CLIMATE-RELATED FINANCIAL DISCLOSURES

About this Report

This Report provides our shareholders, clients and other stakeholders with an overview of how ICG manages the exposure to climate-related risks in our business and investments and builds capacity to capitalise on climate-related opportunities.

This Report is consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This Report also takes into consideration the TCFD's Supplemental Guidance for Asset Managers.

Find out more about our Climate Change Policy and see our previous TCFD reports on our website: www.icgam.com/sustainability-esg

The following entities within the Group, which are regulated by the Financial Conduct Authority (FCA), are in scope of chapters 2.1 and 2.2 of the FCA's Environmental, Social and Governance (ESG) Sourcebook, which requires firms to publish a 'TCFD entity report' containing climate-related disclosures consistent with the TCFD recommendations: ICG Alternative Investment Limited and Intermediate Capital Managers Limited. These firms rely on this report to fulfil their entity-level disclosure requirements.

The report follows the four thematic areas of the TCFD recommendations, and as such outlines the Group's approach to incorporating climate-related risks and opportunities into our strategy, governance, risk management, and metrics and targets.

In determining the relevance and materiality of information presented in this Report, we consider:

A Our investments
We recognise that climate change may have a material impact (both positive and negative) on investment performance and returns over the short, medium and long term. Even though the third-party funds we manage are generally not consolidated into the Group from a financial perspective, we consider the climate-related risks and opportunities surrounding these funds and our fund management activities as a key part of our business.

B Our Group operations
As an alternative asset manager, our own operations are considerably less material than our investment activity. However we do believe it is important to manage the climate impacts, risks and opportunities in our operations and we note where we have done so throughout this Report.

Climate-related Financial Disclosures continued

Our commitments

Our investments

As a broadly diversified, global alternative asset manager our priority in addressing climate-related risks and opportunities is the decarbonisation of our investment portfolios.

ICG supports the global goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C above pre-industrial levels, and is a signatory to the Net Zero Asset Managers Initiative.

Investments where we have sufficient influence[1] (Relevant Investments)

Long term goal:

ICG has committed to reaching net zero GHG emissions for Relevant Investments by 2040.

Medium term targets:

ICG has set a portfolio coverage decarbonisation target validated by the Science Based Targets Initiative (SBTi) to ensure 100% of Relevant Investments have SBTi-validated science-based targets by 2030, with an interim target of 50% by 2026[2].

Group operations

While the Group's own operational emissions have negligible impact and exposure to climate-related risks compared to those of our investments, we do recognise our responsibility to ensure our own business operations are fully accounted for.

Long term goal:

ICG has committed to reaching net zero GHG emissions in our operations by 2040.

Medium term target:

ICG has set a decarbonisation target validated by the SBTi to reduce ICG's Scope 1 and 2 GHG emissions by 80% by 2030 from a 2020 base year[2].

Transparency

We believe that transparency on material sustainability-related risks and opportunities such as those posed by climate change is important to better inform decision making of stakeholders and drive action. We expect this of our investees and strive to be clear and transparent in our own disclosure as a firm.

ICG retained its leadership level score of 'A-' in the 2023 CDP[3] climate change assessment ('A-' in 2022).

1. Relevant investments include all direct investments within ICG's Structured and Private Equity asset class and Infrastructure Equity strategy, which currently comprise 23.2% of AUM (see page 52), where ICG has sufficient influence. Sufficient influence is defined by SBTi as follows: at least 25% of fully diluted shares and at least a board seat.
2. All references are to ICG financial years running from 1 April to 31 March.
3. CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts with a dedicated, comprehensive assessment framework for climate change.
Source CDP: https://www.cdp.net/

Strategy

The actual and potential impacts of climate-related risks and opportunities on ICG's businesses, strategy and financial planning.

TCFD recommended disclosures:

- **A** **Description of the climate-related risks and opportunities ICG has identified over the short, medium, and long term.**
- **B** **Description of the impact of climate-related risks and opportunities on ICG's businesses, strategy, and financial planning.**
- **C** **Description of the resilience of ICG's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario**

Climate-related risks and opportunities

The time horizons and materiality of the impact of climate-related risks and opportunities on our business may differ depending on a range of factors, including the type of investments, geographical and/or sectorial focus, and the external market environment.

Generally, we look at three time horizons for the potential impacts of climate-related risks and opportunities: short term (0 to 5 years), medium term (5 to 10 years) and long term (10+ years). These are broadly related to the length of an individual investment (short term), the length of a fund's life (medium term) and any time horizon greater than 10 years (long term).

The tables on page 49 outline the relevant climate-related risks and opportunities we have identified within the Group's fund management activities and their potential impact on our business, strategic objectives and financial planning, as well as their link to the Group's principal risks. Each of these climate-related risks and opportunities may contribute, to varying degrees, to the manifestation of the principal risks it relates to. The Group has implemented a range of mitigating controls for each of these principal risks (see page 41). Further detail on how climate-related risks are identified and managed within our fund management activities is provided in the Managing risk section of this Report (see page 41).

Find out more about our Climate Change Policy and see our previous TCFD reports on our website: www.icgam.com/sustainability-esg

Climate-related Financial Disclosures continued

Strategy continued

Description		Potential impact to investees	Time Horizon	Potential impact on ICG as an asset manager	Time Horizon	Link to ICG Principal Risks
Climate-related risks						
Transition: Policy, regulatory and legal	– Changes to climate-related regulations – Changes to market-related regulatory mechanisms (e.g. carbon price/tax and energy efficiency standards) – Increased litigation related to response, or lack thereof, to climate change	– Increased operating cost – Decreased valuation	Short to long term depending on sector	– Increased cost of compliance for funds – Increased due diligence cost – Reduced fund performance and impact on ICG's track record – Loss of clients or reduced demand for our funds	Short to long term	Legal, Regulatory and Tax Risk 5
Transition: Market, technology and reputation	– Climate change affecting demand for products and/or services of the Group as well as of current or potential investments – Volatility of input prices and resources or supply chain shocks (e.g. food, energy, etc) as a result of climate change – Substitution of existing products and services with lower emissions options impacting the competitiveness of current and potential investments in certain sectors – Stigmatisation of specific industries, impacting existing investment exposure – Greenwashing or perception of not adequately responding to climate challenges – Perceived neglect of fiduciary duties	– Increased operating cost – Decreased revenue – Decreased valuation	Short to long term depending on sector	– Lower fund performance and impact on track record – Lower asset valuations impacting the Group's balance sheet and fund investments – Negative stakeholder perception and impact on ICG's brand and positioning – Loss of clients or reduced demand for our funds	Short to long term	External Environment Risk 1 Fund Performance Risk 2 Balance Sheet Risk 3
Physical: Acute and chronic	– Impact on critical physical operations or supply chains from extreme weather events, shift in climate patterns such as temperature or precipitation	– Increased CAPEX and adaptation or resilience building related cost – Increased insurance cost – Increased costs related to damage and disruptions – Decreased valuation	Medium to long term depending on geography and operating model	– Lower fund performance and impact on track record – Lower asset valuations impacting the Group's balance sheet and fund investments	Long term	Fund Performance Risk 2 Balance Sheet Risk 3
Climate-related opportunities						
Transition & Physical: Products and services	– Evolving existing or developing new solutions that support the transition to low-carbon economy (e.g. energy efficiency, renewable energy, etc), and/or climate adaption and/or resilience building	– Increased revenue – Increased valuation	Short to medium term	– Increased Group revenues in line with growing demand – Growth in AUM through retention of current and attraction of new clients – Higher fund performance and enhanced track record – Higher asset valuations impacting the Group's balance sheet and fund investments	Short to medium term	Fund Performance Risk 2 Balance Sheet Risk 3
Transition: Market and reputation	– Evolving value/investment proposition to address client preferences – Climate-linked financing reducing the cost of capital at deal, fund and Group levels	– Increased revenue – Increased valuation	Short to medium term	– Growth in AUM through retention of current and attraction of new clients – Enhanced brand and competitive reputation of Group and investments – Higher fund performance and enhanced track record – Higher asset valuations impacting the Group's balance sheet and fund investments	Short to medium term	Fund Performance Risk 2 Balance Sheet Risk 3

Climate-related Financial Disclosures continued

Strategy continued

Resilience of our business and strategy to climate-related risks and opportunities

The Group business model is driven by management fee income, paid by our clients for managing our funds, and as such is long term and visible in nature. The fees are predominantly charged on the basis of invested or committed capital that is contractually locked in for a long term and largely not based on fund valuation. As such, any short-term increase or decrease in the valuation of individual investments or funds (including as a result of climate-related factors) would not immediately impact the Group's financial position. However, the impact of climate change on portfolio companies or real assets may impact the valuation of those investments in the short term, and the performance of funds in the medium term. Fund underperformance or a failure to develop funds that address our clients' preferences in respect of climate change is a potential medium-to-long-term risk to the Group.

The decarbonisation of our investment portfolios has an important role in building the long-term resilience of our business strategy, and responsiveness of funds to climate-related risks and opportunities. This is exhibited in the investment decisions and management of portfolios to deliver returns for our clients, and in the launch of new products.

