



ICG

Sustainability and People Report

2023/24

About this report

This report provides an update on sustainability at ICG in both our investments and within our operations. It focuses on our key sustainability-related priorities, approach and performance.

This year we have taken the decision to align our sustainability reporting with ICG’s financial year, reflecting both best practice and preparing for future reporting obligations for ICG.

This report therefore covers the 18-month period ending 31 March 2024, following on from ICG’s previous Sustainability and People Report which covered the 12-month period to 30 September 2022. Unless otherwise stated all data is as at 31 March 2024.

Where we refer to financial years (FY) this refers to the period between 1 April – 31 March. For example, FY24 covers the period 1 April 2023 to 31 March 2024. The report is provided for all operating subsidiaries within the Group, unless otherwise stated.


In developing this report we have considered the needs of a range of stakeholders, guidance and reporting frameworks including Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) in the approach, structure, principles and indicators on which we report. Our SASB and GRI content index is provided in the final section of the report. You can read more about our approach to materiality in this report on pg. 8.


Any case studies referenced in this report are not representative of all investments and are shown solely for illustrative purposes. The specific investments identified and described are not representative of all of the investments purchased, sold, or recommended for the relevant strategy. There can be no guarantee that similar investment opportunities will be available in the future or that the strategy will be able to exploit similar investment opportunities should they arise. Please refer to the important information at the end of this report for important disclosures.


This report is provided for information only and does not constitute an offer or solicitation to invest in any ICG product or strategy.


How to use this report

The following symbols indicate that additional information can be found either in this report, on our website, in a video online, or in our latest Annual Report:

- 

Read more
in this report
- 

View more
on our website
- 

Find out more
in our Annual Report and Accounts 2024
- 

View more
about our approach to sustainability online at www.icgam.com/sustainability.

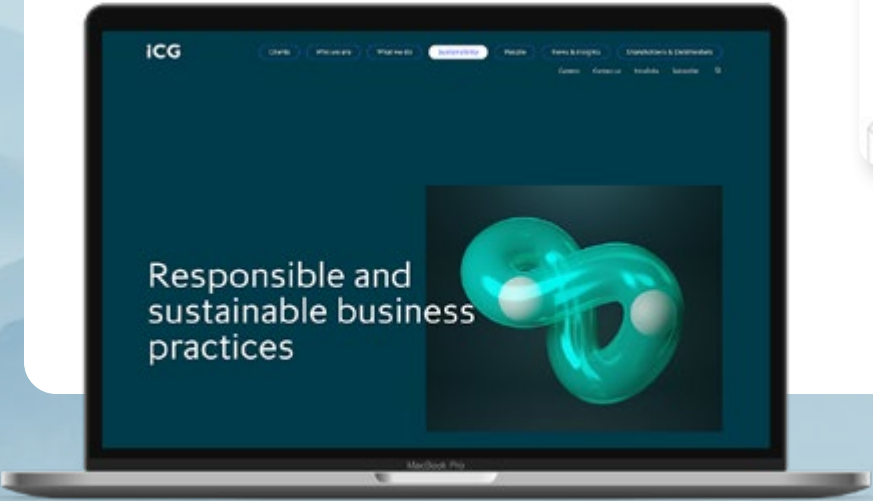
Our Group reporting

This report sits within the ICG Group’s wider sustainability-related reporting suite which also includes:

- [Annual Report and Accounts 2024](#) including:
- Climate-related Financial Disclosures
 - Annual Greenhouse Gas (GHG) emissions statement
 - Pay gap report
 - Basis of preparation for GHG emissions statement

- [EY Independent Assurance Report for select GHG metrics](#)
- [Modern Slavery Statement](#)
- [UK Stewardship code report](#)

Find out more at www.icgam.com





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Overview

ICG is one of the world’s leading alternative asset managers. We create sustainable value by partnering with ambitious businesses. We deliver outstanding investment performance to our clients, provide wide-ranging capital solutions for corporates and owners of real assets, and create value for stakeholders, shareholders and communities.

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ICG at a glance

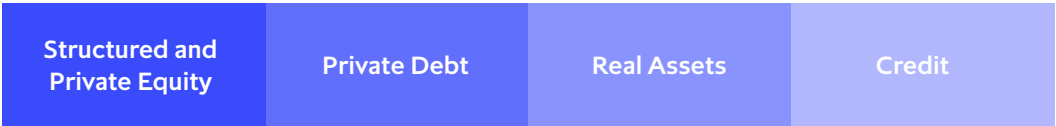
We are a global alternative asset manager. We help grow our clients’ capital and provide flexible, sustainable financing solutions to companies. We manage our AUM across four asset classes, providing capital to our portfolio companies across the capital structure in the most appropriate form to meet their needs.

681
clients¹

637
people¹

\$98bn
AUM¹

Our four asset classes:



ICG’s global footprint today, operating out of 19 locations²



1. All data on this page is as at 31 March 2024, Source: ICG Annual Report and Accounts 2024.
2. This includes locations of outsourced service providers where there are no ICG employees. Circles are not to scale.

Our strategic business priorities are:



1. Grow AUM

We raise capital from clients across a range of investment strategies. By broadening our product offering, we grow our client base and our business with existing clients.

2. Investing

We use our investment platform and expertise to secure attractive opportunities on behalf of our clients.

3. Manage and realise


We work hard to help our portfolio companies develop and grow, and where appropriate we support them on sustainability matters such as decarbonisation and diversity, equity and inclusion.


Our market environment


ICG is well-positioned to benefit from private market trends. Our diversity of strategies is a strategic advantage as it allows us to help clients meet their investment objectives across a wide range of funds and across economic cycles.


ICG’s resources

We have four key resources that we require to operate, create value and achieve our objectives.

 **Our reputation and track record:**
We have existed for 35 years and listed in 1994. Our reputation of having a strong investment focus and our track record of delivering value for our clients are key to our continued success.

 **Our people and platform:**
We are a world-class firm of outstanding professionals, and we form a purposeful community between our colleagues, the businesses with which we work, and our clients. Our business is organised to reflect our emphasis on investment performance, client focus, and operational excellence. We succeed because of our people and culture demonstrating integrity, diversity and collaboration.

 **Our client franchise:**
Our global marketing and client relations team ensures that we continue to understand and meet the requirements of our clients. Our strong client franchise enables us to grow existing strategies and to launch new strategies.

 **Our financial resources:**
Our visible, recurring fee income enables us to plan with a long-term view, and our strategic and valuable balance sheet enables us to seed and accelerate new strategies, and to align our interest with our clients.

10 YEARS

OF RESPONSIBLE INVESTING AT ICG

In 2013, we initiated the integration of sustainability factors into our investment processes when we signed up to the UN Principles for Responsible Investment (PRI) and established our Responsible Investing Policy.

Building on these foundations, the decade since has witnessed significant and compounding growth in our ambition, matching that of the firm as a whole, with considerable enhancement of our approach across and within strategies. Sustainability has become an integral component of our investment approach and a key guiding principle in the way we operate.

2013 – 2018



- Established our Responsible Investing Policy
- Introduced responsible investing training for investment and marketing professionals
- Became a signatory of the PRI
- Formed ICG’s Responsible Investing Committee

Building the foundations

2019 – 2022

- Committed to net zero across operations and relevant investments by 2040¹, with interim SBTi-validated targets by 2030
- Became active members of Initiative Climat International (iCI) and a signatory to the Net Zero Asset Managers initiative
- Established the Sustainability & ESG team to drive ICG’s sustainability strategy and approach to responsible investing across our investments
- Launched strategies targeting tangible sustainability improvements in infrastructure and real estate assets with focus on decarbonisation
- Released ICG’s Climate Change Policy
- Adopted the TCFD recommendations



1. Relevant Investments include all direct investments within ICG’s Structured and Private Equity asset class and Infrastructure Equity strategy, 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.

Establishing strategic priorities; doubling down on climate change

2022 – 2024

- Formalised ESG-linked compensation for all portfolio managers to drive accountability
- Strengthened our data capabilities through the launch of a dedicated web-based sustainability data management platform
- Standardised the pre-investment sustainability assessment for companies, real estate and LP secondaries; embedding materiality, climate risk and nature and biodiversity assessments
- Expanded our engagement efforts across key strategies to strengthen our understanding of the sustainability practices of underlying investments and encourage improvements
- Improved transparency to investors via implementation of fund-level sustainability reporting for the majority of active funds
- Formed an internal multi-functional working group to monitor sustainability-related regulatory developments and coordinate effective implementation across the firm
- Actively contributed to the development of industry best practices, such as the Private Markets Decarbonisation Roadmap (PMDR)

Embedding our approach

Scaling our ambition 2024 – onwards

- **PURSUE** a materiality-based approach to engagement efforts to protect and enhance value
- **EVOLVE** our governance, processes and systems to continue to deploy our approach at scale across and within investment strategies, including capacity and knowledge building
- **EXPAND** our decarbonisation strategy to include investment portfolios beyond the current scope of our public targets
- **INVEST** in additional data capabilities to strengthen the generation of actionable insights and streamline reporting
- **DEVELOP** our position on key emerging sustainability themes: Nature and Biodiversity and Human rights; and integrate into our investment processes





Q&A

With Benoît Durteste
Chief Executive Officer and
Chief Investment Officer, ICG

Q This year, ICG has reached a milestone in 10 years of responsible investing. What are your reflections on ICG’s sustainability journey?

A It has been exciting to witness our sustainability strategy evolve as our business has evolved over the years. We have seen the private markets industry change in extraordinary ways during the last three-plus decades that ICG has been investing, and I’m pleased that the overall trend in the industry is moving toward more sustainability integration. Part of that is due to regulation pushing the industry and accelerating transformation. Client expectations have changed over time as well, and we have always sought to stay at the forefront of the market on critical environmental, social and governance matters – not just for the sake of it, but in order to have tangible impact in a way that is beneficial for our investments and for the world. Today, we are a truly global business, and manage nearly \$100bn of AUM on behalf of 681 clients. We invest across a wide range of private markets strategies, which means our sustainability approach must be equally distinct and adaptive, depending on our level of influence and the engagement capability we have available for each strategy. So, I’m delighted that ICG established a commitment to sustainability quite early on, and even more pleased that we have continued to grow more robust and more sophisticated in our approach over time.

Q This was another challenging year for private markets. What role does sustainability play in competitiveness for the firm?

A Despite the challenging market, the investment performance of our products has delivered significant value, and that is all without taking our eye off of our sustainability efforts. Indeed, in more challenging environments such as this, the benefits of strong investment discipline and a sustainable, long-term business model become more apparent. Our sustainable model is not only due to operational or economic resilience. We have truly endeavoured to integrate sustainability into our investment approach – from the way we assess potential investments, to the way we engage with companies, and our approach to supporting their growth. And, we are applying to ourselves what we encourage our investments to do.

We see this integration of sustainability considerations as an opportunity for value preservation – value enhancement, even – and a contributing factor to long-term growth, both for our portfolio companies and for ICG.

Q What sustainability and people achievements are you particularly proud of?

A Decarbonisation has been an area of particular focus for ICG over the last several years. In 2021, ICG was one of the first alternative asset managers to announce a commitment to reach net zero GHG emissions across our operations and Relevant investments by 2040.¹ That commitment is supported by two ambitious emissions reductions targets that were validated by the Science-Based Targets initiative (SBTi), and I am pleased with the progress we have made against those targets – supporting 65% of our relevant portfolio companies to set

their own science-based decarbonisation targets, and substantially reducing emissions in our own operations – both well ahead of schedule.

I am also very proud of the work ICG has done on advancing our DEI agenda. Our people are the driving force behind our business, and we know that we will be stronger with employees with diverse perspectives and ideas. We also know there is still a long way to go to advance diversity, equity, and inclusion in the investment industry, so we are expanding our focus in a refreshed DEI strategy. I’m delighted that, for the second year in a row, we were the recipients of the Number 1 ranking by Honordex Inclusive PE and VC Index for our external transparency of DEI activity in private equity.

Q What is next? How do you see sustainability playing a role in the next phase of ICG’s growth?

A I believe that despite difficult market conditions, companies will continue to seek to raise capital to support their growth and ownership ambitions, and ICG’s range of products enables us to provide flexible solutions across the capital structure. That flexibility and partnership-like approach will be reflected in our sustainability strategy – seeking to embed sustainable value across our investments by building the right approach for each product. We are building resilience into our investments, ensuring they are more prepared for the next generation economy. We know that promoting sustainable growth in our investments will yield strong returns for our clients, more value for our stakeholders and shareholders, and will help companies to realise greater commercial success, even beyond our exit. That’s good for everyone.

1. Relevant Investments include all direct investments within ICG’s Structured and Private Equity asset class and Infrastructure Equity strategy, 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.

ICG’s Sustainability Ratings and Assessments²

CDP score 2023
A- Leadership (2022 A- Leadership)

UN PRI 2023 Assessment
★★★★★
Policy, Governance and Strategy
★★★★★
Indirect – Private Equity
★★★★★
Direct – Private Equity
★★★★★
Fixed Income – Corporate
★★★★★
Fixed Income – Private Debt
★★★★★
Confidence Building Measures

S&P Global
Corporate Sustainability Assessment
2023: 60/100 (2022: 65/100)

MSCI
Industry Leader AAA
(2022: Industry Leader, AAA)
(on a scale of AAA-CCC)

Sustainalytics
Low risk 14.9
(2022: Low risk, 15.8 – risk reduced) Top second percentile among Asset Management and Custody Services companies assessed by Sustainalytics

FTSE4Good:
Constituent of the FSTE4Good UK Index since 2018

Dow Jones Sustainability Indices:
Member of DJSI Europe Index since 2022

2. All scores and information with regards to benchmarks and ratings were accessed on 31 March 2024.

Our Group-level material sustainability matters

We have identified the sustainability matters that are material to the Group through ongoing engagement with internal and external stakeholders. These matters have informed our sustainability reporting.¹

Identified material sustainability matters includes those of importance to our clients, shareholders and employees, as well as those that align to our company values and investment ethos and our industry.

We identify Group-level material sustainability matters through engaging with internal and external stakeholders as outlined to the right.

We also assess these sustainability matters on an ongoing basis against sustainability reporting standards and emerging disclosure regulations, such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), Sustainable Finance Disclosure Regulation (SFDR), the EU Taxonomy and the Task Force on Climate-related Financial Disclosures (TCFD). We also regularly consider the issues raised by third-party benchmarks, assessments and industry groups (see pg. 7).

Our engagement on sustainability matters complements the processes within our Group Risk Management Framework (RMF) (see sustainability risk management on pg. 9), with both processes informing and reinforcing one another.

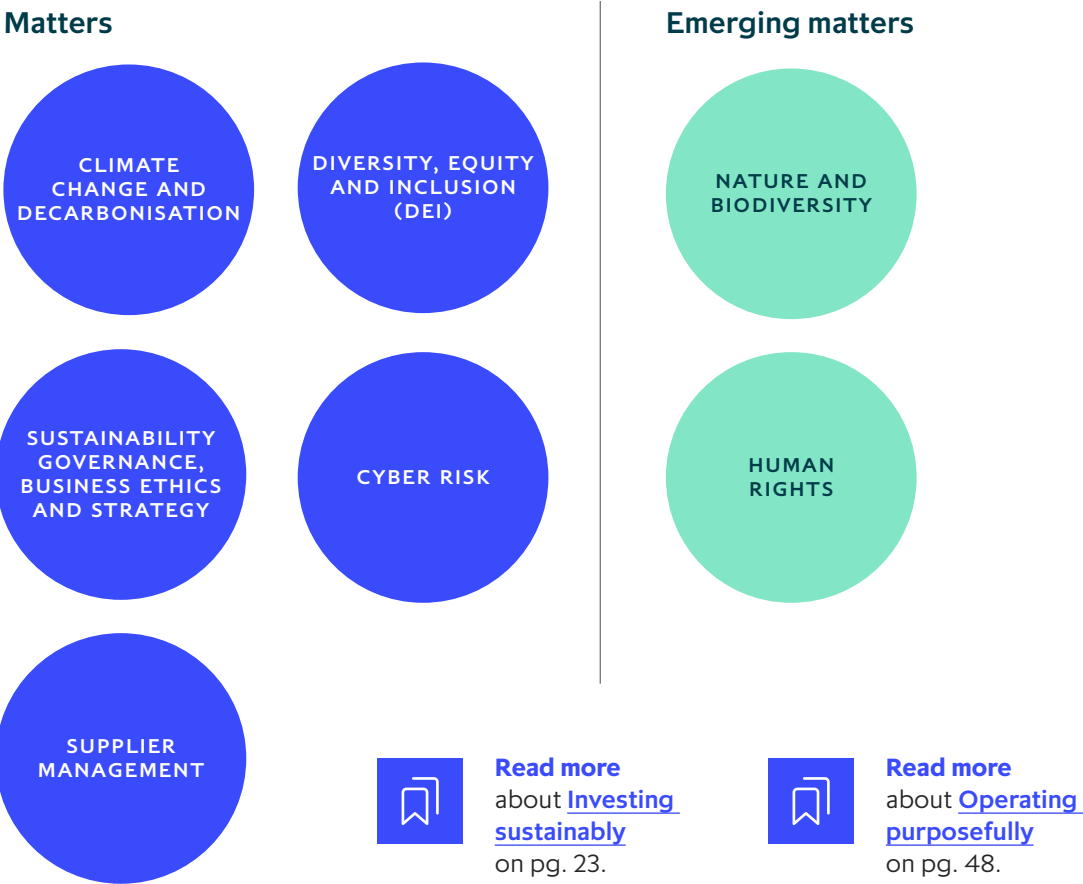
Our internal stakeholders



Our external stakeholders



Our Group-level material sustainability matters



1. The approach we have taken to materiality for sustainability and ESG issues in this voluntary Sustainability and People Report differs from the approach taken in our Annual Report and Accounts, which applies a materiality standard based on the applicable rules and regulations governing public reporting in the United Kingdom. Taking a different approach here allows us to address the sustainability matters we have identified through our ongoing materiality assessment as being of interest to our key stakeholders. It also allows us to have regard to broader understandings of materiality based on external frameworks and reporting guidelines that may take a wider range of factors into account.

2. Depending on the investment this may include portfolio companies, PE sponsors, borrowers, GP Partners, etc.



Sustainability governance, risk management and business ethics

Sustainability governance

ICG seeks to promote the highest standards of corporate governance throughout our activities and culture to act in the best interests of stakeholders.

When setting strategic objectives, ICG’s Executive Directors and the full Board consider all material factors including those related to sustainability.

The ICG Board is strongly engaged in sustainability matters, regularly receiving reports on client considerations, client experience, investment performance and operational activity. The Board regularly receives formal updates on sustainability-related matters. In addition, the Board also considers sustainability risk, where relevant, when reviewing the annual strategy and business plans over the short, medium, and long term.

The Board has delegated responsibility for the implementation of the Responsible Investing Policy to the Executive Directors. As part of the Board, the Executive Directors review and guide any decisions made regarding investment strategies, including the Responsible Investing Policy and the Climate Change Policy, as well as any arising or potential sustainability and ESG related issues.

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 sustainability-related matters across the investment process and in our portfolios.

The CFO is responsible for ensuring that sustainability-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 sustainability-related risks associated with Group offices, IT infrastructure or third-party vendors. Updates on sustainability-related issues are provided to the CFO, as and when they manifest.

Sustainability risk management

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

At a Group level, sustainability-related risk is considered broadly and has been incorporated into our Group Risk Management Framework (RMF) as a

cross-cutting risk. This means that we recognise sustainability-related risks may also manifest through other risks within our RMF, including the Group’s Principal Risks.

In addition to the top-down risk assessment, the group 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 a risk and control self-assessment process (RCSA).

The Board’s oversight of sustainability risk management is proactive, ongoing and integrated into the Group’s governance processes.

The diagram on pg. 10 provides an overview of the Group’s governance structure for the oversight, assessment and management of sustainability-related risks and opportunities.



Find out more
in our Annual
Report and
Accounts 2024.



Group governance structure for the oversight, assessment and management of sustainability 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 of 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 updates on sustainability, ESG and climate-related matters

SETS DIRECTION AND PROVIDES OVERSIGHT

INPUTS INTO STRATEGY AND REPORTS ON PROGRESS

Investment Committees¹

- Responsible for ensuring that climate-related issues are appropriately considered when taking an investment decision; and that the Sustainability & ESG team’s view is accounted for, where sustainability 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 Committee²

- Promotes, supports and helps to integrate responsible investing practises 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 sustainability-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 sustainability related risks

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 sustainability, 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

Risk Oversight and Control Functions³

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.



Business ethics and conduct

We are committed to high standards of corporate governance and business ethics across all our operations and investments. To ensure we maintain high standards of business ethics, we operate a framework of internal policies and procedures, and a mandatory training and acknowledgement programme for all staff.

Our Group [Code of Conduct](#), found on our website, describes the purpose, culture and values of ICG, our approach to business ethics, acting in the best interests of our clients, employment and Cyber Security and privacy. As outlined in more detail in the appendix on pg. 73, the Code of Conduct includes:

- Grievance procedure
- Anti-Bribery and corruption
- Anti-money laundering
- Anti-trust and anti-competitor
- Insider dealing
- Conflicts of interests
- Human rights
- Modern slavery
- Supplier management
- Political contributions

Compliance with the policies and procedures referenced in the Code of Conduct form part of the formal annual performance review processes we undertake for all employees, including determining compensation. In addition, employees are required to make annual attestations that they have read and understood all relevant policies and procedures.

We have a zero-tolerance approach to breaches of our policies, and we have a range of disciplinary actions at our disposal up to and including dismissal. The Risk Committee and Remuneration Committee of ICG receive regular reports (including as part of the year-end award cycle) on material non-compliance, which is factored into executive compensation decisions.



Read more

Our [approach to business conduct and ethics](#) can be found in the annex of this report on pg. 59-74 as part of our GRI and SASB disclosures.

As well as our Group Code of Conduct, ICG has a range of Group policies, many of which are referenced throughout this report, including:

- Responsible Investing Policy
- Climate Change Policy
- Diversity, Equity and Inclusion (DEI) Policy (including Anti-Discrimination, Bullying, Harassment and Victimisation)
- Board Diversity Policy
- Complaints Policy
- Order Execution Policy
- Health and Safety Policy
- Privacy Policy
- Supplier Code of Conduct



Find out more

Our [approach to managing risk](#) as a group can be read on pg. 40-45 of our Annual Report and Accounts 2024.



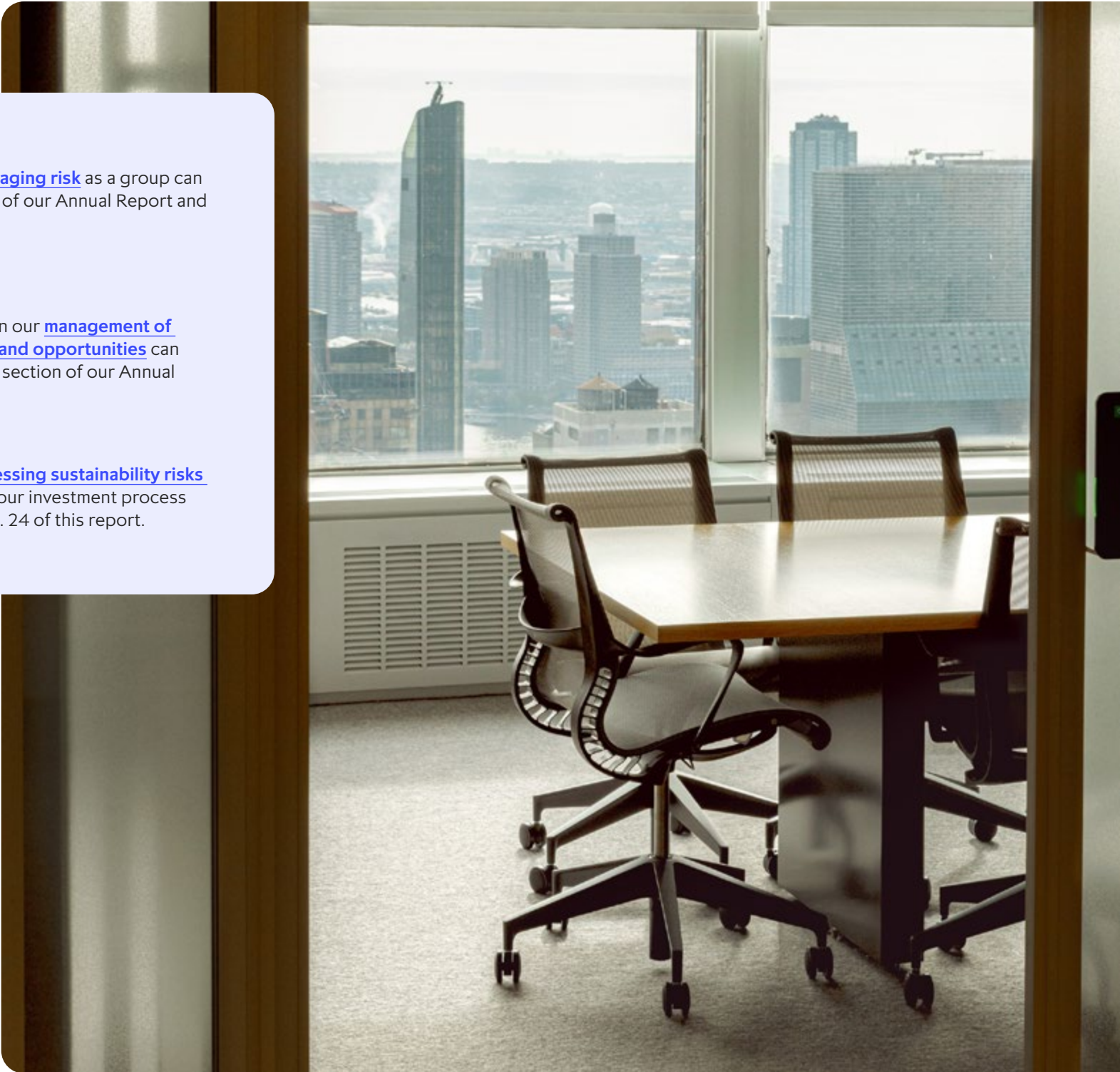
Find out more

Further information on our [management of climate-related risks and opportunities](#) can be found in the TCFD section of our Annual Report (pg. 47).



