



## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	🔒	n/a							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Breakdown of investments by strategy	✓	Public							✓
PE 02	Typical level of ownership	✓	Public							✓
PE 03	Description of approach to RI	✓	Private	✓						✓
PE 04	Investment guidelines and RI	✓	Public		✓					
PE 05	Fund placement documents and RI	✓	Public	✓			✓		✓	
PE 06	Formal commitments to RI	✓	Private				✓			
PE 07	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 08	ESG advice and research when selecting investments	✓	Public	✓						
PE 09	ESG issues in investment selection process	✓	Public	✓		✓				
PE 10	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PE 11	Encouraging improvements in investees	✓	Public	✓	✓					
PE 12	ESG issues impact in selection process	✓	Private	✓						
PE 13	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 14	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 15	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Private		✓					
PE 16	Type and frequency of reports received from portfolio companies	✓	Private		✓	✓				
PE 17	Disclosure of ESG issues in pre-exit	✓	Private		✓					
PE 18	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PE 19	Examples of ESG issues that affected your PE investments	-	n/a	✓		✓				
PE 20	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓
PE 21	Approach to disclosing ESG incidents	-	n/a							✓

## NiXEN Partners

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 01.2

Additional information. [Optional]

NiXEN Partners is an independent asset management company, wholly owned by its partners and regulated by the French financial market authority (Autorité des Marchés Financiers, AMF). It was founded from the spin-off of the French midcap team from Natixis Private Equity in 2010 following Natixis' strategic decision to reorganize its private equity business.

NiXEN is a private equity player (transmission and development), investing mainly in French SME generating revenue in excess of €40m, with the potential to become consolidators on their markets. Its investment strategy is based on two key pillars:

- Bring a flexible and personalised solution to all shareholding and strategic development issues;
  - Act as an active and pragmatic partner, contributing to growth strategy, value creation and build-ups.
- NiXEN invests in all sectors but has developed special expertise in healthcare/pharma, retailing and services.
- Asset under management:
- In December 2012, NiXEN closed the raising of its first institutional fund, NiXEN II, at €164m raised from European and North American investors.
  - NiXEN manages also NiXEN I (worth €470m invested from 2005 to 2010) that entered its divestment phase in 2010.

On March 2014, NiXEN Partners obtained AIFM passport from the French financial market authority (Autorité des Marchés Financiers, AMF) and as such complies with the new regulation under a guideline of the European directive on Alternative Investment Fund Managers (AIFM).

OO 02

Mandatory

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

France

**OO 02.2** Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

**OO 02.3** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

14

**OO 02.4** Additional information. [Optional]

Combining more than 140 years of private equity experience, the investment professionals - comprised of 6 Partners, 2 Directors, 1 Associate and 1 Analyst - have developed a strong expertise in the French midcap market.

**OO 03** **Mandatory** **Descriptive** **General**

**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 03.3** Additional information. [Optional]

Not applicable

**OO 04** **Mandatory** **Gateway/Peering** **General**

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2014

**OO 04.2** Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM			285	470	000
Currency	EUR				
Assets in USD			374	391	386

**OO 04.5** Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

**OO 04.6** Additional information. [Optional]

In December 2012, NiXEN closed the raising of its first institutional fund, NiXEN II, at €164m raised from European and North American investors.

NiXEN also manages NiXEN I (worth €470m invested from 2005 to 2010) that entered its divestment phase in 2010.

Asset Under Management as of 31/12/2014: 285.5 M€

- NiXEN II: 143.3 M€ of which net asset value: 117.1 M€ and uncalled commitment: 26.2 M€

- NiXEN I: 142.2 M€ of which net asset value: 126.1 M€ and uncalled commitment: 16.1 M€

**OO 06**

**Mandatory**

**Descriptive**

**General**

**OO 06.1**

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income – corporate	0	0
Fixed income – government	0	0
Fixed income – other	0	0
Private debt	0	0
Private equity	100	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0

Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

- Publish our asset class mix as broad ranges
- Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 09	Voluntary	Descriptive	General
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OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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NiXEN invests more than €10m (average investment per deal of €20-25m) per deal:

- mainly as a majority shareholder,
- in buyout, spin-off / carve-out or growth / build-up transactions,
- in companies generating revenues in excess of €40m, with an enterprise value generally in the range of €30m to €100m,
- multi-sector approach with an increased focus on services, healthcare and specialised retail (proximity with management and sector key players, build-up targets pre-identified).