We also recognise that climate change and nature are inextricably linked and mutually reinforcing. As the effect of climate change on nature and biodiversity worsens the capacity for nature to act as a sink for carbon emissions or to help regulate the climate and global temperatures is declining; and vice versa. As such we have begun the process of incorporating nature and biodiversity into our approach to assessing sustainability factors throughout the investment cycle. We anticipate future climate-related financial disclosures will be increasingly linked to nature and biodiversity-related disclosures.

Addressing climate-related risks and opportunities throughout the investment life cycle

We take a selective and thoughtful approach to making investments, with due consideration of relevant climate-related risks and opportunities. The overarching charters governing climate-related risks within our fund management activities are the Responsible Investing Policy and the Climate Change Policy, which cover all investments. The Climate Change Policy contains an exclusion list and, furthermore, requires consideration of the implications of climate-related risks and opportunities in our investment due diligence, portfolio management, valuation, and decision-making processes.

ICG's Exclusion List prohibits direct investments in certain coal, oil and gas activities which generally limits the exposure of our portfolios to investments with higher probability of becoming stranded assets in the medium to long term.

In addition, climate risk exposure assessment is a mandatory step in the evaluation of new investment opportunities across the vast majority of ICG's funds in their investing period, with findings presented to Investment Committees for consideration in making investment decisions. Investment opportunities with potentially heightened climate risk exposure are discussed with the ICG Sustainability & ESG team and expert advisers, where appropriate. In the last three years, since the climate risk exposure assessment was introduced, we declined 116 investment opportunities where climate-related risk was a contributing factor to the investment decision[4].

4. This is tracked since February 2021 when ICG's Enhanced Exclusion List was introduced.

Exposure of portfolios to climate-related risks

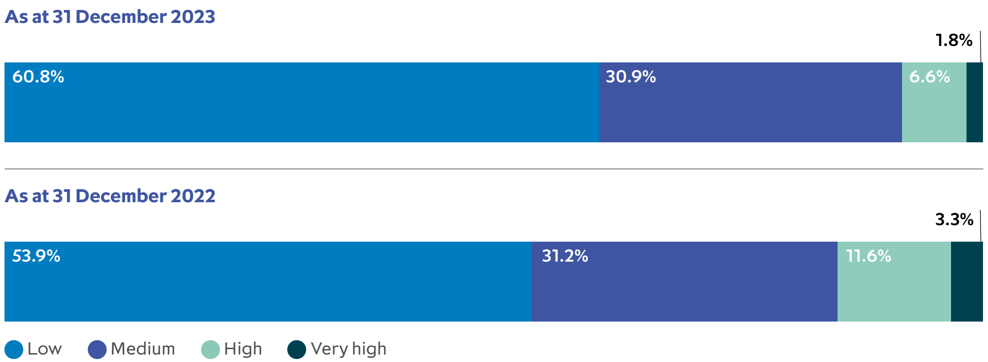
Before making a direct investment, ICG employs a proprietary climate risk exposure assessment. The methodology for the assessment is tailored to the nature of the investments, i.e. in a company versus in real estate. This methodology was developed in partnership with third-party subject matter experts and utilises established external and ICG proprietary data sources to support the assessment of both physical and transition climate-related risks.

For companies, each investment opportunity receives an overall climate risk exposure rating on a 4-grade scale from Low to Very High. The rating combines exposure to transition risk (sector and value chain) and physical risk, taking into account the countries of company headquarters and key operational assets.

The assessment has inherent limitations. It only considers a limited number of predefined inherent attributes about a company (as described above), does not take into account any mitigation, control or adaptation measures put in place, and does not measure the likely financial impact on a given company.

These exposure ratings provide, in our view, a useful indication of the resilience of our funds' portfolios to climate-related risks. As at 31 December 2023, 91.6% of assessed portfolios (see page 51) received a climate risk exposure rating of Low or Medium, therefore having limited exposure to potentially heightened climate-related risks (as at 31 December 2022: 85.0%). Only 1.8% of assessed portfolios received Very High climate risk exposure rating, which we consider as potentially heightened climate-related risk (as at 31 December 2022: 3.3%).

Distribution of climate risk ratings for total assessed ICG portfolios



For further details including our complete Exclusion List, see our Climate Change Policy on icgam.com

Climate-related Financial Disclosures continued

Strategy continued

Exposure of assessed portfolios to potentially heightened climate-related risks by asset class[5]

	Structured and Private Equity[6]			Private Debt			Infrastructure Equity			Credit[7]		
Year	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
% of portfolio (by unrealised value) exposed to potentially heightened climate-related risks[8]	2.2%	2.1%	3.4%	0.2%	0.3%	–%	–%	–%	–%	3.0%	7.8%	6.4%

The proportion of investments with potentially heightened exposure to climate-related risks by asset class is presented in the table above. Overall, we continue to see a low exposure across all assessed portfolios managed by ICG. For investments with potentially heightened exposure to climate-related risks, we conduct additional analysis, where feasible, to better understand the specific exposure of the business and the current approach taken by the company and/or its fiscal sponsor to address any such exposure.

For real estate investments, a comprehensive climate risk assessment[9] was introduced in January 2023.

The transition risk assessment considers assets' sustainability credentials versus regulatory and market benchmarks over different time horizons (such as Green Buildings Certifications, energy efficiency, use of on or off-site renewable energy). This risk may be reduced by planned interventions included in the business plan for the asset. For assessments performed since launch in January 2023, 18.4% of assets received an Amber rating for the medium term (5-10 years), reducing to 13.2% when interventions were considered. Two assets received a Red rating for inherent risk in the long term (10+ years), both reduced to Green post-interventions as a result of commitments (either through ICG funded capex or tenant obligation) to improve the energy performance of the buildings as required.

For physical risk, a site-specific hazard exposure assessment is conducted by an external third party across multiple potential hazards, using the IPCC RCP 8.5 scenario. Based on assessments performed since launch in January 2023, the most common exposure identified is flood risk, with limited exposure across other hazard types. Where elevated risk is identified, mitigation and resilience measures are considered, alongside any additional measures that may be required to reduce this risk to an acceptable level.

5. Portfolio composition as at 31 December in each respective year.
6. Excludes ICG Enterprise Trust and LP Secondaries – assessed portfolios in 2023 represent 94% of AUM in this asset class as at 31 December 2023 (2022: 93%, 2021: 93%).
7. Excludes Alternative Credit and investments in third-party CLOs. Assessed portfolios in 2023 represent 92% of AUM in this asset class as at 31 December 2023 (2022: 87%, 2021: 91%).
8. 2023 figures based on unrealised value, whereas 2022 and 2021 are based on invested cost. Liquid Credit figures which are based on Market Value of investments for all years. All figures as at 31 December in the respective year; if not available as at that date we have used the latest available validated figures at the time of conducting the assessment.
9. Each potential investments receives a separate RAG rating for transition risk and physical climate-related risks. Red (R) indicates higher risk level, Amber (A) indicates medium level of risk, and green (G) indicates lower risk level.

Approach to scenario analysis

In 2020, we began conducting a formal assessment of the exposure to climate-related risks across our portfolios utilising ICG's proprietary climate risk assessment methodology, with some element of scenario analysis for investments with potentially heightened climate-related risk exposure. Since then we have confirmed the limited exposure to potentially heightened climate-related risks across our portfolios and as a result have adapted our approach.

For further details on our progress against our portfolio coverage SBT, see our Sustainability and People Report 2023/2024

Transition risks

Given the wide manifestation of transition risks and the direct and indirect implications on the economy at large, in 2023 we decided to strengthen our assessment capabilities by incorporating sector-based transition risk scenario analysis as part of the climate risk assessment conducted as standard for all new investment opportunities in companies. This scenario analysis incorporates metrics from three of the transition scenarios provided by the Network for Greening the Financial System (NGFS):

- Current Policies (base case) – this scenario assumes that only currently implemented policies are preserved, resulting in emissions growth until 2080, which leads to about 3°C of warming and severe physical risks.
- Below 2°C – this scenario gradually increases the stringency of climate policies, giving a 67% chance of limiting global warming to below 2°C by the end of the century. Under this scenario net zero emissions are achieved after 2070. Physical and transition risks are both relatively low.
- Delayed Transition – this scenario assumes new climate policies are not introduced until 2030 and the level of action differs across countries and regions based on currently implemented policies. As a result, emissions exceed the carbon budget temporarily and decline more rapidly after 2030 to ensure a 67% chance of limiting global warming to below 2°C by the end of the century. This leads to both higher transition and physical risks than the Below 2°C scenario.

Read the full description of the scenarios on the NGFS website: www. ngfs.net/ngfs-scenarios-portal/explore

Climate-related Financial Disclosures continued

Strategy continued

Since being introduced at the start of 2023, investment teams have utilised this more nuanced assessment capability for over 550 investments in companies; resulting in a climate risk exposure rating under each of the 'Below 2°C' and the 'Delayed Transition' scenarios. The graphs below outline the distribution of climate risk exposure ratings for these investments under each of the two scenarios. Overall the exposure to potentially heightened climate-related risk is limited under both scenarios and almost negligible under 'Delayed Transition' scenario.

