



FCLTGLOBAL
FOCUSING CAPITAL
ON THE LONG TERM

TOOLKIT

The Missing Element of Private Equity

CREATING LONG-TERM
VALUE THROUGH PORTFOLIO
COMPANY BOARD DIVERSITY



Rebalancing capital markets to support a long-term, sustainable economy.

Business leaders have long struggled to weigh immediate financial needs against objectives many years into the future in order to succeed over the long term.

In the wake of the global financial crisis, something had to change in order to safeguard the future needs of individual savers and their communities. In 2011, then-McKinsey & Company Global Managing Partner Dominic Barton wrote *Capitalism for the Long Term*, a call for action to reform the system. This piece was met with agreement from many other observers, and as a result, Focusing Capital on the Long Term (FCLT) was founded in 2013 as a joint initiative of CPP Investments (led by Mark D. Wiseman) and McKinsey & Company.

Focusing Capital on the Long Term produced a number of seminal reports in the ensuing years. The initiative's message made it clear that those who participate in the capital markets could improve the system. In July 2016, CPP Investments and McKinsey teamed with BlackRock, Dow, and Tata Sons to found FCLTGlobal as an independent non-profit.

FCLTGlobal's mission is to rebalance capital markets to support a long-term, sustainable economy. We are a non-profit organization supported by leading companies and investors worldwide that develops research and practical tools to drive long-term value creation for companies, savers, and communities.

MEMBERS



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This document benefited from the insight and advice of FCLTGlobal's Members and other experts. We are grateful for all the input we have received, but the final document is our own and the views expressed do not necessarily represent the views of FCLTGlobal's Members or others. The information in this article is true and accurate to the best of FCLTGlobal's knowledge. All recommendations are made without guarantee on the part of FCLTGlobal. Reliance upon information in this material is at the sole discretion of the reader; FCLTGlobal disclaims any liability in connection with the use of this article.

How Private Equity Can Drive Boardroom Diversity

Corporate boards are vital in helping companies maintain a longer-term focus while executing on shorter-term priorities. And a board's unique stature, sitting atop the organization, allows it to shape corporate culture while guiding long-term strategy through a mix of encouragement, skepticism, and guidance. This role is consistent regardless of the ownership structure of the company—be it publicly held or privately controlled.

In 2018 FCLTGlobal embarked on in-depth research to identify the [long-term habits of highly effective corporate boards](#).¹ We found four characteristics consistent across successful public companies:

- they spend more time on strategy;
- they ensure that directors have a stake in the long-term success of the company, often by encouraging board members to hold company stock through and beyond their tenure;
- they communicate directly with long-term shareholders; and
- they have a diverse board to bring differing perspectives and backgrounds for the benefit of the company.

Portfolio companies controlled by private equity firms have a unique structure. Their boards typically include representatives of the controlling private equity firm or firms; management of the company; outside/independent directors (who may not be independent under the public company definition); and sometimes representatives of the limited partners, with either voting or observer status.

The boards of private equity-backed portfolio companies are already well versed in many of the key positive habits outlined above. We know from prior research and from conversations with our Members that portfolio company

boards already spend more time on strategy than their public peers. And the directors of private equity-backed portfolio companies often have meaningful stakes in the success of the business, as they represent the primary shareholders of the firm and are naturally already “communicating directly” with those same shareholders.

That leaves one potentially missing element for private equity-owned companies: board-level diversity.

Research shows that diversity at the board level adds meaningful long-term value for companies and their owners. Data from [Predicting Long-term Success for Corporations and Investors Worldwide](#) shows that the most diverse boards added 3.3 percent to return on invested capital as compared to their least diverse peers.² Additional research confirms this trend—a 2015 study from [McKinsey & Company](#) found that companies in the top quartile for racial and ethnic diversity are 35 percent more likely to have financial returns above their respective national industry medians, indicating that diversity can be a strong differentiator that shifts market share toward more diverse companies over time.³

In addition to improved performance, diverse boards consistently [invest more in research and development](#) and demonstrate an [increased capacity for innovation](#), giving their companies a meaningful competitive advantage.^{4,5} A multifaceted team fosters not only creative innovation but resilience, and [greater board diversity leads to lower volatility](#) of returns.⁶ Diverse perspectives and ideas keep companies flexible and better able to navigate, or rebound from, unexpected obstacles.

