

Preqin

Impact Report

2023



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Reader's note: The data reflects developments in 2023, while targets, initiatives and processes have been established and updated during 2024.

Foreword



**Christoph Knaack**

CEO
Preqin

**Jaclyn Bouchard**

EVP, Head of ESG
Solutions & Corporate
Responsibility
Preqin

Welcome to our 2023 Impact Report. At Preqin, we are driven by the positive impact we can have on our people, communities, and clients, and we ensure that our products and practices reflect that.

From developing market-leading ESG solutions and insights for the alternative assets industry, to embedding corporate responsibility principles in the way we work, we aim to accelerate sustainability in private markets and beyond. As part of our mission, we want to progress toward measurable environmental and social impact, and are pleased to share our achievements and areas of opportunity with you.

We recognize that our environment, societies, and global economy face unprecedented challenges, and so are committed to playing our part in driving positive change. Over the past few years, we have developed our strategic vision and built initiatives that support our focus areas across our planet, people, and products.

We have made significant strides already, thanks to the commitment and engagement of team members from across the company. We are excited about the progress made across our three Corporate Responsibility pillars.

Supporting a Sustainable Future

- We have continued our commitment to limiting environmental impact by achieving our rigorous medium- and long-term Science-Based Targets Initiative (SBTi) - a partnership to drive climate action in the private sector by setting carbon reduction targets for Scope 1 and 2 emissions.

Investing in our People

- During our second annual Community Impact Month we partnered with non-profit organizations around the world to support our local communities.
- We have further developed DEI initiatives across all regions to create an inclusive and supportive company culture.

Powering Inclusive Alternatives

- Continued delivery of data and insights to help our markets embed sustainability into their fundraising and due diligence.
- We have launched new products, including:
 - LP Past ESG Investments, showing GPs how an LP might align with their strategic priorities
 - Additional LP and GP affiliations, to showcase third-party memberships and commitments
 - Six new ESG-related fund tags for a more precise view of how investments have aligned with sustainability issues, enabling a targeted approach when fundraising
 - Company metrics: carbon, water, and employee
 - Risk analytics for infrastructure assets
 - Expanded coverage across all datasets in the ESG alternatives universe

We welcome your feedback

At Preqin, we aim to make the alternative markets more inclusive and accessible. We strongly believe that our clients should all have access to the information they need to make better investment decisions. As our business and the industry at large continue to grow, so too does our responsibility to our people, clients, and the communities we serve. We are proud to have made significant progress in becoming a responsible business, and this report is testament to our commitment to corporate responsibility.

There is always more work to be done. We welcome any feedback you may have at cr@preqin.com.

Together, we can increase our impact across the alternatives industry and create a more inclusive, equitable, and sustainable future.

Thank you for your continued support and partnership on this journey.

**Christoph Knaack**

CEO

Preqin

**Jaclyn Bouchard**

EVP, Head of ESG Solutions & Corporate Responsibility

Preqin

About Preqin



PREQIN

15

Global locations

1,416

Team members worldwide at the end of 2023

Preqin, the Home of Alternatives™, empowers financial professionals who invest in or allocate to alternatives with essential data and insight so they can make confident decisions.

We have pioneered rigorous private data collection methods for over 20 years because we are committed to increasing transparency in our industry. We believe that access to information leads to more investment in the ideas and infrastructure that build strong communities.

During 2023 we continued innovating to deliver best-in-class products and services, including the expansion of our ESG Solutions offering and the launch of our Asset-Level Benchmarks. Increasing our global presence, we established a new office in Bangalore, which officially opened in February 2023. It is now our largest office, with almost 400 team members. Looking ahead, Preqin is well-positioned to serve the increasingly sophisticated needs of our growing client base, while continuing to prioritize sustainable business practices and contributing to our local communities.

Colmore

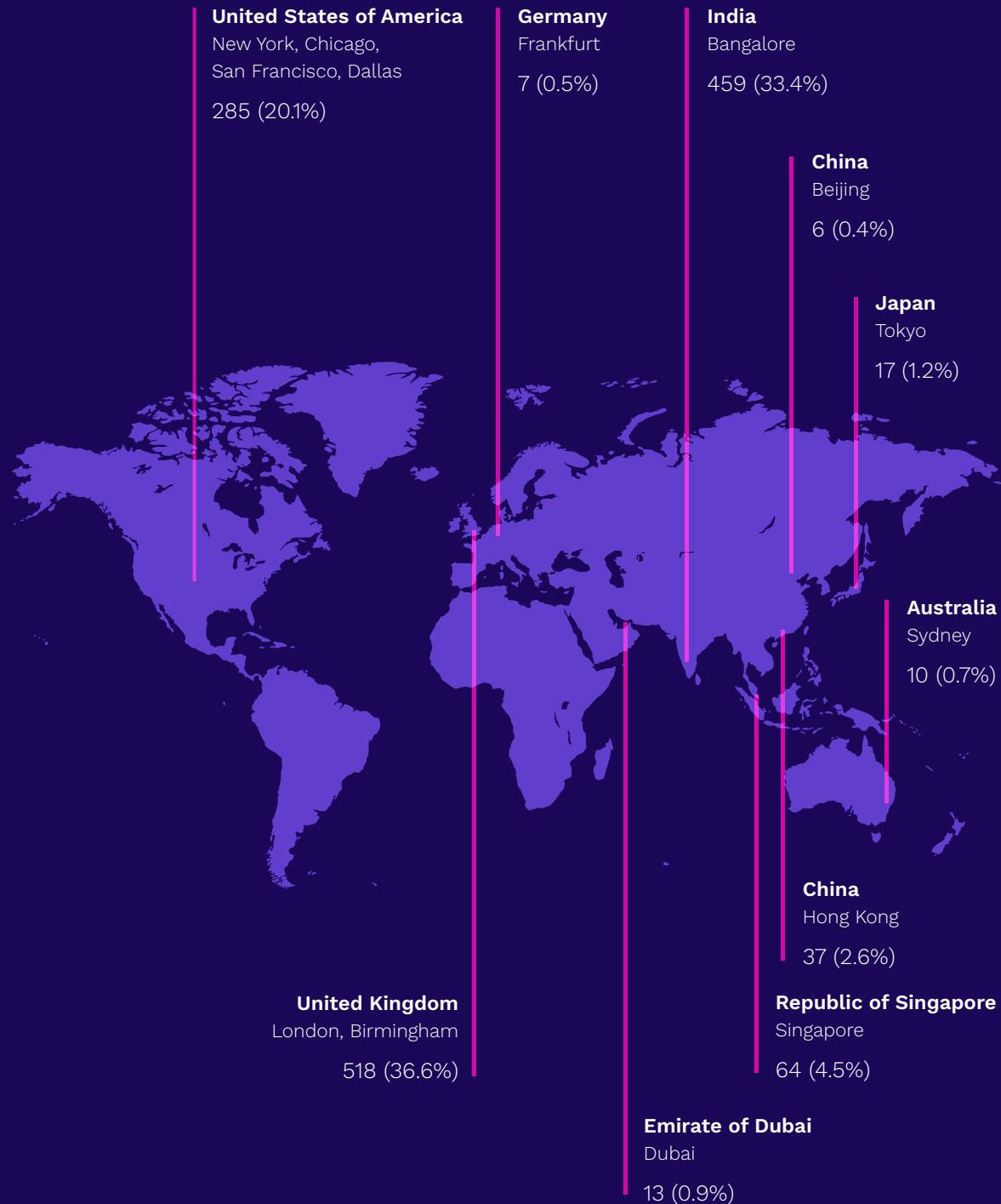
Preqin's Colmore business offers solutions such as portfolio monitoring, analytics, fee tracking and validation, and fund administration services for our LP and allocator clients. Working together, Preqin and Colmore serve clients across the private market investment lifecycle – from fundraising to due diligence and portfolio monitoring. Preqin has also enhanced its market-leading benchmarks. Clients of both companies can compare their performance against the industry's most accurate, up-to-date, and transparent benchmarks.

