

THE CARLYLE GROUP

GLOBAL ALTERNATIVE ASSET MANAGEMENT

CORPORATE CITIZENSHIP 2016

Transparency in Focus



At Carlyle, we're clearly focused on responsible investing, sustainability and making transparency part of everything we do.

Improving energy and operational efficiency can deliver better financial performance. That's certainly true for RAC, the second-largest roadside assistance provider in the U.K. During Carlyle's ownership, RAC made numerous energy efficiency improvements, such as cutting energy consumption per breakdown service for its vehicle fleet, a change that reduced carbon emissions and contributed to EBITDA growth.





CORPORATE CITIZENSHIP

Being a good corporate citizen starts with responsible investing. That means carefully considering the environmental, social and governance (ESG) implications of our investments. It means seeking opportunities to create value through sustainability efforts and increasing visibility into how a company incorporates ESG activities throughout its operations.

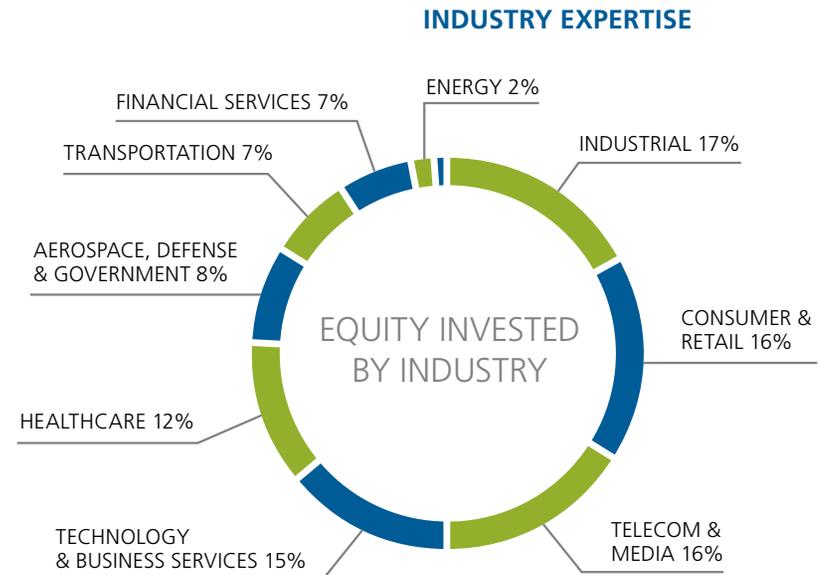
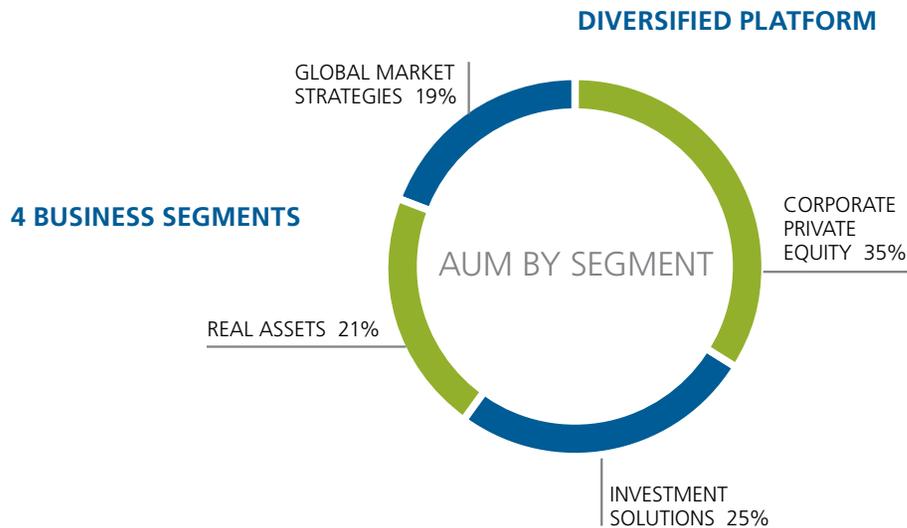
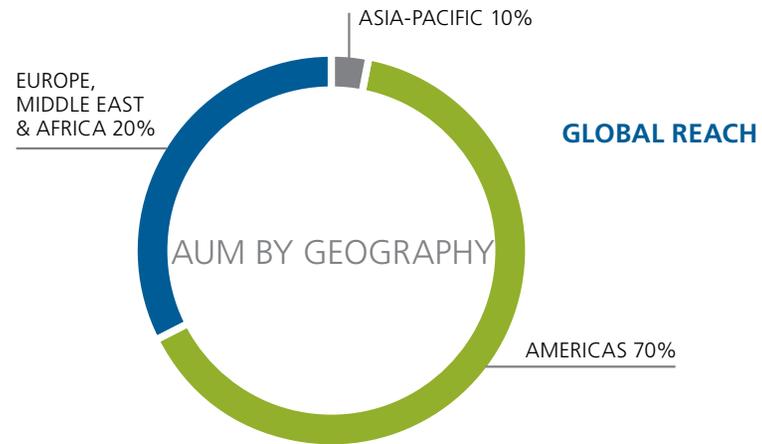
Corporate citizenship also means applying our One Community initiative to cultivate diverse teams and encourage employees to get involved in their communities through our volunteer and wealth sharing programs.



About Carlyle

Operating Globally, Working Locally

The Carlyle Group (NASDAQ: CG) is one of the world's largest alternative asset managers with \$183 billion of assets under management across 126 funds and 160 fund of funds vehicles. Our more than 700 investment professionals on six continents are well positioned to spread ESG best practices and make a visible impact across the globe.



36/21

36 offices in
21 countries

current
portfolio
companies

200+

1,700+

employees

250+

active
real estate
investments

investment
professionals

700+

A Message from the Founders

SUSTAINABILITY MATTERS at Carlyle. It's good for our investors, good for the environment, and good for employees and consumers.

Eight years ago, we developed and implemented Responsible Investment Guidelines, and the Private Equity Growth Capital Council adopted a similar set of guidelines the next year; six years ago we published our inaugural citizenship report, the first by a major private equity firm; and two years ago we hired our first Chief Sustainability Officer, Jackie Roberts, increasing our ability to make progress in this vital area across our global portfolio.

In this, our sixth Corporate Citizenship Report, we examine how sustainability supports four areas critical to the success of our portfolio companies: customer relationships, brand equity, operational efficiency and workforce strength. Our last two citizenship reports offer almost 30 examples of sustainability adding value in these four areas, representing more than 20% of our controlled, corporate buyouts.

Among the many case studies in this report, two in particular exemplify how Carlyle helps our portfolio companies better harness sustainability to improve products, respond to customer needs, create value and improve the bottom line.

Vogue International, a U.S. buyout portfolio company that manufactures personal care products, has increased its commitment to transparency, developed healthier ingredients, expanded its use of greener packaging and started reporting to CDP, formerly known as the Carbon Disclosure Project. In addition to creating better products, these changes have moved Vogue into or near the top quartile on sustainability indexes for its major customer, Walmart, which is critical as other customers, including Target, also evaluate supply chain sustainability.

Yakjin Trading Company, an Asia growth investment that manufactures knitwear, significantly expanded its sustainability and transparency efforts in 2014 and 2015. Yakjin appointed a senior executive to lead its sustainability initiatives; improved

oversight of production facilities in Vietnam, Cambodia and Indonesia; published its first corporate social responsibility report; and, perhaps most importantly, developed new channels for management-labor dialogues and new worker benefits in Cambodia.

As you will see, transparency is a central theme of this year's report. Visibility into sustainability initiatives is important for the customers, competitors and employees of many of our portfolio companies. We also want to provide investors with greater visibility into the sustainability performance of our portfolio companies. Much work still needs to be done, and we are focused on continuing to be leaders in this area. Transparency with our limited partners has been and continues to be a priority at Carlyle. We were also among the first private equity general partners to endorse and support new investor fee reporting guidelines released by the Institutional Limited Partners Association (ILPA) in January 2016.

