Climate-related risks and opportunities

This report provides an overview of how ICG manages exposure to climate-related risks and builds processes and capacity to capitalise on climate-related opportunities.

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

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

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

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

B Our Group operations
As an alternative asset manager, our own operations are considerably less material than our investment activity. However, we believe it is important to manage the climate impacts, risks and opportunities in our operations.

See our previous TCFD reports on our website: www.icgam.com/sustainability-esg

Climate-related Financial Disclosures continued

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

Navigating our Climate-related Financial Disclosures

① Governance

Read about ICG's governance of climate-related risks and opportunities on pages 47 - 49 including:

- Our Group's governance structure for oversight of climate-related risks and opportunities
- The role of the Board and management in overseeing, managing and assessing climate-related risks and opportunities
- How our remuneration approach considers climate-related matters
- Climate-related training and capacity building

② Strategy

Read about actual and potential impacts of climate-related risks and opportunities on ICG on page 49 - 55 including:

- The risks and opportunities we have identified over the short, medium and long term
- The resilience of our strategy and business model to climate-related risks, including the climate risk exposure of our investment portfolio
- Our approach to decarbonising our investment portfolio
- How we consider climate-related risks and opportunities in the development of new investment strategies

③ Risk Management

Read about the processes used by ICG to identify, assess and manage climate-related risks on page 56 - 58 including:

- How climate risks and opportunities are embedded in our Group Risk Management Framework (RMF)
- How climate risks and opportunities are incorporated into fund management and the investment process

④ Metrics and targets

Read about the metrics and targets used by ICG to assess and manage relevant climate-related risks and opportunities on page 59 - 60 including:

- Our climate-related targets and commitments
- Other metrics we use to measure climate-related risks and opportunities

⑤ Group GHG emissions statement

Read our Group GHG emissions statement on page 61 - 62 including:

- Our Scope 1 and 2 operational emissions
- Selected Scope 3 categories including business travel, and purchased goods and services

① Governance

ICG's governance of climate-related risks and opportunities

TCFD recommended disclosures:

A Describe the Board's oversight of climate-related risks and opportunities.

B Describe management's role in assessing and managing climate-related risks and opportunities.

The Group's governance structure and risk management framework (RMF) incorporates oversight and management of climate-related risks and opportunities .

The Board sets the Group's strategic direction and objectives, including reviewing annual business plans, annual budgets, performance objectives and determining the risk appetite of the Group. When doing so, it considers material factors including, as relevant, those related to climate change. The Board receives reports on client considerations, client experience, investment performance and sustainability matters, including regular updates on climate-related matters.

The Board has delegated oversight of climate-related matters, including progress towards ICG's decarbonisation commitments and the implementation of ICG's Responsible Investing and Climate Change Policies, to the Chief Executive Officer (CEO), with support from the Chief Financial Officer (CFO) and the Chief People and External Affairs Officer (CPEAO). The CEO, who also serves as Chief Investment Officer (CIO), has ultimate accountability for and oversight of investment processes within ICG's funds and is therefore responsible for climate-related issues across the investment process and in our portfolios.

The CFO is responsible for ensuring climate-related risks which might impact the Group's own operations are understood and mitigated. The Operations and IT teams are responsible for assessing and managing climate-related risks associated with Group offices, IT infrastructure or third-party vendors.

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

Climate-related Financial Disclosures continued

① Governance continued

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

ICG plc Board of Directors

Oversight of Group strategy and risk, receiving regular updates on sustainability and climate-related matters at least twice annually

Executive Directors

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

Remuneration Committee

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

Risk Committee

- Oversees the Group's Risk Management Framework (RMF), compliance processes and procedures, and controls assurance to ensure that all risks, including sustainability and climate-related risks, are identified, managed and monitored and that the Group is compliant with all applicable regulation

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)

Climate assessment and stewardship of investment portfolios

Investment Committees[1]

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

Investment teams

- Responsible for day-to-day implementation of the Responsible Investing Policy, Climate Change Policy, and integration of climate-related matters in investment processes, guided by their respective members of the RI Committee and the Sustainability team

Responsible Investing Committee[2]

- Promotes, supports, and helps to integrate responsible investing practices across ICG's investment strategies in line with ICG's Responsible Investing (RI) and Climate Change (CC) policies

Sustainability team

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

Risk Oversight and Control functions[3]

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

Climate-related Financial Disclosures continued

① Governance continued

Remuneration

Our remuneration approach encourages and reflects sustained, long-term performance, which aligns our executives with the interests of our stakeholders. As outlined on page 96, Culture, Inclusion and Sustainability is a KPI included in the balanced scorecard of the Executive Director's single variable pay award.

The Group integrates sustainability (including, where relevant climate change matters) into the annual performance appraisals for all portfolio managers via an annual attestation. This practice ensures alignment, accountability, and compliance with regulatory requirements. It also empowers portfolio managers to lead by example, ensuring their teams consider sustainability and climate-related factors in their investment approaches.

Training and capacity building

Training is essential for embedding climate-related risk considerations across all areas of ICG. The Sustainability team provides updates on emerging topics, regulatory changes, and industry best practices, making use of appropriate governance structures and internal working groups. In FY25 topics included: enhancements to our Pre-Investment Sustainability Assessment, anti-greenwashing training, and developments in global sustainability reporting requirements.

Key developments

In FY25 we further embedded processes for climate-risk management through establishing a cross-functional working group related to sustainability and climate regulation and reporting with the aim of enhancing co-ordination and appropriate knowledge sharing. Given these are working level groups, they are not detailed in the governance structure above, but still form an important part of our overall approach to climate governance and risk management.

② Strategy

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

TCFD recommended disclosures:

A Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

B Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

C Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Climate-related risks and opportunities

When identifying climate-related risks and opportunities that may impact our business, we consider a range of factors such as whether they may impact our own operations or our investments, the type and size of investments and related strategy and/or asset class, the geography, the sectoral focus and the external market environment. For more information on identification, assessment and management of climate-related risks see the Risk Management section of our Climate-Related Financial Disclosures on page 56.

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

The table on page 50 outlines potential climate-related risks and opportunities we have identified for the Group and their potential impact on our business, strategic objectives, and financial planning, as well as their link to the Group's Principal Risks. Each of these climate-related risks and opportunities may contribute, in varying degrees, to the manifestation of the principal risks they relate to. The Group has implemented a range of mitigating controls for these risks.

