

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.

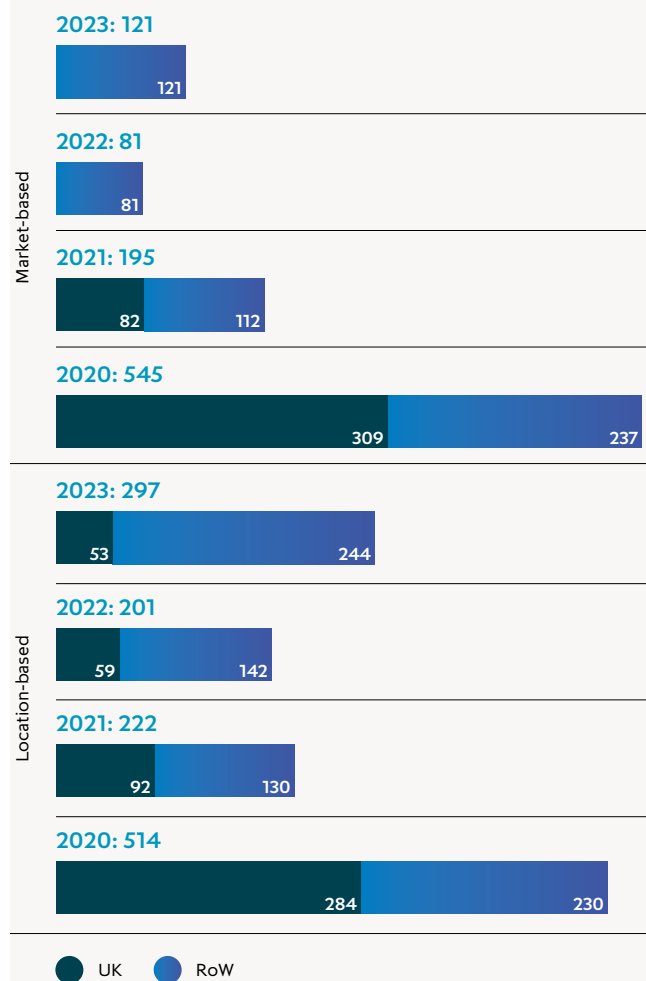
Operational GHG Emissions Performance

During the reporting period 1 April 2022 to 31 March 2023, our measured Scope 1 and Scope 2 (market-based) emissions totalled 121 metric tCO₂e compared to 81 metric tCO₂e in FY22. The scope 1 and 2 intensity equated to 0.20* metric tCO₂e/FTE and 0.19* metric tCO₂e/£mn revenue, compared to 0.13 metric tCO₂e/FTE and 0.08 metric tCO₂e/£mn revenue in FY22.

GHG Emissions ¹		FY23	FY22	FY21	FY20
Direct emissions (scope 1)	Combustion of fuel and operation of facilities	46*	7	11	66
Indirect emissions (scope 2)	Purchased electricity/heat (location-based)	250*	194	211	448
	Purchased electricity/heat (market-based)	75*	74	184	479
Total scope 1 and 2²		121	81	195	545
Indirect emissions (scope 3)	Business travel (flights, rail, vehicles, taxis, hotels)	2,724*	749	41	2,640
	Waste generated in operation (incl. water)	3*	4	0.6	8
	New scope 3 categories to FY23				
Indirect emissions (scope 3)	Purchased Goods and Services ^{3,4}	13,286*	-	-	-
	Fuel and energy related activities ³	76*	-	-	-
Total Scope 3		16,089	753	42	2,648

* ICG plc engaged Ernst & Young LLP (EY) to provide limited assurance over GHG emission metrics as indicated by * in the FY23 annual GHG Emission Statement. 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. Previous years data were verified to ISO14064 by alternative providers.

Scope 1 and 2 emissions (mtCO₂e)¹



FY23 Scope 1 and 2 (market-based) emissions have decreased by 78% from ICG's FY20 baseline, driven by an increase in the number of offices procuring 100% renewable electricity.