Our Chief Sustainability Officer, Jackie Roberts, provides expert guidance and support to our investment teams and portfolio companies on a variety of sustainability and ESG issues. Jackie has 20 years of experience at senior levels in the environmental community and has worked with global companies to improve their environmental performance and sustainability efforts. She brings a new perspective to our deal teams and portfolio companies.

While every company is different and one size doesn't fit all, we're asking new questions across the board. As we identify important sustainability issues, we monitor new areas and, where appropriate, work with our portfolio companies to exchange best practices as an extension of our One Carlyle culture. In every case, we support our portfolio companies' internal capabilities to manage ESG issues so that sustainability value remains with the company and continuous improvement is not only possible, but highly likely.

Complementing our sustainability efforts is our commitment to give back to our communities through our Global Volunteer and Wealth Sharing Programs. In 2015, Carlyle professionals used their time, talent and treasure to make a positive impact in the communities in which they live and work: teaching at inner city schools, feeding the homeless, beautifying public parks and financially supporting community groups. The firm is proud to support these efforts.

Our purpose is to invest wisely and create value for our investors. We believe that our commitment to sustainability, ESG management and philanthropy is an important part of fulfilling that purpose.

We are grateful for and humbled by the faith and trust you continue to place in us.



Improved transparency reveals how integrating sustainability activities throughout the investment life cycle—from due diligence to exit—can create value.

A handwritten signature in black ink, appearing to read 'David M. Rubenstein'.

David M. Rubenstein
Co-Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Daniel A. D'Aniello'.

Daniel A. D'Aniello
Chairman

A handwritten signature in black ink, appearing to read 'William E. Conway, Jr.'.

William E. Conway, Jr.
Co-Chief Executive Officer



Key Stakeholders

Investors



More than 1,700 investors from 78 countries rely on Carlyle to achieve premium returns on their invested capital. Our investors range from public and private pension funds to university endowments and sovereign wealth funds to unions and corporations. Pension funds are our largest group of investors. Their key stakeholders are pensioners who rely on strong, sustainable investment performance.

Workers



Across our Corporate Private Equity and Real Assets segments, we have investments in more than 200 portfolio companies that employ more than 675,000 people worldwide. This large employee base is often a critical force in advancing sustainability initiatives.

Communities



Thriving companies support local communities. Our expertise in key industry sectors—from healthcare to transportation—helps companies become stronger and address the potential impacts of their operations on communities. Stronger companies can expand and create jobs, driving economic growth that builds more vibrant and engaged communities.



ONE CARLYLE

Carlyle professionals work together seamlessly and selflessly across funds, industries and geographies to deliver the wisdom, knowledge and resources required to invest wisely and create value for our investors. We call our collaborative spirit One Carlyle.

OUR / PURPOSE

To invest wisely and create value

OUR / MISSION

Generate superior investment returns

Inspire the confidence and loyalty of our investors

Attract, develop and retain highly talented professionals

Demonstrate principled industry leadership

Be responsible and respected members of the global community

OUR / VALUES

Service

Act in the best interest of our investors

Integrity

Uphold the highest standards of integrity, professionalism and confidentiality

Quality

Deliver best-in-class investment activities and services to our investors

Stewardship

Treat our investors' money as if it were our own, balancing risk and reward

Accountability

Take personal responsibility and deliver on commitments

Teamwork

Create community and work together as One Carlyle

Respect

Value each other, encourage professional development, respect personal contributions and reward effective performance

Citizenship

Be responsible citizens in the communities in which we work and live

Entrepreneurship

Differentiate the firm through creative thinking and action

Determination

Show a will to win in every aspect of our business



RESPONSIBLE INVESTING

Responsible investing means, among other things, considering the ESG implications of our investments and seeking opportunities to create value through sustainability efforts.

Our Responsible Investment Guidelines Make Our Standards Clear

Our views on what constitutes responsible investing are very clear, thanks to our Guidelines for Responsible Investment, which draw on a variety of existing internationally recognized norms. The Private Equity Growth Capital Council later adopted similar guidelines.

We share the guidelines with our controlled, corporate investments and help management evaluate ESG issues related to their business. We also encourage our portfolio companies to review the guidelines at board meetings at least once a year. Our complete guidelines can be found at www.carlyle.com/citizenship.

Seeking Out Visible—and Hidden—Risks

At Carlyle, we've worked to make our responsible investment guidelines part of our investment process—a process that includes assessing the ESG risks associated with our controlled, corporate investments and identifying opportunities for sustainability to enhance value.

By understanding and reducing risks, companies can become more resilient and enhance their value. Our deal teams assess a wide range of risk scenarios, including potential negative effects of low-probability, high-impact ESG risks.

Managing ESG issues begins early in the due diligence and investment committee approval process and continues throughout our ownership period, where Carlyle may actively support companies that don't have internal resources or expertise in this area. Sustainability initiatives may also play an important role in the exit of an investment. Our value creation case studies offer insight into how improving ESG aspects can help build better companies. A variety of our case studies can be found at www.carlyle.com/investor-relations/case-studies and in our annual corporate citizenship reports at www.carlyle.com/citizenship.

A Flexible Approach

We understand that different companies can be at very different stages of developing their own sustainability initiatives. That's why we adapt our support and involvement to meet each portfolio company's unique needs and situation. Our goal in every case is to build, where needed, the appropriate expertise within a portfolio company, transforming our role to one of mentorship.

Sharing best practices among companies in our portfolio is one way to help different businesses develop and improve their sustainability programs. Our One Carlyle collaborative culture fosters learning and engagement through workshops, individual connections and outside resources.



“Over the last year, 100% of Carlyle-controlled corporate companies reviewed their operations in accordance with our responsible investment guidelines.”

JACKIE ROBERTS

Carlyle's Chief Sustainability Officer

Increasing Transparency

Taking Sustainability and Transparency to the Next Level

Transparency is an increasingly important aspect of our sustainability efforts and those of many of our portfolio companies. Last year was notable because the customers of a number of our portfolio companies asked for increased transparency on sustainability issues, including as members of CDP.

We have seen a particular focus on carbon emissions. In 2015, a total of 17 of our portfolio companies, from very different sectors, submitted reports to CDP, which provides an internationally accepted system to measure carbon emissions and disclose information to improve the management of environmental risk.

Companies report greenhouse gas (GHG) emissions in three categories, or scopes, as defined by the GHG Protocol. Scope 1 emissions comprise direct GHG emissions from sources that are owned or controlled by a company, such as emissions from boilers or furnaces. Scope 2 covers indirect GHG emissions from consuming electricity, heat or steam. Scope 3, which represent longer-term goals, includes other indirect emissions, such as from transportation-related activities. Some companies also include data about water use. More than 5,500 companies globally disclosed environmental information through CDP in 2015.

Sustainability reporting, including through vehicles such as CDP, is not legally required, but has emerged as a new type of “private governance” between customers and their suppliers. In certain sectors, this reporting has proven to be particularly important.

Annual Sustainability Workshop

Each fall, Carlyle gathers a group of portfolio companies in Washington, DC to discuss sustainability trends and emerging issues, and to share ideas among the group. In 2015, our annual portfolio company sustainability workshop included a discussion on expanding private governance initiatives through commodity certification, supplier sustainability surveys, supplier scorecards, CDP reporting and other approaches.



“Private environmental governance is surprisingly important for many of the most pressing environmental problems. The key conceptual step offered by private governance is that public action is not the only way to achieve public ends.”

MIKE VANDENBERGH

Professor of Law, Vanderbilt University Law School
Director, Climate Change Research Network
Co-Director, Energy, Environment and Land Use Program

Advancing Transparency Best Practices

Participating in the British Venture Capital Association's Annual Report

In 2015, Carlyle participated in the development of the British Venture Capital Association's (BVCA) annual report on the performance of U.K.-based portfolio companies owned by private equity firms. The objective of the report, which was developed with BVCA advisor Ernst & Young, is to present independently prepared information on the performance of portfolio companies during their period of ownership by private equity investors.