Our values

At Preqin, we are driven by our values. Everything we do aligns with the guiding principles we set for ourselves:

- **Be customer obsessed**
We exist for our clients. We listen to them and understand their challenges. We design best-in-class data solutions for their success.
- **Make an impact**
We drive positive change as individuals, and as a company. We are passionate about creating a better tomorrow for our industry and our communities.
- **Act with integrity**
We build trust through honesty and transparency. We are committed to doing the right thing for our clients, our company, and each other.
- **Own your success**
We are a high-performance team. We challenge and champion each other in our pursuit of excellence. We never stop learning and strive to become experts in our fields.
- **Think forward**
We lead the industry through innovation. We foster collaboration and creativity to solve our clients' next challenge and give them a competitive advantage.

Fig. 1: Preqin team members by location



Total number of employees: 1,416

Source: Preqin

Our approach



Making a difference is a fundamental value that we uphold. We are proactive in promoting positive and sustainable transformation, both as individuals and as an organization. This underpins our passion for creating a better tomorrow for our industry and our communities.

Preqin's corporate responsibility strategy

Preqin's Corporate Responsibility (CR) mission is to accelerate sustainability within the alternatives industry by focusing our business and unique capabilities on the needs of private markets and society more broadly. We achieve this by developing data-driven ESG solutions and insights that empower informed decisions, and by actively embedding ESG principles into the way we work.

We are committed to integrating CR into the fabric of our company by continuously considering the environmental, social, and governance impacts of our business on all stakeholders - including employees, customers, suppliers, and communities.

Our CR strategy is founded on three central pillars:

Fig. 2: Preqin's corporate responsibility pillars



Environmental sustainability

What is the Science Based Targets initiative (SBTi)?

The SBTi provides a clearly defined pathway for companies to reduce greenhouse gas (GHG) emissions in line with the Paris Agreement goals, with a goal to prevent the worst impacts of climate change and future-proof business growth.

Scopes 1, 2, and 3 categorize the different kinds of carbon emissions a company creates in its own operations and its wider value chain.

Not only is reducing Preqin's environmental impact the right thing to do, but it also informs how we engage with key stakeholders, including our team members, clients, and lenders, as well as external partners. Together we can address issues like global warming more effectively.

Our science-based targets

In 2022, Preqin's science-based targets were validated by the Science Based Targets initiative (SBTi). This is an important step toward reducing greenhouse gas (GHG) emissions and contributing to the global effort to address climate change. By setting science-based targets, we are aligning our emissions reduction efforts with the latest climate science, which is crucial for achieving the goals of the Paris Agreement and keeping global warming below 1.5°C. To find out more, visit the SBTi website.¹

Preqin's targets encompass our global carbon footprint and take into account both direct and indirect emissions across Scopes 1, 2, and 3.

Using 2021 as a baseline year, our science-based targets commit us to:

- Reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030.
- Reduce Scope 3 GHG emissions by 48% per value added by 2030.

Tracking our 2023 GHG emissions

Figs. 3 and 4 show that our overall reported GHG emissions increased in 2023 for a combination of reasons:

- In 2023, the combined revenues of Preqin and Colmore grew by 72% compared to the baseline year of 2021, which increased business activity and Scope 3 GHG emissions. As the company continues to grow, reducing Scope 3 emissions will be a particular priority.
- Preqin added a new energy efficient office space in Bangalore while our existing offices in London, New York, Chicago, San Francisco and Sydney renewed and maintained their BREEAM, LEED, WELL, and Fitwel green building certifications. Preqin continues to lease offices with similar green building features as it grows globally and meets SBTi targets for Scopes 1 and 2.
- In 2023 Preqin moved the smaller office locations in Sydney, Tokyo, and Frankfurt from Scope 3 to the Scope 1 and Scope 2 greenhouse gas emissions calculations.
- Scope 1 emissions in 2023 slightly increased due to usage of the back-up generator in London and Bangalore office locations.
- Location-based Scope 2 emissions from electricity use increased from 2022 to 2023, primarily across the APAC regions, according to emissions data from the newly reported offices in Bangalore, Sydney, and Tokyo.

¹ <https://sciencebasedtargets.org/companies-taking-action/>

- Market-based Scope 2 emissions in 2023 were zero, due to the supply of renewable electricity for London, New York, and San Francisco offices as well as Preqin's additional Renewable Energy Certificate (REC) purchases for 2023 for the balance of global Scope 2 emissions.
- Due to a decrease in travel-related expenses, Preqin's Scope 3 emissions from business travel declined in 2023.

We continue to work toward reducing our GHG emissions. In 2023, we plan to increase the amount of actual Scope 3 emissions versus estimated numbers for more accurate tracking and reporting. We will do this through a supplier engagement initiative that launches this year.

Fig. 3: Preqin GHG emissions tracker

	Emissions (mtCO2e)					
	2018	2019	2020	2021	2022	2023
Scope 1 emissions						
Total Scope 1 emissions	213	209	194	34	0	4
Americas*	0	0	0	0	0	1
EMEA	213	209	194	34	0	2
APAC*	0	0	0	0	0	1
Scope 2 emissions - location-based						
Total location-based Scope 2 emissions	264	289	207	197	230	534
Americas	71	80	63	89	109	116
EMEA	161	138	73	81	97	77
APAC	32	71	71	27	24	341
Scope 3 emissions						
Total Scope 3 emissions	313	356	113	6,092	12,902	14,075
Purchase goods and services	NA	NA	NA	4,178	7,901	8,880
Capital goods	NA	NA	NA	833	1,657	1,949
Business travel	160	321	80	60	364	267
Employee commuting	NA	NA	NA	1,020	2,975	2,975
Processing, use and EOL of sold product	153	35	33	1	5	4
Total Scope 1, 2 & 3 emissions						
Total Scope 1 & 2 emissions	477	498	401	231	230	538
Total Scope 1, 2 & 3 emissions	790	854	514	6,323	13,132	14,613

Source: Preqin

*The 2022 Scope 3 emissions were reduced further by additional carbon offsets purchased. Preqin discontinued utilizing carbon offsets starting 2023 but will continue to meet its SBTi commitment for 100% renewable electricity by purchasing RECs for Scope 2 emissions.