While these studies, and others, focused on the benefits of board diversity for public companies, there is no reason to believe that the same value-creation potential would not exist for those that are privately held—and data from The Carlyle Group confirms that view. In a study of its portfolio companies, [Carlyle found](#) that firms

with two or more diverse board members recorded 12 percent higher annual earnings growth than companies with fewer diverse directors.⁷

Despite the evidence of the benefits of increased diversity, progress at private companies has been slow. A [2019 Crunchbase study](#) of the boardrooms of the most heavily funded private companies revealed that just 7 percent of board seats were held by women, and 60 percent of companies did not have a single woman on their board.⁸ There is little reason to believe that the numbers are any better for people of color or those representing other dimensions of diversity.

As private equity-backed companies comprise a significant and growing proportion of the economy, the diversity of their boards is receiving increased attention and provides an opportunity to promote diversity, equity, and inclusion (DEI) alongside long-term value creation.

In order to make private boardrooms more inclusive, private investors must first **assess** their current practices

and the role they can play in progress. Frank discussions between general partners (GPs) and limited partners (LPs), both in the diligence process and post-investment, can help both sides leverage their positions to enhance diversity and inclusion at the portfolio company level.

Once this initial evaluation has been made, the actual **implementation** of next steps is critical. Rather than resting on the laurels of loose commitments and vague targets around board diversity, grounding a plan in real-world, practical actions is a more direct way for GPs to play a role in real change, supported by their LPs.

Finally, and some would argue most importantly, **accountability and reporting** are required to ensure that private equity firms are hitting their portfolio-company diversity-related goals. A framework that tracks the status of current voting and non-voting portfolio company board directors and board chairs, as well as changes resulting from director turnover, can serve as a baseline for creating consistent information sharing between GPs and LPs.

Best Practices to Improve Portfolio Company Board Diversity

To improve in each of these areas, FCLTGlobal has convened numerous roundtables over the course of the past year. The output of these sessions are the practical guides that follow, which both GPs and LPs can use to evaluate, implement, and report on diversity and inclusion in the boardrooms of their privately held portfolio companies. For some firms, these may be the first steps. For others, they may be a refinement of plans already in motion. Regardless, they are a means to putting leaders in the boardroom of private companies who are representative, forward-looking, and positioned to create long-term value.

The best practices listed on the pages that follow are meant to serve as suggested behaviors to help general partners (GPs) and limited partners (LPs) increase diversity in their portfolio company boards. These suggestions were collected from leading GPs and LPs that have begun making strides in DEI in their own portfolios. We recognize that many GPs and LPs are at different stages of this process and expect these best practices can serve as a starting point for some and offer a few new ideas for others. Some ideas may be more, or less, relevant for certain jurisdictions, geographies, or segments of the market and are included here for consideration at the user's discretion.

The Missing Element of Private Equity: Best Practices to Improve Board Diversity



Guidance for GPs And LPs as Direct Private Equity Investors or Co-Investors	Actions for Operationalizing Guidance
<p>Build senior support and oversight Outspoken support from senior management helps remove barriers to change.</p>	<ul style="list-style-type: none"> • Ensure that improving portfolio company (portco) board diversity aligns with or is reflected in the GP CEO’s goals. • Have GP senior management’s vocal support for portco board diversity (who is accountable?). • Clearly articulate the value proposition of diversity to ensure firmwide buy-in, and transform the conversation from “need” to “want” diversity on boards. • Put resources behind the portco board diversity initiative by giving it a budget. • Collect the detailed data required to track progress, as legally permitted by the relevant jurisdiction. • Set internal metrics that track total portco board diversity and spotlight the portfolio companies that are succeeding or falling short. • Have annual governance health checks and review tracking metrics at every portco. • Integrate diverse governance into the broader board strategy.
<p>Have clear approval processes A clear approval process for board appointments can clarify who among the senior leadership of the GP firm is held accountable for portco board diversity improvement.</p>	<ul style="list-style-type: none"> • Have a formal process for portco board nominations and clarify who has the final say on appointments. • Avoid an ad hoc approach to nominations. • Build the diversity team internally at the GP (e.g., appoint a director of DEI) to serve as a resource when nominating new directors. • Include diversity progress and achievements in the performance evaluation of leaders responsible for approving portco board directors. • Use a skills matrix approach and select directors based on the skills identified in the matrix. • With every director appointment, prepare a memo to explain why that appointee meets the needs identified. • In every director interview, ask a standard question on DEI. • Provide a mechanism for anonymous feedback to improve the recruiting and nominating process.
<p>Expand your network for sourcing board directors Recruiting candidates beyond traditional talent pools can expand the company’s contacts and allow for diverse candidates to find directorship opportunities.</p>	<ul style="list-style-type: none"> • Cultivate a network of diverse directors who can be recruited into board service. • Establish relationships with board recruiters who are well connected in communities that are less well represented and curate relationships with recruiting firms that focus on diverse candidates (make DEI a priority). • Work with preferred partners—subject matter groups or other external partners known for diverse talent pools that are in demand. • Sponsor events to meet new talent (e.g., speed networking sessions) and connect and expand the networks for sourcing talent.

