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.

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	637	$98bn
clients[1]	people[1]	AUM[1]

Our four asset classes:

Structured and Private Equity	Private Debt	Real Assets	Credit

ICG's global footprint today, operating out of 19 locations[2]

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.

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.

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 2040[1], 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

Read more on climate change and decarbonisation on pg. 13-19.

Read more on nature and biodiversity on pg. 20-22.

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 Assessments[2]

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

- BOARD OF DIRECTORS
- EXECUTIVE DIRECTORS
- INVESTMENT PROFESSIONALS
- CLIENT RELATIONS
- LEGAL FUNCTIONS INCLUDING EXTERNAL LEGAL COUNSEL
- RISK & COMPLIANCE
- HUMAN RESOURCES
- SHAREHOLDER RELATIONS

Our external stakeholders

- CLIENTS
- REGULATORS
- INVESTMENT STAKEHOLDERS[2]
- COMMUNITY
- ENVIRONMENT
- SUPPLIERS
- SHAREHOLDERS AND LENDERS

Our Group-level material sustainability matters

Matters

- CLIMATE CHANGE AND DECARBONISATION
- DIVERSITY, EQUITY AND INCLUSION (DEI)
- SUSTAINABILITY GOVERNANCE, BUSINESS ETHICS AND STRATEGY
- CYBER RISK
- SUPPLIER MANAGEMENT

Emerging matters

- NATURE AND BIODIVERSITY
- HUMAN RIGHTS

Read more about Investing sustainably on pg. 23.

Read more about Operating purposefully on pg. 48.

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

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

Investment Committees[1]

- Responsible for ensuring that climate-related issues are appropriately considered when taking an investment decision; and that the Sustainability & ESG team's 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 Committee[2]

- 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

Risk Oversight and Control Functions[3]

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

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.

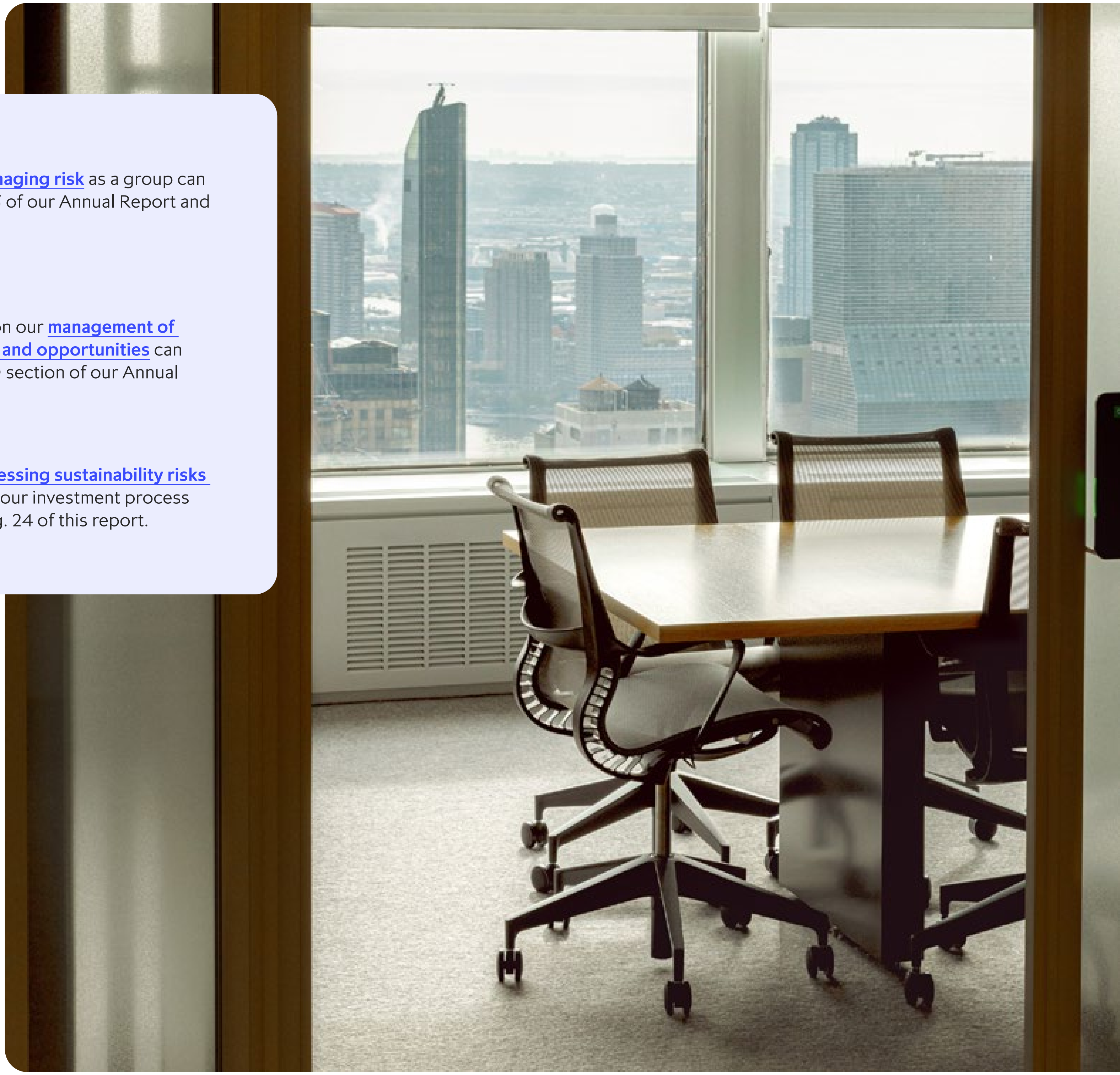
As well as our Group Code of Conduct, ICG has a range of Group policies, many of which are referenced throughout this report, including:

- 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 influence[1] ("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 2026[2].

FY24 PROGRESS

34

Engaged all 34 Relevant Investments across five investment strategies[3], representing nearly $10.6bn of invested capital.

64%

of Relevant Investments (by invested capital) have set SBTi-validated targets or submitted for validation[4] – 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 year[2].

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.

CDP

A-

ICG retained its leadership level score of "A-" in the 2023 CDP[5] 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

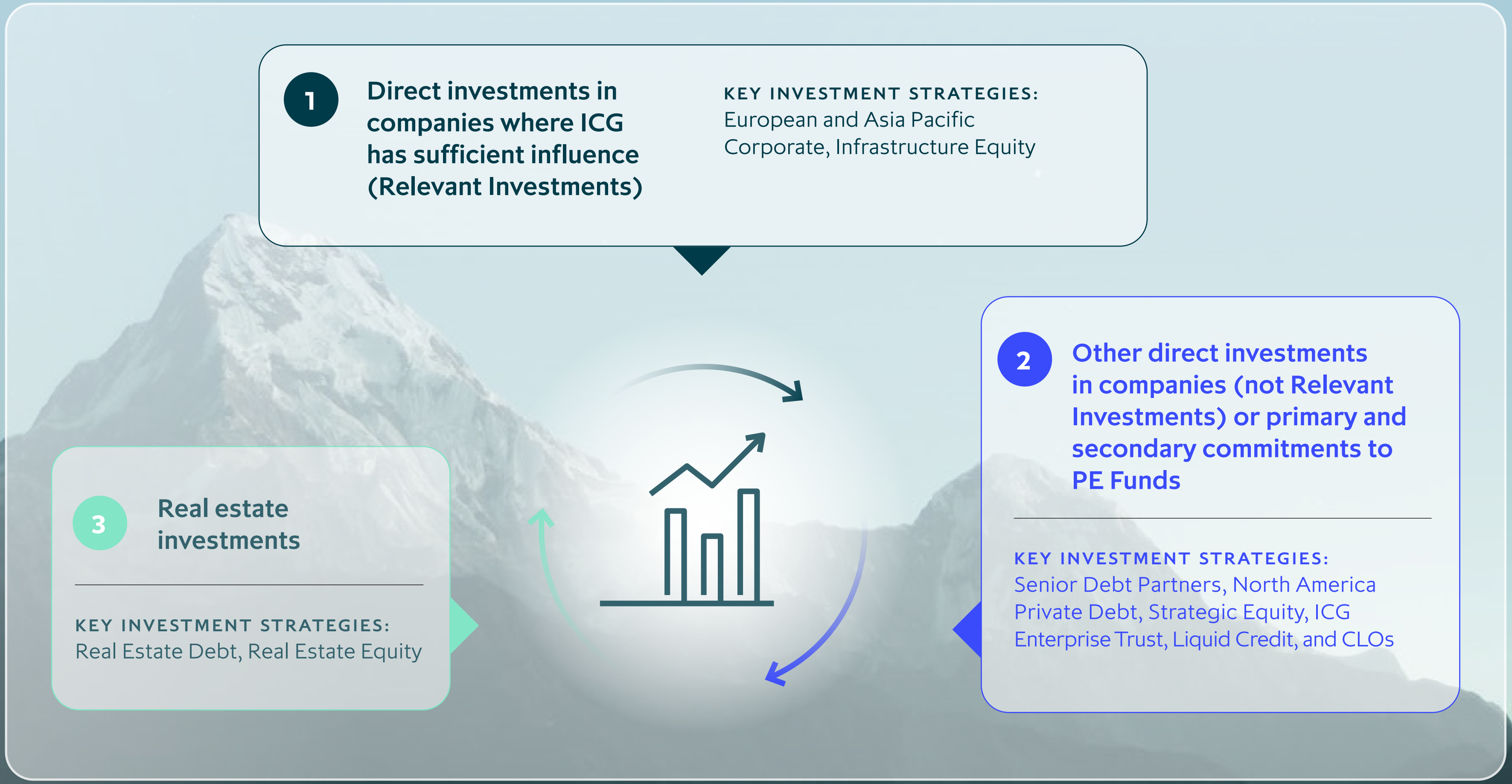