Fig. 4: Preqin emissions after offsets and renewable energy certificates

Emissions after offsets & RECs	Emissions (mtCO2e)					
	2018	2019	2020	2021	2022	2023
Scope 1 emissions						
Total Scope 1 emissions	213	209	194	0	0	4
Americas*	0	0	0	0	0	1
EMEA	213	209	194	0	0	2
APAC*	0	0	0	0	0	1
Scope 2 emissions - market-based - RECs						
Total location-based Scope 2 emissions w/RECs	264	289	207	0	0	0
Americas	71	80	63	0	0	0
EMEA	161	138	73	0	0	0
APAC	32	71	71	0	0	0
Scope 3 emissions - offsets						
Total Scope 3 emissions	313	356	113	5,819	12,162	14,075
Purchase goods and services	NA	NA	NA	3,966	7,530	8,880
Capital goods	NA	NA	NA	833	1,657	1,949
Business travel	160	321	80	0	0	267
Employee commuting	NA	NA	NA	1,020	2,975	2,975
Processing, use and EOL of sold product	153	35	33	0	0	4
Total Scope 1, 2 & 3 emissions - offsets & RECs						
Total Scope 1 & 2 emissions	477	498	401	0	12	4
Total Scope 1, 2 & 3 emissions	790	854	514	5,819	12,174	14,079

Source: Preqin

Our environmental initiatives to reduce GHG emissions

We continue to implement numerous initiatives to reduce our carbon footprint and foster environmentally responsible decisions among our teams. Some examples include:

Our offices

We actively seek out sustainable office buildings. This is to minimize the impact of our operations across all our offices, including our London headquarters, which has received several green certifications. Others include:

- BREEAM and ISO 14001 certification for our London headquarters
- LEED O+M Gold certification for our San Francisco office
- WELL and Fitwel 2 Stars certification for our New York office
- WELL Gold certification for our Chicago office

Our supply chain

To promote environmental sustainability and compliance with relevant laws, regulations, and standards, we have established a Supplier Code of Conduct that requires suppliers to operate in an environmentally responsible manner. What's more, we will launch a Supplier Sustainability Survey in 2024 to monitor and track emissions by our supply chain.

Travel

In line with our commitment to reducing GHG emissions, we have established definitive guidelines in our Environmental Policy and Travel Policy and review them regularly. We ask team members to be mindful of the environmental impact of travel and commuting, and to make decisions aimed at minimizing that impact.

Current initiatives include:

- Incentivizing low-carbon commuting through our Cycle to Work scheme in London and providing benefits to team members who use public transport
- Encouraging low-carbon options for business travel
- A UK electric car scheme where team members can save money while choosing a sustainable option

Diversity, equity, and inclusion

In 2023 Preqin sustained its focus and commitment in its DEI journey.

Many events celebrate our confidence that we act with integrity, and embody our values while fostering collaboration between our diverse community groups. Yet there is still more to improve and refine.

We are committed to long-term equity and a deep sense of belonging for our people, and we believe DEI is crucial for a positive and inclusive workplace culture.

We continue to integrate DEI into everything we do, challenging bias in our recruitment processes, using diverse thought leadership in our learning experiences, and bringing diverse views and opinion together for our recognition and events.

Our local DEI committees remain key parts of our core geographies and are growing. They provide awareness on key topics across our business, celebrate and recognize important events in the diversity calendar, and continue to be a safe space of belonging for our under-represented groups. Since its launch in 2020, the Steering Committee for DEI continues to seek direction and counsel from our CEO Christoph Knaack. Its five pillars are:

1. Community engagement
2. Mentorship and development
3. Mental health advocacy
4. Education and awareness
5. Hiring diverse talent

Establishing the Committee means greater support for Employee Resource Groups (ERGs) across Preqin. The Committee gives voice to team members globally and communicates that directly to leadership, focusing on personal and professional development, and demonstrating advocacy across all levels of management.

In 2023 the regional DEI committees engaged in some fantastic activities centered around our communities, including:

- Mental Health Workshops - Conducted for APAC and India by two psychologists to share awareness and tools on distress management in a workplace.
- Global Pride Month Celebration - Celebrated Pride colors across our social media platforms and intranet, alongside blog posts from our LGBTQ+ community and external speakers.
- Cultural Festivity Celebrations - Celebrated Onam, Diwali, and India Independence Day, as well as the period of Ramadan. The celebrations featured traditional meals and customs.
- Community Impact Month and Wellness Month - Partnered with Magic Bus (an NGO for child education focused on providing support and academic rigor for children living below the poverty line, as well as Shelter in the UK. Wellness month centered on self care and mental wellness for all.

Employee Resource Groups

ERGs are run by Preqin team members who volunteer their time. These groups help foster a diverse and inclusive workplace, where feedback is heard and acted upon. They bring together people from across the business and form safe spaces where colleagues and the broader community can comfortably share their experiences.

ERGs enable an inclusive culture and sense of belonging. They present opportunities for team members to network with peers across the business, participate in training and awareness sessions, and grow their communication and leadership skills. They also nurture a sense of intercultural community across the business.

Pay equity and gender pay gap

In 2023, we reported our UK gender pay gap data in line with the UK's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. For more information on gender representation, please refer to Gender Representation at Preqin on our website.²

To make progress in truly closing the gender pay gap, Preqin has implemented a range of measures. These include:

- Conducting a comprehensive review of our compensation practices to ensure that they are fair and equitable.
- Promoting gender diversity in hiring and promotion – our Promotion Process and Policy Document, launched in October 2022, ensures that we are fair and transparent.
- Providing regular training for team members on unconscious bias and gender equality.
- We will be launching our new Career Architecture Framework in 2024 globally, which will provide a more transparent and equitable structure for all our people moving forward. It will form the foundation of our global compensation structure, to ensure consistent pay practice.

We continue to monitor and report on the gender pay gap and take action to close it. In this way we can create a more inclusive and equitable workplace for all team members.

Talent attraction and development

Driving inclusion through talent attraction

We train all our hiring managers and interviewers to understand and identify any unconscious bias they may have, as well as how to control it in some locations. We aim to roll this out globally in 2025.

We reduce the potential for bias during the interview by assessing candidates on technical skill sets and behavioral attributes.

When it comes to family leave, we have introduced a flexible, gender-neutral, and hybrid-working policy following the birth or adoption of a child. We aim to set the standard for gender equity in our industry, and our four-month fully paid leave exceeds the industry benchmark in many of our markets.

² <https://www.preqin.com/gender-representation-at-preqin>

Investing in our people

Our culture of continuous learning and coaching-led management enables team members to build their careers. We support new joiners with industry-related and role-specific training, which includes an overview of the alternatives industry, as well as on-the-job training. Additionally, we conduct regular performance evaluations to provide constructive feedback and set individual development plans.

We also encourage team members to take ownership of their own learning and development, supporting them to identify areas for growth, seek relevant training opportunities, and share their knowledge and skills with others. To ensure our approach works, we regularly gather feedback from team members and make adjustments as needed.