In the by-laws of the NiXEN II fund, NiXEN Partners has undertaken to refrain from investing in the following sectors: human cloning, genetically modified organisms, tobacco production, gaming, pornography and military weapons.

## Gateway asset class implementation indicators

OO 11	Mandatory	Gateway	General
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OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.
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- Private equity
- None of the above

OO 12	Mandatory	Gateway	General
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OO 12.1	The modules and sections that you will be required to complete are listed below.
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*This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.*

**Core modules**

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

**RI implementation directly or via service providers**

	Direct - Other asset classes with dedicated modules
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- Private Equity

**Closing module**

- Closing module

## NiXEN Partners

## Reported Information

## Public version

## Overarching Approach

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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**OA 01.1** Indicate if you have a responsible investment policy.

- Yes  
 No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes  
 No

**OA 01.3** Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

After having completed an ESG review of the NiXEN II investment portfolio companies with the assistance of Pricewaterhouse Coopers (PwC) in 2012, NiXEN has formalized its global ESG policy with an ESG charter prepared in collaboration with PwC in July 2013. This ESG Charter has been drawn up with the support of NiXEN' Management Committee.

The aim of this Charter was to create a formal framework for initiatives that we had already taken, rather than to imagine changes in the way we act. This Charter will evolve as appropriate to reflect our ESG goals and achievements.

In line with PRI principles, NiXEN's ESG Charter is, above all, sincere and built with our main stakeholders, namely our team, our investments and our investors.

It sets out a formal, pragmatic framework for our commitment and can be developed as concrete action plans that can be deployed over time, to integrate ESG at every stage of our investment process.

The four undertakings below serve as guidelines for our actions in ESG:

1. Make ESG a shared reality for the whole team, day-to-day and across our corporate business practice, in line with our values
2. Systematically integrate ESG into the execution of our investments going forward
3. Enrich our partnership approach to our investments by factoring in ESG challenges with a view to creating sustainable value
4. Transparently and sincerely integrate ESG into our relations with our investors

OA 02	Mandatory	Core Assessed	PRI 6
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**OA 02.1** Indicate if your responsible investment policy is publicly available.

- Yes

**OA 02.2** Provide a URL to your responsible investment policy.

URL

[http://www.nixen.com/en/index\\_engagement.php](http://www.nixen.com/en/index_engagement.php)

No

**OA 02.3** Indicate if your other policies or guidance documents related to responsible investment are publicly available.

Yes

Yes, all

Yes, some

**OA 02.4** List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
AFIC's Charter	<a href="http://www.afic.asso.fr/fr/investissement-responsable/deontologie.html">http://www.afic.asso.fr/fr/investissement-responsable/deontologie.html</a>
EVCA Code of conduct	<a href="http://www.evca.eu/uploadedFiles/Home/Toolbox/Industry_Standards/EVCA_Handbook_January_2013.pdf">http://www.evca.eu/uploadedFiles/Home/Toolbox/Industry_Standards/EVCA_Handbook_January_2013.pdf</a>

No

**OA 02.5** Additional information. [Optional]

An excerpt of NiXEN's ESG charter is publicly available on our website, as well as the key points of our responsible investment policy. The full version of our ESG Charter is available for our Limited Partners and our portfolio companies.

NiXEN has also signed the charter published by AFIC (French Private Equity association) and EVCA (European Venture Capital Association).

In February 2015, NiXEN won the Grand Prix 2015 "ESG and sustainable development" among a large panel of french large/midcap GP awarded by Private Equity Magazine. This distinction rewards the quality of NiXEN' commitments since 2010 to put its activity in a responsible investment perspective.

