



FLEXSTONE

PARTNERS

Diversity, Equality, and Inclusion

March 2022

CONTENTS

Diversity, equality, & Inclusion..... 3
Public Engagements..... 4
Internal Commitments 5
Inclusive Recruitment & Retention 6
Tracking & Reporting..... 6
Contacts..... 7

DIVERSITY, EQUALITY, & INCLUSION

Our Values

The promotion of diversity, equality, and inclusion (DEI) is one Flexstone Partners' ('Flexstone') six sustainability principles that guides our actions as a corporate citizen, investor, and employer. It is one of our core convictions that a diverse and inclusive workforce is crucial to long-term value creation and sustainable development. We believe that creating an inclusive and diverse workplace for all Flexstone employees is key to providing our clients superior financial performance from responsible, ethical investments, and to advocating for the importance of DEI in our local communities and the financial sector.

Therefore, we seek to continuously improve our DEI practices and policies according to industry best practices on DEI, and to advocate for diversity and equality both internally and externally through our actions.

Diversity, Equality, & Inclusion at Flexstone Partners



Sustainability Principle 1: Promotion of Diversity, Equality, and Inclusion¹

Flexstone seeks to promote diversity and equality through its governance, actions, and policies, and has implemented a firm-wide initiative to support and raise awareness of UN SDGs 4 (quality education), 5 (gender equality), and 8 (decent work and economic growth) both internally and in the wider private equity sector. Flexstone recognizes:

- The historical underrepresentation of women and minorities in the private equity sector, and is committed to promoting increased gender equality and diversity in the industry; and
- That diversity, equality, and inclusion are necessary to the development of sustainable business models and communities in the long-run, the delivery of risk-adjusted, responsible returns, and to the achievement of the UN SDGs globally.

¹ From Flexstone Partners' Corporate Sustainability Policy, February 2022

PUBLIC ENGAGEMENTS

Gender Equality Charter

In 2020, Flexstone committed to the France Invest-sponsored 'Gender Equality Charter'⁴, including the following stated objectives:

Increase the percentage of women having responsibility for Investment Committee decisions to 25% by 2030 and to 30% by 2035 and to acquire the necessary tools to achieve this objective.

Set a target for women to make up 40% of investment teams by 2030.

Involve management in delivering on these commitments.

Ensure that published job offers are gender neutral and free of gender stereotypes in accordance with the regulations in force.

Ensure non-discriminatory recruitment and assessment practices by:

- Considering several female candidates against male candidates until the end of the process to limit profile analysis bias;
- Making sure to use a gender-neutral list of questions so that women are not asked different questions;
- Ensuring that Flexstone is as evenly represented as possible during the profile assessment, interview, and selection phase; and,
- Broadening the eligible profiles when recruiting for skills related to the unlisted investment business.

Establish monitoring indicators and communicate them annually to France Invest in order to track and measure progress.

Encourage working time flexibility and organization for all employees.

Combat gender stereotypes and ordinary sexism by:

- Introducing unconscious bias training for fund managers and their teams;
- Monitoring ordinary sexism, including an item on sexual harassment in internal regulations and designating a contact person for any whistle-blowing requests.

Implement measures to retain female talent.

Encourage private equity firms to achieve quantified and time-bound objectives relating to a better balance between women and men in its teams.

In addition to the commitments set by the Gender Equality Charter, Flexstone recognizes the importance of gender-inclusiveness, and seeks to create a welcoming and supporting environment for people to be who they are, irrespective of their gender identity and gender expression. We value each individual's unique contributions, and are committed to the following actions:

Formalizing and implementing Flexstone's code of conduct on harassment, discrimination, and workplace violence;

Providing diversity training to all Flexstone employees on topics such as gender expression, identity, and inclusive communication practices; and,

Integrating best practices for gender-inclusion across the Firm's recruitment and communication practices, including the use of gender-neutral language and gender-inclusive pronouns.

⁴ <https://www.franceinvest.eu/en/charter-promoting-gender-equality>

Institutional Limited Partners Association – Diversity in Action Initiative

In 2022, Flexstone commits to becoming a signatory of **the ILPA Diversity in Action initiative**. The Diversity in Action initiative brings together limited partners and general partners who share a commitment to advancing DEI in the private equity industry. The goal of the initiative is to motivate market participants to engage in the journey towards becoming more diverse and inclusive and to build momentum around the adoption of specific actions that advance DEI over time.