Read more

Our [approach to assessing sustainability risks and opportunities](#) in our investment process can be found from pg. 24 of this report.



The year in review



Elsa Palanza
Global Head of Sustainability & ESG, ICG

In the time since our last Sustainability & People Report was published, we have endeavoured to expand our sustainability strategy in a manner that retains our long-standing priorities, while also building systems that allow us to scale in line with ICG’s business growth. In practical terms, this has meant continued focus on the “what” – the sustainability factors on which we focus – as well as the “how” – that is, the tools, frameworks, and approach we use to embed sustainability into our business.

In this report, we have placed special emphasis on decarbonisation as well as nature and biodiversity. It is important to showcase our progress against our public science-based targets for relevant investments, as well as our decarbonisation efforts within other parts of our portfolio. And we are pleased to share the initial work we have undertaken to incorporate nature and biodiversity considerations into our analysis, knowing this is an increasingly important issue for the industry and for the world, and a topic that is entwined with climate change.

We have organised the “investing sustainably” section of this report to outline our efforts in both pre-investment assessment as well as post-investment engagement. I am pleased to share the work we have done to create a bespoke materiality tool, which we have integrated into our sustainability assessment framework to make our approach more advanced, and more focused on the factors that will drive sustainable growth within our investments.

There are two broader themes that have played a significant role in our work in the last year, and which will continue to influence our strategy going forward.

Regulation, data, and industry collaboration

As a global alternative asset manager, ICG conducts business in multiple geographical and regulatory domains. We have seen a meaningful increase in ESG-related regulatory requirements and reporting frameworks that have already taken effect or will come into force over the next few years. As such, we aim to be both responsive to and preparing for an increasingly complex regulatory environment – a reality which will continue for some years to come.

This uptick in regulation will hopefully yield more harmonised global disclosures and decrease potential greenwashing and sustainability-related risk in the industry over time. In the meantime, this environment will continue to challenge the availability of comprehensive and robust data in private markets, as well as drive more alignment between LPs and GPs, and within the industry as a whole, in order to meet these demands. Indeed, our work on industry initiatives such as the development of the Private Markets Decarbonisation Roadmap (PMDR) and the creation of the iCI private credit guide on measuring and reporting GHG emissions are only two examples of outputs designed by a broad group of industry experts and peers in order to strengthen and align sustainability data and disclosures.

Sustainability as a value driver

Despite the need for steady focus on regulatory demands, we do not place an emphasis on sustainability as an obligation or a ‘tick box’ exercise; rather, we think of the integration of sustainability considerations into our investment approach as an opportunity for value preservation and value enhancement. While we have some variation in our engagement capabilities depending on asset class and strategy, we believe that by driving stronger sustainability outcomes in our portfolio, we are embedding efficiency, resilience, and commercial opportunity into our investments.

For example, decarbonisation continues to be a priority in our sustainability strategy not only to limit climate change, but because we know there are cost savings and commercial opportunities for businesses and real assets in doing so. And, our emphasis on DEI in our portfolio and in our own operations is predicated on a firm belief that investment in people drives innovation and sustainable growth.

We are delighted to share with you our update on sustainability and people, and look forward to continued progress in the years ahead.



Climate change and decarbonisation

Climate change remains one of the most existential challenges of our time; a threat to human lives, the natural world, individual livelihoods, and economies at large.

Our commitments

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.

Our investments

For investments where we have sufficient influence¹ (“Relevant Investments”)

LONG-TERM GOAL:
2040

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

MEDIUM-TERM TARGETS:
100%

ICG has set a portfolio coverage decarbonisation target validated by the Science Based Targets initiative (SBTi) to ensure 100% of Relevant Investments have SBTi-approved science-based targets by 2030, with an interim target of 50% by 2026².

FY24 PROGRESS

34

Engaged all 34 Relevant Investments across five investment strategies³, representing nearly \$10.6bn of invested capital.

64%

of Relevant Investments (by invested capital) have set SBTi-validated targets or submitted for validation⁴ – meaning ICG has achieved its interim portfolio coverage target (50% by 2026) two years early.

Our operations

LONG-TERM GOAL:
2040

ICG has committed to reaching net zero GHG emissions across its operations by 2040.

MEDIUM-TERM TARGETS:
80%

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 year².

FY24 PROGRESS

95%

reductions of Scope 1 and Scope 2 (market-based) emissions compared to FY20.

95%

of electricity from renewable sources or backed by Renewable Energy certificates retired in ICG’s name.

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.



A-

ICG retained its leadership level score of “A-” in the 2023 CDP⁵ climate change assessment (“A-” in 2022).



Read more about our [sustainability reporting](#) on pg. 27.



Read more about the [Environmental impact of our operations](#) on pg. 56.

1. Relevant Investments include all direct investments within ICG’s Structured and Private Equity asset class and Infrastructure Equity strategy, 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, Source: ICG.

3. These are Europe Corporate, Asia Pacific Corporate, Europe Mid-Market, Infrastructure Equity, and certain seed assets that qualify as Relevant Investments.

4. 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.

5. 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/>.

Overview of our approach

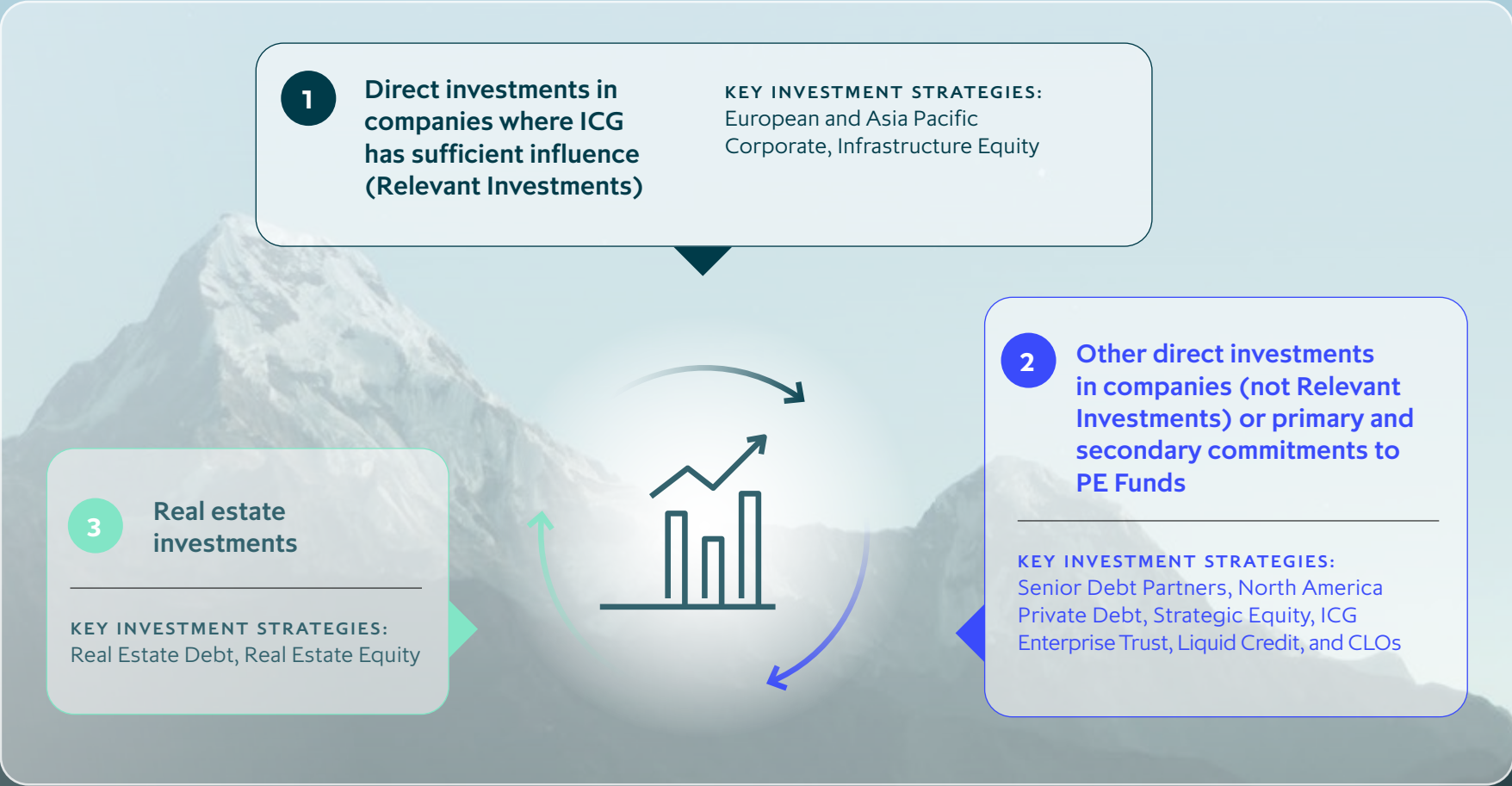
As a broadly diversified, global alternative asset manager we firmly believe that the decarbonisation of our investment portfolios plays an important role in building the long term resilience of our business strategy. It improves the capacity of our investment products to limit the adverse impacts of climate-related risks, and capitalises on the opportunities presented by the low-carbon transition. This is exhibited in both the investment decisions and management of portfolios to deliver returns for our clients, and in the launch of new products.

While our own operations are considerably less material than our investment activity, we do believe it is important to manage the climate impacts and risks in our operations. ICG will continue to deploy energy efficiency and renewable energy initiatives. We will also continue to explore how best to compensate any residual emissions using credible carbon credit solutions.

Decarbonising our investment portfolio

A sustainability priority for ICG is the decarbonisation of our portfolio 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.

Our approach to decarbonisation can be broadly summarised into three categories.





1

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

KEY INVESTMENT STRATEGIES:

- European Corporate
- Asia Pacific Corporate
- Infrastructure Equity

Progress Report: SBT Portfolio coverage target

In November 2021, ICG was among the first alternative asset managers to have a portfolio coverage target validated by the SBTi – committing to 100% of Relevant Investments to have SBTi-validated science-based targets by 2030, with an interim target of 50% by 2026.

At the outset none of our portfolio companies that qualified as Relevant Investments had a science-based target either validated or in the process of being validated by the SBTi. Therefore we made the setting of SBTi-approved targets and decarbonisation plans by Relevant Investments an intrinsic part of our investment process:

Due diligence

- Introduced SBT-feasibility assessment as part of our due-diligence process to better understand key decarbonisation hot-spots and challenges, current initiatives as well as potential levers and costs that will be required to decarbonise in line with the SBTi requirements.

Post-investment

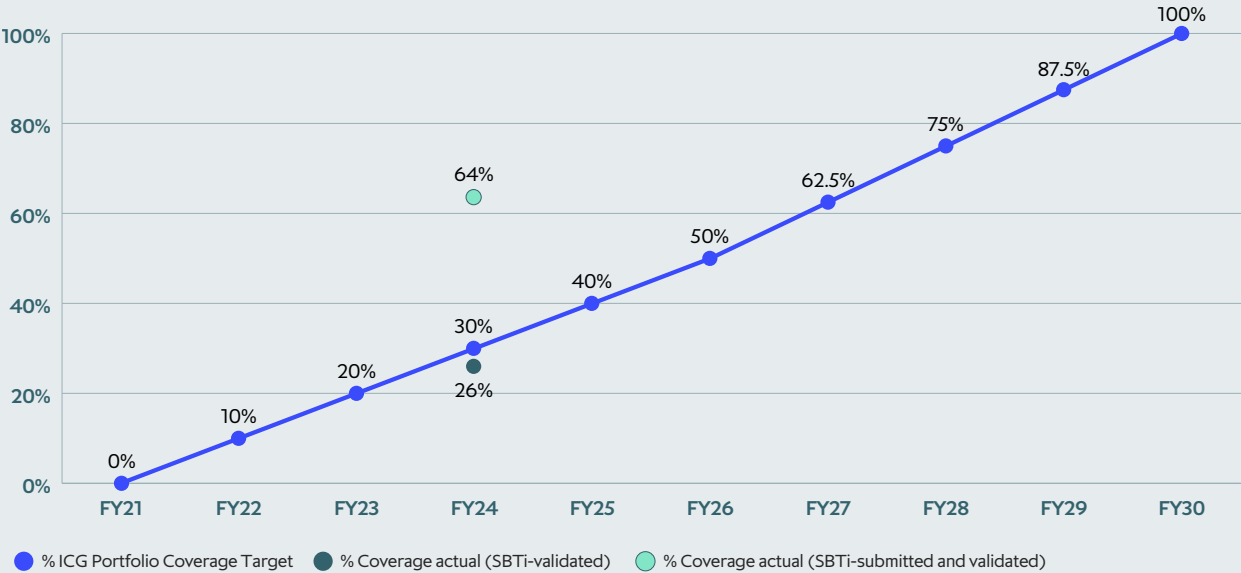
- Shortly after investing we ensure that there is senior-level accountability for climate-related matters and decarbonisation.
- We provide expertise and share our network of advisers to support with baseline carbon footprint assessments in line with the GHG Protocol and the development of Board-level approved decarbonisation plans with appropriate allocation of resources.
- We monitor progress regularly on the implementation of emissions reduction initiatives to deliver on set plans and targets.

In preparation for exit

- We capture the decarbonisation progress achieved during our investment. Out of the seven Relevant Investments we have exited since November 2021, two have set SBTi-validated targets.

1. As per SBTi guidance, only Relevant Investments that have been in the ICG portfolio for at least 24 months or have already set SBTi-validated target should be included in reporting on progress against portfolio coverage targets. 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. All references are to ICG financial years running from 1 April to 31 March. Source: ICG.

PROGRESS AGAINST ICG SBT PORTFOLIO COVERAGES TARGET (BY INVESTED CAPITAL)



Relevant Investments ¹	By number of companies					By invested capital (%)
	1 November 2021	31 December 2022	31 March 2024			31 March 2024
with SBTi-validated targets	0	6	19%	16	47%	26%
with submitted targets for SBTi validation	0	3	9%	6	18%	38%
with either SBTi-validated targets or submitted targets for SBTi-validation	0	9	29%	22	65%	64%
In advanced planning stage	n/a		47%	2	6%	10%
In early stage	n/a		25%	10	29%	25%

Impact:

These targets equal commitments to manage over

3m tCO₂e

of baseline GHG emissions in line with the latest climate science.

CASE STUDY

TF Value Mart

TF Value Mart (“TFV”) is a leading hypermarket chain across Malaysia

ICG INVESTMENT STRATEGY

Asia Pacific Corporate

COUNTRY

Malaysia

INDUSTRY

Hypermarkets

INVESTMENT YEAR

2020



SBTi-validated target

Source: TF Value Mart as at 31 March 2024.
1. Science Based Targets Initiative (SBTi), 2024.

Demonstrating climate leadership in Malaysian retail

TFV is one of the first retailers in Malaysia to set a short-term science-based target (validated by the SBTi in early 2024)¹, demonstrating climate leadership in the region.

TFV’s science-based target is well-aligned with its commercial objectives. With an expanding number of hypermarket stores and rising energy costs, TFV needed to develop a plan to improve energy efficiency and secure reliable, low-cost renewable energy.

They designed key decarbonisation initiatives to yield operational benefits including:

- Phasing out of hydrofluorocarbon (HFC) refrigerants and limiting coolant fluid leakage.
- Energy efficiency initiatives (eg, LED lighting and controlled voltages, more efficient electrical equipment).
- Deployment of on-site solar PV where possible; where not possible purchase renewable energy through Power Purchase Agreements (PPAs).
- Optimisation of supply chain routes to reduce road miles and empty running.

ICG was able to add value by playing a critical role in securing preferential terms for capex financing for the solar PV roll-out, with ~50% of stores achieved to date.



CASE STUDY

proALPHA Group

proALPHA is a leading provider of enterprise resource planning (“ERP”) and adjacent business software solutions. Focused predominantly on small and mid-sized enterprises (SMEs), proALPHA offers an integrated, modular approach paired with cutting-edge technology, including cloud-based services.

ICG INVESTMENT STRATEGY

European Corporate

COUNTRY

Germany

INDUSTRY

Software

INVESTMENT YEAR

2022



SBTi-validated target

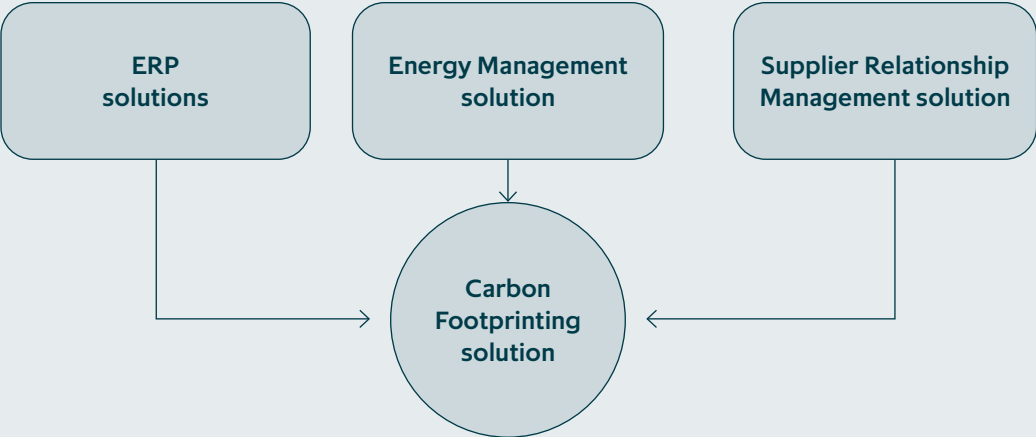
Source: proALPHA Group as at 31 March 2024.

Decarbonisation insight for SMEs powered by software

Recognising the growing regulatory and stakeholder expectations of SMEs on decarbonisation and energy efficiency, in 2022 proALPHA saw an opportunity to expand its offering with the acquisition of Enit Energy IT Systems GmbH (ENIT) – an all-in-one solution for measuring and analysing energy consumption and GHG emissions.

Since the acquisition of ENIT, proALPHA’s ESG working group, the ENIT team and ICG Sustainability & ESG team have joined expertise to unlock new commercial opportunities through developing additional capabilities or integrating with other proALPHA solutions. For example, when the ENIT energy management and CO₂ emissions solutions are combined with the ERP solution, clients can automate the data collection for a significant portion of their GHG emissions calculations in real time, and receive suggestions for improving energy efficiency and reducing GHG emissions, while also optimising cost. The proALPHA eProcurement and supplier relationship management (SRM) solution can help streamline the process and improve data quality for the calculation of Scope 3 upstream emissions.

Such modular and integrated software solutions have the potential to significantly streamline measurement, reporting and reduction of GHG emissions.



Streamlining and automating the data collection and calculation of material areas of emissions for manufacturing businesses: energy use and supply chain.



2

Other direct investments in companies (not Relevant Investments) or primary and secondary commitments to PE funds

- KEY INVESTMENT STRATEGIES:
- Senior Debt Partners
 - North America Private Debt
 - Strategic Equity
 - ICG Enterprise Trust
 - Liquid Credit
 - CLOs

Read more

See pg. 34 for further details on [ICG annual sustainability surveys and the latest highlights](#).

For other investments where we have limited or no influence, ICG looks to engage on decarbonisation, wherever feasible, with management of portfolio companies, and/or the controlling private equity sponsor. Our engagement focuses on understanding current practices and encouraging improvement. In strategies where we have access to management we monitor progress on a range of climate change and decarbonisation matters through our annual monitoring surveys for companies and General Partners (GPs). Select highlights are presented opposite.

View more

See focus on [the climate data challenge in private markets](#) on pg. 19 for further details on how we are collaborating in the industry on data quality.

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.

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.

European Direct Lending (ICG Senior Debt Partners)¹

71%

(2022: 45%, 2021: 35%; 2020: 22%)

of borrowers have set or are setting climate change related targets; two borrowers have committed to set SBTi-validated decarbonisation targets.

82%

(New)

of borrowers have initiatives to reduce GHG emissions.

GP-led secondaries (ICG Strategic Equity)²

75%

(2023: 44%, 2022: 40%)

of GPs have a formalised approach to managing climate-related risks and opportunities.

58%

(New)

of GPs engage portfolio companies on setting targets and implementing initiatives aimed at reducing their greenhouse gas emissions.

Liquid Credit³

54%

of issuers in four of our market value credit portfolios focused on Europe and North America (as at 31 December 2023) measure and report GHG emissions – a significant increase from only 30% of issuers as at 31 December 2021.

1. Source: ICG Annual survey for portfolio companies. The 2023 survey results cover 40 borrowers within the European Direct Lending portfolios (2022: 38, 2021:26, 2020:18).

2. Source: ICG Annual GP survey. In the 2024 edition, all 12 GP partners in Strategic Equity IV and V responded. In the 2023 edition all nine GP partners in Strategic Equity IV responded. In the 2022 edition, ten GP partners in Strategic Equity III and IV responded.

3. Source: ICG, 2024. Excludes exposures to third party CLOs.



3

Real estate investments

- KEY INVESTMENT STRATEGIES:
- European Real Estate Debt
 - Strategic Real Estate
 - Real Estate Opportunistic Equity

Buildings account for 40% of energy consumption and 36% of CO₂ emissions in the EU¹. 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 two most recent vintages of ICG’s European Real Estate Debt funds have loan frameworks designed to incentivise sponsors to decarbonise assets, via issuance of green loans and/or sustainability-linked financing. As at 31 March 2024, 60.7% of Real Estate Debt VI loans (by committed capital) were invested in green loans issued under its Green Loan Framework (GLF).

ICG’s Strategic Real Estate (SRE) strategy has a proportion of capital allocated towards making sustainability improvements across the portfolio (“Sustainable Capital Allocation”). During the year ended 31 March 2024, an expert adviser was appointed to perform a review of the SRE portfolio against the CRREM² 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.

1. Source: European Commission, February 2020.
2. Carbon Risk Real Estate Monitor (CRREM) see <https://www.crrm.eu/> for more information.



CASE STUDY
Focus Teleport

Mezzanine acquisition facility to support the purchase of an office campus property located in Central Berlin.



ICG INVESTMENT STRATEGY
European Real Estate Debt



COUNTRY
Germany



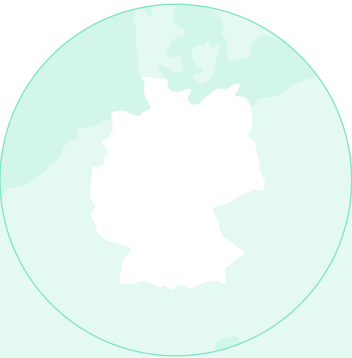
INDUSTRY
Commercial Property



INVESTMENT YEAR
2020



Incentivising green retrofits of existing building stock















ICG provided flexible debt financing for the acquisition and rolling refurbishment of Focus Teleport an office property in Germany. The transaction offered an opportunity to enhance the sustainability profile of the asset via green financing, with key improvements in energy efficiency and the achievement of a green buildings certification for the property.

ICG utilised the Green Loan Framework (GLF) to assess whether the loan would qualify for green loan financing. The loan met the qualification threshold with 25/50 (medium green) based on achieving the following criteria:

The Sponsor is on track, having achieved the sustainability commitments for the asset set out in the loan:

- Water performance exceeding top 15% of building stock.
- EPC B commitment with initiatives including the replacement of lighting with LEDs and the procurement of renewable energy.
- DGNB Gold achieved.
- Carbon Risk Real Estate Monitor (CRREM) analysis performed.
- Sustainable travel plan developed.

Priorities	Commitment	Points	Progress
 Energy efficiency	EPC B Rating	5/15	
 Green building certifications	DNGB Gold	5/10	
 Water	Water performance exceeding top 15% of building stock	5/5	
 Renewable energy	n/a	0/5	
 Health and wellbeing	n/a	0/5	
 Net zero carbon	Commitment to meet Paris climate accord requirements	5/5	
 Sustainable travel	Development of green travel plan	5/5	
Total		25/50	

Source: information provided by the borrower, as at 31 March 2024.

FOCUS ON THE CLIMATE DATA CHALLENGE IN PRIVATE MARKETS

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 of 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% of AUM (as at 31 March 2024). 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% 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. 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.



View more
the guide is available on the [UN-PRI website](#).

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 1.5oC 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 the 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 asset 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.



