

Updates for the 2027 Reporting Year

EDCI Metrics Sprint

OCTOBER 2026



Recall | The EDCI Metrics Sprint process is based on inputs from across the EDCI membership



Feedback on existing and potential metrics has come from a range of sources, ensuring opportunity for full community of GPs and LPs to provide input



Member Survey

220 firms responded to the 2026 Annual Member Survey, providing extensive GP/LP input regarding new & current metrics



Working groups

2026 Commercial Outcomes working group (100+ participants)



Focus groups & 1:1 interviews

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



Industry bodies/regulators

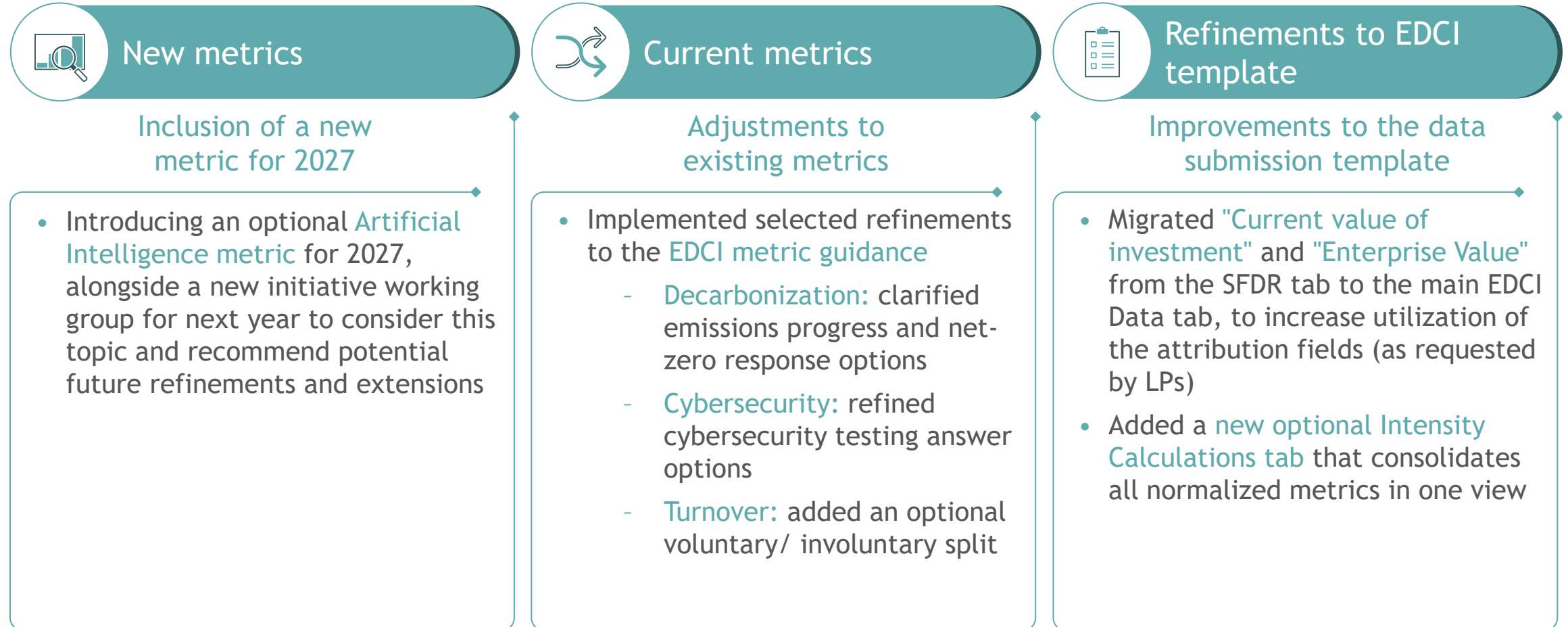
Overview of major developments/changes from industry bodies & regulators relevant for new & current metrics



