

Exponent

Diversity, Equity & Inclusion

December 2023



Our Vision

We are committed to advocating and promoting Diversity, Equity and Inclusion (“DE&I”) within Exponent, our boards, our portfolio companies and our advisors. Enhancing diversity initiatives across all underrepresented groups including disability, gender, race, religion and sexual orientation empowers our most important asset, our people, which, we believe, makes us more competitive and better investors.

As an employer, we acknowledge that our employees can have more than one identity and that an employee’s experiences will be shaped by the combination of these identities. To support our employees we need to consider the impact of intersectionality in our inclusion efforts.

Our Strategic Aims

Our strategy for DE&I is embodied within the following strategic aims:

People: to identify and attract a diverse team that leverages the talents, skills and perspectives that difference can bring.

Culture: to create an inclusive environment that allows us to retain, develop and empower our people.

Portfolio: to use our platform to foster a diverse and inclusive culture at our portfolio companies and in our advisor networks.

The aggregated benefits of realising these strategic aims will be to enhance Exponent’s ability to connect with a demographically broad range of stakeholders and continue to unlock unique opportunities.

Our Approach

In 2020, Exponent established a DE&I Committee, to formalise our existing DE&I initiatives and deliver against the Firm’s vision. A smaller working group was set up in 2021, initially to focus on embedding ILPA’s Diversity in Action Framework but has gone on to further the Firm’s approach to DE&I .

Our DE&I working group is made up of six diverse members of the team, including two Partners to ensure that there is senior level accountability. All are passionate about making Exponent a diverse and inclusive place to work.

Frameworks

At Exponent, we understand the crucial role that an inclusive organisation plays in building a happy and productive workforce, with the knowledge that a fully representative workforce brings in diverse skills and disciplines that help our business stay agile in a changing world.

This is something we work to promote both internally, supported by our DEI Committee and working group, and across our portfolio.

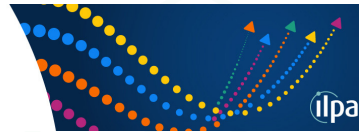
ILPA's Diversity in Action Framework

To measure and monitor diversity across our portfolio companies and Firm, we are a signatory to ILPA's Diversity in Action Framework.

This framework covers a broad range of initiatives to promote DEI, including talent management, investment management, industry engagement, and measurement.

This framework has been adopted by other leading GPs and LPs and provides a strong foundation and benchmark for our bespoke DE&I initiatives.

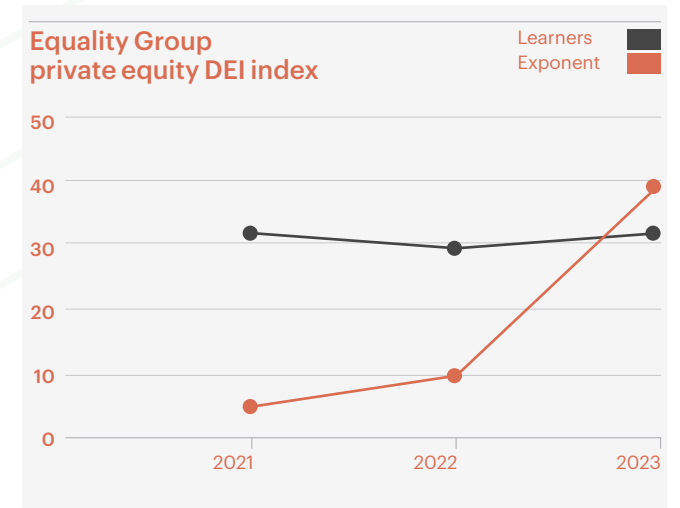
Diversity in Action



Industry Benchmarks

The Equality Group

We are keen to benchmark our DEI performance and progress and have used Equality Group's annual private equity DEI index ("HonorDEX"). Now in its third year, Exponent continues to make progress, ranking 31 out of 175 firms. The framework evaluates firms against core DEI principles, including DEI support, inclusive teams, working conditions, actions and data, leadership, and portfolio DEI. We will use this framework as a tool to make impactful interventions as well as a mechanism to judge our progress. We have engaged the Equality Group to help steer the Firm's DEI Committee and develop an action plan for 2023.



31 out of 175 firms

Selected Partnerships

LEVEL 20

We have been a sponsor of Level 20 since 2017, a not-for-profit organisation dedicated to improving gender diversity in the European private equity industry.

We actively participate in Level 20's four key pillars:

- **Mentoring and Development**
Opportunity for female members of the team to benefit from their annual mentoring programme and Exponent Partners act as mentors to support the scheme.
- **Networking and events**
As a sponsoring firm, we contribute to Level 20's events schedule and encourage members of the team to participate and learn from this network.
- **Outreach and Advocacy**
We participate in outreach work to encourage women into the private equity industry.
- **Research**
We contribute to Level 20's Annual Survey to help shape policy and initiatives through open and collaborative data sharing.