Climate-related Financial Disclosures continued

② Strategy continued

Risk or opportunity category	Risk or opportunity description	Potential impact on ICG as an asset manager	Time horizon	Link to ICG Principal Risk	Mitigating activities	Ref
Transition Risk: Market and technology	1. Clients consider that ICG's approach to sustainability is not sufficient, including that we are not managing climate risks or opportunities appropriately	Loss of AUM, market share and related revenues	Short to Medium term	External Environment Risk 1 Fundraising risk 2	– Ongoing interactions with clients and the wider market to evolve our approach to climate as appropriate. – The Group's New Product Approval process requires sustainability considerations, including climate-related risks and opportunities, to be integrated into the design of new strategies or funds where we have influence to drive better sustainability outcomes	51, 55
	2. Climate change affects demand for the products and/or services of companies in our investment portfolio	Lower fund performance and impact on track record	Medium to Long term	Fund Performance Risk 3	– Implementation of our Responsible Investing and Climate Change Policy – Transition climate risk considerations embedded throughout investment process (see page 57) – Our investment portfolio decarbonisation approach and targets (see pages 53)	51 - 53
Transition Risk: Policy, regulatory and legal	3. Regulatory breaches and legal action related to climate change for ICG	Fines, litigation costs and reputational damage	Short to Medium term	Legal, Regulatory and Tax Risk 6 External Reporting Risk 7	– Global regulatory horizon scanning, including current and emerging sustainability and climate-related regulations by both ICG and our external legal counsel – Participation in industry working groups focused on effective implementation of sustainability-related regulations – Sustainability regulatory and reporting working group within the Group comprising Legal, Sustainability, Risk and Compliance, Finance, Client Services and Technology functions monitoring the implementation of new regulatory and disclosure requirements across the Group	48, 49, 58
	4. Regulatory compliance costs, regulatory breaches and legal actions related to companies and assets in our investment portfolios	Lower fund performance and impact on ICG's track record leading to reduced demand for our funds; lower asset valuations impacting the Group's balance sheet and fund investments	Medium to Long term	Fund Performance Risk 3	– Implementation of our Responsible Investing and Climate Change Policy – Climate risk embedded throughout investment process (see page 57) – Engagement with companies on climate-related regulation – Our investment portfolio decarbonisation approach (see page 53) and commitments (see page 59) – Global regulatory horizon scanning, including current and emerging sustainability and climate-related regulations – Participation in industry working groups focused on effective implementation of sustainability-related regulations	57-58
Physical risk: Acute & Chronic	5. Acute risk to investments: extreme weather affects companies in our investment portfolios and their value chains	Affecting company valuations and reducing returns of investment portfolios	Medium to Long term	Fund Performance Risk 3	– Implementation of our Responsible Investing and Climate Change Policy – Climate risk embedded throughout investment process (see page 57)	57-58
	6. Chronic risk to investments: long-term effects of climate change, like temperature and sea-level rise, affect companies in our investment portfolio and their value chains	Affecting company valuations and reducing returns of investment portfolios	Medium to Long term	Fund Performance Risk 3	– Implementation of our Responsible Investing and Climate Change Policy – Climate risk embedded throughout investment process (see page 57)	57-58
	7. Acute & chronic risk to Group: potential disruption caused to ICG operations and/or key third-party providers	Impact on ICG's ability to operate	Long term	External Environment Risk 1	– IT infrastructure systems and data resides in the cloud and the Group leverages cloud services from multiple providers, further reducing concentration risk – The Group operates from leased offices and our employees have the ability to work remotely	55, 58
Transition & Physical Opportunity: Products and Services	8. Opportunity to evolve existing or develop new investment strategies related to climate to meet client demands	Increased AUM, market share and related revenue	Short to Medium term	N/A – opportunity	– Ongoing interactions with clients and the wider market to evolve our approach as appropriate. – The Group's New Product Approval process requires sustainability considerations, including climate-related risks and opportunities, to be integrated into the design of new strategies or funds where we have influence to drive better sustainability outcomes – The development and launch of investment strategies with a climate focus (see page 55 for more details)	55
Transition Opportunity: Market and Reputation	9. Integrating climate considerations in fund and investment decision-making manages risks and drives opportunities	Enhanced fund performance, track record, and reputation, leading to further AUM, market share and related revenue	Short to Medium term	N/A – opportunity	– Implementation of our Responsible Investing and Climate Change Policy – Climate risks and opportunities embedded throughout investment process (see page 57) – Our investment portfolio decarbonisation approach (see page 53) and commitments (see page 59)	57-58

Climate-related Financial Disclosures continued

② Strategy continued

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

ICG's strategic focus of 'scaling up and scaling out' (see page 13) involves responding to client demands and expectations through the development and enhancement of our investment strategies. This includes the appropriate inclusion of climate-related matters in funds and strategies. As such, this ensures that, over the medium to long term, we meet clients' expectations related to our approach to managing climate-related risks and opportunities and ensures a level of flexibility in our response to this risk under different potential climate change scenarios (see risk 1 in the table above). For more detail on how we are incorporating climate-related matters into the development of our investment strategies see page 55.

The Group business model is based primarily on management fee income, paid by our clients for managing investment funds, and as such is long term and visible in nature. Management fees are predominantly charged on the basis of invested or committed capital that is contractually locked in for the long term.

As a result, short-term increases or decreases in the valuation of individual investments or funds (including those resulting from climate-related matters) would not immediately impact the Group's financial position. In the medium to long term, the impact of climate-related matters on valuations may impact the performance of funds and thus our track record and ability to raise further capital.

An indication of the resilience of our portfolio to climate-related risks is provided by the climate risk exposure assessment we undertake as part of our pre-investment sustainability assessment before making direct investments. The methodology for the assessment is tailored to the nature of the investments, i.e. in a company versus in a real estate asset.

Climate risk in our investments in companies

Our climate risk exposure assessment for companies, assigns each investment opportunity an overall climate risk exposure designation on a 4-grade scale from Low to Very High. The designation combines exposure to transition risk and physical risk, taking into account the company's sector, countries of headquarters and, where available, key operational assets.

The current assessment has inherent limitations. It considers a limited number of predefined inherent attributes about a company and does not measure the likely financial impact on a given company. Data availability for the assessment can vary depending on the strategy and when the assessment was undertaken, which means the methodology can differ slightly for each assessment.

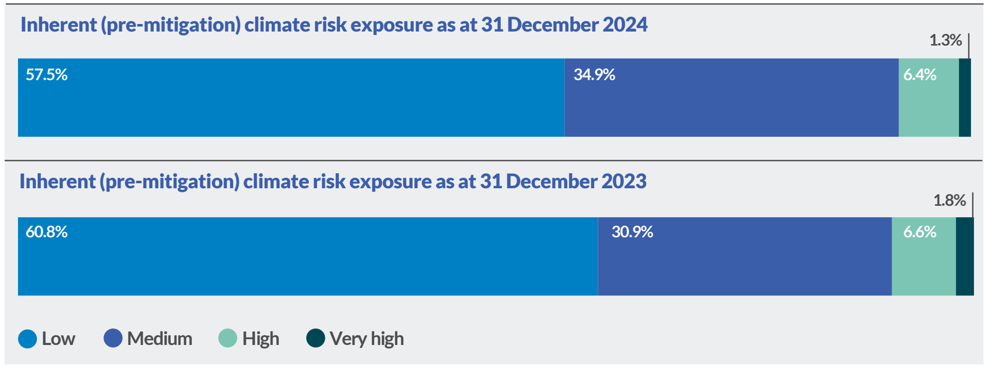
Before June 2024, the assessment only considered a very limited amount of mitigation, control or adaptation measures put in place by companies before our investment. And, given it is undertaken pre-investment, does not consider risk mitigation carried out following our investment or measures we undertake to decarbonise our portfolio.

