

Preqin
Impact Report
2022



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Reader's note: The data reflects developments in 2022, while targets, initiatives and processes have been established and updated during 2023.

Foreword



Welcome to our 2022 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 report our progress toward measurable environmental and social impact, and we are pleased to share our progress and areas of opportunity with you.

We recognize that our planet, societies, and global economy face unprecedented challenges, and we 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 – planet, people, and product.

We have made significant strides already, thanks to the commitment and engagement of team members from across the company. We have included highlights from the past year in our three focus areas below.



Christoph Knaack

CEO
Preqin



Jaclyn Bouchard

EVP, Head of ESG
Solutions & Corporate
Responsibility
Preqin

Planet

- Deepened our commitment to limiting our environmental impact, setting rigorous medium- and long-term carbon reduction targets, and having them validated by the Science-Based Targets Initiative (SBTi), a partnership to drive climate action in the private sector.
- Conducted a full environmental, social, and governance (ESG) data collection process and disclosing the results via our annual reporting, as part of our efforts to increase transparency across the business and strengthen accountability.
- Ensured consistency across our supply chain by implementing a corporate responsibility code of conduct for suppliers that requires them to adhere to the same principles that we do.

People

- During our inaugural Community Impact Month we partnered with non-profit organizations around the world to support our local communities, with a focus on people, planet, and education.
- Developed a strategy that ensures diversity, equity, and inclusion (DEI) are embedded across the business, with support from our Executive Committee and the Board.
- Further developed our DEI initiatives across all regions to create an inclusive and supportive company culture.

Product

- Continued delivery of data and insights to help our markets embed sustainability into their fundraising and due diligence.
- Launched new products, including:
 - Sustainable Finance Disclosure Regulation (SDFR) disclosures.
 - ESG LP mandates.

- Six new ESG-related fund tags.
- 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 strides 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

16

Global offices between
Preqin and Colmore

10

Countries and territories
with a Preqin presence

1,260

Team members worldwide at the end
of 2022, including Colmore

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

We have pioneered rigorous collection of private data for 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 2022 we continued innovating to deliver best-in-class products and services, including the expansion of our ESG Solutions offering and launch of our Asset-Level Benchmarks. Expanding our global presence, we launched 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

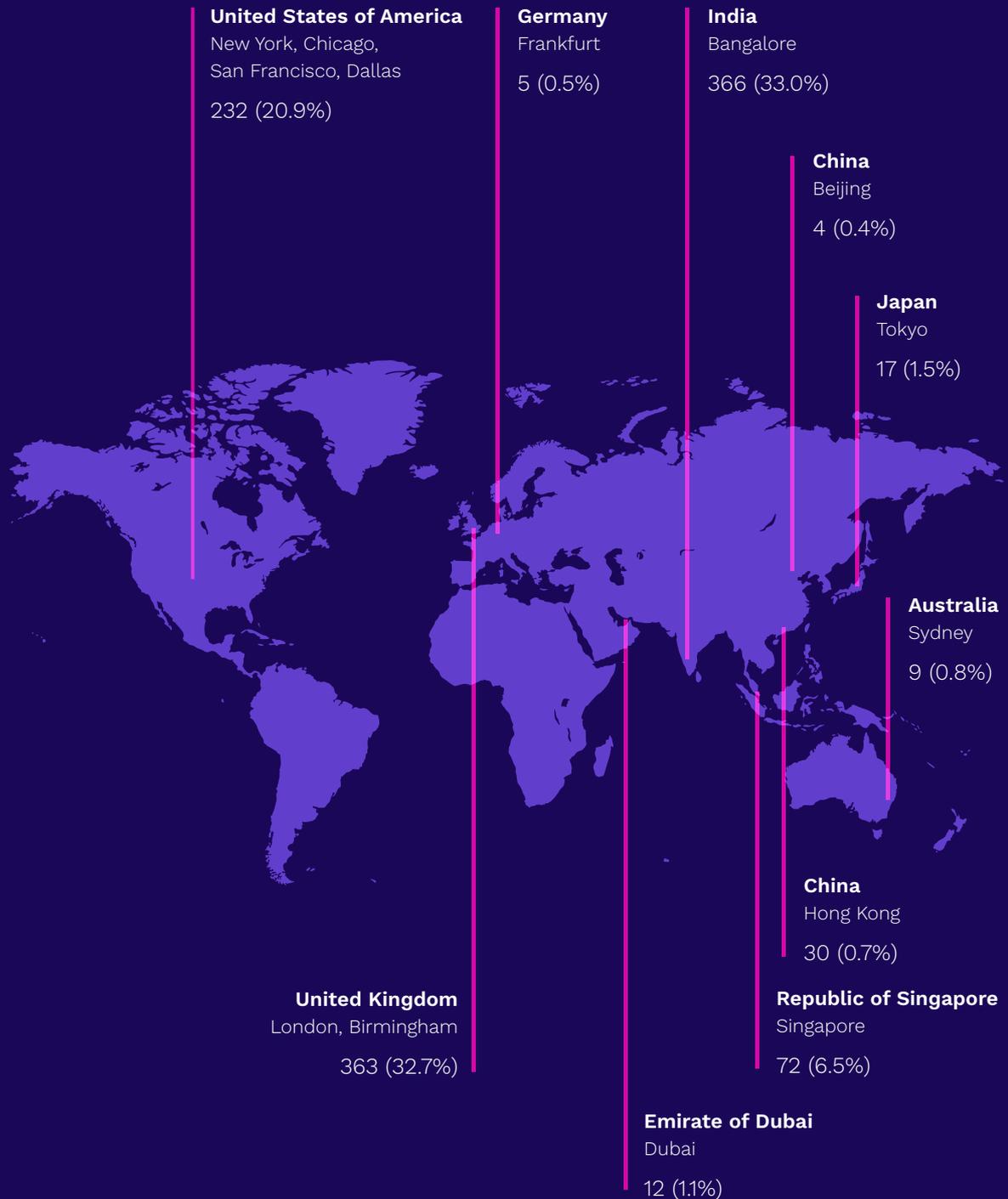
Preqin's Colmore business offers solutions such as portfolio monitoring, analytics, fee tracking and validation, and fund administration services for LP and allocator clients. Working together, Preqin and Colmore serve clients across the private market investment lifecycle – from fundraising to due diligence and portfolio monitoring. Preqin has also enhanced its market-leading benchmarks in partnership with Colmore. 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 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: 1,100