The Missing Element of Private Equity: Best Practices to Improve Board Diversity



Guidance for GPs And LPs as Direct Private Equity Investors or Co-Investors	Actions for Operationalizing Guidance
<p>Expand your network for sourcing board directors (continued)</p>	<ul style="list-style-type: none"> • Maintain a database internally of diverse board candidates to build a pool with critical mass. • Consider referrals from existing diverse directors when sourcing talent. • Consider the usefulness of directors who sit on boards in the customer segment the company sells to.
<p>Rethink traditional definitions of “board ready” Removing “shortcuts,” such as prior positions or titles held, can increase the pool of qualified candidates.</p>	<ul style="list-style-type: none"> • Expand the criteria for how you define “qualified” by looking at the skill set you need rather than past positions or titles held. • Consider looking for individuals from outside the traditional business community to source specialty skills (e.g., people from academia, members of the military, scientists, executives of large nongovernmental organizations). • Proactively filter the job criteria to ensure that the role is not mis-scoped, overly specified, or exclusionary. • Be open to first-time directors.
<p>Make board seats attractive to diverse directors Clearly articulating a detailed value proposition is critical for attracting diverse board candidates.</p>	<ul style="list-style-type: none"> • Recognize that the war for talent extends to board candidates and compete to attract the best candidates. • Be able to articulate why a director would want to serve this company and, on this board, specifically at this time (value proposition of the portco). • Be able to articulate what skills the diverse candidate brings to the board and how you believe they will contribute beyond their diverse background. • Include opportunities for ongoing board service and networking with other directors (value proposition offered by affiliation with the GP). • Offer the opportunity to co-invest. • Consider at least two diverse directors for small boards and at least three for larger boards to ensure an inclusive environment. • In addition to recruiting diverse candidates, focus on retention and inclusion once they join.
<p>Provide onboarding and development for all new board members All new board members can benefit from a positive onboarding experience.</p>	<ul style="list-style-type: none"> • All board members, whether diverse or not, may benefit from a positive onboarding experience. • Provide time and space for “courageous conversations” in which people can share their experiences relating to the impact of diversity and inclusion—or lack thereof—to broaden understanding and offer increased opportunity for collaboration. • Provide access to due diligence and corporate strategy materials to independent directors, as they are not often part of the deal process. • Assign each new board member a mentor on the board to serve as a resource during the onboarding process.

The Missing Element of Private Equity: Best Practices to Improve Board Diversity



Guidance for GPs And LPs as Direct Private Equity Investors or Co-Investors	Actions for Operationalizing Guidance
<p>Provide ongoing development opportunities for all board members (continued) All board members will benefit from ongoing development efforts.</p>	<ul style="list-style-type: none"> • Offer continuing development opportunities, especially focused on equity and inclusion, for all directors. • Develop a process to support and prepare independent board directors so that they can be as well-resourced as GP directors. • Ensure that all directors are included in the “between board meetings” work—especially if an independent director is not on a committee. • Rotate agenda and meeting facilitation or committee chairs/roles in a preset way to refresh perspectives.
<p>Rethink the number and allocation of board seats Being strategic about the use of board seats allows for more access to new and diverse ideas.</p>	<ul style="list-style-type: none"> • Ensure that boards are diverse from their earliest days, rather than trying to add diversity later in the portco’s life cycle, when inclusion becomes more difficult, let alone just prior to an initial public offering or exit. • Limit GP employees’ maximum number of boards to open seats for diverse directors. • Limit the maximum number of boards seats held by GP employees on any given portco board (e.g., if you have three seats to fill, two could be internal and the third must be external). • Consider whether directors, especially independent ones, are over-boarded. • Consider increasing the size of the board.