The BVCA report is intended to improve transparency and disclosure in the private equity industry under the oversight of the Private Equity Reporting Group (PERG, formerly the Walker Guidelines Monitoring Group).

Two Carlyle-owned companies, RAC and Integrated Dental Holdings, met the criteria for inclusion in the report. Both companies provided best-in-class reporting and key performance indicators on core questions such as: What growth rates were achieved? How did private equity ownership affect employment? How did the business perform on employment cost, pensions and productivity?



"Carlyle has long been committed to transparency and advancing industry best practices. We were the first in our industry to publish a citizenship report outlining our sustainability activities, and we're pleased to be among the first private equity general partners to support ILPA's new fee reporting initiative."

ALLAN M. HOLT

Managing Director and Co-Head of Carlyle's U.S. Buyout Group

Improving the Clarity and Consistency of Investor Reporting

Carlyle is taking the lead on a new private equity fee reporting initiative released by the Institutional Limited Partners Association (ILPA) in January 2016. We were among the first private equity general partners to endorse and support the new investor reporting guidelines and are working with ILPA to roll out and implement the initiative.

Under development for more than a year, the new fee reporting template provides a streamlined roadmap for investor reporting. The template has received broad-based investor support from nearly 50 limited partners around the world.



"Carlyle's vocal support can only help the adoption effort. With Carlyle sharing its commitment as an example to others, and a signal to its own investors, you can begin to see the potential for a real ripple effect."

JENNIFER CHOI

Managing Director, Industry Affairs, ILPA

Source: Tom Stabile, "Carlyle Digs in on New Investor Reporting Model," *Fundfire*, February 3, 2016



Delivering Value at Exit through Improved Energy Efficiency

Carlyle Europe Partners III, L.P.

In December 2015, Carlyle announced its exit from its investment in RAC, which is expected to close in the first half of 2016. RAC is the second-largest roadside assistance provider in the U.K. with approximately 8.6 million members. During Carlyle's ownership, RAC's revenues grew from £417 million in 2010 to £501 million in 2015. At the time we announced our exit, we noted: "RAC also delivered substantial reductions in energy consumption per breakdown for its vehicle fleet and through energy efficiency measures implemented at all U.K. sites, which jointly contributed to EBITDA and reduced carbon emissions." At the same time, member satisfaction and retention improved.

Since Carlyle acquired the company four years ago, RAC's management team transformed the business and delivered strong financial performance. Under their leadership, RAC strengthened and improved its core roadside business, building upon the high standards of customer service that earned it the reputation of "The Motorists' Champion," while expanding into new business areas, including telematics.

RAC reduced fuel consumption 10% per service breakdown event in its vehicle fleet by rolling out speed limiters and implementing satellite navigation and intelligent deployment systems. The company also identified opportunities to reduce energy use and costs at RAC's office sites.

20%

Revenue growth from 2010 to 2015

8.6 million

Members

2.2 million

Breakdown responses in 2015



Governance

Strong Governance Starts at the Top

Since The Carlyle Group was established, our founders have recognized the value and benefits of maintaining a business model grounded in investment fundamentals, strong governance and transparency. These tenets have become indelible hallmarks of Carlyle’s culture developed over nearly 30 years of global investing.

We maintain strong internal corporate governance processes and fiduciary functions and are subject to regulatory supervision. Carlyle professionals receive regular and targeted training on many issues related to corporate governance and compliance, such as anti-corruption, conflicts of interest, economic sanctions and anti-money laundering. All employees annually certify to their understanding and compliance with key global Carlyle policies and procedures.

Managing ESG Risks through Strong Governance

Good risk management starts with good governance. In Corporate Private Equity, the largest of our four business segments, our professionals also receive focused training on

compliance due diligence and risk mitigation strategies for target investments. Our Operating Executive consultants and Carlyle-designated board members apply this training—as well as their insight and experience from decades of working in senior executive positions—as they manage ESG risks by guiding our portfolio companies to enhance their own transparency and good governance structures.

Grounded in a culture of compliance, Carlyle teams work collaboratively to identify and mitigate ESG risks early in the due diligence and investment process. The teams coordinate their efforts to develop a risk mitigation strategy for portfolio company management to implement, usually within the first 100 days of closing. Carlyle deal teams monitor the progress and implementation of company plans. Throughout the life of the investment, Carlyle professionals work closely with Carlyle-designated board members to address issues, and are encouraged to seek support from Carlyle resources.



“Our experience enables us to provide specific ESG guidance to portfolio companies, whose boards often seek our help in elevating their codes of conduct and anti-corruption compliance policies and procedures.”

BRUCE ROSENBLUM

Managing Director and
Carlyle’s Chief Risk Officer

SUSTAINABILITY AND VALUE CREATION

Strengthening environmental and social performance can create value by supporting core business imperatives. At Carlyle, we most often see sustainability efforts adding value in four core areas:



CUSTOMER SATISFACTION

Growing strong customer relationships through a commitment to sustainability and engagement to deliver visible results



BRAND EQUITY

Building brand loyalty through responsible and transparent practices to produce greater value



OPERATIONAL EFFICIENCY

Enhancing performance through environmental improvements that reduce costs and boost the bottom line



WORKFORCE STRENGTH

Cultivating an engaged workforce to create stronger companies with the ability to generate sustainable value

Carlyle's deep industry expertise helps our portfolio companies take sustainability to the next level.



"Fuel costs are an important portion of the overall cost structure for RAC. Our efforts helped the company achieve 10% savings in fuel costs per service event—cost savings that accrue to the bottom line."

ANDREW R. BURGESS
Managing Director, Carlyle Europe Partners

Read more on page 12.



"Axalta's customers are increasingly expressing a desire to work with companies that have clear sustainability policies and practices. Our efforts in this area help our customers lessen their consumption of resources and reduce their impact on the environment."

CHARLES SHAVER
Chairman of the Board and Chief Executive Officer,
Axalta Coating Systems



"The work we have done to increase Axalta's sustainability initiatives and transparency has enabled the company to implement best practices in the ESG space as a publicly traded company."

MARTIN W. SUMNER
Managing Director, U.S. Buyout Team

Read more on page 16.



"The work we did with Vogue resulted in improved sustainability rankings at its key retail partners, such as Walmart, which is important for the brand's positioning as consumers increasingly select personal care brands with a robust sustainability program."

SANDRA J. HORBACH
Managing Director and Head of the Global Consumer and Retail Team

Read more on page 24.



"Originally, Syniverse invested in sustainability initiatives because it was important to the company's customers. But our work with the company has helped show how important these efforts are to its workforce as well."

JAMES A. ATTWOOD, JR.
Managing Director and Head of the Global Telecommunications, Media and Technology Team

Read more on page 32.



"We contributed a high level of expertise to support Yakjin's work to build in-house capabilities for establishing new labor-management dialogues."

SANG PIL (PHILIP) PARK
Managing Director, Carlyle Asia Growth Partners

Read more on page 33.



A Rich Palette of Products Helps Customers Meet Environmental Targets

Carlyle Partners V, L.P. & Carlyle Europe Partners III, L.P.

Axalta is a global manufacturer, marketer and distributor of a range of performance and transportation coatings for vehicle manufacturers, the refinish aftermarket and for many industrial applications. The company manufactures industrial coatings in a rich palette of colors that offer durability and provide the vital function of protecting underlying materials from corrosion and wear that result from exposure to the elements.

The technology behind Axalta's coatings enables them to meet the exacting standards required by vehicle manufacturers

striving to meet tighter fuel economy and CO₂ emission standards. Globally, manufacturers are making vehicles lighter by replacing steel with materials such as plastics and high-strength composites. Axalta's coatings can be applied on these different substrates, enabling the coatings on the plastic materials and the adjacent metal to appear identical. Axalta's low volatile organic compound (VOC) coatings further help reduce their environmental impact.

