



FLEXSTONE
PARTNERS

Diversity, Equity, and Inclusion Policy

January 2023

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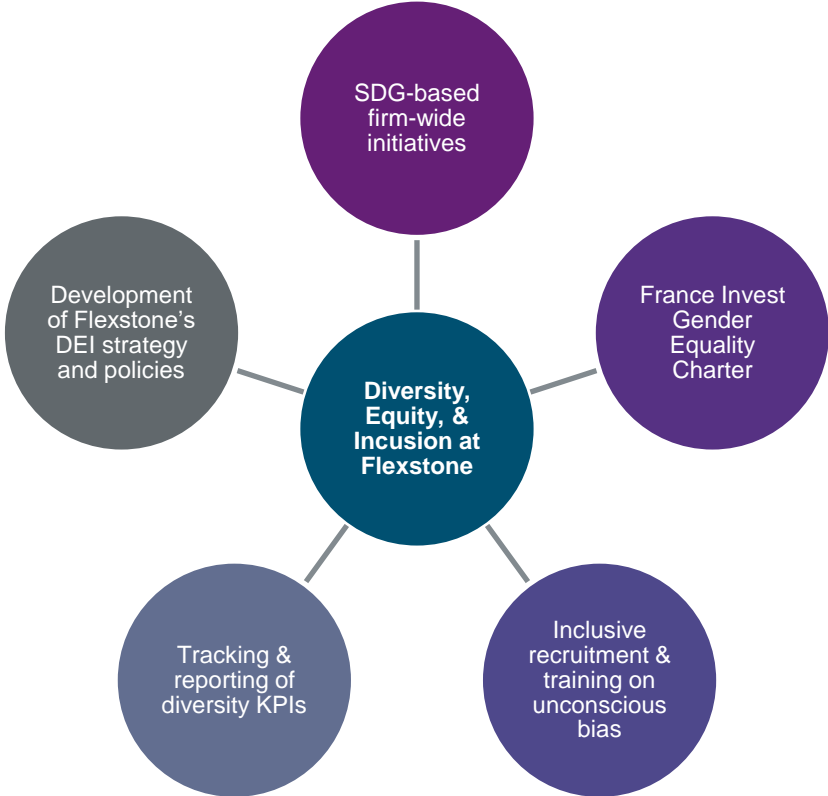
DIVERSITY, EQUITY, & INCLUSION

Our Values

The promotion of diversity, equity, 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 and to advocating for the importance of DEI in our local communities and the financial sector.

Therefore, we seek to continuously improve our internal DEI practices and policies according to industry best practices.

Diversity, Equity, & Inclusion at Flexstone Partners



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

Flexstone seeks to promote diversity and equity through its governance, actions, and policies, and recognizes:

- The historical underrepresentation of women and minorities in the private equity sector, and is committed to promoting increased gender equity and diversity in the industry; and
- That diversity, equity, 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-equity>

Institutional Limited Partners Association – Diversity in Action Initiative

Flexstone became a Signatory of the **ILPA Diversity in Action initiative in June 2022**. 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 equity 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:

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

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;

Providing all of our employees annual training on a range of DEI issues, including unconscious bias and tools to create a more inclusive work environment; and,

Tracking, analyzing, and reporting on our progress towards the stated targets and commitments, as well as their outcomes, in Flexstone's annual ESG Report.

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:**

- **Including the diversity of candidates and talent pools as a part of the Firm's recruitment objectives when working with external head-hunters;**
- **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;
- **Monitoring hiring statistics, and reviewing internal policies on an annual basis** to align with industry best practices for inclusive recruitment⁶.

Equal Employment Opportunity Statement

The Following Equal Employment Opportunity is included in all job postings:

'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.'

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

MONITORING & REPORTING OF DEI OUTCOMES

Flexstone will continue to monitor and develop the Firm's DEI strategy, and will report on the Firm's progress towards its DEI objectives in its annual sustainability report. Flexstone further seeks to promote transparency and standardization of DEI reporting frameworks by using internationally recognized DEI KPIs, such as the ones defined by the ILPA in the Diversity Metrics Template.

Flexstone also supports DEI research in the private equity industry, and participates in responding to surveys that capture data on the state of diversity and equity in the workforce. For example, Flexstone responds to France Invest's survey annually to report on the Firm's progress towards the targets set by the Gender Equality Charter.

Moreover, Flexstone seeks to improve its capacity to monitor, analyze, and report on the 'social' performance of GPs and underlying portfolio companies. Flexstone's 2021 Reporting 21 data collection campaign⁷ included a wide range of social indicators at management company and portfolio company level, covering issues such as the diversity of the workforce, women among the 10 highest paid employees, turnover, gender pay gap, and public engagements / commitments to DEI. Through the campaign, Flexstone seeks to encourage its GPs to monitor DEI performance and practices across their portfolio companies, and to develop DEI-focused action plans to foster an inclusive, rewarding, and safe working environment for all.

⁷ The Reporting 21 campaign was completed by GPs on a best-effort basis

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