

CARLYLE

Taskforce on Climate-related Financial Disclosures Report 2020

TCFD ANALYSIS



Climate change is one of the most pressing issues of our time, creating unprecedented risks and opportunities for businesses across all industries. As a global investment firm we work together to create long-term value for our investors, companies, shareholders, people and communities.

We believe that better understanding and managing of the emerging risks and opportunities that arise from climate change is an important component of this work. Climate change is complex, however, and it is challenging to analyze or predict the exact interrelated impacts it may have on an investment portfolio, although data and insights continue to evolve our understanding.

We are focused on improving our insights while developing strategies that we believe will make our investments more resilient to a wide array of potential outcomes. Importantly, transparency and disclosure are critical components to articulating our learnings and challenges to stakeholders.



In our inaugural TCFD report, we describe our evolving approach to climate change. Highlights from the past year include:

01 Launched our Renewable and Sustainable Energy platform, a dedicated team addressing the energy transition by investing globally in the renewable energy and sustainable resources sector.

02 Initiated bottom-up carbon footprinting for our majority-owned companies in our three primary corporate private equity strategies: US Buyout, Europe Buyout, and Asia Buyout.

03 Formally excluded investing in or financing thermal coal unless the investment is to repower the asset to lower-carbon energy generation, or deploy Carbon Capture and Storage (CCS).

04 Joined the One Planet Private Equity Funds Initiative (OPPEF), a group of private equity investors committed to integrating climate change analysis into our investments.

05 Hosted a climate scenario workshop to model the potential impacts on Carlyle's investment portfolio under different climate scenarios. The workshop was run by Business for Social Responsibility (BSR), a non-profit partner, and the insights were presented to senior leaders from across the firm, including our Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Risk Officer (CRO), and others.

06 Achieved our third year of carbon neutrality across our 32 global offices and the activities of our more than 1,750 employees, after we became the first major private equity firm to make a carbon neutrality commitment in 2017.

07 Formally established oversight for our ESG and Impact activities, including our approach to climate risks and opportunities, at The Carlyle Group Board of Directors, and appointed a Board lead on ESG and Impact.

08 Integrated diligence of physical climate risk into select investments to better understand the risk of sea level rise, extreme weather events, and insurability of assets.

09 Partnered with external experts, such as the Environmental Defense Fund, on better understanding and mitigating issues such as methane leakage for select assets.

While it is important for us to get started, we are committed to improving over time through collecting better data, uncovering new insights, collaborating more effectively, and developing more advanced strategies for effectively navigating climate change. We look forward to continuing to learn from our many stakeholders on this important work.

¹Carlyle Investment Exclusions and Parameters Policy applied to all direct equity and credit investments. It does not apply to related entities AlpbInvest, Metropolitan Real Estate, or NGP.

Governance

In 2020, following our conversion to a C-Corporation, Carlyle formally established oversight for our ESG activities, including our approach to climate risks and opportunities, through The Carlyle Group Board of Directors. The Board receives bi-annual updates on the firm's ESG strategy and investment implications, which have included Carlyle's approach to climate risk and opportunity. One of the members of our Board of Directors has been appointed as the ESG and Impact lead, directly responsible for oversight of the firm's work in this area.

We believe it is important to have both dedicated in-house ESG expertise, as well as broad-based responsibility for ESG matters across investment teams. Carlyle has a dedicated global team of internal ESG professionals led by Carlyle's Global Head of Impact, who reports in directly to the firm's COO. The ESG team works closely with our deal teams and the Global Legal Investment team as they diligence potential investments, and subsequently directly with our majority-owned portfolio companies to drive understanding and adoption of ESG principles and to create tailored value-creation plans. We also work closely with investors and broader stakeholders to drive

²*Ibid.*



industry learnings and best practice. As such, our work on climate risks and opportunities are integrated across the responsibilities of Carlyle professionals.