View more
on the PMDR please visit the [UN-PRI website](#).

Capacity for investment in climate solutions

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.

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

Highlight

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.

Nature and biodiversity

With over half of the world’s economic output (\$58 trillion) moderately or highly dependent on nature¹, the loss of nature and biodiversity poses enormous risks – and opportunities – for economies, businesses and thus for investors.

Companies may be affected by physical, transition or systemic risk arising as a result of a decline in the functionality of ecosystem services on which they depend, alongside resultant shifts in regulation, technology and consumer sentiments. The potential impact on company reputation, operations, profitability, or quality of assets is of key concern to investors and lenders.




Nature, viewed as a set of capital assets (natural capital), produces flows of benefits used in economic and other human activity (ecosystem services). Adverse changes to nature (land, ocean, freshwater and atmosphere) can have a negative effect on business and economic activity via disrupting the provision of ecosystem services. These services are underpinned by biodiversity – the variability among living organisms – which is critical to the functioning of healthy ecosystems².

Nature is inextricably linked to climate change. Net zero goals cannot be met without accounting for the role of nature. The two are 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 declines in turn.

As a global leader in alternative asset management and a responsible steward of our clients’ capital, ICG recognises that we have an important role to play in preserving and restoring nature and its vital services to society. We believe that by addressing how our portfolios interact with nature and biodiversity, we can create more successful and sustainable businesses over the long-term and generate enhanced value for clients, as well as help to protect and preserve critical species and ecosystems that hold intrinsic value as part of life on earth.

ICG’s nature and biodiversity principles

As a foundational step to approaching nature and biodiversity, we have identified five key principles to guide ICG’s approach. As nature and biodiversity are emerging topics in private markets, our principles and the processes underpinning them may evolve as we, alongside our industry peers, further develop our understanding, capabilities, and tools.

1. EMBED	2. MANAGE	3. ENHANCE	4. DEVELOP	5. COLLABORATE
<p>Embed nature and biodiversity considerations into our pre-investment sustainability assessment to inform our evaluation and investment decision-making.</p> <p> Read more on pg. 25-31.</p>	<p>Manage material impacts, dependencies, risks and opportunities relating to nature and biodiversity across our portfolios. Where relevant and our level of influence allows, we will seek to integrate appropriate measures in the development of engagement strategies or individual company action plans.</p>	<p>Enhance our nature-related reporting, with the aim to disclose in alignment with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).</p> <p> Read more about our sustainability reporting on pg. 27.</p>	<p>Develop knowledge on nature and biodiversity both internally and through active engagement with our portfolio companies.</p>	<p>Collaborate with alliances, partnerships and policymakers to drive collective action and best practice, catalyse nature-positive action, and improve measurement and disclosure.</p> <p> Read more about collaboration and partnership on pg. 28.</p>

1. Source: PWC, Managing nature risk: From understanding to action, 2023. Accessed 04.06.2024: <https://www.pwc.com/gx/en/issues/esg/nature-and-biodiversity/managing-nature-risks-from-understanding-to-action.html>.
2. Source: Definitions TNFD, 2023. Accessed 04.06.24: <https://tnfd.global/publication/glossary/>.

An initial assessment of nature-related impacts and dependencies across the ICG portfolio

This year, ICG sought to undertake initial analysis to understand if and where we might have an opportunity to act on nature and biodiversity. We believe that, relative to many other global alternative asset managers or financial institutions at large, ICG has low exposure to the most severe nature and biodiversity-related risks, as we do not have meaningful exposure to the most impacting industries (such as mining, primary agriculture, logging, etc.). However, we understand that most companies – regardless of sector or location – impact or rely on nature to some extent. As such, we considered it important to undertake an initial nature materiality assessment across the portfolio¹, based on deal-level sub-industry information. The assessment sought to identify ICG’s potential exposure to nature-related impact drivers and dependencies with a view to identifying ‘hotspots’ for further detailed examination.

The analysis mapped ICG’s portfolio to the ENCORE² database. ENCORE provides a list of potential impact drivers for biodiversity loss, and dependencies on ecosystem services associated with production processes for different sub-industries. This first level of insight will help our Sustainability & ESG Team and relevant investment teams understand where key interactions with nature may be, and thus where to focus our engagement efforts.

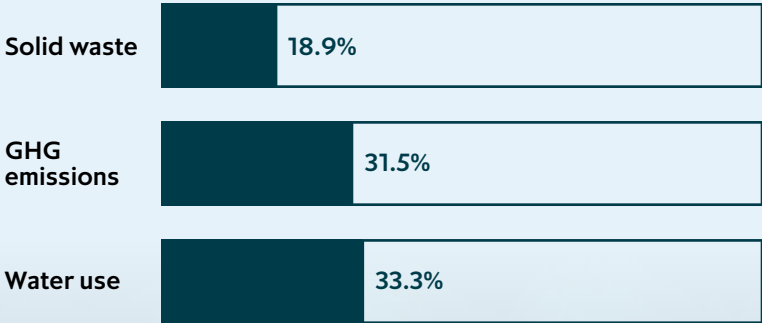
Impact drivers refer to measurable inputs or non-product outputs (externalities) that impact on the quality or quantity of natural capital or biodiversity – for example pollutants released by a company may harm local species or ecosystems.

Dependencies on ecosystem services refers to the reliance of companies on nature and biodiversity, a reduction in amount or quality of which can result in operational disruption and/or financial impacts to the company – for example a semiconductor or beverage manufacturer has a high dependency on water which, if limited or restricted, may have a significant operational and financial consequences for the company.

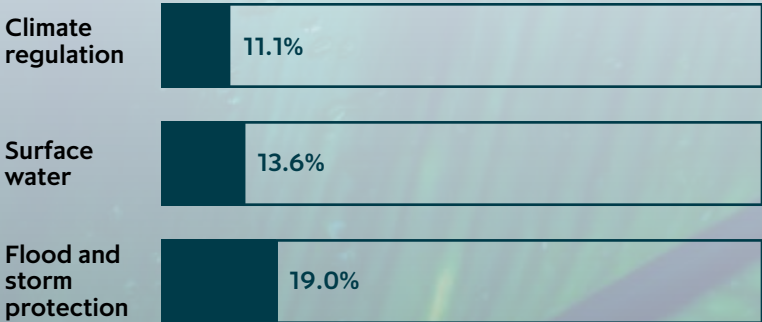
We note that nature impacts and dependencies are highly location-dependent. For example, we might consider the proximity of impacting activities to biodiversity-sensitive areas, or the level of local water stress for operations reliant on water resources. As such, we recognise this analysis is only a starting point, and we will look to conduct further analysis for identified hotspots, as well as add in location-based information where possible.

The findings of the analysis are consistent with our expectations based on the composition of the portfolio assessed. The analysis supports ICG’s focus on decarbonisation (GHG emissions) and physical climate risk and adaptation (water use, flood and storm protection, climate regulation) as core topics, and highlights the importance of waste reduction and circular economy, assessed and monitored where material to individual investments.

% OF PORTFOLIO ASSOCIATED WITH POTENTIALLY HAVING A HIGH OR VERY HIGH MATERIALITY³ IMPACT



% OF PORTFOLIO ASSOCIATED WITH POTENTIALLY HAVING A HIGH OR VERY HIGH MATERIALITY³ DEPENDENCY



1. Portfolio composition as at 31 December 2023. Excludes ICG Enterprise Trust, LP Secondaries, Alternative Credit and investments in third-party CLOs.

2. ENCORE Partners (Global Canopy, UNEP FI, and UNEP-WCMC) (2024). ENCORE: Exploring Natural Capital Opportunities, Risks and Exposure. On-line, March 2024, Cambridge, UK: the ENCORE Partners. Available at: <https://encorenature.org> DOI: <https://doi.org/10.34892/dz3x-y059>.

3. ENCORE provides materiality levels for potential impacts and dependencies for different sub-industries. The materiality levels range from Very Low to Very High, and have been added to allow financial institutions to determine which ecosystem services may be more critical to production processes, and which impacts may be of greatest concern.

Engaging with our portfolio on nature

Whilst we are at an early stage in developing our engagement strategy for nature and biodiversity, in FY25 we will look to prioritise engagement where, based on our analysis, investments may be relatively more exposed to nature-related risk and opportunities, with a view to minimising risk and maximising opportunity within the portfolio.

Within the ICG portfolio, real assets (real estate and infrastructure investments) emerge as a priority for ICG’s nature and biodiversity-related engagement. This asset class represents perhaps the most tangible interaction with nature (particularly with regards to any development financing), and is also the most advanced in terms of industry awareness and understanding of these interactions.

For engagement with portfolio companies within other asset classes, we anticipate this will focus on higher-risk industries, such as those within the food value chain, as well as on key topics within our portfolio, such as a continued focus on decarbonisation and physical climate risk, as well as waste reduction and circular economy principles.

ICG included questions in its 2024 annual sustainability surveys on nature-related risk and opportunity amongst GPs (Strategic Equity) and companies (European and APAC Corporate). The survey results highlight growing awareness amongst GPs, with 42% of GPs noting that they have begun assessing the impacts or dependencies of portfolio companies related to nature and biodiversity loss. We highlight that no portfolio companies with European and APAC Corporate strategies reported direct operational activities within biodiversity-sensitive areas within the 2024 survey, although we are conscious that engagement around capacity and knowledge building will be required with portfolio companies to help them to further identify local areas of high biodiversity value.

In addition, we aim to learn from great examples of nature positive actions already within our portfolio, such as the work undertaken by British Solar Renewables (BSR), an investment in ICG’s Infrastructure Equity portfolio.

Read more
about how we are [incorporating nature into our assessment of new investment opportunities](#) on pg. 30.

1. Source: ICG Annual GP survey. In the 2024 survey, all 12 GP partners in Strategic Equity IV and V responded.



CASE STUDY
British Solar Renewables
("BSR")

Founded in 2010, BSR exists to create abundant and accessible renewable energy which has a positive impact on people and the planet by developing, building, owning and operating solar photovoltaic (PV) and storage projects in the UK.



ICG INVESTMENT STRATEGY
Infrastructure Equity



COUNTRY
United Kingdom



INDUSTRY
Renewables



INVESTMENT YEAR
2022



SBTi-validated target



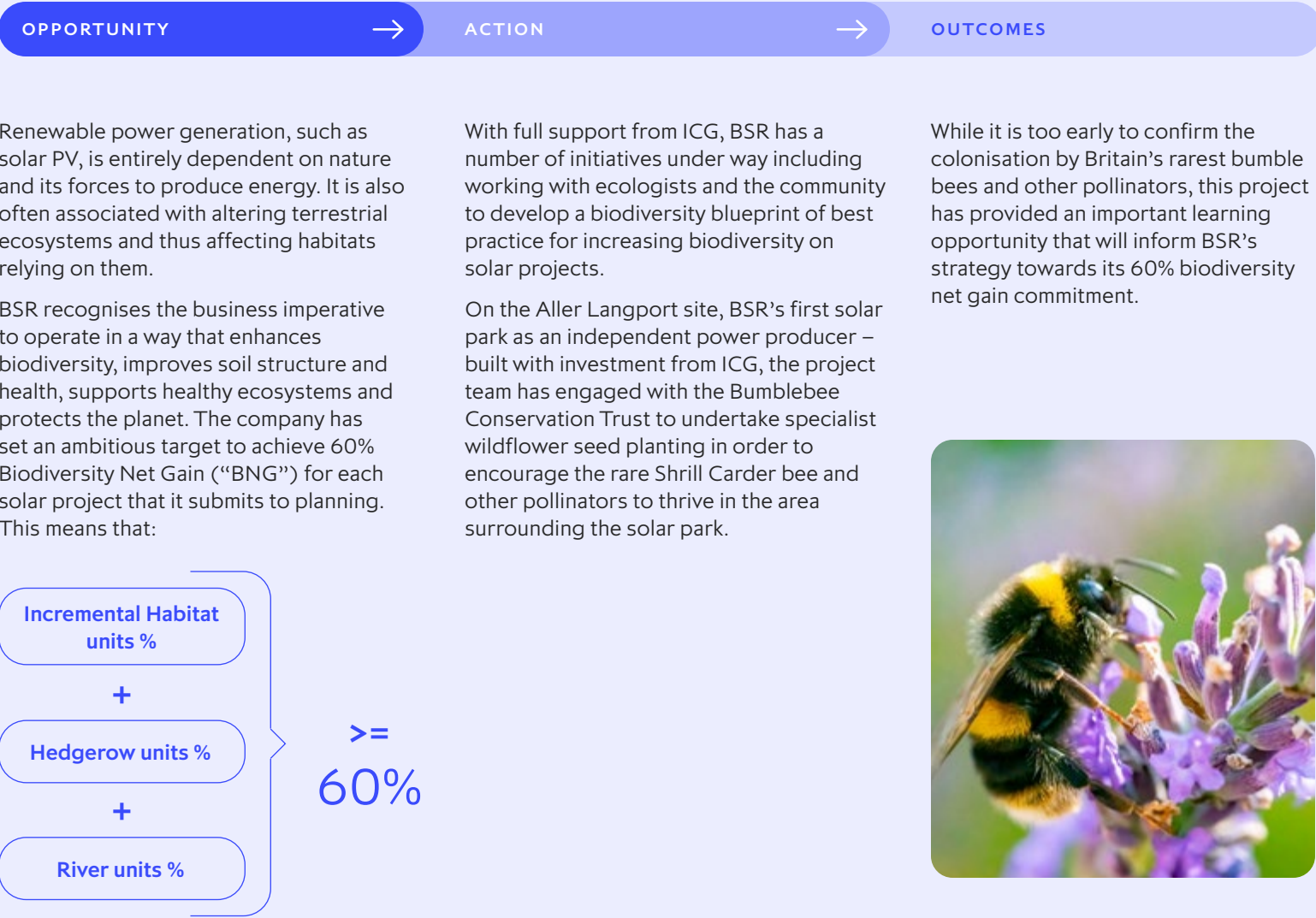
Solar Energy UK’s Natural Capital Steering Group



Member of Achilles UVDB



Planting the seeds for Biodiversity
Net Gain for solar PV



Source: BSR, as at 31 March 2024.



Investing Sustainably

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Our responsible investing approach

Overview

ICG’s Responsible Investing Policy dictates our overall approach to responsible investing across all of our investments. This Policy is supplemented by a dedicated policy outlining our approach to climate change.

ICG is a diversified, global alternative investment manager, investing flexibly across the capital structure in both companies (directly and indirectly) and real assets. Recognising the differences in the way we approach investing in a company versus investing in real assets and the distinct sustainability profiles for these two broad investment categories, we present this section split accordingly.


Our access to information and ability to effect change and influence the sustainability practices and performance of the underlying companies or real assets varies by investment strategy and between investments. However, for each investment strategy, we strive to adopt best practice in our approach to considering material sustainability factors at every stage of the investment process – from assessment (i.e. screening, due diligence and closing), to engagement and eventual exit.

Building strong partnerships with companies, sponsors, borrowers, General Partners (GPs), and other stakeholders within our investment universe is key for ICG to be able to drive sustainable outcomes in our portfolio. Outside our portfolio, we believe collaboration with peers and the wider industry is critical, with ICG leadership and participation across multiple industry initiatives. (See pg. 28 for more information on collaboration).

This section provides an overview of our sustainability approach and outcomes with ICG’s investment portfolios. It aggregates our ongoing disclosure and fund-level reporting to investors, providing key highlights for stakeholders across these portfolios.



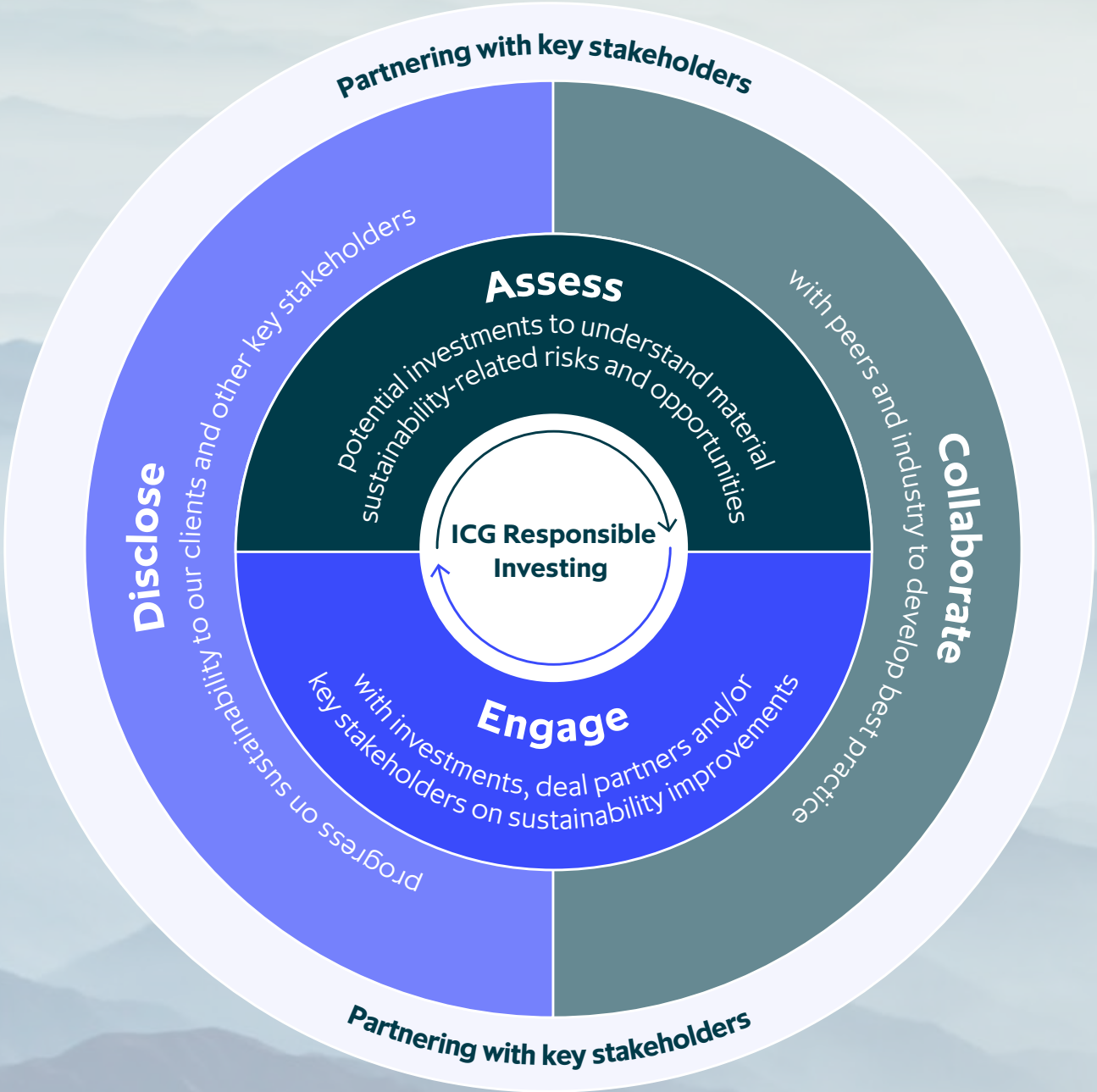
Read more
pg. 27 for more information on [reporting](#).

**Key documents**

View more
about our [Responsible Investing Policy](#) on our website.

View more
about our [Climate Change Policy](#) on our website.


















































View more
about our [UK Stewardship Code Statement of Disclosure](#) on our website.






Pre-investment

Develop comprehensive understanding of sustainability risks and opportunities and account for them in deal terms (exact approach may differ within strategy).

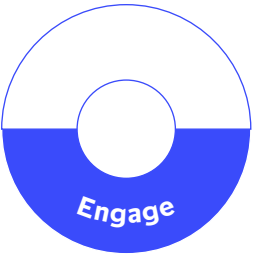
Investment type							Investment in real assets		
\$87.5bn of AUM (89.0%) ¹							\$10.9bn of AUM (11.0%)		
Key ICG strategy	EUROPEAN & ASIA PACIFIC CORPORATE	STRATEGIC EQUITY	PRIVATE EQUITY FUND INVESTMENTS	SENIOR DEBT PARTNERS	NORTH AMERICA CAPITAL PARTNERS	LIQUID CREDIT CLOS	REAL ESTATE DEBT	REAL ESTATE EQUITY	INFRASTRUCTURE EQUITY
Level of access/influence									
Exclusion List screening									
Comprehensive sustainability assessment, incorporating climate-related risks			 *						
• Third-party specialist ESG due diligence conducted/requested where possible				 **	 **				
Sustainability assessment findings in IC papers									
ESG terms in deal documentation, where possible									

*Direct co-investments follow ICG’s standard approach.

**Typically requested from PE Sponsor





















































 Signifies a case study or an enhancement discussed in the report; or both

1. Source: ICG, as at 31 March 2024.



Post-investment

Ability to effect change in sustainability practices and performance of investments (exact approach may differ within strategy).

Investment type	Investment in companies						Investment in real assets		
	\$87.5bn of AUM (89.0%) ¹						\$10.9bn of AUM (11.0%)		
Key ICG strategy	EUROPEAN & ASIA PACIFIC CORPORATE	STRATEGIC EQUITY	PRIVATE EQUITY FUND INVESTMENTS	SENIOR DEBT PARTNERS	NORTH AMERICA CAPITAL PARTNERS	LIQUID CREDIT CLOS	REAL ESTATE DEBT	REAL ESTATE EQUITY	INFRASTRUCTURE EQUITY
Level of access/influence									
Annual monitoring of sustainability matters (including through annual surveys, where relevant)									
• Annual collection of sustainability metrics, including GHG emissions									
Deal teams engage regularly with assets and/or investment partners on sustainability									
• Raise sustainability matters to portfolio company management, boards, investment counterparties or Limited Partner Advisory Committee (LPAC), as appropriate									
• Implement sustainability action plans and initiatives									
• Establish sustainability KPIs and targets									
Offer economic incentives for sustainability improvements									
Include sustainability information in exit documentation									

*Direct co-investments follow ICG’s standard approach.

**Typically requested from PE Sponsor

 Signifies a case study or an enhancement discussed in the report; or both

1. Source: ICG, as at 31 March 2024.



Reporting and disclosures

Transparency on sustainability matters and performance in our investments

We believe that transparency around our performance and management of material sustainability-related risks and opportunities, such as those posed by climate change, is important for investment performance and supporting our clients’ needs.

Our comprehensive approach to reporting includes regularly updating our clients and other stakeholders about our integration of sustainability considerations into our investment decisions and processes as well as the outcomes we have achieved.

We continue to collaborate with peers and industry groups to improve the quality of both regulatory and voluntary reporting for our stakeholders as outlined on pg. 28 (Collaboration and partnership).

In addition to this Sustainability and People report, we also disclose sustainability data and information in a range of other ways, including our suite of Group-level annual reports (as outlined on pg. 1), and a range of product and fund-level reporting.

ICG seeks to provide timely and detailed reporting on relevant sustainability and ESG matters through a range of disclosures for our clients and our stakeholders

TCFD reporting:



As well as our group level Task-Force on Climate-related Financial Disclosures (TCFD) reporting contained within our Annual Report and Accounts, we will also be providing product-level TCFD reporting for certain in-scope funds in line with the UK Financial Conduct Authority (FCA) requirements.



View more
in our [TCFD disclosures](#).

SFDR:

Since March 2021, for each fund in scope of EU Sustainable Finance Disclosure Regulation (SFDR), we have prepared and provided our investors with:

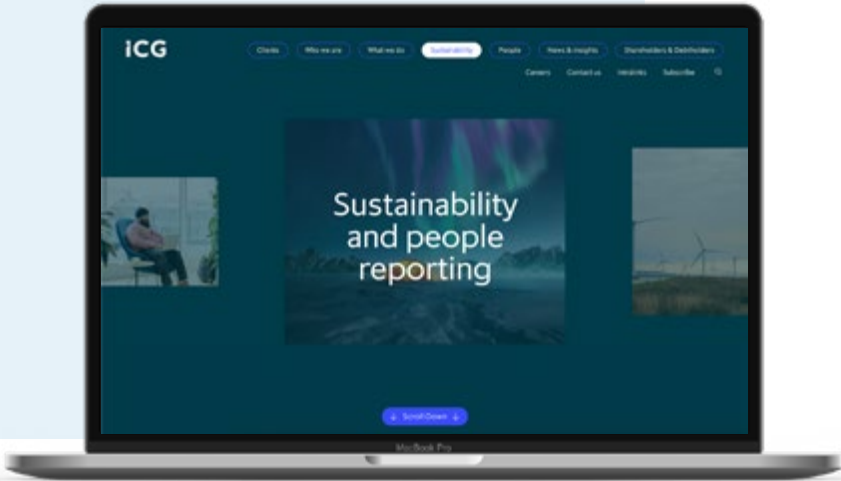
- pre-contractual and website disclosures, specifying the promoted environmental and/or social characteristics or the sustainable objectives pursued by each fund, as relevant and applicable.
- periodic disclosures, communicating the extent of attainment of the promoted environmental and/or social characteristics or sustainable objectives pursued by each fund, as relevant and applicable.



View more
please see the SFDR disclosures section of our website: [Sustainability and people reports](#).

