



ESG Data Convergence Initiative

Harnessing EDCI benchmark - Case studies

AUGUST 2024

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Preface for readers

This document provides a summary of findings from the 'Harnessing the EDCI benchmark' Working Group:

- Goal was for members to **share their learnings and experiences** using the benchmark data and to **develop a set of examples / best practices** for member use
- ~50 EDCI member GPs and LPs¹ participated and contributed to the findings

The document is organized into **two sections**:

- 1 **Use case overview and GP examples:** What are the typical use cases for GPs and what are some best-in-class examples?
- 2 **Member deep-dives:** How are participating GP members harnessing the EDCI benchmark to drive value as an investor (*individual case studies*)

Contents

- Common use-cases and best-in-class examples
Participating member case studies

GP use case overview | GPs can leverage the EDCI aggregated dataset across the full investment lifecycle, and targeted for different audiences

Internal use of high-level & PortCo data



High-level ESG strategy

Leverage fund/portfolio level data to identify own strengths/developments compared to peers and inform overall ESG strategy
-GP identifies emissions as current area for improvement and sets an emission reduction target to meet best-in-class sector benchmark data



Pre-Scan and Due Diligence

Conduct rapid benchmarking on key ESG KPIs vs. sector peers
-GP evaluates how a potential target is competitively positioned relative to its sector peers across EDCI's key ESG metrics



Portfolio value creation & monitoring

Evaluate likely opportunities to drive value creation and compare progress over time
-GP identifies PortCos where significant value at stake from improving renewable energy usage, and drives dedicated initiatives at these companies



Exit strategy

Highlight PortCo's performance/progress vs. peers in key ESG metrics to potential investors during exit preparation phase
-GP demonstrates PortCo progress on GHG emissions, renewable energy usage exceeding the benchmark trend, resulting in exit-multiple premium



Internal alignment

Employ EDCI as guidance to set fund priorities on ESG topics
-In annual committee, GP's management team discusses ESG priorities based on portfolio's performance on EDCI metrics

For LPs and other external stakeholders



Fundraising

Attract capital from investors where ESG is an important driver of value creation
-GP proactively highlights with LPs how they have a track record of driving ESG performance ahead of the benchmark



LP alignment

Seamlessly share comparable ESG data from GPs to LPs in a consistent format
-GP is quicker to answer LP requests on key ESG metrics by selecting key metrics covered by EDCI to share with LPs directly on the platform



External reporting

Report on performance across key ESG metrics externally relative to peer group using 'off-the-shelf' data
- In annual sustainability report, GP reports portfolio's outperformance on renewable energy consumption vs. private peers

GP use case overview | Based on 1-on-1 sessions, we merged use cases into four main buckets to summarize GP's experiences on harnessing the benchmark