Source: Preqin

Our approach



PREQIN

At Preqin, 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

We developed our corporate responsibility strategy at the end of 2021, following a materiality assessment that prioritized the areas where we can make a positive and lasting impact. The assessment highlighted which ESG factors are a priority for Preqin and our stakeholders. Based on the results, we have identified three key corporate responsibility pillars and the UN Sustainable Development Goals (SDGs) they support.¹

The UN SDGs provide a roadmap for creating a more sustainable and improved future for both society and the environment. Our corporate responsibility pillars primarily intersect with four of the SDGs (Fig. 2).

As set out in our strategy, we are committed to driving sustainable decision-making in alternative markets, both through our solutions and how we operate as a business.

¹ <https://sdgs.un.org/goals>

Fig. 2: Preqin’s corporate responsibility pillars and related UN SDGs

Climate action



We are committed to securing a sustainable future by minimizing the environmental impact of our business, across our entire value chain.

Diversity, equity & inclusion



We are committed to fostering a diverse and equitable environment where everyone can thrive.

Closing the global STEM skills gap



We are committed to inspiring students of all backgrounds to choose careers in STEM.

Source: UN, Preqin

| Environmental sustainability

What is the Science Based Targets initiative (SBTi)?

The SBTi provide 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.²

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 2022 GHG emissions

Figs. 3 and 4 show that our overall reported GHG emissions increased in 2022 for a combination of reasons:

- As the sophistication of our environmental policy evolves, we are measuring an increasing amount of our global supply chain, boosting the reported Scope 3 emissions.
- In 2022, the combined revenues of Preqin and Colmore grew by 26%, increasing GHG emissions, particularly across Scope 3. As the company continues to grow, reducing Scope 3 emissions in particular is a priority.
- Location-based Scope 2 emissions from electricity use increased from 2021 to 2022 in the EMEA and Americas regions. This was due to an increase in office use as COVID-19 pandemic restrictions were lifted.
- With the easing of travel restrictions in 2022, Preqin's business travel-related Scope 3 emissions increased significantly, from 60 metric tons of carbon dioxide equivalent (mtCO₂e) in 2021 to 364mtCO₂e in 2022.

We continue to work toward reducing our GHG emissions.

² <https://sciencebasedtargets.org/companies-taking-action/>

| **Fig. 3: Preqin GHG emissions tracker**

	Emissions (mtCO ₂ e)			
	2019	2020	2021	2022
Scope 1 emissions				
Total Scope 1 emissions	209	194	34	0
Americas	0	0	0	0
EMEA*	209	194	34	0
Location-based Scope 2 emissions				
Total location-based Scope 2 emissions	289	207	197	230
Americas	80	63	89	109
EMEA	138	73	81	97
APAC	71	71	27	24
Scope 3 emissions				
Total Scope 3 emissions	356	113	6,092	12,902
Purchased goods and services	n/a	n/a	4,178	7,901
Capital goods	n/a	n/a	833	1,657
Business travel	321	80	60	364
Team member commuting	n/a	n/a	1,020	2,975
Processing and use of sold product	35	33	1	5
Total Scope 1, 2 & 3 emissions	854	514	6,323	13,132

Source: Preqin

* The London office's green gas (biomethane) usage resulted in 0.1 metric tonnes of mtCO₂e, which rounded down to 0.

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

	Emissions (mtCO ₂ e)			
	2019	2020	2021	2022
Scope 1 emissions				
Total Scope 1 emissions	209	194	0	0
Americas	0	0	0	0
EMEA	209	194	0	0
Market-based Scope 2 emissions				
Total market-based Scope 2 emissions	289	207	0	12
Americas	80	63	0	0
EMEA	139	73	0	12
APAC	71	71	0	0
Scope 3 emissions				
Total Scope 3 emissions	356	113	5,819	12,702
Purchased goods and services	n/a	n/a	3,966	7,901
Capital goods	n/a	n/a	833	1,657
Business travel	321	80	0	169
Team member commuting	n/a	n/a	1,020	2,975
Processing and use of sold product	35	33	0	0
Total Scope 1, 2 & 3 emissions	854	514	5,819	12,714

Source: Preqin

Our environmental initiatives to reduce GHG emissions

We continue to implement numerous initiatives with the goal of reducing our carbon footprint and fostering 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 a number of 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 Fitwell 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 have devised a Supplier Sustainability Survey 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.

In addition to the above, Preqin's Scope 1 emissions are now zero due to our London office's use of green gas (biomethane) instead of natural gas. As a result our emissions fell from 34mtCO₂e in 2021 to 0.1mtCO₂e in 2022. We are also advancing our climate stewardship by acquiring carbon offsets for the travel-related emissions of our team members under Scope 3.

| Diversity, equity, and inclusion

As a company, Preqin is on a journey to equity. We are proud of the steps we have taken and the foundation we are building. But we know that change takes time. A big part of that is being transparent about where we are and how we can improve.