**OA 03** **Mandatory** **Core Assessed** **PRI 1,2**

**OA 03.1** Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input checked="" type="checkbox"/> Other, specify (Proxy) voting policy <input type="checkbox"/> Other, specify	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2

Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]

NiXEN's ESG Charter has been published in July 2013. As such, our responsible investment policy applies to our fund NiXEN II, as well as to the successor funds.

OA 03.3

Additional information. [Optional]

**- Policy setting out your overall approach:**

NiXEN ESG Charter sets out a formal, pragmatic framework for our commitment and can be developed as concrete action plans that can be deployed over time, to integrate ESG at every stage of our investment process. The four undertakings below serve as guidelines for our actions in ESG:

- Make ESG a shared reality for the whole team, day-to-day and across our corporate business practice, in line with our values
- Systematically integrate ESG into the execution of our investments going forward
- Enrich our partnership approach to our investments by factoring in ESG challenges with a view to creating sustainable value
- Transparently and sincerely integrate ESG into our relations with our investors

**- (Proxy) voting policy:**

NiXEN Partners and/or one or more employees of NiXEN Partners is administrator or member of the Supervisory Board of each of the portfolio companies.

The voting rights are used to ensure the best interest of the fund and its investors.

**- Engagement/active ownership policy:**

NiXEN usually acts as a lead investor, with investment focus majority transactions.

NiXEN's investment strategy relies upon a strong partnership with management, based on the availability and commitment of the NiXEN team on key issues such as organisational and strategic evolutions and build-up transactions, its constructive support for expansion plans, flexibility and responsiveness to events, information sharing and transparency.

As far as ESG issues are concerned, the action plan identified during our specific ESG due diligence or ESG review (cf infra) is been regularly discussed with the management team of our latest investments.

From 2011, we include a specific ESG section in all the shareholder agreements of our investments.

From 2013, we also include an ESG progress report in the agendas of Board meetings at least once a year for our majority investments, and as appropriate for our minority investments.

**- Specific guidelines on ESG issues :**

From 2013, among the usual due diligences we carry out for each new investment (social, corporate, legal and environmental), a specific ESG Due Diligence is systematically performed and led by an external ESG expert. This enables us to :

- Enlarge our upstream appraisal of the ESG issues raised by future investments;
- Assess connected sources of value creation, through the optimisation of certain processes and innovations in products or services;
- Build an initial ESG action plan that management can follow and that we address regularly at Board of Directors

/Supervisory Board levels;

The results of each ESG due diligence are presented and discussed with the management team of the new investment and at our investment committee meetings.

We also include a dedicated ESG section into the investment notes presented at the Investment Committee, highlighting the key points from the ESG due diligence and the identified action plan that will be used in our dealings with the management.

**- Screening/exclusion policy:**

In the by-laws of the NiXEN II fund, NiXEN Partners has undertaken to refrain from investing in the following sectors: human cloning, genetically modified organisms, tobacco production, gaming, pornography and military weapons.

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
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Any conflict of interest is to be treated in compliance with the NiXEN's procedure for conflicts of interest described below and approved by AMF as established in the approval of NiXEN Partners and shall be submitted to the advisory committee.

This advisory committee shall be informed as promptly as possible (taking into account the time reasonably required for NiXEN Partners to prepare the appropriate information) of the possible existence of a conflict of interest brought to its attention.

In general, the concept of conflict of interest refers to a situation in which it is reasonable to think that a person potentially or provenly either forfeits the impartiality required to take a decision for which he or she is responsible or takes advantage of a situation at the expense of another person.

As part of the delivery of an investment service, persons liable to forfeit their impartiality or draw advantage from a situation are listed in the general regulations of the AMF as "persons concerned" (art. 313-2). Clients and prospective clients are protected or notified of a conflict situation that could harm their interests.

No

## Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.
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Yes

OA 05.2	Indicate how frequently your organisation sets or revises objectives for responsible investment.
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At least once per year

Less than once per year

**OA 05.3**

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
- Biannually
- Annually
- Every two years or less
- It is not reviewed
- No

**OA 05.4**

Additional information. [Optional]

We include ESG aspects in the agenda of the Board meeting at least once a year for our majority investments, and as appropriate for our minority investments.