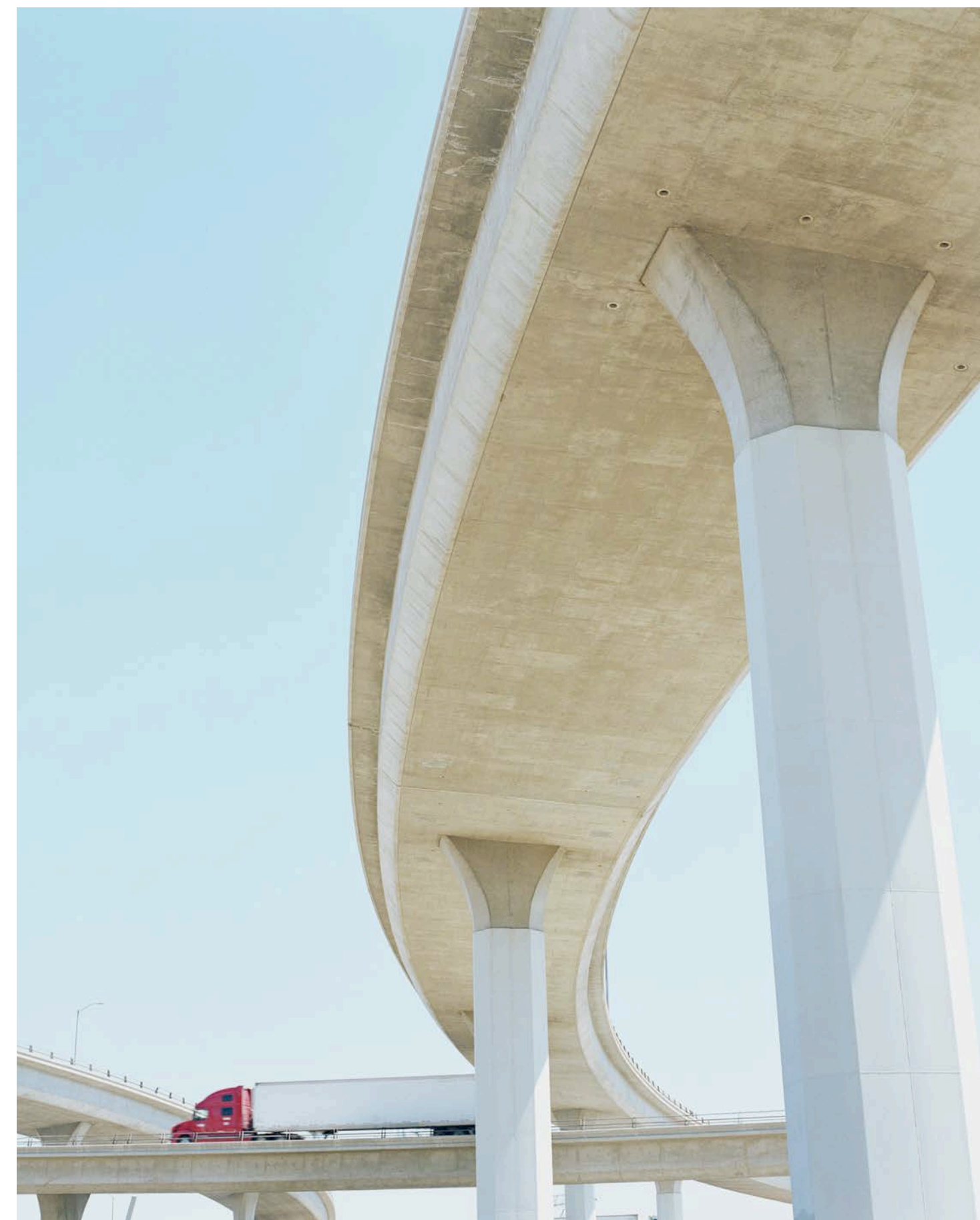
In 2020 Carlyle also formalized our Investment Exclusions and Parameters Policy. This policy excludes investing in or financing thermal coal unless the investment is to repower the asset to lower-carbon energy generation, or deploy Carbon Capture and Storage (CCS). The policy also applies a higher level of scrutiny to energy-intensive investments, with an explicit focus on “climate change and the energy transition, including physical, technological, and regulatory risks.” For investments that warrant a higher level of scrutiny on material ESG risks, including climate change, our ESG Review Committee provides an additional level of risk oversight and governance. The members of the ESG Review Committee include Carlyle’s CRO, COO, Global General Counsel for Investments, and Global Head of Impact.

We participate in cross-industry gatherings and workshops to enhance our understanding on climate issues. We are a member of Businesses for Social Responsibility (BSR), an industry group working to advance sustainability practices in the business sector (BSR facilitated our first climate scenario workshop, detailed on page 9). We actively engage with the Sustainability

Accounting Standards Board (SASB) and license their data, and are members of the Renewable Energy Buyers Association (REBA), and the Green Chemistry and Commerce Council (GC3).

Furthermore, our CEO, Kewsong Lee, signed the Business Roundtable’s Statement on the Purpose of a Corporation in 2019, reaffirming our commitment to protect the environment, and is a board member of FCLT Global (Focusing Capital on the Long-Term), a non-profit organization that develops research and tools that encourage long-term investing and business decision-making.

Carlyle has a dedicated global team of internal ESG professionals led by Carlyle’s Global Head of Impact, who reports in directly to the firm’s COO.



Strategy

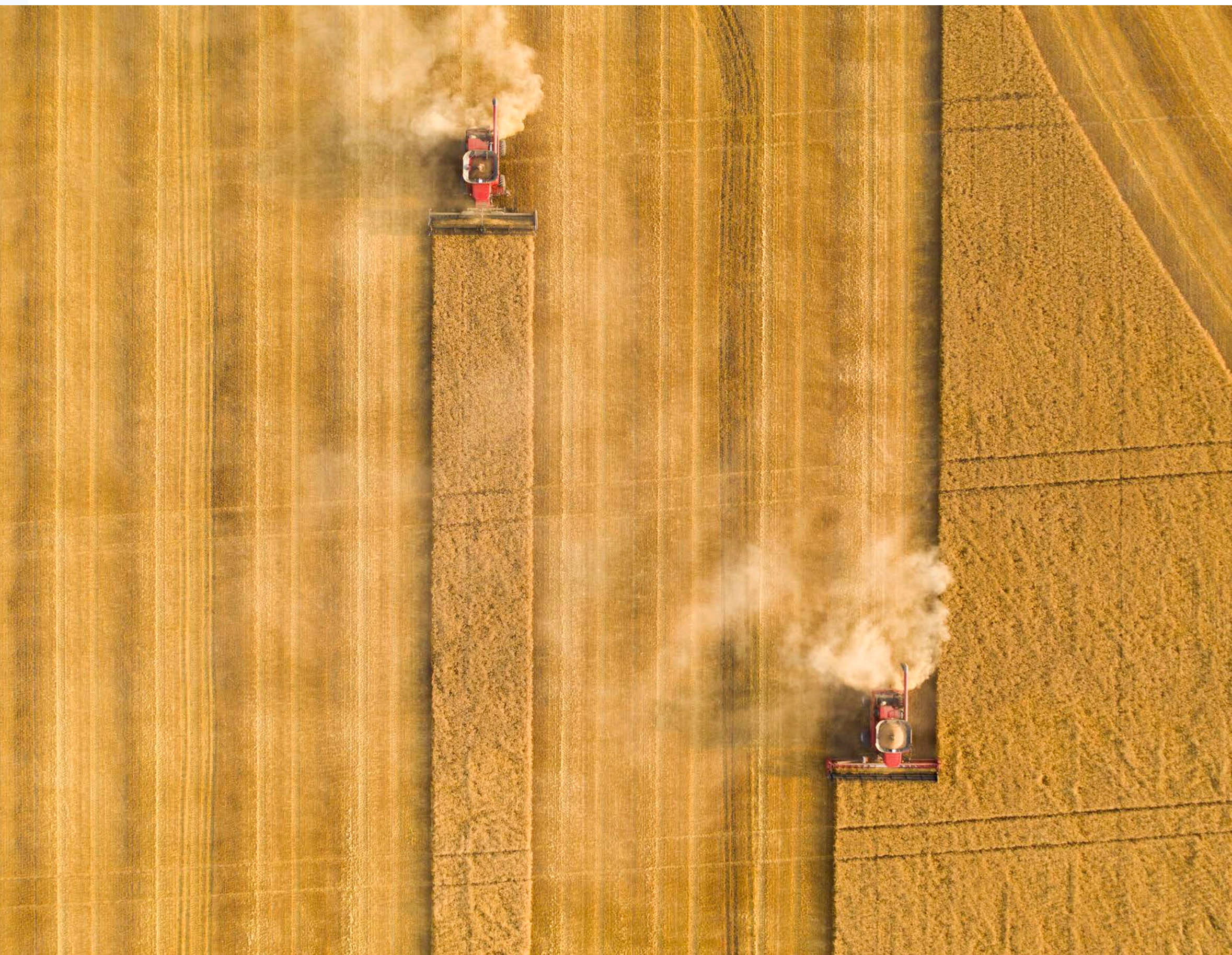
The TCFD's climate-related risks and opportunities have been a helpful guiding framework for our work. We focus on the two main categories of risk identified through that process:

TRANSITION RISKS from the shift to a lower-carbon economy, which include policy and legal risks, technology risks, market risks, and reputational risks, and **PHYSICAL RISKS** from a changing climate, which include acute risks (such as extreme weather-related events), and chronic risks (such as sea-level rise).

We also consider climate-related opportunities, which include:

RESOURCE EFFICIENCY
ENERGY SOURCES
PRODUCTS AND SERVICES

MARKETS
RESILIENCE





The timeframe, scope, and potential impact of risks and opportunities differs significantly across our investment work, and are important dimensions to how we consider these issues.

TIMEFRAME As a private equity investor, we tend to hold companies for several years on average. Hence, for individual investments, we are predominantly focused on short- to medium-term risks and opportunities (such as policy and legal risks, reputational risks, and acute physical risks), which are material over our hold period. However, we see that as the impacts of climate change become better understood, longer-term risks and opportunities can increasingly impact our exit multiples, and hence are a greater focus. Our credit investments have different durations and levels of influence, and hence our risk is appropriately calibrated. For issues impacting us at the firmwide and portfolio level, we are more focused on medium- to long-term issues and opportunities, such as technology risks (e.g. established technologies becoming obsolete; disruptions from emerging technologies), market risks (e.g. stranded assets), reputational risks, and more.

SCOPE In our credit investments we are predominantly focused on downside risk mitigation, and have a greater focus on better underwriting and mitigating climate-related risks as opposed to creating or capitalizing on

equity upside opportunities. We tend to have less control than in our equity investments, and hence have less ability to influence a business model during our hold period. In our corporate and real asset private equity investments, we are focused both on climate risks and opportunities, and where we have controlling stakes or greater influence, our ability to improve the climate resilience of investments over our hold period significantly increases. In our asset-heavy investments and investments with complex supply chains, we are particularly focused on the physical risks of climate change.

POTENTIAL IMPACT We calibrate our work on any given project based on the potential impact of climate risks and opportunities to a given sector, industry, or company as well. For example, the energy transition will generally have a greater impact on investments in our Energy and Natural Resources portfolios (both in terms of risks and business opportunities), than on a tech-enabled software company. We focus on the sectors, industries, and companies where we see the potential for greatest impact, but also work on improving the climate resilience of investments across our broad portfolio as well. Please see a case study in the “Risk Management” section on the following page, which details how we specifically address risks and opportunities in one of our “high impact” investment areas – our International Energy strategy.

³Our Carlyle Global Partners fund tends to hold investments over a longer time period.

Risk Management

We evaluate and manage risks and opportunities through two primary lenses – implications for individual investment opportunities, and implications for firmwide and portfolio strategy.

INDIVIDUAL INVESTMENTS

For individual investments, we use the Sustainability Accounting Standards Board (SASB) framework to guide our diligence of material issues. Our investment teams lead this diligence, in partnership with our dedicated in-house ESG team. We furthermore bring in specialized ESG third-parties on specific diligence items, where needed. Our diligence of individual investment opportunities has increasingly included climate-related risks and opportunities, where material. As mentioned above, potential investments with a higher level of perceived ESG risk are elevated to our ESG Review Committee, which provides a recommendation as to whether the firm can proceed with an investment or not.

INDIVIDUAL INVESTMENTS RISKS

01 As an example, this past year, one of our investment teams was evaluating a portfolio of assets on coastal real estate. In partnership with our dedicated ESG team, we identified physical risks from climate change (both extreme weather-related events and sea level rise) as a material risk for this potential investment, alongside corollary risks such as insurability. We worked with a third-party climate risk consultant to help us better model, understand, and price those risks. A combination of factors, which included the climate-related physical risks, ultimately led us not to pursue that deal.

02 Another deal we evaluated in the past year had significant potential market and policy risks due to the carbon-intensity of the core business model. We worked with a third-party ESG consultant to conduct on-the-ground diligence of the material ESG risks we identified. As part of that work, we modeled out investment implications under different carbon-pricing scenarios. We also incorporated improved monitoring of greenhouse gas emissions and a more robust approach to reducing those emissions over our hold period as part of our investment thesis, as we believe this would position us for a stronger exit.