Internal use of high-level & PortCo data

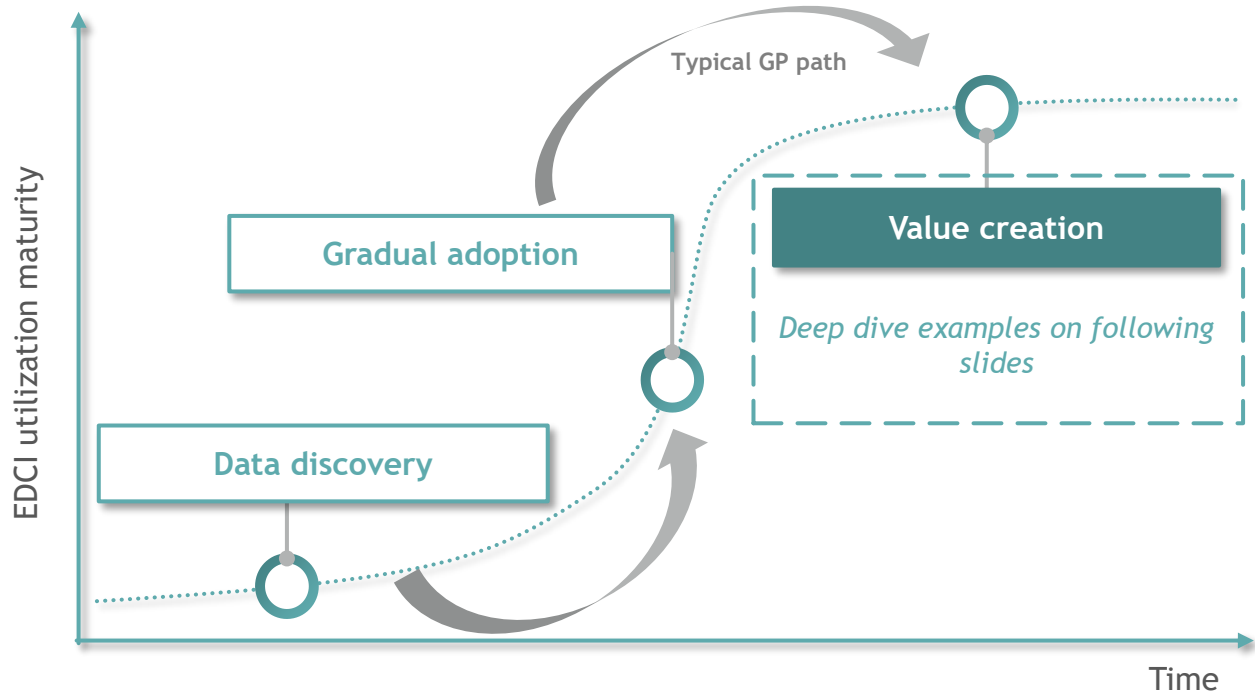


For LPs and other external stakeholders



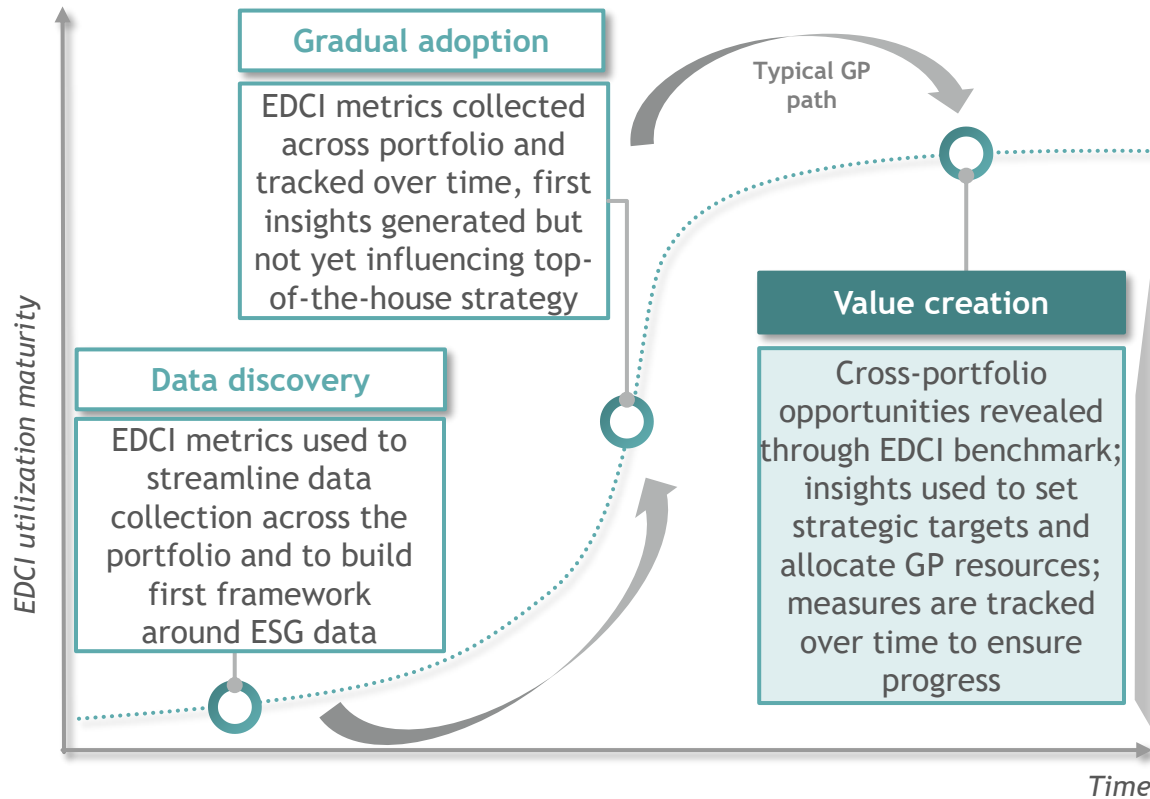
Member General Partners typically move along a maturity curve

GPs typically start by leveraging the EDCI benchmark in the data discovery phase to streamline data collection. Over time, we observe GPs broadening their utilization and moving towards using the benchmark data to create value for their funds





ESG Strategy | GP members leverage EDCI benchmark insights to identify cross-portfolio strategic priorities



Value creation case studies



Comparison with EDCI benchmark data uncovers relatively low share of female board members. Through topic prioritization and added resources, GP has **doubled the share of Boards with gender diversity** from ~30% to ~60% in one year