OUT LGBT+ NETWORK INVESTORS

In 2021 Exponent became a member of Out Investors, an organisation aimed at making the investment industry more welcoming for LGBT+ individuals.

Our membership helps to create a structured and accessible LGBT+ network and foster an inclusive environment in the industry.

2022 Annual Modelling Workshop to help women from other sectors, improve their interview skills.

2023 We ran an in-person workshop looking at interview tips and tricks to help junior women from other professions make the transition into Private Equity.



Our Initiatives

Our strategic aims are implemented through initiatives grouped into three pillars: **Recruitment, Retention & Development and Inclusive Culture**. These pillars represent the work that we do today and our ambitions to drive DE&I initiatives going forward.

Recruitment

We are building a diverse team, to enhance our organisation, to create diversity of thought and to connect with a diverse group of portfolio companies, investors and advisors.

To achieve this, we focus on:

- **Evolving our approach to recruitment to attract a more diverse candidate pool and address the structural recruitment challenges in the private equity industry.**
- **Engaging inclusive recruitment firms to help them run a fair and inclusive recruitment process both at Exponent and in our portfolio.**
- **Implementing a structured interview process, with standardised assessment tools and balanced interview panels.**
- **Recognising that Unconscious Bias can adversely affect those from diverse backgrounds and hosting annual DE&I training to address this.**

We have also increased the gender diversity of our senior team, through the establishment and appointment of Operating Partners. This model allows us to flexibly retain senior executives from diverse backgrounds. Our Operating Partners bring unique insights and different perspectives, drawn from their deep industry knowledge in a wide range of sectors. The network therefore complements our junior engagement initiatives as a creative method of recruiting diverse talent into all levels of the firm.

We track the diversity of the team, looking at gender and ethnicity, as well as wider diversity metrics including disability, religion, socio-economic background and sexual orientation.

We support industry surveys which help provide useful benchmarks, including the BVCA and Level 20's annual 'Diversity & Inclusion Report'.

The following data highlights the current demographic of the team.

Investment Team	Exponent 2020	Exponent 2023*	Women in investment roles** (firms with AUM > £100m)
Senior-level (Partner & Operating Partner)	0%	13%	12%
Mid-level (Director & Principal)	29%	17%	24%
Junior-level (Senior Associate & Associate)	0%	67%	38%
All roles	11%	21%	23%

*October 2023

**BVCA and Level 20 Diversity and Inclusion Report 2023

Between 2020 – 2023, the percentage of women in the investment team (Director and below) has grown from 22% to 33%.

Retention & Development

Developing and supporting our people ensures that we retain talent within the organisation. We support our people to succeed in their careers by investing in them, whether this is through external training or mentoring.

Growing the future leadership of the firm from within is integral to the promotion and development of our culture. We have an annual training programme for all employees, with sessions including financial crime, cyber, ESG and DE&I. We also support our junior employees with coaching, mentoring and bespoke training programmes designed to proactively provide development opportunities and an attractive career trajectory.

Family friendly policies

We promote a working environment that supports our employees' lives outside of work. Family friendly policies include an enhanced maternity policy of six months full pay and a hybrid working model, allowing the team to work remotely two days a week.

All employees receive a variety of benefits including health and travel insurance.

Inclusive Culture

At Exponent we strive to create an inclusive environment that allows us to retain, develop and empower our people. We view diversity and inclusion initiatives with the same lens as any critical business objective and see our culture as a key differentiator.

We are proud that at Exponent, in a team of 41, we have over ten different nationalities, reflecting the diverse and open culture that we are building. We value difference and encourage open debate by empowering our employees at all levels of the firm.

Governance of the Firm is based on inclusive policies (attached as an appendix) that ensure that all members of the team are treated equally and with dignity and respect. All members of the team are responsible for upholding these policies.

One of the initial actions of the DE&I Committee was to embed DE&I reporting, both at the Exponent and the Portfolio level. Recent enhancements include ethnicity reporting and capturing wider diversity metrics of the team. This data will be used to help steer the engagement initiatives of the DE&I Committee and continually improve our culture.

Training

In October 2023, we ran a series of workshops on the importance of Inclusive teams for the Firm. The training looked at the pitfalls we can easily fall into and how as a team, we can try and create an inclusive culture.

Intern

In 2023 we worked with recruiters, to find an intern from a diverse background to help the Firm with its ESG work.

Charity Committee

Our Charity committee leads the Firm's community investment activities, including identifying charity partners and supporting our employees to get involved in outreach initiatives. The Firm allows employees two days paid leave per year to promote charitable volunteering.

We are a long-standing supporter of Impetus, who support disadvantaged young people to improve their educational and employment opportunities. Impetus supports a portfolio of national and local education and employment charities, as well as supporting policy making and research to ensure that young people can get the support they need.



Our Initiatives continued

National Three Peaks Challenge

In September 2023, Exponent brought together a team of 30 people from across the Firm and its portfolio to raise money for six charity partners by undertaking the National Three Peaks Challenge.