LPs have a clear role to play in driving diversity on the boards of the portfolio companies in their chosen GPs’ funds, leading to better outcomes for both parties.

Guidance for LPs as Investors in a Fund	Actions for Operationalizing Guidance
<p>Focus on investing with GPs that align with your diversity goals Investing with forward-thinking GPs could lead to greater returns.</p>	<ul style="list-style-type: none"> • Invest with GPs that align with your diversity goals. • Evaluate whether a GP is currently delivering the desired diversity outcomes. • Evaluate whether a GP is likely to deliver the desired diversity outcomes in the long term, based on progress.
<p>Put diversity at the forefront Incorporating evaluation of the diversity strategy into due diligence signals that it is a priority to the organization and not an afterthought.</p>	<ul style="list-style-type: none"> • Ensure that senior members of LP organizations ask senior members of GP organizations questions on diversity, rather than leaving the issue to diversity professionals or the request-for-proposal process. • Ask for diversity information in the “Talent” section of the diligence memo, not in the back, to emphasize its importance. • Ensure that nondiverse decision makers are vocal about the importance of diversity when engaging with GPs.

The Missing Element of Private Equity: Best Practices to Improve Board Diversity



Guidance for LPs as Investors in a Fund	Actions for Operationalizing Guidance
<p>Put diversity at the forefront (continued) Incorporating evaluation of the diversity strategy into due diligence signals that it is a priority to the organization and not an afterthought.</p>	<ul style="list-style-type: none"> • Ensure that senior members of LP organizations ask senior members of GP organizations questions on diversity, rather than leaving the issue to diversity professionals or the request-for-proposal process. • Ask for diversity information in the “Talent” section of the diligence memo, not in the back, to emphasize its importance. • Ensure that nondiverse decision makers are vocal about the importance of diversity when engaging with GPs.
<p>Offer support to GPs in sourcing and hiring diverse directors Expanding the network for GPs to tap helps accelerate progress and demonstrates LP commitment to diversity.</p>	<ul style="list-style-type: none"> • Give GPs access to your talent-recruiting networks.
<p>When nominating observers or nonvoting directors, consider diverse directors Even when they are nonvoting, the presence of diverse people in the boardroom can amplify the voices of voting members of the board, magnifying their influence and contributing to a more inclusive boardroom environment.</p>	<ul style="list-style-type: none"> • Use observers or nonvoting seats strategically to improve diversity in the room.

RESOURCES FOR FURTHER DETAIL:

The **Roadmap** work by the Institutional Limited Partners Association

50/50 Women on Boards

Ascend: Pan-Asian Leaders

Catalyst: Women on Board Initiative

Diligent: Board Diversity Network

Equilar: Diversity Network

Executive Leadership Council: Corporate Board Initiative

Forte Foundation: Global Board Ready Women

Harvard: WomenExecs on Boards

Latino Corporate Directors Association

Out Leadership

Sigma Pi Phi Fraternity

Stanford Women on Boards: Board Match Service

Thirty Percent Coalition

Toigo: All A Board Initiative

A Conversation Guide for General Partners and Limited Partners

Improving diversity, equity, and inclusion (DEI) on private equity backed portfolio company boards presents an opportunity to build long-term value for companies and investors as well as demonstrate leadership on critical social issues. Private equity backed portfolio companies (portcos) represent an increasingly important, and growing, proportion of the economy, and we anticipate a heightened focus on the diversity of portco boards. Leading GPs and LPs can drive long-term performance by building effective, diverse portco boards and building diversity among their advisors. To facilitate discussions about board diversity, equity and inclusion between GPs and LPs, FCLTGlobal has developed this Portfolio Company Board Diversity Conversation Guide.

The Missing Element of Private Equity: A Conversation Guide on Board Diversity

FOR GENERAL PARTNERS AND LIMITED PARTNERS



Questions for GPs

PORTFOLIO COMPANY BOARDS

- Do you consider diversity when recruiting board directors? If so, how do you define diversity?
- Do you have a policy or stated preference on representation by gender, race, ethnicity, age, or other factors on your portco boards? If so, what is the policy?
- Do you track portco board diversity? If so, are you setting goals for those metrics?
- Are there timeframes for achieving goals, such as by a certain date, a certain amount of time post-acquisition, or a certain amount of time prior to intended exit?
- How do you source and identify board candidates? Do you maintain a database of qualified diverse candidates? Do you have a budget for sourcing diverse candidates?
- Do you have a centralized approval process for appointments to portco boards? If so, who is responsible for board appointments? How are they held accountable?