Distribution of climate risk exposure ratings ('Below 2°C' and 'Delayed Transition')*

*As at 31 December 2023 based on unrealised value for all investments except for syndicated loans and high yield bonds which are based on Market Value.

Physical risks

In contrast to transition risks, physical risks are to a greater degree location and operating model specific. Therefore, we conduct physical risk scenario analysis, on a case by case basis, for investment opportunities where we have sufficient influence and which we have identified as having potentially heightened exposure either in the direct operations or in the supply chain of companies. Such analysis is typically conducted as part of the ESG due diligence we commission by external advisors and uses the following two Representative Concentration Pathways (RCPs) adopted by the Intergovernmental Panel on Climate Change (IPCC):

- RCP4.5, described by the IPCC as a moderate scenario in which emissions peak around 2040 and then decline. This scenario assumes future implementation of emissions management and mitigation policies; and
- RCP8.5, is the highest baseline emissions scenario, in which emissions continue to rise throughout the twenty-first century, such that the most adverse effects of physical climate change manifest.

Starting in January 2023, for all potential real estate investment opportunities, a site-specific climate hazard exposure assessment is conducted by an external third party across multiple potential hazards, using the IPCC RCP 8.5 scenario.

Our approach to scenario analysis will evolve over time to further incorporate expectations of clients, regulators and best practice in the industry, with the aim to provide decision-useful and actionable insight for building resilience to climate-related risks of our portfolios.

Decarbonising our investment portfolios

ICG's top priority remains the decarbonisation of our investment portfolios, wherever possible, through our investment decision making and engagement.
Our ability to affect decarbonisation outcomes is largely dependent on the level of influence we have and given the breadth of investment strategies we manage this can vary significantly across and within investment strategies.

1. Direct investments in companies where ICG has sufficient influence (Relevant Investments)

Key information

23.2%*
of AUM, as at 31 March 2024

*Includes AUM in strategies which may make Relevant Investments: European Corporate, APAC Corporate, and Infrastructure Equity.

Key Investment Strategies:
- European and APAC Corporate
- Infrastructure Equity

ICG has committed to reach net zero GHG emissions by 2040 for Relevant Investments, i.e. those direct investments where ICG has sufficient influence, defined by SBTi as at least 25% of fully diluted shares and a board seat. In support of this commitment, we have set a portfolio coverage science-based target ('SBT') approved and validated by the SBTi:
- 100% of Relevant Investments (by invested capital) to have SBTi-validated science-based targets by 2030, with an interim target of 50% by 2026[11].

11. All references are to ICG financial years running from 1 April to 31 March.
12. These are Europe Corporate, Asia Pacific Corporate, Europe Mid-Market, Infrastructure Equity, and certain seed assets that qualify as Relevant Investments.
13. Measurement in line with the SBTi guidance for the private equity sector. A Relevant Investment is only counted in if it has been a Relevant Investment for at least 24 months or has set an SBT already. Note that the SBTi currently does not validate SBTs for educational institutions, so three Relevant Investments in this sector have been excluded from our update.
14. As per the applicable SBTi requirements for target setting and validation.

To date, most portfolio companies that qualify as Relevant Investments are in the early stages of their decarbonisation journeys at the time of ICG's investment. Indeed, no Relevant Investments have had a pre-existing science-based target (either validated by the SBTi or in the process of being validated) at the point of our initial investment. Hence, we have created an onboarding and engagement programme to support portfolio companies with every stage of decarbonising in line with the Goals of the Paris Agreement and addressing climate-related risks and opportunities. Example measures include:
- Assigning senior-level responsibility for climate-related matters;
- Sharing the results of our company-specific climate risk assessment, including scenario analysis, as relevant;
- Supporting a carbon footprint assessment of the business in line with the GHG Protocol and the development of Board-level approved climate action and decarbonisation plans with appropriate allocation of resources;
- Establishing company-specific decarbonisation KPIs and targets, in line with the requirements of SBTi; and
- Monitoring progress annually on the implementation of emission reductions initiatives to deliver on set plans and targets.

Key developments

As at 31 March 2024:,

Engaged all 34 Relevant Investments across five investment strategies[12], representing nearly $10.6bn of invested capital.

64% of Relevant Investments (by invested capital) have set SBTi-validated targets or submitted for validation[13]- achieving our interim target of 50% two years earlier.

These targets in aggregate seek to manage over 3 million tCO_2e in line with climate science[14].

Climate-related Financial Disclosures continued

Strategy continued

2. Other direct investments in companies (not Relevant Investments) as well as primary and secondary commitments to PE Funds

Key information

68.3%

of AUM, as at 31 March 2024

Key Investment Strategies:

- Senior Debt Partners
- North America Private Debt
- Strategic Equity
- ICG Enterprise Trust
- Liquid Credit
- CLOs

For other investments where we have limited or no influence, ICG looks to engage on decarbonisation, insofar as feasible, with management of portfolio companies, and/or the controlling private equity sponsor. Our engagement focuses on understanding current practices and encouraging improvement, where possible.

As comprehensive sustainability disclosures, including GHG emissions, are still nascent among private companies, our key focus of engagement in many cases has been on improving transparency on sustainability matters, including disclosure of performance and GHG emissions. Improved coverage and quality of data is critical to understanding the carbon footprint of our portfolios and the financed emissions attributable to ICG and its funds. See 'The climate data challenge' for further details on what we seek to do about it.

Beyond data quality and availability challenges, for many of the investment strategies in this category, there are no industry-established frameworks to measure alignment of underlying portfolios with a 1.5°C pathway.

3. Real estate investments

Key information

8.5%

of AUM, as at 31 March 2024

Key Investment Strategies:

- European Real Estate Debt
- Strategic Real Estate

Buildings account for 40% of energy consumption and 36% of CO_2 emissions in the EU[15]. As a result, there is a growing regulatory focus and increasing ambition for emissions reduction across the built environment. ICG employs different tools to drive decarbonisation across the real estate portfolio, depending on the investment strategy.

The latest ICG's European Real Estate Debt fund has a loan framework designed to incentivise sponsors to decarbonise assets, via issuance of green loans and/or sustainability-linked financing. As at 31 March 2024, nine loans have been issued under the fund's Green Loan Framework.

ICG's Strategic Real Estate (SRE) funds have a proportion of capital allocated towards making sustainability improvements across the portfolio ('Sustainable Capital Allocation'). During the year ended 31 March 2024, an expert advisor was appointed to perform a review of the SRE portfolio against the CRREM[16] pathways, which are the established 1.5°C pathways to measure alignment for real estate properties. Outputs of the review will inform prioritisation for use of available SCA funds.

15. European Commission, February 2020.
16. Carbon Risk Real Estate Monitor (CRREM) – available at Publications – CRREM Project.

The climate data challenge

To enable decarbonisation at scale and greater transparency in private markets, we also need reliable GHG emissions data and industry-established tools and frameworks to measure attainment of decarbonisation progress across asset classes – both areas have seen some improvement in 2023 but require expanded focus and attention by the industry at large.

GHG emissions data

We have continued to expand measurement of financed emissions in line with the Partnership for Carbon Accounting Financials (PCAF) Standard, and inclusion of such data in sustainability reporting to clients a number of active funds managed by ICG. Disclosure of GHG data by private companies and for real estate property is still nascent, so for any gaps in actual data we utilise proxy data modelled by reputable external data providers. This year, we assessed and reported fund-level financed emissions, alongside other portfolio metrics recommended by the TCFD, such as weighted average carbon intensity and portfolio carbon footprint, for funds representing 44.2% of total AUM. The vast majority of the underlying emissions data was based on proxy estimates and excluded Scope 3 emissions, due to a lack of reliable data reported by investees. In ICG's view, the aggregation of such data into Group-wide portfolio climate metrics would be misleading.

We recognise the importance of this data to our shareholders, clients and other stakeholders, so we will continue exploring ways to improve the coverage and quality of climate data for our portfolios. As more reliable data becomes available for private companies and real estate, we will review on an annual basis our approach to disclosing such data in aggregated form in this Report.

With 47.2% of our AUM as at 31 March 2024 in private debt and credit funds, ICG recognises the importance of continuing to encourage measurement and reporting of GHG emissions to use as lenders. In addition to direct engagement with companies, we worked with peers in the Initiative Climat International (iCI) Private Credit Working Group, which ICG co-chairs, to publish a concise guide for companies offering practical guidance on the foundational steps to measure and report on GHG emissions.