Our development programs include:

- A generous study support allowance for all team members to spend on professional development.
- Additional support for those who would like to pursue a professional qualification with the Chartered Alternative Investment Analyst (CAIA) Association, or as a Chartered Financial Analyst (CFA).
- Growth tools and learning for managers in the form of tailored programs for new and upcoming leaders, due for re-launch in 2024.

In March 2023 Preqin became a signatory in the UK to the Women in Finance Charter. By signing this pledge, we have demonstrated our commitment to work toward gender balance across the financial industry, and with a goal that women occupy 45% of our leadership roles by December 2030.

Tracking our progress

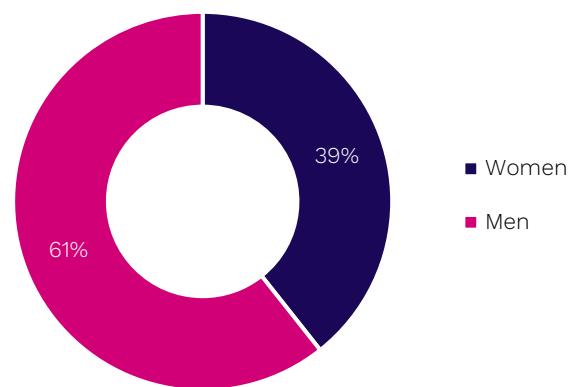
Preqin is committed to reducing barriers to growth for everyone in our organization, regardless of gender, race, color, religion, sex, sexual orientation, or any other factor.

Our 2024 Women in Alternatives³ report found that 21.8% of people working in alternative assets roles identify as women. While this represents a slight increase from the previous year, women are still significantly under-represented in our industry. It's even more evident in senior-level roles, where the percentage drops to just 14.7%.

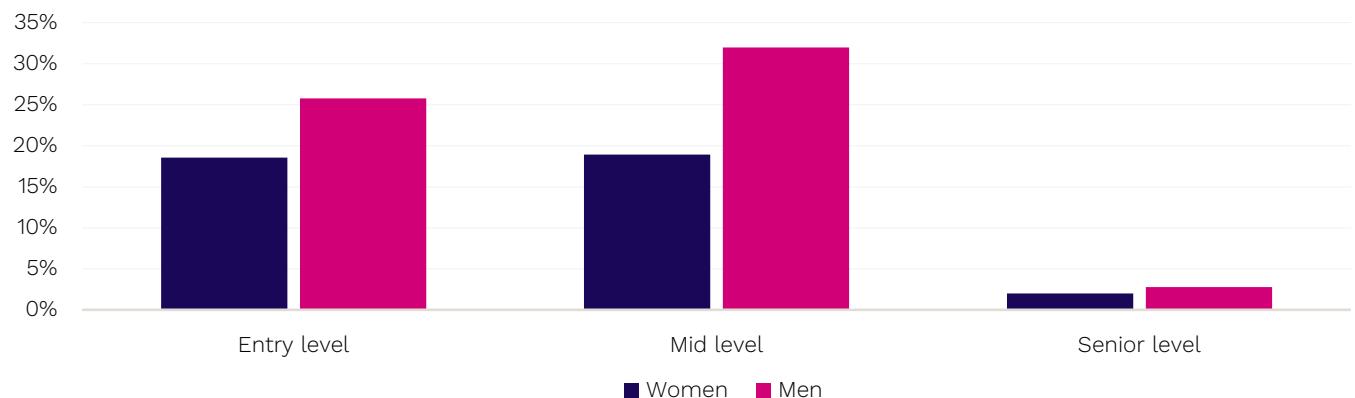
At Preqin, we're committed to advancing gender equity and compared with the wider alternatives market, at 39%, women represent more of our global workforce than the industry average. Additionally, 30% of our senior managers are women.

The charts that follow demonstrate how our DEI is tracked globally through key metrics, including gender, age, and ethnicity. We share this data regularly with our team members to keep them informed of our progress on DEI, and to demonstrate the importance of creating a positive and inclusive workplace culture.

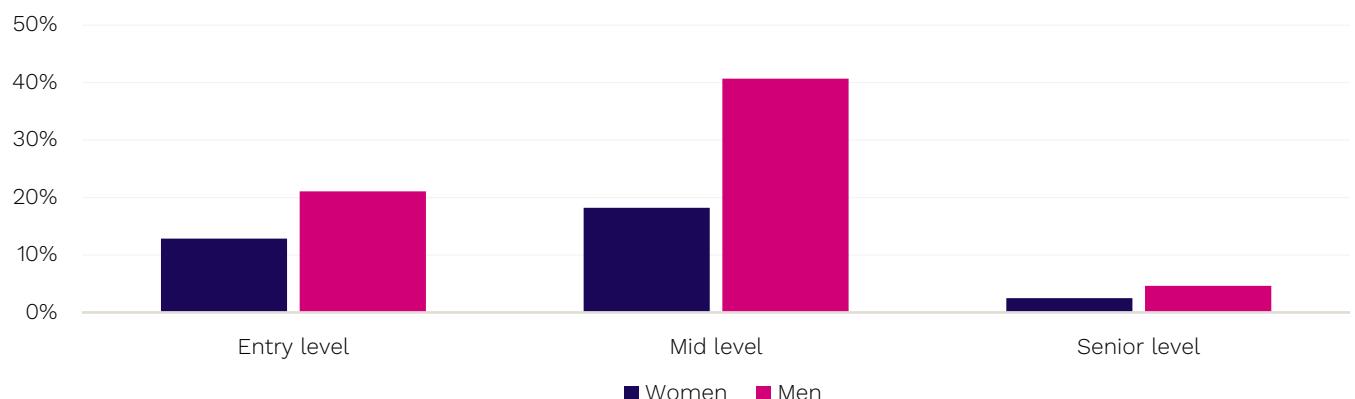
³ <https://www.preqin.com/insights/research/reports/women-in-alternatives-2024>

