$120,000 for health and safety violations related to on-site accidents.

Joining a union can lead to [improved](#) health and safety outcomes for workers. Yet; only [five percent](#) of the BrightView workforce was covered by a collective bargaining agreement at the end of 2024.

In 2019, Brightview [hired](#) Cesar Alarcon of Stay Union Free Corp to carry out an anti-union campaign in California – Alarcon promised to “develop and implement an effective anti-union campaign,” securing an election win for the company. Tactics for the campaign would include training supervisors on how to talk to employees about the union and “systematic captive audience meetings with all supervisors and voting employees at least on a weekly basis, with distribution of appropriate handouts.” The company [paid](#) Stay Union Free more than \$30,000 to quell union organizing at the California location.

When companies hire anti-union persuaders, both the company and the persuader are required to submit documentation to the Department of Labor Office of Labor-Management Standards (OLMS). The OLMS database shows no record of Alarcon filing any documents for the work he performed for BrightView. Despite the company’s anti-union efforts, workers continue to organize – in October 2024, workers in Concord, California [won](#) an election with the Laborers Union Local 324.

In 2023, KKR sold part of its stake to private equity firm [One Rock Capital Partners](#) for \$500 million. In a 2024 company SEC filing, Brightview [claims](#) that the firms’ ownership of common stock may pose risks for common stockholders, as KKR and One Rock “have the ability to exert significant influence over us and their interests may conflict with ours or yours in the future.” With 58.7 percent of the voting power, the firms have outsized control over decisions such as a merger or sale of the company and the composition of the board of directors. While KKR may argue that it has no operational control over Brightview, decisions made by owners do impact the everyday work of a business.



CASE STUDY

BrightSpring (Rescare)

In 2019, KKR [acquired](#) BrightSpring Health Services (formerly known as “ResCare”), a company specializing in home healthcare. As of December 2024, the company [employed](#) 37,000 people, nearly 20 percent of which belonged to a union. With 900 locations across all 50 states, BrightSpring is one of the largest companies providing home health and long term specialty care in the United States.

In 2022, BuzzFeed News conducted an investigation that [found](#) “KKR focused on expanding the business even as a crisis mounted in its group home division, where conditions grew so dire that nurses and caretakers quit in droves, a state prohibited the company from accepting new residents, and some of the most vulnerable people in its care suffered and died.” Nonetheless, the company grew substantially from March 2020 to August 2021, [acquiring](#) four home health and hospice companies.

Under KKR ownership, the Wage and Hour Division of the DOL has [ordered](#) BrightSpring (dba Rescare) to pay more than \$110,000 in back wages to workers in Kentucky and Kansas for unpaid minimum wage and/or overtime wages owed under the Fair Labor Standards Act (FLSA). Even in light of these FLSA violations that highlight the company’s systematic underpayment of its workers, the company continued to push back against any increases in worker pay. In 2023, BrightSpring opposed a rule that would require companies to direct 80% of Medicaid reimbursements to **be spent on compensation for direct care workers (including clinical supervisors) furnishing these services**, claiming that the rule would negatively impact workers and threaten access to care. Company opposition to the proposed rule seems to prioritize company profits over wages for home care providers, who are among the lowest paid workers in the U.S.. Despite [pushback](#) from BrightSpring and other private equity-backed care [providers](#), the Centers for Medicare and Medicaid Services [finalized](#) the rule in 2024, upholding the 80% threshold.

As in the case of BrightView, KKR took BrightSpring public in 2024 but maintained a controlling interest. In its 2024 annual report, BrightSpring was very explicit in disclosing the ways that KKR ownership could [impact operations](#):

KKR Stockholder and its affiliates may also direct us to make significant changes to our business operations and strategy, including with respect to, among other things, new service offerings, employee headcount levels, and initiatives to reduce costs and expenses. This concentration of our ownership may delay or deter possible changes in control of the Company, which may reduce the value of an investment in our common stock. So long as KKR Stockholder and its affiliates continue to own, directly or indirectly, a significant amount of our voting power, even if such amount is less than 50%, it is able to strongly influence or effectively control our decisions.

Although KKR [sold](#) some shares of BrightSpring in 2025 and reduced its stake to a minority position, BrightSpring still considers the firm as a powerful player in management decisions.



Impacts on the Broader Economy

In addition to impacts on workers at specific portfolio companies, KKR portfolio companies have experienced bankruptcies, Medicaid/Medicare fraud, and have raised antitrust and privacy concerns.

