




LEA 02	Monetary	Reason for interaction
Individual/ internal staff engagements	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional or more detailed information</li> <li><input checked="" type="checkbox"/> To engage internal staff</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage via internal staff</li> </ul>	
Collaborative engagements	<ul style="list-style-type: none"> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</li> <li><input type="checkbox"/> To enhance corporate transparency or identify the need for additional or more detailed information</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage via collaborative engagements</li> </ul>	
Service provider engagements	<ul style="list-style-type: none"> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</li> <li><input type="checkbox"/> To enhance corporate transparency or identify the need for additional or more detailed information</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage via service providers</li> </ul>	

# RI TRANSPARENCY REPORT

## 2013/14

NiXEN Partners

## 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 2013-14 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. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly 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.

## PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

# 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	✓	n/a							✓
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	✓	Private							✓
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	-	n/a				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	-	n/a	✓						
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	✓	Private							✓

Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Breakdown of investments by strategy	✓	Private							✓
PE 02	Typical level of ownership	✓	Private							✓
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	✓	Private	✓						
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	✓	Private	✓	✓					
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	-	n/a		✓					
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	-	n/a	✓	✓					
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

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## 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 only services

OO 01.2 Additional information. [Optional]

NiXEN Partners is an independent asset management company, wholly owned by its partners. It was formed in 2010 by the spin-off of the French midcap team from Natixis Private Equity 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 and value creation.

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

<b>OO 02.2</b>	Indicate the number of countries in which you have offices (including your headquarters).
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- 1
- 2-5
- 6-10
- >10

<b>OO 02.3</b>	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).
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	FTE
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13

<b>OO 02.4</b>	Additional information. [Optional]
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Combining more than 130 years of private equity experience, the investment professionals - currently comprised of 5 Partners, 3 Directors and 1 Analyst - have developed a strong expertise in the French midcap market.

<b>OO 03</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>General</b>
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<b>OO 03.1</b>	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.
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- Yes
- No

<b>OO 03.3</b>	Additional information. [Optional]
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Not applicable

<b>OO 04</b>	<b>Mandatory</b>	<b>Gateway/Peering</b>	<b>General</b>
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<b>OO 04.1</b>	Indicate the year end date for your reporting year.
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31/12/2013

<b>OO 04.2</b>	Indicate your total AUM at the end of your reporting year.
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	trillions	billions	millions	thousands	hundreds
Total AUM			594	300	000
Currency	EUR				
Assets in USD			782	808	447

**OO 04.3** 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 04.4** 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: 594.3 M€

- NiXEN II: 181.7 M€ of which net asset value: 124.3 M€ and uncalled commitment: 57.4 M€
- NiXEN I: 412.6 M€ of which net asset value: 386.8 M€ and uncalled commitment: 25.8 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)

## 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.

- 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. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, 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. Direct - Fixed Income and Infrastructure are always 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

Private Equity

**Closing module**

Closing module

**Note:** Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

## NiXEN Partners

## Reported Information

## Public version

## Overarching Approach

## PRI disclaimer

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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 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

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	

No

OA 02.5

Additional information. [Optional]

EVCA code of conduct :

[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)

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 only available for our Limited Partners.

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

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

<b>OA 03.2</b>	Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]
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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.

**- 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 will 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 strong emphasis on majority holdings.

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 will also include an ESG progress report in the agendas of Board meetings.

The periodicity will be 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 ENG 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 shall 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.

Yes

**OA 04.2** Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

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.

Yes

**OA 05.2** Indicate how frequently your organisation sets or revises objectives for responsible investment.

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 latest majority investments, and as appropriate for our other investments.

Moreover, we are currently finalising our annual specific ESG questionnaire that we intend to address annually to our NiXEN II portfolio companies before the end of 2014.

## 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

<b>OA 08.2</b>	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
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Number
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0

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 Investment 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

Mandatory

Core Assessed

PRI 4,5

OA 10.1

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

Yes

OA 10.2

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**

- 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
- Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced
- 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 due diligences and ESG reporting

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

No

**OA 10.3** Additional information. [Optional]

NiXEN Partners has also signed the EVCA's Charter.

<b>OA 11</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**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

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 due diligences and ESG reporting.

A specific paper on ESG due diligences and reporting will be published in the course of 2014.

# 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 04

Mandatory

Core Assessed

PRI 2

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 Investment Director (Anne-Laure Mougnot)
- 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]

In the by-laws of the NiXEN II fund (raised in 2012), NiXEN Partners has undertaken to refrain from investing in the following sectors: human cloning, genetically modified organisms, tobacco production, gaming, pornography and military weapons.

Since our latest fundraising, we have structured our global ESG policy, as well as formalised our ESG Charter: NiXEN actively incorporates ESG into its investment analysis and decision making processes.

To date, an ESG section has already been integrated in our slideshow, with a description of NiXEN ESG's commitment as an actively involved General Partner:

- Signatory of the PRI since August 2011
- Signatory to the EVCA Code of Conduct in June 2011
- Member of the AFIC ESG Commission
- ESG Review realised with the assistance of PricewaterhouseCoopers on the NiXEN II portfolio companies in 2012
- Formalization of the NiXEN ESG Charter with the assistance of PricewaterhouseCoopers in 2013
- NiXEN's team has supported Entrepreneurs du Monde since 2008 (international solidarity non-profit organisation in Micro Finance)

In the PPM of our successor fund, we will integrate a full dedicated section to responsible investment and will provide all our potential investors with our NiXEN ESG Charter.

No

## Pre-investment (selection)

PE 07

Mandatory

Gateway

PRI 1

PE 07.1

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

Yes

<b>PE 07.2</b>	Describe your organisation's approach to incorporating ESG issues in private equity investment selection. [Optional]
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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

<b>PE 09</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1,3</b>
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<b>PE 09.1</b>	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

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....

## Post-investment (monitoring and active ownership)

PE 13

Mandatory

Gateway/Core Assessed

PRI 2

PE 13.1

Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.

Yes

PE 13.2

Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.

- >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.

### ESG issues

Environmental

List up to three example targets of environmental issues

Environmental label/certification

Environmental litigation

Social

List up to three example targets of social issues

Number of employees 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 and we are currently finalising our annual specific ESG questionnaire that we intend to address annually to our NiXEN II portfolio companies before the end of 2014.

We intend to phase in an annual ESG report on our investments (in the NiXEN II Fund) based on both (i) the existing ESG review, (ii) the ESG due diligences pre investment, and (iii) this specific NiXEN questionnaire that will be sent to each NiXEN portfolio company yearly.

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.

<b>PE 14</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**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.

Some of our portfolio companies are currently being implementing a formalised ESG/sustainability policy.

## 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
- Disclose to investor clients (LPs)/beneficiaries only

PE 20.3

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

PE 20.4

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

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)

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 now 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.
- We intend to phase in an annual ESG report on our investments (in the NiXEN II Fund) based on both (i) the existing ESG review, (ii) the ESG due diligences pre investment, and (iii) a specific NiXEN questionnaire that will be sent to each NiXEN portfolio company yearly.
- In this way, we will be able to offer our investors the most comprehensive vision of the progress we have made and the ESG accomplishments of our investments.

No proactive disclosure to the public or to clients (LPs)/beneficiaries