



ESG Data Convergence Initiative

Metrics Sprint

UPDATES FOR 2026 REPORTING YEAR

Content

- Metrics Sprint Process Overview

Summary of Changes for 2026 Reporting Year

Metric submission rates and areas for increased disclosures

Recall | EDCI metrics sprint process is based off inputs from a range of member engagement sources



Sprint focuses on review existing metrics and evaluating potential additions

Adjustments to **current set** of metrics to continue meeting GP and LP needs

- EDCI Steering Committee aligned to incorporate three targeted changes to the current metrics

Potential to add **new metrics** and support additional convergence of sustainability metrics landscape

- EDCI Steering Committee reviewed member feedback and have voted in support of the Cybersecurity Working Group's recommendation to add a cybersecurity metric for 2026 - with one KPI chosen



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



Member Survey

153 firms responded to the 2025 Annual Member Survey, providing extensive GP/LP input regarding new & current metrics



Working groups

2025 working groups focused on Cybersecurity and Commercial Outcomes



Focus groups/1:1 interviews

5+ 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 reviewed given they can be an indicator of ease/difficulty of measurement

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Metric sprint | The EDCI Steering Committee decided to make some targeted refinements to the EDCI metric set for 2026



New metrics

Inclusion of 1 new metric for 2026

- Introduced a new **Cybersecurity metric** with one underlying KPI focused on **Testing** based on the thoughtful recommendation from the Cybersecurity working group

Disclosures on this metric will be encouraged but **optional for the 2026 cycle*



Current metrics

Modifications to current metrics

- Added **optional Y/N field** for PortCos to **indicate Scope 3 materiality** ($\geq 40\%$ of total emissions)
- Adjusted answer options for the Decarbonization metric's **short-term target** question to indicate when Paris-aligned targets have been **externally validated**



Refinements to EDCI template

Optional additions to the data submission template

- Added an 'Attribution Factor' field to support LPs in calculating **financed emissions**
- Included **optional Commercial Outcomes tab** as a pilot outcome from the 2025 Commercial Outcomes working group to help interested GPs **explore potential linkages** between EDCI metrics and commercial **value creation**



Cybersecurity is top of mind for EDCI members, with a new metric on testing to be added for 2026

Cybersecurity is a key governance topic for the private markets...

- In the 2025 EDCI annual member survey, **cybersecurity ranks as a top 5 sustainability topic for GPs and LPs** (#3 for GPs, #5 for LPs)
- Cybersecurity is a **current gap in the EDCI metrics**, with member survey responses and conversations revealing this would be the **highest priority area for the EDCI to extend into**
- A **dedicated EDCI Cybersecurity working group met in 2025** to deep-dive on potential metric(s) for the EDCI to consider

...with cybersecurity testing selected as a KPI to add for 2026

While the EDCI considered various KPI options, the **working group, EDCI membership, and the Steering Committee all named cybersecurity testing** as the top priority cybersecurity KPI to add for 2026 - with only one KPI ultimately chosen (reflecting the EDCI's high bar for new metrics)

- Demonstrates a **proactive approach** to identifying vulnerabilities
- Testing types **can be benchmarked** across organizations
- **Aligned with the National Institute of Standards and Technology (NIST) Cybersecurity Framework**

New optional KPI related to cybersecurity testing

Which of the following activities does your organization conduct as part of a proactive cyber vulnerability management program¹? Please select all that apply.