We believe that diversity, equity, and inclusion (DEI) are crucial for creating a positive and inclusive workplace culture, as well as for driving business success. To support this, Preqin promotes diversity in hiring and promotion practices and has implemented regular diversity and inclusion training for all team members. On a local basis, DEI Committees also provide support and representation for under-represented groups.

After launching our DEI Steering Committee in October 2020, it has held sessions regularly to support and guide Preqin's DEI initiatives, with active leadership from our CEO, Christoph Knaack.

The guidance comprises five pillars:

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 2022, the regional DEI Committees' engaging and impactful initiatives, included:

- An insightful Q&A session with Jaclyn Bouchard, Head of ESG and Corporate Responsibility, to celebrate International Women's Day. Jaclyn spoke about her career progression and shared advice on how to navigate challenges for women in senior leadership. This was accompanied by testimonials from other women at Preqin, who shared their experience and advice. We also hosted celebrations across our offices globally.
- A virtual well-being workshop to help team members better manage stress.
- A menopause awareness workshop.
- Discussion panels throughout the year with internal and external speakers to celebrate Black History Month, LGBTQIA+ Pride, and Mental Health Awareness Week.
- Celebrating regional cultural celebrations, such as Hari Raya and Diwali.
- Fundraising for the Urgent Action Fund for Women's Human Rights and the Jed Foundation.

Employee resource groups

Team members volunteer their time to run Employee Resource Groups (ERGs) that help foster a diverse and inclusive workplace, where feedback is heard and acted upon. These groups bring people from across the business together and form safe spaces where members and the broader community can comfortably share their experiences.

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

Pay equity

In 2022, we reported our first 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 our Gender Representation at Preqin web page.³

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 continue to monitor and report on the gender pay gap, and take action to close it, to create a more inclusive and equitable workplace for all team members.

Talent attraction and development

Preqin's approach to building a diverse and inclusive workforce is embedded in every aspect of 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. To ensure neutrality of tone and wording, we also run all job descriptions through a bias decoder.

As part of our efforts to reduce the gender pay gap, the interview process no longer asks candidates about their current compensation packages. Instead, we focus on expected compensation packages. And we reduce the potential for bias during the interview itself by only assessing candidates on technical skill sets and behavioral attributes in our new evaluation forms.

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 average in many of our markets.

³ <https://www.preqin.com/about/our-corporate-responsibility/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 offer 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.
- Access to GrowthSpace, a third-party 1:1 coaching service to help team members excel in their careers.
- 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).
- An internal mentoring program that gives team members access to development opportunities across functions at Preqin and Colmore.
- Preqin's Aspiring Manager Academy and Manager Development Program to support our aspiring leaders.

In March 2023, Preqin became a signatory 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.

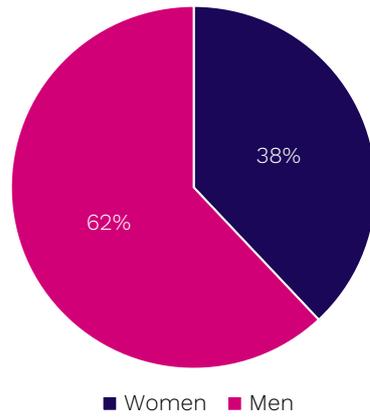
Our 2023 *Women in Alternatives* report found that 21.3% of people working in alternative assets roles identify as women.⁴ We are committed to advancing gender equity, and compared with the wider alternatives market, we have stronger female representation than the industry average, at 38% of our global workforce.

In the last year (December 2021 to December 2022), we increased the representation of women at the senior leadership level from 29% to 32%. While we are proud that we are making steady progress, we recognize that we need to continue building on this foundation. Having a gender-balanced workplace is an important step toward wider diversity within our organization.

In the below charts, you can see how our DEI is tracked globally through key metrics, including gender, age, and ethnicity. We share this data with our team members on a regular basis to keep them informed of our progress on DEI, and to demonstrate the importance of creating a positive and inclusive workplace culture.

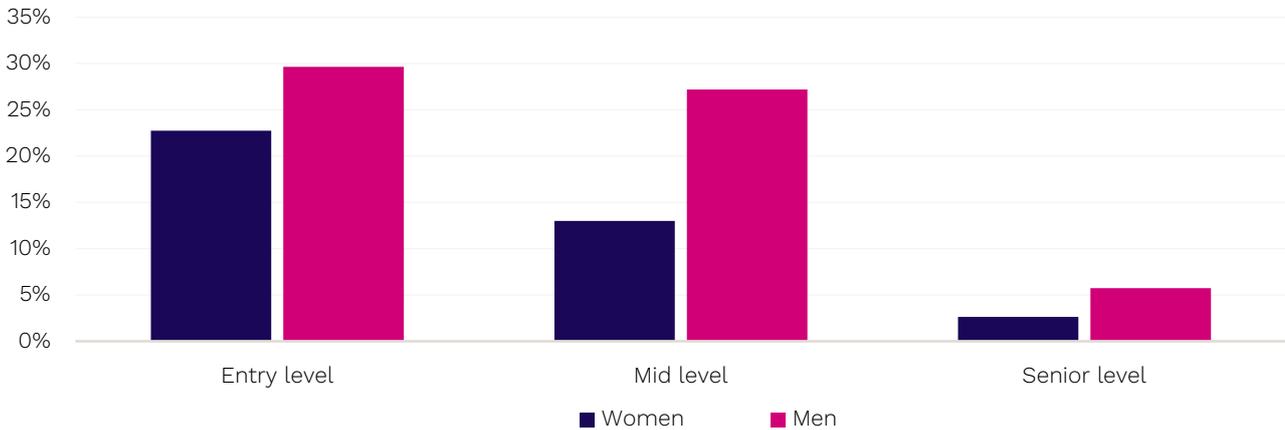
⁴ <https://www.preqin.com/insights/research/reports/women-in-alternatives-2023-foreword>