Axalta's coatings are also used in the construction industry, which is experiencing growth in green building projects and the use of Leadership in Energy and Environmental Design (LEED) criteria developed by the U.S. Green Building Council. Axalta's architectural powder coatings help architects and building owners earn LEED certification with low solar absorption coatings, which emit negligible ultra-low VOC levels when being applied and give the aluminum and steel used on buildings a distinctive appearance. The coatings help buildings satisfy LEED criteria under the EQc4 Low Emitting Materials credit category.

Axalta's Alesta® Cool technology powder coatings are used on roof panels and extrusions to reduce localized heat buildup that contributes to the urban heat island effect in hot climates, decreasing energy consumption for air conditioning.



20%

Reduction in surface temperatures and improvement in total solar reflectance with Alesta® Cool powder coatings



Transparency and Sustainability Improve Client Relationships and Employee Quality of Life

Carlyle Partners V, L.P.

Booz Allen Hamilton has been at the forefront of strategy and technology for more than 100 years. The company provides management and technology consulting and engineering services to leading Fortune 500 corporations, governments and not-for-profits across the globe. Booz Allen's sustainability goal is ambitious—to be “the best of the best.” This pioneering company has been calculating its carbon footprint since 2009. So when the U.S. General Services Administration (GSA), a major customer, asked Booz Allen to report its carbon footprint to CDP, it was ready. Although CDP reporting has involved a learning curve, it has also enabled Booz Allen to publish all of its carbon data on its website.

Among Booz Allen's sustainability initiatives is its five-year “Way We Work” program, which gives employees much greater flexibility in where they work, while generally locating them closer to the company's clients. The program's use of expanded “hoteling”

opportunities at various worksites has helped Booz Allen reduce its carbon footprint while improving employee quality of life. Since it began in 2012, the program has expanded, giving employees greater flexibility to work where they need to, when they need to, with “centers of gravity” office space closest to key clients.

When Way We Work was first implemented in 2012, it received Commuter Connections' Telework Award, recognizing the program's success in improving employee commutes, reducing traffic congestion and lowering Booz Allen's overall carbon footprint. In 2014, the most recent year for which data are available, CO₂ emissions from Booz Allen's facilities were roughly 42% lower than in 2009. Booz Allen now also tracks emissions per full-time equivalent (FTE), and the first year-over-year data showed that in 2014 Scope 1 and Scope 2 carbon emissions decreased almost 4% per FTE. In addition, the program continues to enable Booz Allen to attract and retain a highly talented workforce.

42%

Decrease in CO₂ emissions from facilities from 2009 to 2014

21,500
Employees



“Booz Allen started calculating our carbon footprint in 2009, and it took us a few years to refine our calculations. But, when GSA asked us to report to the Carbon Disclosure Project in 2014, we were ready. Our CDP score was very strong for a first-time reporting entity.”

ELIZABETH WAYT

Manager of Sustainability
Program Management Office
Booz Allen Hamilton

A Clear Commitment to Reduce Greenhouse Gas Emissions

Carlyle Partners V, L.P. & Carlyle Europe Partners III, L.P.

In 2015, CommScope achieved an outstanding 76% reduction in greenhouse gas (GHG) emissions against its 2008 baseline, five years ahead of its original goal. For CommScope, a U.S.-based, global provider of premier network infrastructure, strong leadership in the area of sustainability and transparency brings a competitive advantage. The company regularly communicates GHG achievements to customers through CDP reporting and annual supplier assessments that align the company's efforts with the goals of customers.

A key initiative CommScope is pursuing involves reducing reliance on a blowing agent used in cable production that has a potent

global warming potential (GWP). The blowing agent, Octafluorocyclobutane (C318), has a GWP of 10,000, making it the largest contributor to CommScope's GHG emissions. The company's in-house R&D and Engineering teams have introduced solutions, including alternatives to this chemical, that enable the company to achieve significant environmental and financial benefits.

Following trials, a U.S. facility reduced the use of the C318 blowing agent by 50% in 2013, and then fully converted to the alternative agent, isobutane, in 2015. CommScope also conducted trials in its China and U.K. facilities and plans to implement the same measures in the future.

5 years

Achieved 76% reduction in GHG emissions in 2015, five years ahead of the target date



65%

Original target to reduce GHG emissions by the end of 2020 against the 2008 baseline



A Range of Sustainability Options to Fit Customers' Needs

Carlyle Europe Partners III, L.P.

For Multi Packaging Solutions (MPS), meeting customer expectations is a priority. The company offers an array of packaging choices to help customers build green features into their packaging, and it has been submitting Scope 1 and Scope 2 emissions data to CDP since 2009, using CDP supply chain questionnaires from customers. The company received a strong 2015 disclosure score of 84/100, compared with an average score for all submittals of 60/100.



MPS recognizes that many customers require their packaging to align with their own internal sustainability benchmarks. In 2015, the company added a full-time employee to its North American operations to work with customers' procurement teams to find the best combination of cost, availability, functionality and environmental specifications, and to educate customers about opportunities to reduce product impacts. MPS has similar dedicated resources for customers in Asia and Europe.

The company also supports its customers by certifying that multiple sites meet the standards of different programs, including chain of custody requirements for sustainable forestry programs such as the Forest Stewardship Council, Sustainable Forestry Initiative and Rainforest Alliance. MPS provides customers with recycled and recyclable plastic, paper and paperboard materials. It is also exploring biodegradable solutions and the use of renewable resources.

Energy savings management is embedded in the MPS culture. In 2015, MPS launched a global campaign to "switch it off" and continued its quarterly best practice bulletins. MPS purchased Green-e® Energy certified renewable energy certificates equal to approximately 20% of its projected North American electricity consumption for 2015–2017. This equates to avoiding an estimated 29,600 tons of CO₂ emissions. MPS is also an EPA Green Power Partner and a leading printer in the Green Power Partnership program.



84/100

2015 CDP disclosure score versus average score of 60/100

29,600 tons

Estimated avoidance of CO₂ emissions through the purchase of renewable energy certificates



CUSTOMER SATISFACTION

TCW

Environmental

- Greenhouse Gas Emission
- Other Emissions
- Energy Usage
- Waste Intensity
- Water Usage
- Pollution

Social

- Workforce Diversity
- Employee Rights
- Employee Turnover
- Employee Safety
- Supplier Relations & Audits
- Customer Satisfaction

Governance

- Board Composition
- Board Independence
- Executive & Employee Compensation
- ESG Linked Governance
- Share Structure & Voting Rights

The TCW New America Premier Equities Strategy, launched in 2015, analyzes data on more than 30 ESG factors to uncover and invest in highly ethical and efficiently managed businesses.

Meeting Investor Demand by Harnessing ESG Data

Carlyle Global Financial Services Partners, L.P.
& Carlyle Partners V, L.P.

In response to growing client demand, global asset manager TCW developed an innovative U.S. equity investment fund that uses publicly reported ESG data to identify outperforming companies. Launched in August 2015, the New America Premier Equities Strategy* analyzes data on more than 30 ESG factors to uncover highly ethical and efficiently managed businesses. TCW has discovered that these businesses often have financial characteristics that can lead to outperformance while often incorporating less quantifiable and unquantifiable risks.

Since inception and after fees, the New America Premier Equities Strategy has outperformed the Russell 1000 on relative and risk-adjusted bases, 80% of its U.S. large cap blend competitors (1,630 funds) and 93% of its ESG peers (38 funds).

*Reference to the fund should not be considered a solicitation to buy or an offer to sell shares of the fund. Consult the fund's prospectus for important information.

TCW New America Premier Equities Strategy has delivered strong performance since its launch in 2015:

93%

The fund has outperformed 93% of its ESG peers (38 funds)

80%

The fund has outperformed 80% of its U.S. large cap blend competitors (1,630 funds)

Outperforming the Russell 1000

The fund has outperformed the Russell 1000 on relative and risk-adjusted bases

A Strong Brand with a Clear Focus on Environmental Stewardship

Carlyle Partners VI, L.P.