- How do you ensure inclusion? Do you run trainings for diversity and inclusion? What do these trainings cover?
- When you do not have majority control (e.g., as a minority shareholder or co-investor), do you approach diversity differently?

GP FIRM

- What efforts are underway within your organization to improve diversity, equity, and inclusion, particularly of the investment professionals?
- What dimensions of diversity are represented on your own board? Are you satisfied with your own board diversity?
- Do you track the share of assets or risk budget that are managed by people of various genders, races, ethnicities, or other representation categories?
- Are diversity measures included in your due diligence process? If so, how?
- How do you measure success?

Questions for LPs

LP ORGANIZATION

- What do you plan on doing with the information provided in the conversation guide and template? Will this information be used in your decision-making process?
- What efforts are underway within your organization to improve diversity, equity, and inclusion, particularly of the investment professionals?
- What support are you willing to provide GPs in the director search process?
- Do you have a unified approach for how you collect and compare data?
- How do you measure success?

AS A DIRECT PRIVATE EQUITY INVESTOR OR CO-INVESTOR, IF APPLICABLE

- Do you consider diversity when recruiting board directors? If so, how do you define diversity?
- Do you have a policy or stated preference on representation by gender, race, ethnicity, age, or other factors on your portco boards? If so, what is the policy?
- If you have specific goals for representations for GPs, do you have the same specific goals for representation for internally managed funds?
- When you do not have majority control (e.g., as a minority shareholder or co-investor), do you have goals for nominating diverse board candidates?
- Do you take portco board diversity into account in your investment process? If so, how? If not, do you expect to over time?

A Disclosure Template for Portfolio Company Board Diversity

FCLTGlobal's business and investor communities recognize the need for the private sector to demonstrate long-term value creation along both financial and non-financial criteria, especially when it comes to reporting on metrics related to firm diversity. As private equity-backed companies comprise a significant and growing proportion of the economy, the diversity of private equity-backed portfolio company boards is receiving increased attention and provides an opportunity to promote diversity, equity, inclusion, in the pursuit of long-term value creation.

The Missing Element of Private Equity: A Portfolio Company Board Diversity Disclosure Template



Includes numeric indicators drawn from existing disclosure frameworks (EPIC, GRI, ILPA, IR, PRI, SASB, eVestment) to provide a holistic view of diversity for investors and serve as a baseline for non-financial disclosures.

This template is meant to serve as a basis for sharing key aspects of diversity on portfolio company boards, including composition, roles of various board directors, and emerging characteristics of newly added directors. Extensive work has been done on non-traditional reporting by many organizations, including EPIC, GRI, ILPA, IIRC, PRI, SASB, eVestment, and others. These metrics are not a replacement for these detailed frameworks, rather they were built on the strengths of various approaches with the goal of providing the information needed by GPs and LPs that will help inform the conversation and incentivize action.

We recognize that due to the quantitative focus of the template, there are metrics that may be interpreted differently as a result of geographic or industry context of the company and method for calculation. Organizations

will need to be mindful of local laws, which can shape or constrain the way the standard cited here as a guideline is implemented. An additional field (other/information not available) has been provided at the end of each section to give GPs an opportunity to provide the level of information their local laws allow. The expectation is for each director to self-identify based on the following criteria using an annual disclosure and release form.

Finally, it is important to note that numbers only tell part of the story when it comes to diversity, equity, and inclusion at any organization, but they can be an important place to start. We hope the view provided by this type of disclosure can help lay the foundation for a more fully informed conversation that contributes to real change and more sustainable long-term value creation.

Please refer to the instructions on the following page.