Fig. 5: Proportion of global team members by gender

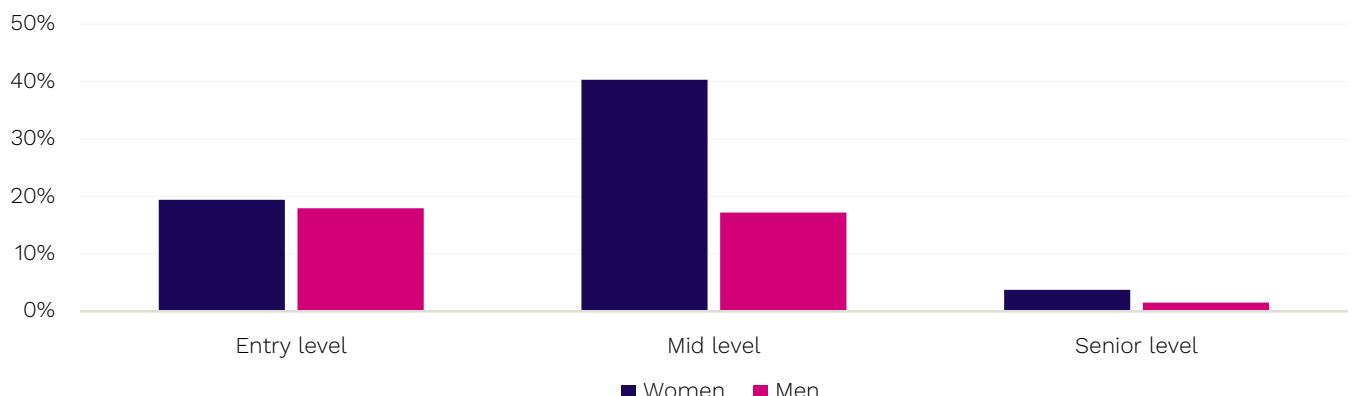
Source: Preqin

Fig. 6: Global proportion of team members by gender and seniority level

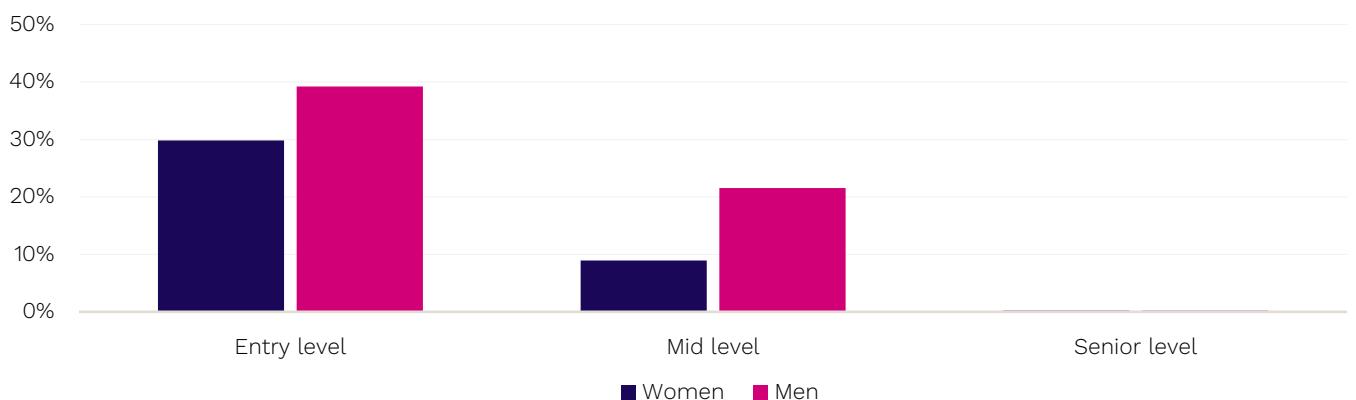
Source: Preqin

Fig. 7: Proportion of team members by gender and seniority level, Americas

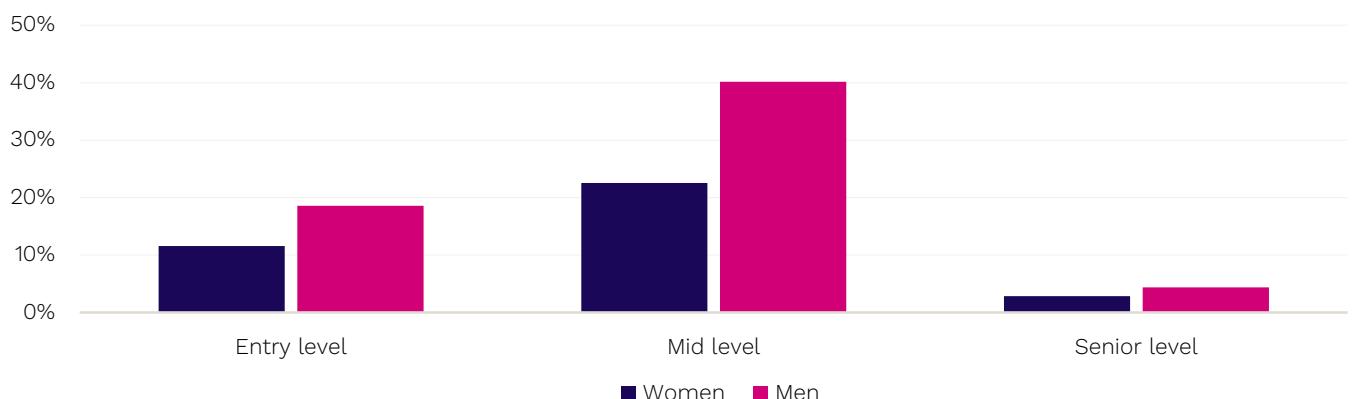
Source: Preqin

Fig. 8: Proportion of team members by gender and seniority level, APAC

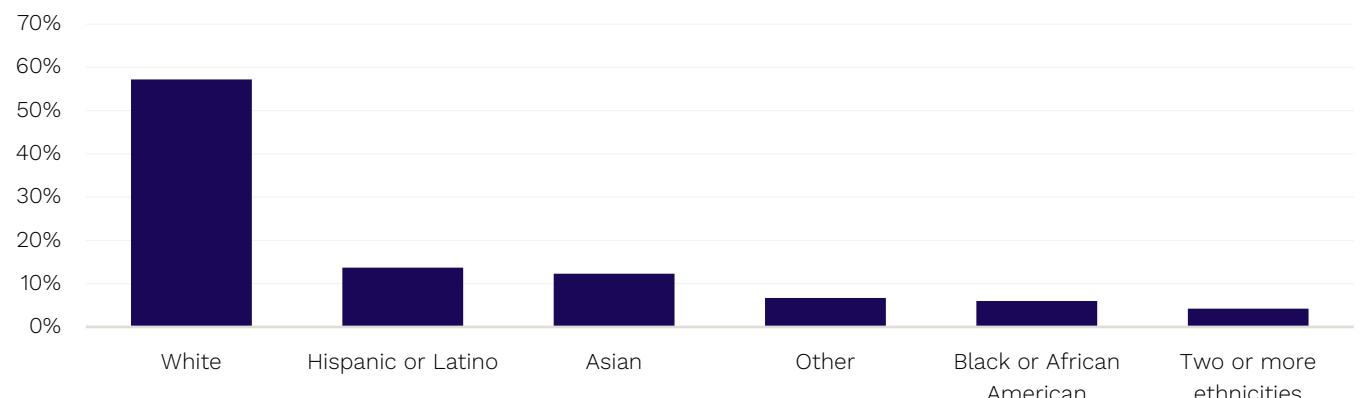
Source: Preqin

Fig. 9: Proportion of team members by gender and seniority level, Bangalore

Source: Preqin

Fig. 10: Proportion of team members by gender and seniority levels, EMEA

Source: Preqin

Fig. 11: Ethnicities in our US office, as a proportion of total employees

Source: Preqin

Community impact

18

Organizations supported

250

Preqin volunteers

700+

Hours spent volunteering

We are passionate about effecting positive change in our industry and the communities we serve. Below are a few examples of our community impact initiatives.