Across hospitals, hospital networks, blood banks and labs in more than 120 countries, Ortho Clinical Diagnostics provides high-quality products and services that enable healthcare professionals to make better-informed treatment decisions. Environmental stewardship has long been a part of the Ortho brand, even before Carlyle acquired the company in a carve-out transaction from Johnson & Johnson in 2014.

Since 2010, Ortho's Raritan, New Jersey site has been recognized as an Environmental Stewardship Site by the New Jersey Department of Environmental Protection for its environmental stewardship and sustainability-related practices. Its Rochester, New York site is one of 15 current organizations in the state certified as a member of the New York State Environmental Leaders program administered by the State Department of Environmental Conservation, which recognizes superior environmental commitment and performance. The Rochester site has been certified annually since the program's inception in 2009.

Other environmental efforts support the brand, including a U.S. fleet comprising 30% hybrid vehicles in 2015, an outstanding employee health and wellness program, and year-over-year progress in resource efficiency.

Ortho Clinical Diagnostics

OPERATIONAL EFFICIENCY PROGRESS REPORT

Raritan, New Jersey:

- 20% reduction in water use from 2011 to 2015, conserving more than 48 million gallons of water in total
- 26 tons of additional material recycled within manufacturing operations
- 30% reduction in medical waste since 2011, 5% of which took place in 2015
- 2.1 million kilowatt hours of clean energy generated in 2015 from on-site solar panels, representing 9.2% of the site's energy demand, enough to power 210,000 average homes
- 7% reduction in overall energy consumption from 2014 to 2015

Rochester, New York:

- 35% reduction in water use since 2013, decreasing water consumption by 21 million gallons per year from 2014 to 2015
- More than 90 tons of non-hazardous waste diverted per year from landfills, and recycled 70% of non-hazardous waste and 85% of hazardous waste in 2015
- 3.8% reduction in overall energy consumption from 2014 to 2015

Pompano Beach, Florida:

- 20% reduction in energy use since 2011, 8% of which took place in 2015

Pencoed, United Kingdom:

- 15% annual reduction in CO₂ emissions, representing a decrease of 672 metric tons from various energy efficient projects implemented from 2012 to 2015

85%

Hazardous waste recycled and 70% non-hazardous waste recycled at the Rochester site in 2015





CAP VERT FINANCE: Reducing the Impact of Information Technology

Carlyle Europe Technology Partners III, L.P.

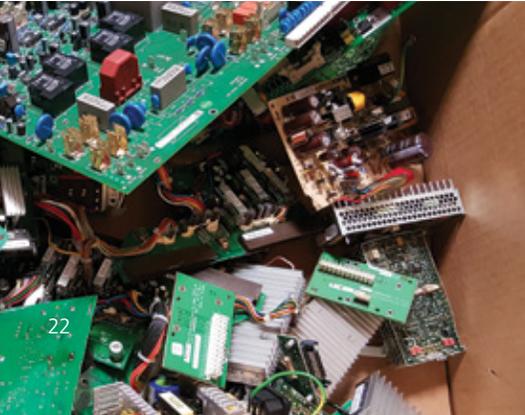
The principles of product stewardship and a restorative, regenerative circular economy have been at the heart of Cap Vert's culture since it was founded in Paris in 2007. The company operates under the trade name IB Remarketing in more than 100 countries. It maintains, repairs and operates more than 100,000 servers, IT storage and networking equipment for corporate clients, telecom operators and systems integrators.

Cap Vert extends the life of customers' IT products through maintenance, reduces life-cycle impacts by offering options for product remanufacturing and provides equipment recycling. It also engages in trading and leasing of electronic equipment to deliver a range of IT solutions.

For example, a typical IT function may be met through purchasing new equipment in cycles of five years over a period

of 15 years. With Cap Vert offerings, that cycle might change to emphasizing maintenance in the first 10 years and meeting IT needs through remanufactured equipment for the final five years. In this example, the Cap Vert solution of a circular economy uses fewer materials and generates a carbon footprint of around 11 metric tons versus 33 metric tons with the traditional approach.

The company is currently investing in tools to measure customer-specific environmental benefits from selecting Cap Vert solutions. Providing customers with detailed environmental footprint data on different options they might consider will enable customers to both track benefits and make better decisions—often providing cost savings to them as well.



66%

Estimated carbon footprint reduction when using Cap Vert's IT solutions compared with the traditional IT purchasing approach



A High-Tech Brand with a Leadership Position in ESG Performance

Carlyle Europe Partners III, L.P.

Sagemcom is a European manufacturer of high-end digital set-top boxes, Internet routers and advanced electricity meters. The brand is recognized for its leadership performance in ESG areas, from supply chain to operations to product life-cycle performance.

Third-party evaluations support the brand's leadership position: Sagemcom achieved CSR GOLD status in early 2016 following an evaluation by EcoVadis, a French company that assesses global supplier sustainability practices, as well as fair business

practices. Sagemcom earned a score of 63, putting the company in the top quartile, compared with the average score of 41.7 for all suppliers assessed by EcoVadis. This is the fifth year Sagemcom has been evaluated by EcoVadis.

Sagemcom also scored above the industry average in CDP reporting and in the top 24% for performance on carbon management. On the Chartered Institute of Procurement and Supply Sustainability Index, Sagemcom had an economic score of 82%, an environment score of 93% and a social score of 74%.



Sagemcom's ESG initiatives and environmental improvements demonstrate its commitment to sustainability:

4%

Carbon impact improvement related to water consumption from 2014 to 2015

20%

Decrease in global waste generation between 2013 and 2015

7%

Carbon impact improvement related to electricity consumption from 2014 to 2015



BRAND EQUITY

Building Brand Equity through Increased Transparency

Carlyle Partners VI, L.P.

Vogue International is a U.S. manufacturer and distributor of hair care and other personal care products, and sustainability is integrated into its major brands. During 2015, the company expanded its efforts and significantly increased transparency to more visibly support its brands. Vogue increased disclosure of ingredients on its website, developed new supplier policies, reported to CDP for the first time, and worked with suppliers to measure their energy and water consumption. The company also appointed a sustainability lead who now manages all projects. These efforts supported Vogue in improving performance on sustainability scorecards from major customers.

Sustainability criteria also factor into ingredient selection. By continuously monitoring the evolving science of cosmetic chemistry and ingredient safety, Vogue can track priority chemicals when evaluating new formulations and exploring alternative options. Priority chemicals include those affected by new regulations or based on concerns raised by other stakeholders. In 2015, Vogue worked with Environmental Resource Management (ERM) to

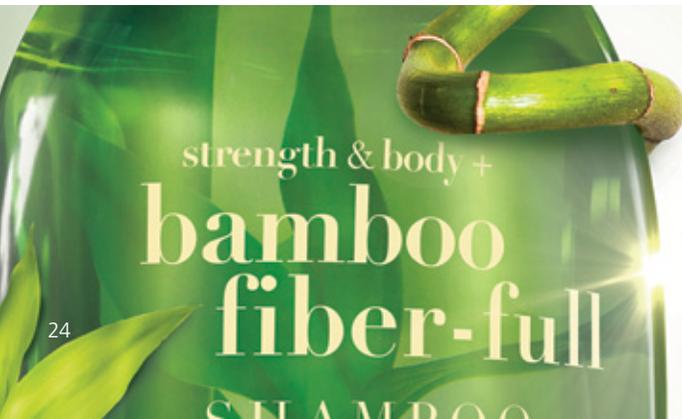
develop a chemical policy that will focus on current and future priority chemicals. In the past, Vogue has eliminated chemicals such as:

- Colorants Red 17 (CI 26100) and Yellow 11 (CI 47000)
- Preservative methylisothiazolinone (MIT)
- Allergen commonly known as Lyral from its OGX product line

In addition, Vogue's products have never contained sodium laureth sulfate or sodium lauryl sulfate, a chemical known to be a skin irritant that is commonly used throughout the cosmetic industry.

Greener packaging supports the brand as well. In 2015, Vogue changed labels based on life-cycle environmental data presented by the company's label supplier, Avery Dennison. The new labels provide reductions ranging from 26% to 34% in fossil fuel, water and energy use; greenhouse gas emissions; and waste.