As a broadly diversified, global alternative asset manager we firmly believe that the decarbonisation of our investment portfolios plays an important role in building the long term resilience of our business strategy. It improves the capacity of our investment products to limit the adverse impacts of 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

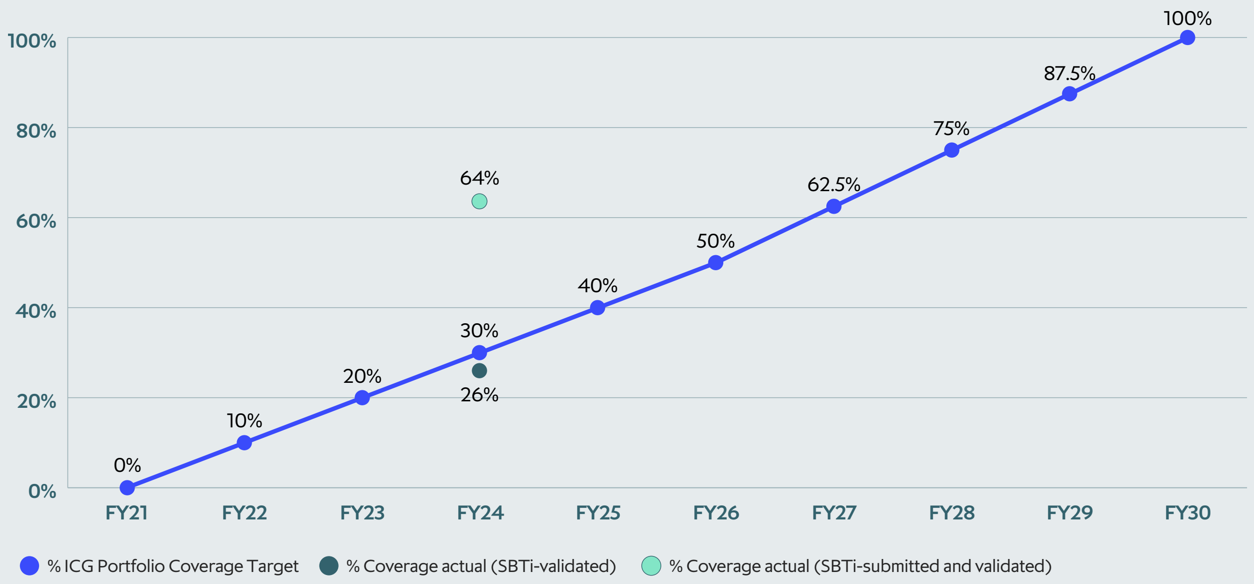
- Shortly after investing we ensure that there is senior-level accountability for climate-related matters and decarbonisation.
- We provide expertise and share our network of advisers to support with baseline carbon footprint assessments in line with the GHG Protocol and the development of Board-level 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: 1 November 2021	31 December 2022		31 March 2024		By invested capital (%): 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 tCO_2e