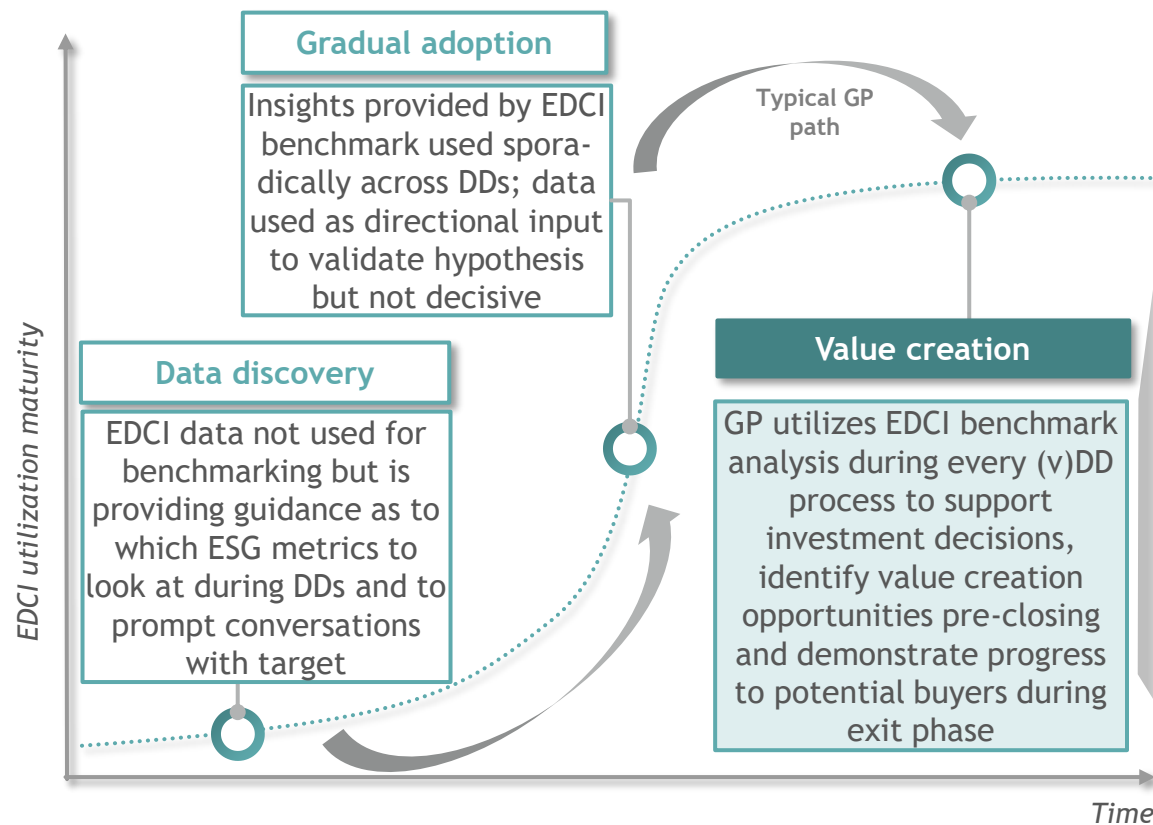
EDCI provides insights into cross-portfolio opportunities for improvement vs. peers, leading to strategic initiatives, e.g. introduction of **safety liaison group to improve injury rates** and growing **employee survey coverage to be near-universal**

EQUISTONE

EDCI benchmark helps to streamline and prioritize KPIs for fund-level ESG program, leading to improvements across **portfolio, e.g. higher submission rates for employee engagement and increased renewable energy usage**



Transaction support | EDCI analysis is incorporated by GPs into diligence processes to identify red flags and steer investment decisions



Value creation case studies

Anonymous GP

Benchmark data used in every standard DD process to assess green/red flags for each EDCI KPI, insights both help facilitate investment decision and introduce potential value creation initiatives for GP to pursue during ownership

Ara Ara Partners

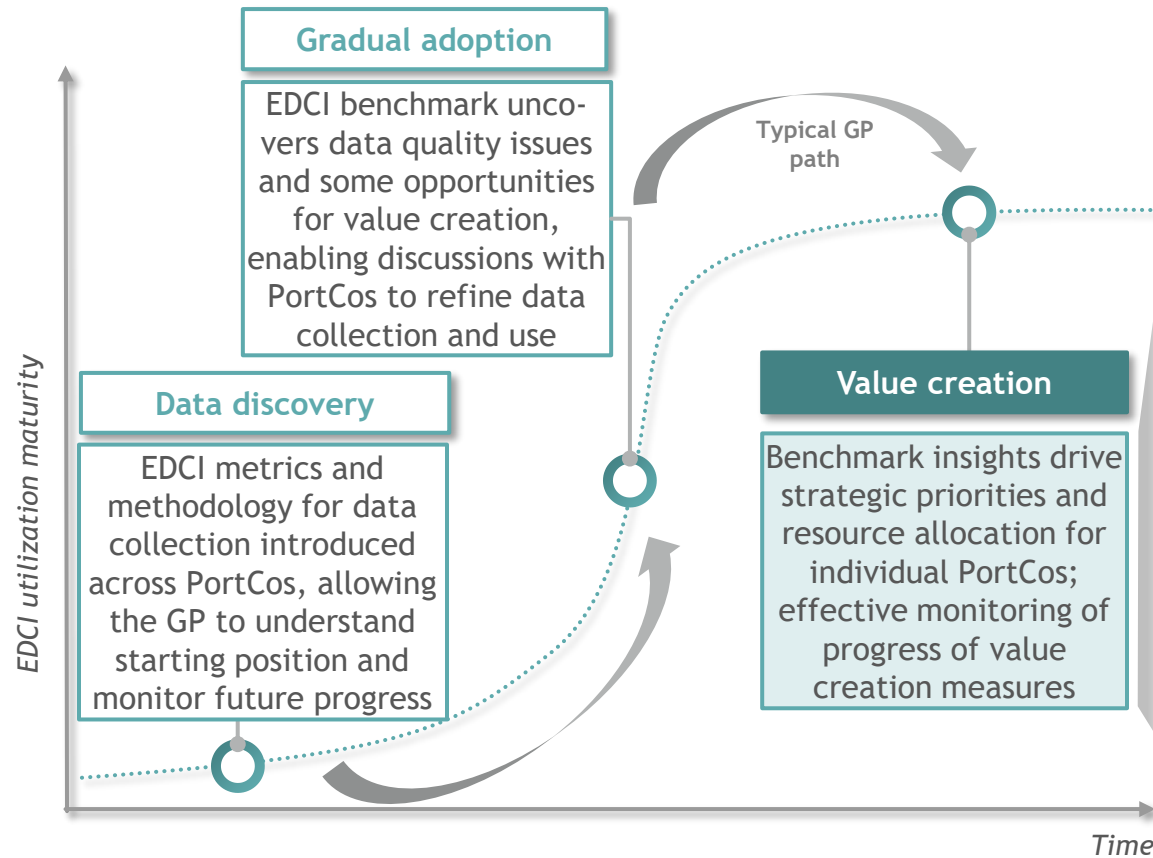
Industry-specific subset of data uncovers red flags and complements more bespoke analysis during due diligence. Benchmarks are also used to identify low-emitting investment targets for any given industry (in order to minimize risks)

