



## Overview

ILPA launched the *Diversity in Action* initiative as a means for demonstrating the industry's collective commitment to advancing diversity, equity and inclusion (DEI), by identifying both the breadth of support for DEI among both LPs and GPs as well as calling out the specific actions being undertaken and progress made over time.

The initiative focuses on a foundational set of actions that LP and GP organizations are taking to advance diversity and inclusion, both internally and within the industry more broadly. The framework consists of two parts - four essential criteria and a set of nine optional criteria that span a broader range of possible actions, addressing talent management, investment management and industry engagement. All of the actions prioritized within the *Diversity in Action* framework are drawn from [ILPA's D&I Roadmap](#), a clearinghouse of best practices and resources for GPs and LPs to consider at each stage of the development and implementation of their own DEI programs.

The objectives of the initiative are several:

- To draw attention to the good work that LPs and GPs are undertaking *now*, and to provide a platform for assessing our collective progress around a targeted set of meaningful actions
- To motivate more market participants to engage in the journey towards becoming more diverse and inclusive
- To build momentum around the adoption of specific actions that advance DEI over time
- To organize and regularly convene a community of committed LPs and GPs and accelerate industry-wide institutional knowledge of best practices to promote DEI

## The Framework

Participating organizations agree that their diversity, equity and inclusion activities include a combination of foundational and optional activities as indicated below:

### Required - All 4 of the Following

- Has in place a DEI statement or strategy, communicated publicly, and/or a DEI policy communicated to employees and investment partners, that addresses recruitment and retention\*
- Tracks internal hiring and promotion statistics by gender and race/ethnicity\*\*
- Has in place organizational goals that result in demonstrable practices to make recruitment and retention more inclusive
- Requests (LPs) or provides (GPs) DEI demographic data, such as the [ILPA Diversity Metrics Template](#), for any new commitments (LPs) or new fundraises (GPs) \*\*

### Plus, Any 2 or More of the Following

- Tracks gender and race/ethnicity statistics within partner organizations (LPs: managers; GPs: portfolio company boards/management teams) \*\*
- Has assigned senior-level DEI accountability, aligned with an investment or senior management role
- Provides unconscious bias training for employees on an ongoing basis
- Has in place diverse employee resource groups
- Incorporates contributions towards advancing DEI into employee performance reviews
- Commits to encourage and promote diversity within boards of directors at portfolio companies
- Requests (LPs) or provides (GPs) DEI demographic data, such as the [ILPA Diversity Metrics Template](#), for all funds, i.e., not solely new commitments/new fundraises \*\*
- Supports DEI research in the private markets industry by participating in surveys that capture data on diversity in the workforce
- On a programmatic basis, supports industry efforts to educate underrepresented groups about careers in private markets

\* In addition, participating organizations should address harassment, either within the DEI policy or within a separately articulated policy or statement.

\*\* At minimum, gender data. Racial/ethnic data to be provided in jurisdictions allowing for the capture and reporting of such information.

## Frequently Asked Questions

### What are the specific goals of this initiative?

The primary goal of the initiative is to produce quantifiable evidence of the number of LP and GP organizations that have undertaken specific actions to advance diversity and inclusion, whether that pertains to recruitment, retention and promotion; engagement with investment partners; or support for broader industry initiatives.

Over time, the initiative will allow for the demonstration of growth in the number of organizations pursuing specific activities and a means of showcasing best practices and the broad sharing of resources among participating organizations.

### What does participation in the initiative mean for our organization?

By signing on to the Initiative, your organization publicly demonstrates its support for advancing diversity, equity, and inclusion within our industry and signals that your organization:

- Believes in the importance of diversity, equity and inclusion to the future success and sustainability of the private equity industry
- Agrees that only by sharing information about specific actions taken will we encourage the mainstream implementation of DEI best practices and be able to measure our progress over time
- On a best-efforts basis, will voluntarily provide up to date information on specific actions being undertaken, but at minimum annually
- Recognizes the benefits that accrue to all market participants by collaborating to address specific challenges to diversity, equity and inclusion and commits to participating in future conversations about industry progress against the framework

Participation in the initiative is fully voluntary and self-reported. Participating organizations are asked to identify which elements of the framework are in place within their organizations, as well as supporting details explaining how they have implemented the elements indicated.

In joining the initiative, participating organizations gain access to a comprehensive and diverse network of institutions via quarterly roundtables and ILPA's dedicated signatories' website, which contains a directory of all signatories as well as the materials from each roundtable. These resources are provided to all participating organizations to facilitate information sharing and relationship-building around DEI across the industry. Participating organizations are encouraged to take advantage of these opportunities to meet and engage with like-minded peers.

By participating, you agree to allow ILPA to list your organization on the [Diversity in Action initiative page](#) at ilpa.org; within periodic press releases related to the initiative; and in quarterly reports that detail newly joined organizations and best practices among Initiative participants.