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

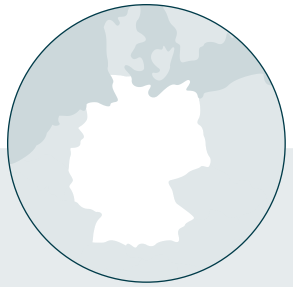
COUNTRY
Germany

INDUSTRY
Software

INVESTMENT YEAR
2022

SBTi-validated target

Source: proALPHA Group as at 31 March 2024.

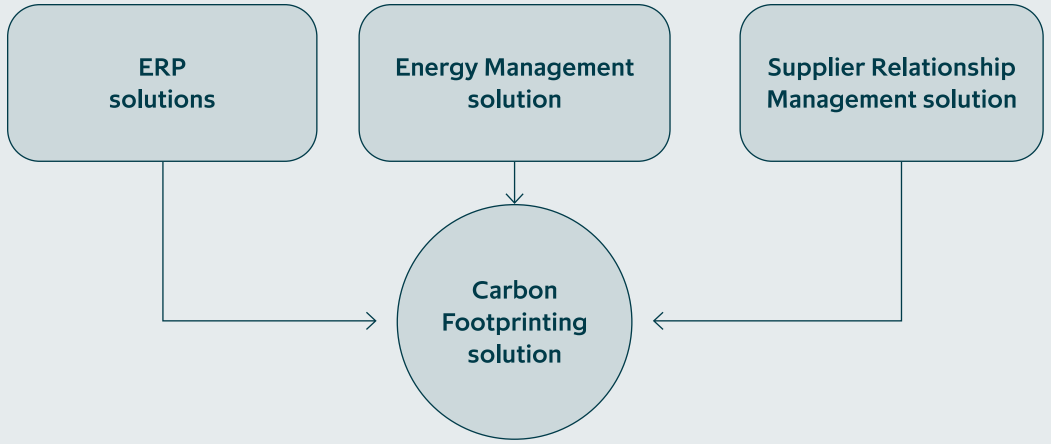


Decarbonisation insight for SMEs powered by software

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 CO_2 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.

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.

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.

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 Credit[3]

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 CO_2 emissions in the EU[1]. 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 CRREM[2] 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.crrem.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 nature[1], 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 ecosystems[2].

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

Embed nature and biodiversity considerations into our pre-investment sustainability assessment to inform our evaluation and investment decision-making.

Read more on pg. 25-31.

2. MANAGE

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.

3. ENHANCE

Enhance our nature-related reporting, with the aim to disclose in alignment with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).

Read more about our sustainability reporting on pg. 27.

4. DEVELOP

Develop knowledge on nature and biodiversity both internally and through active engagement with our portfolio companies.