- ☐ Scheduled vulnerability scans
- ☐ Penetration testing (i.e., human-facilitated testing)
- ☐ Software development lifecycle security testing (e.g., static/dynamic code analysis, software composition analysis, etc.)
- ☐ Other (please specify)
- ☐ We do not have a cyber vulnerability management program



Detail | Definitions of cybersecurity testing methods from the NIST framework

Testing type	Definition	Source
Scheduled vulnerability scans	Type of testing that involves using software tools to automatically and routinely scan computers, servers, or networks for weaknesses, such as missing patches, insecure settings, or known vulnerabilities	NIST Special Publication 800-53 Revision 5: Security and Privacy Controls for Information Systems and Organizations p. 242, RA-5
Penetration testing	- Assessment conducted on systems or individual system components to identify vulnerabilities that could be exploited by adversaries - More active than automated vulnerability scanning, penetration testing is usually conducted by individuals or teams with relevant skills and experience including technical expertise in network, operating system, and/or application-level security	NIST Special Publication 800-53 Revision 5: Security and Privacy Controls for Information Systems and Organizations p. 93, CA-8
Software development lifecycle security testing	The process of checking software for security flaws during its development, including test methods such as reviewing the code or scanning for known vulnerabilities to ensure the software is secure before it is released	NIST Special Publication 800-218: Secure Software Development Framework (SSDF) Version 1.1 See table with examples embedded on p. 5-19



Detail | Based on member feedback, the SteerCo formalized modest targeted adjustments to the current metrics for 2026

Category	Metric	Proposed updates to metrics	Current guidance	Rationale for change
 GHG Emissions	Scope 3 emissions	Add Y/N field asking if Scope 3 is material or not to the PortCo's business model (define by SBTi as comprising $\geq 40\%$ of overall emissions)	Does not ask for materiality; asks for all non-Scope 2 indirect emissions accounted for using GHG Protocol, with option to indicate coverage across 15 Scope 3 categories	- LPs are requesting this as useful additional context on emissions - In relation to the Decarbonization metric, SBTi requires companies to set a Scope 3 near-term target when their S3 emissions reach 40% or more of their total GHG emissions
 Decarbonization	Short-term target	Add responses indicating SBTi validation: - Does the Portfolio Company have a short-term (i.e., 5- to 10-years) GHG emission reduction target in place? - No - Yes, but it is not Paris-aligned - Yes, and it is Paris-aligned (covering Scope 1, 2, & material Scope 3*), and it has not been validated by a third party (e.g., SBTi) - Yes, and it is Paris-aligned, and it has been validated by a third party (e.g., SBTi)	“Note: Tailored pathways by sector are published by SBTi to guide companies in the target-setting process. It is best in class for targets to be validated by SBTi but is not required by EDCI at this stage.”	- LPs are requesting information on whether emissions targets have been approved by third parties such as SBTi - Many GPs already track this data - Provides additional context to Decarbonization metric in a light touch fashion (without placing additional burden on PortCos)
 Financed Emissions	N/A	- Add an optional “Attribution Factor” column to the “EDCI Data” tab, calculated using relevant inputs from the “SFDR Input” tab - The “Attribution Factor” column can be manually overwritten if teams prefer to input a value directly	There is currently no guidance on calculating financed emissions; however, LPs using the main EDCI template typically calculate this value using the proportion of equity ownership	LP members are requesting this addition to enhance the precision of financed emissions calculations, as it is a common data ask from clients



Detail | Metrics sprint survey indicated membership is supportive of suggested adjustments to current metrics



35 GPs + LPs responded to the member survey with feedback indicating broad support of recommendations



Member feedback was highly positive across recommendations

GHG emissions

Add field to indicate Scope 3 materiality

- “ Agree that *this would be useful*, the *PMDR framework also uses the 40% threshold* to determine whether companies should include scope 3 in their targets and therefore be considered as aligned

Net zero

Add language to identify when short-term targets have been validated

- “ Agree. Could be *very helpful* in order to *align with listed investments* where *SBTi-status* is used as KPI
- “ Would *support* adding the additional language as it provides *greater clarity*
- “ *Supportive* - validation gives *another layer of rigidity*

Financed emissions

Collect "Attribution Factor" to increase precision

- “ *Agreed* - this is currently estimated
- “ I think it is a *good idea to add this*
- “ This would be *very helpful* for us

