

Letter from our Co-CEOs

Kewsong Lee & Glenn Youngkin

From due diligence through exit, our impact approach at The Carlyle Group is rooted in building better businesses.

This year's publication, renamed the Carlyle 2020 Impact Review, speaks to our expanded focus on pushing this long-term strategy forward. We believe that taking a comprehensive approach to driving impact within businesses leads to better investment results and more sustainable returns for our investors and shareholders.

While we've been at this for over a decade, never has the importance of this work been more clear than in our response to COVID-19. Our platform has mobilized rapidly and effectively to help our portfolio companies and communities navigate the rapidly changing global situation on pages [6-13](#). This work remains grounded in our long history of ESG integration, as we believe that strong ESG competencies are hallmarks of management excellence. This commitment is critical for investment performance, particularly in moments of dislocation and exogenous shocks, as experienced during the COVID-19 crisis or climate-related extreme weather events.

The 2020 Impact Review focuses on the core of our impact investing approach, the five key facets we believe drive better businesses –

diverse and inclusive teams, engaged employees, sustainable growth, climate resilience, and strong community ties – for which we have clear investment theses and specific case studies of value-creation in our investments. We have also doubled down on integrating these factors into our own practices as a corporation, highlighted within the “Our Impact at Carlyle” section per theme. With our conversion to a C-corporation at the beginning of this year, we have increased the transparency and detail of our own corporate ESG disclosures through our first Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) disclosures on pages [88-111](#).

We believe that by building better businesses across our full \$217B portfolio we can generate more resilient economic returns alongside significantly greater impact. Simply put, at Carlyle, impact isn't a product; it's a process – the process of building better businesses. We have much work yet to do, but we are clear about where we are headed, and appreciate the partners who have helped us push forward on this journey.



Kewsong Lee
Co-Chief
Executive Officer



Glenn Youngkin
Co-Chief
Executive Officer

*AUM as of 3/31/20

CARLYLE
2020 IMPACT REVIEW

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