Read more about our approach to decarbonising our investment portfolio on pages 54 and 55.

Read more about our approach to assessing and managing climate risks in our portfolio on pages 56 to 58, including more detail on our updated approach.

Find out more about our Responsible Investing Policy and Climate Change Policy including our Exclusion List: www.icgam.com/sustainability

Distribution of climate risk designation for total assessed ICG portfolios[1]



Climate risk exposure designation

As at 31 December 2024, only 1.3% of assessed portfolios received a Very High climate risk designation (2023: 1.8%; 2022: 3.3%) and 92.4% received low or medium (2023: 91.6%; 2022: 85%).[1]

This reflects the consistent implementation of our Climate Change policy which includes our exclusion list and our pre-investment climate risk exposure assessment. Our exclusion list prohibits direct investments in certain coal, oil and gas activities, which generally limits the exposure of our portfolios to investments with a higher climate risk. For investment opportunities allowable under our exclusion list we also undertake the detailed pre-investment climate risk exposure assessment for consideration as part of the investment decision.

Since the climate risk exposure assessment was introduced four years ago, we have declined approximately 165 investment opportunities[2] where climate-related risk was a contributing factor to the decision. Around 50 of which were in FY25.

Key developments

We continue to strengthen our approach to climate-related risk in our investments. In June 2024 we launched an updated pre-investment sustainability assessment. This includes greater consideration of the actions, controls and adaptations that potential investees are taking to mitigate their inherent climate risk exposure.

Building on these improvements and in order to utilise improving technological capabilities, in FY26 we will be adding further detail and nuance through an updated approach to our assessments.

We do not yet have a comparable view across our portfolio that utilises these more nuanced approaches. As an increasing proportion of investments go through our enhanced assessments we will be able to present more nuanced insights across the portfolio. Read more about our improving approach to climate risk assessments on page 58.

1. This assessment does not incorporate the climate risk mitigation measures undertaken by potential investees that we have started considering separately in our pre-investment climate risk exposure assessment. As such this is a conservative assessment that may over-state the climate risk exposure of our investment portfolio.
2. As at 31 March 2025 as tracked by investment teams since February 2021 when ICG's Enhanced Exclusion List was introduced. Excludes Real Estate.

Climate-related Financial Disclosures continued

② Strategy continued

Exposure of assessed portfolios to potentially heightened climate-related risks by asset class[1]

	Structured Capital and Secondaries[2]			Infrastructure Equity			Private Debt			Credit[3]		
Year	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
% of portfolio (by unrealised value) exposed to potentially heightened climate-related risks[4]	1.5%	2.2%	2.1%	–%	–%	–%	–%	0.2%	0.3%	2.0%	3.0%	7.8%

The proportion of investments with potentially heightened exposure to climate-related risks (i.e. a Very High climate risk designation) by asset class is presented in the table above. Overall, we continue to see a low and decreasing inherent exposure across all assessed portfolios managed by ICG, reflecting implementation of our Climate Change Policy.

For investments with High or Very High designations we conducted additional analysis before investment, to better understand the specific exposure of the business and the current approach taken by the company and/or its financial sponsor to address any such exposure.

Our approach to scenario analysis for investments in companies

Our pre-investment sustainability assessment considers the exposure of potential investments to transition-related climate risks under different scenarios.

1. Portfolio composition as at 31 December in each respective year.
2. Excludes ICG Enterprise Trust and LP Secondaries – assessed portfolios in 2024 represent 93% of AUM in this asset class as at 31 December 2024 (2023: 94%, 2022: 93%, 2021: 93%).
3. Excludes Alternative Credit and investments in third-party CLOs. Assessed portfolios in 202 represent 91% of AUM in this asset class as at 31 December 2023 (2023: 92%2022: 87%, 2021: 91%).
4. 2024 and 2023 figures based on unrealised value, whereas 2022 and 2021 are based on invested cost. Liquid Credit figures which are based on Market Value of investments for all years. All figures as at 31 December in the respective year; if not available as at that date we have used the latest available validated figures at the time of conducting the assessment.

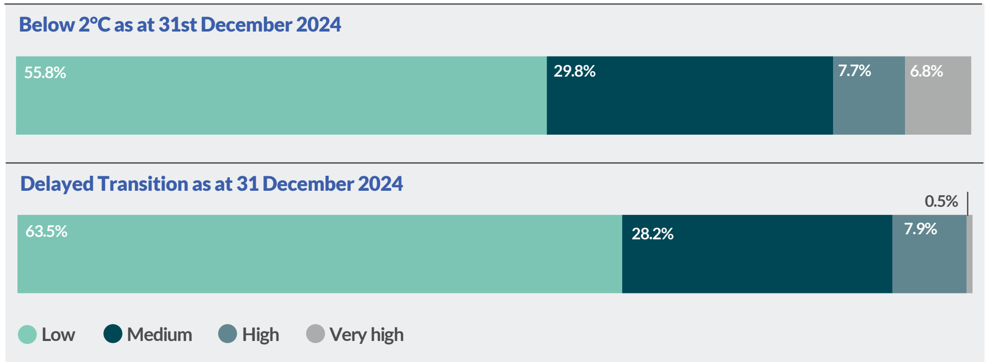
Transition risks

Since 2023 we have incorporated sector-based transition risk scenario analysis as part of the climate risk assessment conducted as standard for all new direct investment opportunities in companies.

This scenario analysis incorporates metrics from transition scenarios provided by the Network for Greening the Financial System (NGFS) to adjust the overall climate risk assessment score including:

- Below 2°C – this scenario assumes that climate policies are introduced immediately and become gradually more stringent. This scenario gives a 67% chance of limiting global warming to below 2°C by the end of the century. Under this scenario net zero emissions are achieved after 2070. Physical and transition risks are both relatively low.
- Delayed Transition – this scenario assumes that global annual emissions do not decrease until 2030. Strong policies are then needed to limit global warming to below 2°C. It assumes new climate policies are not introduced until 2030 and the level of action differs across countries and regions based on currently implemented policies. As a result, emissions exceed the carbon budget temporarily and decline more rapidly after 2030 to ensure a 67% chance of limiting global warming to below 2°C by the end of the century. After 2030 this leads to both higher transition and physical risks than the Below 2°C scenario, however transition risks before this are lower.