Moreover, we have finalised our annual specific ESG questionnaire in 2014 that has been addressed to our NiXEN II portfolio companies early 2015. We will produce the first NiXEN's ESG review in the course of 2015.

## Governance and human resources

**OA 08****Mandatory****Gateway/Core Assessed****General****OA 08.1**

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

### Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify  
CFO

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
  - Investor Reporting Manager**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Other role, specify

**OA 08.2** Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

0

**OA 08.3** Additional information. [Optional]

As far as processes related to responsible investment are concerned, the global strategy is led by NiXEN's President and Managing Partner, with the support of a dedicated team of both front and back-office members, in charge of day-to-day actions:

- 1 Director (Anne-Laure Mougénot)
- the Investor Reporting Manager (Sébastien Hombreux), under the supervision of the CFO (Jean-Pierre Magagnin).

Moreover, as the whole NiXEN team has been trained on ESG issues, all the investment team members contribute to the implementation of the ESG policy, especially to perform the specific ESG due diligence prior to any future investment and assist the management teams in the implementation of their ESG action plans (for majority investment).

No team member is totally dedicated to responsible investment. However, responsibilities are identified and appropriate roles are assigned.

**Promoting responsible investment**

## OA 10.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify  
AFIC ESG Commission

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

NiXEN Partners (represented by Anne-Laure Mougnot) is a member of the steering committee of the AFIC ESG Commission, and also actively participates in a specific working group on ESG performance.

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

**OA 10.2** Additional information. [Optional]

NiXEN Partners has also signed the EVCA's Charter.

**OA 11**

**Mandatory**

**Core Assessed**

**PRI 4**

**OA 11.1**

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

**OA 11.2**

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

**OA 11.3**

Additional information. [Optional]

NiXEN Partners is a member of the steering committee of the AFIC ESG Commission, and also actively participates in a specific working group on ESG performance.

A specific paper on ESG due diligences and reporting has been published in 2014.

## Assurance of responses

OA 19	Voluntary	Additional Assessed	General
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OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
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Yes

OA 19.2	Indicate who has reviewed, validated and/or assured your reported information.
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- Reviewed by Board, CEO, CIO or Investment Committee
- Validated by internal audit or compliance function
- Assured by an external independent provider, specify name

OA 19.3	Describe the steps you have taken to review, validate and/or assure the content of your reported information.
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A first draft of this reporting framework has been prepared by the dedicated team of both front (1 Director) and back-office (Investor Reporting Manager) members, in charge of ESG day-to-day actions.

NiXEN President and Managing Partner and CFO eventually reviewed the reporting framework and added specific comments which have been integrated in the final version of this reporting.

The final version has been reviewed and approved by NiXEN's Management Committee.

No

## NiXEN Partners

## Reported Information

## Public version

## Direct – Private Equity

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

PE 01

Mandatory to Report Voluntary to Disclose

Peering

General

PE 01.1

Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.

Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)
Venture capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Growth capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
(Leveraged) buy-out	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
<b>Total</b>	<b>100%</b>

PE 01.2

Additional information. [Optional]

NiXEN is a private equity player investing mainly in French SME generating revenue in excess of €40m, with the potential to become consolidators on their markets.

NiXEN embraces a flexible and personalised approach, with a wide spectrum of possible transactions:

- Buyout: OBO, LBO, ...
- Spin-offs and carve-outs from industrial and service groups
- Build-up financing strategies, secondary equity offerings

PE 02	Mandatory to Report Voluntary to Disclose	Peering	General
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**PE 02.1** Indicate the level of ownership you typically hold in your private equity investments.

- a majority stake (>50%)
- 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

**PE 02.2** Additional information. [Optional]

NiXEN invests more than €10 M per deal (average investment between €20 and 25 M) mainly as a majority shareholder (since the NiXEN II fund).

NiXEN's investment strategy relies upon a strong partnership with management, based on the availability and commitment of the NiXEN team on key issues such as organisational and strategic evolutions and build-up transactions, its constructive support for expansion plans, flexibility and responsiveness to events, information sharing and transparency. Thus, NiXEN actively contributes to the growth strategy and value creation alongside entrepreneurs.

