

ACTIVA CAPITAL

RESPONSIBLE INVESTMENT POLICY

Gender equality charter

Activa Capital is an independent private equity company with a strong entrepreneurial spirit. Our mission is to partner with ambitious mid-sized French companies to transform their business and grow at scale.

Pioneer in considering long-term sustainability at the core of what we do, Activa Capital co-founded in 2009 with five management companies the Sustainable Development Club of France Invest.

Since then, we strive to continuously strengthen and promote ESG commitments to develop a dynamic and sustainable economy. Our approach is to involve each of our stakeholders in this commitment.

Activa Capital is authorised and regulated by the French Financial Services Authority (AMF).

Charter

PROMOTING GENDER EQUALITY in Private Equity and in companies



Charter

Our commitments

to promote

GENDER PARITY

among French private equity players
and the companies they support

We, actors in the French private equity industry, support and finance more than 7,700 of the most dynamic start-ups, SMEs and mid-caps, employing more than 1.3 million people in France. **Beyond our differences and singularities, a common conviction unites us: the necessary commitment to promote gender parity** in our management companies and in the companies we invest in.

This commitment is all the more robust as it will be embodied in a collective effort that brings together all private equity players: management companies operating in venture capital, corporate venture, growth equity, growth capital, buyout capital, debt funds and infrastructure funds, and investors in private equity funds.

Each signatory firmly believes it is right to **increase the number of women in an organisation**. It ensures a better representation of society, a broadening of the pool of human resources¹ and an emulation related to the diversity of ideas and behaviours² required to meet the challenges of tomorrow. In addition, greater gender parity in companies also leads to improved performance³ and faster growth.

To make **gender equality**, consecrated by the Constitution and then the law, **a reality, everyone involved must make the following threefold commitment**. First of all, it is up to us to consolidate the best governance practices in our companies as well as in those we invest in. It is also up to us to take action to attract and retain women in our professions. Last but not least, it is up to us to guide our action through measurable and concrete commitments.



France Invest has decided to draw up this charter in association with the Sista collective [<https://www.wearesista.com/>], whose objective is to reduce funding inequalities between men and women in the digital sector. This is why the commitments concerning venture, corporate venture, and growth equity funds are those already included in the Sista/CNN charter of October 2019.

By adhering to this charter, each signatory, whether a management company that is a member of France Invest or an institutional investor invested in unlisted companies, affirms its determination to take an active approach to improving gender equality in management companies and in companies supported by French private equity, while making our investment activities more inclusive and attractive.

1 - OUR AMBITIONS

In our management companies, we share the conviction that the place of women shapes the evolution of social relations, in particular through its contribution to better inclusion of new generations and climate issues. At the same time, we are not unaware of the unconscious biases⁴ that affect us (both men and women). These biases restrict our ability to recruit women and are detrimental to the rationality of our investment practices⁵.

There is no longer any need to prove that a greater presence of women, particularly in our sector, improves situational awareness, problem-solving and performance⁶. Our success will be measured by our ability to attract and retain women in our investment teams. The increase in the proportion of women over the past 10 years has been too slow, as only 10% of women have responsibility for investment committee decisions⁷.

In the companies we support, through growth capital, buyout capital and infrastructure funding, we are professional, committed shareholders and implement good governance practices. Not all initiatives aimed at increasing the percentage of women in various leadership roles⁸ have yet been implemented, and we can do more to prioritise them in our interactions with the companies in our portfolios. Women's access to leadership positions is beneficial for an organisation's economic performance⁹.

In the companies we support, through venture capital and growth equity, we note that the fundraising figures achieved by women founders of young innovative companies illustrate inequalities that need to be corrected¹⁰: innovative digital, biotech and medtech companies have a key role to play in creating the customs and practices of tomorrow. It is up to us to enable female entrepreneurs to raise funding¹¹.

As investors* in private equity funds, we are committed to implementing best practices in the governance of the funds we invest in and to disseminating the best practices of the companies supported by these same funds. The ability of the funds in which we invest to attract and retain young female talent is directly correlated with the presence of women in management roles.

*insurers, pension funds, savings funds, family offices and institutional investors

As we are aware that a critical size of at least 30% is necessary for any minority to have a meaningful impact on an ecosystem and its performance, we want to increase our efforts to foster gender parity at all levels in our organisations and portfolio companies^{12 13}.

By signing the charter, its signatories, management companies and institutional investors invested in unlisted companies, affirm their determination to resolutely adopt an active approach to promote gender parity in management companies and in companies supported by French private equity.