Fig. 5: Proportion of global team members by gender



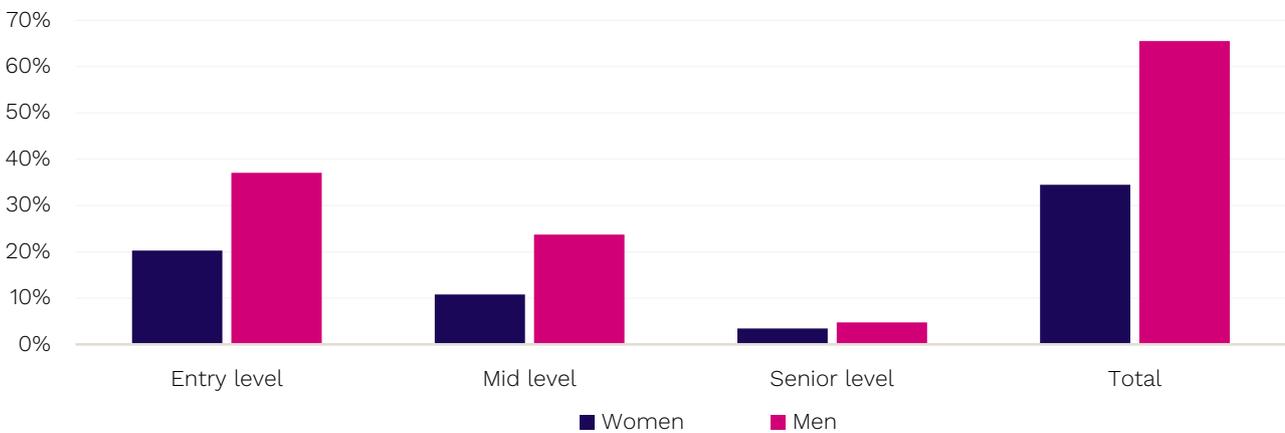
Source: Preqin. Data as of December 2022

Fig. 6: Proportion of global team members by gender and seniority level



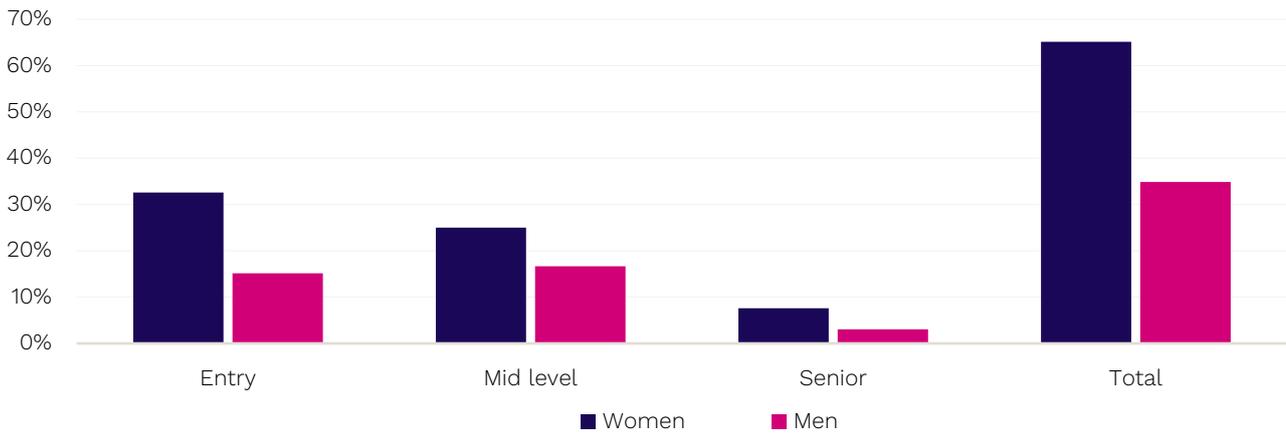
Source: Preqin. Data as of December 2022

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



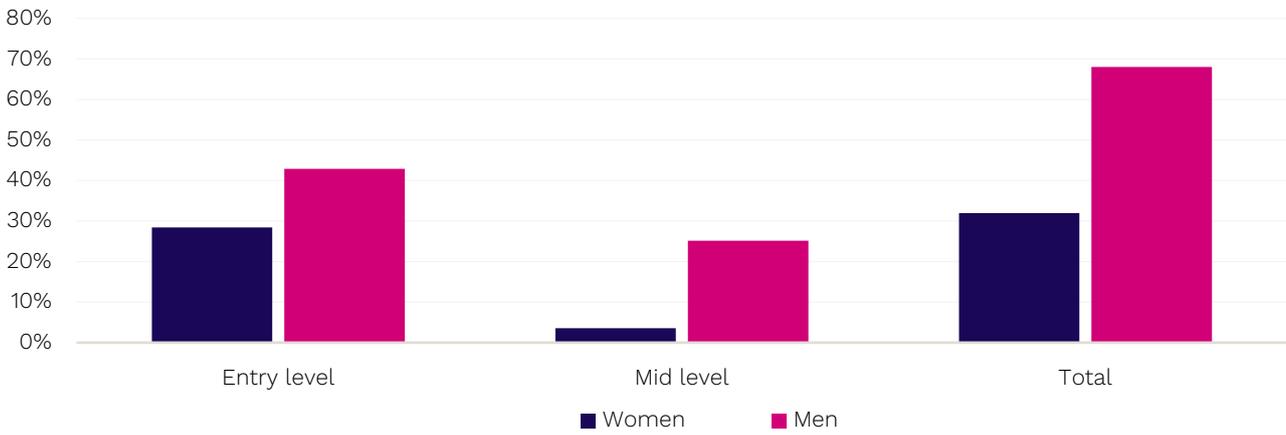
Source: Preqin. Data as of December 2022