Cinven


Industry-specific EDCI benchmarking of Consumer PortCo's GHG emissions and gender board diversity included in ESG vDD report, helping to prove PortCo's track record and progress on ESG against private market to potential buyers



Portfolio value creation | GP members use EDCI data to identify lagging metrics for individual PortCos and guide future value creation initiatives



Value creation case studies

 Archipelago Capital Partners

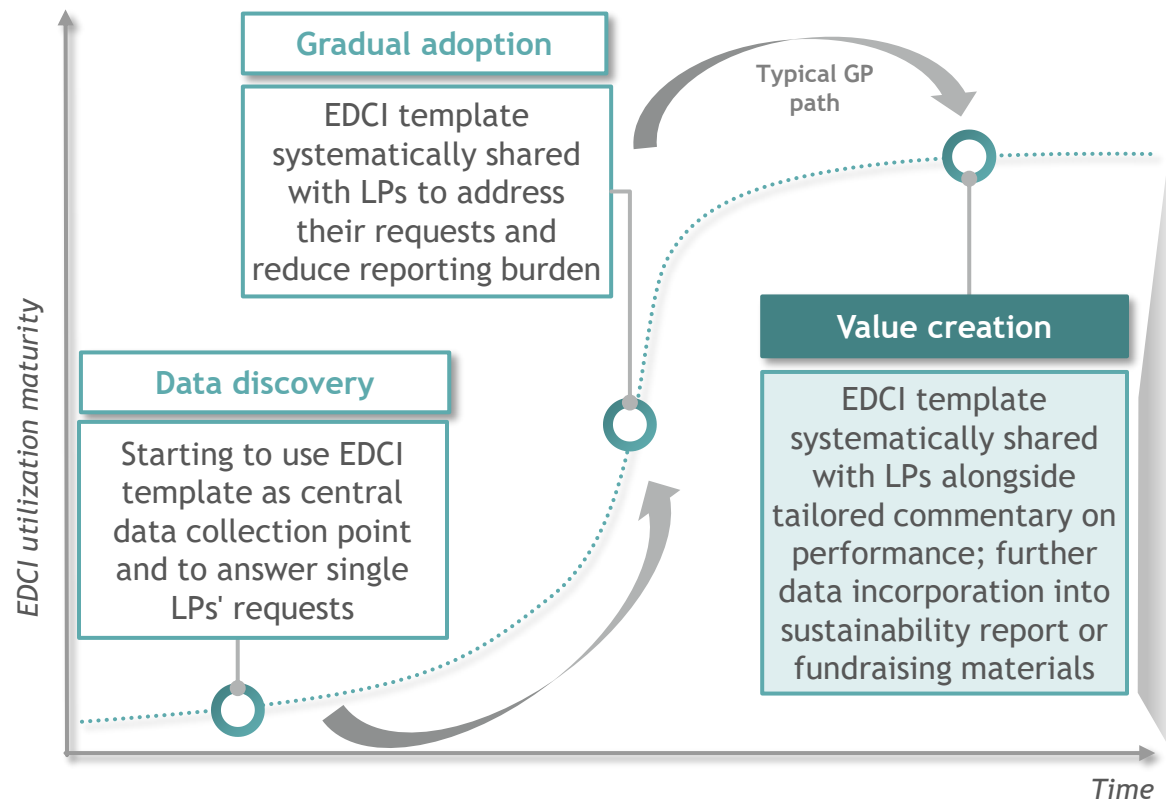
EDCI benchmark uncovers quality issues and improvement potential in injury rates for PortCo in logistics sector, leading to **improvements through employee health & safety trainings**

Anonymous GP
EDCI benchmark analysis of single PortCo's **positioning against benchmark** in carbon emissions intensity and renewables adoption leads to the **development of tailored decarbonization roadmaps**

Anonymous GP
EDCI benchmark identified under-representation of women in IT refurbishment PortCo, leading to the **launch of targeted initiatives**, e.g. set up of **female hiring programs** and **targeted advertisements** to attract a more diverse workforce



External engagement | EDCI can be used for strategic external alignment, saving time for GPs and allowing for effective showcasing of performance



Value creation case studies

AFFINITYEQUITY PARTNERS

EDCI template unifies reporting and eases handling of growing volume of ESG reporting requests (from ~15 in 2022 to 40+ in 2024 to date), saving ~30% of time on LP reporting for GP

Americas-based GP

EDCI streamlines ESG KPIs, which are included into external reports summarizing the overall ESG performance of the fund and enabling substantial time savings on LP reporting

Potential future fundraising example

GP utilizes improvement in ESG performance relative to the EDCI benchmark to objectively demonstrate fund's track record at realizing ESG outcomes during fundraising

Contents

Common use-cases and best-in-class examples

➤ Participating member case studies

Case study



Summary

EDCI benchmark supported internal engagement through cross-portfolio metric comparison and PortCo-level performance