As a signatory, Flexstone commits to the following combination of foundational and optional activities:

- I. Has in place a **DEI statement or strategy, communicated publicly, and/or a DEI policy communicated to employees and investment partners**, that addresses recruitment and retention*
- II. **Tracks internal hiring and promotion statistics** by gender and race/ethnicity**
- III. Has in place organizational goals that result in **demonstrable practices to make recruitment and retention more inclusive**
- IV. **Requests DEI demographic data for any new commitments****
- V. **Tracks gender and race/ethnicity statistics within GPs organizations****
- VI. **Provides unconscious bias training** for employees on an ongoing basis

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

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

INTERNAL COMMITMENTS

At Flexstone, we believe that human capital, diversity, and gender equality add value to the Firm and its investment activities and are key to the sustainable transformation of the global economy. We have chosen to demonstrate our commitment to these topics through the following actions:

Supporting and raising awareness on the importance of **providing everyone an equal opportunity to quality education (SDG 4), gender equality (SDG 5), and decent work and economic growth (SDG 8)** through our SDG-based corporate initiatives;

Ensuring that our global culture, workplaces, and HR policy are inclusive, and provide a safe and rewarding working environment to all employees on a daily basis;

Formalizing the Firm's policy on harassment, discrimination, and workplace violence and setting a clear procedure for reporting, investigation, and disciplinary action for such infractions;

Ensuring the integration of **best industry practices for promoting inclusiveness and diversity in our HR policy, recruitment, and communication practices;**

Ensuring that all of our employees, including the Board of Directors, review Flexstone's DEI strategy and code of conduct on harassment, discrimination, and workplace violence annually;

Developing and implementing a strategy for continuous training of all our employees on DEI issues on an annual basis, including unconscious bias training; and,

Tracking, analyzing, and reporting on our progress towards the stated targets and commitments, as well as their outcomes, in Flexstone's annual Corporate Sustainability Report (starting in 2022).

INCLUSIVE RECRUITMENT & RETENTION

Flexstone recognizes the importance of implementing inclusive recruitment practices to retain talent and promote a diverse, safe, and rewarding working environment to all of its current and prospective employees. One of the key aspects of Flexstone's DEI strategy is establishing firm-wide recruitment policy and practices that promote diversity and inclusion in all its forms, including but not limited to, race, religion, color, gender identity, gender expression, national origin, sexual orientation, marital status, age, veteran status, disability status, or any other applicable legally protected characteristic.

To reinforce the Firm's commitment to promoting DEI, **Flexstone commits to implementing the following recruitment practices:**

- **Writing inclusive job descriptions that are gender-neutral**, including eliminating masculine and feminine words from job postings and using gender-neutral pronouns;
- **Integrating an Equal Employment Opportunity (EEO) statement in all Flexstone job postings;**
- **Establishing diverse interview panels for all candidates to reduce bias** and assess individuals from different perspectives;
- **Measure and track inclusive hiring program outcomes, and review policy annually** to align with industry best practices for inclusive recruitment⁶.

Equal Employment Opportunity Statement

The Following Equal Employment Opportunity statement will be included in all of our job postings as of March 2022:

'Flexstone Partners is an equal opportunity employer and we value a diverse and inclusive workforce. We do not discriminate on the basis of race, religion, color, gender identity or expression, national origin, sexual orientation, marital status, age, veteran status, disability status, or any other legally protected characteristic.

All employment is decided on the basis of qualifications, merit, and business need.'

TRACKING & REPORTING

Flexstone is committed to continuously improving its DEI strategy and transparency of the Firm's DEI practices, policy, and progress towards the stated goals. Moreover, Flexstone seeks to improve its capacity to monitor, analyze, and report on various DEI indicators of its General Partners (GPs), Portfolio Companies, and Co-investments in order to identify key areas for improvement and support GPs in creating ESG roadmaps to improve DEI practices at management and portfolio company level.

⁶ Subject to regional regulations on tracking DEI Indicators (e.g., in France, tracking of race/ethnicity indicators is illegal)

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