Tools and frameworks to measure attainment of decarbonisation progress across asset classes

For many alternative asset classes, beyond buyout and growth PE and real estate equity, there has been very limited guidance on measuring alignment of given portfolios with 1.5°C pathways (in line with the Paris Agreement). That is why, over the course of 2023, ICG joined forces with over 200 GPs and 40 LPs active in private markets to determine a common language for asset managers to describe where their portfolios are on their decarbonisation journey and proportion that is managed in alignment with a 1.5°C pathway. The result was the publication of the Private Markets Decarbonisation Roadmap (PMDR). Through its Alignment Scale, the PMDR proposes an industry-consistent approach and criteria to classify portfolio companies along the decarbonisation trajectory, with the intent to incentivise real action across and within assess classes. ICG has begun incorporating the PMDR Alignment Scale in its pre-investment assessment and post-investment monitoring tools, and will utilise it in its disclosures going forward.

To see the guide and further details on the PMDR please visit the UN PRI website

Climate-related Financial Disclosures continued

Strategy continued

Developing our investment strategies

We future-proof our business in part by evolving our existing investment strategies and developing new ones. This enables us to better serve the needs of our clients and to capitalise on a wider range of investment opportunities.

An enhanced focus on sustainability can be a source of competitive advantage. We seek to integrate sustainability considerations, including those related to climate change mitigation and adaptation, into the design of new investment strategies or funds where we have influence to drive better outcomes. For new strategies or funds where we have sufficient influence, we also seek to consider science-based decarbonisation targets that support the goals of the Paris Agreement and/or align the sustainability priorities and practices with specific UN Sustainable Development Goals (SDGs).

Key developments

In the last three years, ICG has raised a total of $16.4bn of capital in investment strategies[17] with explicit engagement priority or formal framework that focuses on climate change within the investment process.

Such strategies represent 32% of AUM, as at 31 March 2024, compared to 28% a year earlier.

We also seek opportunities, including those presented by the transition to a low-carbon economy which fit ICG's investment approach and ability to invest across the capital structure. For example, investments in real assets, such as commercial real estate, housing developments, renewable energy and other infrastructure delivering core services, can play an important role in supporting global economic growth, enhancing social cohesion, and delivering the transition to a low-carbon economy. To capitalise on this growing investment opportunity, ICG has launched a number of strategies investing in infrastructure and real estate that have sustainability frameworks designed to deliver tangible, targeted improvements in the sustainability performance of assets as part of their asset management plans.

Key developments

As at 31 March 2024, such strategies targeting sustainability improvements constitute 61% of AUM in Real Assets, compared to 48% as at 31 March 2023, and 40% as at 31 March 2022.

As at 31 March 2024 ICG Infrastructure Equity has invested in total of 2.7 GW of net renewable energy generating capacity since the strategy was launched in 2020; compared to 1.9 GW a year earlier.

Fund-level sustainable financing

At a fund level, we also seek to link our climate ambition to our third-party financing, where possible. Since 2021, we have raised a total of $3.2bn sustainability-linked fund-level financing that has climate-related KPIs.

Group operations

The Group procures mainly professional and business services and does not have a complex supply chain, does not make capital investments in research and development, and is able to operate flexibly from a variety of locations. From a real estate perspective, the Group operates from leased offices, and our employees have the ability to work remotely.
The Group has assessed the physical-climate-risk exposure of its office locations using an established external physical-climate-risk assessment tool.
The results indicated that none of our key offices (London, New York, Warsaw and Paris) are likely to be materially exposed to physical climate-related risks in the short and medium term.

The Sustainability & ESG, Legal, Risk and Compliance, and Operations teams work closely to ensure the Group's compliance with current and emerging climate-related regulations of relevance to its operations, including the UK Streamlined Energy and Carbon Reporting (SECR) and Energy Savings Opportunity Scheme (ESOS) regulations and the EU Energy Efficiency Directive (EED).

We also seek to link our climate ambition to our Group-level third-party financing, where possible. We have raised a total of $1.2bn sustainability-linked financing, including issuing a €500 million sustainability-linked bond with adjustments to the coupon rate linked to progress against ICG's approved and validated science-based targets.

See page 63 for ICG's GHG emissions statement which outlines key initiatives we have implemented to continue to reduce our operational carbon footprint

17. These include the latest vintages of European Corporate, Strategic Equity, Strategic Real Estate, European Real Estate Debt, and Infrastructure Equity investment strategies.

Climate-related Financial Disclosures continued

Strategy continued

Progress against ICG operational SBTi-validated target

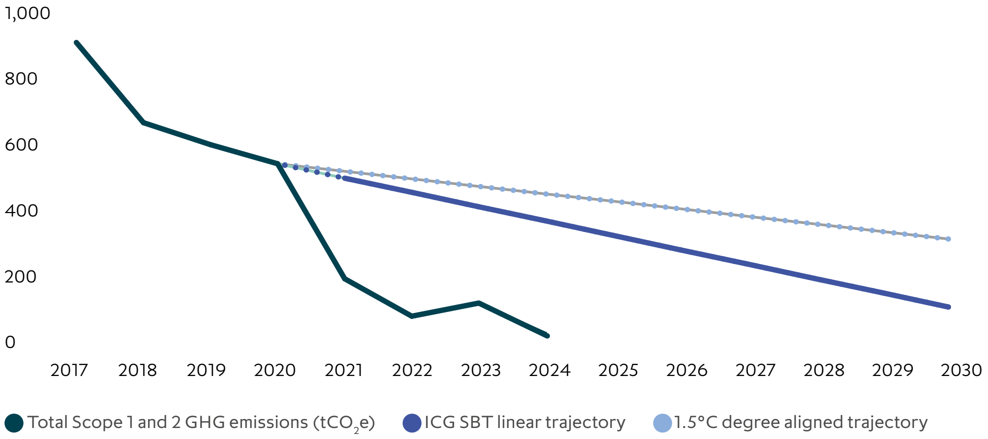
During the reporting period 1 April 2023 to 31 March 2024, our measured Scope 1 and Scope 2 (market-based) emissions totalled 28 tCO_2e, which represents 95% reduction compared to base year.

Key development

On track to deliver ICG's science-based target of 80% reduction by 2030; this year ICG's Scope 1 and 2 GHG emissions were 28 tCO_2e, representing 95% reduction compared to the 2020 base year.

The chart below illustrates ICG's emissions reduction versus its Scope 1 and 2 SBT trajectory and a 1.5°C aligned trajectory.

Group Scope 1 and 2 (market-based) GHG emissions (tCO_2e)



While this means the Group has already achieved our Scope 1 and 2 science-based target (SBT), we remain determined to sustain this performance over time as the firm continues to grow and expand its presence globally. ICG will continue to expand the purchase of electricity from renewable sources and explore energy efficiency measures in our operations.

Governance

ICG's governance of climate-related risks and opportunities

TCFD recommended disclosures:

A Description of ICG Board's oversight of climate-related risks and opportunities

B Description of ICG Management's role in assessing and managing climate-related risks and opportunities

Oversight and management of climate-related risks and opportunities are incorporated into the Group's governance structure and risk management framework (RMF).

The Board sets the Group's strategic direction and, when setting strategic objectives, it considers all material factors including those relating to climate change. As such, the Board considers climate-related risks, as relevant as a strategic matter, when reviewing the annual business plans over the short, medium, and long term, for example, in annual budgets, performance objectives and determining the risk appetite of the Group.

The Board is engaged in the Group's focus on stewardship and sustainability, and regularly receives reports on client considerations, client experience, investment performance and sustainability matters, including regular updates on climate-related matters. The Board has delegated oversight of climate-related matters, including progress towards ICG's net zero commitment and the implementation of ICG's Climate Change Policy, to the CEO, with support from the CFO and the CPEAO. The CEO, who also serves as Chief Investment Officer, has ultimate accountability and oversight of investment processes of ICG's funds and is therefore responsible for climate-related issues across the investment process and in our portfolios.

The diagram below provides an overview of the Group's governance structure for the oversight, assessment and management of climate-related risks and opportunities.

Climate-related Financial Disclosures continued

Governance continued

Group's governance structure for the oversight, assessment and management of climate-related risks and opportunities

ICG plc Board of Directors

Oversight of Group strategy and risk, receiving regular updates on sustainability, ESG and climate-related matters at a minimum twice a year

Executive Directors

- responsible for implementing the Group's approved strategy, including driving our net zero commitment and various climate-related programmes
- the CEO has lead responsibility for climate-related matters and reviews and guides any decisions made regarding investment strategies, including the update and implementation of ICG's Responsible Investing Policy and the Climate Change Policy
- receive regular updates on sustainability, ESG and climate-related matters

Remuneration Committee

- oversees the Directors' Remuneration Policy and its application to senior employees, including the inclusions of sustainability related KPIs, and reviews and approves incentive arrangements to ensure they are commensurate with market practice

Risk Committee

- oversees the Group's RMF, compliance processes and procedures, and controls assurance to ensure that all risks, including ESG and climate-related risks, are identified, managed, and monitored and that the Group is compliant with all applicable legislation

Audit Committee

- oversees the Group's financial reporting and related elements of its internal financial controls, including TCFD disclosure obligations of the Group and other climate-related disclosure requirements, such as the UK Streamlined Energy and Carbon Reporting (SECR) requirements
- receives updates from the Global head of Sustainability & ESG annually (at a minimum)

Sets direction and provides oversight

Inputs into climate strategy and reports on progress

Climate assessment and stewardship of investment portfolios

Investment Committees[1]

- responsible for ensuring that climate-related issues are appropriately considered when taking an investment decision; and that the Sustainability & ESG team's guidance is accounted for, where climate-related issues are material or unclear.