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



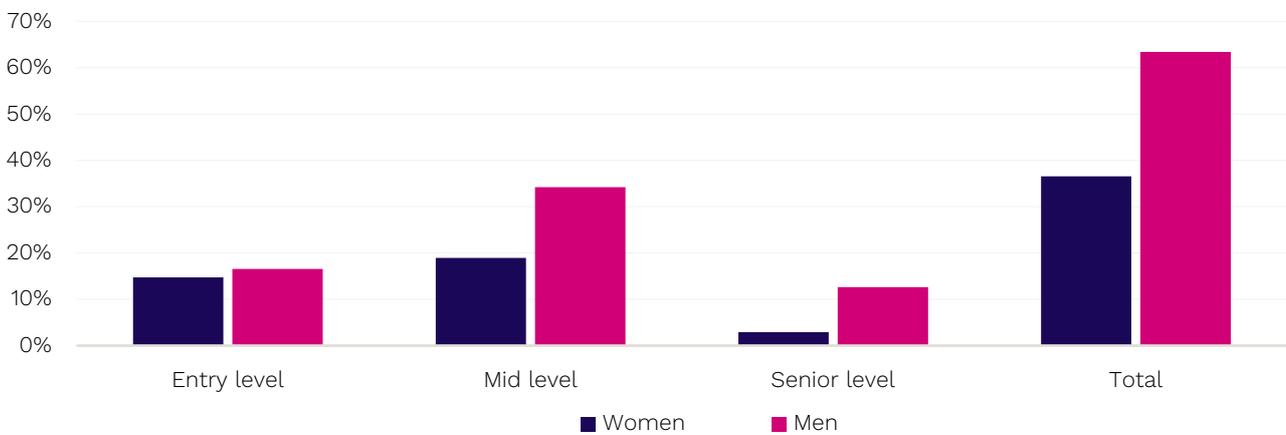
Source: Preqin. Data as of December 2022

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



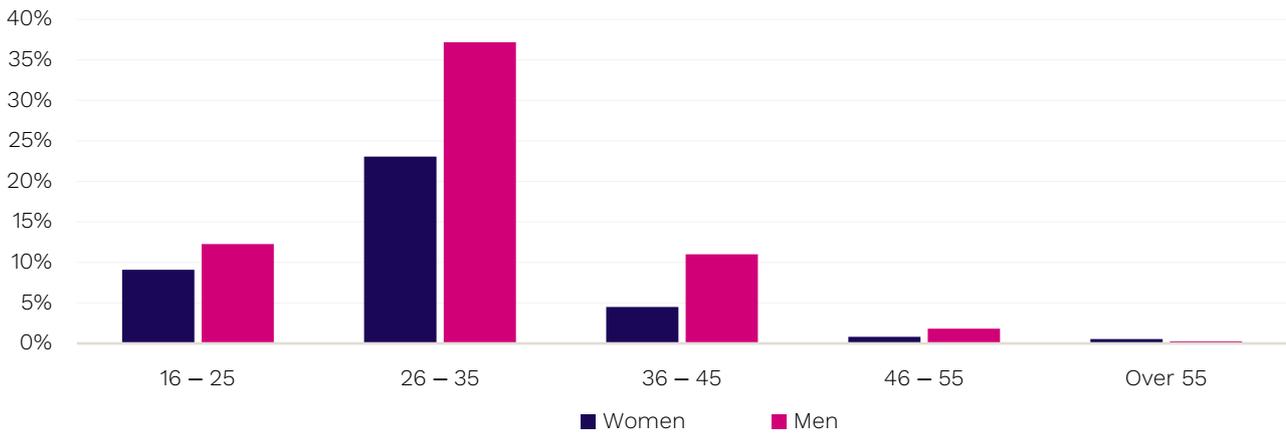
Source: Preqin. Data as of December 2022

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



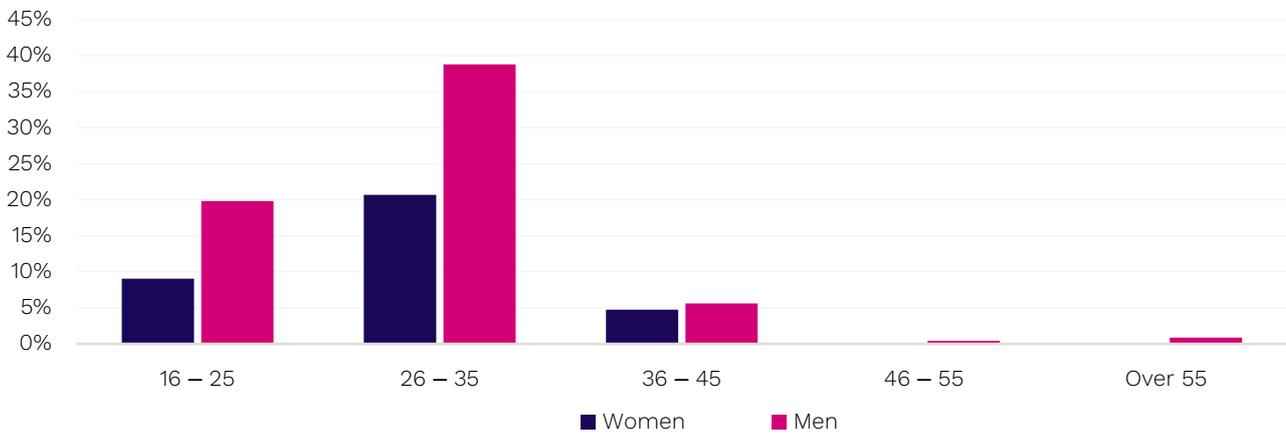
Source: Preqin. Data as of December 2022