INDIVIDUAL INVESTMENTS OPPORTUNITIES

01 We have increasingly discovered climate-related opportunities, led by the thematic expertise of our

industry-focused investment teams, in partnership with our dedicated ESG team. As an example, in 2015 Carlyle invested in AxleTech International, a premier provider of powertrain systems and components for heavy-duty commercial and defense vehicles. Recognizing the importance of the electrification of the vehicle fleet globally, Carlyle and AxleTech partnered to invest an additional \$20M in designing and developing an in-axle electric powertrain. That investment was a significant growth driver for the company.

In 2015, Carlyle and AxleTech partnered to invest \$20M in designing and developing an in-axle electric powertrain, becoming a growth driver for the company.

FIRMWIDE AND PORTFOLIO LEVEL

In addition to our individual investments, we are also focused on understanding and better managing climate-related risks and opportunities at the firmwide and fund levels.

FIRMWIDE AND PORTFOLIO RISKS

01 Carlyle recently concluded an important project to assess, refresh, and adapt our Investment Exclusions and Parameters Policy to better reflect the changing realities of the current environment. An important component of this project was excluding investing in or financing thermal coal, and applying a higher level of scrutiny to energy-intensive investments, with an explicit focus on “climate change and the energy transition, including physical, technological, and regulatory risks.” We believe this updated policy is an important component of our climate risk management.

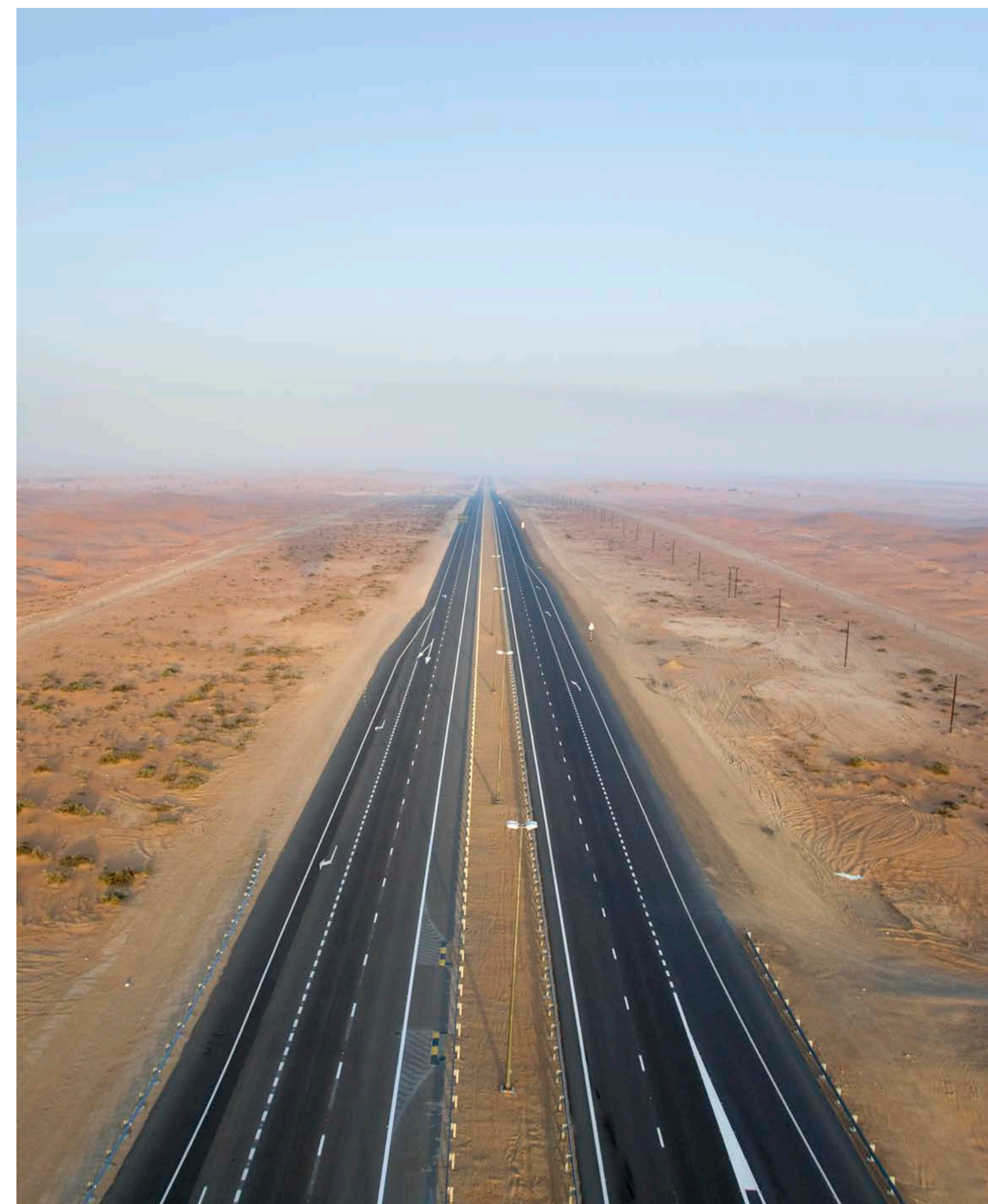
02 In 2020 Carlyle hosted its inaugural climate scenario planning workshop, facilitated by BSR, a non-profit partner. The three-hour workshop was attended by approximately 25 Carlyle professionals from across industries and strategies, and enabled us to think critically about a range of plausible climate scenarios, and from those scenarios, brainstorm what would better position our portfolio today for those worlds. The goal of the exercise was not to identify an “answer” to climate change, but rather to start building the agility, critical thinking, and

risk lenses to integrate into our go-forward investment decision making. We focused on a few specific portfolio companies, but also considered implications for other sectors and investment strategies. BSR guided us by using three different 2030 scenarios, each tied to a different one of the Intergovernmental Panel on Climate Change’s representative concentration pathways. The major implications and discussion points identified during the workshop were presented to a group of senior Carlyle leaders, including our CEO, COO, CRO, Co-Head of US Buyout, and others. The context and impetus for this workshop are profiled further [here](#).