Detail | In 2026, the EDCI will pilot an optional 'Commercial Outcomes' tab in template to facilitate measurement of value creation linked to EDCI metrics

[illegible]

Opportunity for members

- ✦ This **optional** template will allow interested firms to pilot connecting improvements in **EDCI metrics** to measurable **commercial outcomes**
- ✦ Currently in its pilot phase, the tab will continue **refinement** through the ongoing efforts of the **Commercial Outcomes working group into 2026**
- ✦ If you are interested in harnessing this **template to calculate commercial outcomes**, or more broadly are interested in **joining the working group** please reach out to info@esgdc.org

Detail | Summary of key changes to the 2026 EDCI metrics guidance document

	Change made for 2026 reporting cycle	Page #
Core metrics guidance	Changed the Initial year of investment from GP-level to fund-level	13
	Added optional Attribution Factor field to help calculate financed emissions	14, 66
	Added a definition of Average FTEs	17-18
	Added optional field to indicate Scope 3 materiality (Y/N)	22
	Adjusted answer options for Decarbonization metric's short-term target KPI to include ability to indicate validation	23
	Rephrased the Net New Hires and Turnover section with formulas added	34-36
	Added optional new Cybersecurity metric KPI on testing	39, 64
Appendix	Updated the list of Tech Platform Partners to the EDCI	44
	Added more detail on renewable energy methodology	48
	Added Net change due to M&A section	61
	Rewrote the Net New Hires and Turnover section to include calculation formulas and examples of common validation questions	62
	Highlighted that the most common Employee Satisfaction Score method utilized by members is eNPS	63
	Added optional guidance as part of a pilot by the 2025 Commercial Outcomes Working Group on exploring commercial outcomes tied to progress on EDCI metric	68-73
	Specified the industry classifications should remain consistent across years, unless there has been a genuine change in business models	74
	Added asterisk (*) signs on GICS sub-industries which can be mapped to more than one SICS sector-industry classifications	74-78

Detail | Summary of key changes to the 2026 EDCI data submission template

Data Submission Template
• Added optional field to indicate Scope 3 materiality (Y/N)
• Adjusted answer options for Decarbonization metric's short-term target KPI to include ability to indicate validation
• Added optional Attribution Factor field to help calculate financed emissions
• Added optional new Cybersecurity metric KPI on testing
• Added optional Commercial Outcomes tab to allow interested GPs to explore potential linkages between EDCI metrics and value creation
• Adjusted Sub-industry options based on the updated industry mappings
• Moved the auto-populate (grey) columns to the very end of the metrics