4
Major brands



26%–34%

Reductions in environmental measures from changing to greener packaging labels

Vogue's leave-in hair products ranked in the top quartile in 2015 on the Walmart sustainability index.



Weaving Environmental Improvements into a Smaller Carbon Footprint

Carlyle Strategic Partners II, L.P.

Brintons is the U.K.'s premier carpet manufacturer. Operational efficiency and sustainability initiatives support the company's ability to reduce its carbon footprint and save costs.

Significant initiatives in 2015 included undertaking a complete compressed air leakage survey and making repairs at the company's Telford plant to improve insulation to distribution pipework, replacing steam traps and installing digital controllers within the spinning factory. These initiatives alone are expected to save the company more than 250 metric tons of CO₂ annually at the Telford plant.

The plant also converted spinning frames from inefficient direct current to alternating control, helping increase production capacity of spun yarn while lowering maintenance costs and achieving 25% energy savings.

Improvements at the Kidderminster plant included recommissioning its time and temperature control schedule within plant processes, installing a proximity sensor to its air cell yarn store and replacing external lighting with low energy lamps. Together, these measures are saving an estimated 62 metric tons of CO₂ annually.

312 metric tons

Estimated annual CO₂ savings from combining the operational improvements at the Telford and Kidderminster plants

25%

Energy savings from changing from direct current to alternating control at the Telford plant



OPERATIONAL EFFICIENCY



Setting Clear ESG Goals and Exceeding Them

Carlyle Asia Partners IV, L.P. & Carlyle Partners VI, L.P.

ADT Korea is an advanced security solutions company that operates a fleet of almost 400 vehicles in Korea. Carlyle acquired ADT from Tyco in 2014. The company serves 530,000 commercial and residential customers. It provides central monitoring services with video surveillance and dispatch, access control and other customized security solutions, as well as guarding services. Because of the size of its vehicle fleet, in 2014, ADT identified fuel savings as an ESG opportunity. The company established two key performance indicators to measure progress: distance driven and fuel consumed per customer account. After setting a 5% improvement goal for 2015 in each area, ADT exceeded both goals with an 8% improvement for distance driven per account and a 12% reduction in fuel consumption per account over the previous year.

8%

Improvement in distance driven

12%

Reduction in fuel consumption



530,000

Commercial and residential customers



OPERATIONAL EFFICIENCY



Adding Value at Exit through Operational Improvements

Carlyle Partners IV, L.P.

Carlyle completed the sale of Veyance Technologies to Continental AG in January 2015. Carlyle acquired Veyance, a manufacturer of engineered rubber products, in a carve-out transaction from Goodyear in 2007. During Carlyle's ownership, Veyance made a series of operational improvements that added value at exit.

For example, Veyance replaced two boilers at its St. Marys, Ohio facility, which not only reduced its carbon footprint by 14,000 metric tons per year but also generated \$3.5 million in annual savings—translating to a value at exit of more than \$25 million.

“During the exit process, the eventual buyer—Continental AG—was very interested in our sustainability efforts, particularly with our boiler replacement program, since the payback period was just nine months.”

PATRICK BARRETT

Former Director of Global EHS & Risk Management at Veyance Technologies

Benefits of replacing two boilers:

14,000 tons

Annual reduction in carbon footprint

\$3.5 million

Annual savings



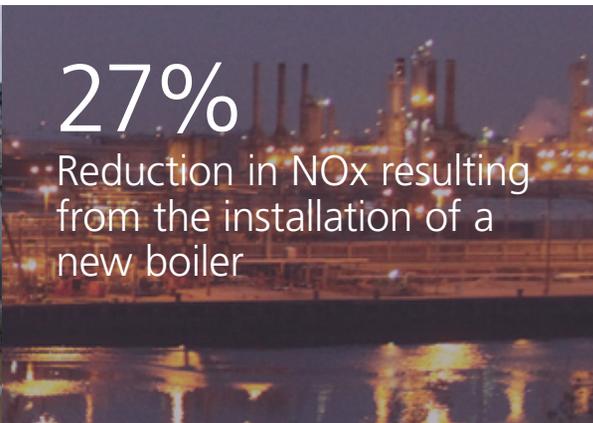
Better Steam Production Is Better for the Environment

Carlyle U.S. Equity Opportunity Fund, L.P. & Carlyle Energy Mezzanine Opportunities Fund, L.P.

Philadelphia Energy Solutions (PES) is the longest continuously operating oil facility in the United States and the largest oil refining complex on the Eastern seaboard. In 2015, PES installed a new boiler to increase steam reliability that will drive substantial environmental improvements. The boiler includes air pollution reduction technologies such as selective catalytic reduction to decrease nitrogen oxides (NOx), a carbon monoxide (CO) reduction catalyst, recirculation of flue gas for complete combustion, and improved filtration of fine particulates. The plant can now deliver steam with 27% less NOx, 29% less CO, 25% fewer volatile organic compounds (VOCs) and 13% less particulate matter (PM). PES aims to fine-tune the new boiler and shift load for steam production to this environmentally improved unit to reduce the plant's overall emissions.

NEW BOILER DRIVES ENVIRONMENTAL IMPROVEMENTS

GHG	Tons Reduced Annually	Percentage Reduction
CO	92.6	29%
NOx	38.6	27%
VOCs	5.1	25%
PM	3.9	13%



27%

Reduction in NOx resulting from the installation of a new boiler

29%

Decrease in CO resulting from the installation of a new boiler

OPERATIONAL EFFICIENCY



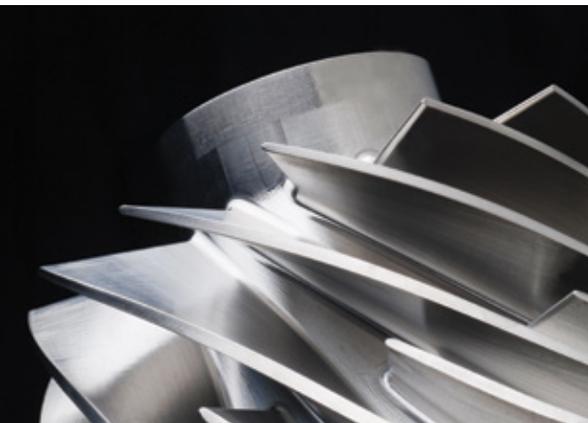
Pumping Out Energy-Saving Improvements

Carlyle Partners V, L.P.

Sundyne is a global manufacturer of pumps and compressors and an affiliate of Accudyne Industries, which Carlyle acquired from United Technologies in a carve-out transaction in 2012. In 2015, Sundyne developed the next version of its energy management plan. The plan identified a series of operational improvements that are expected to generate savings of \$136,000 and pay back investments in 1.6 years on average. The first large project involves adjusting temperatures for cooling water and installing sensors to better manage shutdown periods for air handling—steps that will save \$27,700 each year. Other capital improvement projects are underway, and the company has identified rebates that may pay for 20% of the total cost of its current projects.

\$27,700

Annual savings from adjusting water cooling temperatures and installing sensors to manage air handling



5

Manufacturing sites in 5 countries



20%

Savings through rebates identified to pay for the cost of operational improvements





**CARLYLE POWER PARTNERS:
Specialized Expertise to Enhance Performance through Operational Improvements**



For Carlyle Power Partners (CPP), which invests in power generation, operational efficiency is at the core of value creation. The Cogentrix platform serves as Carlyle’s management team for power generation assets, providing the technical expertise to pursue operational efficiencies—whether investing in traditional thermal power or renewables, such as solar or biomass.

Operational efficiency is particularly important in thermal plants. In 2015, CPP’s fleet included 16 gas-fired plants, reflecting trends toward increased reliance on economic and flexible technologies. Cogentrix focuses on generating electricity with less fuel, less water or fewer chemicals, which increases profits as well. “Cogentrix plant managers benefit from the ability to share best practices across our fleet,” said engineer Rick Neff. “We manage data in an enterprise-wide system so that we can compare operating parameters and emissions data, pointing us to where we need to improve.”