Fig. 11: Proportion of global team members by age and gender



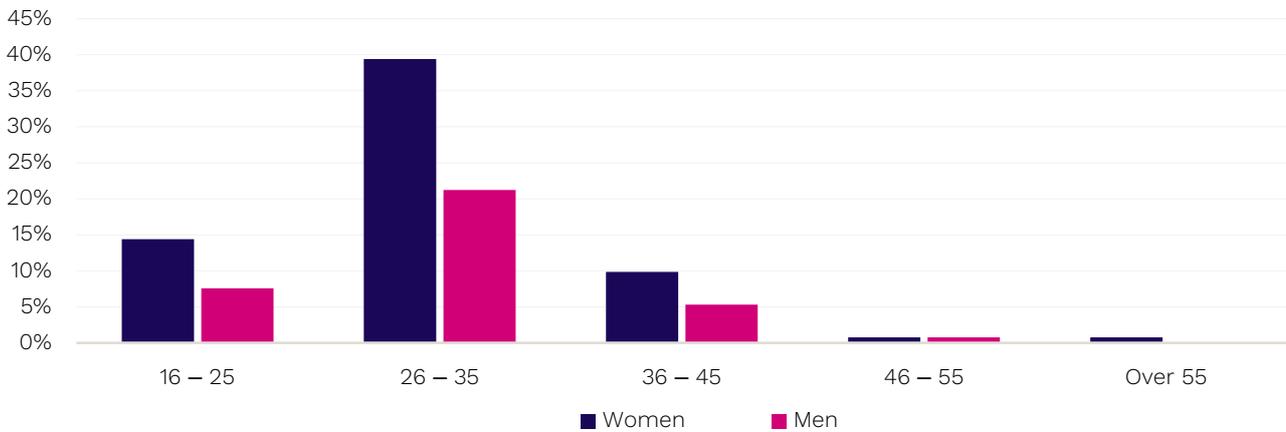
Source: Preqin. Data as of December 2022

Fig. 12: Proportion of team members by age and gender, Americas



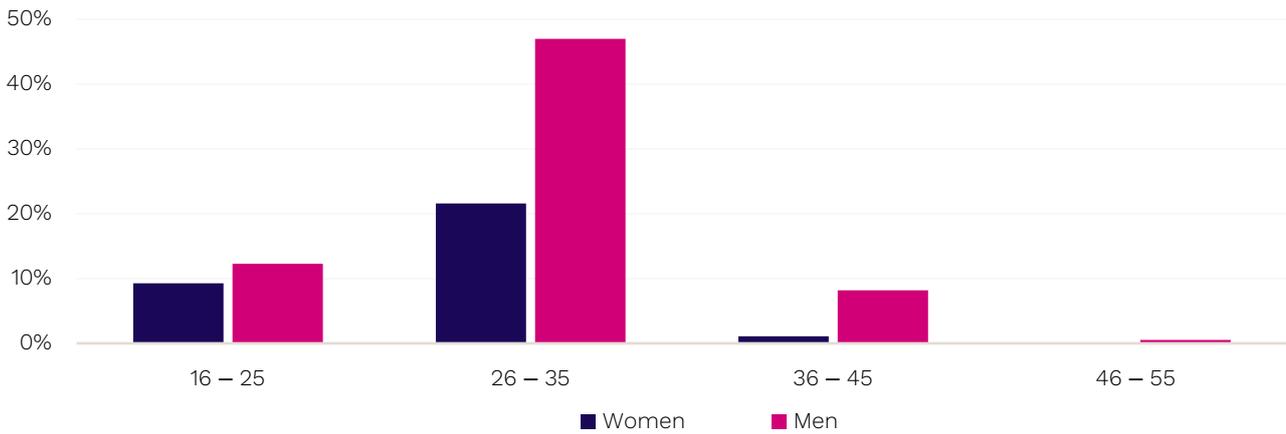
Source: Preqin. Data as of December 2022

Fig. 13: Proportion of team members by age and gender, APAC



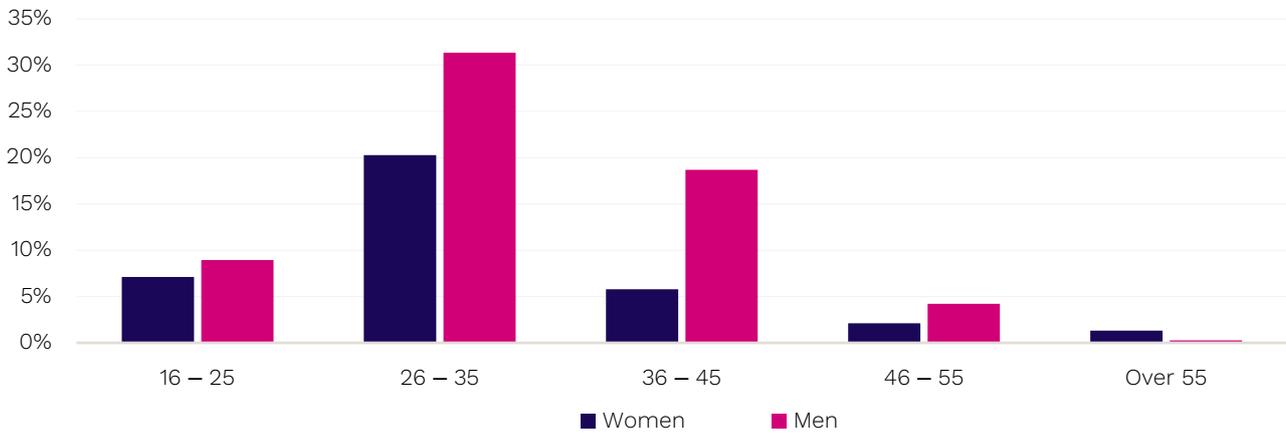
Source: Preqin. Data as of December 2022