The aim of these 30 commitments as a whole is for us collectively to reach the following percentages of women:

In the investment teams of asset management companies:

- Women to make up 25% of the persons with responsibility for investment committee decisions by 2030 and 30% by 2035;
- A target for women to make up 40% of investment teams by 2030

In supported companies with more than 500 employees:

- Women to hold at least 30% of the seats on executive committees by 2030.

2 - OUR COMMITMENTS

A - IN OUR MANAGEMENT COMPANIES

A.1 - Adopt more inclusive recruitment practices

Commitment 1

Increase the percentage of women having responsibility for investment committee decisions to 25% by 2030 and 30% by 2035¹⁴ and acquire the necessary tools to achieve this objective.

Commitment 2

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

Commitment 3

Involve management in delivering on these commitments (for example through wage incentives and the establishment of a committee or a "gender parity" charter in the governance bodies).

Commitment 4

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

Commitment 5

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 (as provided for in the French Pacte law).
- making sure to use a gender neutral list of questions so that women are not asked different questions (personal life, etc.).
- ensuring that the management company is as evenly represented as possible during the profile assessment, interview and selection phase.
- broadening the eligible profiles when recruiting for skills related to the unlisted investment business.

Commitment 6

Establish monitoring indicators and communicate them annually to France Invest (which will anonymise them) in order to track and measure progress.

Commitment 7

Encourage working time flexibility and organisation for all employees.

Commitment 8

Promote a wage policy that respects gender equality by:

- complying with current standards in favour of equal pay for women and men;
- increasing transparency and aligning salaries, variable pay and carried interest for equivalent positions and skills;

Commitment 9

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 the internal regulations (if such regulations exist) and designating a contact person for any whistle-blowing request.

Commitment 10

Measure and publish the gender parity index as defined by the Penicaud law, even if the management company's size does not require it to calculate and publish this index.

Commitment 11

Implement family-friendly policies¹⁵:

- Paternity leave: implement incentives for all employees up to and including management;
- Maternity and paternity leave: ensure that optimum conditions for departure and return are implemented (flexible working hours, teleworking, promotion, variable remuneration component throughout the year and not just based on the months of effective presence, etc.).

Commitment 12

Participate in the programmes managed by Level 20 and France Invest:

- Role model testimonials in schools to attract more women to the private equity business;
- Mentoring to help retain talent.

**B - IN THE COMPANIES WE SUPPORT:
COMMIT TO GENDER PARITY MONITORING**

B.1 - For venture, corporate venture and growth equity funds



Commitment 13

Measure and monitor the number of applications received from female founders, co-founders and executives of companies, as well as how they are received.

Commitment 14

Measure and monitor the number of first meetings organised with female founders, co-founders and executives.

Commitment 15

Measure and monitor the number of start-ups financed, the amounts invested and the percentage of equity owned by women founders, co-founders and executives.

Commitment 16

Communicate these indicators annually to France Invest and SISTA (which will anonymise them) to monitor and measure progress.

Commitment 17

Apply fair project selection processes, including an indicative list of gender neutral questions, in order to be aware of potential biases.

Commitment 18

Set aside time for female project leaders through office hours to help them integrate into an essentially male network and encourage them to combat their own biases that sometimes lead them to undersize their fundraising.

Commitment 19

Promote best practices in the ecosystem (incubators, start-up labs, etc.) by:

- Using more female experts, inspirational figures, and mentors. ;
- Supporting and accompanying women's networks dedicated to entrepreneurship and technology.

ALL OF THESE COMMITMENTS (13 TO 19) ARE DESIGNED TO LEAD US TO A TARGET OF 25% OF START-UPS FINANCED IN 2025 THAT HAVE BEEN FOUNDED, CO-FOUNDED OR MANAGED BY WOMEN, 30% IN 2030 AND 50% IN 2050.

NB: COMMITMENTS 13 TO 19 OF THIS CHARTER ARE THOSE THAT ALREADY EXISTED IN THE SISTA CHARTER PUBLISHED IN OCTOBER 2019. THE VENTURE, CORPORATE VENTURE AND GROWTH EQUITY FUNDS THAT SIGN THIS CHARTER ACCEPT THAT THE INDICATORS COMMUNICATED TO FRANCE INVEST (UNDER COMMITMENT 16) WILL BE TRANSFERRED TO SISTA AFTER ANONYMISATION SO THAT THE SCALE RESULTING FROM THE USE OF THESE DATA IS AS EXHAUSTIVE AS POSSIBLE.