Impact Highlights

- » Female board representation for Fund V doubled YoY
- » Template based on EDCI saving est. ~30% of reporting time

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Transaction support

EDCI benchmark helps identify red flag on injury rate during DD in the hospital sector

- Potential target owns several hospitals, with 2 reporting high number of injuries
- EDCI benchmark's broad applicability enables performance insights not provided by other benchmark
- Benchmark data uncovers higher injury rate for the screened target vs. industry peers
- Identifying safety issues helps inform decision for improvements post acquisition



Portfolio value creation

Engagement of e-commerce PortCo regarding injury rates vs. EDCI enables discussions with PortCo to invest in Health & Safety improvements

- PortCo owns large warehouses/factories with higher injury rates at one site
- EDCI allows monitoring PortCo's progress in reducing injury rates over time including peer comparison
- EDCI benchmark data used for discussion with PortCo contributed to investment in Health & Safety (e.g., ISO certifications, cleaning up unsafe areas, fencing sites)



High-level ESG strategy

Internal EDCI benchmark discussion improves female board rep. & drives topic prioritization, which enables a 100% YoY increase

- EDCI benchmark used in ESG performance dashboard presented in partners meetings
- Use of EDCI peer data reveals improvement to be made in women at PortCos level vs. peers, and hence set as internal high priority topic
- Prioritizing metric doubles share of PortCos with at least one female board member in Affinity's Fund V (31% in 2021 to 62% in 2022)



External engagement

Adoption of standardized KPIs & EDCI template saves an est. 30% of time on LP reporting

- Relevant LPs widely adopted the EDCI template, unifying reporting for Affinity
- Template useful to handle growing ESG reporting requests (~15 in '22, 40+ in H1 '24)
- A number of LPs use EDCI template, remainder slightly adapt it
- Template helps to counteract increasing complexity of reporting requests

Case study

Ara

Ara Partners

Summary

Use of EDCI benchmark focused on individual PortCo performance, enabling data comparison and identification of development areas

Impact Highlights

- » **Commitment across portfolio to improve employee engagement after identifying gap vs. benchmark**

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Portfolio value creation

EDCI benchmark unlocks insights on diversity metrics, turnover and level of employee engagement across portfolio companies and drives implementation of enhancement strategies

- Benchmark data of diversity KPIs, turnover and employee engagement used to compare with each PortCos' data points given broad sector coverage and relatively industry-agnostic metrics
- In case of high discrepancies benchmark is integrated into each of the companies' strategy developed through an annual Impact Performance Plan, when material
- EDCI data debrief was used at the annual portfolio Heads of HR Meeting and HR manager trainings; sparks conversations and focus on specific operational KPIs
- Ara looks at EDCI fund-level performance for overall view, monitoring and reporting outwards

Transaction support

EDCI benchmark leveraged in investment DD process when material and when sectoral comparisons yield meaningful results

- As primarily investing in decarbonization solutions, Ara references EDCI data to benchmark potential investments, in addition to other benchmarks and tools
- EDCI benchmark data complements analysis derived from individual set of KPIs, e.g., EDCI's GHG emissions data adds additional color when sector comparisons are available
- Going forward, more granular sector mapping through EDCI potentially to allow for improved comparative analysis

Case study



Archipelago Capital Partners

Summary

Use of EDCI benchmark to streamline ESG metrics tracked and reporting, improving data quality and enabling PortCo data comparison and identification of areas for development

Impact Highlights

- » **Measure 2 additional ESG KPIs across portfolio: employee engagement and retention rates**
- » **Improvement in Health & Safety by identifying reporting issue & starting trainings in logistics PortCo**

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Portfolio value creation

EDCI benchmark exposes high discrepancy in work-related injuries for logistics PortCo vs. industry peers, unlocking insights to refine reporting and introduce improvement measures

- Archipelago identifies area for improvement in work-related injuries for PortCo in the logistics sector (zero injuries reported) by comparing reported data with industry peers (~45/1,000 FTE)
- EDCI benchmark data comparison leads to in-depth conversation with PortCo, uncovering gaps in reporting methodology for PortCo by excluding agency workers
- Health & Safety risks across agency workers discovered, leading to prioritization of improving Health & Safety for all workers
- Measures launched include HR agency to report incidents and training provisions annually to PortCo, while PortCo expands Health & Safety training for all employees incl. agency workers on high-risk activities

High-level ESG strategy

EDCI informs ESG approach and streamlines metrics to track for internal ESG strategy

- EDCI provides guidance for relevant metrics
- Through EDCI, data collection across all PortCos simplified and streamlined
- Archipelago newly incorporates employee engagement and retention rates that their PortCos need to report

External engagement

Adoption of few standardized KPIs provided by EDCI valuable to reduce reporting burden

- EDCI metrics enable cohesive performance overview of ESG KPIs for LPs via internal sustainability report
- Notable time savings for Archipelago Capital Partners on reporting through EDCI template
- EDCI increasingly becoming a standard that is being considered by LPs over past 2 years

Case study

Cinven

Summary

EDCI benchmarking leveraged to discuss PortCos' ESG performance vs. industry peers, drive improvements, and to provide track record to potential buyers during exit

Impact Highlights

- » **Push on Health & Safety initiatives after identifying gap vs. benchmark for PortCo providing delivery services**
- » **EDCI benchmark comparison on GHG emissions and gender board diversity highlighted in PortCo's vDD report**