The Missing Element of Private Equity: A Portfolio Company Board Diversity Disclosure Template



METRICS

Current Directors

1. Total **number of voting portfolio company board directors** by category
2. Total **number of non-voting directors/observers** by category
3. Total **number of board chairs** by category

Director Turnover

4. Total **number of new** (voting) **directors** (most recent year)
5. Total **number of director terminations and retirements** excluding company exit (most recent year)

GUIDANCE

The metrics that follow may be collected at the fund level or at the GP firm level and include only the companies for which the GP has majority control. To collect the most accurate data we suggest each director be asked to self-identify and annually consent to anonymous use of the information. For each section, please share the following information by:

Columns

Gender: Male, Female, Non-binary/Other

Type of Director: GP Employee, Portfolio Company Employee, Independent, Other/Co-investor(s)

Rows

Diversity Status: Asian, Black, Hispanic/Latinx, Indigenous/Tribal People (domicile-specific), Middle Eastern or North African, White, Two or More Races or Ethnicities, Other/Information Not Available

INSTRUCTIONS

1. Fill out the **four disclosure questions** before beginning.
2. When defining the **disclosable universe (majority control only)**, relevant items for consideration might include country(ies) of domicile, number of portfolio companies included in the information that follows, age and vintage of the funds, or average holding period of the companies in the universe, among other things.
3. When disclosing the number of **portfolio companies with no diverse directors**, consider companies that have no directors along the various dimensions of diversity covered in this template—including gender, race, ethnicity, creed, sexual orientation, disability status, veteran status, or other relevant dimension of diversity (based on operating context).

4. Include the **total number of portfolio companies (in the majority control universe)**, including ones not disclosed (i.e., majority-controlled portfolio companies that are unable to disclose director information).
5. Insert the number of **voting board director seats held** by gender and type for the eight diversity categories.
6. Insert the number of **non-voting directors/observers** by gender for the eight diversity categories.
7. Insert the number of **board chairs** by gender for the eight diversity categories.
8. Insert the number of **new voting directors** added in the most recent year by gender and type for the eight diversity categories.
9. Insert the number of director terminations and retirement (excluding for reasons related to company exit) in the most recent year by gender and type for the eight diversity categories.
10. For all fields, if data is not available, then select *other/information not available*.

NOTES

- Diversity status categories are based on eVestment categories. Some categories may be more relevant than others, depending on operating context/region/jurisdiction. See back for definitions.
- “Other/Co-Investor(s)” are directors occupying board seats which the disclosing GP has no control or influence over.
- Information additional to race, ethnicity, and gender you wish to add may include ancestry, creed, citizenship, disability status, veteran status, age, sexual orientation, or other.
- Examples of additional indicators of diversity included are not uniform for every organization. An organization identifies relevant indicators based on its operating context.

The Missing Element of Private Equity: A Portfolio Company Board Diversity Disclosure Template



CURRENT DIRECTORS

1. Total number of voting portfolio company board director seats by category

Male Directors	Asian	Black	Hispanic/ Latinx	Indigenous/Tribal People (domicile-specific)	Middle Eastern or North African	White	Two or more races or ethnicities	Other/Information Not Available	Total
GP Employee									
Company Employee									
Independent									
Other/ Co-Investor(s)									
Female Directors	Asian	Black	Hispanic/ Latinx	Indigenous/Tribal People (domicile-specific)	Middle Eastern or North African	White	Two or more races or ethnicities	Other/Information Not Available	Total
GP Employee									
Company Employee									
Independent									
Other/ Co-Investor(s)									
Non-Binary/Other Directors	Asian	Black	Hispanic/ Latinx	Indigenous/Tribal People (domicile-specific)	Middle Eastern or North African	White	Two or more races or ethnicities	Other/Information Not Available	Total
GP Employee									
Company Employee									
Independent									
Other/ Co-Investor(s)									
Total Number of Voting Board Seats									

2. Total number of non-voting directors/observers by category

	Asian	Black	Hispanic/ Latinx	Indigenous/Tribal People (domicile-specific)	Middle Eastern or North African	White	Two or more races or ethnicities	Other/Information Not Available	Total
Male Directors									
Female Directors									
Non-Binary/ Other Directors									
TOTAL									

The Missing Element of Private Equity: A Portfolio Company Board Diversity Disclosure Template



3. Total number of board chairs by category

	Asian	Black	Hispanic/ Latinx	Indigenous/Tribal People (domicile-specific)	Middle Eastern or North African	White	Two or more races or ethnicities	Other/Information Not Available	Total
Male Directors									
Female Directors									
Non-Binary/ Other Directors									
TOTAL									

