Welcome to our latest newsletter! The EDCI is coming towards the end of its annual metrics sprint, with many members having contributed – both suggesting amendments to existing metrics and inputting into opportunities for incremental expansion. The EDCI Steering Committee met last week to make a final decision on changes for the 2024 EDCI cycle – read on for more details of these decisions, alongside a membership milestone update and information about the upcoming final benchmark launch.

**New Metric Additions: Net Zero Commitment**| Steering Committee approves one new metric for the 2024 cycle

An important part of the EDCI’s mission to drive convergence around meaningful environmental, social, and governance metrics for the private markets is to thoughtfully review and incrementally expand the EDCI’s metrics over time. The EDCI Steering Committee is delighted to share that, from 2024, the EDCI will now also include a metric related to PortCo-level decarbonization and net zero commitments.

This metric was selected based on input from across the EDCI community, and in close consultation with the IIGCC and iCI net zero frameworks currently being developed. More than 80 members responded to the EDCI metrics survey with the goal of suggesting amendments to the existing metrics guidance and inputting into opportunities for incremental expansion. Of those 80 respondents, over two-thirds voted in favor of adding this metric. Like all new metrics, the Net Zero metric will be an optional metric for the 2024 cycle. Other metrics on the shortlist were carefully considered (in particular, i) number of women in a company and ii) the existence of a data privacy and security policy) but given the importance of focusing on incremental metric expansion, the SteerCo decided to only add one new metric for 2024 – Net Zero.
The Net Zero metric will consist of three simple multiple-choice questions (full guidance along with clear definitions and references to other industry guidance to come in the coming weeks):

1. Does this PortCo have a decarbonization strategy / plan in place?
2. Does this PortCo have a short-term (i.e., 5-to-10 years) GHG emission reduction target in place?
3. Does this PortCo have a long-term net zero goal?

This metric has been carefully designed in line with the EDCI’s guiding principles to ensure it is meaningful, straightforward, comparable, actionable, and globally accepted. It is designed to provide clear, benchmarkable insight, while being easy for GPs to answer, and clearly dovetailing with the Net Zero / Decarbonization guidances being developed by IIGCC and iCI.

In addition to the Net Zero metric, the Steering Committee has approved several small changes and clarifications to the Metrics Guidance. The EDCI team is currently working on making updates to the EDCI metrics template and metrics guidance for 2024 and will share this in an upcoming newsletter.

**Membership Update | The EDCI has reached 350 members!**

The EDCI is excited to announce that our community of committed GPs/LPs has grown to over 350 members!

Recent joiners include Development Partners International, Clearlake Capital Group, Columbia Threadneedle Investments, OMERS, and Permodalan Nasional Berhad. It’s wonderful to see so many GPs and LPs contributing to the EDCI’s mission of driving convergence around meaningful ESG metrics for the private equity industry, and generating useful, performance based, comparable ESG data.
We are pleased to share that the 2023 benchmark is now being finalized and will be shared with EDCI members in the next couple of weeks. For 2023, there is a wide range of new functionality available to participating GPs and LPs, for example:

- A heatmap for GPs to visualize PortCos against tailored benchmarks
- More granular benchmarks by dimension (e.g. region, sector)
- Flexible visualizations on trending analyses
- Visualizations of benchmark for specific use cases, e.g. DD
- The ability to visualize the benchmark directly within your own tech platform provider (we are currently working with 10+ tech platforms to extend this functionality – more details on this capability and inaugural platforms to come soon)