NiXEN and/or one or more employees of NiXEN has a board seat in the boards of each of our portfolio companies.

PE 04	Mandatory	Core Assessed	PRI 2
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**PE 04.1** Indicate if your organisation's investment guidelines for private equity refer to responsible investment.

- Our investment guidelines do refer to responsible investment

**PE 04.2** Describe how your organisation's investment guidelines outline your expectations on staff and portfolio companies' approach towards ESG issues [Optional].

NiXEN has formalized its global ESG policy with an ESG charter prepared in collaboration with PwC in July 2013. This ESG Charter has been drawn up with the support of NiXEN's Management Committee.

The aim of this Charter was to create a formal framework for initiatives that we had already taken, rather than to imagine changes in the way we act. This Charter will evolve as appropriate to reflect our ESG goals and achievements.

In line with PRI principles, NiXEN's ESG Charter is, above all, sincere and built with our main stakeholders, namely our team, our investments and our investors.

It sets out a formal, pragmatic framework for our commitment and can be developed as concrete action plans that can be deployed over time, to integrate ESG at every stage of our investment process.

The four undertakings below will serve as guidelines for our actions in ESG:

1. Make ESG a shared reality for the whole team, day-to-day and across our corporate business practice, in line with our values
2. Systematically integrate ESG into the execution of our investments going forward
3. Enrich our partnership approach to our investments by factoring in ESG challenges with a view to creating sustainable value
4. Transparently and sincerely integrate ESG into our relations with our investors

NiXEN's ESG Charter has been formalised in July 2013. As such, our responsible investment policy applies to our fund NiXEN II, as well as to the successor funds.

As far as processes related to responsible investment are concerned, the global strategy is led by NiXEN's President and Managing Partner, with the support of a dedicated team of both front and back-office members, in charge of day-to-day actions:

- 1 Director (Anne-Laure Mougenot)
- the Investor Reporting Manager (Sebastien Hombreux), under the supervision of the CFO (Jean-Pierre Magagnin).

Moreover, as the whole NiXEN team has been trained on ESG issues, all the investment team members contribute to the implementation of the ESG policy, especially to perform the specific ESG due diligence prior to any future investment and assist the management teams in the implementation of their ESG action plans (for majority investment).

- Our investment guidelines do not refer to responsible investment
- We do not have investment guidelines

## Fundraising of private equity funds

PE 05	Mandatory	Core Assessed	PRI 1,4,6
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**PE 05.1** Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

- Yes

**PE 05.2** Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
  - Always
  - In a majority of cases
  - In a minority of cases
- Approach to ESG issues in pre-investment processes
  - Always
  - In a majority of cases
  - In a minority of cases
- Approach to ESG issues in post-investment processes
  - Always
  - In a majority of cases
  - In a minority of cases

**PE 05.3** Describe how your organisation refers to responsible investment in fund placement documents (PPMs or similar). [Optional]

We are currently raising our NiXEN III fund. Our fund placement documents integrate dedicated sections to responsible investment to describe our approach to integrate ESG issues in both pre and post-investment processes.

Moreover, in the by-laws of the NiXEN II fund (raised in 2012) as well as in the NiXEN III fund by-laws project, NiXEN Partners has undertaken to refrain from investing in companies the core business of which is engaged in: human cloning, genetically modified organisms, tobacco production, gambling industry, pornography and military weapons.

- No
- Not applicable as our organisation does not fundraise

## Pre-investment (selection)

PE 07	Mandatory	Gateway	PRI 1
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**PE 07.1**

Indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

- Yes

**PE 07.2**

Describe your organisation's approach to incorporating ESG issues in private equity investment selection. [Optional]

From 2013, NiXEN systematically integrates ESG into the selection of its investments:

- A specific ESG Due Diligence is systematically performed among the other due diligences (legal, corporate, social and environmental) we carry out for each new investment and led by an external ESG expert;
- The results of each specific ESG due diligence are presented and discussed with the management team of the new investment. This enables us to assess connected sources of value creation through the optimisation of certain processes and innovations in products or services, identify main ESG related potential risks and to build an initial ESG action plan that management can follow and that we shall address regularly;
- We also include a dedicated ESG section into the investment notes presented at the Investment Committee, highlighting the key points from the ESG due diligence and the identified action plan that will be used in our dealings with the management;

- No

PE 08	Voluntary	Descriptive	PRI 1
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**PE 08.1**

Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the private equity investment selection process.