Voluntary sustainability reporting

In response to our clients’ needs, we have developed a harmonised and modular approach to fund-level sustainability reporting across the Group which goes beyond regulatory requirements. This reporting covers the majority of our active funds and includes a range of environmental and social metrics, and is generally released on an annual basis, though for some funds we do it more regularly.



Collaboration and partnership

We recognise the important role collaboration plays in advancing progress on sustainability. Collaboration is particularly important for ICG because for many of our investment strategies we must work with investment partners to drive improvements. We are committed to working with others to advance best practice and drive consistency in shared challenges, as well as learning from industry experts and thought-leaders for our own sustainability approaches.

Highlights in 2023/24 include:

Building a common language for private market investors:

We were invited to join the industry focus group that acted as a consultative body to the organisations developing the Private Markets Decarbonisation Roadmap (PMDR) to help private market investors communicate progress on decarbonisation within portfolios.

Read more
on pg. 19 In the [climate change and decarbonisation](#) section of this report.

Equipping private credit investors:

As Co-Chairs of the Initiative Climat International (iCI) private credit working group, we were instrumental in the development of the September 2023 report: [Carbon Footprint Measurement: A Concise Guide for Companies and their Lenders](#) backed by a range of industry groups and initiatives.



The aim of the report is to help facilitate more effective disclosure of GHG emissions between companies and their fiscal sponsors, direct lenders and other debt-holders providing stakeholders with the climate-related information necessary for strategic decisions and regulatory obligations.

Leading progress toward net zero in private markets:

ICG's Global Head of Sustainability & ESG was appointed Chair of the iCI Net Zero working group, member of the iCI Steering Committee and is also a member of the Private Debt Advisory Committee to the UNPRI.

Our membership of the Task-force on Nature-related Financial Disclosures (TNFD) Forum and the Principles for Responsible Investment (PRI) Nature Reference Group:

ICG supports the TNFD, and actively participates in the PRI Nature Reference Group, which aims to build investor capacity for addressing nature and biodiversity loss.

Industry initiatives



Investing in companies

We believe that by identifying and assessing material sustainability factors as part of our investment approach, and by engaging with investment partners to ensure these factors are properly managed over the lifetime of our investments, ICG can support the growth of more successful, sustainable and equitable businesses over the long-term and generate enhanced value for our clients and other stakeholders, in line with our fiduciary duty.



Strengthening the sustainability assessment of new investment opportunities

Overview

For most of our investment strategies, the best opportunity to fully understand and assess the sustainability characteristics of a potential investment and to exert influence is at the time of initial investment. ICG deal teams, with expert subject-matter guidance from the ICG Sustainability & ESG team, use the information, tools and processes available to them and deemed suitable for each investment to assess:



Risk

Identify and assess any risks presented by shortcomings in managing material sustainability factors and/or business activities inherently prone to having significant adverse impacts on society and/or the environment.



Opportunity

Understand the potential for value preservation and/or creation from material sustainability factors, particularly in situations where ICG has sufficient influence.



Alignment

The extent of alignment with investment partners, as relevant to each investment, on sustainability direction and approach to maintain the ability to drive progress.

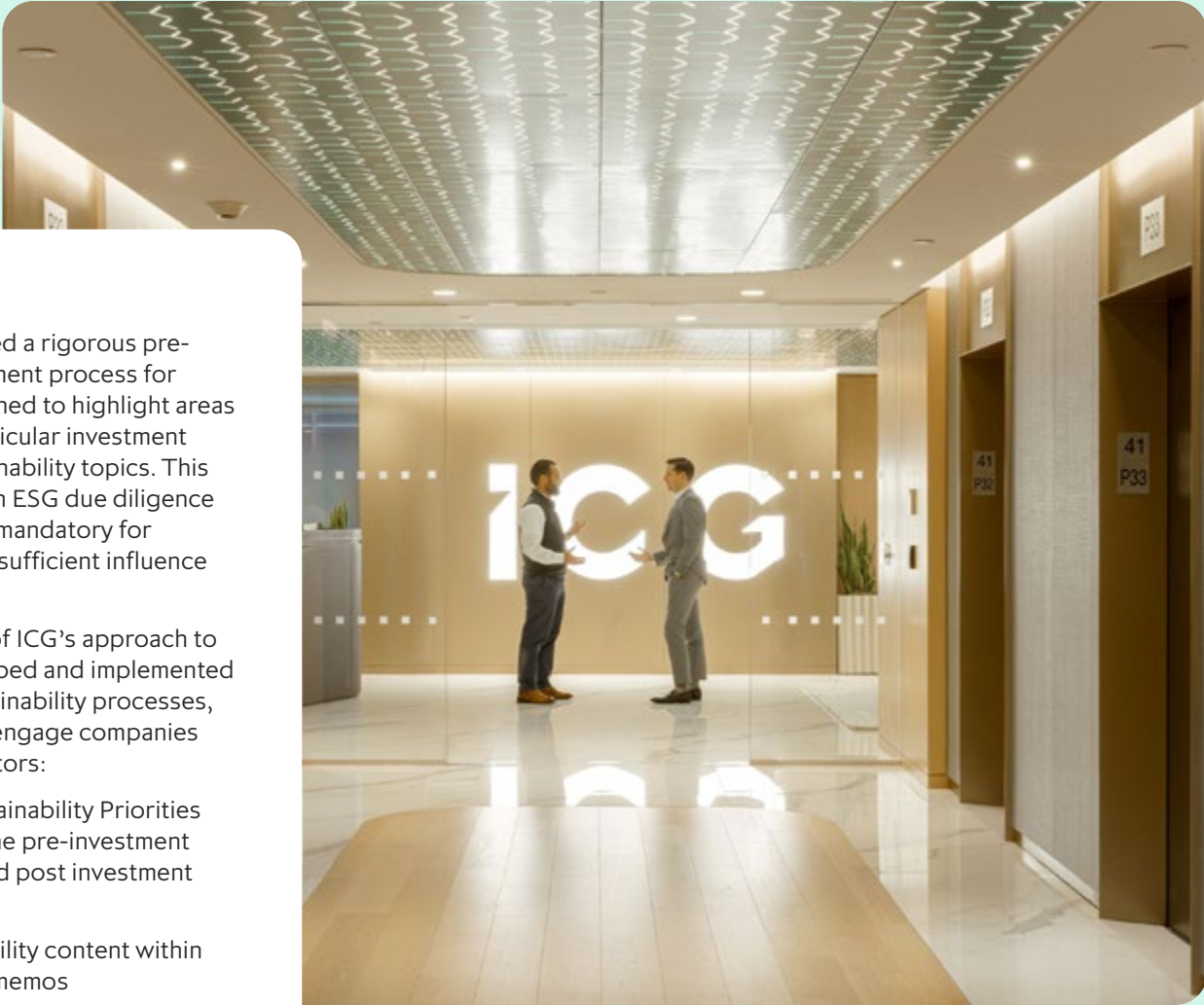
Key developments

ICG has, for many years, employed a rigorous pre-investment sustainability assessment process for investments in companies, designed to highlight areas of risk and opportunity for a particular investment covering a broad range of sustainability topics. This assessment is supplemented with ESG due diligence performed by external advisers, mandatory for investments where ICG will have sufficient influence in the capital structure.

As part of a continual evolution of ICG’s approach to sustainability, in FY24 we developed and implemented some enhancements to our sustainability processes, focusing on how we assess and engage companies across material sustainability factors:

- (1) Development of an ICG Sustainability Priorities Tool (SPOTlight) to guide the pre-investment sustainability assessment and post investment engagement
- (2) Standardisation of sustainability content within Investment Committee (IC) memos
- (3) Update of our Climate Risk Assessment methodology

In addition, we established our approach towards nature and biodiversity, evaluating the landscape of tools available to assess the impacts and dependencies of ICG’s portfolio on nature, and performing an initial hotspot analysis to focus our response.





An enhanced focus on materiality

A robust and systematic materiality assessment is crucial for determining which sustainability-related factors are most significant and decision-useful for the companies in which we invest. Material factors are often linked to the industry in which the company operates, although companies within the same sector can have different material factors depending on their business model and where in each sector value chain they operate.

Focusing on material sustainability factors can help us support our investments with maximising value preservation and creation, and is also increasingly relevant from a disclosure perspective. Formal materiality assessment will be required by the International Sustainability Standards Board (ISSB) and European Corporate Sustainability Reporting Directive (EU CSRD) and is likely to affect many businesses in which we invest.

To focus the efforts of the deal teams on factors that matter most for companies being assessed, we updated ICG’s pre-investment sustainability assessment approach to incorporate materiality through a new **ICG Sustainability Priorities Tool (SPOTlight)**.

SPOTlight, developed in-house with support from an external consultant, provides a systematic process for identifying and prioritising the sustainability factors pertinent to business activities and their impacts that are most crucial for the success of a given business and that of its stakeholders, now and in the future.

SPOTlight informs and connects the investment decision-making process and post-investment engagement. Outputs of the tool are integrated into a new Sustainability Investment Committee memo template which provides increased comparability and transparency of sustainability analysis for Investment Committee consideration.



Materiality in disclosure frameworks

The development of sustainability disclosure frameworks from bodies such as ISSB, Global Reporting Initiative (GRI) and the EU CSRD has led to a proliferation of definitions of materiality, with multiple perspectives. There are two main materiality perspectives: (1) financial materiality, and (2) impact materiality. Consideration of both is referred to as double materiality.

Whilst SPOTlight is not explicitly designed for double materiality, the inclusion of multiple databases of information provides both a financial and impact lens, with topics flagged if there is a potential exposure based on their operations or supply chain.



Incorporating nature into SPOTlight

SPOTlight incorporates the ENCORE database. Through this integration, potential nature-related impacts and dependencies associated with companies within the selected industry are raised to the deal teams for consideration.

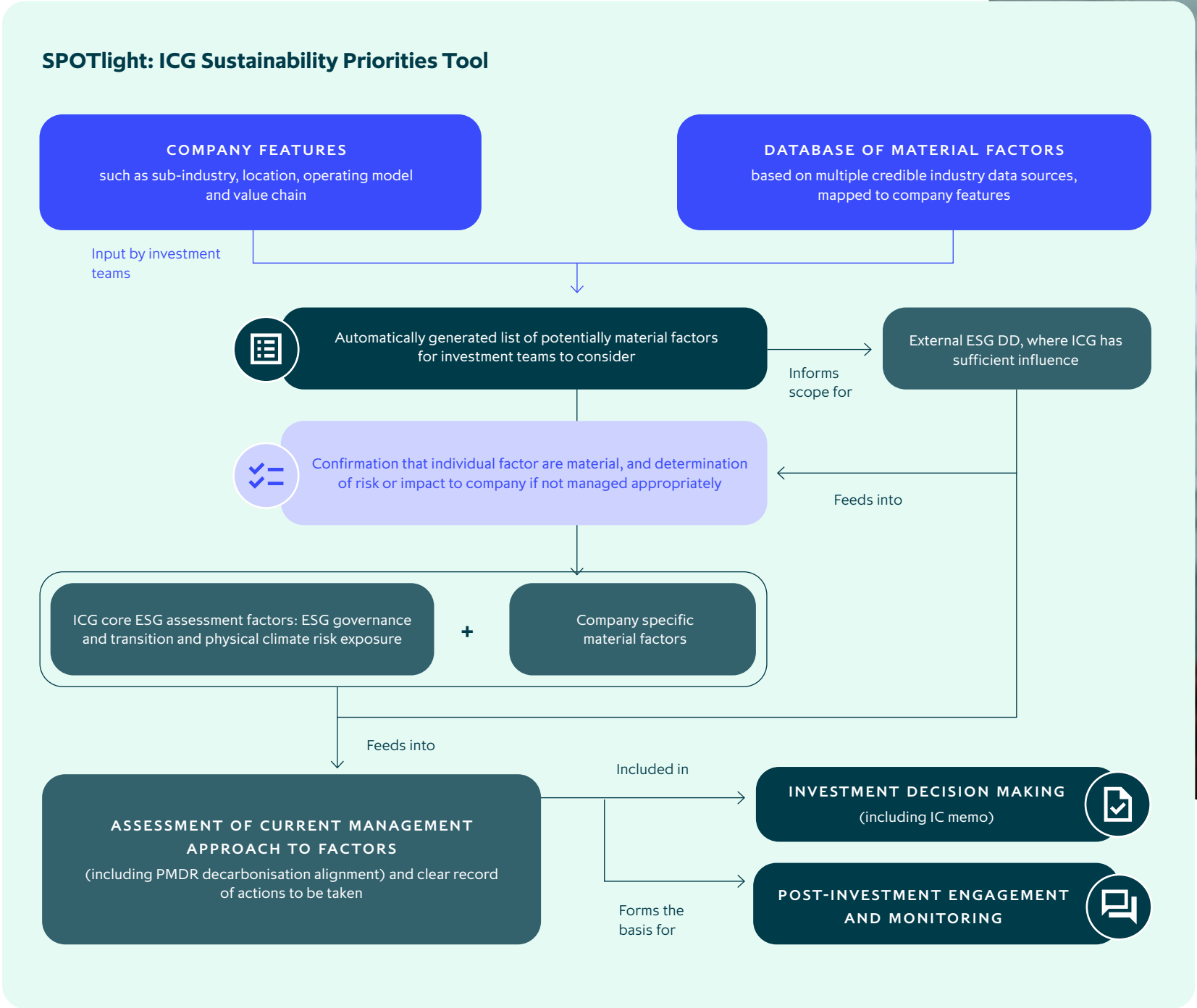
Where certain critical location-based impacts or dependencies are identified, ICG can utilise external geospatial resources (such as the Integrated Biodiversity Assessment Tool (IBAT) or the World Resources Institute (WRI) Aqueduct Water Risk Atlas) to assess the associated level of risk or opportunity for specific operations.



ICG Sustainability Priorities Tool (SPOTlight) – how does it work?

SPOTlight uses company-specific information including: industry, type and location of operating facilities, and value chain characteristics to automatically produce a list of potentially material sustainability factors and sub-factors with descriptions of how the factors may relate to the company. Multiple credible sources have been used to inform the SPOTlight database. This includes information from the SASB Materiality Matrix™, ENCORE and other industry and NGO databases.

For all strategies, deal teams are asked to form a view on how mature the company’s approach to the factor is, based on available information, and determine any follow-up actions, such as prioritising the factor for post-investment engagement. Material factors inform the scope of external ESG due diligence for strategies with sufficient influence.





Standardising the information our Investment Committees review

Across corporate strategies, where ICG has sufficient influence, the papers reviewed by the Investment Committees (IC) memos have in-depth sustainability information for prospective investments. This reflects both internal and external due diligence, where relevant, raising risks and opportunities identified during this process.

To enable better, more consistent sustainability information for investment decision-making, ensure coverage of material factors, and underpin post-investment engagement, we developed a suite of sustainability investment memo templates for different strategies. The templates aim to provide a clear summary of company exposure to and management of material factors, ensuring deal teams highlight (1) red flags (and the consequence of these for the deal), (2) action plan or engagement items, and (3) areas of outperformance or product sustainability solutions.

Updating our Climate Risk Assessment methodology

ICG undertook a review of our Climate Risk Exposure Assessment methodology for investments in companies to ensure it remains robust and in line with market practice. As a result, a number of enhancements have been incorporated into our pre-investment sustainability assessment:

- Expanded assessment of exposure to both physical and transition risks to incorporate characteristics related to the company’s specific operating model and value chain.
- Streamlined and updated external data sources to ensure we utilise the most relevant and up-to-date data that is designed for use by investors. One such notable enhancement

is the incorporation of the Inevitable Policy Response (IPR) 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. For the physical climate risk assessment, we have integrated a consideration of how prepared a country might be to withstand physical climate hazards, utilising the University of Notre Dame’s ND-Gain Country Index Vulnerability Scores.

- Divided the assessment into two types of risk: exposure and post-mitigation, allowing us to take into account specific measures put in place by companies to mitigate their exposure. For example, for transition risk, this incorporates the level of alignment of the company to net zero transition – utilising the Private Markets Decarbonisation Roadmap’s (PMDR) alignment scale.

1. 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>.





CASE STUDY

United Living

United Living is a UK-based provider of infrastructure engineering services, property maintenance services, and new social housing construction services.



ICG INVESTMENT STRATEGY

Senior Debt Partners (Direct Lending)



COUNTRY

United Kingdom



INDUSTRY

Infrastructure Services



INVESTMENT YEAR

2023



Financing the next impact phase of United Living

In 2023, the ICG Senior Debt Partners (SDP) team was approached with the opportunity to provide a term loan facility to finance the acquisition of United Living by Apollo Global Management’s Impact Fund (the Sponsor); as well as an additional acquisition facility to support the future M&A activity of the company.

Following ICG’s established pre-investment sustainability assessment approach, the SDP team conducted a comprehensive review of United Living utilising a range of additional resources. This included discussions with Apollo Global Management and the management of United Living, the independent impact due diligence report commissioned by Apollo Management and additional materials provided by the company.

The SDP Investment Committee approved this deal appreciating the company’s:

- **diverse, growing and stable underlying markets**
- **long-standing relationships with customers and high revenue visibility**
- **mature approach to managing sustainability factors**
- **demonstrable positive socio-economic and environment impacts across all business lines**

A key area of positive impact generated by the company¹ is the provision of new and renovation of existing affordable housing primarily for government social housing agencies, which represents a significant part of the business today. Stable and quality affordable housing is often associated with socioeconomic benefits for marginalised communities including improved financial stability, health outcomes, and educational and professional attainment.

The SDP team has maintained close dialogue with the sponsor and the management team and will monitor the development of the business and thus the amplification of its positive impacts on society and the environment.



United living.

Source: ICG, March 2024.
1. Source: independent impact due diligence report commissioned by Apollo Global Management, 2023.



Engaging to improve sustainability performance

We partner with our investment counterparties to build more resilient, sustainable and equitable businesses and enhance value for our investors.

Across ICG strategies that invest in companies, we strive to adopt a best practice approach to sustainability engagement. We know that understanding the unique features of each company is key to successful engagement. Building on our pre-investment sustainability assessment, we take time to understand:

- the business model of relevant portfolio companies
- their exposure to sustainability risks and opportunities
- their key stakeholders and
- their actual and potential positive and negative impacts on society and the environment.

Our annual Sustainability Survey is a key part of developing our understanding (see box) and underpins a tailored engagement approach with management teams and/or PE sponsors.

The exact priorities and methods of engagement vary by investment strategy (as outlined on pg. 25-26) depending, among other factors, on our level of influence.

Learning from our experience, we have incorporated three strategic themes into our engagement programmes with companies and we monitor progress on these in a systematic way:

- **Sustainability governance and strategy**, to ensure companies have strong foundations to drive sustainable business growth.
- **Climate change and decarbonisation**, to strengthen business resilience and unlock new opportunities.
- **Employee engagement and Diversity, Equity and Inclusion (DEI)**, to improve business decision-making and enhance capability to attract and retain top talent.

Further to these, we engage management teams and/or PE sponsors on topics that are specifically material to each company. The SPOTlight tool will further enhance our capabilities to identify engagement priorities on material sustainability factors.

The following sections provide an overview of our approach and highlight progress and examples across different strategies: European & Asia Pacific Corporate, Strategic Equity, Senior Debt Partners and Liquid Credit & CLOs.

Enhancing our annual sustainability survey for companies

ICG started conducting an annual Sustainability Survey in 2015, and it now covers over 100 portfolio companies across our European and Asia Pacific Corporate, European Direct Lending and Strategic Equity portfolios.

The custom-built annual survey uses over 100 qualitative and quantitative indicators to assess portfolio company practices with regard to sustainability governance and oversight, compliance with ESG-related laws and regulations, and approaches to climate change, DEI and employee engagement.

Performance metrics captured are drawn from leading industry frameworks such as the Principal Adverse Impact metrics under the EU Sustainable Finance Disclosure Regulation (SFDR), the ESG Data Convergence Initiative (EDCI), the Task Force on Climate-related Financial Disclosures (TCFD), the GRI standards, and the SASB standards.

In 2023, the survey was updated to include information to assess each company’s stage of decarbonisation based on the Private Markets Decarbonisation Roadmap (PMDR) alignment scale.





European & Asia Pacific Corporate:

We believe there is an opportunity in engaging with portfolio companies in our European and Asia Pacific Corporate strategies to drive sustainability performance.

For any new investment where we have sufficient influence, we conduct a structured sustainability onboarding process to align with management teams on sustainability governance, key areas of focus for the business, and KPIs to progress monitoring. Typically, sustainability is a regular agenda item at board meetings, and we review sustainability progress and performance with all portfolio companies at least annually, including through our annual sustainability survey of portfolio companies across European and Asia Pacific Corporate.



Climate change and decarbonisation

88% ↑

of portfolio companies have set or are in the process of establishing climate change or energy-related objectives and targets
(2023: 83%, 2022: 77%)

67% ↑

of portfolio companies have assigned board or management responsibility for climate change-related risks and opportunities
(2023: 59%; 2022: 64%)

83% ↑

measure and have initiatives to reduce GHG emissions
(2023: 68%, 2022: 75%)

83% ↑

of portfolio companies have assessed, or began assessing, the business risks and opportunities associated with climate change
(2023: 80%, 2022: 80%)



Diversity, Equity and Inclusion

50% ^{NEW}

of portfolio companies held consistently over the last three years have improved gender diversity at board level¹

75% ↑

of portfolio companies are implementing initiatives or targets to improve DEI
(2023: 72%, 2022: 88%)

79% ↑

of portfolio companies have a DEI policy in place
(2023: 70%, 2022: 75%)

66% ↓

of portfolio companies run regular employee engagement surveys
(2023: 68%, 2022: 75%)

1. Calculated based on responses to 2024 annual sustainability survey compared with 2022 responses.



Sustainability Governance and Strategy

96% →

have or are implementing a sustainability policy
(2023: 96%, 2022: 84%)

67% ↑

have set improvement targets for environmental and/or social performance
(2023: 59%, 2022: 64%)

96% →

have assigned responsibility for managing material sustainability risks and opportunities
(2023: 96%, 2022: 100%)

21% →

have the remuneration (of at least one member) of senior management linked to sustainability goals
(2023: 21%, 2022: 12%)

Source: ICG's annual sustainability survey of portfolio companies across European and Asia Pacific Corporate. Qualitative data is reported in surveys as at point of collection (April 2024), quantitative data is requested for the period to 31 December 2023, however companies may provide their latest available information aligned to their own financial and non-financial reporting.



CASE STUDY

Lucid Group

Lucid is a specialist outsourced pharma services provider based in the UK and US working with some of the world’s largest pharmaceutical companies. Its services predominantly focus on medical communications and healthcare marketing with an organisational purpose to Transform Lives.



ICG INVESTMENT STRATEGY

European Corporate



COUNTRY

United Kingdom



INDUSTRY

Commercial Services & Supplies



INVESTMENT YEAR

2021



SBTi-validated target

Developing a consciously inclusive culture

ICG invested in Lucid in 2021, supporting the company through several acquisitions, including the transformational acquisition of DiD – a US based healthcare marketing agency of a comparable size to Lucid. While the companies shared a similar mission/purpose the businesses and cultures were different, and both geography and Covid-19 restrictions made it difficult to ‘connect’ the cultures. In addition, a year later Lucid acquired Syntetic, a smaller business with its own distinctive culture.

Rooted in the purpose of “Transforming lives. Always”, the challenge became how Lucid could bring its purpose to life, both internally to its own people and externally to their clients. Lucid created a colleague-developed set of four cultural values that embody its belief that diversity of experience and thought, when brought together in an open, inclusive and collaborative environment can provide transformative solutions to its client’s asset/brand challenges and the healthcare professionals and patients it serves. In pursuit of creating a consciously inclusive culture as part of its DEI strategy, it launched a group-wide inclusion policy and invited speakers to share insights what it means to take an intersectional approach to inclusion and equity.

- The resulting outcomes of Lucid’s program include:
- More openly diverse organisation and improved representation at various levels of the organisation.
 - Better engagement within the organisation – increase in employee engagement from 65% to 76% between October 2022 and December 2023.
 - Halved levels of employee attrition.

ICG has supported Lucid in the development of its sustainability programme, led by the team at Lucid. ICG continues to act as a sounding board for Lucid and provides guidance and support for Lucid’s ongoing sustainability priorities.

ICG has had the opportunity to learn from Lucid on its approach towards DEI and employee engagement. We believe that learning from our portfolio companies and sharing these best practices across the ICG platform is an integral part of our collaborative, partnership-led approach to sustainability.



Source: Lucid Group, as at 31 March 2024.



CASE STUDY

Alvinesa

Alvinesa transforms agricultural by-products generated during the wine-making process into valuable natural ingredients with a variety of applications across a range of end-markets.



