

ILPA is Committed to Encouraging Greater Diversity, Equity and Inclusion in the Private Markets

Recognizing that creating space for diverse perspectives is not only the right thing to do but also generates superior decisions and investment outcomes, ILPA has focused its efforts to advance DEI in private markets by creating resources, identifying best practices and creating communities of committed practitioners to steer our engagement.

ILPA's Approach to DEI

ILPA's DEI work features engagement with limited partners, general partners, service providers and like-minded industry organizations and is grounded by four tenets: (I) DEI efforts should seek to engage and include underrepresented groups, including but not limited to gender, race/ethnicity and sexual orientation; (II) all stakeholders—LPs, GPs and advisers—have a role to play in advancing DEI; (III) efforts to improve DEI must be positive and not punitive; (IV) meaningful progress will take time.

Since 2017, [ILPA has taken meaningful steps](#) on DEI (additional details below):

- **Bringing together leaders on DEI to share best practices with one another and the broader industry** - through the Diversity, Equity and Inclusion Advisory Council and Diversity in Action Initiative
- **Providing research and resources to help industry stakeholders at every stage of their journey on DEI** - through the DEI Roadmap and Resources, the Diversity Metrics Template and the Diversity in Action Report Series
- **Connecting LPs with talented, diverse managers** - through partnership with organizations like the NAIC
- **Providing input on policy developments and standards across the globe** - including industry led standards like the Codes of Conduct and our Key Person Initiative and formal policy developments as they arise from regulatory bodies

ILPA's Diversity in Action Initiative

In December 2020, ILPA launched the [Diversity in Action](#) initiative to bring together all aspects of its DEI work. The Initiative aims to promote and elevate the good work happening across the industry now and to build momentum around the adoption of specific actions that improve DEI in the future. Within a few months of inception, the initiative has grown to over 170 prominent limited partner, general partner and investment consultant signatories representing a diverse range of organizations by size, strategy, geography and maturity.

Diversity in Action is centered on action, not merely commitments to act. Before joining, signatories must attest to undertaking certain activities among a framework of required and optional activities that advance DEI within their own organizations as well as the broader industry, spanning intention and accountability, talent management, investment strategies and industry engagement. Signatories participate in quarterly roundtables focused on specific challenges and solutions to advancing DEI; these discussions inform actionable recommendations that the industry can adopt to make progress.

The Diversity in Action Framework Encourages:

- Documented articulation of a commitment to DEI through employee-facing policies as well as public-facing statements and strategies that align with organizational goals regarding recruitment and retention
- Sourcing and retention of diverse talent in regards to gender, race, ethnicity and sexual orientation
- Monitoring investments through the capture of DEI metrics as well as qualitative information on policies and practices that encourage diversity, including on portfolio company boards
- Creating an inclusive industry and work environment through employee resource groups and unconscious bias training

ILPA's Track-Record on DEI

ILPA believes there is no panacea for improving DEI and has worked to address its many component challenges.

DEI Roadmap and Resources

In 2020, ILPA published an industry wide Roadmap comprised of best practices that both GPs and LPs can adopt to advance and operationalize DEI within their own organizations.

Key Person Initiative

In January 2019, ILPA partnered with Cambridge Associates to publicly encourage the entire private markets industry to drop the term "key man" in favor of "key person" in all legal references and conversations.

PE Code of Conduct for Harassment, Discrimination and Workplace Violence

In 2018, ILPA published guidance for the drafting of a Code of Conduct that addresses discrimination, harassment and workplace violence relevant for the employees of LPs, GPs or portfolio companies.

DEI Extension to ILPA DDQ

In 2018, ILPA expanded our due diligence questionnaire, used throughout the industry by limited partners to assess the viability of investment in private equity and venture capital funds, to include a new section which addresses a fund's approach to and adoption of DEI policies and practices.

Diversity Metrics Template

The ILPA Diversity Metrics Template, first released in 2018, can be used to capture diversity data within organizations. A revised version of the Template will be out for public comment in Summer 2021. Enhancements will include globally relevant race/ethnicity definitions as well as an extension of the template to reflect portfolio company diversity data.

ESG Assessment Framework - DEI Supplement

The DEI Supplement within the ILPA ESG Assessment Framework is a reference document for LPs looking to understand how a GP's level of sophistication on DEI compares to others in the industry and to track progress over time.

About ILPA

With more than 550 member institutions representing over 2 trillion USD of private equity assets under management, the Institutional Limited Partners Association (ILPA) is the only global organization dedicated exclusively to advancing the interests of LPs and their beneficiaries. Our members include public and private pensions, insurers, endowments and foundations, family offices, development finance institutions and sovereign wealth funds. Our policy agenda is focused on strengthening the private equity asset class through strong governance, alignment of interests and transparency.