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Transaction support

Consumer PortCo's comparison against EDCI benchmark included in ESG vDD report to highlight ESG performance and positioning to potential buyers

- Inclusion of quantitative sustainability benchmarking in vDD's key findings valuable to prove PortCo's track record on ESG and progress against private market
- Comparison with private industry peers through EDCI benchmark data focused on Scope 1-3 GHG emissions and gender board diversity
- PortCo's performance versus peers against both KPIs tracked for 2 years prior to exit
- Although not yet part of every exit process, Cinven planning to incorporate EDCI benchmarking as part of exit playbook



Portfolio value creation

EDCI benchmarking and visualization of high work-related injury rate of PortCo vs. industry peers facilitated internal conversations and helped drive improvement measures, e.g. telemetry on delivery vehicles to prevent speeding

- EDCI benchmark data showed high discrepancy in work-related injuries for service-heavy consumer PortCo, both against consumer and services industry peers
- Visualized performance comparison vs. peers helped to enforce board-level discussion on need for improvement in Health & Safety
- Drove support for improvement measures and implemented thereof, e.g. introducing telemetry on delivery vehicles to track and prevent speeding incidents
- Going forward, YoY tracking of KPI allows Cinven to actively monitor the progress

Case study

EQUISTONE

Summary

Use of EDCI benchmark focused on internal alignment through cross-portfolio metric comparison and PortCo-level performance and progress monitoring

Impact Highlights

» Improvement of employee survey coverage and renewable energy use across portfolio by identifying gap vs. benchmark

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Portfolio value creation

Tracking progress of EDCI KPIs facilitates conversations with PortCos to raise awareness and drive resource allocation to areas of development

- EDCI benchmark provides insights about performance on a PortCo-level, comparing YoY data on EDCI metrics as well as against private peers
- EDCI serves as an engagement tool in exchanges with PortCos (e.g., they are interested in knowing state of play across rest of industry) and gives greater weight to Equistone's program as universe of portfolio is limited to <60 companies and some industry groupings are quite small
- EDCI used for monitoring purposes and reporting back to each PortCo on areas for improvement based on two years' worth of EDCI data and based on respective EDCI industry benchmarks
- High deviations uncovered through EDCI benchmark data for single PortCos especially across the work-related injuries metric, enabling discussions on reporting methodology and highlighting importance to introduce countermeasures, also for turnover and GHG emissions intensity metrics



High-level ESG strategy

EDCI streamlines metrics to track for internal ESG strategy and helps to set priorities

- EDCI benchmark uncovers employee survey coverage and renewable energy as areas for development across portfolio
- Increase in submission rates for employee engagement upon incorporation into Equistone's ESG program
- EDCI data enables discussions with PortCos on how they can generate green electricity and shows initial improvement on usage of renewable energy



External engagement

Data availability based on EDCI template increases reporting efficiency

- About 10% of LPs requesting only EDCI data
- EDCI data can also be leverage for larger share of investors requesting additional metrics beyond the EDCI
- Equistone uses single EDCI KPIs as guidance for own external reporting (e.g. for sustainability report), including emission intensity, share of renewables and share of females in Board/C-suite

Case study



Summary

Use of EDCI benchmark focused on setting primary strategic objectives across portfolio and enhancement of PortCo-level performance

Impact Highlights

- » Continued focus on safety and launching cross-portfolio safety liaison group
- » Employee survey coverage growth from 50% to over 80%

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High-level ESG strategy

EDCI helps streamlining metrics to track for internal ESG strategy and provides insights into cross-portfolio opportunities for improvement versus peers

- Huron prioritizes strong performance / improvement in safety metrics due to high number of field workers across portfolio skewed toward services sectors
- Introduction of cross-portfolio safety liaison group, and safety lead per PortCo
- Launch of safety forum to share best-in-class measures across portfolio
- EDCI identified employee survey opportunity for retention and employee satisfaction; number of portfolio companies conducting surveys grew over 30% with improvement in employee response rates



Portfolio value creation

EDCI benchmark data enables discussions with PortCos to allocate resources towards enhancement initiatives

- EDCI KPIs results presented at internal ESG committee on a PortCo-by-PortCo level
- PortCo ESG liaison assigned to correspond with member of Huron Capital's ESG committee
- Based on EDCI benchmark, ESG liaison to identify and address areas for improvement



External engagement

Adoption of few standardized KPIs & EDCI template streamlining reporting process

- EDCI metrics provide broad performance snapshot of ESG KPIs for LPs
- EDCI template encourages Huron Capital to centralize data and is helpful to answer direct LPs' requests

Case study



Summary

Use of EDCI benchmark to inform ESG priorities and track performance

Impact Highlights

- » **Increased responsibility across portfolio to improve ESG performance after identifying gap vs. benchmark**

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High-level ESG strategy

EDCI provides insights into overall portfolio performance and guides on metrics to prioritize in order to improve on ESG performance

- Cross-portfolio average values of EDCI metrics and worst/best performing PortCos utilized as reference points to inform ESG priorities
- EDCI leveraged to track performance and improvements in a more systematic way
- EDCI metrics reveal individual PortCos with opportunities to improve performance and enables a more engaged conversation with portfolio companies (also driven by high investor scrutiny. For example, identifying and engaging with companies that have higher accident rates to understand rational and improvement actions