Supporting the next generation

By partnering with non-profit organizations we support the next generation, bringing diverse talent into our industry and closing the global STEM skills gap. For example, we participate in the Women in Private Debt Forum, which connects women in senior positions working in the private credit market and focuses on the latest trends and developments. We also work with Seizing Every Opportunity (SEO), which provides mentoring and opportunities to high-achieving young people from ethnic minority backgrounds. By providing SEO with our data and expertise for its Alternative Investments Program, we help students develop the skills they will need for the workplace.

We also support the Private Markets Investments Programme at Oxford University by offering data and expertise to bridge the ESG skills gap in the investment sector and encourage a more sustainable approach.

Preqin Academy

At Preqin, we believe that the finance industry is most robust when it represents all viewpoints, considers all talents, and provides everyone with access to education. That's why we created Preqin Academy, a free online resource that targets early-career professionals, students, and individuals who want to learn more about the alternative assets industry. We explore each asset class and investment strategy, and offer a specialized ESG section.

Preqin's Community Impact Month

Our colleagues celebrated our second annual Community Impact Month which took place in October 2023. Hundreds of Preqin and Colmore team members from all over the world stepped away from their desks and engaged with projects in their local communities, including FEAST in London, Project Open Hand in San Francisco, Magic Bus in Bangalore, and Nourishing Hope in Chicago.

Matched giving

Over the years, we have found that matched giving is a simple yet effective way to engage our team members and amplify our impact by supporting those in need.

Our most recent campaign included matching up to £50,000 in donations to Israel and Gaza to aid those in need in the region. Our donations went directly to the charities on the ground, including the British Red Cross, Save the Children, and Doctors Without Borders.

Preqin also participated in the International Day of Giving in November 2023 by matching employee donations up to £20,000. We engaged colleagues globally to identify charities that are important in their regions and donated to:

- The Asia Foundation – committed to improving lives and expanding opportunities across Asia and the Pacific region
- Peace Winds – providing support to people who are threatened by conflicts and disasters, both domestically and internationally
- Conservation – working across the Asia-Pacific region to protect the nature that humanity depends upon

Responsible business

At Preqin, we value integrity and prioritize trust by being honest and transparent with team members, clients, and communities. Being a responsible business is core to our sustainability strategy.

Governance and business ethics

Our governing body consists of two entities: the Board of Directors and the Executive Committee. The Board of Directors is composed of individuals with extensive knowledge of our enterprise and industry, including individuals with executive- and board-level experience in prominent businesses. The Board has ultimate responsibility for making decisions that relate to our company, including strategy, performance, accountability, and stakeholders. It comprises seven members, four of whom are non-executive directors, with a gender distribution of 29% female and 71% male. On average, Board members serve for a period of seven years and three months, and they convene a minimum of four times a year.

The Board of Directors has established two sub-committees:

- The Audit Committee oversees the annual financial statements, external auditors, risk management (including cyber risk), and internal controls. It is composed of two Board members, and representatives from the company attend as necessary.
- The Remuneration Committee ensures that executive compensation is in line with our corporate values and long-term objectives. It consists of two Board members.

Preqin's Executive Committee is made up of eight senior leaders who oversee the critical business functions and are accountable for implementing the Board's performance and strategic plans. They convene at least once a week. The CEO serves as the Executive Committee's representative on the Board, while other members of the Committee participate in Board meetings based on the agenda.

ESG oversight and codes of conduct

Both the Board and the Executive Committee oversee Preqin's corporate responsibility strategy, which encompasses DEI and ESG. The Executive Committee established Preqin's ethics principles through our Code of Conduct and company values, which apply to all our operations and shape our outlook on our business and team members. This includes ethical standards, such as modern slavery statements, anti-bribery, accounting and financial reporting principles, as well as safeguarding our team members' rights to a safe and inclusive working environment.

Wellbeing, health, and safety

We understand the importance of prioritizing health and wellbeing and are committed to empowering our team members to take care of themselves.

Focus on wellbeing

To provide the best possible assistance to our team members, we continually assess and enhance our support system, taking into account physical, mental, and emotional wellbeing.

Wellbeing initiatives include:

- A confidential assistance program with accredited counsellors available 24/7, 365 days a year to provide private support on mental wellbeing, health advice, bereavement, legal, and financial matters.
- Trained Mental Health First Aiders in each region, who can provide initial support and signpost the appropriate resources.
- Resources to promote better mental health, such as yoga classes, mindfulness exercises, and workshops covering topics like managing menopause symptoms in the workplace.
- Regular surveys so we can understand the difficulties faced by our team members and identify the required support.

Health and safety

Preqin has strict occupational health and safety policies that undergo regular audits. Internal audits are carried out by the Global Head of Estates, while external audits of fire risk assessments are conducted by Scutum, a BAFE SP205-accredited company whose staff consists of current or ex-members of the Fire Service.

Each of Preqin's global offices has health and safety officers, fire marshals, and first aiders, with Institution of Occupational Safety and Health accreditation provided for the health and safety officers in London. All team members are expected to report accidents immediately to comply with local regulatory requirements. Quarterly internal risk assessments identify potential or existing workplace hazards and develop action plans to address them. We also conduct separate annual risk assessments for pregnant team members as required by the regulations.

Our new joiner induction includes extensive health and safety information, and we provide annual health and safety training updates to ensure that everyone has the necessary information as circumstances evolve.

Risk management

Preqin's legal function is responsible for monitoring and managing non-commercial risks across the business, including business continuity, cyber, data privacy, financial control, HR, and legal risks.

Regular Risk Committee meetings are held on a cross-functional basis to review risks and propose mitigating actions. The Risk Committee presents a quarterly overview of current risks and actions to the Audit Committee of the Board of Directors of Preqin Holding Limited.

Data privacy

As a data business, it is crucial that our operations are secure and comply with relevant regulations.

With international data regulations constantly evolving, the Executive Committee established a dedicated Data Privacy team in 2021 to keep our many datasets compliant. Reporting to our General Counsel, this team reviews and augments our Data Protection program to meet the highest standards of personal data compliance globally.

The team is assisted by a network of data privacy champions in all relevant departments across the business, who escalate potential and emerging risks, and cascade relevant information and projects as the need arises. Our Data Privacy team collaborates closely with our Information Security team, especially on third-party due diligence, from data protection agreement reviews to assessments.

All team members receive annual data privacy training, and all new starters are trained during the onboarding process. Additionally, all team members are under a contractual duty of confidentiality.

Cybersecurity

Data security at Preqin is critical. Our data security regime and measures are designed to engender trust among all stakeholders, from clients and suppliers to colleagues. We ensure that Preqin's Board and Audit Committee receive quarterly updates on information security risks and associated initiatives.

Management structure

Our Chief Information Security Officer, who reports to the Chief Technology Officer (CTO) and the Audit Committee, leads the Information Security team. The CTO is a member of the Executive Committee, which is responsible for day-to-day risk management. Preqin's Head of Information Security leads our cybersecurity program, a function that now comprises eight globally dispersed team members and continues to grow.

Preqin has maintained SOC2 Type II compliance since December 2021, which demonstrates that we have implemented a comprehensive system of controls to ensure the security, confidentiality, and availability of our systems. To ensure integrity, SOC2 Type II audits can only be performed by independent Certified Public Accountants (CPAs) and audit firms commissioned by the American Institute of Certified Public Accountants (AICPA).