ICG INVESTMENT STRATEGY

European Corporate



COUNTRY

Spain



INDUSTRY

Food Products



INVESTMENT YEAR

2021



SBTi-validated target

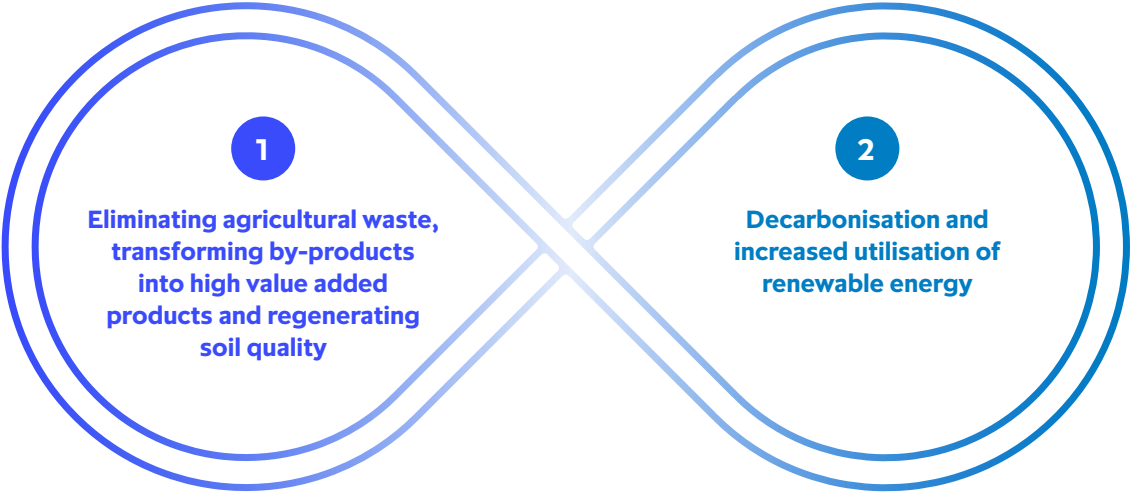


Circularity as a source of value creation

Since its foundation, Alvinesa’s business model has been a clear example of putting circular economy principles to work. When the founder of Alvinesa began looking for an investment partner to accelerate the company’s next growth phase ICG saw an opportunity to support a management team of a company with solid potential and a business model where sustainability and value creation are inextricably linked. ICG investment and Sustainability & ESG teams have provided strategic support to Alvinesa on two main areas material for the business:



Source: Alvinesa, as at 31 March 2024.



Highlights:

- **100% of the raw materials** (wine grape pomace, wine lees) processed by Alvinesa are transformed into natural ingredients for the food, beverage, animal nutrition, nutraceuticals and pharma industries. The company valorises +250k tonnes of wine-making by-products per annum, eliminating agricultural waste which, if disposed of, would be a key source of GHG emissions.
- The by-products generated during the production process, notably **water and effluents** with residual organic properties, are **returned to soil as fertiliser used by local farmers**.
- Ongoing project to utilise the effluents further to **generate biogas**.
- **+98%** of product packaging is recyclable or reusable.

Highlights:

- In 2022, Alvinesa become **an early adopter of science-based targets in private markets**, aiming to reduce Scope 1 and 2 emissions 50% by FY30 from FY21.
- **Significant progress achieved** within the first two years (as at FY23):
 - **48%** reduction in Scope 1 and 2 emissions vs FY21.
 - **70%** reduction in emissions intensity (tCO₂e/€m revenue) vs FY21.
- This was accomplished through a **combination of actions that have already resulted in significant energy cost savings** (~€1 million saved in energy bills since FY21):
 - The development and installation of **3MW solar PV plant on site which provides ~30% of the electricity** demands of the company. The remaining ~70% is procured from the grid, utilising Renewable Energy Guarantees of Origin.
 - **100% of the steam** used in the production process is generated using biomass made from grape pomace.





CASE STUDY

Supporting Education Group

Supporting Education Group (“SEG”) is a leading provider of diversified education services with a mission to enhance and enrich young people’s education.



ICG INVESTMENT STRATEGY

European Corporate



COUNTRY

United Kingdom



INDUSTRY

Education Services



INVESTMENT YEAR

2021



Submitted
target to SBTi



Evidencing impact on the education sector

OPPORTUNITY



ACTION



OUTCOME

With primary focus on the UK schools market, SEG provides critical services to its customers by:

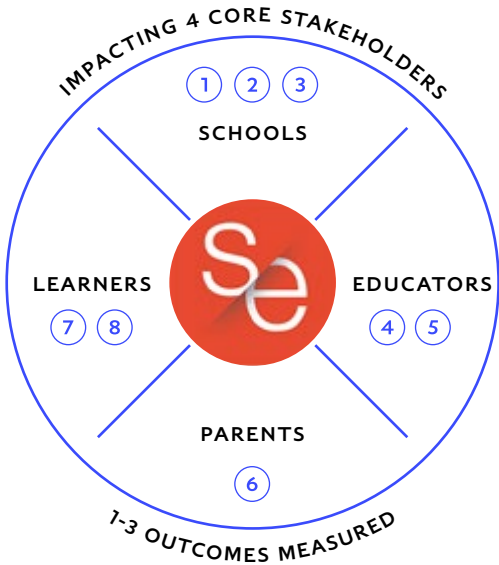
- equipping educators with the skills, support and opportunities they need to teach effectively
- helping schools deliver the best possible experience for their students
- giving parents the right tools to help their children learn.

With a network of c.12,000 schools, c.18,000 education professionals and c. 1,600 employees, SEG has the scale and reach to positively impact individuals throughout their lives, from early childhood through to long careers as education professionals. SEG’s Lifetime of Value video illustrates the touchpoints it has with individuals: [A Lifetime of Value from Supporting Education Group \(vimeo.com\)](#).

In the autumn of 2022, SEG ran a survey of school leaders which showed that 97% think it is important that education service providers evidence their impact but only 51% have confidence in selecting the right suppliers to deliver impact.

As an investor, ICG recognises SEG’s unique position to deliver positive impact through its diversified education services and that evidencing the impact in a robust and credible way underpins the long-term success of the business.

We were pleased to see a multi-functional SEG team fully embrace this opportunity. With the support of a specialist consultant, SEG utilised the Theory of Change concept to establish its impact evaluation framework that focuses on eight outcomes for schools, educators, parents and learners:



SCHOOLS
(includes all education settings eg nurseries)

- 1 Recruit high-quality educators and fill staffing gaps
- 2 Ensure schools are compliant with regulation and best practice
- 3 Increase the efficiency and effectiveness of school processes, systems and management.

EDUCATORS
(includes all staff working in education settings i.e. both teaching and non-teaching staff)

- 4 Develop and retain educators in the sector
- 5 Increase the integration of temporary educators in schools.

PARENTS

- 6 Increase parental knowledge and ownership of their child’s learning.

LEARNERS

- 7 Improve learner mental health and wellbeing
- 8 Increase learner attainment.

- One year on, SEG:
- is better able to communicate the societal value of its work, having published an extensive group impact report that ties together all of its service offers against the eight target outcomes
 - has received positive Industry feedback, particularly in respect of the linkage of activity, case studies and evaluation against outcomes
 - was shortlisted for the British Educational Suppliers Association annual awards in the “Make the Change” category on the basis of its impact report
 - has been invited to speak at education industry conferences on their approach, and has joined the ImpactEd advisory board to promote good practice more widely
 - has significantly increased the use of target outcomes internally to support sales and delivery conversations, and the team has invested in a benchmarked customer diagnostic tool to evaluate the need and improving position against target outcomes.

Source: SEG, as at 31 March 2024.





Strategic Equity

Engagement on sustainability matters is an important component of ICG Strategic Equity’s approach to partnering with GPs. We believe that engagement with our GP partners on sustainability matters helps them identify sustainability risks and capitalise on sustainability opportunities across their portfolio, which may create more lasting value for both investors and the underlying assets.

ICG’s Strategic Equity team, with support from ICG’s Sustainability & ESG team, targets engagement with GP partners to support them in further enhancing their approach to sustainability integration by sharing our experience and networks, as well as resources for portfolio monitoring and reporting. Ongoing sustainability engagement and monitoring are achieved through a combination of:

- Board seats.
- Information rights.
- Active engagement with GP partners on material sustainability factors.
- ICGs annual GP survey and follow up dialogues to discuss progress.

Continuing alignment with GP partners on:

Sustainability governance and strategy

100% →

of GP partners have an ESG/ Responsible Investing Policy and consider material ESG factors throughout the investment cycle (2023:100%, 2022:100%)

92% ↑

of GP partners have dedicated ESG resource and provide training to investment staff on sustainability matters (2023: 89%; 2022: 60%)

100% →

of GP partners use board influence to engage on sustainability matters (2023:100%; 2022: 100%)

Climate change and decarbonisation

75% ↑

of GP partners have a formalised approach to managing climate-related risks and opportunities (2023:44%; 2022: 40%)

67% ↑

of GP partners monitor the carbon footprint of portfolio companies (2023:33%; 2022: 30%)

75% NEW

of GP partners engage portfolio companies on establishing targets and initiatives to reduce GHG emissions

Diversity, Equity and Inclusion

100% →

of GP partners state that they actively support DEI in their firms (2023: 100%)

21% ↑

female investment professionals on average among GP partners (2023:19%; 2022: 14%)

75% NEW

of GP partners engage portfolio companies on enhancing DEI

Source: ICG annual GP survey. In 2024, all 12 GP partners in Strategic Equity IV and V responded, in 2023 all 9 GP partners in Strategic Equity IV responded, in 2022, 10 GP partners in Strategic Equity III and IV responded.



CASE STUDY

Gateway Services

Gateway was founded by Scott Hunter in 1996. While dealing with the loss of a family pet earlier that year, Scott found the pet aftercare industry lacked regulation, licensing requirements, and operating standards. More than 25 years later, with numerous veterinary partners across Canada and the United States, Gateway is the established leader in North America that sets the standard for dignified and respectful pet aftercare services.



ICG INVESTMENT STRATEGY

Strategic Equity



COUNTRY

United States and Canada



INDUSTRY

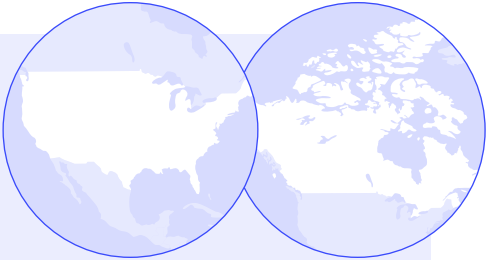
Vet Services



INVESTMENT YEAR

2022

Charting the sustainability path for the pet aftercare industry



ICG Strategic Equity partnered with Imperial Capital (“Imperial”) as the lead investor in a single-asset continuation vehicle to acquire a majority interest in Gateway. Among the many strengths of the business, ICG Strategic Equity and Imperial saw an opportunity to advance the sustainability positioning of the company.

As an important first step, Gateway’s management, with strategic support and input from Imperial and ICG Strategic Equity, defined its sustainability priorities and issued its inaugural ESG report in 2023. The report outlines how the company is implementing its pledge to run Gateway with “Compassionate Care – Sustainable Practices” and highlights Gateway’s progress to date as well as its roadmap for further improvement. The report defines strategies, initiatives, and goals as they pertain to the three foundational elements of sustainability.

Environmental: Gateway seeks to implement environmental initiatives that can be adopted in a sustainable and commercially pragmatic way. The company focuses on innovative practices for GHG emissions reduction, energy efficiency, and a valued customer experience. In particular, the company is focused on opportunities to reduce GHG emissions related to its fleet of more than 750 vehicles, including a pilot project that is testing electric vehicles for pickup and return services.

Social: Gateway has created a three-pillared social responsibility framework for its key stakeholders.

- Supporting Gateway team members by investing in necessary resources and training to deliver high-quality aftercare services.
- Providing compassionate and respectful aftercare services to pet parents that meet their needs during a difficult time.
- Being a responsible corporate citizen by supporting local organisations and initiatives that promote the welfare of pets and the broader community.

Governance: Gateway is committed to a governance standard consistent with driving industry best practices. This commitment involves implementing robust policies, structures, and processes grounded in Gateway’s principles of honesty, integrity, and trust. Upholding these principles is essential to Gateway’s relationships with pet parents, veterinarians, team members, and investors. These principles guide all aspects of Gateway’s business, from strategic planning to financial decision-making.

By integrating sustainability matters into all aspects of the company’s operations the Gateway management, with strategic support from Imperial and ICG Strategic Equity, seeks to drive long-term value by building a sustainable, resilient and purpose-led business.

Source: ICG and Gateway Services as at 31 March 2024.



Senior Debt Partners

Engagement in our Direct Lending portfolios is vital to understand and account for the material sustainability risks and opportunities pertinent to our investments. The success of our engagement with borrowers depends on the strength of our relationship with their private equity shareholders and the continuous alignment of our overarching sustainability objectives.

We engage with borrowers and monitor their performance through a two-pronged approach:

1. Deal teams maintain ongoing dialogue with management and/or PE sponsors which covers key developments on material sustainability factors.
2. Our annual sustainability survey enables us to assess more holistically how sustainability matters are managed by borrowers in our portfolios and the progress they have achieved over time.



Read more
see pg. 33 for a case study on our [pre-investment processes in the Senior Debt Partners strategy](#).

We continued to see progress by borrowers in our Direct Lending portfolios, as demonstrated by responses to our annual Sustainability Survey conducted in the end of 2023. We have highlighted below select metrics across three themes that we believe to they have universal importance for the lasting success of our borrowers:

Sustainability governance and strategy

95% ↑	24% NEW	70% ↑
are implementing a Sustainability Policy (2022: 74%, 2021: 65%)	have senior management remuneration linked to ESG goals	are setting ESG KPIs and targets (2022:52%, 2021:38%)

Climate change and decarbonisation

53% ↑	67% ↑	82% NEW
have assigned Board or Management responsibility for climate change (2022: 34%, 2021: 31%)	have begun assessing the business risk and opportunities associated with climate change (2022: 52%, 2021:35%)	have initiatives to reduce GHG emissions

Diversity, equity and inclusion

28% NEW	78% ↑	85% ↓
of senior management identifies as female (on average)	have initiatives or targets to improve diversity (2022:53%, 2021:50%)	have employee engagement survey or initiatives in place (2022: 89%; 2021: 81%)

Source: ICG annual sustainability survey. 40 borrowers responded in 2023, 37 in 2022, 31 in 2021.

Liquid Credit & CLOs

In order to play a more active role in encouraging better sustainability practices, ICG has maintained its focus on engaging directly with issuers in our Liquid Credit funds and CLOs, in addition to collaborating with other stakeholders.

With over 500 issuers across our credit portfolios, primarily sub-investment grade private issuers in Europe, North America and Australia, we recognise the need to be targeted in our engagement efforts. Given the nature of our credit strategies, we may engage directly with management teams or collaboratively with other lenders as part of a syndicate.

In the 12 months to 31 December 2023, ICG credit analysts engaged with more than 300 issuers across Europe, North America and Australia to seek more information and/or improvements on material sustainability factors.

As comprehensive sustainability disclosures are still nascent among sub-investment grade private issuers, our key focus of engagement in many cases was on improving transparency, including disclosure of ESG performance and GHG emissions.

It is encouraging to see that 54%¹ of issuers in four of our market value credit portfolios focused on Europe and North America (as at 31 December 2023) measure and report GHG emissions – a significant increase from only 30% of issuers as at 31 December 2021.

Source: ICG, 31 March 2024.

1. Excludes exposures to third party CLOs.

Environment

163

engagements on environmental topics, such as climate change, natural resource use and circularity

Social

84

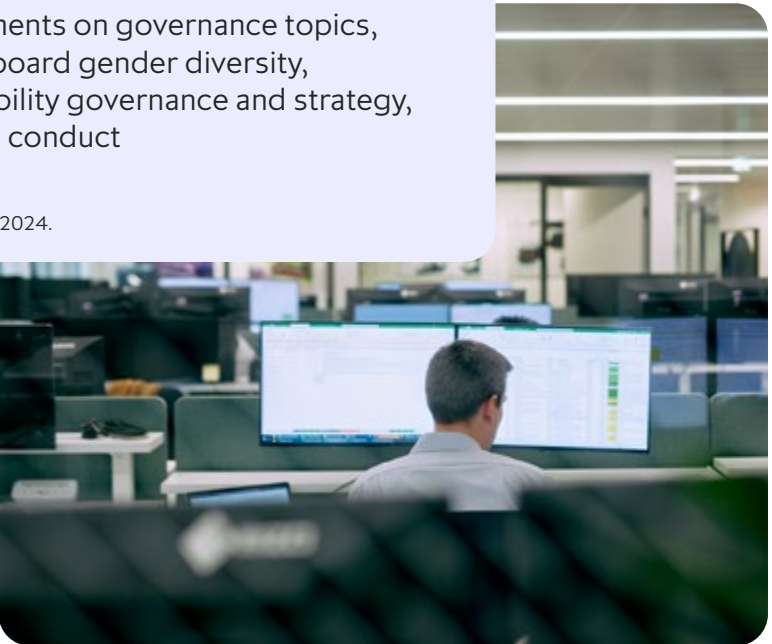
engagements on social topics, such as customer welfare, health and safety, workforce diversity, equity and inclusion

Governance

172

engagements on governance topics, such as board gender diversity, sustainability governance and strategy, business conduct

Source: ICG, 2024.





Life Sciences

ICG Life Sciences provides investors with exposure to biotechnology assets in Europe and the United States, targeting areas of unmet medical need that have the ability to transform patients’ lives.

This new ICG investment strategy has a social impact objective at its core, focusing on innovative life sciences companies developing novel therapies that genuinely transform patient care – resulting in major advances in treating the underlying drivers of a disease or its symptoms. The potential for impact is significant for patients, their caregivers and the healthcare systems that treat them.

To measure the attainment of this objective, the ICG Life Sciences and Sustainability & ESG teams worked jointly with an independent life sciences expert to develop a bespoke Life Sciences Social Impact Framework & Scorecard (the Framework). The Framework is an integral part of the investment process.

Through its investment approach, ICG Life Sciences can make a meaningful and sustainable impact for patients while delivering strong returns for investors.



CASE STUDY Amolyt Therapeutics SA

Clinical-stage biotechnology company developing novel therapies the treatment of endocrine (hormonal) disorders.



ICG INVESTMENT STRATEGY Life Sciences



COUNTRY France and the United States



INDUSTRY Life Sciences



INVESTMENT YEAR 2023

Amolyt Therapeutics: ICG Life Sciences’ Social Impact in practice

ICG co-led Amolyt’s \$138 million Series C financing in 2023 backing the founders’ mission to develop novel medicines to treat serious diseases caused by hormonal disorders where there are no or limited treatment options. The company has a pipeline of assets targeting three hormonal disorders: hypoparathyroidism; acromegaly and hyperparathyroidism. These are conditions of the endocrine system where the body produces too much or too little amounts of different hormones resulting in life-altering symptoms and complications, and increased mortality.

Amolyt’s potential for social impact was assessed pre-investment and exceeded the minimum criteria outlined in the ICG Life Science Sustainability Framework. This bespoke framework was designed to ensure attainment of the Life Sciences strategy’s objective of investing in companies developing novel therapies addressing areas of unmet medical need. After a detailed review of the patient populations and treatment pathways it was clear that Amolyt possessed a differentiated pipeline of highly innovative assets with promising data around safety and effectiveness. Additionally, these novel medicines had the potential to treat a significant proportion of patients who don’t respond to current standard of care and addressed some of the underling drivers of disease and not just its symptoms.

Post-investment Amolyt continued to build upon and improve on its social impact through positive clinical trial data and extensive patient engagement/

outreach programmes. Amolyt’s positive Phase II clinical trial in hypoparathyroidism and positive Phase I data in acromegaly ultimately attracted the interest of several Pharma companies keen to expand their endocrinology franchises to better serve the needs of these patients. Against strong competition, in March 2024 AstraZeneca (AZ) made a successful bid to acquire the company in a deal totalling \$1.05 billion. AstraZeneca was chosen as it is uniquely positioned to drive the late-stage development, regulatory approval and global commercialisation of Amolyt’s pipeline. The AZ infrastructure and outreach will maximise patient access to these novel therapies for patients and we believe this is a positive outcome for patients.



Source: ICG, as at May 2024. Amolyt Pharma has signed a definitive agreement to be acquired by AstraZeneca, subject to regulatory clearance. Final amounts will depend on balance sheet adjustments at closing, estimated for Q3-2024.



Investing in real assets

ICG’s real asset strategies interact perhaps most tangibly with climate, natural resources and society. This interaction means that whilst real asset strategies are often most directly exposed to sustainability risks, they are also well positioned to capitalise on opportunities offered by the sustainable transition. We recognise promising investment opportunities in growing sustainable real assets, and in supporting the transition of real estate and infrastructure assets to more sustainable models.

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 and enhancing social cohesion. The Organisation for Economic Co-operation and Development (OECD) estimates¹ that \$6.9 trillion per year is needed between 2016 and 2050 for investment in sustainable and resilient infrastructure to achieve the UN Sustainable Development Goals (SDGs) by 2030 and net zero emissions by 2050.

To capitalise on this growing investment opportunity, ICG launched a number of products with sustainably-themed mechanisms investing in real assets. These products have sustainability frameworks designed to align with specific UN SDGs, and all incorporate climate-focused SDGs including SDG 7 (Clean Energy) and SDG 13 (Climate Action); and deliver tangible, targeted improvements in the sustainability performance of assets as part of the asset management plan.

As at 31 March 2024, these sustainably-themed products constitute over half (61%) of AUM in real assets, compared to 48% as at 31 March 2023, and 40% as at 31 March 2022.

Asset class	Real Estate		Infrastructure
Strategy	European Real Estate Debt	Strategic Real Estate	Infrastructure Equity
Strategy overview	Pan-European real estate debt strategy investing in self-originated, predominantly first mortgage investments secured by commercial and residential property	Targets mission-critical commercial real estate assets across the UK and Europe	Seeks to acquire a diversified portfolio of Core+ mid-market infrastructure assets in Europe, with a focus on downside protection
Sustainability approach	Incentivising sustainable transition and social value generation for existing and new commercial and residential real estate via ICG RE’s financing structures	Allocated capital to improve the sustainability profile of assets, with a focus on energy efficiency improvements and installation of on-site renewable energy (solar PV)	Investment in assets well-positioned within energy transition, digital and mobility sectors to capitalise on sustainability-focused operational value creation opportunities
Mechanism	Issuance of green, social and/or sustainability-linked financing to borrowers	Sustainable Capital Allocation (SCA) available for deployment on specific sustainability improvement initiatives	Active asset management with a bespoke sustainability framework aligned with GIIN IRIS+
Targeted UN SDGs			

1. Source: OECD accessed on 4 June 2024, <https://www.oecd-ilibrary.org/sites/3eca5021-en/index.html?itemId=/content/component/3eca5021-en>.

Approach to responsible investing in Infrastructure Equity

Transitioning to a more sustainable and equitable economy requires financial products that support the delivery of the UN Sustainable Development Goals (SDGs), the Paris Climate Change Agreement and the EU’s ambition to be climate-neutral by 2050.

ICG Infrastructure Equity partners with successful management teams across European mid-market businesses and platforms within the energy transition, digital and mobility sectors.

From the outset, ICG Infrastructure Equity recognised the significant potential of infrastructure assets to generate positive social, environmental and economic outcomes today and for future generations.

ICG Infrastructure Equity has adopted an investment approach that incorporates operational value creation with a sustainability focus.

Through its asset management efforts, ICG operates a tailored Infrastructure Sustainability Framework, drawing on the Global Impact Investing Network’s IRIS+ taxonomy, to identify, assess, monitor and, where possible, quantify the direct contribution of portfolio companies’ core activities to relevant UN Sustainable Development Goals (SDGs). In addition, in its engagement with portfolio companies the ICG Infrastructure Equity team prioritises four themes: climate change, natural resource use, human capital management, and Diversity, Equity and Inclusion, alongside other material company-specific sustainability risks and opportunities.



CASE STUDY Ocea Smart Building

Ocea Smart Building (“Ocea”) is a provider of smart water and heat metering infrastructure in France, operating under long-term inflation-linked contracts in an industry benefiting from long term visibility and regulation-driven growth.



ICG INVESTMENT STRATEGY Infrastructure Equity



COUNTRY France



INDUSTRY Energy efficiency



INVESTMENT YEAR 2019



SBTi-validated target

Reducing carbon emissions and water use through heat and water sub-meters

Ocea benefits from favourable growth trends in the French submetering market owing to Government support, regulation and strong consumer demand to measure and reduce consumption. Indeed, energy efficiency and control of energy and water consumption are at the top of the agenda for building owners and managers in a context of power price volatility. The measurement of individual energy and water consumption can significantly incentivise households to make more cost efficient and environmentally conscious decisions. Submeter installation is shown to reduce energy consumption and water usage by 15%¹ on average. Thus, penetration rates are expected to improve both across the water and heat segment, presenting further growth opportunities for Ocea.

Since acquiring a majority stake in Ocea in 2019, ICG Infrastructure Equity saw an opportunity to further support Ocea in its goal to play a key role in the rollout of smart water and heat submetering devices leading to tangible savings for customers and positive impact for the environment. ICG Infrastructure Equity undertook a series of initiatives to support the company’s growth, driven by a management team of seasoned executives.

Most notably, ICG’s support has allowed the company to continuously strengthen its position as a leading energy efficiency player by growing its installed base of sub-meters by 1 million, hiring over 100 new employees (increasing the workforce by over 25%) whilst also expanding into additional business lines synergetic with its core business. Indeed, during our ownership Ocea acquired Qowisio, a specialist in IoT solutions (like temperature sensors, Air Quality) and connectivity to support further energy monitoring.

