



# ESG Data Convergence Initiative Benchmark Terms and Conditions

## Investment Manager Information Sheet

Welcome to the ESG Data Convergence Initiative! We are excited to have you join the EDCI and have prepared this document to help summarize the principles of and spirit behind the terms and conditions for Investment Managers (IMs) who are joining the Initiative.

The standard legal agreement, which you received in your welcome email, covers key terms and conditions, including the use of aggregated data/deliverables between you, as an Investment Manager, and BCG, as the data aggregator.

BCG has worked closely with members of the EDCI Steering Committee to develop this legal agreement. The spirit of the agreement (and security protocols) summarized in this info sheet is meant to protect the data provided by the participants and preserve the integrity of the Initiative. In addition to this info sheet, the [EDCI website](#) is a great source of information on the Initiative.

Unfortunately, given the scale of this endeavor we are unable to customize this contract for each individual participant. Do let us know if there are any essential edits you would like us to consider or questions you have as you review, but we appreciate your help in keeping this as standardized as possible.

## A Note on BCG's Role in the EDCI

BCG has been supporting the EDCI on a pro bono basis and believes deeply in the Initiative's potential to enable positive impact in the private markets. BCG's role in this industry-led Initiative is one of a supporting partner to the EDCI Steering Committee, with the Steering Committee, comprised of General Partners (GPs) and LPs, making all of the key Initiative decisions.

## Key information and terms for LPs

### Fees

There are no fees (or expenses/interest charges) for joining the EDCI. Participants can request to upgrade to premium service access (as described on the EDCI website) at any time via email (at [ESGmetrics@bcg.com](mailto:ESGmetrics@bcg.com)).

### Use of Aggregated Data and Deliverables

Please feel free to use the aggregated data and deliverables and benchmark insights however you wish for your internal business purposes, provided the aggregated data and deliverables are not shared with any investment consultant personnel or division in your company who are not formal members of the EDCI. Keeping access to the EDCI benchmark within the community of EDCI participants is a foundational principle of the EDCI. This is designed to both protect participant data and incentivize Initiative uptake. As the legal entity responsible for creating and ensuring the quality of the benchmark, BCG is currently the owner and steward of the benchmark's IP. This allows the EDCI Steering Committee to ensure that only EDCI participants can access the benchmark data and insights and that all participants who have access are complying with the terms and conditions. BCG's role is



one of a steward and supporting partner to the EDCI Steering Committee, and will always follow Steering Committee guidance on the use of this intellectual property (with use clearly restricted to EDCI participants).

If the Steering Committee decides that it would like the aggregated data to be published or more broadly distributed by BCG or the Initiative participants, that will require the consent of all GPs who submitted data. The resulting publication or distribution will be jointly owned. If a GP does not want their data to be published, even at the aggregate level, their raw data will be removed from the aggregation prior to publication or broader distribution.

### **Data Collection**

As an Investment Manager, you will not need to contribute any data to the Initiative. Investment Managers, LPs, and Investment Consultants (ICs) will have the ability to view the data at the aggregate level through the benchmark.

### **Confidentiality**

Raw data is and will remain the confidential information and intellectual property of the disclosing participant. It is not anticipated that LPs, IMs, or ICs will need to disclose any confidential information to BCG.

### **Personal Data**

At no point should BCG receive any personally identifiable information as part of BCG's support of the Initiative.

### **Feedback**

In the spirit of the Initiative, BCG wants to be able to share feedback directly with the Steering Committee, in order to improve the Initiative for the benefit of all participants.

### **Representation and Indemnity by Participant**

As of now, the aggregated data and deliverables are only for your internal use as a committed participant. That includes sharing with your and your affiliate's respective boards, lawyers, and accountants. As an Investment Manager, you may also share targeted portions of the aggregated data and deliverables (but not in their entirety) with your general partners, limited partners, portfolio companies and co-investors - as long as you have a contract or policy in place for them to maintain the same degree of confidentiality.

Any broader use or publication will be decided on by the Steering Committee. This is for a few reasons:

- In the spirit of the Initiative, the data ultimately belongs to EDCI members, so broader distribution or publication will require Steering Committee approval.
- Broad sharing of the aggregated data/deliverables could expose BCG to reliance claims. As such, we have included a brief indemnity in the terms and conditions should any claims arise regarding oversharing of the aggregated data or deliverables.



## Warranties & Disclaimer and Limit of Liability

Please view the *Limited Partner ESG Data Convergence Initiative Benchmark Terms and Conditions* document for details around warranties and disclaimers and limits of liability, all of which we view as standard for a contract of this nature (i.e. a pro bono and collaborative engagement such as the EDCI).

## Additional Note on EDCI Data Security Protocols

Data security and privacy are of utmost importance to the EDCI, and to BCG's support of the Initiative - as a leading professional services firm our business model fundamentally depends on client trust and data security. We are utilizing best-in-class protocols to protect GP and portfolio company data with several layers of security, such as:

- 1) **Data anonymization:** GPs only submit anonymized portfolio company data.
- 2) **Secure file transfer and data storage:** Data submissions are made using a fully encrypted system (following 256-bit AES protocol), with strict technical and operational security processes in place to ensure high levels of data protection pertaining to data storage. As part of this secure system:
  - a. BCG Expand ensures all data is encrypted both during transfer and at rest.
  - b. The EDCI data environment undergoes regular vulnerability scanning and periodic penetration testing.
  - c. BCG Expand complies with all applicable data protection laws and regulations.
- 3) **Access to GP data:** Only a very small number of BCG Expand benchmarking specialists have access to a GP's raw line-item data (purely to conduct data validation checks with the GP). No raw line-item data is accessible to client-facing BCG team members. EDCI GPs are the only entities with access to their data within the benchmark portal.
- 4) **Aggregated benchmark structure:** While the benchmark allows for flexible and tailored data cuts, no individual portfolio companies will be able to be identified. No data is shown in the benchmark when the sample size drops below seven (as agreed upon with the Steering Committee) for any data cut.
- 5) **Access to aggregated benchmark:** Only EDCI participants have access to the aggregated data, through the benchmark portal. Security methods to protect this include a two-factor-authentication (2FA) system to ensure only approved individuals have portal access. There are also robust firewalls in place within BCG to ensure that only GPs and LPs that are part of the EDCI have access to the aggregated benchmark and associated insights.
- 6) **Research findings:** Research, if publicly shared, will be presented only in an aggregated format that highlights key industry trends.