FIRMWIDE AND PORTFOLIO OPPORTUNITIES

01 As a result of a strategic review completed from 2018-2019, Carlyle launched its Renewable and Sustainable Energy platform in late 2019. This dedicated team is addressing the energy transition by investing globally in the renewable energy and sustainable resources sector. The team has already completed several investments, including a partnership with Cardinal Renewables, profiled [here](#).

02 An important component of our approach to climate change was launched this past year, as we began a significant body of work to carbon footprint our majority-owned portfolio companies across our three primary corporate private equity strategies: US Buyout, Europe





Buyout, and Asia Buyout. We believe this information is vital for both understanding risks for portfolio companies (especially from policy and legal shifts) as well as highlighting potential opportunities. Examples of opportunities include:

- *A US tech company is building out their ability to calculate the carbon emissions reduction of using their digital service versus conventional technologies, which they believe will be a sales driver for corporates with carbon reduction goals.*
- *By helping a US manufacturing company establish a carbon footprint for their manufacturing and production, we helped obtain data necessary for an energy auditor (and procurement specialists) to evaluate where the best financial cost-savings opportunities are, which is of heightened importance during the disruptions of COVID-19.*
- *We helped a consumer-facing brand in the UK calculate its facility's carbon footprint and obtain carbon offsets in order to make it carbon neutral under Carbon Trust standards. In addition to being a focus area of its consumers, the company also saw this work as a demonstration of operational excellence at that facility, which it considers important for its brand and employee base.*
- *A European manufacturing company collects detailed carbon information about its processes because its*

products have a much lower carbon footprint than those of competitors. As such, the company's products are positively rated by green building schemes [such as Leadership in Energy and Environmental Design (LEED) and BREEAM], providing customers who use its products extra points toward certifications. The company's sales strategy is based in part on getting these certifications in each jurisdiction, which it believes give it a competitive edge.

03 We have published proprietary research, detailed on page 12, which examines the relationship between various dimensions of movement along the energy transition and the potential impact on company valuations.

04 Finally, we work to educate our portfolio companies on emerging climate-related risks and opportunities that are material to their businesses. For example, in 2020 we hosted a virtual gathering for our energy portfolio companies which featured presentations by Environmental Resources Management (ERM) on emerging climate change-related regulatory implications and TCFD reporting best practices, as well as the Environmental Defense Fund on the developments in methane tracking and reduction.