Fig. 14: Proportion of team members by age and gender, India



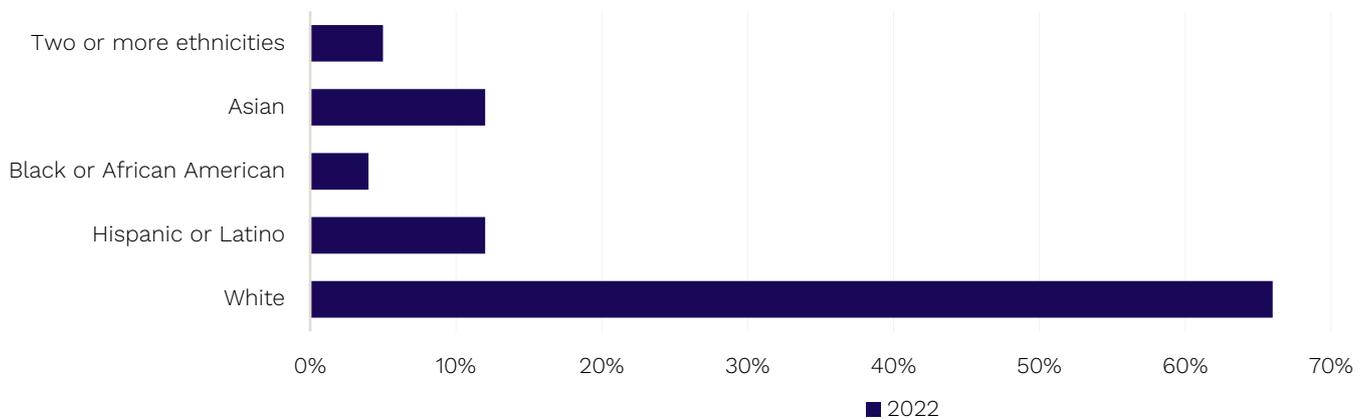
Source: Preqin. Data as of December 2022

Fig. 15: Proportion of team members by age and gender, EMEA



Source: Preqin. Data as of December 2022

Fig. 16: Ethnicities in our US office, as a proportion of total employees



Source: Preqin. Data as of December 2022

15

Organizations supported

250+

Preqin volunteers

760+

Hours spent volunteering

“ Being part of this volunteering month helped me give back to those who need it most. I felt like I contributed to making people's lives better and easier, and that's the most rewarding thing of all.”



“ It really drove home how important community action is and how much people rely on volunteers to live and survive day to day.”



| Community Impact

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 inaugural Community Impact Month took place in November 2022, when our team members dedicated their time to volunteer for a variety of causes. Hundreds of Preqin team members from all over the world engaged with projects in their local communities, including Southwark Foodbank in London, Waterways Watch Society in Singapore, Umi Sakura in Tokyo, 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 increase our impact by supporting those in need.

Our most recent campaigns include:

- **Ukraine crisis humanitarian response:** In 2022, we launched a company-matched employee giving initiative to support 12 different charities focused on the Ukraine humanitarian response, with more than £10,000 donated. These charities include Razom for Ukraine, The Disasters Emergency Committee, Urgent Action Fund, and the International Rescue Committee.
- **Turkey and Syria earthquake appeal:** In response to the devastation caused by the earthquakes in Turkey and Syria, we shared £6,000 in donations across five charities, including the Disasters Emergency Committee, Save the Children, and the Red Cross.

| 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, with some having executive- and board-level experience in prominent businesses. The Board has ultimate responsibility for making decisions related to our company, including on 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 constantly assess and enhance our support system, taking into account physical, mental, and emotional wellbeing.

Wellbeing initiatives include:

- A confidential assistance program with accredited counsellors is available 24/7, 365 days a year to provide support on health and wellbeing issues, personal, legal, and financial matters.
- Trained Mental Health First Aiders in each region, who can provide initial support and signpost the appropriate resources.
- Resources 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 facing 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 also 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 regulations.

Our new joiner induction also 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 on current risks and actions to the Audit Committee of the Board of Directors of Preqin Holding Limited.

92%

Team members who completed data privacy training in 2022

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, leads the Information Security team. The latter is a member of the Executive Committee, which is responsible for day-to-day risk management, and the Audit Committee. In December 2017, Preqin hired a Head of Information Security to lead our cybersecurity program, a function that now comprises seven 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 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 talent and development 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.

In our industry, cybersecurity threats are an occupational hazard. 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 mean 'time to detection' of security issues.
- Improving vulnerability remediation timelines, preventing critical- and high-risk vulnerabilities.
- Improving control maturity against the ISO 27001 framework.

Our ESG Solutions



PREQIN

Data on private markets can be challenging to collect, and even more so when it comes to ESG. 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.

Our mission is to support sustainability in alternative markets with trailblazing ESG datasets that compel transparency and pave the way for our customers to seamlessly integrate ESG into their workflows. Preqin's ESG Solutions are the result of ongoing research and development to understand the unique private market-specific issues that our clients face when incorporating ESG into their day-to-day work.

Products

Our solutions give investors and fund managers the necessary tools to make sustainable investment decisions at every stage of the investment lifecycle, while supporting service providers with powerful insights to foster business development. ESG Solutions encompasses three product sets: ESG Profiles, ESG Risk Analytics, and Impact Potential.

ESG Profiles provide transparency on the sustainability strategies of 43,000+ fund managers and 18,000+ investors globally, with clear, reliable, comparable, and standardized ESG data at the firm, fund, and asset levels. With this dataset, market participants can compare and analyze best practices and identify sustainable investment opportunities.