Investment teams

- responsible for the day-to-day implementation of the Responsible Investing Policy and Climate Change Policy, and the integration of climate-related consideration in investment processes, guided by the RI Committee and the Sustainability & ESG team

Responsible Investing Committee[2]

- promotes, supports, and helps to integrate responsible investing practices across ICG's investment strategies in line with ICG's Responsible Investing and Climate Change policy

Sustainability & ESG team

- provides subject-matter expertise to support the assessment and management of climate-related risks and opportunities across our fund management activities, including assessment and engagement of investees; setting strategic objectives and targets; building capacity across the organisation; and fostering collaboration within the industry
- works closely with Risk Oversight and Control functions within the Group, to ensure adequate governance frameworks and controls are in place to assess and manage climate-related risks

Risk Oversight and Control functions[3]

1. Each fund has its own Investment Committee (IC). The ICs are comprised of senior investment professionals, including the respective fund Portfolio Manager(s).
2. The Responsible Investing Committee is made up of the Head of Investment Office, Global Head of Sustainability & ESG, and senior investment professionals from ICG's investment strategies.
3. Legal, Compliance, Risk, and Internal Audit functions.

Climate-related Financial Disclosures continued

Governance continued

The CFO is responsible for ensuring climate-related risks which might impact the Group's own operations are understood and mitigated. The Operations and IT teams, with support from the Sustainability & ESG team, are responsible for assessing and managing climate-related risks associated with Group offices, IT infrastructure or third-party vendors. Updates on climate-related issues are provided to the CFO, as and when they manifest.

Training and capacity building

Ensuring that our investment teams have sufficient knowledge to implement the Responsible Investing Policy and Climate Change Policy is essential. ICG is committed to providing investment teams with regular bespoke training, comprehensive guidance and access to online tools to ensure they can identify and address sustainability, including climate-related, risks and opportunities in our investment activities. The Sustainability & ESG team also provides regular briefings on emerging topics, regulatory developments and industry best practice.

Key development

ICG further developed its training programme so it can be delivered to the whole business. Mandatory training for all employees was rolled out to incorporate core understanding of Responsible Investing, Sustainability and ESG at ICG. The training also delves into greater detail on specific themes, such as climate-related risks and opportunities. This mandatory training is supplemented by more advanced specific knowledge-building for relevant professionals such as investment teams in key topics that relate to their role.

Remuneration

The Company and its Board have a long-term orientated approach to variable pay, which aligns our Executive Directors to the interests of our shareholders and the Group's key priorities. As per the Directors' Remuneration Policy, the Group makes a single variable pay award each year to Executive Directors, based on a balanced scorecard of KPIs, one of which is Culture, DEI and Sustainability. Further details can be found on page 103.

The Group incorporates ESG assessment into the annual performance appraisals of all portfolio managers across the firm, including climate-related components, where applicable to the investment strategy. The aim of this practice is to reinforce alignment and accountability at the right levels of the organisation and ensure we comply with a continued increase in relevant regulatory requirements. It also positions portfolio managers to lead by example, ensuring sustainability and climate-related factors are being appropriately and consistently considered in their teams' approaches to investment.

Risk Management

The processes used by ICG to identify, assess and manage climate-related risks

TCFD recommended disclosures:

- **A** **Description of ICG's processes for identifying and assessing climate-related risks.**
- **B** **Description of ICG's processes for managing climate-related risks.**
- **C** **Describe how processes for identifying, assessing, and managing climate-related risks are integrated into ICG's overall risk management.**

Group Risk Management Framework

Risk management is embedded across the Group through a dedicated RMF, which ensures that current and emerging risks are identified, assessed, monitored, mitigated, and appropriately governed based on a common risk taxonomy and methodology. This is done within the risk appetite set by the Board, i.e. the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives.

The Group RMF is consistent with the principles of the 'three lines of defence' model. This ensures clarity over responsibility for risk management and segregation of duties between those who take on risk and manage risk, those who oversee risk and those who provide assurance; and this approach is applied to climate-related risks and opportunities.

The Group adopts both a top-down and a bottom-up approach to risk assessment.

At a Group level, climate-related risk is considered broadly and has been incorporated into our Group-wide RMF as a cross-cutting risk. This means that we recognise the potential impact climate-related issues may have on other material risks within our RMF, namely the Group principal risks[18] (see page 41). In line with the recommendations of TCFD and regulatory guidance, the Group considers the financial and non-financial risks arising from physical climate risk (risks related to the physical impacts of climate change) and transition climate risk (risks related to the transition to a low-carbon economy).

Of the Group's eight principal risks, we have assessed the following as currently most likely to be impacted by climate-related matters, to varying degrees, as follows:

18. The Group defines principal risks as those that would threaten the Group's business model, future performance, solvency, or liquidity.

Climate-related Financial Disclosures continued

Risk Management continued

Principal risk	Potential impact	Process for risk identification and management
External Environment Risk 1	Climate-related conditions and/or events outside the Group's control, such as rapid shifts in climate policy and/or clients' climate requirements, volatility in energy markets, and/or increased frequency and severity of extreme weather events; may adversely affect our business, including by reducing the value or performance of the investments made by our funds, making it more difficult to find opportunities for our funds to exit and realise value from existing investments and to find suitable investments for our funds to effectively deploy capital.	– Implementation of Climate Change Policy – Screening and due diligence processes for new investment opportunities – Portfolio monitoring and stewardship (see table on page 59) – The Group's New Product Approval process requires sustainability considerations, including climate-related risks and opportunities, to be integrated into the design of new strategies or funds where we have influence to drive better sustainability outcomes
Fund Performance Risk 2	Climate-related issues (as described above) may affect the performance of our funds, and therefore make it more challenging to raise capital or new funds and affect our reputation, thereby impacting the Group's ability to grow and compete effectively.	
Balance Sheet Risk 3	Climate-related risks will increasingly be incorporated into risk assessments and asset valuations, which could have a material impact on the attractiveness of existing and potential investments impacting the Group's balance sheet and fund investments.	
Legal, Regulatory and Tax Risk 5	Increasing legal and regulatory requirements in relation to climate-related issues may result in increasing regulatory enforcement or litigation risk for the Group and its fund management entities and potential reputational damage due to instances of non-compliance with current or emerging climate-related regulations or market/client expectations, and ensuring that (where relevant) such requirements are embedded in our processes, procedures, controls and disclosures.	– Global regulatory horizon scanning, including current and emerging sustainability and climate-related regulations – Participation in industry working groups focused on effective implementation of sustainability-related regulations – Sustainability regulatory task-force within the Group comprising Legal, Sustainability & ESG, Risk and Compliance functions; monitoring the implementation of new regulatory requirements across the Group
Operational Resilience Risk 6	Potential operational disruption caused by climate-related issues. primarily physical risk, including within the Group's key third-party providers.	– Implementation of Climate Change Policy – Implementation of the Group's Sustainable fit-out guide to our offices – Implementation of the Supplier Code of Conduct – Supplier assessment questionnaire rolled out during the year to better assess sustainability-related risks, including arising from or related to climate change

Reputational risk, while not a principal risk, is also an important consideration for the Board and the Executive Directors, in setting and implementing the Group's strategic objectives. Therefore we recognise the potential impact to the Group if it is not seen by stakeholders to be adequately supporting the transition to a low-carbon economy, addressing clients' requirements on climate change, and demonstrating progress towards our commitment (see page 103).

In addition to the top-down risk assessment, the business undertakes a bottom-up review which involves a comprehensive risk assessment process designed to facilitate the identification and assessment of key risks and controls related to each business function's most important objectives and processes. This is primarily achieved through the risk and control self-assessment process (RCSA).

Key developments

The Group completed a review of the Sustainability & ESG team through the Group's RCSA process and documented the key risks and controls the team is responsible for, including those related to climate.

In addition, we also initiated a review to ensure that sustainability and climate-related risks are also incorporated, as relevant, in the RCSAs of other functions across the Group. The initial stage of this review is expected to be completed in the coming year and will be updated as needed going forward.

Incorporating climate considerations into fund management

We recognise that climate change may have a material impact on investment performance and returns over the short, medium and long term. As described above, we therefore have processes and procedures in place to account for climate-related risks and opportunities in the design of new products, the execution of our investment practices and processes and the focused engagement with and stewardship over investments. The ICG Climate Change Policy – covering 100% of ICG's AUM – requires us to consider the implications of climate-related risks and opportunities in our investment research, valuation, and decision-making processes.

Group balance sheet investments

The Group's exposure to climate risk arising from its balance sheet investment portfolio (seed assets) is managed in line with our standard fund management activities, as outlined on page 59.