DIRECTOR TURNOVER

4. Total number of new (voting) directors (most recent year)

Male Directors	Asian	Black	Hispanic/ Latinx	Indigenous/Tribal People (domicile-specific)	Middle Eastern or North African	White	Two or more races or ethnicities	Other/Information Not Available	Total
GP Employee									
Company Employee									
Independent									
Other/ Co-Investor(s)									
Female Directors	Asian	Black	Hispanic/ Latinx	Indigenous/Tribal People (domicile-specific)	Middle Eastern or North African	White	Two or more races or ethnicities	Other/Information Not Available	Total
GP Employee									
Company Employee									
Independent									
Other/ Co-Investor(s)									
Non-Binary/ Other Directors	Asian	Black	Hispanic/ Latinx	Indigenous/Tribal People (domicile-specific)	Middle Eastern or North African	White	Two or more races or ethnicities	Other/Information Not Available	Total
GP Employee									
Company Employee									
Independent									
Other/ Co-Investor(s)									
TOTAL									

The Missing Element of Private Equity: A Portfolio Company Board Diversity Disclosure Template



5. Total number of director terminations and retirements—excluding company exit (most recent year)

Male Directors	Asian	Black	Hispanic/ Latinx	Indigenous/Tribal People (domicile-specific)	Middle Eastern or North African	White	Two or more races or ethnicities	Other/Information Not Available	Total
GP Employee									
Company Employee									
Independent									
Other/ Co-Investor(s)									
Female Directors	Asian	Black	Hispanic/ Latinx	Indigenous/Tribal People (domicile-specific)	Middle Eastern or North African	White	Two or more races or ethnicities	Other/Information Not Available	Total
GP Employee									
Company Employee									
Independent									
Other/ Co-Investor(s)									
Non-Binary/ Other Directors	Asian	Black	Hispanic/ Latinx	Indigenous/Tribal People (domicile-specific)	Middle Eastern or North African	White	Two or more races or ethnicities	Other/Information Not Available	Total
GP Employee									
Company Employee									
Independent									
Other/ Co-Investor(s)									
TOTAL									

The Missing Element of Private Equity: A Portfolio Company Board Diversity Disclosure Template



ADDITIONAL INFORMATION

If you wish, add additional information about the board of directors. This may include veteran or disability status, creed, sexual orientation, citizenship, or other dimensions of diversity not captured above:

The Missing Element of Private Equity: A Portfolio Company Board Diversity Disclosure Template



DEFINITIONS OF RACE, ETHNICITY AND GENDER BY eVESTMENT

Asian	May include individuals with origins in Northern Asia/Far East, Southeast Asia, and the Indian subcontinent. Specific examples may include Chinese, Filipino, Indian, Indonesian, Japanese, Korean, Malaysian, Taiwanese, Thai, etc.
Black	May include individuals with origins in Sub-Saharan Africa. Specific examples may include African American, Barbadian, Ethiopian, Haitian, Ghanaian, Jamaican, Kenyan, Liberian, Nigerian, Somali, etc.
Hispanic/Latinx	May include individuals of Cuban, Mexican, Puerto Rican, South or Central American, or other Hispanic culture or origin.
Indigenous/Tribal People (domicile-specific)	Users should populate and evaluate this category based on where board is domiciled. For example: a board domiciled in Japan might include Ainu. A board in Australia might include Aboriginal and Torres Strait Islanders. A board in the United States might include Native Americans, Native Hawaiians, and Alaska Natives. A board domiciled in Norway might include Sami.
Middle Eastern or North African	May include individuals with origins in Southwest Asia, the Middle East, or North Africa. Specific examples may include Arab, Bahrani, Egyptian, Iranian, Iraqi, Israeli, Jordanian, Kuwaiti, Lebanese, Moroccan, Palestinian, Qatari, Syrian, Tunisian, etc.
White	May include individuals with origins in Europe. Specific examples may include Danish, English, French, German, Greek, Hungarian, Irish, Italian, Norwegian, Polish, Scottish, Slovakian, Swedish, Swiss, etc.
Two or More Races or Ethnicities	May include individuals who prefer to identify as a combination of races or ethnicities across multiple categories.
Female	An individual self-identifying as a woman.
Male	An individual self-identifying as a man.
Non-Binary/Other	An individual self-identifying as two (or more) genders, non-gendered, gender fluid, or otherwise non-cisgender. Any individuals who prefer not to self-identify in any given category may identify as Other.

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Endnotes

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