Distribution of climate risk designation under 'Below 2°C' and 'Delayed Transition'



The graph above outlines the distribution of climate risk exposure designations under each of the two scenarios for investments in our portfolio that have gone through this assessment.[5] This is a subset of the total companies in our portfolio given an overall climate risk designation on page 51 but still provides a useful indication of how different climate scenario may impact our portfolio's climate risk exposure. Overall the exposure to potentially heightened climate-related risk is limited under both scenarios and almost negligible under a 'Delayed Transition' scenario.

As with the climate risk exposure designations on page 51, there are inherent limitations to this scenario assessment, including the limited numbers of pre-defined attributes of a company that are taken into account, and the likely financial impact on the company.

Key developments

As with our overarching climate risk scores (see page 51) for all investment opportunities since June 2024, we now also consider company specific mitigation, control or adaptation measures under both a Below 2°C and a Delayed Transition scenario for transition risk. Given the recent implementation of this approach these mitigation measures are not reflected in the climate risk designation in the above graphs.

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

5. Approximately 50% of assets by unrealised value. The remainder is made up of legacy investments and also a smaller proportion of recent investments that have been assessed using our improved, but not yet comparable, methodology. As with the climate risk designation this excludes ICG Enterprise Trust, LP Secondaries, Alternative Credit and Third Party CLOs.

② Strategy continued

Physical risks

In contrast to transition risks, physical risks are location and operating model specific to a much greater degree.

Since June 2024, our Pre-Investment Sustainability Assessment undertaken for direct investments in companies includes physical climate risks considerations that utilise a company's sector, and location of key operating facilities. The assessment also considers actions taken by the company to mitigate physical risks such as measures to enhance the resilience of key operational facilities to climate hazards.

Corporate strategies include location-specific physical risk assessments for critical facilities in the scope of external sustainability due diligence (where commissioned) with a template assessment complete for each location utilising climate databases across multiple hazards (flood, wind – including cyclones – wildfire, geomorphic events (tsunami, landslide, volcano, earthquake). Where there is a high dependency or impact on water resources, a water stress assessment is completed .

After this assessment, we then consider the risk mitigation and adaptation measures that have been implemented by the company.

This approach identifies physical risks for critical assets where our capital is most exposed but does not allow comparison across companies or fund-level risk monitoring, which limits our ability to present an aggregate portfolio wide assessment.

Climate risk in our real estate investment portfolio

For real estate investments, a comprehensive climate risk assessment is performed for all assets.

Based on feedback from investment teams, the real estate transition risk assessment was revised from a RAG rating to focus explicitly on: (i) energy performance ratings[1], (ii) required capex for regulatory compliance[2] and (iii) additional capex for benchmarks like the CRREM pathways[3] or green buildings certifications[4]. Risk mitigation strategies include risk transfer (tenant or sponsor obligations to improve assets to required standards) or inclusion of sufficient capex within business plans for assets.

For physical risks in our real estate investments, a site-specific hazard exposure assessment is conducted by an external third party across multiple potential hazards, using the IPCC SSP 8.5 scenario. Based on assessments performed during the financial year, drought was the most common elevated or severe potential risk hazard identified, alongside heat, precipitation, and flood risk hazards. Where elevated risk is identified, mitigation and resilience measures are considered, alongside any additional measures that may be required to reduce this risk to an acceptable level.

1. Where available and as relevant under local regulations, e.g. UK Energy Performance Certificates (EPCs), Diagnostic de Performance Énergétique (DPE) in France, Energieausweis or Energiepass in Germany.
2. For example Minimum Energy Efficiency Requirements (MEES) in the UK.
3. For example BREEAM in-use certifications or DGNB (Germany).

Decarbonising our investment portfolios

Investment decision making and engagement are an important aspect of our management of climate-related risks and opportunities. Our approach to driving decarbonisation outcomes in our investment portfolio is largely dependent on the level of influence we have with the investment.This can vary significantly across the range of our investment strategies.

1. Direct investments in companies where ICG has sufficient influence (Relevant Investments)[5]

Key information

25.2%*

of AUM, as at 31 March 2025

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

Key Investment Strategies:

- **European and APAC Corporate**
- **European Infrastructure**

ICG has a portfolio coverage science-based target ('SBT') approved and validated by the SBTi which states that: 100% of Relevant Investments (by invested capital) will have SBTi-validated science-based targets by 2030, with an interim target of 50% by 31 March 2026 (see page 59 for more details).

To date, most portfolio companies that qualify as Relevant Investments are in the early stages of their decarbonisation journeys when ICG makes its initial investment. Indeed, only one Relevant Investment had a pre-existing target that was either validated by the SBTi or in the process of being validated at the point of our initial investment.

Hence, we have an onboarding and engagement programme to support portfolio companies where we have sufficient influence with identifying and executing critical steps to decarbonise their business model and address climate-related risks and opportunities.

Example engagement measures include:

- Assigning senior-level responsibility for climate-related matters;
- Sharing the results of our company-specific climate risk assessment, including scenario analysis;
- Supporting a carbon footprint assessment of the business and the development of board-level approved climate action and decarbonisation plans with appropriate allocation of resources;
- Establishing company-specific decarbonisation KPIs and targets, in line with the requirements of the SBTi; and
- Monitoring progress annually on the implementation of emission reductions initiatives to deliver on set plans and targets.

Key developments

As at 31 March 2025:

Engaged 100% of Relevant Investments[4] across five investment strategies[5], representing approximately $9.5bn of invested capital.

77.3% of Relevant Investments (by invested capital) have set SBTi-validated targets or submitted for validation[6] – again exceeding our interim target of 50% in advance of the 2026 deadline.

For further details on our progress against our portfolio coverage SBT, see our FY25 Sustainability and People Report.

4. Relevant investments are direct investments where ICG has sufficient influence defined by the Science based target initiative (SBTi) as having at least 25% of fully diluted shares and a board seat.
5. Europe Corporate, Asia Pacific Corporate, Europe Mid-Market, European Infrastructure, and certain seed assets.
6. Measurement in line with the SBTi guidance for the private equity sector. A Relevant Investment must be relevant for at least 24 months or have set an SBT already. SBTi currently does not validate SBTs for educational institutions, so three Relevant Investments in this sector are excluded, as well as one investment with which we do not have governance rights, given the particular board structures in that country. Invested capital measured at 31 March 2025 FX rates.

Climate-related Financial Disclosures continued

② Strategy continued

2. Direct or indirect Investments in companies where we do not have sufficient influence

Key information

66.8%

of AUM, as at 31 March 2025

Key Investment Strategies:

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

For other investments where we have limited or no influence, our engagement with companies and/or their private equity sponsors focuses on understanding current practices and encouraging improvement, where possible.