- Internal staff

Specify role

**Dedicated investment team**

- External resources
  - Environmental advisors
  - Social advisors
  - Corporate governance advisors
  - Regulatory and/or legal advisors
  - Other, specify type of advisors/roles

**Specific external ESG advisor**

- No use of internal or external advice on ESG issues

PE 08.2	Additional information.
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External staff: A specific ESG Due Diligence is systematically performed among the other due diligences (environmental, social, corporate and legal), we carry out for each new investment and led by an external ESG expert;

Internal staff: We include a specific section on the key points identified in all our due diligences (environmental, social, corporate and legal) into the investment notes presented at the Investment Committee. Moreover, we also include a dedicated ESG section, highlighting the key points from the ESG due diligence, the main ESG related potential risks and value-creation as well as the identified action plan that will be used in our dealings with the management.

PE 09	Mandatory	Core Assessed	PRI 1,3
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PE 09.1	Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.
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**ESG issues**

Environmental

List up to three typical examples of environmental issues
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- Environmental certifications
- Environmental litigations
- Environmental innovation on products

Social

List up to three typical examples of social issues
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- Employees health and safety
- Equality at work
- Responsible supply chain

Governance

List up to three typical examples of governance issues
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- Business ethics
- Independent Board members
- Governance of sustainability issues

PE 09.2	Additional information. [Optional]
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Key points addressed during the specific ESG due diligence vary from one target company to another, depending on the company activity, sector, size, etc. We have listed above some examples issued from our latest ESG due diligences, but the list of key ESG issues reviewed is much longer and customised on a deal by deal basis, for example: carbon assessment, raw material reduction, training, career management, employee shareholders....

PE 11	Voluntary	Additional Assessed	PRI 1,2
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PE 11.1	During deal structuring, indicate if your organisation typically encourages continuous improvements from potential investees with regard to their management of ESG issues.
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- Yes
  - In writing
  - Verbally/through dialogue
  - Other, specify

PE 11.2	Describe the nature of these improvements and their ESG coverage.
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A specific ESG due diligence is systematically performed for each new investment. Key points addressed during this specific ESG due diligence vary from one target company to another, depending on the company activity, sector, size, etc.

The results of each specific ESG due diligence are presented and discussed with the management team of the new investment. This enables us (i) to assess both connected sources of value creation through the optimisation of certain processes and innovations in products or services and main ESG related potential risks and (ii) and to build an initial ESG action plan that management can implement to improve their management of ESG issues and that we shall address regularly. Implementation of the planned actions has been prioritized (asap, within 1 year, 2 years, etc).

- No

## Post-investment (monitoring and active ownership)

PE 13	Mandatory	Gateway/Core Assessed	PRI 2
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PE 13.1	Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.
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- Yes

PE 13.2	Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.
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- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies

(in terms of total number of portfolio companies)

PE 13.3	Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.
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### ESG issues

- Environmental

List up to three example targets of environmental issues

Environmental label/certification  
Environmental litigation  
Water and energy consumption

Social

List up to three example targets of social issues

Number of employees and FTE at year-end / hires / leavers  
Diversity and equal opportunity principles in labour practices  
Training rate

Governance

List up to three example targets of governance issues

Sustainability-related policy  
Internal procedures or ethical code  
% of independent board members

We do not set and/or monitor against targets

No

**PE 13.4**

Additional information. [Optional]

Key ESG issues vary from one target company to another, depending on the company activity, sector, size, etc. We have listed above some examples but the list of key ESG issues monitored is much longer and customised on a deal by deal basis.