Benchmark submission rates

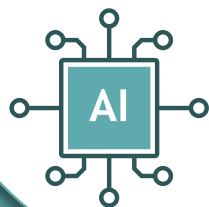
Current benchmark submission rates reviewed given they can be an indicator of ease/difficulty of measurement

The EDCI will be making targeted refinements to the metrics set for 2027





The EDCI is introducing an optional Artificial Intelligence metric in 2027 in response to strong member demand, alongside a new working group



New Artificial Intelligence Metric

Key considerations underpinning the new metric:

- **Highly requested by members**, given the growing criticality of this topic from both a commercial and societal perspective
- The new metric is **anchored in existing frameworks** (e.g. ISO 42001, NIST AI RMF, the EU AI Act), has a Yes/No format that is **straightforward** to answer and leads to **actionable insights**
- While the new metric will need refinement over time, **given the initiative's focus on 'progress over perfection' and the speed at which this topic is changing**, it will pilot this new metric on an optional basis to allow for real-time learnings
- A **new member working group will be established** to review the metric in 2027 and consider refinements as the topic evolves



In 2027, the EDCI will pilot a new Artificial Intelligence metric, alongside a more formal initiative working group

Metric	Definition	Units	Related frameworks
 Artificial Intelligence Use	Does the portfolio company have codified policies for how Artificial Intelligence is used within the organization? Y/N/N.A. response indicating whether the portfolio company has codified policies governing AI use within the organization, including AI used in the company's operations, products and services. These may be contained in a standalone AI policy or addressed across multiple related policies, standards, procedures, or guidance documents. These policies should be written, with evidence of communication to staff, alongside documented oversight. These policies can include, but are not limited to, permitted and/or prohibited AI uses, data input restrictions, human oversight requirements, roles and responsibilities, training and AI literacy, principles guiding responsible AI use, legal and regulatory compliance obligations. See Appendix: Artificial Intelligence Use for definitions.	Y/N/N.A. <i>N.A. applies only where the company does not use any AI tools, including third-party tools, in its operations, products or services.</i>	ISO/IEC 42001:2023; NIST AI RMF 1.0 / NIST AI 100-1; NIST AI 600-1; EU AI Act; Invest Europe 2025 ESG Reporting Template, reference 0.3.6



EDCI Metrics Guidance document materials | Appendix: AI Use

A company may satisfy this metric through a standalone AI policy or through multiple related policies, standards, procedures, or guidance documents that collectively govern AI use. The EDCI recommends drawing on industry's best practices e.g., ISO/IEC 42001:2023, NIST AI RMF 1.0 / NIST AI 100-1, NIST AI 600-1, and the EU AI Act, but does not require alignment to any specific framework. These policies can include, but are not limited to, the following components:

Component	Definition	Sources & guidance
Permitted and/or prohibited AI uses	Documented list of AI applications and use cases that are authorized, restricted, or prohibited, based on organizational values, risk tolerance, and legal requirements. This includes rules governing organizational and employee use of externally sourced AI tools, platforms, and services, including supplier responsibilities and alignment with the organization's AI approach	ISO 42001 Annex A.10.3; ISO 42001 Annex B.9.2; ISO 42001 Annex B.9.4; ISO 42001 Annex B.10.1; NIST AI 600-1 GOVERN 1.4 action GV-1.4-002; NIST AI 600-1 GOVERN 6.1; EU AI Act Article 5
Data input restrictions	Documented rules specifying what types of data (e.g., confidential, personal, proprietary, sensitive data) may or may not be entered into or processed by AI systems	ISO 42001 Annex B.7.2; ISO 42001 Annex B.7.3; ISO 42001 Annex A.7.4; NIST AI 600-1 MAP 4.1 action MP-4.1-005
Human oversight requirements	Defined requirements for when and how humans must review, approve, override, or escalate AI outputs before they are acted upon	ISO 42001 Annex B.9.3; EU AI Act Article 14; NIST AI 100-1 Appendix C
Roles and responsibilities	Named accountability for who owns, governs, reviews, and enforces AI policy within the organization and across third parties, including defined reporting lines and escalation paths from incident identification through to internal and external notification	ISO 42001 5.3, Annex A.3.2; ISO 42001 Annex B.10.2; NIST AI 100-1 GOVERN 1.5; EU AI Act Article 17(1)(m), Article 20; Article 26(5), Article 73
Training and AI literacy	Measures to support the development of AI literacy and responsible AI use among staff and others who operate or use AI on the organization's behalf, such as role-appropriate training on the organization's AI policies, permitted and prohibited uses, data input rules, and key risks	NIST AI RMF GOVERN 2.2 ; EU AI Act Article 4
Principles guiding responsible AI use	The stated values and principles the organization commits to when developing or using AI, such as fairness, transparency, accountability, explainability, privacy, security, safety, and accessibility	ISO 42001 Annex B.2.2; ISO 42001 Annex B.9.3; NIST AI 100-1 Section 3, Figure 4, GOVERN 1.2
Legal and regulatory compliance obligations	Commitment to identify and comply with applicable laws, regulations, prohibited-use rules, and jurisdictional requirements governing AI use where the organization operates	ISO 42001 Section 5.2c; ISO 42001 Annex B.2.2; NIST AI RMF GOVERN 1.1 ; EU AI Act Article 5



Metrics Guidance | Based on member feedback, there will be modest targeted adjustments to the current metrics for 2027

Category	Metric	Updates to metrics	Current guidance	Rationale
 Decarbonization	Emissions trajectory vs. Target	Added new sub-question (for those who have a short-term emissions reduction target): As of the latest reporting year, has the Portfolio Company reduced its GHG emissions (Scope 1, 2 and material Scope 3) since its baseline year by at least the amount required by its short-term target pathway? (Y/N/N.A.)	Current guidance and template do not capture information on the PortCo's emissions trajectory relative to its target (for those who have set targets)	- Frequently requested by members as a simple, valuable extension (currently no information on how PortCos are progressing on targets) - Allows for more accurate mapping relative to the PMDR framework
 Decarbonization	Long Term Net Zero Goal	Modified question and answer's order (B&C): - Does the PortCo/asset have a pathway-aligned long-term net zero goal? A. No – and no plan to set one (e.g., lack of viable pathway) B. No – we have a long-term goal, but it is not aligned with a net zero pathway C. No – but we plan to establish a pathway-aligned goal in the near term (<2 years) D. Yes – aligned with a net zero pathway (i.e., NZ emissions by 2050 or sooner)	Current question and answers: - Does the PortCo/asset have a long-term net zero goal? A. No - and no plan to set one B. No - but we plan to establish this in the near term (<2 years) C. No - we have a long-term goal but not fully aligned with a net zero pathway D. Yes - aligned with a net zero pathway	- Clarifies a current ambiguity - Responses are intended to progress from least to most mature. Under the current ordering, however, B and C do not clearly follow this progression, as committing to set a pathway-aligned target can indicate more progress than having a long-term target that is not pathway-aligned - Reordering B and C therefore creates a clearer maturity progression and enables more accurate mapping to the PMDR framework
 Cybersecurity	Cybersecurity testing	Modified answer options and guidance Add an "N/A" option for C. Software Development Lifecycle (SDLC) testing for businesses that do not develop their own software and for which SDLC testing is therefore not applicable	Current metric asks companies to select applicable testing activities, but offers no "N.A." option for companies not developing their own software	- SDLC testing does not apply to companies not developing their own software - Adding an N.A. option allows for more differentiation in the reporting and benchmarking of metric responses
 Turnover	Annual Turnover (#) Breakdown	Added optional split into voluntary/involuntary turnover (EDCI has no plans to make this 'core'): - Voluntary (employee-initiated departures such as resignations) - Involuntary (employer-initiated separations such as terminations and layoffs) Definitions of these terms have been established by SASB, Society for Human Resource Management (SHRM), US Bureau of Labor Statistics (BLS), etc.	Current guidance makes no distinction between voluntary and involuntary turnover, reported as a single total figure Definition from metrics guidance: Turnover (the number of FTEs leaving the business excluding those from M&A) over the course of the calendar year	- Current guidance reports turnover as a single figure, limiting visibility into the underlying drivers of employee departures - Turnover is a top-3 most valued EDCI metric, and distinguishing voluntary from involuntary turnover adds meaningful social and commercial insight - Distinction is frequently requested by LPs and GPs and is supported by established industry definitions and standards (SHRM, BLS, SASB)