**B - IN THE COMPANIES WE SUPPORT:
COMMIT TO GENDER PARITY MONITORING**

B.2 - For private equity, buyout capital, infrastructure and private debt funds

Commitment 20

Measure the place of women in our portfolio companies by committing to:

- Produce the following data:
- Percentage of women in the overall workforce;
- Gender diversity of supervisory boards/boards of directors/monitoring committees: number and percentage of women;
- Gender diversity of management committees: number and percentage of women;
- Present a report once a year to the governance bodies on gender diversity issues.

Commitment 21

Communicate the indicators annually to France Invest (which will anonymise them) in order to monitor and measure progress.

Commitment 22

Include gender parity issues in ESG audits (at entry and possibly at exit) and in ESG annual reports.

Commitment 23

Ensure that gender parity laws (in particular the application of the Copé-Zimmermann law to unlisted companies with more than 250 employees, the measurement of the "Pénicaud" parity index, recruitment procedures as provided for in the Pacte law) are applied.

Commitment 24

Promote best practices on gender parity in corporate governance when the law does not strictly apply (in particular the application of the Copé-Zimmermann law to unlisted simplified joint stock companies with more than 250 employees) and by carrying out information and educational initiatives with regard to the portfolio companies.

Commitment 25

Make best efforts to prompt portfolio companies (with more than 500 employees) to have women make up at least 30% of their executive bodies by 2030.

C - AMONG INVESTORS * IN PRIVATE EQUITY FUNDS

*insurers, pension funds, savings funds, family offices and institutional investors

Commitment 26

Measure gender parity in the companies managing the funds we invest in:

- Percentage and number of women in the management company;
- Percentage and number of women on the investment teams;
- Percentage of women by hierarchical level.

Commitment 27

Communicate the indicators annually to France Invest (which will anonymise them) in order to monitor and measure progress.

Commitment 28

Integrate gender parity of teams in the management companies and their portfolio companies in the decision to invest in a private equity fund and monitor over time the implementation of a path of significant improvement in terms of gender parity by formalising in writing the criteria to be met.

Commitment 29

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

Commitment 30

Require private equity firms to provide an annual report to its investors on gender parity issues (included in the annual ESG report where appropriate).

*Christophe P...
26 June 2020*

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

REFERENCES

- ¹ Gender Quotas and the Crisis of the Mediocre Man: Theory and Evidence from Sweden†, 2017, By Timothy Besley, Olle Folke, Torsten Persson, and Johanna Rickne American Economic Review 2017
- ² What makes a team smarter? More Women, Harvard Business Review, June 2011
- ³ Gender Diversity in Senior Positions and Firm Performance: Evidence from Europe, IMF Working paper, 2016
- ⁴ The old Boys' club Schmoozing and the gender gap by Zoe Cullen (Harvard Business School) and Ricardo Perze-Truglia (University of California) December 2019
- ⁵ Julie A. Nelson (2016) Not-So-Strong Evidence for Gender Differences in Risk Taking, Feminist Economics
- ⁶ The X-factor, Bank of America Merrill Lynch, March 2018
The Peterson Institute for International Economics, Nolan, Moran and Kotschwar, 2016, "Is gender diversity profitable? Evidence from a global survey" Catalyst, 2004, "The bottom line: connecting corporate performance and gender diversity"
- ⁷ Deloitte and France Invest study on gender diversity
- ⁸ France Invest x BCG study on gender diversity in portfolio companies of private equity funds in France, January 2020
- ⁹ Moving toward gender balance in private equity, Oliver Wyman, Rock Creek and IFC 2019
- ¹⁰ SISTA x BCG study
- ¹¹ "We ask men to win and women not to lose: closing the gender gap in startup funding". Dana Kanze Columbia Business School, Laura Huang Harvard Business School, Mark A. Conley E. and Tory Higgins Columbia University, Academy of Management Journal 2018
- ¹² Women matter, time to accelerate, McKinsey, 2017
- ¹³ Impact of gender diverse decision making on private equity performance in developed markets, Oliver Gottschalg, MVISION 2019
- ¹⁴ Kanter Rosabeth, 1977, "Some Effects of Proportions on Group Life: Skewed Sex Ratios and Responses to Token Women," The American Journal of Sociology, Vol. 82, no. 5
- ¹⁵ Strategic Management Journal 2011 Are family-friendly workplace practices a valuable firm resource? Nick Bloom, Tobias Kretschmer and John Van Reenen



**23, rue de l'Arcade
75 008 Paris**

www.franceinvest.eu

11 February 2020