External engagement

Including EDCI data into LP report and publishing it on investor portal reduces reporting efforts

- EDCI helps decrease the volume of requests from investors
- LPs growing interest in how the funds' and underlying portfolio companies benchmark against peers on key ESG metrics
- LP report includes one page per PortCo presenting data on (most) EDCI metrics

Case study

TRILL IMPACT

Summary

Use of EDCI benchmarking during DD, and on individual PortCo-level performance management and progress monitoring

Impact Highlights

- » Improvement in gender diversity by identifying gap vs. benchmark & identifying mitigation measures for PortCo through EDCI target setting
- » EDCI reporting template saving est. ~20% of LP reporting time

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Portfolio value creation & monitoring

EDCI benchmark exposes discrepancy in female (board) representation for PortCo vs. industry peers, uncovering diversity challenges and driving introduction of improvement measures

- Trill Impact identifies opportunities for enhancement in % of women on board/C-suite for PortCo in underrepresented sectors by comparing reported data with industry peers
- Low representation of female FTEs in PortCo leading to noticeable gender pay gap in male dominated sectors
- EDCI benchmark data comparison leads to Trill Impact setting gender diversity target along Impact and ESG strategic roadmaps for portfolio companies
- Measures adopted include increased search of women for C-suite/starting positions, fostering gender-diverse performance management and women in higher sales positions acting as role models for new hires

Pre-scan & due diligence

EDCI benchmark used in every DD process to identify green/red flags per KPI (alongside PAI¹ indicators)

- Benchmark data supports hypothesis confirmation during DD to facilitate investment decisions for GP
- Benchmarking of PAI data ensures comparability of regulatory ESG data
- Several value creation opportunities identified esp. in renewable energy consumption & used to validate KPI targets

LP alignment

Adoption of standardized KPIs & EDCI template saves significant time on LP reporting

- Vast majority of quantitative data points currently requested by LPs are covered by EDCI
- Almost 1/3 of the LPs ask for the EDCI template as the only quantitative data item
- Majority asks Trill Impact to add further qualitative analyses to EDCI KPIs

Case study

Americas-based GP

Summary

Use of EDCI benchmark focused on internal alignment through cross-portfolio metric comparison and PortCo-level performance and progress monitoring

Impact Highlights

- » **Reaching ~85-90% employee engagement upon identifying gap vs. benchmark and encouraging further improvement to get to 100%**

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High-level ESG strategy

EDCI benchmark provides insights on portfolio's performance and helps driving initiatives on prioritized sustainability topics both across portfolio and on a PortCo-level

- Identification of improvement areas for high priority metrics (turnover and diversity on C-suite and in board as more sector-agnostic metrics) through EDCI enables more targeted resource allocation, e.g. request expertise of external service providers to enhance KPIs' performance
- Through EDCI benchmarking GP encouraged to target 100% employee engagement across portfolio and drives initiatives already leading to ~85%-90% survey coverage



Portfolio value creation

EDCI data provides insights on PortCo performance and enables deeper conversations with PortCos

- Building out streamlined ESG framework and data collection process through EDCI enables quarterly conversations with PortCos targeted on feasible improvements
- EDCI data on turnover provides context on Board meetings on where PortCos stands compared to the industry average and allows to set individual targets
- Tracking of diversity metrics through EDCI helps guide discussions with PortCos, being a key priority for GP



External engagement

EDCI streamlines ESG KPIs and enables substantial time savings on LP reporting

- Standardized EDCI template optimizes the reporting process as majority of LPs request EDCI data
- EDCI KPIs included for external reporting on a summary of fund-wide ESG performance

Case study

Americas-based GP

Summary

Use of EDCI benchmark streamlined reporting to LPs of ESG performance over time

Impact Highlight

» Enhancement of LP alignment by adopting EDCI template, tracking KPIs over time and showcasing reported results

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External engagement

Embracing select standardized KPIs and adoption of EDCI template optimize reporting process and improve external alignment

- Wider adoption by LPs of the EDCI template has helped focus resources on the most relevant metrics, clarifying what KPIs are of concern to LPs, and streamlined reporting
- The reporting framework is simpler and more efficient to produce for GPs and easier to understand for LPs
- EDCI data assists in the collection of metrics for the annual sustainability report and reporting requirements for Article 8 funds
- The tracking of data over 3 years demonstrates progress towards accurate documentation and analysis of GHG emissions
- Membership with EDCI is highlighted as a positive with LPs and aligns with their own overall goals



Portfolio value creation

Enabled to create high-quality data sets based on EDCI framework, identifying data gaps and increasing data quality across most used sustainability KPIs

- The EDCI benchmark's third-party tool helps assess the ESG maturity of a portfolio company as compared to its industry peers and identify gaps that may be addressed
- EDCI data drives discussions with portfolio companies and encourages opportunities to improve that are commercially viable
- Efficiency gained though data collection for EDCI allows us to concentrate resources on portfolio company value creation

Case study

Americas-based LP (Direct investments)

Summary

Use of EDCI benchmark focused on individual target and PortCo performance, enabling data comparison and identification of development areas

Impact Highlights

- » **Targets sets across portfolio to improve C-suite diversity based on benchmarking exercise including EDCI data**

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Transaction support

Harnessing EDCI data in due diligence process to enhance ESG risks and opportunity assessment