**How can we become a participating organization?**

Once your organization has determined that you satisfy all four of the required criteria, and at least two of the nine optional criteria, please contact [diversity@ilpa.org](mailto:diversity@ilpa.org) to indicate your interest in being included. Interested parties will be invited to provide a submission detailing the elements of the framework they have in place, along with minimum detail on how they've implemented the elements indicated. Once submissions are deemed complete, signatories will be requested to authorize ILPA to list your organization's name among participating organizations in future communications, including the ILPA website.

Note that all information shared through the submission will be kept confidential. Observations coming out of the signatories' submissions will be used to inform a thematic analysis of emerging best practices that will be featured in our annual progress report.

ILPA will feature your organization as part of our ongoing communications about the initiative and will list your firm's name on the [Diversity in Action initiative webpage](#). Participating organizations are encouraged to make their own announcements and promotions regarding their involvement and are asked to work with ILPA Director of Strategic Communications, Megan Goodman ([mgoodman@ilpa.org](mailto:mgoodman@ilpa.org)) to coordinate these efforts.

**Is there a cost to participate as a signatory to the Initiative?**

In addition to meeting the initiative criteria to participate, GP and Fund of Funds signatories support the initiative through a modest annual fee that went into effect September 5, 2023, based on AUM. LP signatories provide support through their engagement and participation in ILPA's DEI initiatives, including DIA, and through their membership to ILPA.

<b>DIA Signatory Fee Structure for GPs and FOFs Beginning September 5, 2023</b>	
<b>Signatory's Total AUM (USD)</b>	<b>Annual Fee for Participating in DIA (USD)</b>
\$0 - \$2B	\$3,000
\$2B - \$10B	\$5,000
\$10B +	\$7,000

**Will the framework or reporting requirements change after launch or over time?**

No changes will occur without the engagement of all participating organizations; any changes made will be subject to extensive deliberation, and meaningful advance notice will be provided to participating organizations. ILPA will consider, in close consultation with ILPA's DEI Advisory Council and all participating organizations, changes that reflect an emerging consensus around specific activities that should be added or elevated over time.

**We have DEI initiatives in progress but aren't ready to endorse yet. At what point should we reach out to become a participating organization?**

Even if your organization is not quite ready to join the initiative, you are encouraged to reach out at any point if you would like to confer with others within the initiative network about best practices and implementation of specific activities. ILPA will endeavor to support you in navigating to resources that could be helpful as you advance your own diversity, equity and inclusion activities.

## **What if we operationalize additional criteria within the framework after signing on as a participating organization?**

If you would like to voluntarily provide information on newly implemented activities since joining the initiative, you are encouraged to communicate to the ILPA team, and we will update our records accordingly. With your permission, we will use that new information to inform the trends data provided in any forthcoming quarterly reports.

## **What will ILPA do with the information being collected from participating organizations about their DEI activities in place?**

Any details provided to ILPA on a voluntary basis will be held confidentially and used only to inform the analysis of trends regarding specific activities or best practices over time. Note that ILPA will *not* collect demographic information from participating organizations; this is data best shared directly between GPs and LPs. Participating organizations are welcome to suggest any new models or resources to share with the network and/or to be added to the [ILPA D&I Roadmap & Resources](#), a publicly available clearinghouse of information for LPs and GPs.

## **What is meant by “a statement or strategy, communicated publicly” in the context of the framework?**

Organizations take a range of approaches in communicating their DEI priorities, but, at minimum, signatories are willing to share their commitment to DEI through publicly available statements, framed as strategies or priorities. While policies are often internal-facing documents, signatories commit to making their policies available both to employees and to investment partners upon request.

## **What is meant by “goals” in the context of the framework?**

Organizational “goals” as indicated in the framework do not refer to prescriptive hard targets, i.e., quotas, but should reflect meaningful, measurable expressions of progress that are demonstrable through an organization’s recruitment and retention practices.

## **Are signatories obligated to use the ILPA Diversity Metrics Template for requesting or providing demographic data? Are signatory GPs required to provide this data to all their LPs?**

The [ILPA Diversity Metrics Template](#) is intended as a model for the request and capture of this information, but we acknowledge that LPs may request this data, or GPs may provide it, in a slightly different format. Signatory GPs are expected to provide this information to any LPs that request it, ideally in the format requested by their LPs.

**What is meant by “incorporating contributions towards advancing diversity and inclusion within employee performance reviews,” in the context of the framework?**

**While our organization meets the required criteria, we are careful in signing onto new initiatives or accepting new requirements as an entire organization. Can we still participate?**

Several participating organizations have found success in joining the initiative as a dedicated investment team or as a particular branch of the organization that satisfies the criteria. For examples, please refer to the list of signatories on the following page.

## **Questions?**

Please direct any further questions regarding the *Diversity in Action* initiative to [diversity@ilpa.org](mailto:diversity@ilpa.org).