Further details of the Group's RMF, including the processes used to determine which risks could have a material financial impact on the Group, are set out on page 40

For further details including our complete Exclusion List, see our Climate Change Policy on icgam.com

Climate-related Financial Disclosures continued

Risk Management continued

Identifying, assessing and managing climate-related risks

Our approach and processes for identifying, assessing, prioritising, and managing climate-related risks for active funds are summarised by key strategy in the table below:

Asset class	Structured and Private Equity			Private Debt		Real Assets			Credit
Key strategy	**European and Asia Pacific Corporate**	**Strategic Equity**	**ICG Enterprise Trust / LP Secondaries**	**Senior Debt Partners**	**North America Capital Partners**	**Real Estate Debt**	**Real Estate Equity**	**Infrastructure Equity**	**Liquid Credit CLOs**
Pre investment									
Exclusion List screening	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bespoke climate risk assessment	✓	✓	✓	✓	✓	✓	✓	✓	✓
Additional due diligence for deals with potentially heighten climate risk exposure	✓	✓	✓	✓	✓	✓	✓	✓	✓
Climate risk assessment findings included in IC memos	✓	✓	✓[19]	✓	✓	✓[20]	✓[20]	✓	✓
Post investment									
Ongoing portfolio monitoring process (including through annual surveys, where relevant)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Engagement on climate-related matters	✓	✓		✓		✓[21]	✓	✓	✓[22]
Investment-specific climate-related targets and KPIs[23]	✓					✓[21]	✓	✓	

19. Applicable to direct investments by ICG Enterprise Trust.
20. Harmonised and formalised across all real estate investments since January 2023.
21. For certain investments in the European Real Estate Debt strategy as part of the strategy's Green Loan Framework.
22. Typically focused on improved disclosures on climate risk and GHG emissions by investee companies.
23. For investments where we have sufficient influence.
24. The Inevitable Policy Response (IPR) is a climate transition forecasting consortium commissioned by the PRI which aims to prepare institutional investors for the portfolio risks and opportunities associated with an acceleration of policy responses to climate change. https://www.unpri.org/sustainability-issues/climate-change/inevitable-policy-response

Exclusion List screening

For any direct investment, investment teams screen against ICG's Exclusion List which, among other activities, prohibits us from knowingly making direct investments in certain coal, oil and gas activities, to avoid exposure of our funds to investments that are inherently prone to having the most significant adverse environmental and/or social impacts which could impact their performance in the short, medium and/or long term.

For indirect investments, where feasible, ICG seeks to ensure that the Exclusion List is implemented subject to a materiality threshold.

Climate risk assessment

For each potential investment opportunity, we use a climate risk exposure assessment tool and methodology bespoke to the nature of the investment (in a company or real asset) to help us identify and assess whether there are any material climate-related risk exposures associated with an investment. As standard, these tools utilise established external and ICG proprietary sources of data to support the assessment of both physical climate risks and transitional climate risks. A climate risk scorecard is produced and additional analysis must be completed for investment opportunities identified as having a potentially heightened exposure to climate-related risks. In situations where we have sufficient influence, external ESG due diligence, including a specific analysis of climate-related risks and opportunities, is conducted as standard. The findings of the climate risk assessment are consolidated and included as standard in the investment proposal to the respective IC for most strategies. Where material climate-related issues are identified, the IC may decide not to proceed; may request further action is taken to ensure these issues are properly investigated; or may require further actions to be taken following the closing of an investment.

See more details on our approach and process on pages 50

Key developments

ICG undertook a review of its climate risk assessment methodology for investments in companies to ensure it is still fit for purpose and in line with market practice. As a result, a number of enhancements were identified and will be implemented in the coming year:

1. **Expanded the assessment of exposure to both physical and transition risks to incorporate characteristics related to the company's specific operating model and value chain.**
2. **Streamlined and updated the external data sources to ensure we utilise most relevant and up-to-date data for investors. One such notable enhancement is the incorporation of the Inevitable Policy Response (IPR)[24] Forecast Policy Scenario (2023) into the transition risk assessment component, which also provides an indication of the implied carbon price for a wide range of jurisdictions on a consistent basis.**

Monitoring

Following an investment, material climate-related risks and opportunities are monitored and reviewed as a standard part of the portfolio monitoring process. Depending on the nature of the issue and the level of influence, ICG may seek to better understand how these issues are managed either through ongoing dialogue or through our annual sustainability surveys. Climate change is an integral part of our annual sustainability surveys which monitor governance and management of climate change, as well as performance and decarbonisation plans. We publish summary results of our sustainability surveys in our annual Sustainability and People report.

Climate-related Financial Disclosures continued

Risk Management continued

Group operations – identifying and managing climate-related risks

Transition risks

Enhanced GHG emissions reporting and climate-related compliance requirements have been identified as a potential climate-related risk to the Group operations. The Sustainability & ESG, Legal, Risk and Compliance and Operations and IT teams work closely to ensure the identification of relevant emerging regulatory requirements and the Group's compliance with climate-related regulation of relevance to its operations, including the UK SECR and ESOS, and the EU EED.

Key development

We enhanced our assessment of suppliers to include a wider range of sustainability considerations, including exposure to and capabilities to manage climate-related risks and opportunities, where relevant. This will be rolled out to all new and existing material suppliers going forward.

We will continue to monitor changes in the exposure to physical and transition climate risks of our direct operations and address any identified risks, as needed.

Physical risks

Following our established RMF and associated procedures, we consider that the Group's direct operations are not materially exposed to physical climate risks because, among other factors, the Group does not have a complex supply chain, does not make capital investments in research and development, and is able to operate flexibly from a variety of locations. 100% of our IT infrastructure systems and data resides in the cloud and the Group leverages cloud services from multiple providers, further reducing concentration risk. From a real estate perspective, the Group operates from leased offices and our employees have the ability to work remotely. In the year ended 31 March 2023, the Group assessed the physical climate risk exposure of its office locations using an established external physical climate risk assessment tool. The results indicated that none of our key offices (London, New York, Warsaw and Paris) are likely to be materially exposed to physical climate risks.

Read more in our Sustainability and People Report 2023/2024

Metrics & Targets

The metrics and targets used by ICG to assess and manage relevant climate-related risks and opportunities

TCFD recommended disclosures:

A Metrics used by ICG to assess climate-related risks and opportunities in line with its strategy and risk management process.

B Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.

C Description of the targets used by ICG to manage climate-related risks and opportunities and performance against targets.

The Group uses a variety of metrics and tools to assess climate-related risks and opportunities in line with its business strategy, net zero approach and risk management processes.

While a source of important insight, some of these metrics and tools have inherent limitations (e.g. scope of coverage, availability and/or quality of data as well as the uncertainty associated with some of the underlying assumptions). We utilise internal data and proprietary tools and methodologies, as well as external data sources and providers, to produce these climate metrics.

As the vast majority of emissions data that ICG has today is based on proxy estimates and excluded Scope 3 emissions, in ICG's view, the aggregation of such data into Group-wide portfolio climate metrics would be misleading. As indicated below, in relation to financed emissions, and other portfolio climate metrics recommended by TCFD, given the significant gaps in available measured emissions data in private markets, ICG's current focus is on improving the coverage and quality of such data (see page 53), which will enable us to establish a credible baseline for these metrics across our portfolios.