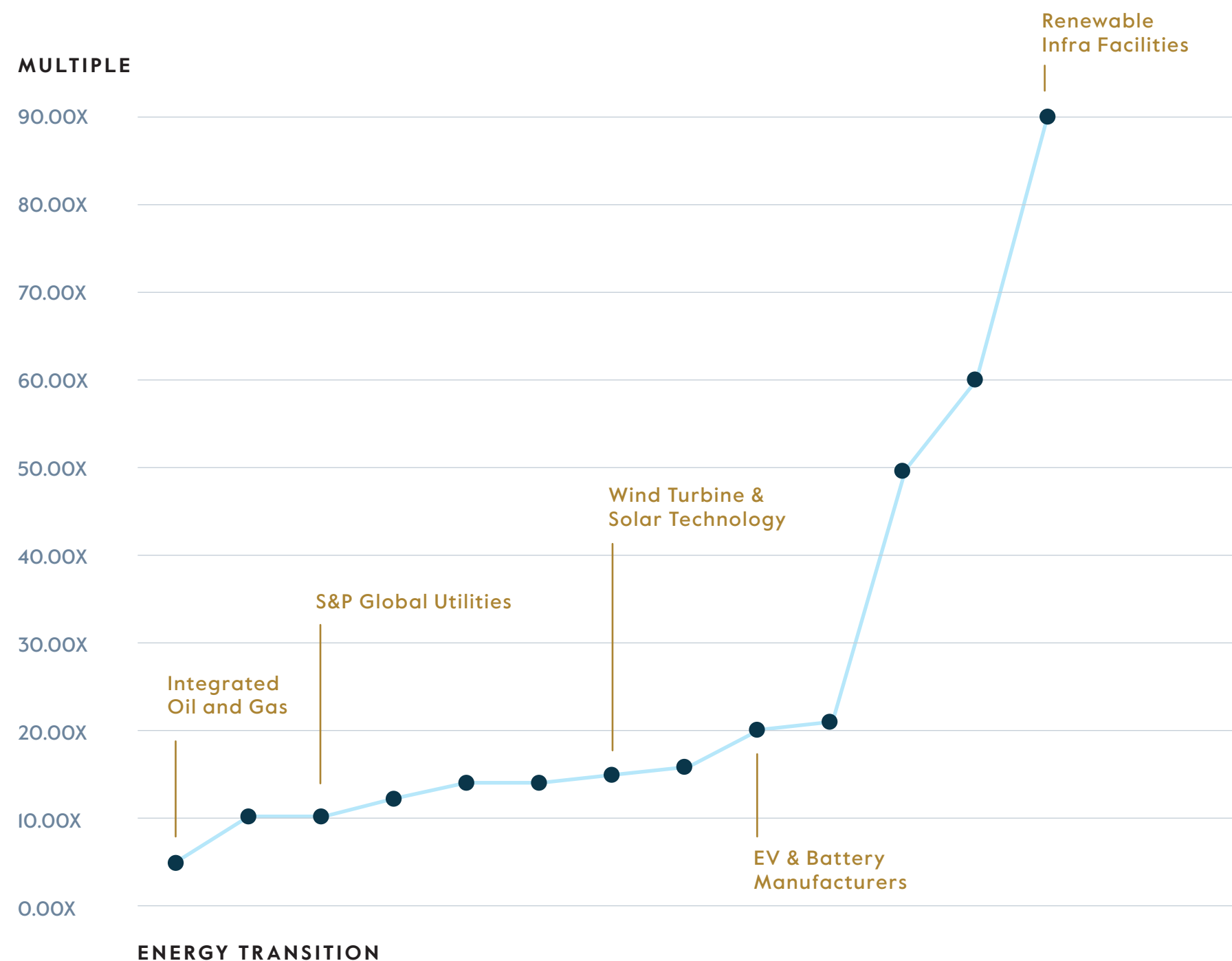


Case Study

Carlyle International Energy Partners

Our International Energy platform is keenly aware of the risks and opportunities climate change presents to its underlying investments, while recognizing that hydrocarbons represent a significant portion of the energy supply in the coming decades under most transition scenarios. The International Energy team is focused on minimizing the environmental impact of its energy investments and helping their portfolio companies invest in clean energy technologies as a core part of the energy transition. We believe that evolving the oil & gas business model provides attractive financial and environmental opportunities. As broad awareness of the nearer-term consequences of climate change have intensified, disparities in energy sector multiples have emerged. Today, in our experience, the valuation assigned to a given energy company largely depends on where its assets sit on the clean energy spectrum, creating compelling financial incentives to accelerate the energy transition through diversified energy companies – not solely through pureplay renewable energy developments.

VALUATION MULTIPLES HAVE ADJUSTED TO ENERGY TRANSITION RISK IN ADVANCE OF CHANGES IN FUNDAMENTALS



Furthermore, our research has indicated that increasing renewables' (photovoltaic solar and wind) share of total revenue from zero to 40% could lead to a doubling of the typical energy company's trailing EBITDA multiple.

Our climate priorities across our International Energy platform are: 1) reducing emissions from operations, 2) encouraging low- and zero-emissions product development, 3) supporting in TCFD reporting implementation, 4) encouraging methane leak monitoring, and 5) select investment exclusions based on hydrocarbon intensity.

At least three of our portfolio companies within this strategy have adopted the TCFD recommendations. We have highlighted below how some of our portfolio companies have worked to reduce emissions from operations and innovate in low- and zero-emissions products:

NEPTUNE ENERGY

01 Gjøa floating platform in the North Sea is powered with hydroelectric power generated on-shore: CO2 emissions reduced by ~200 kilotonne per annum (ktpa) (equivalent to emissions from 100,000 cars)

02 Snøhvit field captures CO2 at the LNG processing facility & reinjects it into the aquifer, storing up to 700ktpa of CO2

03 Q13a will be the first offshore green hydrogen pilot globally: three energy systems in the North Sea – offshore

wind, offshore gas & hydrogen – integrated to produce electricity via injection of the hydrogen into the existing gas infrastructure

VARO

01 Signed a Swiss federal convention to improve refinery energy efficiency by 6.8% by 2023

02 Installed 820m2 of Solar photovoltaic (PV), saving 135 kilowatts (KW) of grid power

03 \$10 million invested in a new natural gas pipeline for refinery heating & hydrogen manufacturing: CO2 emissions reduced by 25ktpa

04 800 million litres of sustainable bio fuels supplied in 2018, reducing CO2 emissions of their customers by 1.7 metric tons (MT)

05 Delivered marine biofuel that provides 80-90% well-to-propeller CO2 reductions vs traditional fuel: it contains no sulphur dioxide, complying with International Maritime Organization (IMO) 2020

NOURYON

01 Reduced its carbon intensity (carbon dioxide emissions per tonne of product) by 29% since 2009

02 Sources 56% of its energy from low-carbon sources

03 Increased the use of bio-steam at two plants in the Netherlands, reducing CO2 emissions by 150ktpa

04 20% of revenue linked to “eco-premium” products:

- *Partnership with Photanol to use CO2 & sunlight for production of biodegradable plastics & personal care products*
- *Sustainable, water-miscible defoamer for cleaners*
- *Sustainable adhesion promoter for use in asphalt*

Our research has indicated that increasing renewables' share of total revenue from zero to 40% could double the typical energy company's EBITDA multiple.

820M²

VARO INSTALLED 820M² OF SOLAR PHOTOVOLTAIC (PV) SAVING 135 KILOWATTS OF GRID POWER

200KTPA

GJOA FLOATING PLATFORM HAS REDUCED CO₂ EMISSIONS BY ~200 KILOTONNE PER ANNUM (KTPA) (EQUIVALENT TO EMISSIONS FROM 100,000 CARS)

56%

NOURYON SOURCES 56% OF ITS ENERGY FROM LOW-CARBON RESOURCES

800M

VARO SUPPLIED 800 MILLION LITRES OF SUSTAINABLE BIO FUELS IN 2018

Metrics

We believe data is an integral part of our ability to better understand and manage climate risks and opportunities. We are focused on collecting better data on both our own corporate operations, as well as on our portfolio company investments.