Detail | Summary of key changes to the 2027 EDCI metrics guidance document

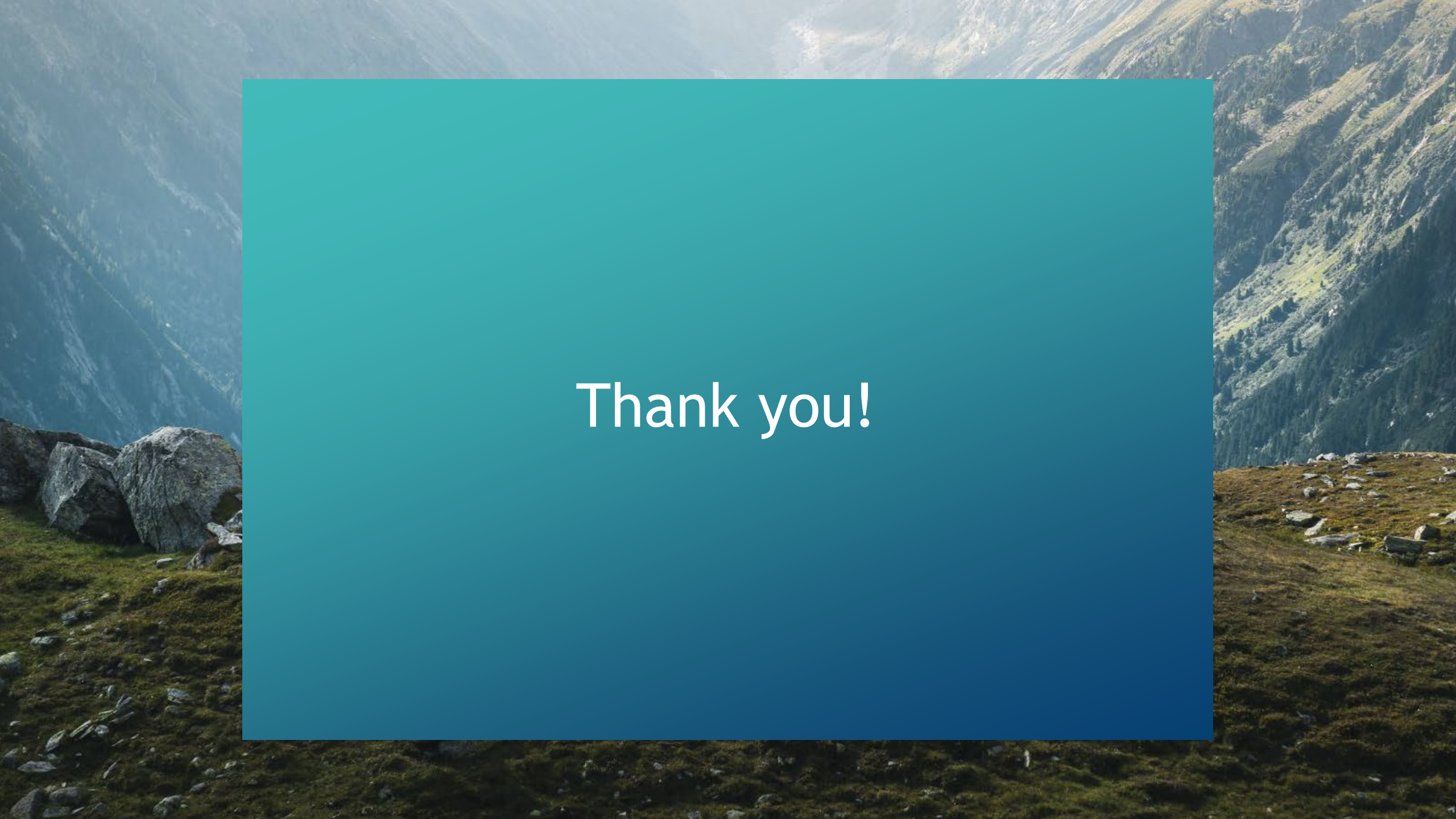
Section	Changes made for the 2027 reporting cycle	Page #
 Terminology	Standardized "calendar year" to "reporting year" across common variables, FTE definitions, revenue, turnover, etc.	Throughout
 Common variables	Added 2 new metrics: Enterprise Value and Current value of investment attributable to fund, previously only captured in the SFDR Inputs tab of the EDCI data submission template, as requested by LP members	14, 79
 GHG Emissions	Added guidance for identifying relevant Scope 3 categories by sector, referencing the CDP Technical Note mapping Scope 3 categories across 16 high-impact sectors	23-25, 49-53
 Decarbonization	Added a new on-track-vs-target sub-question and refined the net-zero options, including a reworded "pathway-aligned long-term net zero goal" KPI with revised answer options and a Paris-aligned definition	26-29, 54-58
 Work-related Injuries	Clarified contractor scope, confirming figures cover employees and contractors in permanent/long-term roles, and added injury-rate conversion guidance across LTIFR, TRIR, and TRIFR	36-40, 65-71
 Net New Hires & Turnover	Added an optional voluntary/involuntary turnover split	41-44, 72-74
 Cybersecurity	Made the Cybersecurity Testing metric core, and added an N/A option for SDLC testing	47, 76
 Commercial Outcomes	Refreshed the working-group progress note and updated guidance	80-87