Operations

Information Security works closely with a number of teams, including:

- Global People teams to ensure all team members receive the necessary security training.
- The Privacy team to ensure we have a cohesive program of defense, which meets both privacy and security needs.
- The Legal team to ensure supplier contracts are executed with appropriate security protections.
- Sales teams to support completing client security assessments.
- Third parties that test our client-facing products and networks for any weaknesses in our cybersecurity.
- Security software and service providers that support our key defensive capabilities.

In our industry, cybersecurity threats are an occupational hazard. The geopolitical landscape in the past couple of years has seen an escalation in malicious activities. We continuously monitor the landscape, which enables us to calibrate our defenses to mitigate new threats as they arise.

When incidents occur, we respond swiftly to minimize impact. We learn from these incidents to refine our formal cyber incident processes, reducing future risk. As part of this, we review our technology supply chain on an ongoing basis to evaluate any potential third-party risks in delivering our products and services.

Measuring our performance

Information Security has key performance indicators and goals set to a three-year horizon. Each year's goals reflect a maturity gain toward the ultimate target, with progress reported to the Audit Committee bi-annually.

Information Security's targets pertain to:

- Reducing security incidents
- Improving 'time to detection' of security issues
- Documenting and testing Business Continuity Plan(s)
- Improving control maturity against the ISO 27001 framework

Preqin ESG Solutions

Powered by Preqin data



PREQIN

The global ESG landscape

There is a lack of accurate and reliable data in private markets in general and when it comes to ESG this data has been practically non-existent.

While fund managers and investors commonly make ESG commitments, data is often lacking to follow through on them, particularly when there is no set standard for clearly communicating progress against stated targets.

Over the past few years there has been a huge need for ESG and sustainability data and metrics across asset classes, and ESG factors are increasingly being embedded into every part of the investment process. Referring to these factors not only allows investors to make more informed and conscious decisions when screening investments and companies, but also helps them evaluate the way they do business and ensure their business operations are geared toward the future.

With **Preqin ESG Solutions**, our mission is to support sustainability in alternatives markets with trailblazing ESG datasets that engender transparency and pave the way for our customers to integrate ESG seamlessly into their workflows. With this data, we unlock for our clients the power of crucial non-financial data points, thus enabling them to make confident future-resilient decisions.

The Product

Preqin ESG Solutions are the alternatives industry's most comprehensive ESG data, analytics, and insights with ESG data available at the LP, GP, fund, and asset levels. Alternative assets professionals rely on Preqin ESG Solutions to make confident and sustainable data-driven decisions throughout the investment lifecycle.

We serve investors by providing ESG metrics for their two most important use-cases – fund sourcing and investment due diligence. We serve GPs by providing ESG metrics to inform fundraising and capital deployment decisions. We serve service providers with insights to support business development and competitor analysis.

Powered by Preqin data, the industry's trusted database of alternative assets decision-makers, Preqin ESG Solutions gives you visibility and access to the key market players.

- Depth of Preqin's ESG data coverage:

LP-level data

Our LP-level data includes the following ESG metrics:

- **Management indicators**
- **Past ESG investments**
- **LP ESG mandates**
- **ESG affiliations & memberships**
- **ESG contacts**

GP-level data

Our GP-level data includes the following ESG metrics:

- **Management indicators**
- **GP regulatory disclosures**
- **ESG affiliations & memberships**
- **ESG contacts**
- **SASB risk map**
- **Risk exposure estimates**
- **Impact potential**

Fund-level data

Our fund-level data includes the following ESG metrics:

- **Fund labels**
- **Risk exposure estimates**
- **SASB risk map**
- **Impact potential**

Asset-level data

Our asset-level data includes the following ESG metrics:

- **Carbon metric estimates**
- **Water metric estimates**
- **Employee metric estimates**
- **SASB risk map**
- **Risk exposure estimates**
- **Impact potential estimates**

Framework & standards

Our ESG data aligns with all leading frameworks and standards

- United Nation Sustainable Development Goals (**UN SDGs**)
- Sustainability Accounting Standards Board (**SASB**)
- European Union Sustainable Finance Disclosure Regulation (**EU SFDR**)
- Institutional Limited Partners Association (**ILPA**)
- Task Force on Climate-Related Financial Disclosures (**TCFD**)
- Principles for Responsible Investment (**PRI**)
- **CDP** Disclosures Insight Action
- **EU Taxonomy**

Thought Leadership content

Subscribers to our ESG Solutions can access:

- Insights+ subscription
- ESG reports
- ESG research notes
- Exclusive ESG events and webinars
- ESG news
- Preqin First Close newsletter

- Breadth of ESG data coverage:

Sustainability strategies, policies, and commitments of:**19k+**

investors

49k+

fund managers

36k+

funds

Risk exposure estimates of:**250k+**

portfolio companies

33k+

funds

Impact potential estimates of:**3k+**

portfolio companies

2k+

funds

Carbon metric estimates of:**190k+**

portfolio companies

Water metric estimates of:**190k+**

portfolio companies

Employee metric estimates of:**230k+**

portfolio companies

Past ESG Investments of:**2k+**

investors

Number of key ESG contacts:**5,300+****Number of ESG affiliations & memberships****37**

- Pioneering ESG data collection:
Our accurate and timely data comes directly from Preqin clients and market players. Our experienced research team leverages the strong client relationships we've built over two decades to bring our clients actionable insights. This is further scaled by our data-science engine to speed up ESG integration at every stage of the investment lifecycle.
- Customer support:
Our dedicated customer success team supports firms around the clock from our offices globally. With expert knowledge of Preqin's ESG data and solutions, the team assists clients on their ESG journey. Whether product training or custom ESG data requests, client satisfaction is our primary goal.

ESG community

In 2023, our ESG team facilitated knowledge sharing and market engagement across the broader alternatives market, and more specifically within the ESG community through numerous initiatives, as detailed below:

- In-person ESG **roundtables**, hosted in San Francisco, New York, Paris, and London, featuring senior ESG alternatives experts. The focus was on emerging ESG trends, best practices, market sentiment, industry developments, and more.
- Online ESG webinars, hosted throughout the year with expert speakers and panelists from the alternatives industry.
- Virtual ESG product feedback 1:1 **interview calls** with Preqin's ESG product team to gather feedback and suggestions on new and upcoming product updates and the strategic product roadmap so that we remain at the forefront of industry development. The interviews involved some of the largest fund managers and investors globally, collectively representing \$3.4tn in assets under management, alongside academics with expertise in ESG and private markets. Based on these interactions, we continue to build a product that aligns with industry need and its understanding of ESG.
- Preqin **Expert Voices** is a global network of alternative asset professionals we invite to share their in-depth industry knowledge, ideas, and opinions covering a wide range of topics within the alternatives sector.
- Preqin published its annual '**ESG in Alternatives**' report in June 2023, drawing on our ESG solutions data and commentary from our expert partners.