5. COLLABORATE

Collaborate with alliances, partnerships and policymakers to drive collective action and best practice, catalyse nature-positive action, and improve measurement and disclosure.

Read more about collaboration and partnership on pg. 28.

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 portfolio[1], 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 ENCORE[2] 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.

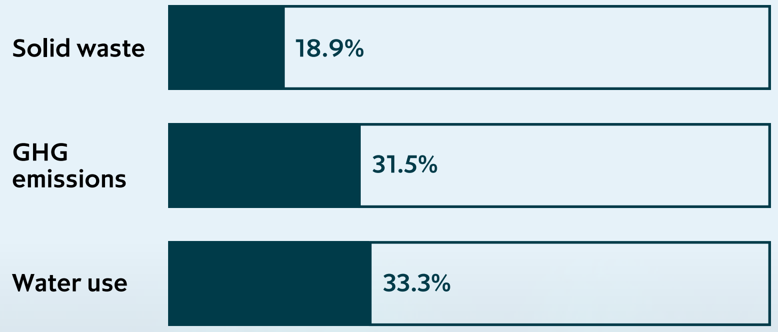
Impact drivers refer to measurable inputs or non-product outputs (externalities) that impact on the quality or quantity of natural capital or biodiversity – for example pollutants released by a company may harm local species or ecosystems.

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.

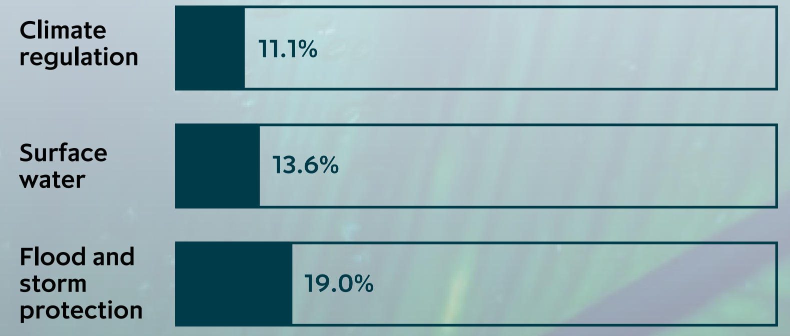
We note that nature impacts and dependencies are highly location-dependent. For example, we might consider the proximity of impacting activities to biodiversity-sensitive areas, or the level of local water stress for operations reliant on water resources. As such, we recognise this analysis is only a 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 MATERIALITY[3] IMPACT



% OF PORTFOLIO ASSOCIATED WITH POTENTIALLY HAVING A HIGH OR VERY HIGH MATERIALITY[3] 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

OPPORTUNITY → **ACTION** → **OUTCOMES**

Opportunity

Renewable power generation, such as solar PV, is entirely dependent on nature and its forces to produce energy. It is also often associated with altering terrestrial ecosystems and thus affecting habitats relying on them.

BSR recognises the business imperative to operate in a way that enhances biodiversity, improves soil structure and health, supports healthy ecosystems and protects the planet. The company has set an ambitious target to achieve 60% Biodiversity Net Gain ("BNG") for each solar project that it submits to planning. This means that:

Incremental Habitat units %
+
Hedgerow units %
+
River units %
>= 60%

Source: BSR, as at 31 March 2024.

Action

With full support from ICG, BSR has a number of initiatives under way including working with ecologists and the community to develop a biodiversity blueprint of best practice for increasing biodiversity on solar projects.

On the Aller Langport site, BSR's first solar park as an independent power producer – built with investment from ICG, the project team has engaged with the Bumblebee Conservation Trust to undertake specialist wildflower seed planting in order to encourage the rare Shrill Carder bee and other pollinators to thrive in the area surrounding the solar park.

Outcomes

While it is too early to confirm the colonisation by Britain's rarest bumble bees and other pollinators, this project has provided an important learning opportunity that will inform BSR's strategy towards its 60% biodiversity net gain commitment.