At the Malaga facility in central California, Cogentrix engineers recognized that the plant was using excessive energy to remove water from the pollution control systems. A solution was crafted through operating practices alone that reduced the parasitic energy

consumption and cut the start-up time from 40 to 10 minutes, enabling the plant to respond much faster to hourly movements in the power market.

At the Red Oak facility in New Jersey, Cogentrix engineers have targeted the plant’s consumption of water and chemicals. In just two years, the plant reduced water expenses by first installing a new pump for Sayreville, New Jersey, following Hurricane Sandy, and later by building a de-gasifier, which uses air instead of chemicals to strip iron out of water. These two capital improvements enhanced water quality and reduced water and chemical usage, and each is expected to pay for itself within one year of investment.

Redeveloping older facilities is another way Cogentrix creates value. In 2015, the company redeveloped a 1985 vintage parabolic trough solar plant that was no longer economically viable and designed a new facility utilizing modern photovoltaic panels. Cogentrix leveraged the value of the site’s infrastructure and secured a 20-year offtake agreement. Carlyle then sold the project—in a sense creating something from nothing.

18
Power generation
facilities managed
by Cogentrix
in 2015

33 years
Cogentrix’s experience
developing, constructing,
operating and optimizing
power plants



OPERATIONAL EFFICIENCY



Ta Chong Bank's first CSR report, published in 2014.

TA CHONG BANK: A Power Savings Target Builds on Earlier Successes

Carlyle Asia Partners II, L.P.

Carlyle acquired Taiwan-based Ta Chong Bank in 2007. Ta Chong had more than 60 branches in 2015 and approximately 2,700 employees. In 2014, Ta Chong published its first corporate social responsibility (CSR) report, which included an annual power saving target of 15%, building on earlier successes, such as replacing all lamps in its service operations and self-owned office buildings with LED lighting. Carlyle exited Ta Chong Bank in 2016.

2,700
Employees

15%

Annual power savings target

60

Bank branches





Enhancing Employee Satisfaction While Reducing Greenhouse Gas Emissions

Carlyle Partners V, L.P.

Syniverse is a mobile solutions specialist that helps service providers and brands deliver enriched, reliable mobile experiences to any mobile user around the world. At its Tampa headquarters, Syniverse found that its carbon footprint was affected every time employees drove off-site for lunch, so the company arranged for food truck service to provide additional on-site lunch options. This has given employees more convenient dining alternatives, with the food trucks rotating each week for variety. Based on early results, Syniverse estimates that this initiative will reduce its annual Scope 3 carbon footprint by approximately 21.5 metric tons of carbon-dioxide-equivalent greenhouse gases.

Syniverse first reported its carbon footprint in 2010, and it has improved its CDP score each year. In 2015, it achieved an all-time high disclosure score of 95, which was a significant improvement to its original score of 48 in 2010. As a result, this score has placed Syniverse in the highest tier recognized by CDP. The 2015 industry average score was 60.

Synergy Blog Spreads Employees' CSR Stories

When employees at Syniverse engage in community service or sustainability projects, they are frequently featured in the company's blog, *Synergy*. In 2015, the blog featured efforts by London office employees participating in swimming and bike-riding events to raise funds for charities; a project by the Bangalore office to plant trees and create more green space; and running and activity events that Singapore and Hong Kong office employees participated in to help a nursing home and medical humanitarian organization. Spotlighting employee stories about how they are working to make a difference in their communities builds employee morale and encourages more employees to take part in CSR activities.



95

2015 CDP score, the highest tier recognized by CDP

"During my Climate Corps fellowship, I surveyed Syniverse global employees about sustainability attitudes in the company. An overwhelming majority, 67.9% of respondents, said that everyone, at all levels of the business, should take the lead on sustainability."

MEAGHAN KROHN

2014 Environmental Defense Fund
Climate Corps Fellow at Syniverse

Expanding Transparency and Labor Dialogue

Carlyle Asia Growth Partners IV, L.P.

Since Carlyle acquired Yakjin Trading Corp., a major Korean apparel manufacturer, in 2013, the company has significantly expanded its sustainability efforts and worked to build transparency into its operations. The company published its first CSR report in 2015, complete with sustainability indicators and a GRI Content Index.

Yakjin also strengthened its CSR team by appointing an executive-level manager who led a detailed materiality assessment through a CSR diagnostic protocol based on ISO 26000, an international standard that provides guidance on social responsibility. The assessment included input from Ernst & Young and a Foley Hoag labor expert. Using this approach, Yakjin analyzed

the results of 54 audits conducted by customers and the International Labor Organization from 2010 to 2014, and conducted site visits at seven of its overseas branches in Vietnam and Cambodia. The company is using results from the assessment to form a framework to improve its CSR efforts going forward.

One notable outcome of Yakjin’s efforts was expanded channels for labor-management dialogue and new worker benefits in Cambodia. Following the turmoil between workers and the government of Cambodia in early 2014, the company launched the Labor-Management Dialogue Program, which facilitates the exchange of ideas and concerns among members of Yakjin Cambodia.



Yakjin's first CSR report, published in 2015.

8

Production facilities in 3 countries

ISO 26000

International social responsibility standard on which Yakjin’s CSR diagnostic protocol is based

20,000+
Employees



Helping Veterans Get Back to Work

At Carlyle, we support those who have selflessly served our country. Through our One Carlyle collaborative culture, we facilitate veteran hiring and service initiatives across the firm and throughout our portfolio.

For example, we're developing a forum to exchange veteran job applicant profiles to share talent across our portfolio companies. We're also forming a network of veteran program leaders to identify and disseminate hiring and career development best practices, including creating a detailed playbook to help portfolio companies establish or improve their veteran hiring programs.



JOINING FORCES



TRAVIS MANION
FOUNDATION

Over the past three years, Carlyle and our portfolio companies have received numerous awards recognizing contributions in support of veterans, including:

- **Pharmaceutical Product Development, Inc. (PPD):** Recognized by the Employer Support of the Guard and Reserve, part of the Department of Defense, with the Pro Patria Award and as a Secretary of Defense Employer Support Freedom Award finalist.
- **Booz Allen Hamilton:** Named by *Diversity Journal* as "25 of the Most Influential Companies for Veteran Hiring."
- **Acosta Sales & Marketing:** Received the Gold Thomas A. Edison Marketing Award for the Wounded Warrior Project "Believe in Heroes" campaign.
- **The Carlyle Group:** Received the Corporate Leadership Award from the Travis Manion Foundation.





Creating a Community to Support Veterans

Carlyle Partners VI, L.P.

Novetta Solutions provides advanced analytics that deliver actionable insights to detect threat and fraud, protect high-value networks and improve the bottom line. The company is also committed to making life better for veterans through NovettaVets.

NovettaVets is a community dedicated to veteran networking and outreach, support for veterans and their families, and growing Novetta through the hiring of additional talented veterans.

The company is an active member of Hiring Our Heroes (HOH) and attends HOH job fairs aimed at hiring veterans and their spouses. Novetta also ensures that job postings receive a "veteran hold," which gives veterans exclusive access to job postings for the first three days.

In 2015, Novetta participated in 10 Transition Assistance Program (TAP) classes and job fairs at Washington, DC area bases. TAP classes focus on preparing veterans for the transition to the civilian job market. Each TAP class in 2015 was combined with a job fair open to veterans and their families. In 2016, Novetta is expanding TAP participation to include additional bases.



Providing Training and Sharing Best Practices across the Carlyle Portfolio

In 2015, in addition to our annual portfolio company sustainability workshop, Carlyle hosted a number of conferences through our Leveraged Purchasing Forum, which brought together portfolio companies and preferred supplier partners to discuss opportunities to create and sustain value.