- Regularly employing EDCI benchmark as complementary data source during DD processes in private equity investments to identify red/green flags in the asset under review
- Subset of EDCI metrics benchmarked based on materiality of metrics given a target's sector and business model



Portfolio value creation

Tracking ESG metrics aligned with EDCI across the portfolio unlocking insights on areas for improvement on a PortCo-by-PortCo basis

- EDCI data included into ESG analysis methodology to monitor PortCos' performance in addition to public benchmarks and direct peer comparisons
- EDCI benchmark uncovers improvement potential for PortCos based on materiality of single KPIs given PortCo industry and peers' performance
- EDCI benchmark is leveraged as guidance to set targets to improve performance within the portfolio
- EDCI benchmark data used as a conversation starter during post-investment dialogue with PortCos, most often focusing on diversity and work-related injuries KPIs

Case study

Americas-based GP

Summary

Use of EDCI benchmark focused on PortCo data collection and data quality, allowing data comparison and monitoring of individual PortCo's performance and progress over time

Impact Highlights

- » Increase in data point collection to 87% across 40 PortCos for 2023, up from ~65% in 2022
- » EDCI benchmark basis for individual PortCo reports to detail targets and monitor progress

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Portfolio value creation

EDCI streamlines ESG metrics tracked and reported by portfolio, improving data quality and enabling PortCo benchmarking with identification of areas for development

- Gradual incorporation of all EDCI KPIs to PortCos' reporting request allows for more granular benchmarking opportunities
- EDCI helped to push for increase in data point collection, achieving 87% data points across 40 PortCos for 2023 data, up from ~65% in previous year
- Additional focus on improving data quality across portfolio reporting provides foundations to initiate substantial work around benchmarking and improvement opportunities for each PortCo
- GP uses EDCI benchmark to provide PortCos with individual benchmark summary reports
- Report helps to monitor against PortCos' targets and tracks progress over time
- Individual reports slightly more detailed than EDCI metrics, complemented by e.g., waste & water metrics, PortCo's accomplishments during reporting period and qualitative strategy



External engagement

Embracing select standardized KPIs & EDCI template optimizing reporting process

- LPs widely adopted the EDCI template and in most cases accept the EDCI template instead of custom requests, unifying reporting for the GP
- EDCI template used to appease PAI¹ (SFDR) requests in some cases
- Notable time savings for the GP on reporting through EDCI template, having it as a central template instead of various LP data templates

Case study

Americas-based GP

Summary

Use of EDCI benchmark focused on setting primary strategic objectives across portfolio and enhancement of PortCo-level performance

Impact Highlight

» **Improvement of female representation in management by identifying gap versus benchmark**

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Portfolio value creation

EDCI benchmark exposes discrepancies of PortCos versus private peers, unlocking opportunities to introduce improvement measures

- EDCI data enables performance comparison for companies across regions and sizes and uncovers which ESG metrics PortCos are lagging vs. peers
- Data serves as conversations starter with PortCos on improvement areas
- YoY tracking of EDCI KPIs allows the GP to actively monitor the progress
- EDCI benchmark data as discussion basis upon revealing high number of work-related injuries for a dental chain company discloses it is attributed to minor injuries

High-level ESG strategy

EDCI streamlines sustainability metrics across the Private Equity industry and provides representative benchmark data, enabling the GP to track progress of prioritized KPIs for the internal ESG strategy

- PortCos reporting on standardized EDCI KPIs provides insights into cross-portfolio opportunities for improvement, with the GP focusing on gender diversity and net zero target metrics
- Gender diversity performance on a fund level used as conversation starter with PortCos to drive measures and improve share of women in management positions

Case study

Americas-based GP

Summary

Use of EDCI benchmark to simplify investor reporting processes and gain understanding of ESG portfolio performance compared to peers

Impact Highlights

- » Working with PortCo's ESG teams for them to understand their positioning and engage on improvement measures, e.g. decarbonization plans



Portfolio value creation

EDCI helps streamline portfolio engagement efforts and enhances the process of collecting and understanding ESG performance metrics

- EDCI data used to enhance understanding of ESG performance relative to peers and to facilitate the development of ESG roadmaps going forward
 - E.g., portfolio companies can assess their carbon emissions, understand their positioning and differences between Scope 1&2 and actively engage on decarbonization solutions
- GP works directly with PortCo's ESG teams to adopt improvement measures
- Going forward, planning to use the EDCI benchmark to highlight specific EDCI metrics to individual PortCos based on the industry and materiality
- Planning to incorporate EDCI benchmarking into every 200-day plan, setting up operations and systems to report on EDCI and implementation strategy for smaller companies to be able to embed new sustainability capabilities over time



External engagement

Adoption of EDCI template to simplify ESG performance alignments with investors

- EDCI Excel template leveraged for sharing ESG performance insights with LP community to simplify investor reporting processes
- Increased adoption of EDCI across LPs, with EDCI becoming more 'table stakes', and expecting to receive up to 5x as many LP requests in the next 1 months
- Going forward, planning to use EDCI benchmarking data for fundraising purposes

A scenic mountain landscape with a large teal overlay containing the text "Thank you!". The background shows rugged, rocky mountain peaks under a soft, hazy sky. The teal overlay is a large, semi-transparent rectangle that covers most of the image, with the text "Thank you!" centered in white. The text is in a clean, sans-serif font. The overall mood is peaceful and appreciative.

Thank you!