The year-on-year increase in scope 1 and 2 (market-based) emissions from FY22 to FY23 is primarily due to the expansion of ICG operations in North America (New York), and an improvement in the accessibility of heating (scope 1) data from landlords in leased facilities in other global operations. During FY23, ICG North America

1. Numbers in the table have been rounded up or down to the nearest metric tonne (mt) of CO₂e.
 2. The sum of scope 1 and 2 emissions is based on the scope 2 market based data.
 3. 2023 was the first year that Purchased Goods and services (PG&S) and fuel and energy related activities were calculated for ICG. PG&S calculation method used was a spend-based approach.
 4. PG&S spend does not include third party administrators of funds managed by ICG.

moved to a larger office location, resulting in an overlap of two separate premises under ICG control for a period of 6 months from 31 August to 31 January 2023, while experiencing an increase in electricity demand (and therefore scope 2 location-based emissions) from its expanded workforce.

In FY23, ICG expanded its inventory profile to include its purchased goods and services (PG&S), which now constitute the majority of scope 3 emissions (82%). As this is the first year of estimating PG&S emissions, ICG has utilised a spend-based estimation method for this initial GHG profile of the supply chain. Waste and water related emissions have reduced year on year due to waste reduction measures implemented in our London office, whilst business travel has rebounded to pre-pandemic levels, driven by an increase in FTE and the removal of global restrictions to international travel.

Metrics	FY23	FY22	FY21	FY20
Scope 1 and 2 (market-based emissions) per FTE (mtCO ₂ e) ¹	0.20	0.13	0.35	1.07
Scope 1 and 2 (market-based emissions) per £Mn revenue (mtCO ₂ e)	0.19	0.08	0.24	1.32

Energy Consumption and Efficiency

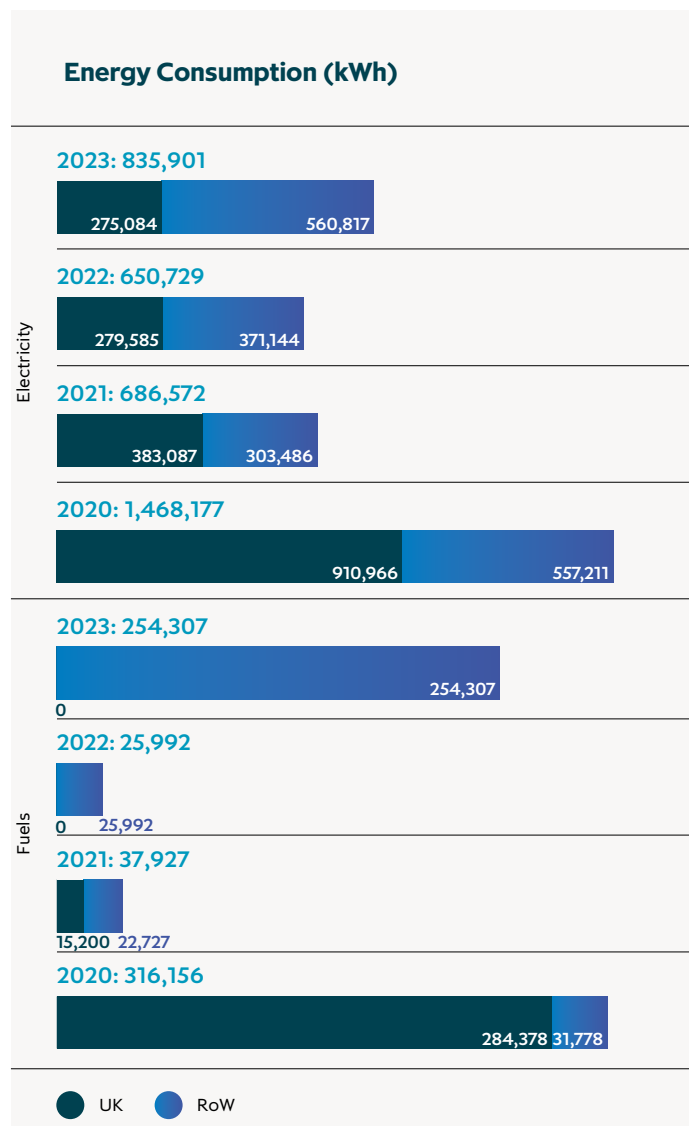
During the year, our total fuel and electricity consumption in our operations totalled 1,090 MWh. 25% of energy was electricity consumed in the UK, 33% was electricity consumed in the US, while the remaining 11 global sites consumed 18%. The remainder was through heating fuel in 4 sites globally. The split between fuel and electricity consumption is displayed in the table below. 76% of electricity purchased is from renewable sources either through green tariffs or backed by renewable energy certification, compared with 58% in the previous year. ICG continues to expand the purchase of renewable electricity while we explore energy efficiency solutions such as the installation of LED lighting in suitable global offices. Fuel consumption has increased from 2022 due to the new US office utilising natural gas as compared to the electric based heating system from the previous premises.