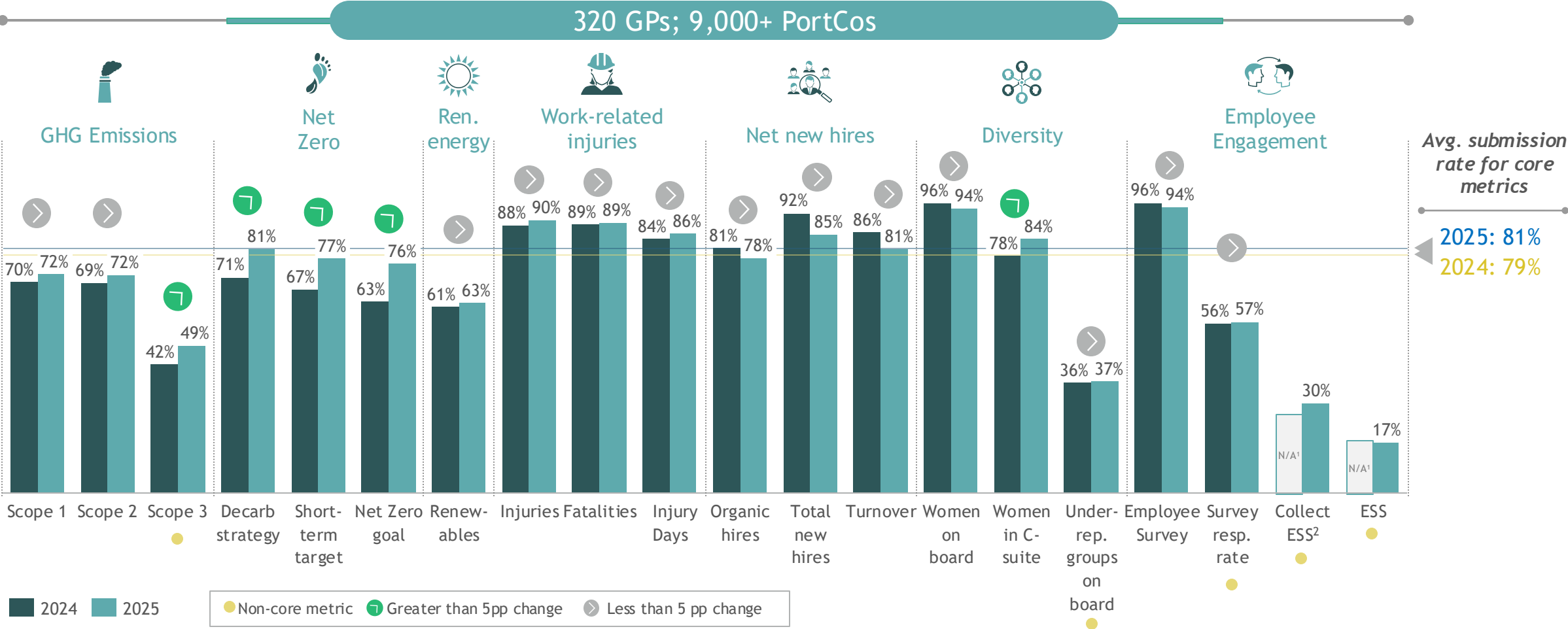
Content

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Summary of Changes for 2026 Reporting Year