Climate-related Financial Disclosures continued

Metrics & Targets continued

	Climate Metrics	Target and/or current activity[25]	Scope	Climate risk	Use and measurement	Ref
Group						
Remuneration	Remuneration linked to sustainability and climate considerations.*	Sustainability and climate-related considerations are incorporated into the annual variable component of the remuneration of Executive Directors and all portfolio managers across the firm.	Executive Directors and Portfolio Managers' annual variable pay	Transition & Physical	Assesses the link of remuneration with sustainability considerations, including the implementation of the ICG Climate Change Policy and specific aspects pertaining to each investment strategy.	103
Sustainability-linked financing	Amount of ESG or Sustainability financing, with climate-related metrics	The Group seeks to link its climate ambition to third-party financing, where possible	Group and Fund related third-party financing	Transition & Physical	Measures the amount of third-party financing with built in climate-metrics that may adjust the margin or coupon of the facility. Expressed as an aggregate absolute amounts in GBP for the Group and USD for fund related third-party financing.	54
Investments						
Climate-related risks	Proprietary climate risk exposure rating	Exposure to climate-related risks (both physical and transition) is assessed as standard for all direct investment opportunities utilising our proprietary, asset type specific methodologies.	Individual direct investments	Transition & Physical	Assesses the potential exposure to physical and transition climate-related risks for individual investment opportunities using the Group's proprietary climate risks exposure assessment methodology. Climate risk exposure rating is incorporated into all investment proposals for consideration by ICs.	50
	Proportion of investments in companies with potentially heightened climate risk exposure	Conduct annually a Group-wide top-down portfolio assessment with a view to inform ICG's sustainability and climate-specific objectives and priorities.	Investments across our Structured and Private Equity, Private Debt and Credit asset classes, and Infrastructure Equity strategy.	Transition & Physical	Measures the exposure of portfolios to potentially heightened climate risk based on the Group's proprietary climate risk exposure assessment methodology, expressed as % of portfolio by unrealised value of investments.	50
	Proportion of investments in companies with heightened climate risk sector exposure	Conduct annually a Group-wide top-down portfolio assessment with a view to inform ICG's sustainability and climate-specific objectives and priorities.	Investments across our Structured and Private Equity, Private Debt, Real Assets and Credit asset classes.	Transition	Assess the exposure of certain portfolios to heightened climate risk sectors[26], expressed as % of portfolio by	50
Decarbonising our investment portfolios	Alignment to 1.5°C pathway	Long-term goal: reach net zero GHG emissions across Relevant Investments by 2040. Interim target (approved and validated by the SBTi): 100% of Relevant Investments to have SBTi-validated science-based targets by 2030, with an interim target of 50% by 2026.	Relevant Investments	Transition	Measures the proportion of Relevant Investments covered by science-based targets, as % of invested capital, which are therefore aligning with 1.5°C pathway. Monitored internally and reported publicly on an annual basis.	52
	Financed emissions and portfolio carbon footprint	Given the significant gaps in available measured emissions data in private markets, especially on Scope 3 GHG emissions, ICG's focus is on improving the data coverage and quality so we can establish a credible baseline for this metric across its portfolios.	Active funds[27] making direct investments across our Structured and Private Equity, Private Debt, Real Assets, and Credit asset classes.	Transition	Assesses the absolute GHG emissions associated with and attributable to a portfolio of investments, expressed in tCO_2e (financed emissions); and the financed emissions per unit of invested capital, expressed in tCO_2e per million invested in fund currency. Monitored internally and reported to investors in certain active funds at least annually.	N/A
	Weighted average carbon intensity.	Given the significant gaps in available measured emissions data in private markets, especially on Scope 3 GHG emissions, ICG's focus is on improving the data coverage and quality so we can establish a credible baseline for this metric across its portfolios.	Active funds[27] making direct investments across our Structured and Private Equity, Private Debt, Real Assets, and Credit asset classes.	Transition	Measures a portfolio's exposure to carbon-intensive investments, expressed in tCO_2e/ million revenue in fund currency for corporate investments; or in tCO_2e/m^2 for real estate investments. Monitored internally and reported to investors in certain active funds at least annually.	N/A

Climate-related Financial Disclosures continued

Metrics & Targets continued

	Climate Metrics	Target and/or current activity[25]	Scope	Climate risk	Use and measurement	Ref
Investments continued						
Developing our strategies	Investment strategies with explicit engagement priority or formal framework that focuses on climate change within the investment process.	ICG has incorporated climate change considerations in the approval process for new funds or strategies. Since 2021, we have considered climate change in the launch of the latest vintages of European Corporate and Mid-Market, Strategic Equity, Infrastructure Equity, Strategic Real Estate and European Real Estate Debt investment strategies, which have explicit focus on engagement on climate change and decarbonisation.	Active funds across our Structured and Private Equity, Private Debt, Real Assets, and Credit asset classes.	Transition & Physical	Provides an indication for our ability to adapt our investment strategies to explicitly incorporate climate change considerations. Cumulative amount of capital raised since April 2021, expressed in USD billion; and AUM expressed in USD billion in such strategies.	5
	Investments in infrastructure and real estate targeting sustainability improvements.*	ICG has several strategies investing in infrastructure and real estate that have sustainability frameworks designed to deliver tangible, targeted improvements in the sustainability performance of assets.	Infrastructure Equity, European Real Estate Debt, and Sale and Leaseback.	Transition	Measures the proportion of Group's investments in infrastructure and real estate in strategies targeting tangible sustainability improvements, expressed as % of AUM in Real Assets. Monitored internally and publicly reported annually.	54
	Installed renewable energy generating capacity	ICG Infrastructure has made a number of investments to support the further growth and development of companies specialising in renewable energy generation across North America, Europe and Asia Pacific; which directly support the transition to a low-carbon economy.	Infrastructure Equity strategy and seed assets	Transition	Measures the aggregate and annual change in installed renewable energy generating capacity, expressed in GW. Monitored internally and publicly reported annually.	54
Our operations						
Our operations	Scope 1 and 2 absolute GHG emissions (market and location-based).*	Long-term goal: net zero GHG emissions across operations by 2040. Interim target (approved and validated by the SBTi): to reduce the Group's direct Scope 1 and Scope 2 GHG emissions by 80% by 2030 from a 2020 base year (market-based.)	Group operations: combustion of fuel, fugitive emissions, and purchased electricity and heat.	Transition	Measures the direct operational carbon footprint of the Group in line with the GHG Protocol, expressed in tCO_2e. Assessed annually and reported publicly, subject to independent limited assurance.	63 - 64
	Scope 1 and 2 GHG emissions intensity (market-based).*	ICG seeks to improve the GHG intensity of our operations, year-on-year.	Group operations: combustion of fuel, fugitive emissions, and purchased electricity and heat	Transition	Measures efficiency of the direct operational carbon footprint of the Group relative to its revenue, expressed in tCO_2e per £m revenue. Assessed annually and reported publicly, subject to independent limited assurance.	63 - 64
	Energy used from renewable sources.	ICG seeks to maximise the proportion of electricity consumption from renewable sources, and encourage landlords to provide low-carbon heating solutions, wherever feasible.	Group operations: purchased electricity and heat	Transition	Measures the proportion of electricity and heat from renewable sources. Assessed annually and reported publicly, subject to independent limited assurance	63 - 64
	Scope 3 absolute GHG emissions.*	The Group is establishing a complete baseline and assessing the tools and levers necessary to reduce its Scope 3 emissions.	Group operations: business travel, purchased goods and services, water supply and waste generation	Transition	Measures the indirect operational carbon footprint of the Group in line with the GHG Protocol, expressed in tCO_2e. Assessed annually and reported publicly, subject to independent limited assurance.	63 - 64

* Indicates a cross-industry climate-related metric as per the TCFD Guidance on Metrics, Targets, and Transition Plans, 2021.

25. All references are to ICG financial years running from 1 April to 31 March.
26. Source ICG, the Heightened climate risk sectors categorisation is based on the latest TCFD Implementation Guidance (October 2021) which identifies the following sectors with the highest likelihood of climate-related financial impacts: Energy, Transport, Materials & Buildings, and Agriculture, Food & Forestry Products. ICG has adapted these to incorporate the framework provided by the Guidance on Use of Sectoral Pathways for Financial Institutions, produced by the Glasgow Financial Alliance for Net Zero in June 2022.
27. Active funds for this metric are those funds managed by ICG that principally focus on direct investments and that were either in fundraising or investing period or open-ended in nature, or were already measuring this metric at the start of FY22

Climate-related Financial Disclosures continued

Annual Group GHG emissions statement

This statement has been prepared in accordance with our regulatory obligation to report GHG emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which implement the UK Government's policy on SECR.

Operational GHG emissions performance

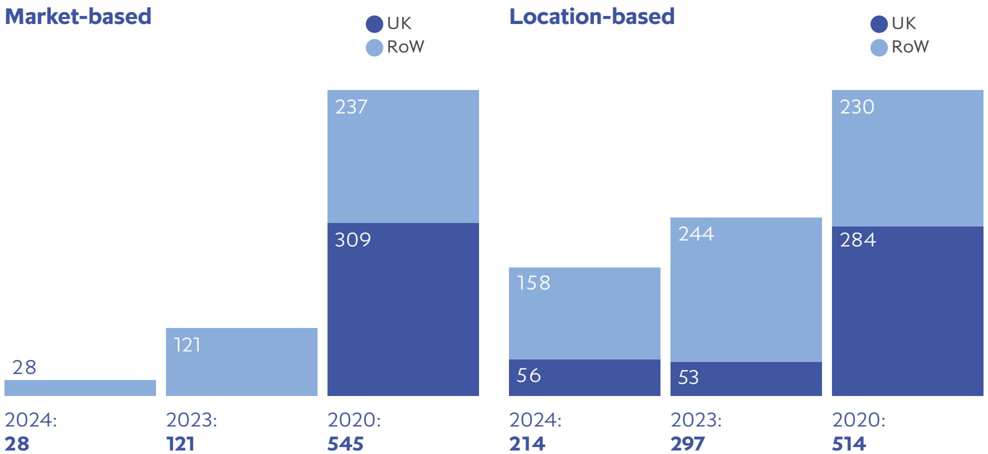
During the period 1 April 2023 to 31 March 2024 (the reporting period), our measured Scope 1 and Scope 2 (market-based) emissions totalled 28 metric tCO_2e compared to 121 metric tCO_2e in the 12-month period to 31 March 2023 (the prior period). The Scope 1 and 2 intensity[1] equated to 0.04* metric tCO_2e/FTE and 0.03* metric tCO_2e/£m revenue, compared to 0.21 metric tCO_2e/FTE and 0.19 metric tCO_2e/£m revenue in prior period.

