



ESG Data Convergence Initiative

Summary of 2024 Metrics Sprint

UPDATES FOR 2025 REPORTING YEAR

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- Metrics Sprint Process Overview
 - Summary of Changes for 2025 Reporting Year
 - Appendix: Rationale for Changes

Metrics sprint based on input from range of member engagement sources



Goal of sprint to review existing metrics & consider potential new additions

- **Adjustments to current set of metrics to continue meeting GP and LP needs**
 - Feedback was collected and synthesized into recommended evolution
- **Potential to add new metrics and support additional convergence of ESG metrics landscape**
 - SteerCo members reviewed member feedback and are largely aligned around keeping the metric set in its current form for 2025, with interest in exploring a new metric on cybersecurity in future years



Feedback on existing and potential metrics has come from range of sources, ensuring full community of GPs and LPs have provided input



Member Survey

Survey has provided extensive GP/LP input regarding new & current metrics



Working groups

Working groups have provided additional insights into preferences around metrics



Focus groups/1:1 interviews

Targeted focus groups & 1:1 sessions conducted to provide additional qualitative insights complementary to survey



Industry bodies/regulators

Overview of major developments/changes from industry bodies & regulators relevant for new & current metrics



Benchmark submission rates

Current benchmark submission rates can be an indicator of ease/difficulty of measurement

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Metrics Sprint Process Overview

➤ Summary of Changes for 2025 Reporting Year

Appendix: Rationale for Changes

Summary of changes for the 2025 EDCI metrics guidance

Metrics Guidance	Appendix
<ul style="list-style-type: none"> • Details added on the new GP-to-LP data sharing functionality (p4) 	<ul style="list-style-type: none"> • Updated the list of Tech Platform Partners to the EDCI (p38)
<ul style="list-style-type: none"> • Increased clarity around fund and portfolio company selection for reporting (p5) 	<ul style="list-style-type: none"> • Added more detail for Infrastructure assets reporting the net zero metric (p39)
<ul style="list-style-type: none"> • Added context on data submission specifically for Venture, Infrastructure, and Private Credit investors (p9) 	<ul style="list-style-type: none"> • Added more detail on renewable energy reporting (p42-43)
<ul style="list-style-type: none"> • Added guidelines around data from PortCos with operations in US/EU sanctioned countries (p10, p11) 	<ul style="list-style-type: none"> • Included nuance for reporting contract worker injuries (p51)
<ul style="list-style-type: none"> • Added additional clarity to glossary for definitions of growth stage, FTE, Turnover, Board members, C-suite (p12-17) 	<ul style="list-style-type: none"> • Added an example for reporting injuries for Infrastructure assets (p53)
<ul style="list-style-type: none"> • Added new definitions to Glossary: Fund classification, GP co-investor, quantum of loan (private credit), GP-sponsor, and TICCS classification (p12-17) 	<ul style="list-style-type: none"> • Added guidance for new Employee sentiment methodology and score (p55)
<ul style="list-style-type: none"> • Expanded language in net zero metric to be inclusive of infrastructure 'assets' (p20-21) 	<ul style="list-style-type: none"> • Included context around optional SFDR reporting (p56)
<ul style="list-style-type: none"> • Added clarity around renewable energy calculation methodologies (p22) 	<ul style="list-style-type: none"> • Included details on the metrics review policy (p56)
<ul style="list-style-type: none"> • Removed number of LGBTQ members on board (in line with metric review policy) (p24) 	<ul style="list-style-type: none"> • Added guidance for Infrastructure assets to classify assets using TICCS classification (p62)
<ul style="list-style-type: none"> • Added additional clarity around how to define FTEs that are in the C-Suite (p26) 	
<ul style="list-style-type: none"> • Added additional clarity around organic and total net new hires, and adjusted turnover metric input required to an absolute count of FTEs rather than % (p31) 	
<ul style="list-style-type: none"> • Added optional metrics on Employee Satisfaction and Score (p33) 	

Summary of changes for the 2025 EDCI data submission template

Data Submission Template

- Added new demographic fields: fund type (PE or Infra or PC), fund classification (optional)
- Added clarifying question for PE and Infra GPs for co-investments
- Added clarifying question for PC GPs on sponsor-backed investments
- Expanded Asset stage options to be more inclusive to Venture & Infrastructure investors
- Expanded sub-industry of operations to be inclusive of GICS and TICCS options
- Added average FTE in current year and previous year (optional)
- Net zero metrics transitioned from 'optional' to 'core'
- Expanded language in net zero metric to include 'asset'
- Removed number of LGBTQ members on board (in line with metric review policy)
- Changed annual turnover submission to be absolute (previously in %)
- Added column to auto-calculate % turnover
- Added columns on employee sentiment: Is an employee satisfaction score collected? What the method is, and the latest score (optional)
- For SFDR metrics, additional detail added to the definition of current value of all investments, enterprise value, and current value of investments, in accordance with SFDR
- For SFDR metrics, all valuation inputs now require manual entry