As comprehensive sustainability disclosures are still nascent among private companies, our focus of engagement has been on improving transparency on sustainability matters, including disclosure of GHG emissions and decarbonisation plans. Improved coverage and quality of data is critical to understanding the carbon footprint of our portfolios and financed emissions attributable to ICG and its funds. See page 59 'Climate data challenge in private markets' for further details.

3. Real estate investments

Key information

8.0%

of AUM, as at 31 March 2025

Key Investment Strategies:

- European Real Estate Debt
- Strategic Real Estate

Buildings account for 40% of energy consumption and 36% of CO_2 emissions in the EU[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 its real estate portfolio, depending on the investment strategy.

ICG's active European Real Estate Debt funds have a loan framework designed to incentivise sponsors to decarbonise assets, via issuance of sustainability-linked financing. As at 31 March 2025, 12 loans have been issued under the fund's Green Loan Framework. Recent vintages of ICG's European Real Estate Debt Fund have an updated Sustainable Loan Framework which remains focused on reducing operational carbon.

ICG's Strategic Real Estate (SRE) funds have a proportion of capital allocated towards making sustainability improvements across the portfolio ('Sustainable Capital Allocation'). During the financial year, an expert advisor performed 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.

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

To manage climate-related risks and opportunities at scale requires greater transparency in private markets, including 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 recent years but require expanded focus and attention.

For this reason, in 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 assess classes. ICG has begun incorporating the PMDR Alignment Scale in its pre-investment assessment and post-investment monitoring tools, and utilises it in fund-related disclosures to clients.

On page 59, we discuss in more detail the collection of GHG emissions data in private markets.

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

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

② Strategy continued

Developing our investment strategies

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

An enhanced focus on sustainability can be a source of competitive advantage. ICG seeks to integrate sustainability considerations, including those related to climate change mitigation and adaptation, into the design of new investment strategies or funds where we have influence to drive outcomes which might support risk mitigation and/or value preservation. For new strategies or funds where we have sufficient influence, we might also seek to consider science-based decarbonisation targets that support the goals of the Paris Agreement.

We also seek opportunities 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 performance of assets as part of their asset management plans.

Key developments

As at 31 March 2025, strategies with specific sustainability frameworks targeting improvements in the performance of assets[1] represent account for 65% of AUM in real assets compared to 61% as at 31 March 2024, and 48% as at 31 March 2023.

As at 31 March 2025 ICG's European Infrastructure has invested in total of 3.4 GW of net renewable energy generating capacity since the strategy was launched in 2020; compared to 2.7 GW a year earlier.

ICG's Asia-Pacific Infrastructure strategy invests in scalable, mid-market energy transition assets across Japan, South Korea and India. As at 31 March 2025 it has made three investments in renewable energy platforms.

Fund-level sustainable financing

At a fund level, we have also linked our climate ambition to third-party financing. Since 2021, we have raised a total of $3.1bn sustainability-linked fund-level financing that has climate-related KPIs.

Group operations

We consider the Group's direct operations as not materially exposed to physical climate risks because, among other factors, the Group primarily procures professional and business services and does not have a complex supply chain, nor does it make capital investments in research and development. The business is able to operate flexibly from a variety of locations.

From a real estate perspective, the Group operates from leased offices, and our employees have the ability to work remotely. The Group has assessed the physical climate risk exposure of its office locations using an established external physical climate risk assessment tool. The results indicated that none of our key offices (London, New York, Warsaw and Paris) are likely to be materially exposed to physical climate-related risks in the short and medium term.

We have also linked our climate ambition to our Group-level third-party financing. We issued a €500 million sustainability-linked bond with adjustments to the coupon rate linked to progress against ICG's approved and validated science-based targets (see page 59).

See page 61 for ICG's GHG emissions statement which outlines key initiatives we have implemented to continue to reduce our operational carbon footprint.

1. These include our European Infrastructure funds, and active European Real Estate Debts funds and Strategic Real Estate funds. See page 54 for more information on our approach to decarbonising our Real Estate investments.

③ Risk Management

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

TCFD recommended disclosures:

A Describe the organisation's processes for identifying and assessing climate-related risks.

B Describe the organisation's processes for managing climate-related risks.

C Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

Group Risk Management Framework

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

The Group RMF is consistent with the principles of the 'three lines of defence' model (see page 39 for more details) and this approach is applied to climate-related risks and opportunities.

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

At a Group level, climate-related risk is considered broadly and has been incorporated into our Group-wide RMF as a cross-cutting or embedded risk. This means that we recognise the potential impact climate-related issues may have on other material risks within our RMF, namely the Group principal risks.[1] (on page 50 we highlight how the climate-related risks and opportunities we have identified are linked to our Group Principal Risks).

Of the Group's nine principal risks, we have assessed the following as currently most likely to be impacted by climate-related matters, to varying degrees. On pages 39 - 44 we outlined the key controls and mitigation activities and trends for these principal risks which apply equally to the climate-related considerations.

1. The Group defines principal risks as individual risks, or a combination of risks, materialisation of which could result in events or circumstances that might threaten our business model, future performance, solvency, or liquidity and reputation.

Principal risk	Climate-related considerations
External Environment Risk 1	Climate-related conditions and/or events outside the Group's control, such as rapid shifts in climate policy and/or clients' climate requirements, volatility in energy markets, and/or increased frequency and severity of extreme weather events may adversely affect our business. This could include through reducing the value or performance of the investments made by our funds, making it more difficult to find opportunities for our funds to exit and realise value from existing investments, and to find suitable investments for our funds to effectively deploy capital.
Fund Raising Risk 2	Clients may deem that our approach to climate risks and opportunities is not in line with their expectations which could impact our ability to raise funds. Consequently this could impact future management fee income, restrict expansion into new markets and asset classes, and/or limit economies of scale.
Fund Performance Risk 3	Climate-related issues (as described above) may affect the performance of our funds, and therefore make it more challenging to raise capital or new funds and affect our reputation, thereby impacting the Group's ability to grow and compete effectively.
Legal, Regulatory and Tax Risk 6	Increasing regulatory enforcement or litigation risk for the Group and its fund management entities due to increasing regulatory requirements. This may also led to potential reputational damage due to instances of non-compliance with current or emerging climate-related regulations or market/client expectations. Ensuring that (where relevant) such requirements are embedded in our processes, procedures, controls and disclosures.
External Reporting Risk 7	While we take measures to ensure we are staying abreast of climate-related regulatory matters, we must nonetheless take care to comply with appropriate climate reporting regulations and/or meeting client requirements and expectations.

