

ICG INVESTMENTS REPRESENT 20% OF THE COMPANY'S PORTFOLIO. EIMEAR PALMER, ICG'S RESPONSIBLE INVESTING OFFICER, DISCUSSES ICG'S COMMITMENT TO ESG

Q | What is your role at ICG?

I am ICG's Responsible Investing Officer. My role is to further integrate ESG factors across all ICG's fund strategies, including ICG Enterprise Trust. I am responsible for ensuring ICG's policies and procedures reflect best practice while engaging with portfolio companies proactively on ESG issues. I work closely with ICG's business and investment teams, including the ICG Enterprise investment team, during investment screening and due diligence, to ensure ESG is considered throughout the investment process. Within the ICG strategies that ICG Enterprise invests in, in many cases ICG is the lead investor. Therefore, I engage directly with the portfolio companies during the investment period to identify the material ESG risks and opportunities and set ESG KPIs which are monitored annually at the portfolio company board level.

Q | How does responsible investment inform investment decisions at ICG?

ICG has a comprehensive ESG Screening Checklist which helps to inform our investment decisions. In processes where ICG has significant influence, external ESG due diligence is conducted as standard. This provides us with a very good understanding of the potential ESG risks and opportunities during due diligence and is considered by the investment committee when making the investment decision. This information is also an excellent starting point for discussion and engagement with management during the investment period.

Q | How do you engage with portfolio companies on ESG issues?

We engage directly with portfolio companies, where we have influence, to identify ESG risks, share best practice and improve ESG performance. We collaborate with management to establish company-specific ESG KPIs which we monitor at Board-level throughout the investment period. All ESG KPIs reflect ICG's ESG Priorities and where relevant they are aligned to the Sustainable Development Goals (SDGs). The asset management industry has a key role to play in



deploying capital towards achieving the SDGs and encouraging our portfolio companies to do the same.

ICG also circulates an annual dedicated ESG monitoring questionnaire to management teams, across a number of our strategies, to identify gaps and monitor progress on the implementation of ESG initiatives.

Q | What are the biggest challenges facing the industry from an ESG perspective?

One of the biggest challenges we are facing as a society is climate change and as an industry we have a responsibility to our investors to understand and manage the climate-related risks and opportunities across our portfolios as we start to shift towards a low-carbon economy.

Over the past year we have surveyed many of our portfolio companies to understand whether or not they have assessed climate change risks, set climate change related objectives or assigned responsibility at management level for handling climate change issues.

We are actively engaging with portfolio companies where we have influence to set targets to reduce energy intensity and associated emissions. We are actively considering how we can align our investment activities with the spirit and intentions of the Task Force for Climate-related Financial Disclosures (TCFD). In 2018, ICG participated in CDP (formerly the Carbon Disclosure Project) and we are pleased to report that ICG received a B score.

Q | What are ICG's aspirations in terms of ESG?

We recognise that we have a duty and an obligation to take account of ESG issues in our investment processes and decision-making, and to encourage high standards of ESG performance in the companies or other entities in which we invest. We are committed to fostering a culture where responsible investing is fully embedded across ICG.