➤ Metric submission rates and areas for increased disclosures

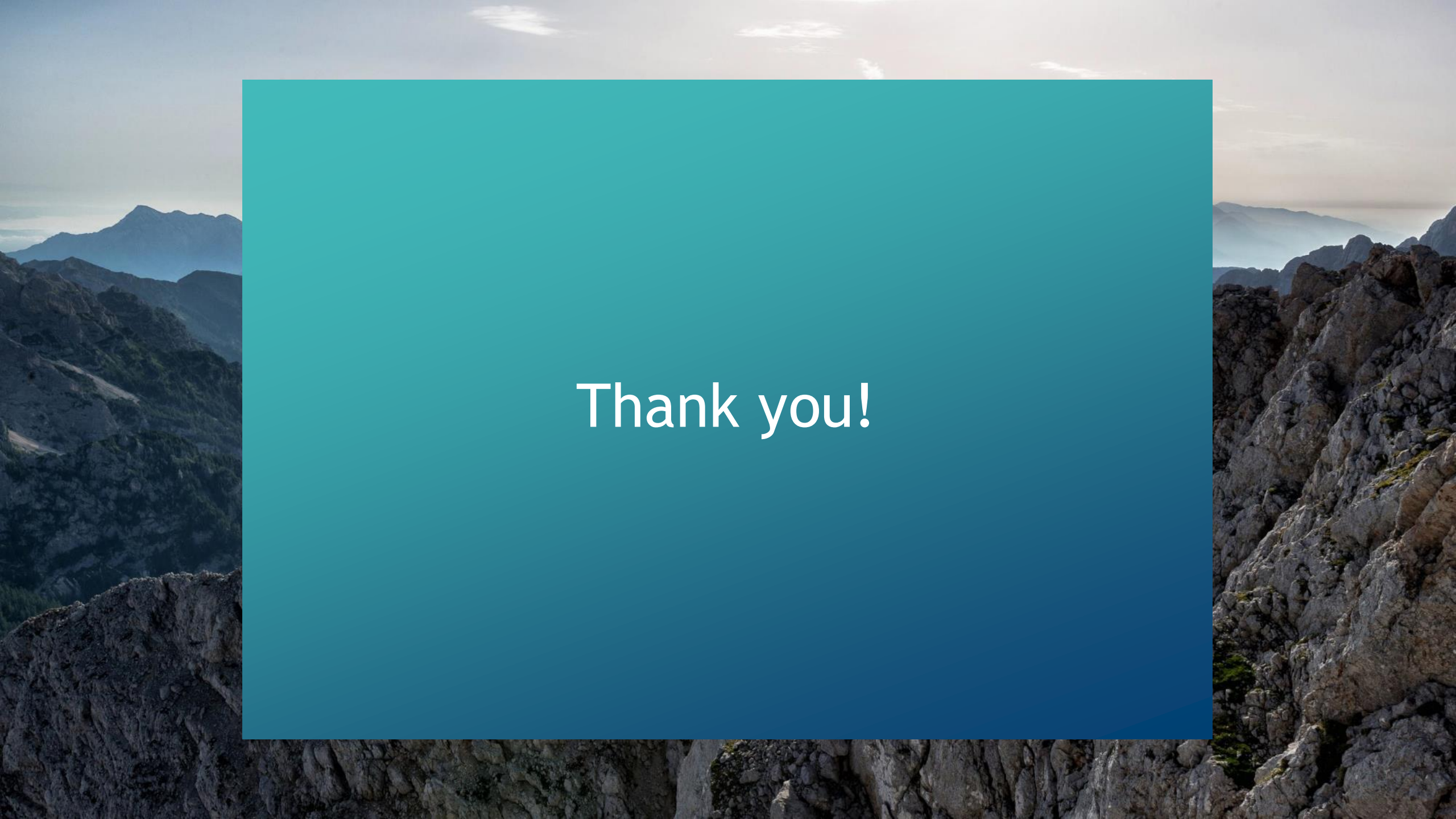
Disclosures | Overall metric submission rates are high and growing...



1. Metrics were not collected in 2024 2. Employee Satisfaction Score
Note: 2 pp increase in avg. submission rate measured on core metrics that were collected both this year and last year
Source: EDCI 2025 private company benchmark, September 2025; BCG analysis

Disclosures | ...but with select metrics presenting opportunities for increased disclosures and convergence towards best practices

Category	Metric	'24 submission rate	'25 submission rate	Reflections from 2025 and key best practices
 GHG Emissions	Scope 1 emissions methodology	86% ¹	87% ¹	Nearly 70% of PortCos are using more sophisticated methods for Scope 1 emissions calculation (activity based or direct monitoring); recommendation to use these methods where possible
	Scope 3 emissions	42%	49%	Demonstrated progress for this non-core metric where coverage increased by 7pp year-over-year
 Ren. energy	Renewables	61%	63%	For the renewables metric, disclosure rates are the lowest among core metrics - 18 pp below the average (63% vs. 81%)
	Renewables methodology	35% ²	58% ²	We encourage methodology disclosure and promote convergence toward supplier-based approaches where feasible as more closely-aligned with PortCo procurement actions
 Employee engagement	Collect ESS	N/A ³	30%	Employee satisfaction scores provide key insights into the state of the employee experience and can be closely linked to value creation
	ESS	N/A ³	17%	Though these metrics will remain optional for 2026, the EDCI encourages ESS collection and submission, with eNPS as the most commonly used ESS metric (with benchmarking insights available)

The image features a background of a rugged mountain range under a soft, hazy sky. A large, semi-transparent teal rectangle is centered over the image. Inside this rectangle, the words "Thank you!" are written in a clean, white, sans-serif font. The text is positioned in the middle of the rectangle, both horizontally and vertically.

Thank you!