Climate-related Financial Disclosures continued

③ Risk Management continued

Reputational risk, while not a principal risk, is an important consideration for the Board and the Executive Directors, in setting and implementing the Group's strategic objectives. Therefore we recognise the potential impact to the Group if it is not seen by stakeholders to be adequately supporting the transition to a low-carbon economy, addressing clients' requirements on climate change, and demonstrating progress towards our commitments (see page 59).

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

Key developments

The Group recently completed its annual review of activities undertaken by the Sustainability team through the Group's RCSA process and documented the key risks and controls the team is responsible for, including those related to climate.

Incorporating climate considerations into fund management

We recognise that climate change may have a material impact on investment performance and returns over the short, medium and long term. We therefore have processes and procedures in place to account for climate-related risks and opportunities in:

- the design of new products,;
- the execution of our investment practices and processes; and
- the focused engagement with and stewardship over investments.

ICG's Responsible Investing and Climate Change Policy requires us to consider the implications of climate-related risks and opportunities in our investment research, valuation, and decision-making processes.

Group balance sheet investments

The Group's exposure to climate risk arising from its balance sheet investment portfolio (seed assets) is managed in line with our standard fund management activities, as outlined on page 58.

Identifying, assessing and managing climate-related risks throughout the investment lifecycle

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

Asset class	Structured Capital and Secondaries			Real Assets			Debt		
	Structured Capital	Private Equity Secondaries		Real Assets			Private Debt		Credit
Key strategy	European and Asia Pacific Corporate	Strategic Equity	ICG Enterprise Trust / LP Secondaries	Infrastructure Equity	Real Estate Debt	Real Estate Equity	Senior Debt Partners	North America Capital Partners	Liquid Credit and CLOs
Pre-investment									
Exclusion List screening	✓	✓	✓[1,2]	✓	✓	✓	✓	✓	✓[2]
Bespoke climate risk exposure assessment	✓	✓	✓[1]	✓	✓	✓	✓	✓	✓
Additional analysis for deals with potentially heightened climate risk exposure	✓	✓	✓[1]	✓	✓	✓	✓	✓	✓
Climate risk assessment findings included in IC memos	✓	✓	✓[1]	✓	✓[3]	✓[3]	✓	✓	✓
Post-investment									
Ongoing portfolio monitoring process (including through annual surveys, where relevant)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Engagement on climate-related matters	✓	✓		✓	✓[4]	✓	✓		✓[5]
Investment-specific climate-related targets and KPIs[5]	✓			✓	✓[4]	✓			

1. Primarily applicable to direct investments by ICG Enterprise Trust, though elements are incorporated, where relevant and feasible, into primary or secondary fund commitments.
2. ICG's Group-wide exclusion list applies to direct investments.
3. Harmonised and formalised across all real estate investments since January 2023.
4. For certain investments in the European Real Estate Debt strategy as part of the strategy's Green Loan Framework.
5. Typically focused on improved disclosures on climate risk and GHG emissions by investee companies.
6. For investments where we have sufficient influence.

③ Risk Management continued

Pre-Investment

Exclusion List screening

For direct investment, investment teams screen against ICG's Exclusion List which, among other activities, prohibits us from knowingly making direct investments in certain coal, oil, and gas activities, to avoid exposure of our funds to investments that are inherently more prone to climate-related risk which could impact their performance in the short, medium and/or long term. For indirect investments, where feasible, ICG uses best efforts to ensure that the Exclusion List is applied.

Climate risk assessment

For potential investment opportunities, we use a climate risk exposure assessment bespoke to the nature of the investment (in a company or real asset) to help us identify and assess associated material climate-related risk exposures. These tools utilise established external and ICG proprietary sources of data to support the assessment of both physical climate risks and transitional climate risks. A climate risk scorecard is produced and additional analysis is completed for opportunities with a potentially heightened exposure to climate-related risks.

In investments where we have sufficient influence, external sustainability due diligence, including a specific analysis of climate-related risks and opportunities, is conducted where appropriate and relevant. The findings of the climate risk assessment are consolidated and included as standard in the investment proposal to the respective Investment Committee for most strategies. Where material climate-related issues are identified, the Investment Committee may decide not to proceed; may request further action is taken to ensure these issues are properly investigated; or may require further actions to be taken following the closing of an investment.

Key developments

Since June 2024, new investments have followed our enhanced climate risk exposure assessment which now includes:

- Expanding our assessment of physical and transition risks to incorporate characteristics of a company's specific operating model and value chain.
- Updating external data sources to ensure the most relevant and up-to-date data. For example, the incorporation of the Inevitable Policy Response (IPR) Forecast Policy Scenario (2023)[1] into the transition risk assessment, which provides an indication of the implied carbon price for a wide range of jurisdictions. For the physical climate risk assessment, we integrated consideration of country-level preparedness for physical climate hazards, utilising the University of Notre Dame's ND-Gain Country Index Vulnerability Scores.
- Separating inherent exposure and post-mitigation risk, allowing us to incorporate specific exposure mitigation measures put in place by companies. For example, for transition risk, this incorporates the level of alignment to a net zero transition – utilising the Private Markets Decarbonisation Roadmap's (PMDR) alignment scale (see page 54 for more details).

Read more about climate risk management in our FY25 Sustainability and People Report

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

Key developments

In FY26, we will roll out an updated approach to climate risk assessments following an extensive review in FY25.

The new approach will make use of improving technological solutions and climate-related data and analysis in private markets such as asset geolocation. This will provide more detailed company-specific physical climate risks assessments across a range of climate hazards, including chronic (e.g. sea level rise), and acute hazards (e.g. wildfire). It will also provide detail on nature-related risks. For transition risks, we will identify risks and opportunities most material for a company at both sectoral and geographic level in line with TCFD recommendations.

More detail on our new approach can be found in our Sustainability and People Report FY25.

Post-investment

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

We also engage with investments on the decarbonisation of their business models. The exact nature of our engagement depends on the relation and influence we have over those investments. More detail can be found on pages 53 and 54.

Group operations – identifying and managing climate-related risks

Transition risks

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

Physical risks

We do not consider the Physical Risks to our operations to be material (see page 55).

Moreover, as 100% of our IT infrastructure systems and data resides in the cloud and the Group leverages cloud services from multiple providers this further reduces concentration risk.

Key developments

In FY25 we updated our supplier code of conduct. This includes enhanced expectations of our suppliers in relation to managing sustainability risks and impacts, including climate.

This builds on the enhanced supplier sustainability questionnaire we deployed using at the end of FY24 during the procurement process for large suppliers. Together these further improve our insight into climate risks in our supply chain.