Detail | Summary of key changes to the 2027 EDCI data submission template

Data Submission Template

- ▶ Migrated Current value of investment and Enterprise Value from the SFDR tab to the main EDCI Data tab, as requested by LP members
- ▶ Added new sub-question on emissions trajectory vs. target, asking whether, as of the latest reporting year, the PortCo's cumulative reduction in GHG emissions since its baseline year is at or ahead of the reduction required by its short-term target pathway
- ▶ Modified the Long-Term Net Zero Goal question and reordered answer options B and C, with clear signposting of the change in both Excel and the platform
- ▶ Emphasized across FTE-related fields, including injuries, that contractors who are in permanent or long-term roles are included, consistent with the guidance
- ▶ Added optional ability to split out voluntary and involuntary turnover
- ▶ Made the Cybersecurity Testing metric core, previously non-core (for its first year of existence)
- ▶ Added an N/A option for Software Development Lifecycle testing, for businesses that do not develop their own software
- ▶ Added a new Intensity Calculations tab that consolidates all normalized metrics in one view, auto-populated with no input needed (e.g., emissions per \$1m revenue, injuries per 1,000 FTEs, renewable energy %)
- ▶ Clarified relative prioritization within the Commercial Outcomes methodologies, flagging which variables are critical starting points versus which build further robustness

A scenic mountain landscape with a teal gradient overlay. The background shows a steep, rocky mountain slope with patches of green grass and small shrubs. In the foreground, there are large, grey, jagged rocks. The sky is a clear, pale blue. A large, semi-transparent teal rectangle is centered over the image, containing the text "Thank you!" in white.

Thank you!