



Hello,

Welcome to our final newsletter of 2023! We'd like to start by wishing all our members a happy holiday season and a great start to the new year. We cannot thank you all enough for your partnership on the initiative this year, we look forward to continuing to work together in pursuit of the EDCI's mission in 2024!

2023 Recap | A year of significant progress

In 2023 the ESG Data Convergence Initiative made significant progress relative to its mission of driving convergence around meaningful ESG metrics for the private markets, and generating useful, comparable, performance-based data. A few highlights from this year includes:

- Over 375 private equity GPs, LPs, Investment Consultants and Private Credit funds are now committed members of the initiative.
- 185 GPs were able to gather and contribute over 62,000 data points from nearly 4,300 portfolio companies, more than doubling the size of the benchmark compared to the inaugural year.
- All participating GPs and LPs were able to access this fully flexible benchmark, as well as uncover key insights about ESG in private markets through BCG's analysis, resulting in the publication of their inaugural [Sustainability in Private Equity report](#).
- Dozens of GPs and LPs collaborated across a number of initiative working groups (Net Zero, Private Credit, EDCI Functionality, External Engagement) which has positioned the initiative to further develop the benchmark offering, expand the initiative's

reach to new constituencies (Private Credit and Investment Consultants), and add a right-sized net zero metric for 2024.

- An open offer of partnership was extended to technology platforms with Dasseti, Green Project Technologies, Key ESG, Pulsora, and Re:Co now able to visualize the EDCI benchmarks for EDCI members within their own software (and many more platforms currently in the pipeline).

Looking Forward to 2024 | Net Zero metric, updated guidance, enhancements to data access

As 2023 comes to a close, we know that many GPs are preparing for the annual data collection cycle (all GPs should now have received a copy of the 2024 EDCI template, pre-populated with previous data submissions - if this is not the case, please reach out to info@esgdc.org). To build on the progress made during the EDCI's first two years, there are some exciting updates planned for 2024:

- **New Metric:** A Net Zero metric has been added as an optional metric in 2024! We are excited to help the industry improve the understanding of - and ability to share - data around PortCo net zero ambition, targets, and decarbonization strategies. Taken together, these questions will enable the EDCI to share with GPs a hypothesis of the current PMDR and IIGCC framework stages for a given PortCo (and enable the industry to understand current aggregate performance relative to these frameworks).
- **Updated Metrics Guidance:** Updated [Metrics Guidance](#) for 2024 has been developed and shared on the website, based on learnings and feedback from EDCI members.
- **Optional SFDR Reporting Template:** Members can download a version of the [Data Submission Template](#) that streamlines SFDR PAI reporting.
- **Enhancements to EDCI Data Access:** In 2024, firms will have the option to visualize EDCI benchmarks in their technology platforms as well as in their own proprietary software. The EDCI team has developed APIs that can connect to external users, enabling this new functionality! Any firm who is interested in connecting to this outbound API should reach out to info@esgdc.org for more details.

- Expanded Engagement Opportunities: Members will have the opportunity to join regular webinars, office hours, and other meetings to discuss EDCI use cases within the community and share best practices.

Please reach out to info@esgdc.org with any questions. Thank you for your partnership with this initiative and happy holidays!

Warm regards,

- The ESG Data Convergence Team