Climate-related Financial Disclosures continued

④ Metrics & Targets

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

TCFD recommended disclosures:

A Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

B Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

C Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

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

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

Climate data challenge in private markets

Disclosure of GHG data by private companies and for real estate property is still nascent. 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 54% of total AUM[1]. However, 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. We continue to encourage the collection and reporting of GHG emissions for companies in our portfolio, through our monitoring and engagement activity, including our Annual Portfolio Company survey (see page 58). We continue to review the availability of reliable data for private companies and real estate to allow us to disclose such data in aggregate form in this report. This requires the establishment of a credible baseline across our portfolios that is comparable with future years and not subject to fluctuating coverage, inherent uncertainty and extensive future revisions.

Our commitments

Our investments

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.

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

Investments where we have sufficient influence[2] (Relevant Investments)

Long-term goal

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

Medium-term goal

ICG has set a portfolio coverage decarbonisation target validated by the Science Based Targets Initiative (SBTi) to ensure 100% of Relevant Investments[1] have targets validated by the SBTi by 2030, with an interim target of 50% by 2026[2].

Group operations

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

Long-term goal

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

Medium-term goal

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[3].

As well as our commitments we also measure and track a range of other climate-related metrics. Examples of some of the metrics that we track can be found on the next page (page 60)

1. AUM in funds and mandates where we are reporting either fund or asset level climate-related metrics to clients for periods ending between 1 April 2024 and 31 March 2025. Reported as a percentage of ICG's total AUM. Includes ICG Enterprise Trust.
2. Relevant investments include all direct investments within ICG's Structured and Private Equity asset class and Infrastructure Equity strategy, which currently comprise 25.2% of AUM (see page 52), where ICG has sufficient influence. Sufficient influence is defined by SBTi as follows: at least 25% of fully diluted shares and at least a board seat.
3. All references are to ICG financial years running from 1 April to 31 March.

Climate-related Financial Disclosures continued

④ Metrics & Targets continued

Select Climate Metrics[1]	Target and/or current activity[2]	Scope	Use and measurement	Ref
Remuneration linked to culture, inclusion and sustainability considerations (including climate).*	Sustainability and climate considerations incorporated into annual variable component of Executive Directors and portfolio managers remuneration.	Executive Directors and Portfolio Managers' annual variable pay.	Assesses performance related to sustainability considerations, including the implementation of the ICG Climate Change Policy and links this to remuneration.	49
Pre-investment climate risk assessment across transition and physical risk.	We undertake a climate risk assessment for all investment opportunities for inclusion in Investment Committee memo's. Since June 2024, this includes transition (across different scenarios) and physical risk as well as pre- and post-company specific mitigation activity.	Individual direct investments.	Assesses the potential exposure to physical and transition climate-related risks for individual investment opportunities using the Group's proprietary climate risks exposure assessment methodology.	57-58
Exposure of portfolio to High or Very High pre-mitigation inherent climate risk exposure score and post-mitigation climate risk score*.	Annually conduct a Group-wide portfolio assessment of climate risk using Pre-investment asset level assessment to get a view of % of the portfolio by unrealised value of the investment with a High or Very High climate risk score.	Direct investments across all asset classes except real estate.	Assesses the climate risk inherent exposure of the portfolio. Allows insight into portfolios inherent climate risk exposure and how investees are managing climate risk.	52
Our climate-related commitments including operational Scope 1, 2 GHG emissions*.	Progress against climate related commitments covering investments where we have sufficient influence and our own operations (as outlined on page 59).	Relevant Investments and our own operations.	See page 59 for details of our commitments, and pages 61 - 62 for progress against our Scope 1 and 2 operational GHG emissions reduction target.	59
Fund-level climate metrics in line with TCFD and the Partnership for Carbon Accounting Financials (PCAF).	Measure and report climate-related metrics in line with the requirements of the TCFD and PCAF for active funds[3] where relevant and feasible. Given the significant gaps in available measured emissions data in private markets, especially on Scope 3 GHG emissions, ICG's focus is on improving the data coverage and quality so we can establish a credible baseline for this metric across its portfolios.	Active funds[3] making direct investments across our Structured and Private Equity, Private Debt, Real Assets, and Credit asset classes.	Assesses the absolute GHG emissions associated with and attributable to a portfolio of investments, expressed in tCO_2e (financed emissions);the financed emissions per unit of invested capital, expressed in tCO_2e per million invested in fund currency (carbon footprint) and the financed emissions per unit of revenue, expressed in in tCO_2e per million revenue in fund currency (Weighted Average Carbon Intensity (WACI)). Monitored internally and reported to investors in certain active funds at least annually.	59
Investments in infrastructure and real estate targeting sustainability improvements*.	ICG has several strategies investing in infrastructure and real estate that have sustainability frameworks designed to deliver tangible, targeted improvements in the sustainability performance of assets.	Real Asset strategies including European Infrastructure, European Real Estate Debt, and Sale and Leaseback.	Measures the proportion of Group's investments in infrastructure and real estate in strategies targeting tangible sustainability improvements, expressed as % of AUM in Real Assets.	54, 55
Other metrics specific to individual funds or strategies. For example in ICG Infrastructure equity fund we measure "Installed Renewable Energy Generating Capacity".	Metrics specific to a fund strategy's approach to managing climate risks and opportunities. For example, ICG Infrastructure has made a number of investments to support the growth and development of companies specialising in renewable energy generation across North America, Europe and Asia Pacific directly supporting the transition to a low-carbon economy. Only applies to select funds	European Infrastructure strategy and other select funds.	Measures the specific management or outcomes of climate risks and opportunities within a fund. For example, ICG European Infrastructure measures the aggregate and annual change in installed renewable energy generating capacity, expressed in GW. Monitored internally and where relevant reported annually in client reporting.	54, 55

* Indicates a cross-industry climate-related metric as per the TCFD Guidance on Metrics, Targets, and Transition Plans, 2021.
1. A non-exhaustive list of climate-related metrics that we measure and consider. Key examples only.
2. All references are to ICG financial years running from 1 April to 31 March.
3. Active funds for this metric are those funds managed by ICG that principally focus on direct investments and that were either in fundraising or investing period or open-ended in nature, or were already measuring this metric at the start of FY22.

Climate-related Financial Disclosures continued

⑤ Annual Group GHG emissions statement

This statement has been prepared in accordance with our regulatory obligation to report GHG emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which implement the UK Government's policy on Streamlined Energy and Carbon Reporting (SECR). The Basis for Preparation for this report and the GHG emissions presented can be found on page 195.