Source: All data and information provided by Ocea Smart Building, March 2024.
1. Source: ADEME, L’individualisation des frais de chauffage, February 2023.
2. From a 2021 base year.

Today, the company operates more than 4 million heat and water submeters and provides a comprehensive range of submetering services to over 7,000 public and private customers, including installation and rental, reading and data collection, and maintenance and replacement.

- Ocea provides water submetering to 3 million households (of which 1 million in social housing). On average this can enable 15% of water savings, equivalent to 33 million cubic meters per year. This is equivalent to the consumption of a city of 600,000 inhabitants.
- With more than 1 million energy sub-meters installed, customers of Ocea can save up to 20% on their heating bills. These savings also result in a reduction of 4 tons of CO₂ / year for each household.

We were also pleased that Ocea embraced ICG’s commitment to decarbonisation, and obtained validation by SBTi of its targets to reduce its scope 1 and 2 GHG emissions by 42% and scope 3 by 25% by 2030², with the switch towards full electric for its vehicle fleet as a first measure being implemented.



Below are select positive impacts of the portfolio in 2023¹:



5,226 GWh[↑]

of renewable energy generated in 2023 (2022: 3,896 GWh), contributing to the decarbonisation of the growing electricity demand on 5 continents



288[↑]

Net jobs created in 2023 (2022: 266)

Providing decent jobs to over

2,450[↑]

People (2022: 2,210)

34%

Of whom are female (2022: 35%)
Source: ICG annual sustainability survey of Infrastructure Equity portfolio companies run in 2024 and 2023



2,799 MW[↑]

of renewable energy generating capacity (2022: 1,750 MW), of which 270MW added in 2023 (2022: 73 MW)



Solar PV



Wind



Hydro



Hybrid



Biomass



Biogas

+9,500

of new electric vehicle charging stations (EVCS) installed in 2022 and 2023 combined

5,773 km[↑]

of owned fibre network deployed and operated (2022: 4,929 km) – 30% in rural areas (2022: 26%), supporting the connectivity of 148,804 households and businesses (2022: 133,112)

33.1m litres[↑]

of water saved (2022: 31.9 million litres) across 1.9 million households through smart metering (2022: 1.8 million)

1. Source: ICG annual sustainability survey conducted in 2024 and 2023. Figures based on an aggregation of data provided by portfolio companies in ICG Infrastructure Equity portfolios.

Approach to responsible investing across the ICG Real Estate platform

There is a significant opportunity for private real estate markets to help institutional investors deliver on their ESG ambitions and obligations while continuing to generate attractive risk-adjusted returns. Rising regulatory focus and tightening legal standards, combined with the increasing trend of occupiers and buyers seeking assets providing best-in-class credentials, mean sustainability considerations are now a key aspect of delivering investment performance.

This is embedded in the approach to sustainability across ICG Real Estate (ICG RE), with robust assessment frameworks to identify and mitigate risk, ‘futureproof’ the ICG RE portfolio, and maximise value generation. ICG’s unique role in the real estate ecosystem means that delivery of sustainability outcomes often requires close partnership with our tenants, operating partners and borrowers.

ICG RE has identified five sustainability priorities across the platform: (1) climate change, (2) biodiversity, (3) circularity and use of resources, (4) health and wellbeing, and (5) social value. Whilst these priorities guide our actions across the platform, the tools utilised to implement them differ by strategy and individual nature of each investment.

As with corporate strategies, ICG’s level of influence over the sustainability performance or credentials of an asset varies by product. A high-level overview of the tools employed is detailed in the table opposite:

All ICG Real Estate investments (both debt and equity) are subject to a pre-investment sustainability assessment. This process was updated in January 2023 to include additional components such as asset-specific climate risk assessment, including an external assessment of exposure to physical climate risk (PCR) hazards climate scenarios. Asset sustainability risk and performance is informed by ESG due diligence, where relevant.

As the buildings sector contributes almost 40% of global energy consumption, the sector is exposed to high climate transition risk with ever-increasing regulatory requirements around on-site renewable energy generation, building energy efficiency and low-carbon heating. Understanding buildings’ energy performance and factoring this into our outlook for the asset is therefore critical in ensuring we manage transition risk appropriately.

The pre-investment sustainability assessment also considers the sustainability maturity and good governance credentials of key counterparties such as tenants, sponsors, and borrowers, as relevant, and leverages RepRisk to screen for any significant reputational risk associated with potential partners.

For European Real Estate Debt strategies, ICG led the market with the development of a Green Loan Framework (GLF) in 2021 to incentivise sustainable transition in Real Estate via ICG RE’s financing structures. More details are available on pg. 47, alongside information on how we have evolved this framework for future use.

We recognise the growing importance of social value in real estate, and have had the opportunity to finance projects such as Tottenham Hale (see pg. 47), a landmark Build-to-Rent scheme in North London.

ICG’s Real Estate Equity strategies have grown significantly since the inaugural fund in 2019. Within this, Strategic Real Estate has a specific pool of capital available to utilise for sustainability improvements across the portfolio. The first phase of deployment of this capital has now commenced with funds initially being used to conduct a net zero review of the portfolio. Refer to pg. 46 for more details.

All active ICG Real Estate funds are now producing sustainability reporting for investors. However, data remains a challenge, particularly where ICG does not have operational control of the asset.

Increasing our asset-level ESG data coverage

In order to provide strategic insights, understand distribution of risk and opportunity across the portfolio, and to provide better reporting for our stakeholders, in FY24 ICG onboarded a software platform to support with collection and analysis of asset-level sustainability data. The platform helps to collect and analyse material metrics for Real Estate, integrating valuable tools such as the CRREM² pathways, used to assess climate risk and align with the goals of the Paris Agreement.

	ICG-Longbow UK Real Estate Debt ¹	European Real Estate Debt	Real Estate Opportunistic Equity	Strategic Real Estate
Pre-investment ESG assessment (applicable for all real estate investments post January 2023)	<div><div>1. ICG Exclusion List</div><div>2. Sustainability assessment</div><div>✔ Asset-level sustainability risk and opportunity assessment</div><div>✔ Counterparty sustainability risk and management assessment, leveraging RepRisk</div><div>✔ Transition and physical climate risk assessment, leveraging an external consultant for asset-level, scenario-based physical risk assessment</div><div>3. Environmental due diligence</div><div>4. Findings included in the Investment Committee memo</div><div>5. ESG clauses in contractual documentation, where possible</div></div>			
Bespoke sustainability framework	N/A	Green Loan Framework (2021), updated to Sustainable Loan Framework (2024), providing the ability to issue Green, Social, and/or Sustainability-linked loans	Sustainability framework outlines minimum sustainability standards required where ICG has a majority or significant minority investment in assets	Sustainable Fund Framework outlining Sustainable Capital Allocation (SCA), a pool of funds of up to 2% of committed capital available for sustainability improvements to fund assets
Transparent information and fair advice for customers	Proxy environmental metrics, commentary in fund reporting	Bespoke sustainability reporting to investors	Bespoke sustainability reporting to investors	Bespoke sustainability reporting to investors and/or GRESB reporting, as relevant

1. Full scope of current Real Estate ESG framework not applicable to investments made prior to 1 January 2023, which predominantly includes ICG-Longbow UK Real Estate Debt Funds.

2. Carbon Risk Real Estate Monitor – CRREM Project.

Driving sustainable value across Real Estate strategies

ICG Real Estate invests in both debt and equity across commercial and residential real estate, including both standing operational and development projects. For new developments, ICG seeks to finance assets demonstrating best-in-class sustainability criteria, such as with its investment in Mercia Park (Strategic Real Estate). In addition, ICG recognises the significant need to transition existing assets, utilising our bespoke sustainability frameworks to drive sustainability outcomes for financed assets.

Strategic Real Estate – Portfolio Decarbonisation Review

ICG has engaged an external consultant to conduct a Decarbonisation Review of the Strategic Real Estate (SRE) portfolio. The Review will commence in FY25 with a pilot selection of 16 properties in the portfolio, with a view to rolling this out across the full portfolio.

The Review consists of a desktop phase, utilising asset information and benchmarks such as the CRREM tool, progressing to a detailed feasibility study for interventions such as decarbonisation of heat, retrofitting other building features, and/or installation of on-site solar PV. The Review will allow ICG to prioritise SRE’s Sustainable Capital Allocation, a dedicated pool of funds of up to 2% of committed capital, available to enhance the sustainability profile of assets held within the SRE funds.



CASE STUDY Mercia Park

Development financing of a new build logistics space in the Midlands.



ICG INVESTMENT STRATEGY Strategic Real Estate



COUNTRY United Kingdom



INDUSTRY Commercial Property Development



INVESTMENT YEAR 2021

Delivering critical net zero ready commercial property

OPPORTUNITY



ACTION



OUTCOME

ICG is committed to financing the sustainable development of commercial property.

Mercia Park is a landmark manufacturing and logistics development on the Leicester-Derbyshire border, built to high sustainability criteria.

In partnership with a market-leading property developer, we have delivered one of the UK’s largest net zero carbon construction projects – and recycled almost 100% of on-site waste. Our green spaces, community projects and job schemes support wellbeing initiatives for our occupier and the local community.



Source: Mercia Park, as at 31 March 2024.



Our vast 270,000 sqm site features five best-in-class “BREAAAM Excellent” logistics units, all of which are net zero carbon ready should a tenant wish to install PV and connect to green energy.

Key sustainability metrics for the project include:

- Generating all concrete onsite reduced Heavy Goods Vehicle (HGV) deliveries by around 37%.
- 34 tonnes of carbon saved by using Green Diesel, made from 100% renewable energy.
- Four kilometres of pathways interlink this vast site with access to local amenities and communities.
- Creation of public open space including 12 hectares of woodland.
- Over 40,000 trees planted on site.

Sustainable Financing in Real Estate Debt

As at 31 March 2024, 60.7% of Real Estate Debt VI loans (by committed capital) were invested in green loans issued under the GLF. This surpasses the 50% target set by the fund and has resulted in a margin reduction for the fund’s own sustainability-linked loan¹.

An evolution of our approach to sustainable lending

ICG RE led the market with the development of the Green Loan Framework (GLF) for Real Estate Debt in 2021 for use in ICG’s Real Estate Debt VI Fund.

The GLF provides a structured approach to offer green loans to the real estate sector to support environmentally sustainable economic activity for developments, major refurbishments and standing operational investments. The GLF assesses assets against green loan criteria including for: energy efficiency and carbon reduction, green buildings certification, renewable energy, water and waste, health and wellbeing, responsible procurement, and sustainable travel, with assets qualifying for green loan financing if they score beyond pre-defined thresholds across the criteria. See Focus Teleport case study on pg. 18 for more information on the Green Loan Framework.

Leveraging the success of the GLF, going forward ICG Real Estate Debt will employ a Sustainable Loan Framework (SLF), with key differences versus the GLF being:

1. Inclusion of biodiversity criteria, recognising the urgent need to reverse biodiversity loss and the relevance in particular for real estate development.
2. Inclusion of social criteria, particularly relevant for financing multi-family residential properties.
3. Providing flexibility to use the most appropriate mechanism (Green/Social Loan financing or Sustainability-Linked Loan financing) to maximise sustainability outcomes.

Social value in our Residential Lending portfolio

Social value is a topic of growing interest for real estate investors. Whilst ICG is just beginning to develop our approach towards social value, we recognise that there is significant opportunity for our real estate portfolio to generate social value. To further support this in the future, social factors have been explicitly integrated within our updated Sustainable Loan Framework, with a focus on affordable housing, as well as quantifiable social value generation in alignment with frameworks such as the UK’s National TOMS.



CASE STUDY Tottenham

Loan financing for the construction of 484 homes in Tottenham Hale (London).



ICG INVESTMENT STRATEGY
Real Estate Debt



COUNTRY
United Kingdom



INDUSTRY
Residential Development



INVESTMENT YEAR
2023

Supporting placemaking in London’s Tottenham Hale

OPPORTUNITY



ACTION



OUTCOME

ICG Real Estate provided a £243m commitment to support the Phase 2 development of a 484-unit build-to-rent residential scheme in North London.

This project forms part of a wider regeneration project in this part of North London and underlines ICG’s commitment to funding high quality accommodation within visionary mixed-use developments.

- The overall development project (Phases 1 and 2) has the following social value targets:
- The scheme will employ 20% of its workforce from the local Borough of Haringey, establish 26 apprenticeships for Haringey residents and provide 20 work experience placements.
 - The scheme targets 100% of direct and supply chain workforce paid London Living Wage.
 - Highest standards of inclusive design in buildings and public realm, Phase 1 will provide 239 affordable homes.



View towards wetlands, Ferry Island, Heart of Hale; ©Related Argent.

Source: information provided by borrower, as at 31 March 2024.



1. Source: ICG and Evora analysis, 31 March 2024.



Operating Purposefully

Our people and culture	49
Charitable giving	54
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Supplier management	57
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Our people and culture

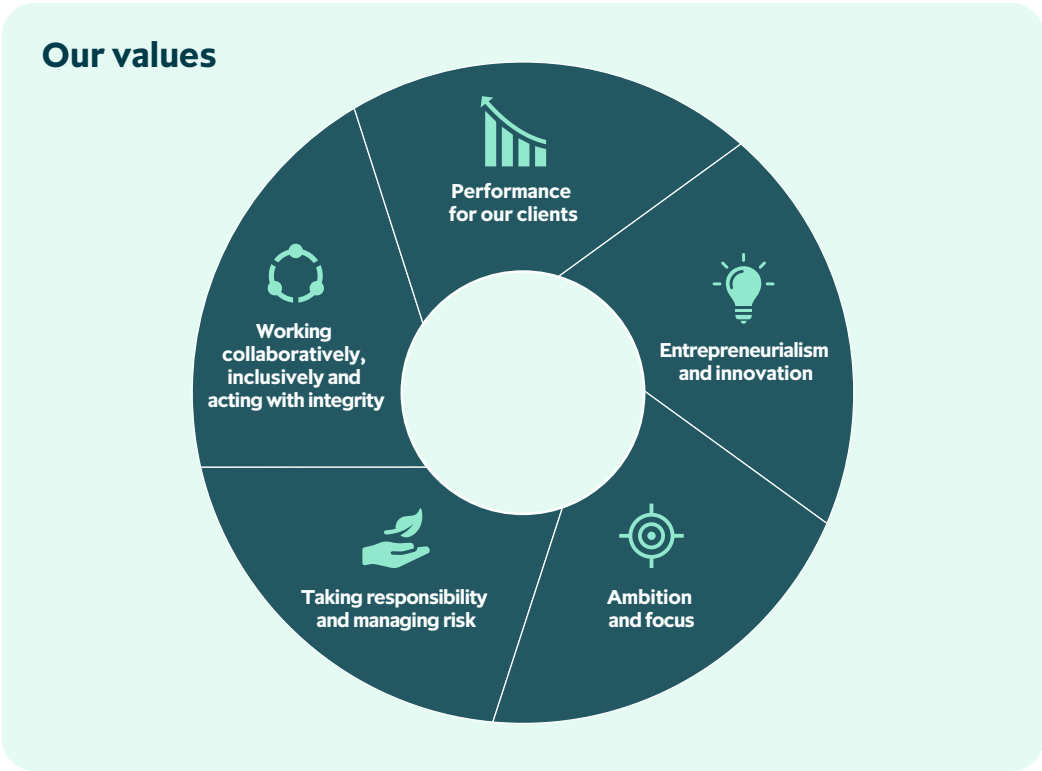


“At ICG, we attract, retain, and develop high-performing and high-potential employees to thrive and fulfil our purpose. We invest in our people because their progress supports our growth, and their new ideas underpin our innovation.”

Antje Hensel-Roth
Chief People and External Affairs Officer

The number of Group permanent employees at 31 March 2024 was 637, and we continue to make strategic hires across the organisation to ensure we have the right expertise to deliver on our long-term opportunities as these evolve. Given our growth, it is crucial for us to truly embed what works into our culture so we can effectively deliver on our strategic objectives and enable the success of our business.

We are focused on providing more comprehensive development offerings for employees across different career stages through individual programmes, our global development platform and our employee networks. Updated mentoring and people manager development offerings are also being rolled out to help us maintain a high performance culture and to increase engagement, collaboration and inclusion. It’s important that we continue to engage colleagues around our market-leading supporting benefits, including personal, family health, mental and physical wellbeing activity, and career sustainability to help balance work and personal lives. This year we completed a strategic review of our Diversity, Equity and Inclusion (DEI) activity, resulting in a refreshed DEI strategy to help us drive progress even more holistically across the business. Our ongoing charitable efforts supporting social mobility and early career development are a key part of what we do, and this is a source of great pride across our employees.



What we do, how we do it, why we do it

Attract

- High level of personal impact and business-building opportunities
- Wide-ranging options for career development
- Inclusive culture at the core and throughout the firm

Retain

- Comprehensive career development
- Market-leading, holistic benefits
- Engagement and opportunity to contribute across the firm

Develop

- Dedicated Learning & Development programmes at all levels
- Mentoring and employee networks
- Development of teams and individuals a core priority for people managers

Diversity. Equity and Inclusion

Cultivating a diversity of perspectives, improving our teams’ performance.

Employee development


Helping our people reach their full potential and building the next generation of talent.

Wellbeing and support

Supporting the physical and mental wellbeing of our employees, their families and dependants.

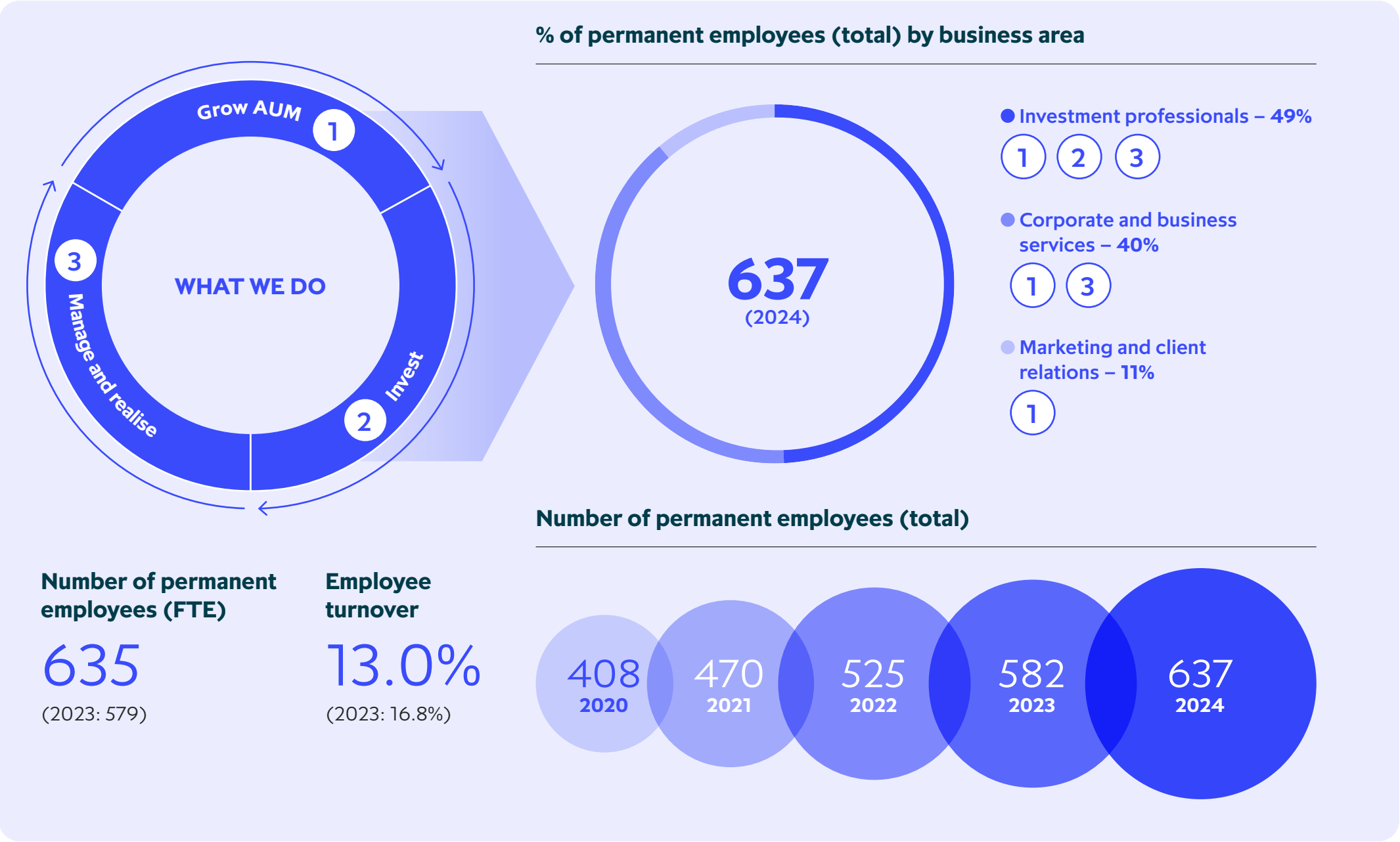
Engagement and voice

Effective communication to build and maintain engagement.



Read more
about our diversity and **engagement initiatives** on pg. 52-53 of this report.

Our people in numbers



Women

Board	Senior Board positions <small>(defined as Chair, SID, CEO, CFO)</small>	Non-Executive Directors:	Global All Employees	Global New Hires	UK New Hires
40% <small>(2023: 36%)</small>	0 <small>(2023: 0)</small>	43% <small>(2023: 43%)</small>	37% <small>(2023: 36%)</small>	39% <small>(2023: 46%)</small>	37% <small>(2023: 52%)</small>
Executive Committee:	Global Senior Management ¹	UK Senior Management ²	Mean UK Gender Pay Gap ³	Mean UK Gender Bonus Gap ³	
33% <small>(2023: 33%)</small>	29% <small>(2023: 30%)</small>	36% <small>(2023: 42%)</small>	30.3% <small>(2023: 34.4%)</small>	70.2% <small>(2023: 74.3%)</small>	

Ethnicity

Board	Senior Board positions <small>(defined as Chair, SID, CEO, CFO)</small>	UK All Employees: 26% of which	UK New Hires: 38% of which	Age Global All Employees
0% <small>(2023: 9% Asian/Asian British)</small>	0 <small>(2023: 1)</small>	<div><div></div><div>Asian – 17%</div><div>Black – 4%</div><div>Other Ethnic Minority – 5%</div></div> <small>(2023: 23%, of which 14% Asian, 3% Black, 6% Other Ethnic Minority)</small>	<div><div></div><div>Asian – 25%</div><div>Black – 8%</div><div>Other Ethnic Minority – 5%</div></div> <small>(2023: 34%, of which 20% Asian, 4% Black, 10% Other Ethnic Minority)</small>	<div><div></div><div>Below 30 – 17%</div><div>30-50 – 72%</div><div>Above 50 – 11%</div></div> <small>(2023: 19% / 70% / 11%)</small>
Executive Committee:	Global Senior Management ¹			
0% <small>(2023: 33%)</small>	13%			



Source: ICG.

1. Global Senior Management is ICG’s equivalent for Combined Executive Committee (ExCo) and ExCo Direct Reports population reported to the FTSE Women Leaders Review and Parker Review and was newly defined for 2024 reporting. In addition to ExCo members, the “ExCo Direct Reports” equivalent population included are those roles which are: a direct report to an Executive Director; and for CBS: also hold a firm-wide leadership role of a functional area (Tax, Legal, Investor Relations, Compliance, COO, Finance, HR, Corporate Affairs, Reward. Internal Audit is also included). For MCR: also hold a firm-wide leadership role for all client functions. For INV: also hold a firm-wide leadership role (Investment Office, Global Head of Sustainability & ESG) and/or is also an MRT who leads a business with more than 5% of AUM in UK entity as per our recent, Board-approved definition of MRTs (excl. PEFI).

2. UK Senior Management population (WIFC) is newly defined for 2024 reporting. In addition to ExCo members, the “ExCo Direct Reports” equivalent population included are those roles which are: a direct report to an Executive Director; and for CBS: also hold a firm-wide leadership role of a functional area (Tax, legal, Investor Relations, Compliance, COO, Finance, HR, Corporate Affairs, Reward. Internal Audit is also included). For MCR: Europe Head of Marketing & Global Client Relations. For INV: also hold a firm-wide leadership role (Investment Office, Global Head of Sustainability & ESG) and/or is also an MRT who leads a business with more than 5% of AUM in UK entity as per our recent, Board-approved definition of MRTs (excl. PEFI). Female share of UK Senior Management target is meet/exceed 30% women by 2027.

3. Gender pay and bonus gap data is as at 5 April 2024.

Progress on diversity, equity and inclusion (DEI)

Our refreshed DEI strategy aims to support different perspectives to enhance our firm’s performance and wider contributions. We are applying a holistic DEI lens to both internal and external-facing activity while continuing to enable an inclusive and equitable culture at ICG without bias or discrimination.

We first committed to a long-term strategic DEI approach in 2017 and signed the UK Women in Finance Charter in 2018, setting ourselves a target of 30% women in leadership by 2023. We exceeded that target in 2021, and updated our approach to DEI in 2022 to include activity around being an employer of choice, enhancing inclusion and building a diverse pool of future talent. In September 2023 we reported a position of 36.3% women in leadership to the UK Women in Finance Charter versus our 2023 target.

Following a comprehensive review of our DEI work to date, we are expanding our focus in a refreshed DEI strategy, focus on ‘Our People’ and ‘Our Industry’ and ‘Our Data and Insight’ to equip us with actionable DEI insights around our strategic priorities. ‘Our Responsible Investing’ drives DEI improvements in our portfolio by promoting and encouraging greater DEI practices within our portfolio companies.

We are also updating our diversity targets and target populations. For our UK Women in Finance Charter commitment, we are continuing our commitment to meet/exceed

30% women in UK senior management by 2027. In line with the UK Parker Review’s aims to improve the ethnic diversity of UK business, we commit to meet/exceed 10% ethnic minorities in global senior management (our combined ExCo and ExCo-1 equivalent) by 2027.

Beyond our formal targets, we track a number of DEI metrics including representation data and employee pulse survey sentiment to help identify where inclusion barriers may exist that need action.

Recruitment is underway for a DEI Lead, a newly created role to drive organisation-wide progress on our DEI intent both top-down and bottom-up.

How we are investing in our people for growth

We are continuing to enhance our efforts on addressing different aspects of the employee lifecycle to ensure we create a diverse, equitable and inclusive pipeline of talent to successfully meet our talent imperatives and drive performance, such as:

- Our early careers efforts focus on diverse hires and enhancing access to our industry for under-represented groups
- Conscious Inclusion workshops for all employees
- Women’s Development programme supporting mid level women to advance
- Inclusive Recruitment programme for anyone involved in hiring
- Successful Promotions programme to ensure newly promoted employees from all backgrounds remain successful as their remits expand
- Managing for Results programme supports people management capability
- Leading for Impact programme for senior leaders
- DEI training and attestations as part of our annual Compliance cycle

Diversity, Equity and Inclusion: Our Refreshed Strategy

Our People

Our Industry

Our Data and Insight

Our Responsible Investing

RANKED

#1

Globally for the second year in a row by Honordex Inclusive PE and VC 2024 Index for external transparency of DEI activity in private equity.



Our employee networks

Our employee networks contribute significantly to employee experience and community activity at ICG, underpinning our inclusive culture. They are global, employee-led and bring people together who share identities, interests and ambitions for personal development and DEI progress. Networks cover topics including gender, ethnicity, LGBTQ+, age/next gen, family, carers, disability, wellbeing and sport.

DEI Champions Group

Employee network leaders, regional representatives and other functional specialists from around the world work together in our DEI Champions Group to address intersectional opportunities and ensure we have an aligned approach to engaging with our employees on important topics and opportunity areas.

FAMILY & CARERS NETWORK

THRIVE NETWORK

UNIFY NETWORK

NEXTGEN NETWORK

TOGETHER NETWORK

WOMEN'S NETWORK

Progress on engaging our employees

Employee development

As a growing organisation, our twice yearly in-person Global Induction is key to ensuring that new joiners feel welcome and can quickly become part of our culture regardless of their role, location or background.

We provide comprehensive development offerings for employees across different career stages through our global learning platform, individual programmes and employee networks – with a blend of both digital and in-person opportunities. Employees can access an individual development budget, on-the-job learning opportunities.

With a choice of over 11,000 online courses, our global learning platform sees on average 1,000 registrations every year.

We also support all permanent staff (including part-time employees) to complete professional qualifications, such as CFA, CAIA and IMC.

Managing for Results: our people manager programme

Addressing employee survey feedback, our new Managing for Results programme for people managers is designed to provide measurable skills development and drive confidence in managing through growth.

Updated mentoring and people manager development offerings are being rolled out to support an inclusive high performance culture and to increase engagement and collaboration. Firm-wide mentoring is launching for employees at all levels. Mentors and mentees can develop expertise, address areas of interests, improve connectivity to ICG’s business strategy and people from different backgrounds, and achieve their goals.

Performance management efforts are supporting our focus on excellent through active support, regular development conversations, meaningful objectives setting and appraisals.



Wellbeing and support

We are continuing to develop and promote our market-leading offering of parent and carer benefits, mental and physical wellbeing activity, as well as career sustainability to help colleagues balance work and personal lives.

Our wellbeing strategy incorporates a strong framework of policies to support families, including policies around Global Conception and Family Building; Pregnancy Loss; Primary and Secondary Care Leave; a Carer Policy; and a Menstruation and Menopause Policy. This policy framework is an important tool to help our employees balance their work across important stages in their personal lives.

Family and family building

To help support career decisions, candidates can access important information about our family and family building policies and our commitment to supporting employees through the emotional, physical and financial challenges of family life.

Engagement and voice

Effective two-way communication with our employees is essential to build and maintain engagement.

We proactively engage with employees through our annual employee pulse survey, regular business forums such as town halls, and focus groups with executives as well as with the employee engagement NED.

Our annual pulse survey captures timely, targeted feedback from our employees across multiple aspects of engagement, enabling us to identify and act on specific areas of strength and improvement.

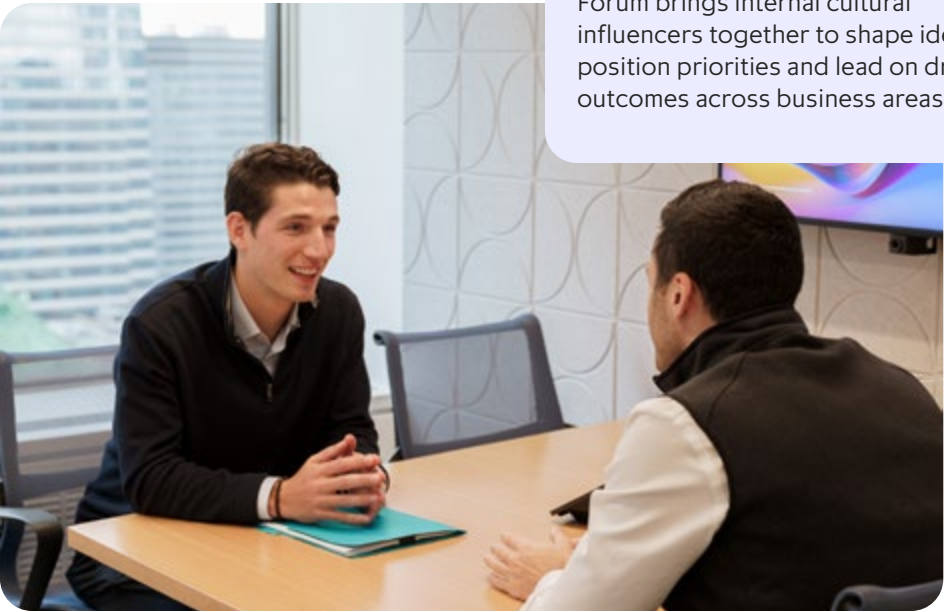
Our global Employee Assistance Programme is available to ensure that employees and their families have access to confidential, independent support when needed.

Employees can become Wellbeing Champions to support our people by championing health and wellness campaigns and initiatives in our offices around the world.

Amy Schioldager is our designated Non-Executive Director for employee engagement. The Board of ICG regularly engages directly with our teams, and Amy conducts dedicated focus groups during the year to garner feedback on our business and culture, gathering ideas and input. This ensures our colleagues have a strong voice to help inform the Board’s strategic decision-making.

People Forum

Our new global quarterly People Forum brings internal cultural influencers together to shape ideas, position priorities and lead on driving outcomes across business areas.



Charitable giving

ICG continues to make a significant charitable commitment, donating £2.6m and £2.5m in the last two financial years respectively. We actively manage our philanthropy to ensure that it is impactful and clearly aligned to our corporate purpose and values and with a specific focus on education and social mobility as well as providing financial support to our partner charities, and providing a number of ways for our employees to leverage their own contributions, whether financial or time and expertise.

Aligning to our broader area of focus

Education and social mobility have been embedded within ICG’s DEI activities for a number of years.

Following a review of our charitable giving we have decided to focus the majority of our charitable donations into these areas.

We are focusing on a wider geographic and a broader spectrum of academic and career stages:

1. School into university

2. University to employment

3. Employment

This framework, together with our existing initiatives, positions ICG as a committed supporter of education as a means of improving social mobility outcomes.

It also amplifies our voice in the DEI space and allows us to build a more impactful profile at an international scale mirroring our business footprint.

These new partnerships are in addition to our support of other charities and causes.

Our core partnerships



The Access Project

School to university (UK)
Description: helps support students from disadvantaged backgrounds to access top universities, through a unique combination of tuition and in-school interventions.
ICG’s support: committed £1.5m over three years to support the project’s work in the UK.



UpReach

University to employment (UK)
Description: works alongside the Access Project, helping ensure high achieving university students from diverse and disadvantaged backgrounds complete their studies and transition into sought after graduate pathways and into successful careers.
ICG’s support: committed £750k over three years to support work in the UK.



SEO London

University while in employment (US, Europe, UK)
Description: aims to increase access to financial and professional services careers among under-represented demographics, with a focus on university-years support in terms of mentoring, coaching and internships and also, distinctively, on supporting early-years careers.
ICG’s support: committed £1.5m over three years to work with SEO as a major partner in Europe, building on their UK presence as well as helping scale into key continental markets whilst enhancing our partnership in the US.



ICG’s support: more than just financial

- Our employees have the potential to bring a substantial set of experiences to bear
- We believe our employees benefit from this engagement, and we encourage them to dedicate two working days a year to support our charity partners or other charities where they wish to volunteer
- To support this, we run a series of co-ordinated volunteering days
- Recognising the importance of local relevance, we encourage our offices around the world to support charities in their communities
- The firm supports all employees who make charitable donations through its matched giving programme

Source: ICG. 31 March 2024.

Million Meals initiative

As a firm we are very conscious of the challenging time many are facing with the rising cost of living and increasing food poverty.

In response to these clear and growing needs, in winter 2022 ICG launched the “Million Meals Initiative”, donating £500,000 to support charities addressing these issues. This programme was renewed and expanded for a second year from autumn 2023.

The 2023/24 initiative provided a total of £550,000 of new funding across eight leading charities delivering support to people in need in each of the cities in which ICG has major operations worldwide, with a total of over 1.1 million meals delivered. This seasonal campaign will ran from November 2023 to April 2024. The charities ICG partnered with to provide this critical support are:

- City Harvest (London)
- City Harvest (New York)
- European Food Banks Federation (pan-European)
- Foodbank (Sydney)
- Food from the Heart (Singapore)
- OnSide (London)
- Whitechapel Mission (London)
- YWAM (Hong Kong)

In addition to providing funding, these charitable partnerships also offered significant volunteering opportunities to ICG’s employees worldwide. ICG also committed to double any charitable donations by ICG employees to these partner charities during the campaign.

“We continue to seek to play our part in helping support those most in need, as a result of the cost of living crisis, in the communities in which our people live and work. Our support not only provides much needed funding to leading charities providing a range of food-based and social support, but also enables our employees to volunteer and deliver much needed assistance on the frontline.”

Antje Hensel-Roth,
Chief People & External Affairs Officer



Source: ICG. 31 March 2024.



View more
about our [charitable giving](#) on our website.

Environmental impact of our operations

We recognise the importance of upholding a high standard of environmental stewardship across our business.

Though our business operations have a lower impacts on the environment than our investments and financing, we seek to manage and reduce the potential impact or our business operations on the environment and encourage key suppliers to do the same.

Indeed, in November 2021, we set an SBTi-validated target for our own operations, to reduce absolute Scope 1 and 2 GHG emissions by 80% by 2030 from a 2020 base year. We are pleased that during the 12 months to 31 March 2024 our Scope 1 and 2 (market-based) emissions have decreased by 95% from ICG’s 2020 baseline, driven by an increase in offices procuring 100% renewable energy.

Our electricity and fuel consumption has fallen by 32% despite an increase in the number of our employees, reflecting the increasing energy efficiency of our offices. We have also increased the electricity we purchase from renewable sources to 96% (2023: 76%) of our electricity usage. Our waste production and water consumption has increased (see table), partly reflecting better data collection but also an increase in our employee numbers.

The Scope 1 and 2 intensity equated to 0.04 metric tCO₂e/FTE and 0.03metric tCO₂e/£mn revenue¹, compared to 0.2 metric tCO₂e/FTE and 0.19 metric tCO₂e/£mn revenue in the year to 31 March 2023.

GHG emissions	Activity	12-month period ending 31 March		
		2024 ²	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*	–	–
	Total scope 1 & 2 ⁴	28*	121	545
Indirect emissions (Scope 3)	Business Travel – Total	4630*	2,724	2640
	Waste generated in operation (incl. water)	14*	3	8
	Purchased Goods and Services (PG&S) ⁵	14,878*	13,286	–
	Fuel and energy related activities	56*	77	–
	Total Scope 3	19578	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. Source: ICG. 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 marked 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.



Find out more
More information on our [GHG emissions](#) can be found in our Streamlined Energy and Carbon Report within our Annual Report and Accounts 2024. ICG plc engaged Ernst & Young LLP (EY) to provide limited assurance over GHG emission metrics as indicated by * in the Streamlined Energy and Carbon Report. 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/spr>. It includes details on the scope, respective responsibilities, approach, restrictions, limitations and conclusions. Previous years data (FY22 and prior) were verified to ISO14064 by alternative providers.

	Unit ¹	12-month period ending 31 March		
		2024 ²	2023	2020 (baseline)
Electricity	KWh	648,293	835,901	1,468,177
Fuels	KWh	71,202	254,307	316,156
District heating ⁶	KWh	22,460	–	–
Total electricity and fuels		741,956	1,090,207	1,784,333
Electricity from renewable sources	KWh	621,010	638,697	0
Electricity from renewable sources	%	96%	76%	0%
Energy intensity	MHw/FTE	1.18	1.88	3.71
Total water consumption ⁷	m ³	7,009	4,384	7,726
Total commercial waste ⁸	Tonne	70.4	39.3	–
Total waste diverted from landfill (London HQ)	%	100	100	100

6. The reporting period has seen the introduction district heating. While the specific facilities have always utilised this for heat, it was never identified by the landlord and communicated. The total amount is not significant enough to trigger a restatement of the baseline.
7. Water consumption data covers our offices in Amsterdam, Frankfurt, London, Madrid, Singapore, Stockholm, Sydney and Warsaw.
8. Waste this year includes waste from our New York office for the first time. This was a result of moving to a new New York office where data is now available from the landlord. The equivalent figure for this year without New York would be 49.04 tonnes. For both FY24 and FY23 waste data covers our offices in Amsterdam, Frankfurt, London, Madrid, Singapore, Stockholm, Sydney and Warsaw.

Reducing the environmental impact of our operations

- We have launched a number of initiatives this year to reduce the environmental impact of our operations including:
- Launching an employee awareness campaign to better separate waste on disposal in our London headquarters. The aim being to allow waste to then be treated and processed with a lower impact on the environment, for example my improving the recyclability of some of the waste.
 - Rolling out reusable and dishwasher friendly coffee cups for staff to take with them when purchasing hot drinks around our London headquarters. These cups can then be returned and washed at our offices for future use, with the aim of reducing the number of disposable coffee cups used by our employees in the area.
 - Partnering with a women’s workwear charity to organise clothing collections in our London headquarters, with the aim of increasing the life of women’s work clothes and supporting the charity to improve access to high quality clothes.

Supplier management

As an asset manager, ICG has a relatively straightforward supply chain model which is built around its core financial practice, maintaining its global offices and supporting its technological infrastructure.

Following a review of our approach, in FY24 ICG rolled out an enhanced sustainability assessment process to all new material suppliers. We will also seek to onboard existing material suppliers over time.

As part of this process, material suppliers will be requested to adhere to our Supplier Code of Conduct which specifically outlines our expectations with regards to:


- a. Complying with all relevant national laws and regulations
- b. Adopting a responsible and ethical approach to business
- c. Upholding and protecting labour and human rights in their business and supply chains
- d. Managing and reducing environmental impacts in their business and supply chains
- e. Identifying and managing supply chain risks in their own supply chains

We also continually engage suppliers on sustainability issues and opportunities. In particular, we also consider (where appropriate based on the relevant industry or region) including contractual provisions with regards to sustainability considerations in our material supplier contracts – particularly those for services in higher risk industries or regions.


Supplier review for modern slavery risks

In 2023, we carried out our annual review of our suppliers. This concentrated on suppliers which invoice, on an aggregate basis, over £1,000 or which are from industries or regions which may pose a higher risk of modern slavery or human trafficking. In total, over 600 suppliers were considered, across 26 jurisdictions.

Suppliers which the review highlighted as potentially posing a medium or higher risk were subjected to a more detailed review. This included a screen on the risk monitoring platform RepRisk, and/or formally contact to request details of their practices and policies with respect to modern slavery. There are currently no known matters of concern from a modern slavery perspective in our supply chain.



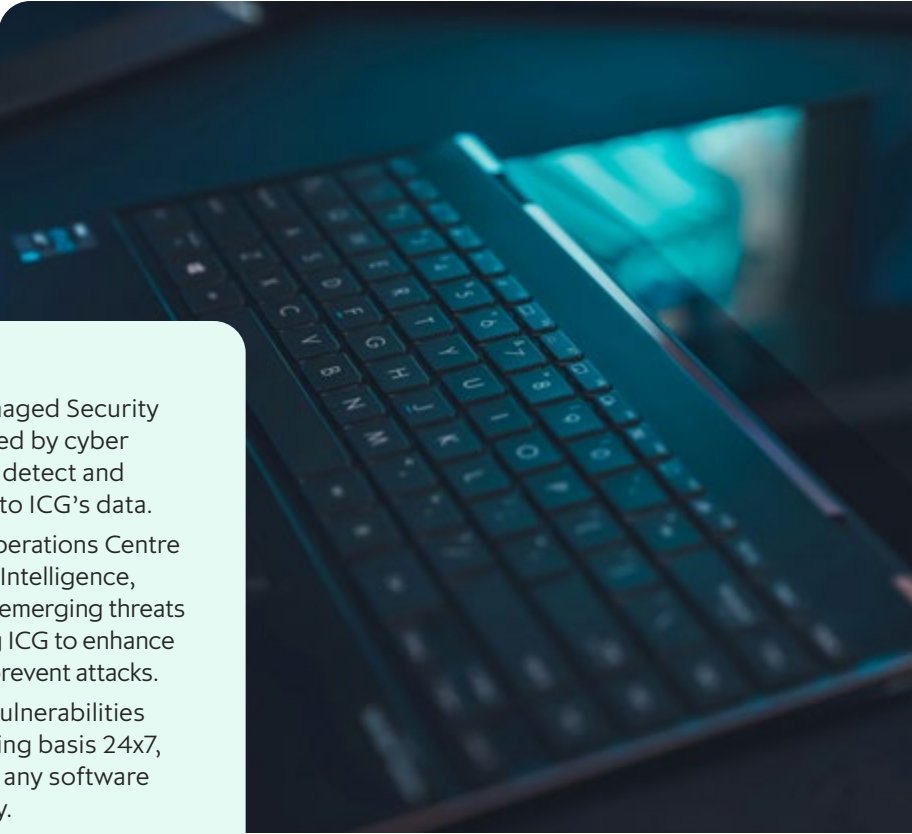
View more
about our [ICG Supplier Code of Conduct](#) on our website.



View more
our [Modern Slavery Statement](#) on our website.

Cyber


ICG continues to focus on protecting our systems and data through robust technical control measures alongside employee training and awareness to reduce the risk of phishing and ransomware attacks. We demonstrate our commitment to information security through certifying against the ISO 27001 framework.



Ensuring we have a secure and resilient technology environment to deliver effective services to our clients and portfolio companies remains a key focus for ICG.

Delivering resilient IT services to our colleagues is essential to business operations with resilience and security by design one of our architectural pillars. ICG continue to align cyber investment to emerging themes to ensure our data and services are secure. Our Executive Committee and Risk Committee are provided risk-aligned cyber KPIs to give them full oversight of cyber risks.

- ICG runs a 24x7x365 Managed Security Operations Centre manned by cyber security professionals to detect and prevent possible threats to ICG’s data.
- The Managed Security Operations Centre provides ICG with Threat Intelligence, giving us early warning to emerging threats across the globe, enabling ICG to enhance our technical controls to prevent attacks.
- Software and hardware vulnerabilities are assessed on an ongoing basis 24x7, managed in real time and any software updates deployed rapidly.
- Third party cyber risk is regularly reviewed to ensure suppliers adhere to similar cyber control levels as ICG internally.



Find out more
about [cyber threats as part of our Principal Risk](#) on pg. 44 of our Annual Report and Accounts 2024.









Further Disclosures

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GRI and SASB content index

The following index tables summarise our disclosures against relevant SASB and GRI Standards. Reference pages within this report are labelled ,  refers to relevant pages within the ICG Annual Report and Accounts 2024 (AR), and  refers to a webpage.










SASB


Topic	Ref	Metric	Location of disclosure	Commentary
Transparent information & fair advice for customers	FN-AC-270A.1	Number of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations or other regulatory proceedings	See commentary	To the best of our knowledge, in the 18 months to 31 March 2024, there were no known: <ul style="list-style-type: none">covered employees with records of investment-related investigations, consumer-initiated complaints, private civil litigations or other regulatory proceedings.monetary losses as a result of legal proceedings, incidents of non-compliance associated with marketing and communications of financial-product related information to new and returning clients.
Transparent information & fair advice for customers	FN-AC-270a.1	% of covered employees with a record of investment-related investigations, consumer initiated complaints, private civil litigations, or other regulatory proceedings	See commentary	
Transparent information & fair advice for customers	FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	See commentary	
Transparent information & fair advice for customers	FN-AC-270a.3	Description of approach to informing customers about products and services	See commentary	At ICG, there is a dedicated Marketing and Client Relations team that ensures timely, regular and transparent communication and interaction with existing and prospective clients. Information about products and services is disclosed in strict compliance with applicable laws and regulations and undergoes review in accordance with ICG’s compliance procedures. All investors in ICG Funds receive regular performance reports (typically quarterly). ICG hosts an Investor day each year where we provide an overview of ICG Funds’ performance and key developments and create a forum to interact with clients and answer their questions.
Employee Diversity & Inclusion	FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for: (1) executive management (2) non-executive management (3) professionals (investment) (4) all other employees	 AR pg. 35-38;  SPR pg. 51; See commentary	Our disclosures includes gender and ethnicity data for our Board, Executive Directors, global senior management, senior Board positions, all our UK headquarter employees and new hires and our employees globally.
Incorporation of ESG Factors in Investment Management & Advisory	FN-AC-410a.1	Amount of assets under management, by asset class, that employ: (1) integration of ESG issues (2) sustainability themed investing (3) screening	 SPR pg. 13-47;  ICG RI Policy	ICG’s Responsible Investing Policy, including ESG screening and integration, applies to 100% of ICG’s AUM.
Incorporation of ESG Factors in Investment Management & Advisory	FN-AC-410a.2	Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies	 SPR pg. 50-51;  ICG RI Policy	Our Responsible Investing Policy can be found at: https://www.icgam.com/sustainability/investing-responsibly/responsible-investing-policy/ .



