We also participated in a series of industry ESG conferences, webinars, and events to encourage knowledge sharing and to advance the global ESG conversation. These include:

- Alternative Investment Management Association (AIMA) - an in-person ESG data session during their London conference
- American Investment Council (AIC) - partnership webinar based on ESG themes
- VentureESG – an in-person partnership roundtable based on ESG themes
- ESG investment leader – partnership webinar based on ESG themes
- Sustainable Investment Strategy Summit (SiS) London - an in-person ESG data session during its London conference
- UK Sustainable Investment & Finance Association (UKSIF) - an in-person ESG data panel discussion during its London conference
- GreenFin 2023 - an in-person ESG data panel discussion during the organization's Boston conference

Collaborations and partnerships

We continue to participate in ESG policy consultations to ask the most relevant questions and bring the essential concerns to ongoing, macro-level ESG discussions.

- Impact Institute: Preqin partnered with Impact Institute to revolutionize the landscape of sustainability data available in private markets. The common long-term goals of Preqin and Impact Institute center around making sustainability data an integral part of the deal sourcing and screening workflow for private asset professionals. The Partnership's strategic objectives include:
 - Expansion of impact data in alternatives: Integrate the Global Impact Database (GID) seamlessly into asset-level deal-sourcing analysis and initial due diligence, making sustainability data available to the alternative markets for the first time.
 - Commercial success: Establish the joint product as the best-in-class solution for investment teams, attracting subscribers and expanding the user base.
 - Robust solution: Easy to understand and beneficial product, supported by a transparent methodology, fostering trust and reliability among users.
- ITN Business: Preqin partnered with ITN Business on a COP28-focused initiative and in collaboration with Abrdn and UltraCapital called 'Sustainable Solutions Towards Net Zero'. It is a news-style program that delves into the collective commitment of organizations to combat climate change through innovation, collaboration, and a unified vision. We discussed how Preqin is championing sustainability, propelling transformative change, and spearheading the journey toward a net-zero future. The program featured Christoph Knaack (CEO, Preqin) and Jaclyn Bouchard (Head of ESG Solutions, Preqin), among others.
- SRAC - Participated in the public consultation on turning climate ambition into action in Singapore. The initiative plays a pivotal role in promoting the transparency of sustainability data, especially as it relates to climate change, across the region.)⁴

We also continue to work closely with the following organizations:

- Financial Conduct Authority (FCA)⁵
- IFRS⁶
- Taskforce on Nature-related Financial Disclosures (TNFD)⁷
- Green Finance Industry Taskforce (GFIT)⁸

⁴ <https://www.reach.gov.sg/Participate/Public-Consultation/Accounting-and-Corporate-Regulatory-Authority/public-consultation-on-turning-climate-ambition-into-action-in-singapore-recommendations-by-the-sustainability-reporting-advisory-committee#:~:text=The%20public%20consultation%20will%20run,the%20Singapore%20Green%20Plan%202030>

⁵ <https://www.fca.org.uk/publication/consultation/cp22-20.pdf>

⁶ <https://www.ifrs.org/projects/work-plan/ifrs-sustainability-disclosure-taxonomy/proposed-taxonomy-cls-ifrs-sds>

⁷ <https://tnfd.global/tnfd-releases-fourth-final-beta-framework-v0-4/>

⁸ <https://abs.org.sg/industry-guidelines/gfit-taxonomy-public-consultation> -- *responded to 3rd version)

Achievements and accolades

Many leading institutions have recently nominated or presented Preqin with awards for innovation in ESG. These are as follows:

2023

- *ESG Investing Awards* Winner — Best ESG Data Provider and Best ESG Research: Vendor; Finalist — Best Specialist ESG Research and Best Specialist ESG Data Provider
- *Environmental Finance Sustainable Investment Awards 2023*: Winner - ESG Research of the Year (Europe)
- *Business Concept CSR Excellence Awards 2023*: Winner - Best ESG Investment Solutions Company – Europe
- *Investment Week Sustainable Investment Awards*: Finalist - Best Sustainable Investment Thought Leadership Paper ('ESG in Alternatives 2022: The Transparency Tipping Point'), Best Sustainable Investment Research Team, Best Sustainable Investment Research & Ratings Provider

2022

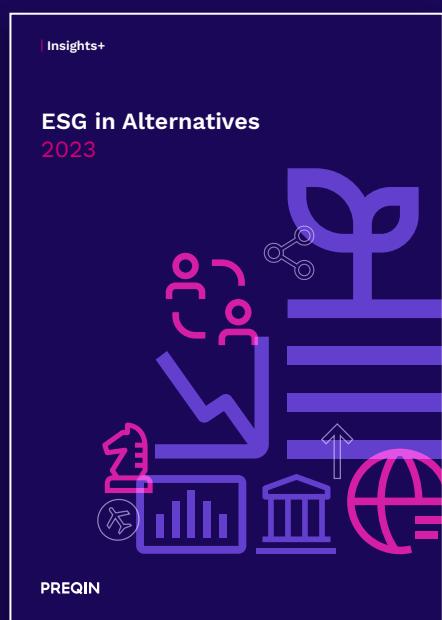
- *Probitas Partners 2023 Institutional Investors Private Equity Survey*: Winner — Benchmark Tools & Datasets
- *Wealth & Finance International Fund Awards*: Winner — Best Private Equity Firm Database
- *Investment Week's Sustainable Investment Awards*: Finalist — Best Sustainable Investment Research & Ratings Provider
- *Investment Week's Women in Investment Awards*: Finalist — Shifra Ansonoff for Team Leader of the Year
- *A-Team Group ESG Insight Awards*: Shortlisted — Best Overall ESG Data Provider; Best ESG Research Provider; Best ESG Risk Data Provider; and Best Analytics Provider for ESG
- *Traders Magazine Markets Choice Awards 2022*: Shortlisted — Best New Product for ESG Solutions
- *Real Deals ESG Awards*: Shortlisted — ESG Data Provider
- *Megabuyte100 Awards*: Shortlisted — Banking and Insurance (Software and Digital Platforms)
- *ESG Investing Awards*: Runner Up — Best Specialist ESG Data Provider

Empowering the global alternatives **community** with essential **data** and **insights**.

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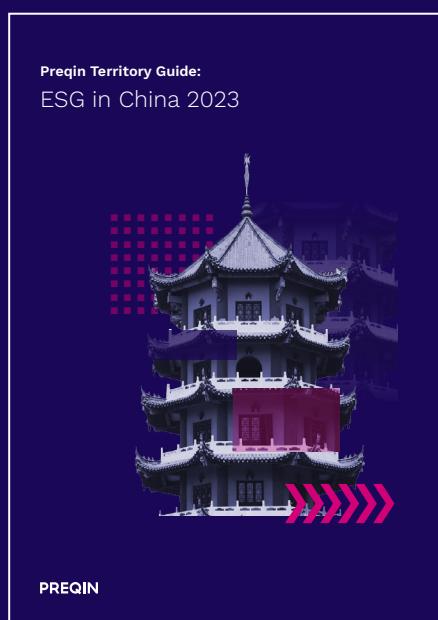
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