	FY23	FY22	FY21	FY20
Electricity ³	835,901	650,729	686,572	1,468,177
Of which, from renewable sources ³	638,697	379,161	154,744	–
Fuels ^{2,3}	254,307	25,992	37,927	316,156
Total Electricity and Fuels³	1,090,207	676,721	724,499	1,784,333

1. FTE figures include all staff: permanent employees and contractors

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

3. Units provided in kWh



GHG statement methodology

Reporting period - 1 April 2022 - 31 March 2023

Boundary - Operational control. Facilities that are operated by ICG where we have more than five members of staff in the building on a permanent basis.

ICG quantifies and reports our organisational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, alignment with 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 sources that constituted our operational boundary for the 2023 reporting period are:

- Scope 1: Natural gas combustion within boilers and refrigerants from air-conditioning equipment
- Scope 2: Purchased electricity consumption for our own use (location based and market based)
- Scope 3: Business travel (rail, taxis, hotels (new to FY23) and air travel), water supply and waste generation, transmission and distribution of electricity (new to FY23 inventory), purchased goods and services (new to FY23).

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 213.

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 CO₂ equivalent using:

- UK Government 2020, 2021 and 2022 Conversion Factors for Company Reporting across all emissions sources unless those below were used.
- International Energy Agency international electricity conversion factors (to calculate emissions from corresponding activity data)
- United States Environmental Protection Agency data for train travel in the US, and Network for Transport Measures (NTM) data for train travel in the EU.
- For business travel based on expenses, Quantis spend based emissions factors are used.
- Spend based emissions factors from the Department for Business, Energy and Industrial Strategy (BEIS) and sourced from the GHG Protocol scope 3 guidance.

Basis of preparation for GHG emissions statement

The Greenhouse gas emissions of the Group and Company are prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, aligned with the Scope 2 Guidance, and Corporate Value Chain (Scope 3) Standard. ICG has attempted to use as much actual data to calculate the carbon footprint as possible, but there are circumstances where data has been estimated through a variety of methods according to the emissions source and the data available. The information below provides further detail into the calculations, estimation approaches and limitations of data we had to calculate our operational CO₂e.

Reporting Period

ICG's GHG reporting period of 1 April to 31 March is in line with our Annual Filings and Accounts, however the carbon footprint was completed prior to 31 March for the purpose of disclosure in the Annual Report FY23. To align the periods, ICG calculated the footprint by utilising actual data across the determined emissions sources for the calendar year (1 January – 31 December 2022). The January – March 2022 data was then used as a proxy for the January – March 2023 period. This method was conducted in line with previous ICG GHG footprints and therefore provides comparability between each year. The exception for this approach was for the New York office data. This exception was driven by the relocation of the New York office during FY23. ICG began a new office lease on 31 August 2022, and occupied this property on the 1 February 2023. The lease of the old office expired on 31 January 2023. To ensure accuracy and account for the fact that ICG operated 2 large offices over a 6-month period (which would not happen under the calendar year methodology) we utilised actual data for the old office and measured from the 1 April 2022 – 31 January 2023 (site closure). We estimated the future consumption of the new office for the 31 August 2022 till 31 March 2023 period by using an energy profile model that was conducted by external consultants. At the time of conducting the footprint ICG had no access to actual data from the new site.

Fuel, electricity, water and waste

For all sites except for the newly opened New York office, we used actual data from periodic utility bills, and secondary data provided by landlords for service charge costs that were split by floor space rented. We acquired data for all sites except for the new facility in New York. In periods where we were unable to obtain actual data, we utilised an extrapolation method which calculated the average daily use from actual data and extrapolated it to replace missing data to ensure a full 365 days of readings. This approach was used for gas heating (when present), electricity, water and waste (when available). Serviced offices unable to obtain waste and water data from landlords were not included in this statement and are insignificant to the footprint.

Business travel

Business travel data is split into 4 groups – air, rail, taxis and hotels. At ICG, Air, rail and hotel bookings are booked through the company's central business travel booking agent providers who provide ICG with all necessary data as an output (individual trips, distance travelled, and stays in hotels, hotel locations) for calculating emissions. The booking systems have become the primary platform for booking air, rail and hotels at ICG and therefore has resulted in a shift in the data inputs and therefore emissions factors used to calculate some emissions activities from previous years (detailed below). The platform allows ICG to understand distances and origins rather than using spend based expenses claimed. Note that taxis continue to be measured through expense claims.