		12-month period ending 31 March		
GHG emissions[2]	Activity	2024	2023	2020 (baseline)
Direct emissions (Scope 1)	Combustion of fuel and operation of facilities	14*	46*	66
Indirect emissions (Scope 2)	Purchased electricity (location-based)	197*	250*	448
	Purchased electricity (market-based)	11*	75*	479
	Purchased heat (district heating)[3]	3*	n/a	n/a
	Total Scope 1 and 2 (market-based)[4]	**28***	**121**	**545**
Indirect emissions (Scope 3)	Business travel (flights, rail, car rental, taxis, hotels)	4,630*	2,724*	2,640
	Waste generated in operations (incl. water)	14*	3*	8
	Purchased goods and services (incl. capital expenditures)[5]	14,878*	13,286*	0
	Fuel and energy related activities[6]	56*	79	0
	Total Scope 3	**19,578***	**16,092**	**2,648**

1. Scope 1 and 2 emissions intensity for the reporting period are based on FTE of 635, and Revenue of £949.6m.
2. Numbers in the table have been rounded up or down to the nearest metric tonne of CO2e.
3. Emissions from district heating have been introduced in the reporting period. While the specific facilities have always utilised this for heat, this was only identified by the landlord and communicated for the first time in this reporting period. The total amount is not significant enough to trigger a restatement of the baseline.
4. The sum of Scope 1 and 2 emissions is based on the Scope 2 market-based data and includes purchased heat from district heating which is new the GHG inventory in the reporting period.
5. Emissions are calculated using identifiable vendors and their related industry (which are assigned on a best effort basis). We exclude expenditure where we can not clearly identify the vendor's industry or emissions. This constitutes approx. 1% of expenditure after removal of intercompany transactions.
6. Figure for the 12-month period to 31 March 2023 has been restated to 79 tCO2e to reflect a change in methodology; representing a 4% increase. This also resulted in an increase of our Total Scope 3 emissions for this period from 16,089 tCO2e to 16,092 tCO2e.

*ICG plc engaged Ernst & Young LLP (EY) to provide limited assurance over GHG emission metrics as indicated by * in the annual GHG emission statement for the year ended 31 March 2024. The assurance engagement was planned and performed in accordance with International Standard on Assurance Engagements (UK) 3000 (July 2020), as promulgated by the Financial Reporting Council (FRC). The assurance report is publicly available at https://www.icgam.com/sustainability-esg/. It includes details on the scope, respective responsibilities, approach, restrictions, limitations and conclusions. EY also provided assurance for the year ended 31 March 2023. Data for previous years was verified to ISO14064 by alternative providers.

Scope 1 and 2 emissions ($mtCO_2e$)[1]



In the reporting period Scope 1 and 2 (market-based) emissions have decreased by 95% from ICG's baseline, driven by an increase in the number of offices procuring 100% renewable electricity; reaching 7 out of the 12 offices in scope of our GHG reporting (see our GHG statement methodology on page 64 for more information).

During the prior period, our Scope 1 and 2 emissions increased due to overlapping rental periods for two properties during an office move in the United States of America (US). Since then, we have reverted to having one major office in the US which is now a LEED Gold certified facility. It also has a 10-year agreement to procure 100% renewable energy.

	12-month period ending 31 March		
Metrics	2024	2023	2020
Scope 1 and 2 (market-based emissions) per FTE ($mtC0_2e$)[1]	**0.04**	0.2	1.07
Scope 1 and 2 (market-based emissions) per £m revenue ($mtCO_2e$)[1]	**0.03**	0.19	1.32

Scope 3 emissions performance

Scope 3 emissions have increased from this reporting period compared to the prior period. Our main emissions activities are purchased goods and services (76%) and business travel (24%). The increase is largely driven by the growth of the firm and expanding our presence.

Climate-related Financial Disclosures continued

Annual Group GHG emissions statement continued

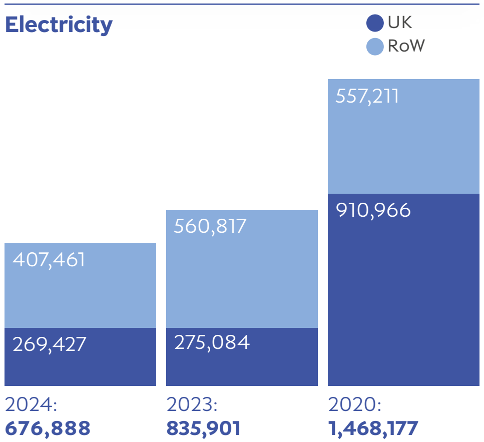
Energy consumption and efficiency

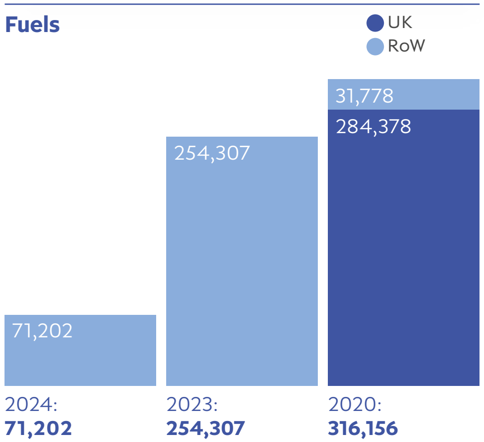
During the year, our total fuel and electricity consumption in our operations totalled 677 MWh. 40% of electricity was consumed in the UK, while the remaining 60% was consumed in 12 offices outside the UK which are predominantly serviced offices where ICG has limited control over energy provision. The split between fuel and electricity consumption is displayed in the table below. 95% of electricity purchased is from renewable sources either through green tariffs or backed by renewable energy certification, compared with 76% in the prior period. This year, the London office has improved energy efficiency through modification of the building management system, resulting in 2.1% energy reduction compared to the prior period. This success, will inform further energy efficiency and emissions reduction initiatives in next 12 months.

During the reporting period, it was confirmed that the new office in New York does not use a gas heating system; which is the main reason behind the reduction in fuels use compared to the prior period.

	12-month period ended 31 March		
Metrics (KWh)	**2024**	**2023**	**2020**
Electricity	**676,888**	835,901	1,468,177
of which, from renewable sources	**644,544**	638,697	0
District heating	**22,460**	n/a	n/a
Fuels[1]	**71,202**	254,307	316,156
Total Electricity, District heating and Fuels	**770,550**	1,090,207	1,784,333

1. Natural gas and transportation fuels (petrol and diesel).





GHG statement methodology

Reporting period: 1 April 2023 - 31 March 2024.

ICG quantifies and reports our organisational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, the Scope 2 Guidance, and Corporate Value Chain (Scope 3) Standard. We consolidate our organisational boundary according to the operational control approach, which includes all our offices around the world with five or more employees.

The GHG emissions sources that constituted our operational boundary for the reporting period are:

- Scope 1: Combustion of fuel and operation of facilities
- Scope 2: Purchased electricity consumption for our own use (location-based and market-based), and purchased heat from district heating energy schemes (new to this reporting period)
- Scope 3: Business travel (rail, taxis, hotels, air travel and car rental (new to this reporting period)), water supply and waste generation, transmission and distribution of electricity, purchased goods and services (including capital goods expenditure)

Numbers provided in this Annual Group GHG emissions statement have been rounded up or down to the nearest metric tonne of CO_2e.

In some cases, where data is missing, values have been estimated using either extrapolation of available data or data from the previous year as a proxy. Further detailed explanation of the calculation approach is provided in page 202.

The Scope 2 Guidance requires that we quantify and report Scope 2 emissions according to two different methodologies ('dual reporting'): (i) the location-based method, using average emissions factors for the country in which the reported operations take place; and (ii) the market-based method, which uses the actual emissions factors of the energy procured when certified green electricity has been procured.

Consumption data has been converted into CO_2 equivalent using:

- UK Government's CO2e conversion factors are used for all UK based emission sources. The activities included are electricity, heating, waste/ water, transmission and distribution losses (including WTT), business travel (rail (including UK to Europe travel), air, hotel, and rental cars). Any Eurostar travel uses UK Government factors. For international offices, when factors were not available, the following activities utilised UK Government's CO_2e conversion factors - air travel and natural gas heating, waste/water, and district heating.
- International Energy Agency international conversion CO_2e factors were used for global offices for the following activities- electricity and transmission and distribution losses (including WTT).
- United States Environmental Protection Agency carbon emission factors are used for train travel in the US, and Network for Transport Measures (NTM) data carbon factors are used for train travel in the EU. UK Government based rail factor is used for any Eurostar travel emissions.
- For business travel based on expenses, Exiobase spend based emissions factors are used for taxi travel in place of the now obsolete Quantis factors.
- For purchased goods and services (including capital spend), emission calculations for 11 large suppliers was based on latest publicly available actual corporate emissions data. It incorporated the suppliers emissions and revenue considering ICG's total spend with the supplier. Spend-based emissions factors (£/CO_2e) were allocated using the SIC codes supplied by the UK Government.

Further details are found in the Basis of Preparation on pages 202 to 203.