OUR OWN OPERATIONS 2019 was Carlyle's third year of carbon neutrality across our 32 global offices and the activities of our more than 1,750 employees, after we became the first major private equity firm to make a carbon neutrality commitment in 2017. Using the World Resources Institute's Greenhouse Gas Protocol (GHGP), we focused on the material sources of emissions for our firm across Scopes 1-3: office utilities, offsite data centers, commercial and private air travel, and employee commuting. In 2019 we emitted 19,576 metric tonnes of carbon dioxide equivalent across those categories, detailed in the table on the next page. As in prior years, we offset our emissions by purchasing carbon offsets in truck stop electrification projects in the US through The Carbon Fund, which were verified by the American Carbon Registry. Our carbon footprint was assured by Apex Companies.



CARBON NEUTRALITY FOOTPRINT ACROSS 32 GLOBAL OFFICES AND 1,750+ CARLYLE EMPLOYEES SINCE 2017

CATEGORY	EMISSIONS (MT/CO2E)		
	2017	2018	2019
OFFICE UTILITIES <i>Scope 2</i>	5,281	5,117	5,042
DATA CENTERS <i>Scope 2</i>	538	396	363
BUSINESS TRAVEL <i>Scope 3</i>	9,775	9,655	12,780
EMPLOYEE COMMUTING <i>Scope 3</i>	1,245	1,301	1,390
TOTAL	16,839	16,468	19,576

**Note, these values may not add up due to rounding*

OUR INVESTMENTS In 2020 we expanded our ESG data collection to track KPIs that are relevant across diverse geographies and assets for our Corporate Private Equity and Natural Resources investments. These KPIs include several climate-related questions, such as if a company purchases renewable energy and/or has a target for purchasing renewable energy, if a company monitors energy usage and/or greenhouse gas emissions and reports on that, and if a company has set energy efficiency or greenhouse gas emissions reduction targets.

For some of our largest strategies, we also work with portfolio companies on collecting material, bespoke, climate-related data (please see a [case study](#) of Neptune's work reducing the carbon intensity of their activities, and a [case study](#) of Accolade Wine's efforts to carbon footprint and offset the emissions of their facility).

Additionally, for the investments done by our Renewable and Sustainable Energy team, we perform a qualitative and quantitative analysis of the climate impact as part of our investment due diligence process, which is included in our Investment Committee memos. As an example, for a recent investment we calculated the total carbon emissions abatement capacity potential of a pipeline of solar projects in various stages of development. This quantitative approach helps us refine our investment decisions and

better understand the environmental implications of our renewable and sustainable energy investments. These calculations will be tracked and aggregated annually at the portfolio company and strategy levels.

PORTFOLIO CARBON FOOTPRINTING Importantly, this past year we embarked on a significant body of work to carbon footprint Scopes 1 and 2 carbon dioxide equivalent (CO2e) emissions for majority-owned portfolio companies across our three primary corporate private equity strategies: US Buyout, Europe Buyout, and Asia Buyout. The work was accomplished through a partnership with the Environmental Defense Fund Climate Corps.

Our portfolio carbon footprinting methodology is consistent with the GHGP and Scope 2 Guidance developed by the World Resources Institute. It included the direct emissions from owned or controlled sources as well as indirect emissions associated with purchased energy for the year 2019. We did not gather data on Scope 3 emissions at this stage, though many portfolio companies actively track, measure, and work to reduce these indirect emissions that occur both upstream and downstream within a company's supply chain.

We normalized emissions to portfolio company revenue to arrive at a carbon intensity of metric tons (MT) CO2e



per million dollars of revenue. By using an intensity-based metric rather than an absolute-based metric, we are able to better account for the difference in size and operations across portfolio companies.

We carbon footprinted the majority of companies across the three funds, although for several companies we were unable to due to exits from the portfolio or similar circumstances. For the small portion of companies where we lacked data, we made certain assumptions – for example, we could perform estimates using headcount or square footage and location data. For most companies, we assisted in completing a carbon-footprint, although for others that had already footprinted their business we were able to review and confirm the data provided to us.

We believe this carbon data provides companies with a more holistic picture of the climate-related exposure and resilience of their businesses, although it is a starting point, not an “answer” to this question. Understanding their carbon intensity can help companies better prepare for potential climate-related policy changes, comply with GHG emissions reductions targets and reporting requirements, and better position themselves for growth in a business and consumer context that is increasingly focused on climate change.

Through this exercise, we observed that there are increasingly market pressures for consumer-facing companies to disclose and potentially reduce carbon emissions in particular. Investors, employees, and customers are interested in the carbon positioning of the companies they invest in, work for, and buy from. By publishing carbon data, companies may be able to improve transparency, bolster their credibility and reputation among stakeholders, and improve profitability through cost savings and operational efficiency measures. Strategic carbon management can potentially be leveraged as a strength and value proposition that brings a competitive advantage to both mitigate risk and create opportunities.