Group Operational GHG emissions

GHG emissions[1]	Activity	2025	2024	2020 (baseline)
		12-month period ending 31 March:		
Direct emissions (Scope 1)	Combustion of fuel and operation of facilities	**8***	14	66
Indirect emissions (Scope 2)	Purchased electricity (location-based)	**208***	197	448
	Purchased electricity (market-based)	**33***	11	479
	Purchased heat (district heating)[2]	**22***	3	n/a
	Total Scope 1 and 2 (market-based)[3]	**63***	**28**	**545**
Indirect emissions (Scope 3)	Business travel (flights, rail, car rental, taxis, hotels)	**4,982***	4,630	2,640
	Waste generated in operations (incl. water)	**18***	14	8
	Purchased goods and services (incl. capital expenditures)[4]	**11,758***	14,878	0
	Fuel and energy related activities	**61***	56	0
	Total Scope 3	**16,819***	**19,578**	**2,648**

1. Numbers in the table have been rounded up or down to the nearest metric tonne of CO_2e.
2. Emissions from district heating have been introduced in the prior 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 the prior reporting period. The total amount is not significant enough to trigger a restatement of the baseline.
3. The sum of Scope 1 and 2 emissions is based on the Scope 2 market-based data. For 2025 and 2024 this also includes purchased heat from district heating.
4. The majority of emissions are calculated using spend categories mapped to DEFRA SIC codes, which are assigned on a best effort basis. See Basis of Preparation on page 195 for more detail.
5. Scope 1 and 2 emissions intensity for the reporting period are based on FTE of 683.5 (FY24: 635), and Revenue of £970.9 (FY24: £949.6m). Emissions intensity metrics not assured by EY.

* ICG plc engaged Ernst & Young LLP (EY) to provide limited assurance over GHG emission metrics as indicated by * in the annual GHG emission statement for the year ended 31 March 2025. The assurance engagement was planned and performed in accordance with International Standard on Assurance Engagements (UK) 3000 (July 2020), as promulgated by the Financial Reporting Council (FRC). The assurance report is publicly available at https://www.icgam.com/sustainability/sustainability-and-people-reports/#disclosures. It includes details on the scope, respective responsibilities, approach, restrictions, limitations and conclusions. EY also provided assurance for the year ended 31 March 2024 and 31 March 2023. Data for previous years was verified to ISO14064 by alternative providers.

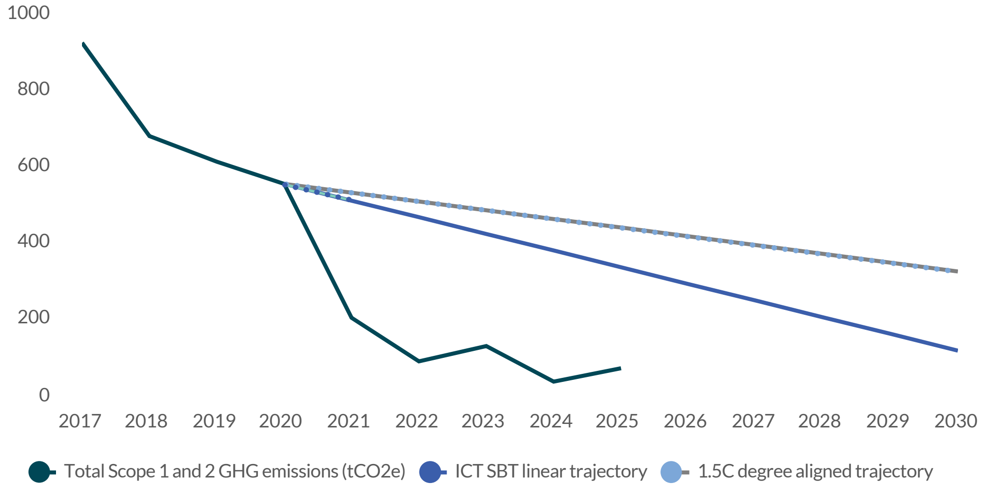
Operational GHG emissions performance

During the period 1 April 2024 to 31 March 2025 (the reporting period), our measured Scope 1 and Scope 2 (market-based) emissions totalled 63 metric tCO_2e compared to 28 metric tCO_2e in the prior 12-month due to a slight reduction in our renewable energy purchase (see page 62). The FY25 number represents a 88% reduction compared to the 2020 base year. Scope 1 and 2 intensity equated to 0.09 metric tCO_2e/FTE (FY24: 0.04; FY23: 0.2; FY20: 1.07) and 0.07 metric tCO_2e/£m revenue (FY24: 0.03; FY23: 0.19; FY20:1.32).[5] In the UK: we have no Scope 1 emissions or Scope 2 market-based emissions and 60 metric tCO_2e (or 29%) of Scope 2 location-based emissions.

Key developments

On track to deliver ICG's science-based target of 80% reduction by 2030; this year ICG's Scope 1 and 2 GHG emissions were 63 tCO_2e, representing 88% reduction compared to the 2020 base year.

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



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

The chart below illustrates ICG's emissions reduction versus its Scope 1 and 2 SBT trajectory and a 1.5°C aligned trajectory. While this means the Group has already achieved our Scope 1 and 2 science-based target (SBT), we remain determined to sustain this performance over time as the firm continues to grow and expand its presence globally. ICG will continue to expand the purchase of electricity from renewable sources and explore energy efficiency measures in our operations.

Scope 3 emissions performance

Total Scope 3 emissions have decreased this reporting period compared to the prior period. Our main Scope 3 emissions categories are purchased goods and services (~70%) and business travel (~30%). The decrease is largely due to improving data quality, allowing for more precise emissions estimations.

5 Annual Group GHG emissions statement continued

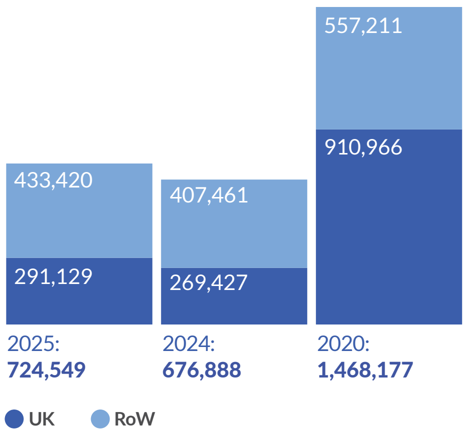
Energy consumption and efficiency

During the year, fuel, district heating and electricity consumption in our operations totalled 848 MWh. 40% of electricity was consumed in the UK, while the remaining was consumed in offices outside the UK which are predominantly serviced offices where ICG has limited control over energy provision. The UK has no fuel or district heating energy use. The split between fuel and electricity consumption is displayed in the table below. 92% of electricity purchased is from renewable sources either through green tariffs or backed by renewable energy certification, compared with 95% in the prior period.

	12-month period ended 31 March		
Metrics (KWh)	**2025**	**2024**	**2020 (baseline)**
Electricity	**724,549**	676,888	1,468,177
of which, from renewable sources	**664,995**	644,544	0
District heating	**85,060**	22,460	n/a
Fuels[1]	**38,699**	71,202	316,156
Total Electricity, District heating and Fuels	**848,308**	**770,550**	**1,784,333**

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

Electricity (KWh)



Fuels (KWh)