ESG Risk Analytics offers a unique view of the material ESG risk factors of potential investments. It provides in-depth risk insights for 200,000+ assets and 22,000+ funds for a data-driven analysis of ESG risk, resulting in more informed engagement across the investment value chain. It includes Risk Exposure Scores, granular KPIs (including carbon emission and water withdrawal estimates), and the SASB Risk Map, which identifies potential sources of ESG risk.

Impact Potential provides a data-driven perspective on the likelihood of making a positive impact for 179,000+ assets and 22,000+ funds, and covers both portfolio companies and infrastructure assets. It enables clients to seamlessly identify investments that align with their impact goals.

In 2022, 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.

To ensure we focus on what our clients need, we assembled a dedicated ESG Advisory Council that meets annually for hands-on feedback on our research and development process. The Council consists of some of the largest fund managers and investors globally, representing \$3.4tn in assets under management, alongside academics with expertise in ESG and private markets. Based on these interactions, we built a product that aligns with industry need and its understanding of ESG.

Preqin published its annual ESG report in June 2022, drawing on our ESG Solutions data and commentary from our expert partners. We also participated in a series of ESG webinars, workshops, events, and roundtables to encourage knowledge sharing and to advance the global ESG conversation. These include:

- Featuring on the Alternative Investment Management Association (AIMA) podcast 'The Long-Short', in the episode 'Exploring ESG in private markets, with Preqin'.⁵

⁵ <https://www.aima.org/article/29-the-long-short-exploring-esg-in-private-markets-with-preqin.html>

- Hosting ESG-focused webinars with the Managed Funds Association (MFA) and the American Investment Council.
- Presenting on 'ESG Investor Flows and Investment Trends' at the MFA ESG 2022 event in New York.
- Hosting an 'Introduction to Alternative Assets and ESG' session with SEO London on International Women's Day.

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.

In October 2022, the UK's Financial Conduct Authority (FCA) launched a consultation paper on Sustainability Disclosure Requirements (SDR) and Investment Labels.⁶ Preqin's ESG team submitted a written response to the FCA, outlining our support to create guidance for identifying, tracking, communicating, and reporting sustainable investments.

The Abu Dhabi Global Market regulator, the Financial Services Regulatory Authority (FSRA), launched a consultation paper on a sustainable finance framework at the end of 2022.⁷ This covers green and climate transition funds, green bonds and sukuks (sharia-compliant bonds), and ESG disclosure requirements. The Preqin ESG and Dubai teams worked closely with our new partner, the Middle East Investment Management Association (MEIMA), to submit a response to the regulator, which broadly supported the framework and recommended the publication of more detailed and practical guidance.

Achievements and accolades

Many leading institutions have 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

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

⁶ <https://www.fca.org.uk/publications/consultation-papers/cp22-20-sustainability-disclosure-requirements-sdr-investment-labels>

⁷ <https://www.adgm.com/documents/legal-framework/public-consultations/2022/consultation-paper-no-6/sustainable-finance-consultation-paper-no-6-of-2022.pdf>

- *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
- *Megabyte100 Awards*: Shortlisted — Banking and Insurance (Software and Digital Platforms)
- *ESG Investing Awards*: Runner Up — Best Specialist ESG Data Provider

Looking ahead



In 2022, we at Preqin advanced toward our ambitious targets for sustainability and inclusion, both as a company and individually. We are proud of our achievements to date, but it doesn't end here. In the years that follow we will build on what we have achieved, aim even higher, and work with our stakeholders to do the same.

Responsible business

Ensuring that all our stakeholders are taken into account when making decisions is essential to being a responsible business. To achieve this, we will regularly review our policies and reporting systems, collect relevant data across all areas of the business, and establish an appropriate governance structure.

Community impact

The driving force behind our impact is our team members. By implementing employee engagement programs like our Community Impact Month, we can contribute to the wellbeing of the communities around us. We plan to hold a Community Impact Month annually and introduce new initiatives aimed at collaborating with local non-profits, supporting educational programs, and creating a positive impact at both the local and global level.

Environmental sustainability

As our emission reduction targets have now been validated by the Science-Based Targets Initiative (SBTi), our focus is on developing a decarbonization pathway to achieve our science-based targets. In addition, we are committed to exploring new opportunities across Scopes 1, 2, and 3 in terms of carbon emissions, and to collaborating with our suppliers to continue to ensure a more sustainable supply chain.

Diversity, equity, and inclusion

DEI is an integral part of our company. To promote a more inclusive workplace and culture, we will be refreshing our strategy to embed DEI across all aspects of our business, from talent acquisition and development to community engagement.

To reinforce our commitment, we have a sustainability-linked loan connecting our DEI goals directly to financial incentives. The sustainability-linked loan represents the next step in Preqin's ongoing dedication to driving positive ESG change.

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

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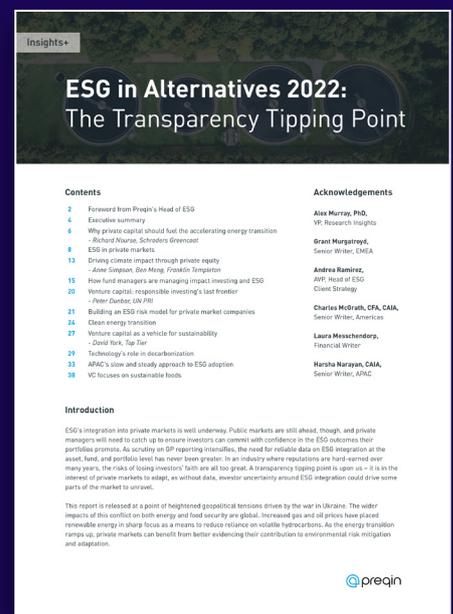
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