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Metrics Sprint Process Overview

Summary of Changes for 2025 Reporting Year

➤ Appendix: Rationale for Changes

Updates to metrics guidance for 2025 reporting period (I/II)

While there were no metrics added for 2025, the below significant changes to existing metrics were made

Category	Metric	Proposed updates to metrics	Current guidance	Rationale for change
 Net New Hires	All metrics	Add average # of FTEs over the calendar year (optional)	Hiring metrics use the total number of FTEs at the end of the current and prior calendar year	While the current guidance largely works (and will continue to be an option), average # of FTEs aligns fully with commonly adopted SHRM (Society for Human Resource Mgmt.) metric and gives a more complete story on the movement of people over the year
	Turnover	Report the number of FTEs that left the business (excluding those from M&A) over the course of the calendar year	Annual percent turnover (%)	Alleviates data validation errors that came from receiving the %; easier for GPs to report
 Employee Engagement	Employee satisfaction	Add optional questions to employee engagement: <ol style="list-style-type: none"> 1) Do you currently collect an employee satisfaction score (e.g., eNPS¹, ESI²)? If so, which? Free text 2) What was your most recent score? Free text 	<ul style="list-style-type: none"> • Do you conduct an employee survey regularly? • % employees responding to survey (optional) 	Provides deeper look into employee sentiment and can provide context for employee turnover; provides additional insights and is more actionable for GPs

Deep Dive to Follow

Updates to metrics guidance for 2025 reporting period (II/II)

Members expressed interest in evolving the Engagement metric for more quantitative insight

- Ongoing member feedback that the current employee engagement metric **lacks decision-making insight**
- Measuring **employee satisfaction** allows GPs to better assess how a given PortCo compares to peers and to make **meaningful changes over time**
- Any new questions would be **highly optional** and provide an opportunity for **greater insight** into what data PortCos are collecting, and how this compares to peers

“ *Employee survey response rate is a good start, but it would be **more important to measure job satisfaction** (PE GP)*

“ *We recommend evolving the current binary (Y/N) "employee engagement survey" metric into something that provides **greater insight into the quality of the jobs***

Two optional questions added to address this feedback



Evolution of the metric

- Current metric —
 - Do you conduct an employee survey regularly?
 - % employees responding to survey (*optional*)
- Change
 - Do you collect an employee satisfaction score (e.g., eNPS, ESI)? If so, which? (*optional*)
 - What was your most recent score? (*optional*)

Metric evaluation process (I/II): Process established to review metrics with low engagement and data availability challenges, in line with initiative's principles

Metric Review Policy

- 1 EDCI metrics are selected based on the EDCI Guiding Principles
- 2 Metrics to go under review if **two** conditions are true:
 - Submission rate is **below 25%**
 - Metric **fails to fulfill initiative principles** in practice
- 3 Once flagged, metric enters **1-year review process with collection of member feedback** for ways to increase engagement and/or redesign metric to satisfy Guiding Principles
- 4 If clear path to **improve metric** to adhere to Guiding Principles and/or there is a solution to **increase submission rates...**
- 5 If metric **cannot be enhanced** such that metric adheres to Guiding Principles and path to increasing submission rates...

- 01 Globally accepted
- 02 Meaningful
- 03 Comparable
- 04 Dynamic
- 05 Straightforward
- 06 Actionable
- 07 Objective

Keep metric

Metric removed
as default...

...but SC can vote to
override removal
with 25% threshold*

Metric evaluation process (II/II): In accordance with the review policy, LGBTQ board diversity metric will be removed in 2025



Members call for the removal of # LGBTQ board members metric → qualify for removal

- 1 Data submission for this metric is consistently below 25%
 - 16% in 2023
 - 13% in 2022
- 2 Metric fails to adhere to Guiding Principles
 - Often flagged as not Globally accepted or Meaningful
- 3 GP & LP member feedback collected over the last ~2 years:
 - Illegal to collect this data in Europe and parts of APAC
 - As a result, many companies are not comfortable collecting this data

4



Is there a way to redesign the metric to improve data submission rates and have it fulfill more principles?

If YES, keep metric

If NO

5

Repeated efforts to refine metric have been unsuccessful over last two years → metric is removed for 2025

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!