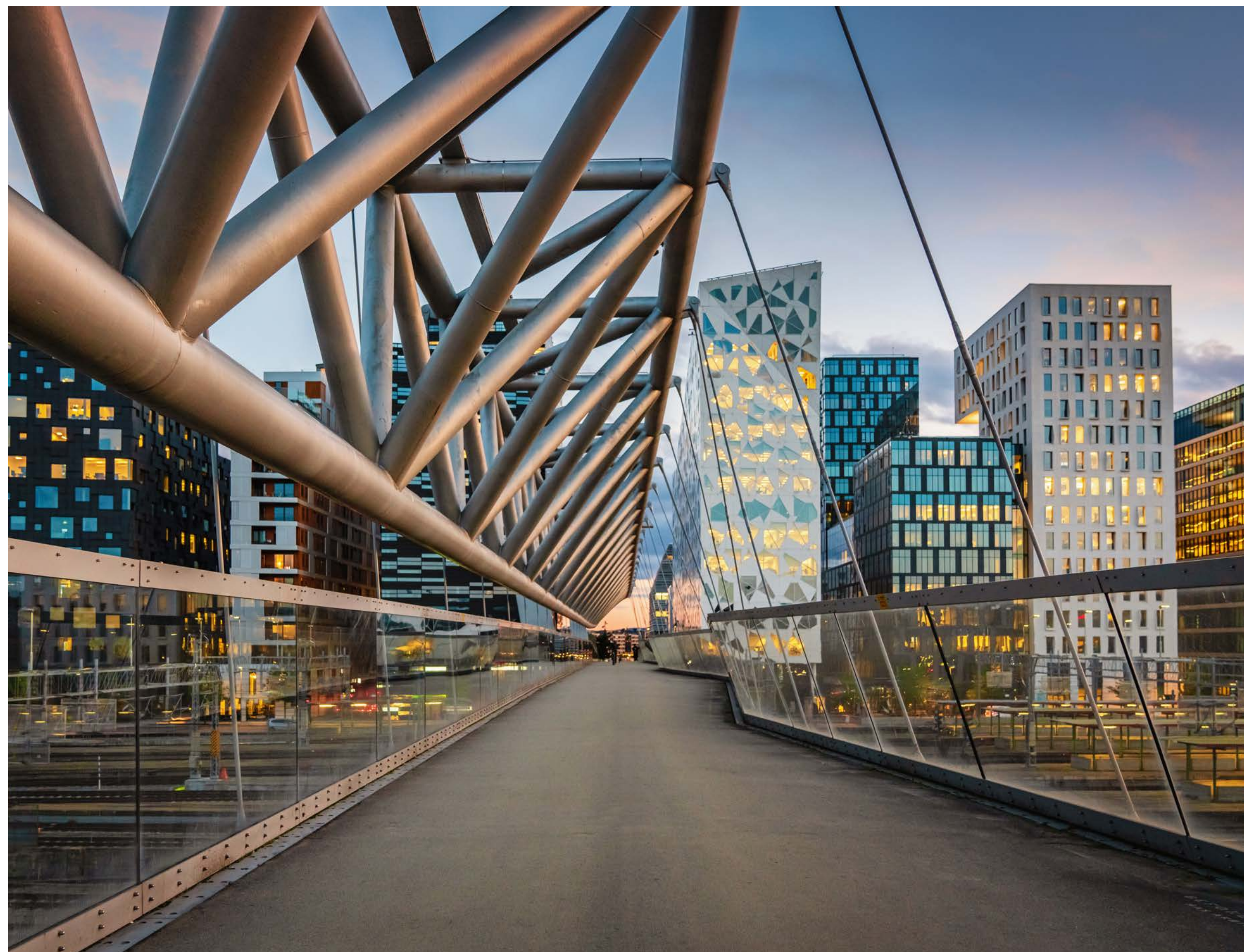
We hope to continue to share the learnings and challenges we experienced with our peers and stakeholders, to help advance this work on a go-forward basis, and consider the potential of setting carbon reduction targets.

Climate change has critical implications for us as a global investment firm, creating both risks as well as significant investment opportunities.

Companies that can navigate these emerging challenges – from physical risks to policy shifts and technological disruptions – and seize the mounting opportunities of the energy transition, we expect will have the climate resilience to thrive in a changing world.

As such, we are committed to continuing to enhance our governance, strategy, risk mitigation, and metrics and targets on climate change. Our first TCFD report is an important part of good governance and transparency, and we look forward to continuing to learn from our stakeholders and peers in this important work.

Note on scope This document covers controlled direct equity and credit investments made by The Carlyle Group. Due to our different business model, this policy does not apply to related entities Alpmvest, Metropolitan Real Estate, or NGP. More information on Alpmvest's own alignment with TCFD can be found at the following link.



CARLYLE

There can be no assurances that Carlyle's investment objectives will be achieved or that our investment programs will be successful. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. Investors should read this Corporate Citizenship Report in conjunction with investment fund quarterly reports, financial statements and other disclosures regarding the valuations and performance of the specific investments listed herein.

Investors should also review The Carlyle Group's annual, quarterly and other reports filed with the Securities and Exchange Commission (SEC). Certain of the information contained in this Corporate Citizenship Report represents or is based upon forward-looking statements or information.

Forward-looking statements are inherently uncertain, and changing factors, such as those affecting the markets generally, or those affecting particular industries or issuers, may cause events or results to differ from those discussed. Therefore, undue reliance should not be placed on such statements or the conclusions drawn therefrom.

which in no event shall be construed as a guarantee of future performance, results or courses of action. The Carlyle Group believes these factors include, but are not limited to, those described under "Risk Factors" in Carlyle's Annual Report on Form 10-K for the year ended December 31, 2019, filed with the SEC, as such factors may be updated from time to time in its periodic filings, which are accessible on the SEC's website at www.sec.gov.

The Carlyle Group expressly disclaims any obligation or undertaking to update or revise any such forward-looking statements. References to portfolio companies are intended to illustrate the application of Carlyle's investment process only and should not be viewed as a recommendation of any particular security or portfolio company.

The information provided about these portfolio companies is intended to be illustrative, and is not intended to be used as an indication of the current or future performance of Carlyle's portfolio companies. The investments described in the selected case studies were not made by any single fund or other product and do not represent all of the investments purchased or sold by any fund or other product. The information provided herein

is for informational purposes only and is not and may not be relied on in any manner as advice or as an offer to sell or a solicitation of an offer to buy interests in any fund or other product sponsored or managed by Carlyle or any of its affiliates.

Any such offer or solicitation shall only be made pursuant to a final confidential private placement memorandum (as amended and/or restated from time to time) and the applicable fund's subscription documents, which will be furnished to qualified investors on a confidential basis at their request for their consideration in connection with such offering. Please see Carlyle's public filings for the definition of "carry funds" and "Assets under Management" or "AUM."