The challenge involved climbing the three highest peaks of Scotland, England and Wales, within 24 hours, with a total walking distance of 23 miles (37km) and the total ascent of 3,064 metres.

Each of the six portfolio companies who took part in the challenge selected their own charity partner, combining with a member of the Exponent team to jointly raise funds.

Together, we raised over £90,000, supporting causes ranging from tackling child hunger through redistributing surplus food to funding Alzheimer's research and specialist care for children who have life-limiting or life-threatening conditions.

Our portfolio company team

Royal Botanic
Gardens **Kew**

wowcher

xeinadin
group

Our charities

ANEN
HOUSE
children's hospices

MyBNK

Felix THE
FELIX
PROJECT

WARP
we are real + proper

isio.

.SHL.

ALZHEIMER'S FOR A
RESEARCH UK CURE

age UK

the trussell
TRUST
Stop UK Hunger



Our Portfolio and Partners

We recognise that, in addition to driving internal initiatives, we can use our platform to foster inclusive and diverse cultures in our network of portfolio companies and advisors. We drive this through our direct relationships and specialist external partners.

Portfolio

DE&I initiatives represent a further transformation lever for many of our portfolio companies. We recognise that each company is on its own DE&I journey and support our management teams with their respective strategies.

In 2020, we started to track the gender composition of our portfolio's senior management and boards. We mandate that our portfolio companies discuss their People Strategies at quarterly board meetings and that time is dedicated to this topic at the Annual Budget presentations made to the Exponent Partners.

This approach allows us to measure and track the performance of our portfolio against bespoke KPIs during the life of our investment. We can also share best practices within the portfolio and leverage the diverse experiences of businesses with offices in over 20 countries.

We also run an annual leadership conference for our portfolio companies to further promote the Exponent culture throughout our portfolio. This event brings together the senior management teams and chairs of our portfolio companies, as well as our broader network of industrialists and the whole Exponent team. The aim is to facilitate both networking and professional development, as well as, fostering the shared sense of community within the portfolio. DE&I continues to be a core feature of these conferences, with relevant talks and seminars at each of the three most recent events.

Our Portfolio



* FIII and FIV

Leading the way on inclusion

.SHL.

Largest provider of psychometric and cognitive talent assessment for business globally

Portfolio:
SHL

Acquired:
April 2018

“I am delighted to be leading Inclusion at SHL. With millions of candidates taking an SHL assessment every year, we have a great opportunity to make sure our assessments are supporting our customers’ ambitions around creating a diverse workforce. That means we need to be leading the way internally too – unlocking all the benefits, innovation, creativity, and productivity associated with diverse teams by making sure SHL has a truly inclusive culture.”

Lucy Adler,
Inclusion & Engagement Director, SHL



Diversity, Equity, and Inclusion is a key priority for SHL. Following an ESG review in 2021, the company hired a full time Inclusion Director to progress DEI both internally and as a thought leader for customers.

In 2022, SHL launched an inclusion framework centered around four key areas: Recruitment, Progression, Culture, and Customers. The focus was to create tangible action across the company, with initiatives such as:

- Setting gender representation goals to address the imbalance in senior roles (50% by 2024);
- Creating a culture of psychological safety with four Employee Resource Groups that host regular “community conversations” to provide a safe space to discuss inclusion topics;
- Focusing on education with its top 50 leaders undertaking “Inclusion Fluency” training;
- Continuing partnership with Purple Tuesday to profile its industry leading Neurodiversity Research Program.



SHL is now looking to expand its Neurodiversity Research Program and set tangible goals to increase representation by ethnicity.



Appendix: Selected DE&I Policies

Equal Opportunities

The Firm is committed to equality of opportunity in all aspects of employment, from advertising of jobs, recruitment and selection, training and development, promotion opportunities, pay, benefits and facilities, conditions of service, health and safety, conduct at work, grievance and disciplinary procedures and termination of employment including redundancy.

The Firm will not unlawfully discriminate on the basis of gender, marital or civil partner status, gender reassignment status, disability, race, national origin, ethnic origin, caste, colour, nationality, sexual orientation, religion, belief, age, pregnancy, trade union membership, part time worker status or fixed-term worker status. Exponent will consider an individual's aptitudes and abilities and the requirements of the job. It is important that all employees, whether permanent, temporary or casual adhere to the Firm's equal opportunities policy.

Harassment

The Firm operates a working environment which respects the rights and dignity of each individual employee and therefore has zero tolerance to all forms of harassment. All employees have a responsibility to behave in accordance with the Firm's values.

Any formal complaints made will be treated with respect and individuals will not be victimised for raising an issue made in good faith. Matters will be dealt with promptly and with the severity they deserve.

The Firm's aim is to provide a working environment which respects the rights of each individual employee and where colleagues treat each other with the utmost respect. Any behaviour which undermines this aim is totally unacceptable. Whilst implementing and upholding the policy is the duty of the Firm's Partners, all employees have a responsibility to ensure that harassment has no place in the Firm. Further details can be found in the staff handbook.