Bankruptcies and Distressed Debt Exchanges

Private equity [played](#) a disproportionately large role in U.S. bankruptcies in 2024, with startling economic implications. Although private equity accounts for 6.5% of the U.S. economy according to the primary lobby group for the industry, it was responsible for 56% of the largest bankruptcies (those involving liabilities exceeding \$500 million at the time of filing). Private equity-owned companies accounted for 11% of all bankruptcies in 2024.

Several KKR portfolio companies have filed for bankruptcy or completed distressed debt exchanges in recent years. A distressed exchange occurs when a company offers its creditors assets that are worth less than their original bonds or loans, essentially allowing companies to restructure out of bankruptcy court. Some analysts, including Moody's Investors Service, [consider](#) distressed exchanges to be defaults. [Envision Healthcare](#), [Global Medical Response](#), [GenesisCare](#), [Charter Next Generation](#), [Channel Control Merchants](#), and [Marelli](#) have all experienced significant financial challenges under KKR ownership.

In October 2024, Channel Control Merchants (CCM) filed for bankruptcy. The company was a second hand retailer

with 68 stores under the Dirt Cheap and Treasure Hunt brands. KKR first [invested](#) in the company in 2015, and [again](#) in 2022, resulting in the firm owning a controlling interest. In 2024, CCM [closed](#) all of its stores, impacting 1,000 workers.

In June 2025, Marelli, a supplier for automakers, including US manufacturers, [filed](#) for Chapter 11 bankruptcy. KKR acquired Marelli in 2019. The Marelli CEO cited tariffs against automotive manufacturers and suppliers as the cause of the bankruptcy; however, in August 2024, Marelli [expressed concern](#) about liquidity and the need to modify credit agreements. This is the company's second restructuring effort in three years.

Consumer Impacts: Antitrust, Privacy, and False Claims Act Violations

In January 2025, the US Department of Justice [sued](#) KKR for its pattern of obscuring information from the government in at least 16 merger and acquisition deals. The agency alleged that:

"KKR executives deliberately falsified documents, including deleting 40 out of 48 pages of competitive analysis for one acquisition, and advised employees to 'revise for HSR purposes.' In one instance, an executive expressed their approach to withholding information with the mantra, 'less is more,' while another assured a subordinate, 'I believe in less is more too.' These actions allowed KKR to avoid government scrutiny while consolidating market power in key sectors."

In a rare attempt to hold a private equity firm directly accountable, the DOJ attacked KKR's alleged actions' for "undermining the integrity of the premerger review process and circumventing critical antitrust enforcement measures." If the DOJ prevails, KKR could owe up to \$650 million, the [largest](#) civil penalty ever sought under the Hart-Scott-Rodino Antitrust Improvements Act. KKR [moved](#) to dismiss the claim and countersued the agency, arguing that DOJ "guidance is unconstitutionally vague" and "excessive." The cases are still pending as of August 2025.

In addition to the firm itself, KKR portfolio company Varsity Brands has been scrutinized for anti-competitive practices. The company, which provides goods and services for cheerleaders across the United States, settled lawsuits brought by athletes and their families for a total of \$126 million in [2023](#) and [2024](#). The lawsuits alleged that Varsity conspired to maintain monopoly power in the market for apparel, camps, and cheer competitions, allowing the company to charge higher prices.

Other KKR portfolio company practices have violated US law at the expense of consumers and taxpayers. The [False Claims Act](#) (FCA) is a federal law that

establishes liability for individuals or companies that defraud government programs in the US. It is commonly used against health care companies that defraud Medicaid, Medicare, and related programs. In 2022, American Medical Response [paid](#) more than \$600,000 to settle claims that it improperly billed the government for services covered by Medicare and Medicaid. According to the US Office of Inspector General and the Connecticut state Attorney General allegations, AMR billed for paramedic services it did not provide.

In yet another example of KKR-backed companies flouting regulations, the Federal Trade Commission (FTC) [ordered](#) Fortnite creator Epic Games to pay \$520 million to resolve allegations that "the company used dark patterns to trick players into making unwanted purchases and let children rack up unauthorized charges without any parental involvement." As part of the settlement, Epic paid a \$275 million fee to the FTC and refunded \$245 million to affected consumers. KKR [contributed](#) to a \$1.25 billion dollar investment in the company in 2018 and is listed as a [current](#) private equity portfolio company on the firm's website as of September 2025.



Patient Impacts: Envision

Envision Healthcare is a physician staffing company with clinicians that contract with healthcare providers across the country. By its [own estimates](#), “more than 19 million patients depend on [Envision Healthcare] annually across the spectrum of specialty care — from operating rooms to emergency departments to birthing suites.”