Since 2013, we follow ESG indicators for our latests investments (NiXEN II Fund). We have finalised our annual specific ESG questionnaire in 2014. From 2014, this ESG questionnaire is addressed to our NiXEN II portfolio companies yearly and we produce each year our annual ESG review.

Moreover, from 2013, we include an ESG progress report in the agendas of Board meetings at least once a year for our majority investments, and as appropriate for our minority investments.

**PE 14**

**Mandatory**

**Core Assessed**

**PRI 2**

**PE 14.1**

Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

Yes

**PE 14.2**

Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- 0% of portfolio companies

(in terms of total number of portfolio companies)

- No

**PE 14.3**

Additional information. [Optional]

Sustainability related policy or similar guidelines are assessed during the specific ESG due diligence performed prior to each new investment since 2013.

## Communication

**PE 20**

**Mandatory**

**Core Assessed**

**PRI 6**

**PE 20.1**

Indicate whether your organisation proactively discloses ESG information on your private equity investments.

- Disclose publicly

provide URL

[http://www.nixen.com/en/index\\_engagement.php](http://www.nixen.com/en/index_engagement.php)

provide URL

[http://www.nixen.com/files/NiXEN\\_ESG%20Charter-Excerpt.pdf](http://www.nixen.com/files/NiXEN_ESG%20Charter-Excerpt.pdf)

**PE 20.2**

Indicate whether the type of ESG information you proactively provide to the public is the same as that you provide to your clients (LPs)/beneficiaries.

- Yes
- No

**PE 20.3**

Indicate the type of ESG information that your organisation proactively discloses to the public.

- ESG information in relation to our pre-investment activities
- ESG information in relation to our post-investment monitoring and ownership activities
- Information on our portfolio companies' ESG performance
- Other, specify

An excerpt of our dedicated ESG Charter is available on our website

**PE 20.4**

Indicate your organisation's typical frequency of disclosing ESG information to the public.

- Quarterly or more frequently
- Semi annually
- Annually
- Every two years or less frequently
- Ad-hoc, specify

**PE 20.5**

Indicate the type of ESG information that your organisation proactively discloses to your clients (LPs)/beneficiaries.

- ESG information in relation to our pre-investment activities
- ESG information in relation to our post-investment monitoring and ownership activities
- Information on our portfolio companies' ESG performance
- Other, specify

Our dedicated ESG Charter

**PE 20.6**

Indicate your organisation's typical frequency of disclosing ESG information to your clients (LPs)/beneficiaries.

- Quarterly or more frequently
- Semi annually
- Annually
- Every two years or less frequently
- Ad-hoc, specify

**PE 20.7**

Describe the ESG information and how your organisation proactively discloses it to the public and/or clients (LPs)/beneficiaries. [Optional]

Public: An excerpt of NiXEN's ESG charter is publicly available on our website, as well as the key points of our responsible investment policy:

[http://www.nixen.com/en/index\\_engagement.php](http://www.nixen.com/en/index_engagement.php)

[http://www.nixen.com/files/NiXEN\\_ESG%20Charter-Excerpt.pdf](http://www.nixen.com/files/NiXEN_ESG%20Charter-Excerpt.pdf)

Limited Partners:

- The full version of our ESG Charter is only available for our Limited Partners.

- We communicate regularly with our investors on our ESG policy and they have been provided with the results of the ESG review of our NiXEN II Fund portfolio.

- Moreover, some of the LP's of NiXEN II are very advanced on the ESG issues and follow the progress of our company portfolio with an annual specific ESG questionnaire.

- We communicate via our quarterly reporting and NiXEN II Fund annual report on NiXEN's ESG policy.
- We are organising dedicated ESG meetings when requested by representatives of our investors and specifically include an ESG item on the agendas of our annual investor meetings.
- Moreover, from 2014, we produce our annual ESG review on our NiXEN II investments based on our specific NiXEN questionnaire that is sent to each NiXEN portfolio company yearly. In this way, we are able to offer our investors the most comprehensive vision of the progress we have made and the ESG accomplishments of our investments.

- Disclose to investor clients (LPs)/beneficiaries only
- No proactive disclosure to the public or to clients (LPs)/beneficiaries