



OUR NET ZERO ROADMAP

Climate change is happening at an alarming rate and is already having a significant impact on our lives. We recognise that we can help decarbonise our economy through the strategies we offer to our clients, the investment decisions we take, and the focused engagement with our portfolio companies and peers in our industry.

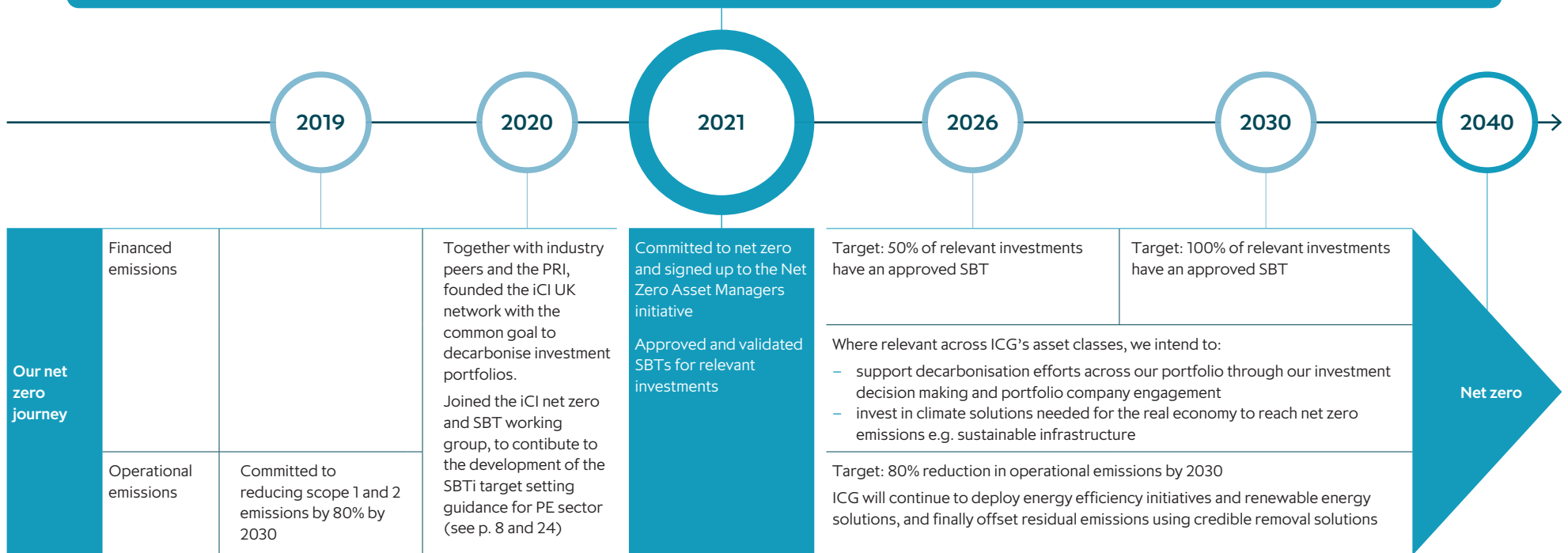
ICG is committed to support the goal of net zero GHG emissions by 2040 or sooner, in line with global efforts to limit warming to 1.5°C.

Our net zero commitment is supported by two ambitious emissions reduction targets by 2030, which have been approved and validated by the Science Based Targets initiative (SBTi).

Our approved and validated science-based targets

- Ensure 100% of relevant investments have SBTi-approved science-based targets by 2030, with an interim target of 50% by 2026¹
- Reduce ICG’s direct (Scope 1 and 2) emissions by 80% by 2030 from a 2020 base year

For further information on our SBTs, please refer to the SBTi website [here](#).



1. Relevant investments include all investments within Structured and Private Equity and Real Assets where ICG has sufficient influence. At 30th September 2021, this equated to 22.5% of ICG’s AUM



SETTING THE FOUNDATIONS TOWARDS NET ZERO

We have developed a robust approach to net zero based on our four key Responsible Investing Fundamentals:



Engage

with portfolio companies to drive sustainability outcomes

- In strategies where we have influence, we work with management teams to:
 - ensure effective oversight of climate risks and opportunities
 - conduct an energy audit and assess carbon footprint
 - develop a climate strategy and action plan
 - set science based emission reduction targets (SBTs) for all relevant investments
 - implement measures to achieve targets e.g. promote energy efficiency initiatives, onsite renewable energy and transition to low carbon solutions
- Where we don't have influence, we seek to engage with private equity sponsors and fund managers on integrating climate change considerations in investment decisions and portfolio monitoring

[See p. 11 for further details on our Responsible Investing Fundamentals](#)



Innovate

to develop sustainably-themed products

- ICG has developed three sustainably-themed products (p. 19)
- ICG's Exclusion List prohibits direct investments in coal, oil and gas
- ICG's bespoke Climate Risk Assessment is mandatory for each investment opportunity and forms part of ICG's standard ESG Screening Checklist. For opportunities with higher risk exposure, additional climate risk analysis is completed, and, where applicable, incorporated in external ESG due diligence
- ICG conducted a Climate risk high-level screening of more than 700 existing portfolio holdings and detailed scenario analysis of 30 higher exposure companies to physical risks (up to 2050) and transition risks (2020 to 2040), conducted in 2020, with follow up analysis every 2 years



Report

on progress to enhance transparency with our stakeholders

- We systematically monitor a range of climate metrics across our investment strategies in line with TCFD and SFDR, and will begin reporting to clients in 2022 on these metrics
- We typically include climate metrics in sell-side materials for portfolio companies in strategies where we have influence
- ICG has published an annual TCFD disclosure since 2019 (see p.34 of *AR FY21*)
- We measure, independently verify and invest in the offsetting of our Scope 1 and 2 and selected Scope 3 GHG emissions, and publicly report these (p.33 of *AR FY21*)
- We take part in the CDP Climate Change Assessment and received an 'A-' Leadership Score for our latest report



Collaborate

on initiatives to drive industry best practice

- As a founding member of the iCI UK network, ICG works with others to support the establishment of SBTs, improve carbon reporting and effective ESG policy implementation in private markets
- ICG was one of the first alternative asset manager signatories to the Net Zero Asset Managers initiative in 2021
- We are an active member of the industry wide Expert Advisory Group (EAG) that supported the SBTi with the development of target setting guidance for the PE sector, published in November 2021
- We supported the development of and piloted the CDP's Private Companies Climate Assessment framework, to launch in 2022
- ICG is a Member of the PRI Corporate Reporting Reference Group and the BVCA working group on TCFD
- We signed the *2021 Global Investor Statement to Governments on the Climate Crisis*

[See our RI Policy for further details on our RI processes](#)



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