- Supplier partners for LED lighting retrofits and photovoltaic power presented case study examples of cost savings at the Real Estate & Facilities conference and shared best practices for addressing sustainability on an individual portfolio company basis.
- As part of the Information Technology conference, representatives from portfolio company CommScope discussed their “green data center” solutions, which provide opportunities

for dramatic cost reductions and less carbon pollution in energy consumption for chief information officers and IT leaders from across the portfolio.

- FedEx’s chief sustainability officer joined the Transportation & Logistics conference and shared how the company has moved to greener, more sustainable business processes.

These events also provide an opportunity for portfolio companies to share best sustainability practices and gain a better understanding of how these activities support larger customer expectations, such as energy efficiency and carbon reporting in supply chains. The workshops are just one example of Carlyle supporting capacity-building in the sustainability area of our portfolio companies.



ONE COMMUNITY

Through our One Community initiative, we focus on cultivating diverse teams and encourage employees to get involved through our volunteer and wealth sharing programs—working together to improve the communities where we live and invest.





Diversity in the Workplace

Carlyle has a vested interest in the success and advancement of traditionally underrepresented groups. We mentor and provide career opportunities and access to the private equity industry by working alongside nonprofits such as Toigo, INROADS, Out 4 Undergrad, Virginia Values Veterans, Year Up, Women in Technology and SEO.

In 2015, women represented 39% of all employees and 16% of executive positions (Principal level and above) at Carlyle. Our 2016 investment professional Associate class is 58% diverse by gender or race. The firm recently promoted or hired five women into senior-level roles.

We have a number of Employee Resource Groups (ERGs) that give individuals the opportunity to share ideas, successes and concerns; offer an environment for professional development; and provide networking opportunities within the firm. Carlyle's current ERGs include African Americans, LGBTs, Women, Veterans, Young Professionals and Working Parents.

Carlyle has also been a Supporting Sponsor of the SEO Alternative Investments Conference for the past five years. SEO Alternative Investments provides education, exposure, training and mentoring opportunities to talented professionals traditionally under-represented in the alternative investments sector. Beginning in 2014, Carlyle became the principal partner for the SEO Private Equity Prep program. Including the incoming 2016 Associate class, Carlyle has hired 39 SEO alums, by far the most in the industry.

James Attwood, Carlyle Managing Director and Head of the Global Telecommunications, Media and Technology group, has been a member of SEO's Board of Directors for the past two years. David Rubenstein, a Carlyle Co-founder and Co-Chief Executive Officer, hosts an annual summer breakfast for SEO banking interns and, in 2015, was an honoree at the annual SEO Awards Dinner.

Robert Toigo Foundation: Fostering Development of Minority Professionals

In 2009, Carlyle and the Robert Toigo Foundation launched the Toigo Private Equity MBA Graduates Fellowship, an industry initiative aimed at attracting minority MBA graduates to the sector. Carlyle's fourth fellow, Christopher Eldridge, completed his rotation with the Carlyle U.S. Equity Opportunity Fund and was hired as a Senior Associate in 2015. Previous fellows Tanaka Maswoswe and Ryan Ashley have been promoted to Vice President.

David Marchick, Carlyle Managing Director and Head of Global External Affairs, has served as Chairman of the Board of the Robert Toigo Foundation for the past three years.



39%

Women represent 39% of all Carlyle employees

58%

Carlyle's 2016 investment professional Associate class is 58% diverse by gender or race



ONE COMMUNITY

Global Volunteering

Employees from across the globe volunteered with 15 different organizations during Carlyle's fourth annual Global Volunteer Month.

Washington, DC and Rosslyn, Virginia:

- Served meals and cleaned facilities at So Others Might Eat (SOME), a local organization that cares for the homeless
- Prepared meals for families living at Ronald McDonald Houses
- Worked with Goodwill to provide students with career coaching
- Prepared and served a meal for families in the Doorways for Woman and Families program
- Helped the National Park Service with outdoor projects on the National Mall
- Worked with Easter Seals' Little Warrior program to help kindergartners improve their literacy and science, technology, engineering, and mathematics (STEM) skills

Thirty-three employees volunteered for a sixth consecutive year with Junior Achievement's "JA in a Day" program to teach financial literacy to kindergarten through fifth-grade classes in a local elementary school.

Nearly 50 volunteers participated in Higher Achievement's "Olympics of the Mind" with middle school students from Washington, DC, Baltimore, Richmond and Pittsburgh.

New York. Employees helped senior citizens at the Food Bank of New York and partnered with the Pajama Program to encourage elementary school students to read.

London and Paris. London volunteers prepared meals at the Soup Kitchen and Streetlytes, local homeless shelters. In addition, 25 employees ran in the JP Morgan Corporate Challenge benefitting Age UK, an organization that supports the elderly. Paris colleagues participated in La Course des Héros to benefit Make-a-Wish France and the Rhett's Syndrome Association.

Hong Kong. Volunteers supported St. James Settlement's Hot Meal Kitchen Program for underprivileged families and the elderly.





Season of Giving

Every year, Carlyle employees across the globe participate in a variety of volunteer events and giving opportunities during the holiday season. In 2015, more than 275 volunteers donated their time and resources to help their communities.

Washington, DC and Rosslyn, Virginia. Employees helped serve meals and donated winter supplies to SOME; delivered groceries with Martha’s Table; donated gifts to the local Boys & Girls Club; worked with House with a Heart Pet Sanctuary to care for the animals and clean the facility; prepared meals for families living at Ronald McDonald House; and donated gifts to the District Alliance for Safe Housing, a safe house for families and survivors of domestic abuse.

New York. Colleagues built a house with Habitat for Humanity and donated toys and winter clothing to elementary school students.

London and Paris. London employees donated winter coats and clothing to a homeless shelter; donated nearly \$8,000 for the BigKid Foundation; raised money and donated toys to Haven House, a facility for children in hospice care; and wrapped gifts for Help for Heroes, a charity benefitting veterans and their families. Paris colleagues wrapped gifts for Secours Populaire, an organization that fights poverty in France.

Tokyo. Employees helped clean the Komazawa Olympic Park in Tokyo; spent a day cleaning the beach in Kamakura, Kanagawa; and participated in the Financial Industry in Tokyo for Charity Run.

A Commitment to Sharing Wealth

Our Wealth Sharing Program supports Carlyle employees in their charitable giving by matching on a dollar-for-dollar basis contributions made to educational and humanitarian organizations. In 2015, Carlyle matched more than \$330,000 in employee gifts in the United States.



IT Environmental Improvements

In 2015, we closed two data centers, moving almost all remaining physical servers to virtual machines and shrinking our total physical footprint. We decommissioned some 140 physical servers in 2015, securely destroying and recycling approximately 1,000 hard disk drives. We moved the data previously stored on those physical disk drives to flash storage, which is significantly cheaper to operate. These improvements reduce our physical footprint, cut electricity use and generate far less heat, reducing cooling demand.



ENVIRONMENTAL STEWARDSHIP

All content included in this Corporate Citizenship Report, such as graphics, logos, articles and other materials, is the property of The Carlyle Group or others noted herein and is protected by copyright and other laws. All trademarks and logos displayed in this Corporate Citizenship Report are the property of their respective owners, who may or may not be affiliated with our organization. Any person receiving this Corporate Citizenship Report is permitted to copy and print individual pages for informational, non-commercial use. These copies must not alter the original report's content, including all legal notices and legends. 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, 2015, 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." Please note that certain energy funds described herein are jointly advised with Riverstone Holdings LLC and its affiliates. Carlyle does not serve as an advisor to any of the NGP Energy Capital Management investment funds. None of the employee metrics included herein include the employees of Riverstone or NGP. For purposes of the non-financial operating and statistical data included herein, foreign currencies have been converted to U.S. dollars at the spot rate as of the last trading day of the reporting period when presenting period end balances, and the average rate for the period has been utilized when presenting activity during such period.

THE CARLYLE GROUP

GLOBAL ALTERNATIVE ASSET MANAGEMENT

1001 Pennsylvania Avenue, NW, Suite 220 South
Washington, DC 20004-2505
www.carlyle.com