Topic	Ref	Metric	Location of disclosure	Commentary
Incorporation of ESG Factors in Investment Management & Advisory	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	 SPR pg. 13-47;  ICG RI Policy	Where ICG has discretion to vote the proxies of its Clients, it will vote those proxies in the best interests of its Clients and in accordance with the Proxy Voting Policy & Procedures.
				ICG is committed to voting all its proxies, where appropriate and responsible to do so, in the best interests of its Clients.
				Our Responsible Investing Policy can be found at: https://www.icgam.com/sustainability/investing-responsibly/responsible-investing-policy/ .
Business ethics	FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	See commentary	To the best of our knowledge, there are no known monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations in the 18 months to 31 March 2024.
Business ethics	FN-AC-510a.2	Description of whistleblower policies and procedures	See commentary  Group Code of Conduct	ICG has an established grievance mechanism for any employee to express concerns. We support anyone who, in good faith, discloses a failure to meet our high standards of business conduct and ethics. All complaints are investigated in accordance with ICG’s grievance or complaints procedure and the complainant is informed of the outcome once the investigation is completed. This is referenced in the ICG Code of Conduct. ICG is committed to promoting a “speak up” culture where staff feel they can raise concerns without fear of retaliation and in the knowledge that the matters they report will be taken seriously. Our Speak Up Policy outlines how staff may report a concern through both internal channels, which include reporting to a dedicated Non-Executive Director, and external routes. All employees globally have access to a 24/7 anonymous and confidential service for making a report, operated by an independent third party, EthicsPoint, whose contact details are available on the ICG intranet. In addition, all external stakeholders can file a complaint by following ICG’s Complaints Policy.
Activity metrics	FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM)	 SPR pg. 1;  AR pg. 2-5	

GRI Content Index – General disclosures 2021

GRI Universal Standards 2021					
GRI Standard Title	Disclosure Number	Disclosure Name Individual requirements ('a', 'b', 'c', etc.) are not listed here	Section	Location of disclosure	Commentary
GRI 2: General Disclosures 2021	2-1	Organisational details	1. The organisation and its reporting practices	 Front cover	Intermediate Capital Group plc.
				 Back cover	
				 ICG website	See our locations at: https://www.icgam.com/who-we-are/our-offices/ .
				 AR pg. 9	Intermediate Capital Group (ICG) plc is listed on the London Stock Exchange and headquartered in London, United Kingdom.
GRI 2: General Disclosures 2021	2-2	Entities included in the organisation’s sustainability reporting	1. The organisation and its reporting practices	 AR pg. 178; See commentary	The Group consists of a Parent Company, ICG plc, incorporated in the UK, and a number of subsidiaries held directly or indirectly by ICG plc, which operate and are incorporated around the world. See our Annual Report and Accounts (ARA) 2024 for further details. The entities covered by our sustainability report and our Annual Report and Account are consistent.
				 AR pg. 178; See commentary	Our sustainability reporting covers our organisation and our approach to investing on behalf of our clients. The entities covered by our sustainability report and our Annual Report and Account are consistent.
					In the 18 months to 31 March 2024 the ICG plc group and its subsidiaries have not undertaken mergers and acquisitions or disposals in their operations.
GRI 2: General Disclosures 2021	2-3	Reporting period, frequency and contact point	1. The organisation and its reporting practices	See commentary	This annual Sustainability and People Report (SPR) 2023/24 complements our Annual Report and Accounts (ARA) 2024 and provides a more comprehensive account of our progress and activities related to our sustainability and people priorities across the entire ICG Group for the 18 months ending 31 March 2024, unless indicated otherwise.
				See commentary	ICG follows an annual financial reporting cycle to 31 March 2024. Our reporting date is aligned between the Annual Report and Accounts (ARA) and Sustainability and People Report (SPR). Unless otherwise stated our SPR covers an 18 month period for this year only, as we have moved our reporting date from 30 September to 31 March for this reporting cycle.
				See commentary	All information in our Sustainability and People Report is as at 31 March 2024, unless otherwise stated. Our publication date is 12 June 2024.
					For any questions or feedback related to this report, get in touch with us via: https://www.icgam.com/contact/ .
GRI 2: General Disclosures 2021	2-4	Restatements of information	1. The organisation and its reporting practices	See commentary	No previously disclosed information has been restated in this report.
GRI 2: General Disclosures 2021	2-5	External assurance	1. The organisation and its reporting practices	 AR pg. 88	
				 ICG website;  AR pg. 63, 202-203	EY undertake external assurance of our operational GHG emissions. We publish their assurance statement on our website at: https://www.icgam.com/sustainability/sustainability-and-people-reports/ . The basis of preparation for our GHG emissions statement can be found in the other information section of the Annual Report and Accounts 2024.

GRI Universal Standards 2021					
GRI Standard Title	Disclosure Number	Disclosure Name Individual requirements ('a', 'b', 'c', etc.) are not listed here	Section	Location of disclosure	Commentary
GRI 2: General Disclosures 2021	2-6	Activities, value chain, and other business relationships	2. Activities and workers	 AR pg. 9, 13;	See our Annual Report and Accounts for more information on the sectors in which we operate.
				See commentary	As at 31 March 2024 ICG products are marketed in: Americas: Canada, Chile, Colombia, Peru, and the United States of America. Asia Pacific: Australia, China (Mainland), Hong Kong, Japan, New Zealand, Singapore, South Korea, and Taiwan. Europe: Austria, Belgium, Denmark, Finland, France, Germany, Republic of Ireland, Italy, Luxembourg, Monaco, the Netherlands, Norway, Spain, Sweden, Switzerland, and the United Kingdom. Middle East: Bahrain, Israel, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.
				 AR pg. 33;	See our Annual Report and Accounts (ARA) 2024 for more information on other business relationships.
				 SPR pg. 57	As an asset management company, ICG has a relatively straightforward supply chain model which is built around its core financial practice, maintaining its global offices and supporting its technological infrastructure.
				See commentary	There were no significant changes to the organisation and its supply chain in the year.
GRI 2: General Disclosures 2021	2-7	Employees	2. Activities and workers	 AR pg. 38;	See our Annual Report and Accounts (ARA) 2024 and Sustainability & People Report (SPR) 2023/24 for more information on our employees.
				 SPR pg. 49-53	
				 AR pg. 38;	
				 SPR pg. 49-53	
				 AR pg. 38;	
				 SPR pg. 49-53	
				 AR pg. 38;	
 SPR pg. 49-53					
 AR pg. 38;					
 SPR pg. 49-53					












GRI Universal Standards 2021					
GRI Standard Title	Disclosure Number	Disclosure Name Individual requirements ('a', 'b', 'c', etc.) are not listed here	Section	Location of disclosure	Commentary
GRI 2: General Disclosures 2021	2-8	Workers who are not employees	2. Activities and workers	 AR pg. 38;  SPR pg. 49-53	
				 AR pg. 38;  SPR pg. 49-53	
				 AR pg. 38;  SPR pg. 49-53	
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	3. Governance	 AR pg. 66-111;  SPR pg. 9-11	See governance section of our Annual Report and Accounts (ARA) 2024.
				 See ICG governance on website;  AR pg. 71-73	See governance section of our website for Board composition and Board committees: https://www.icgam.com/who-we-are/leadership-governance/ See also our Annual Report and Accounts (ARA) 2024 for more details on our Board composition and committees.
				 See ICG governance on website;  AR pg. 69-73	See governance section of our website for Board composition and Board committees: https://www.icgam.com/who-we-are/leadership-governance/ See also our Annual Report and Accounts (ARA) 2024 for more details on our board composition and committees.
GRI 2: General Disclosures 2021	2-10	Nomination and selection of the highest governance body	3. Governance	 AR pg. 93-94	See our Annual Report and Accounts (ARA) 2024 for more information on the nomination and selection processes for our Board and committees.
				 AR pg. 93-94	See our Annual Report and Accounts (ARA) 2024 for more information on the nomination and selection processes for our Board and committees.
GRI 2: General Disclosures 2021	2-11	Chair of the highest governance body	3. Governance	N/A the Chair of ICG is not senior executive	
				N/A the Chair of ICG is not senior executive	







GRI Universal Standards 2021					
GRI Standard Title	Disclosure Number	Disclosure Name Individual requirements ('a', 'b', 'c', etc.) are not listed here	Section	Location of disclosure	Commentary
GRI 2: General Disclosures 2021	2-12	Role of the highest governance body in overseeing the management of impacts	3. Governance	 AR pg. 10-34;	https://www.icgam.com/who-we-are/leadership-governance/.
				 SPR pg. 9-11	
				 See ICG governance on website	
				 SPR pg. 9-11	
GRI 2: General Disclosures 2021	2-13	Delegation of responsibility for managing impacts	3. Governance	 AR pg. 28-116;  SPR pg. 49-53	The ICG Board provides oversight of our approach to managing our sustainability and people priorities and for reviewing key policies. Day to day responsibility for these matters has been delegated to the Executive Directors as part of their formal remits.
					The Executive Directors are responsible for ensuring the effective identification and management of our sustainability and people priorities, and review progress at least annually. The Management Committee supports the Executive Directors in overseeing and monitoring our policies and procedures, addressing issues if they arise and approving new strategic initiatives. All sustainability priorities have designated owners within the business to ensure our continued focus and effective management.
GRI 2: General Disclosures 2021	2-14	Role of the highest governance body in sustainability reporting	3. Governance		ICG's Executive Directors have reviewed relevant aspects of this report.
GRI 2: General Disclosures 2021	2-15	Conflicts of interest	3. Governance		Board level conflicts are overseen by the Global Head of Legal. A register of such is maintained, and external positions are notified to the whole Board and disclosed to shareholders as required by the Listing Rules. Transaction level conflicts are managed by Compliance and are escalated as appropriate.
					ICG has implemented a Conflicts of Interest framework including, but not limited to, a Conflict of Interests Policy and Conflicts Register.
GRI 2: General Disclosures 2021	2-16	Communication of critical concerns	3. Governance	 AR pg. 66-97;  SPR pg. 9-11;  See ICG governance on website	The Board of ICG typically meets formally six times per year, and the Audit, Risk and Remuneration Committees typically meet at least four times per year. Each body receives full written reports on all matters within their remit. Senior management, including heads of control functions, report formally to the Board and each Committee, including regular private sessions for the Heads of Compliance, Risk and Internal Audit. In between Board meetings, Non-Executives receive regular updates from management, including formal meetings for the Chairman with the CEO, the Chairman with the Global Head of Legal, the Audit Chair with the CFO, the Audit Chair with the Head of Finance, the Audit Chair with the Head of Internal Audit, the Risk Chair with the Global Head of Compliance and Risk, the Risk Chair with the Head of Risk, and the Remuneration Chair with the Chief People & External Affairs Officer.
				N/A no critical concerns	
GRI 2: General Disclosures 2021	2-17	Collective knowledge of the highest governance body	3. Governance	 AR pg.66-97	














GRI Universal Standards 2021					
GRI Standard Title	Disclosure Number	Disclosure Name Individual requirements ('a', 'b', 'c', etc.) are not listed here	Section	Location of disclosure	Commentary
GRI 2: General Disclosures 2021	2-18	Evaluation of the performance of the highest governance body	3. Governance	 AR pg. 83-84 (Board effectiveness/evaluation section)	Our Annual Report and Accounts (ARA) 2024 contains a section on Board effectiveness and evaluations.
				 AR pg. 83-84 (Board effectiveness/evaluation section)	Our board was subject to an external evaluation as outlined in our Annual Report and Accounts (ARA) 2024.
				 AR pg. 83-84 (Board effectiveness/evaluation section)	Our board was subject to an external evaluation as outlined in our Annual Report and Accounts (ARA) 2024.
GRI 2: General Disclosures 2021	2-19	Remuneration policies	3. Governance	 AR pg. 95-116;  SPR pg. 10	Our remuneration policies for board members and senior executives is outlined in our Annual Report and Accounts (ARA) 2024.
				 AR pg. 95-116;  SPR pg. 10	Our remuneration policies for board members and senior executives is outlined in our Annual Report and Accounts (ARA) 2024.
GRI 2: General Disclosures 2021	2-20	Process to determine remuneration	3. Governance	 AR pg. 95-116;  SPR pg. 10	Details on our remuneration policies are outlined in our Annual Report and Accounts (ARA) 2024.
				 AR pg. 95-116;  SPR pg. 10	Details on our remuneration policies are outlined in our Annual Report and Accounts (ARA) 2024.
GRI 2: General Disclosures 2021	2-21	Annual total compensation ratio	3. Governance	 AR pg. 95-116;  SPR pg. 10	
				 AR pg. 95-116	
				 AR pg. 95-116	
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	4. Strategy, policies and practices	 AR pg. 7;  SPR pg. 7, 12	




















GRI Universal Standards 2021					
GRI Standard Title	Disclosure Number	Disclosure Name Individual requirements ('a', 'b', 'c', etc.) are not listed here	Section	Location of disclosure	Commentary
GRI 2: General Disclosures 2021	2-23	Policy commitments	4. Strategy, policies and practices	RI Policy	
				Group Code of Conduct;	
				Supplier Code of Conduct;	
				SPR pg. 9-11, 24, 73	
				Group Code of Conduct;	
				Supplier Code of Conduct;	
				SPR pg. 9-11, 24, 73	
				Group Code of Conduct;	
				Supplier Code of Conduct;	
				SPR pg. 9-11, 24, 73	
				Group Code of Conduct;	
				Supplier Code of Conduct;	
				SPR pg. 9-11, 24, 73	
				Group Code of Conduct;	

GRI Universal Standards 2021				
GRI Standard Title	Disclosure Number	Disclosure Name Individual requirements ('a', 'b', 'c', etc.) are not listed here	Section	Location of disclosure Commentary
GRI 2: General Disclosures 2021	2-24	Embedding policy commitments	4. Strategy, policies and practices	 SPR pg. 9-11, 24, 73
GRI 2: General Disclosures 2021	2-25	Processes to remediate negative impacts	4. Strategy, policies and practices	See our policies, including:  Group Code of Conduct;  SPR pg. 9-11, 24, 73
				See our policies, including:  Group Code of Conduct;  SPR pg. 9-11, 24, 73
				See our policies, including:  Group Code of Conduct;  SPR pg. 9-11, 24, 73
				See our policies, including:  Group Code of Conduct;  SPR pg. 9-11, 24, 73
				See our policies, including:  Group Code of Conduct;  SPR pg. 9-11, 24, 73

GRI Universal Standards 2021					
GRI Standard Title	Disclosure Number	Disclosure Name Individual requirements ('a', 'b', 'c', etc.) are not listed here	Section	Location of disclosure	Commentary
GRI 2: General Disclosures 2021	2-26	Mechanisms for seeking advice and raising concerns	4. Strategy, policies and practices		ICG has implemented an extensive online training platform to train individuals on the requirements of ICG's Policy and Procedures. This includes information on how to request further information and advice. ICG has an established grievance mechanism for any employee to express concerns. We support anyone who, in good faith, discloses a failure to meet our high standards of business conduct and ethics. All complaints are investigated in accordance with ICG's grievance or complaints procedure and the complainant is informed of the outcome once the investigation is completed. ICG is committed to promoting a "speak up" culture where staff feel they can raise concerns without fear of retaliation and in the knowledge that the matters they report will be taken seriously. Our Speak Up Policy outlines how staff may report a concern through both internal channels, which include reporting to a dedicated Non Executive Director, and external routes. All employees globally have access to a 24/7 anonymous and confidential service for making a report, operated by an independent third-party, EthicsPoint, whose contact details are available on ICG intranet. In addition, all external stakeholders can file a complaint by following ICG's Complaints Policy.
					To the best of our knowledge, there were no known material fines or sanctions for non-compliance with environmental laws and /or regulations across ICG Group in the 18 months to 31 March 2024.
					To the best of our knowledge, there were no known incidents of non-compliance with laws and regulations in the social and economic area in the 18 months to 31 March 2024.
					N/A – no significant instances of non-compliance.
GRI 2: General Disclosures 2021	2-27	Compliance with laws and regulations	4. Strategy, policies and practices		N/A – no significant instances of non-compliance.
GRI 2: General Disclosures 2021	2-28	Membership associations	4. Strategy, policies and practices	 SPR pg. 28	
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	5. Stakeholder engagement	 SPR pg. 8	
				 AR pg. 28-33;	
				 SPR pg. 8	
				 SPR pg. 73 (further disclosures)	
GRI 2: General Disclosures 2021	2-30	Collective bargaining agreements	5. Stakeholder engagement	 AR pg. 28-33	
					As at 31 March 2024 there were collective bargaining agreements in place at two of our geographies, covering approximately 7% of all ICG employees. This constitutes the geographies where collective bargaining agreements are applicable.

GRI Universal Standards 2021					
GRI Standard Title	Disclosure Number	Disclosure Name Individual requirements ('a', 'b', 'c', etc.) are not listed here	Section	Location of disclosure	Commentary
GRI 3: Material Topics 2021	3-1	Process to determine material topics	2. Disclosures on material topics	 SPR pg. 8	The content of the report was determined on the basis of the outcomes of our materiality assessment (see pg. 8) and draws on relevant GRI Standards and the SASB guidelines for asset managers.
				 SPR pg. 8	The content of the report was determined on the basis of the outcomes of our materiality assessment (see pg. 8) and draws on relevant GRI Standards and the SASB guidelines for asset managers.
GRI 3: Material Topics 2021	3-2	List of material topics	2. Disclosures on material topics	 SPR pg. 8	
					There have been no material changes in our reporting.
GRI 3: Material Topics 2021	3-3	Management of material topics	2. Disclosures on material topics	 RI policy;	
				 SPR (whole report)	
				 SPR (whole report)	
				 SPR (whole report)	
				 SPR (whole report)	
				 SPR (whole report)	
				 SPR (whole report)	
GRI 201: Economic Performance 2016	201-1	201-1 Direct economic value generated and distributed	2. Topic disclosures	 AR pg. 34, 125-195	
				 AR pg. 125-195	
	201-2	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change		 AR pg. 47-64	This is outlined in our Task-Force for Climate-related Financial Disclosures report contained in Annual Report and Accounts 2024.

GRI Universal Standards 2021					
GRI Standard Title	Disclosure Number	Disclosure Name Individual requirements ('a', 'b', 'c', etc.) are not listed here	Section	Location of disclosure	Commentary
GRI 203: Indirect Economic Impacts 2016	203-1	203-1 Infrastructure investments and services supported		 SPR pg. 42-47	
	205-2	205-2 Communication and training about anti-corruption policies and procedures		See commentary	Our policy is never to offer, request or receive bribes, and to refuse any request to pay them. We actively seek to reduce opportunities for corruption. We do not invest in companies or projects that engage in corruption or appear to have a high risk of such behaviour and we investigate and deal with all reported or identified cases of corruption in line with our policy. The policy applies to all entities within the Group wherever we do business and is communicated to all employees and Directors of ICG plc. Training on anti-money laundering, anti-bribery corruption and information security and cyber awareness is mandatory and is provided to all ICG employees on an ongoing basis. Employees are required to undertake the training, which is web-based, at least once a year, and pass a test on what they have learned.
GRI 207: Tax 2019	207-1	207-1 Approach to tax		See commentary	ICG's Tax Strategy sets out the governance and core principles underpinning the tax affairs of ICG plc and its subsidiaries, both in the UK and in each of the markets in which it operates. The Group is committed to full compliance with tax legislation across its geographical markets and maintaining open and transparent communication with both HMRC and the respective local tax authorities.
	207-2	207-2 Tax governance, control, and risk management			
GRI 302: Energy 2016	302-1	302-1 Energy consumption within the organisation		 AR pg. 63-64;  SPR pg. 56;	Details on the energy consumption within our operations are provided on pg. 56.
	302-3	302-3 Energy intensity		See commentary	
GRI 305: Emissions 2016	305-1	305-1 Direct (Scope 1) GHG emissions		 SPR pg. 56;  AR pg. 63-64	
	305-2	305-2 Energy indirect (Scope 2) GHG emissions		 SPR pg. 56	
	305-3	305-3 Other indirect (Scope 3) GHG emissions		 SPR pg. 56	
	305-4	305-4 GHG emissions intensity		 SPR pg. 56	

GRI Universal Standards 2021					
GRI Standard Title	Disclosure Number	Disclosure Name Individual requirements ('a', 'b', 'c', etc.) are not listed here	Section	Location of disclosure	Commentary
GRI 401: Employment 2016	401-1	401-1 New employee hires and employee turnover		 AR pg. 38;  SPR pg. 49-53	
	401-2	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		 SPR pg. 49-53; See commentary	All benefits offered to full-time employees are offered to part-time employees.
	403-6	403-6 Promotion of worker health		 SPR pg. 49-53	Between 1 April 2023 and 31 March 2024 there were no RIDDOR-reportable incidents, and no work-related accidents or cases of work-related ill health were reported.
GRI 404: Training and Education 2016	404-2	404-2 Programs for upgrading employee skills and transition assistance programs		 SPR pg. 49-53	
	404-3	404-3 Percentage of employees receiving regular performance and career development reviews		See commentary	All ICG employees receive regular performance and career development reviews based on the ICG Competency Framework. This involves a 360 assessment and SMART goal setting and involves mid-year reviews with line managers.
GRI 405: Diversity and Equal Opportunity 2016	405-1	405-1 Diversity of governance bodies and employees		 AR pg. 38, 69;  SPR pg. 49-53	Due to legal and other restrictions we do not monitor the ethnicity of employees in some of the jurisdictions in which we operate. Therefore, we have only provided the self-reported breakdown of our employees in the UK, which is ICG’s largest office. As well as the information in this report, see more information on diversity, equity and inclusion (DEI) at ICG in our Annual Report and Accounts 2024 and at our DEI policy: https://www.icgam.com/who-we-are/leadership-governance/policies-disclosures/diversity-equity-and-inclusion-dei-policy/ .
	405-2	405-2 Ratio of basic salary and remuneration of women to men		 AR pg. 38, 108	
GRI 406: Non-discrimination 2016	406-1	406-1 Incidents of discrimination and corrective actions taken		See commentary	To the best of our knowledge, there were no known incidents of discrimination and harassment reported in the 18 months to 31 March 2024.
GRI 413: Local Communities 2016	413-1	413-1 Operations with local community engagement, impact assessments, and development programs		 SPR pg. 54-55	The Group’s approach to charitable giving is overseen by our Charity Committee, which was established in 2019 and includes an Executive Director among its members. Alongside our continued financial support at Group level for selected charities showcased in this report, all ICG offices are encouraged to support charitable initiatives of their choice that have young people and education as a focus. We also seek to match any money that our employees, across all our offices, personally raise for charities of their choice.


GRI Universal Standards 2021					
GRI Standard Title	Disclosure Number	Disclosure Name Individual requirements ('a', 'b', 'c', etc.) are not listed here	Section	Location of disclosure	Commentary
GRI 415: Public Policy 2016	415-1	415-1 Political contributions		See commentary	It is ICG’s policy not to make any political contributions or lobby policy makers. No contributions were made during the 18 months to 31 March 2024 for political purposes. We are part of industry trade bodies.
GRI 417: Marketing and Labeling 2016	417-3	417-3 Incidents of non-compliance concerning marketing communications		See Commentary	To the best of our knowledge, there were no known material incidents of non-compliance with laws and regulations related to advertising, promotion, and sponsorship in the 18 months to 31 March 2024.
GRI 418: Customer Privacy 2016	418-1	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		See Commentary	To the best of our knowledge, there were no known substantiated complaints concerning breaches of customer privacy and losses of customer data in the 18 months to 31 March 2024.



Supplementary corporate disclosures index

Governance

For further information on our governance approach please find links to our Annual Report along with the relevant page listing.

 Annual Report <https://www.icgam.com/shareholders/annual-reports/>

Document	Chapter	Topic	Page reference
ICG's Annual Report and Accounts 2024	Governance	Corporate governance and oversight	Pg. 66-97
	Managing Risk	Risk management (managing, assessing, principal risks and uncertainties	Pg. 40-46

ICG's Group Code of Conduct

The following topics are listed in the Group Code of Conduct which can be found on ICG's policies page on our website.

 Group Code of Conduct <https://www.icgam.com/who-we-are/leadership-governance/policies-disclosures/>

Document	Chapter	Topic	Page reference
Group Code of Conduct	Purpose, Culture and Value	Our purpose	Pg. 4
		Our culture and values	Pg. 4
		Grievance procedure and speak up	Pg. 4
	Business Ethics and Integrity	Compliance with laws and regulations	Pg. 6
		Anti-bribery and corruption (ABC)	Pg. 6
		Anti-money laundering (AML)	Pg. 6
		Anti-trust and anti-competition behaviour	Pg. 7
		Insider dealing	Pg. 7
		Conflict of interest	Pg. 8
		Political contributions	Pg. 8
		Confidentiality of information	Pg. 8
		Human rights	Pg. 8
		Modern slavery	Pg. 8
		Supplier management	Pg. 9

Document	Chapter	Topic	Page reference
Group Code of Conduct	Acting in the best interests of clients	Responsible investing	Pg. 10
		Responsible marketing and communication with clients	Pg. 10
		Responsible product offering	Pg. 10
	Employment	Anti-harassment and discrimination	Pg. 11
		Diversity and inclusion	Pg. 11
		Digital and social media	Pg. 11
		Occupational health and safety	Pg. 11
		Flexible working	Pg. 12
	Cyber and Privacy	Cyber security	Pg. 13
		Privacy	Pg. 13
	Implementation and compliance with the Code of Conduct	Oversight of Code of Conduct	Pg. 14
		Compliance	Pg. 14
		Training	Pg. 14



Important information

**IMPORTANT INFORMATION
For institutional/professional/
accredited investors only.**

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The materials include statements that are, or may be deemed to be, ‘forward-looking statements’ with respect to the ICG Group. These forward-looking statements can be identified by the use of forward-looking expressions, including the terms ‘believes’, ‘estimates’, ‘anticipates’, ‘expects’, ‘intends’, ‘may’, ‘will’ or ‘should’ or, in each case, their negative or other variations or similar expressions, or by discussions

of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts and by their nature involve risk and uncertainty because they relate to future events and circumstances. These statements are based on plans, estimates and projections as at the time they are made, and therefore recipients of the materials are cautioned against placing undue reliance on forward-looking statements. Forward-looking statements are not guarantees of future performance and the actual results of the ICG Group’s operations, financial condition and liquidity, and the development of the countries and the industries in which the ICG Group operates may differ materially from those described in, or suggested by, the forward-looking statements. In addition, even if the results of operations, financial condition and liquidity, and the development of the countries and the industries in which the ICG Group operates, are consistent with the forward-looking statements, those results or developments may not be indicative of results or developments in subsequent periods. Should one or more of these risks or uncertainties materialise, or should underlying assumptions on which the forward-looking statements are based prove incorrect, actual results may vary materially from those described in the materials. Many of these factors are beyond the control of the ICG Group. Except to the extent required by laws and regulations, ICG plc does not intend, and does not assume any obligation, to update

any forward-looking statements. Nothing in the materials should be construed as a forecast, estimate or projection of future financial performance. Past performance cannot be relied upon as a guide to future performance and should not be taken as a representation that trends or activities underlying past performance will continue in the future.

These materials do not and are not intended to constitute, and should not be construed as, an offer, inducement, invitation or commitment to purchase, provide or sell any securities, investment interest, services or products of any member of the ICG Group in any jurisdiction or to provide any recommendations for financial, securities, investment or other advice.



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