In 2018, KKR [took Envision private](#) via a \$9.9 billion leveraged buyout, using approximately \$7 billion in debt—about [70.7%](#) of the overall deal. According to Reuters, the [acquisition](#) “was one of the largest leveraged buyouts since the financial crisis.” After the initial highly-leveraged deal, KKR continued to saddle the company with high levels of debt through distressed exchanges. On September 21, 2022, Moody’s Investor Service [downgraded](#) Envision Healthcare to its lowest corporate credit rating. In its rating report, Moody’s explained:

“With respect to governance, Envision Healthcare has an aggressive financial strategy characterized by high financial leverage, shareholder-friendly policies, and the pursuit of acquisitive growth. This is largely due to its private equity ownership by KKR since its leveraged buyout in 2018. Lastly, the company executed a distressed exchange in April 2020, April 2022 and again in July 2022.”

The billions in debt from the original buyout became a major liability for Envision as the regulatory landscape around surprise medical billing began to shift. Surprise medical billing is when

a patient is hit with an unexpected bill after receiving healthcare services at a supposedly in-network provider. This happens because many hospitals and providers contract with third party physician groups to provide services (such as emergency room staffing) which negotiate their own billing rates with insurers. Historically, some of these groups, including Envision, remained out-of-network in order to charge [higher rates](#), although this practice has decreased following increased scrutiny and [regulation](#). Providing emergency care can be very lucrative, as people cannot anticipate or plan for emergencies, and thus cannot research ahead of time if the emergency department where they receive care (and the clinicians there who will take care of them) are in-network.

In the summer of 2019, legislative attempts aimed at addressing the issue of surprise medical billing took off. Around this time, a shadowy group called Doctor Patient Unity was [running ads](#) and sending mailers in multiple states, targeting politicians up for re-election and suggesting that government “rate setting” posed a risk to patient care and would benefit insurers. In September 2019, researchers Eileen Appelbaum and Rosemary Batt [published](#) a critical essay that identified KKR’s ownership of Envision Healthcare. Later that month, the New York Times [reported](#) that Envision was one of the primary funders behind the dark money group Doctor Patient Unity and detailed their extensive campaign.

By April 2020, KKR-backed Doctor Patient Unity had spent at least \$57 million on ads and continued to do so, even as Envision was simultaneously [cutting pay and benefits](#) for many of its doctors and medical staff following lower volumes in emergency rooms and ambulatory surgery centers due to the pandemic.

Though Envision had [received](#) at least \$270 million in CARES Act funds by June 2021, the company still struggled to pay its debts. Without its unwieldy debt obligations, it is possible Envision could have successfully reacted to the changing tides stemming from shifting market conditions and the No Surprises Act. The company [filed](#) for Chapter 11 bankruptcy in May 2023.

Unlike the ordinary Americans who may end up in life-changing bankruptcies because of their medical debt, Envision's private equity investors came out even better than before. Ahead of the bankruptcy filing, WSJ reported that the KKR fund that owns Envision had already [written off](#) the investment, and "still had a net annualized return of 19%, according to people familiar with the matter." In the months leading up to the bankruptcy filing, Envision [announced](#) it would lay off 167 employees in New York and 162 workers in Pennsylvania.



Moving Beyond Employee Ownership

KKR executive Pete Stavros, helped found a [nonprofit organization](#) that expands KKR's employee ownership program by partnering with companies and investors to provide employees a stake in the value they create.

According to the model, employees are granted some equity in the portfolio company they work for and current employees receive a payout when private equity firms sell the company. The payout would not cover any employees who left, were laid off before the company was sold, or where an investment performed poorly or ended up in bankruptcy.

KKR has responded to questions about wages and working conditions at their portfolio companies by highlighting their employee ownership program. While this model is a creative and positive attempt to share some of the wealth in certain private equity deals, KKR has other immediate opportunities to invest in a sense of fairness and equitable treatment by ensuring that its portfolio companies offer paid sick leave and affordable health care, support freedom of association, and pay a sustainable living wage.

Many private equity investors and pension funds have recently increased efforts to ensure they are not exposed to risky private equity strategies by implementing labor standards that private equity firms must agree to before receiving their investments. Pension funds in [California](#), [New York](#), [Illinois](#), and [Maryland](#), as well as other smaller investors have recently introduced labor standards within their portfolio that include many of the key portions of [PESP's Labor Rights Platform](#). In response, private equity firms such as [Blackstone](#) and [Apollo](#) have introduced more limited labor standard commitments across their portfolio. KKR has received investments from some of the pension funds listed above, so should have already committed to such principles in specific instances, but should adopt and implement strong labor standards across its portfolio.

Employee ownership is just one tool to increase worker power – to fully address the discrepancies between the value that workers receive and the value they create, KKR should use its resources to ensure that its portfolio companies are safe places to work, where employees can truly have a voice.



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