Air travel

Data such as the flight origin and destination cities, distances travelled, and class of travel were provided by the booking agent via the travel booking systems. ICG sourced the relevant emissions factors from the UK Government, DEFRA (a UK government department responsible for environmental protection) – *GHG Conversion Factors for Company Reporting – Business travel – Air 2022*. Flights were organised by haul length (domestic, short, long and international), along with the relevant class of travel. As per DEFRA guidance, we assumed those flights travelling from UK to continental Europe were short haul and used the appropriate emissions factor. Long haul emissions factors were used for flights from the UK to outside of Europe. For travel between other countries the international flights DEFRA factors were used. The class of travel was also used to associate the correct emissions factor. If DEFRA did not hold a seat class specific factor (for example, there is no class of travel factor for Domestic UK flights), then the average flight factor was used for the haul length. There were limitations on data quality from one of the central booking systems. The booking system output cannot differentiate which flights were upgraded and which flights were exchanged for new flights or had amended dates (but kept the same travel class). Therefore, in the carbon conversions the original travel class was kept for the calculations. 10% of flights in the data are labelled as “upgrade/exchange/reissue” – making it impossible to determine which flights were solely upgrades over reissues or flight exchanges. There were also limitations regarding the classification of “miscellaneous” costs from the data provider which could not be associated with additional travel beyond the current list of flights. These “miscellaneous” data points were excluded from the inventory as the provider stated that they were not related to travel but were additional costs associated with prior bookings.

Basis of preparation for GHG emissions statement continued

Rail Travel

Data utilised from booking providers included travel origins and destinations, and distances travelled. In previous carbon statements, carbon for rail travel was calculated by converting \$ spend on rail travel in to carbon using a general inland travel emission factor. As the centralised booking system became the primary platform for booking trains in 2022 for rail travel in the USA, we were able to use more accurate distance based carbon emissions factors in place of the spend-based approach. For USA specific rail travel we used EPA emissions factors for the Amtrak Intercity rail – National average Northeast corridor. This was used because the ICG office is located in New York and rail travel is focussed within this region. For EU related travelled, we utilised the NTM for EU average rail emissions factors over spend based factors as European staff also have migrated to the central booking platform. The NTM emissions factor is more accurate than using spend factors or DEFRA factor international rail travel as it is focussed on EU travel and electricity grids, while incorporating well to wheel emissions as well. For rail travel in the UK, DEFRA factors were used.

Hotel stays

Emissions from hotel stays are included in the business travel activities. The travel bookings agent provided booking data that consisted of the country of the hotel, the number of nights stayed and the number of rooms. DEFRA sourced factors for hotel stays in specific countries were aligned with the country data. Any countries that did not have a DEFRA sourced emissions factor were allocated a “default factor”. This default factor was calculated as an average of the 29 countries that had factors. 3.1% of hotel stays fell into this default group.

Taxi travel

Travel by taxi was calculated differently to other business travel based on the limitations of the data. Taxi travel was also new to the business travel inventory in FY23. The data limitations were based on not having information pertaining to distance, origin to destination or type of vehicle data to estimate the emissions that stem from this source. Taxi travel is claimed by staff through the expenses system. Therefore, the total spend on travel from countries around the world was used as the basis for calculation. This spend on taxi travel was converted to GBP using FX rates for 31 December 2022, then converted to CO₂e using an international spend-based carbon emissions factor for land-based travel.

Purchased goods and services

The baseline for emissions stemming from purchased goods and services were calculated using a purely spend-based approach. While the spend data is 100% actual data provided by the ICG procurement team for the period 1 January – 31 December. The emissions conversion factors are not based on actual supplier emissions in this baseline year. Therefore, emissions represent an estimate based on the industry that suppliers are categorised as rather than being specific to each supplier. The ICG suppliers were categorised based on the SICs industry that they reside within and were then mapped against BEIS emissions factors which are based on the UK carbon footprint from 2019. Approximately 98% of supplier spend was categorised to a SIC code. However, the 2% of small spend that was uncategorised was allocated an “office admin / business support” emissions factor because the majority of ICG suppliers will be business support service providers.