

Climate Change Statement

APPROACH

As a steward of capital for the long term, ICG recognises that climate change poses risks and opportunities that may not only impact the value of our investments, but influence the world we live in. ICG supports scientific consensus that the global climate is warming due to significant increases in the level of greenhouse gases in the atmosphere, predominantly caused by human activity.

Climate change may have a number of impacts on our portfolio investments going forward, ranging from changes to regulation and policy as governments seek to limit emissions, to direct impacts on assets as a result of extreme weather events (cyclones, storms and bushfire), changes to weather patterns (flooding and droughts) and rising sea levels.

ICG has long recognised the global trend towards a low carbon future. We have been an active renewable energy investor for over a decade, and continue to seek investments for our renewable energy-focused investment fund. ICG also recognises the diverse range of opportunities that the transition to a low carbon world may present, with a growing emergence of new industries and asset classes focused on mitigating the impacts of climate change and accelerating the transition to net zero.

Sustainability is a key focus across all of ICG's portfolio assets. We recognise that in order to drive positive change, it is important to first understand the environmental and social impacts of our portfolio's operations. As an active asset manager, ICG seeks to implement a number of initiatives aimed at reducing emissions and influence a culture of sustainability across our portfolio.

We are supportive of the Paris Climate Agreement's goal to limit global warming to below 2 degrees Celsius, and to pursue efforts to limit it to 1.5 degrees. We also support the Task Force on Climate-related Financial Disclosures (TCFD), which aims to develop a voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors and stakeholders. We will be looking to incorporate TCFD recommendations in our reporting and disclosure.

GOVERNANCE & RISK MANAGEMENT

ICG's investment approvals process involves the consideration of ESG issues by both the ICG Investment Committee and the independent Trustee, Infrastructure Specialist Asset Management

(ISAM), both of which represent a robust governance overlay to the investment decision making process. In addition, each fund has an Investor Advisory Committee, which provides a further forum to engage with investors to understand their position on ESG related issues. The ICG and ISAM Boards and Managing Director have ultimate responsibility for managing the risks associated with climate change across our portfolio.

As part of the risk management and ESG risks framework, a number of climate-risks have been considered including:

- Direct, physical impacts of climate change;
- Regulatory risk, including introduction of a carbon tax and changes in emissions laws;
- Stranded asset risks and transition risk; and
- Reputational risks and risks to availability of capital.

STRATEGY

ICG has adopted an integrated approach with respect to managing the risks and opportunities arising from climate change. As such, climate issues are integrated into the broader ESG framework. As part of our climate strategy, ICG will:

1. Incorporate climate change risks and opportunities into investment decisions.
 - All new investments are screened and considered against ICG's climate policy to ensure compliance. If negative screening occurs and risk management mitigants are uncertain, then investments are rejected on the basis of unacceptable ESG risks.
 - In due diligence, a deeper analysis of climate risks is undertaken against ICG's risk assessment framework and materiality thresholds are applied. In addition to our internal climate risk evaluation, ICG will typically incorporate climate issues and risks identified by third-party advisers and consultants. This ensures that specialist and expert views are incorporated into the analysis process. Where material risks have been identified, our investment analysis may incorporate an adjustment for the particular issue. This may be in the form of an adjustment to operational cash flow forecasts to include additional costs, or an adjustment in the discount rate. If the risk is deemed too high, the investment will be excluded. We will only progress an opportunity if acceptable returns can be achieved under the various ESG outcome scenarios.
 - Consideration is also given to an investment's impact on the overall fund portfolio (e.g. total carbon footprint).

Monitor climate risks across the portfolio as part of asset management, and report to our stakeholders. We pride ourselves on active ownership across our portfolio. Once acquired, climate risk mitigation strategies are incorporated into business plans of our portfolio companies. These are reviewed annually and evolve with the changing landscape which takes

into account regulatory changes, technology updates, community and stakeholder expectations.

2. Actively engage with our investors and clients, to understand their views with respect to climate change.
3. Engage with and seek to improve the climate-related disclosures of our portfolio companies.

Across the ICG portfolio and as part of our asset management process, asset-level carbon emissions are measured, on a scope 1 and 2 basis. Where appropriate, these are measured against industry benchmarks within the asset class. Some of our portfolio companies have started measuring scope 3 emissions.

4. Improve our own climate-related disclosure through adoption of TCFD recommendations.
5. Increase awareness of climate change through industry memberships and collaborative initiatives.

KEY CLIMATE METRICS AND TARGETS

ICG's portfolio carbon footprint has been calculated using scope 1 and 2 emissions on a CO2 equivalent basis. Some of our assets also look at other key performance indicators including air pollutant emissions (PM2, PM10, lead, mercury), solid-hydrocarbon waste removed, net energy consumption and percentage from renewable sources.

INDUSTRY COLLABORATIONS

ICG is represented in global responsible investing forums and actively participates in discussions with various stakeholder groups to progress action on climate change:

