

Nexans: Electrify the future

2020
INTEGRATED
REPORT



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PROFILE

Nexans' cabling systems, solutions and services are shaping the future.

Nexans is a key driver for the world's transition to a more connected and sustainable energy future.

Guided by our purpose - "Electrify the Future" - and our values: Pioneers, Dedicated and United; we are striving to become an electrification pure player.

For over a century, the Group has been playing a leading role in electrifying the planet, designing resilient products and innovative services throughout the entire value chain to help its customers meet their ever-increasing energy needs.

We are working in partnership with our customers in the fields of energy infrastructure, energy resources and smart buildings to create a safer, smarter and more efficient future.

Nexans has been a signatory of the UN Global Compact in favor of a more responsible world economy since 2008, and has committed to achieving carbon neutrality by 2030.

Nexans is listed on Euronext Paris.

Manufacturing sites in

38
countries

worldwide
sales presence

5.7
billion euros
in sales⁽¹⁾

25,000
employees

A List

The Group is included on the prestigious A List of companies fighting climate change, drawn up by non-profit organization CDP (Carbon Disclosure Project).



⁽¹⁾ To neutralize the effect of fluctuations in non-ferrous metal prices and therefore measure the underlying sales trend, Nexans also calculates its sales using standard prices for copper (new standard price at 5,000 €/t) and aluminum.


WE SUPPORT



As a member of the United Nations Global Compact, Nexans is committed to supporting and implementing ten universally-accepted principles in the areas of human rights, labor, the environment and anti-corruption.

TURNING ADVERSITY INTO OPPORTUNITY

Overview of actions at Nexans' various sites worldwide since the start of the pandemic

A look back at an unprecedented year with Jean Mouton, Chairman of the Board of Directors 



SUPPORT



REASSURE





DONATE



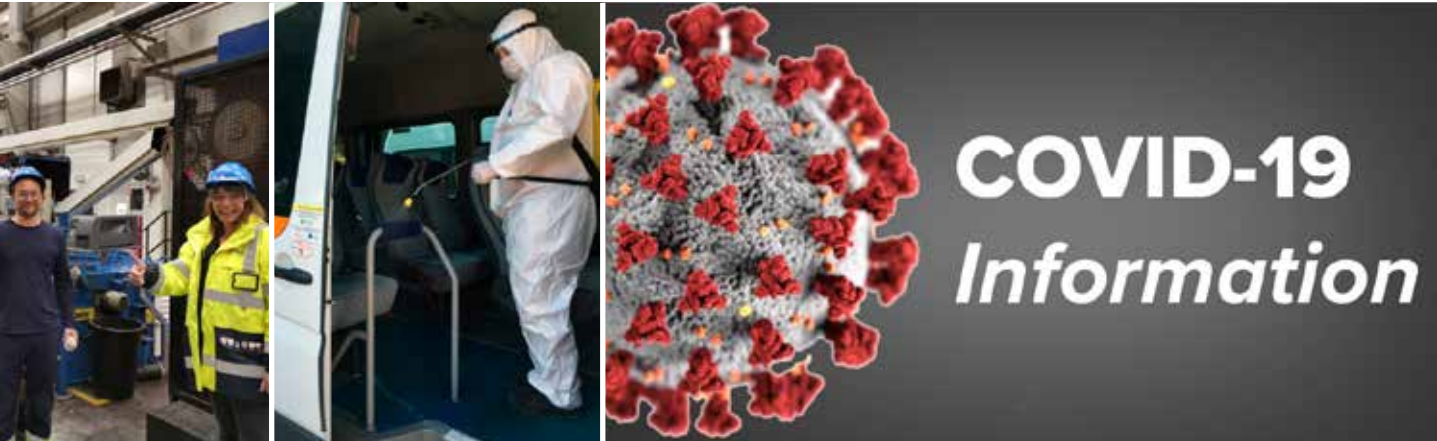
GET EQUIPPED



VACCINATE







FROM THE DESK OF CHRISTOPHER GUÉRIN, CHIEF EXECUTIVE OFFICER

HOW NEXANS IS DEALING WITH COVID-19

We succeeded in turning adversity into opportunity. Despite the unprecedented global health and economic crisis, 2020 marked a turning point for Nexans. Firstly, in what has always been a priority for us, we were able to protect the health of all our employees. By relying on our experience in China, we were able to anticipate and implement the requisite measures before regulatory recommendations were even announced. We also proved ourselves capable of stepping up the Group's transformation and surpassing our financial objectives in terms of ROCE and free cash flow, reducing net debt to its lowest level in ten years. And although sales fell by 11.2%, given the context, our attributable net income was once again positive, at €8 million. To offset the general slowdown in demand and safeguard our profitability, we stepped up our transformation plan by implementing new cost-cutting measures and rolling out the SHIFT program to all of our businesses, with a view to optimizing cash management. This enabled us to keep profitability on course in spite of the drop in demand.

OUR GUIDING PRINCIPLES: ANTICIPATION AND GOOD PRACTICE

Three main factors – namely (i) unwavering attention to customer satisfaction, (ii) crisis management and (iii) speeding up the transformation – enabled us to maintain our profitability and cash generation, with working capital requirement at an all-time low thanks to structural improvements. We showed considerable foresight in our management of the crisis, in particular by studying the health statistics of the 1968 flu pandemic and its successive waves, anticipating potential supply shortages and, naturally, protecting our teams and our clients. We are neither fatalistic nor passive. On the contrary, by using available knowledge to model the future we can get to grips with, prepare for and anticipate it even better, thus minimizing the business risks connected with major events.

It is well known that the health crisis has been a contributing factor to corruption. With this in mind, Nexans has strengthened its internal compliance program and its efforts to combat risks of corruption, paying particular attention to due diligence measures and the preliminary assessment of any intermediaries with whom we may work.





A HOME RUN FOR THE NEW NEXANS

First, we amplified the SHIFT program to increase the conversion of value burners into profit drivers. We also enhanced cash optimization and consolidated the cost-cutting measures implemented in 2018. These initiatives considerably enhanced our cash position. Then, during the second half of the year, our main focus was on our long-term ambition, by defining our purpose and values, as well as our ambitious ESG commitment to being carbon neutral by 2030. We are enthusiastically forging ahead with this new phase of our strategy, which will take us up to 2024.

THE GROUP'S PURPOSE AND VALUES

In November 2020, we unveiled our new purpose — Electrify the Future— which is part of the Company's DNA. This stems from the vision and meaning we give to our mission and defines our identity and the way we contribute to the larger public interest. In February, we selected the three values that guide our actions and our relationships with the various stakeholders. As it is crucial that these values be taken on across the board, we asked each and every employee to suggest the three values that would embody the new Nexans. We are **PIONEERS**, once explorers, prospectors and initiators of the energy transition that will become the benchmark for a viable and sustainable electrification of the future. We are **DEDICATED**, entirely invested in the Group's challenges and resources and focused on our clients' needs. And lastly, we are **UNITED** in a climate of confidence within

Nexans, staunchly allied with our clients and with local communities. Armed with these three values, we will spearhead and enable this new world of electrification.

STRATEGY: SIMPLIFY TO AMPLIFY

A new electric revolution is underway, whether through the production of new, carbon-free energy or upgrades to power networks and an increase in electricity requirements. Electrification represents 65% of the global cable market and is expected to increase by 4.3% per annum over the next 10 years. We are convinced that maintaining a broad-based approach will become a weakness rather than a strength in the years to come, which is why we are looking to expand our leadership in growing sectors such as subsea high voltage, building, and electricity distribution, and focus our acquisitions in these areas. Our aim is to acquire between 1.5 and 2 billion euros worth of electrification assets by 2024, mainly in Asia, the United States and Latin America. We also need to scale back on historic sectors such as automotive, telecom, robotics, oil, aerospace and cruise ships and dispose of some 1.5 billion euros worth of assets in these industries by 2024.

2024 ROADMAP

The Group will streamline its operating model by cutting back from eight macro-sectors (34 sub-sectors), to four (12 sub-sectors). We will thus become a unique and fully-integrated player covering the entire electrification value chain, from energy production through to transmission and distribution, right up to the end consumer. There will be two main focus areas for enhancing our impact, i.e., (i) continuing the transformation program across all segments, and (ii) strengthening and accelerating growth in the electrification segments. This major overhaul is required

in order to free up the resources we need to invest and upgrade. We cannot be everywhere, and our clients no longer want cable and components alone, but rather interconnected solutions and systems. This massive transformation of Nexans must take place without losing sight of our sales target of between 6 and 7 billion euros by 2024. We also aim to significantly improve our profitability, with a consolidated EBITDA target of 10% to 12% of sales by 2024, compared with 6.1% at December 31, 2020. This is a substantial challenge for Nexans, with 55% of our revenue generated from the electrification industry.



ELECTRIFICATION PURE PLAYER

As an electrification pure player, Nexans will post standard sales of between 6 and 7 billion euros and increased profitability, with EBITDA of between 10% and 12% of sales, as well as improved free cash flow of between 500 and 600 million euros.

To achieve this pure player status, the Group intends to continue streamlining its cost structure and improving its industrial performance, building on its innovations and investments in the state-of-the-art cable-laying vessel Aurora, and expanding its high voltage submarine cables plant in Charleston (United States). We will also invest in additional capacities in the High Voltage & Projects segment, and of course continue our ambitious program to digitize the Group's plants in order to take rapid advantage of the opportunities offered by Industry 4.0, with the support of top-tier partners such as Schneider Electric.

ACCELERATING THE ENERGY TRANSITION

For over a century, Nexans has been playing a leading role in electrifying the world, a role that it is now time to expand. It is the Group's responsibility to ensure that the changes needed for this electrification are sustainable. But it cannot resolve all the issues alone. This is why, during our first Climate Day in September 2020, we strove to show our stakeholders that one of our aims is to bring various opinion leaders together to debate the key challenges and come up with responses through a joint, coordinated thought process. We are leading the charge towards the new world of electrification - safer, sustainable, renewable, zero carbon and accessible to all. At Nexans, we are electrifying the future sustainably and, to achieve this, I have made the bold commitment that Nexans will be carbon neutral by 2030, in line with the European Green Deal and the Paris Agreement.



AN EXECUTIVE COMMITTEE TAILORED TO OUR INDUSTRIAL AMBITION

EXECUTIVE COMMITTEE (June 2021)

The Executive Committee is the main decision-making body and comprises ten members including Christopher Guérin, Chief Executive Officer.

It is responsible for determining Nexans' strategy, allocation of resources, and organization. The Executive Committee's main duties include enhancing the Group's relationship with the markets and its customers, its capacity to anticipate change and the agility of

its organizational structure, executing (cost control, innovation, service development and transformation) and, lastly, internationalizing the Group's management profile in order to adapt to and keep ahead of the changes taking place in the wider world. In addition to Christopher Guérin, the Executive Committee comprises:

- Four heads of geographic areas and business sectors;
- Five heads of operating divisions.



Christopher Guérin
Chief Executive Officer

- Nexans is leading the charge to the new world of electrification – safer, sustainable, renewable, decarbonised and accessible to everyone – connecting us all to new opportunities, technologies and behaviours that will build a better future.



Nino Cusimano
Senior Corporate Vice President, General Counsel & Secretary General

- Nexans' Board is engaged with the right priorities on the agenda. First and foremost: Compliance and Ethics. The effectiveness of any compliance program requires a high-level commitment necessary to implement a culture of compliance from the top and create and foster a culture of ethics.



Vincent Dessale
Chief Operating Officer & Senior Executive Vice President, B&T Northern Business Group

- Nexans is building the energy highway. Our solutions span from generation, transmission, distribution to usages of energy. By expanding our role in electrification, the Group is well positioned to meet the exponential demand for energy driven by population growth and usages over the next ten years.



David Dragone
Senior Corporate Vice President, HR, CSR and Communication

- We are Pioneers, we are Dedicated, we are United. We want to give the opportunity to employees to express what it means for them, what are the behaviours that correspond to each of the three values.



Juan Ignacio Eyzaguirre
Corporate Vice President, Strategy and Mergers & Acquisitions

- We will amplify our role in the electrification market by making acquisitions by 2024. There will be two types of M&A – consolidation and bolt-on innovation acquisitions to support our new services and solutions model.

A TEAM STREAMLINED FOR THE 2021-2024 STRATEGY

Larger and streamlined, the Executive Committee team reflects the strategic importance of the relationship Nexans enjoys with its customers and markets and embodies its ability to undergo change. It has been formed to achieve Nexans' industrial goal of becoming a sustainable electrification pure player. It is the right team to implement the 2021/2024 strategy and ensure that Nexans becomes a unique and fully-integrated player covering the entire electrification value chain, from energy production through to transmission and distribution, right up to the end consumer.

woman managing one of Nexans' 4 Business Groups, representing 31% of EBITDA and 71% of CAPEX and at the heart of the Group's strategy. With female representation standing at 10%, the Executive Committee is increasing the percentage of women - both among its members and in top management positions - from 13% in 2018 and 15% in 2020 with an objective of between 18% and 20% by 2023. The current succession plan for the Executive Committee has identified two women internally who, if needed, could succeed two male incumbents. In addition, the Group has committed to adding one woman to the Executive Committee by the end of 2024.

THE STRENGTH OF DIVERSITY

Many forms of diversity are represented on Nexans' Executive Committee including religion, gender, sexual orientation and cultural pluralism, with five nationalities including the first member from Norway, a country representing the second largest employee base at Nexans. January 2020 saw the nomination of the Group's first

A YEAR OF PANDEMIC MANAGEMENT

Throughout 2020, Nexans' crisis management culture enabled it to take measures that proved successful. In the current macro environment and incorporating no material change in the current view of the impact of the Covid-19 crisis, in 2021 the Group is accelerating its new strategic move towards sustainable electrification.



Jérôme Fournier
Corporate
Vice President
Innovation, Services
& Growth

- In the coming year, we will focus 100% of our R&D on the energy transition, from energy generation to transmission, distribution and usage. Nexans already has a robust pipeline of innovation for the coming years.



Julien Hueber
Executive
Vice President,
Industry
Solutions & Projects

- Our investments illustrate the Group's desire to better serve its customers by improving our responsiveness, the quality of our products and by offering services with our telecom and datacom product range.



Jean-Christophe Juillard
Senior Corporate
Vice President and
Chief Financial
Officer in charge
of Finance and
Information Systems

- We will swap our assets to become a pure electrification player. But at the same time, we are committing to transform our existing Electrification assets and deliver €1.50m of additional EBITDA over the 3 years.



Ragnhild Kattelund
Executive Vice
President, Subsea
& Land Systems
Business Group

- The need for sustainable electrification is now more urgent than ever. With global warming accelerating and the energy transition gaining momentum, the issue of sustainable electrification is now at the top of the agenda. At Nexans, we are striving to make the energy transition a reality.



Vijay Mahadevan
Executive Vice
President,
B&T Southern
Business Group

- Nexans is well positioned to amplify its role in electrification. Our tested turnkey solutions span from connecting wind farms to the grid to providing end-to-end connectivity for rural electrification, even in remote areas. This wide range of capabilities will allow us to capture the excellent opportunities ahead of us, fueled by the increasing global demand in energy.

AN ALIGNED AND COMMITTED BOARD OF DIRECTORS

Alignment and commitment were the guiding principles that drove the Board of Directors and its members throughout 2020. The free-flowing, transparent exchange and decisions at the height of the health crisis consolidated relationships and strengthened individual involvement. This alignment allowed the Board to continue helping management to successfully steer the Group.

The Board of Directors of Nexans, working with Executive Management, maintains regular, constructive dialogue to implement the Strategic Plan in the best interests of the Company and its stakeholders. The Board ensures that Nexans is fully engaged with all its stakeholders, supplying the critical links for economic and social development through innovative and sustainable solutions and services.

The Board owes its success to its independence, diversity and focus on sustainability. Its 14 members are true leaders in their fields — fields that are key to Nexans' strategy. This diversity gives Nexans an international dimension and a deeper understanding of the wider market. All 14 members are assessed every year with respect to the independence criteria defined by the recommendations of the AFEP-MEDEF Corporate Governance Code.



2020 HIGHLIGHTS

Although Nexans came under huge pressure due to the rapid spread of the Covid-19 pandemic, it was imperative that the Board of Directors and Executive Committee continued to work in harmony to consolidate governance and instill a new governance style. The Board of Directors came together as never before and showed extreme flexibility in its speedy adaptation to video-conferencing. This allowed for more frequent and elaborate meetings, carried out in an atmosphere of openness and solidarity.

The Board met 15 times in 2020, with an average annual attendance rate of 87.2%. The Directors had to address several priorities during the year, including workplace health & safety, business continuity, strategic planning, risk management and control, attention paid to the Group's cash position.

PREPARATORY COMMITTEES PLAYING A KEY ROLE

The 4 committees in place within the Board of Directors are compliant with the rules of composition, responsibilities and operation as set forth by law and the recommendations of the AFEP-MEDEF Code:

- Accounts, Audit and Risk Committee
- Appointments and Corporate Governance Committee
- Compensation Committee
- Strategy and Sustainable Development Committee

BOARD OF DIRECTORS

(Membership at May 12, 2021)

Typical profile of a Nexans Director

- 53.3 average age
- 45.5% are women
- 57.1% are binational or foreign nationals
- over 63.6% are independent

BUSINESS AREAS

10 in industry

2 in energy

4 in finance

2 in Human Resources

2 in communication

2 in services

3 within Nexans

8 in senior management functions



JEAN MOUTON Independent Chairman of the Board of Directors



Angéline Afanoukoé
Director representing employees
■ Nexans Head of Institution Relations



Jane Basson
Independent Director
■ Chief of Staff to the Chief Operating Officer and Head of People Empowerment in Operations of Airbus



Anne-Sophie Hérelle
Permanent representative of Bpifrance Participations
■ Director, Member of Bpifrance Capital Développement Executive Management Committee



Selma Alami
Director representing employee shareholders
■ Deputy Chief Executive Director of North West Africa at Nexans



Marc Grynberg
Independent Director
■ Chief Executive Officer of Umicore



Oscar Hasbún Martínez
Director proposed by Invexans Limited (UK) (Quiñenco group)
■ Chief Executive Officer of CSAV (Compañía Sud Americana de Vapores S.A.)



Sylvie Jéhanno
Independent Director
■ Chair and Chief Executive Officer of Dalkia, subsidiary of the EDF Group



Anne Lebel
Lead Independent Director
■ Chief Human Resources Officer (CHRO) and Group Executive Board Member of Capgemini
■ Chair of the Appointments, and Corporate Governance Committee
■ Chair of the Compensation Committee



Andrónico Luksic Craig
Director proposed by Invexans Limited (UK) (Quiñenco group)
■ Chairman of the Quiñenco Board of Directors



Bjørn Erik Nyborg
Director representing employees
■ Responsible for Warehouse Consumables at the Halden plant in Norway



Francisco Pérez Mackenna
Director proposed by Invexans Limited (UK) (Quiñenco group)
■ Chief Executive Officer of Quiñenco



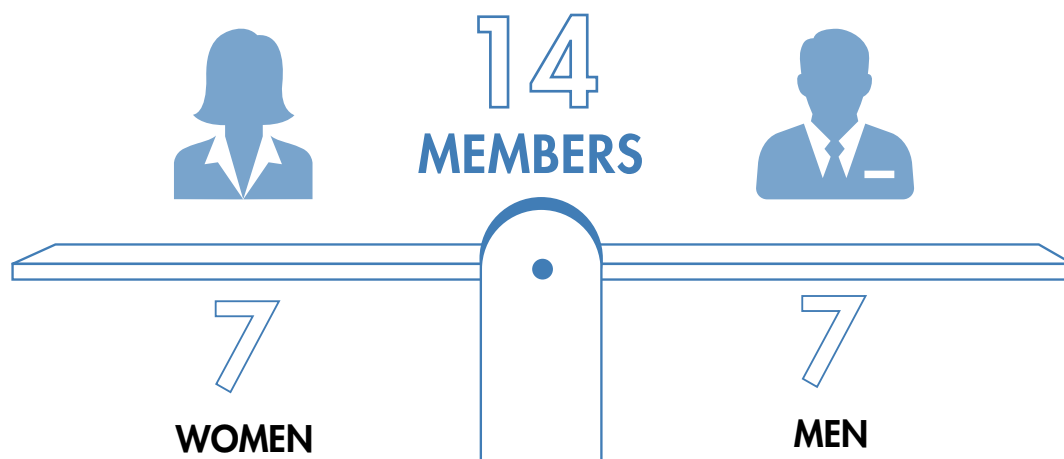
Hubert Porte
Independent Director
■ Founding Partner and CEO of Ecus Administradora General de Fondos S.A.



Kathleen Wantz-O'Rourke
Independent Director
■ Executive Vice-President, Group Financial Officer & Chief Information Officer of Plastic Omnium

THE GROUP'S COLLEGIAL MANAGEMENT

WHO SITS ON THE BOARD?



4

DIRECTORS PROPOSED BY MAJOR SHAREHOLDERS

(3 by Invesxans Limited (UK)/Quiñenco group, 1 by Bpifrance Participations)

3

DIRECTORS REPRESENTING EMPLOYEES

(2 representing employees, 1 representing employee shareholders)

9

MAIN AREAS OF EXPERTISE

(Industry, Energy, Strategy, Finance, Services, Logistics, Human resources, Governance, Communication)

7

DIRECTORS OUT OF 14 CLASSIFIED AS INDEPENDENT

1

LEAD INDEPENDENT DIRECTOR

THE AFEP-MEDEF CODE

For corporate governance matters, Nexans refers to the Corporate governance code for listed companies published by the *Association Française des Entreprises Privées* (AFEP) and *Mouvement des Entreprises de France* (MEDEF), as amended in January 2020 (the "AFEP-MEDEF

Code"). Thus, in terms of independence, the Board had seven independent directors out of eleven at the end of 2020, i.e. an independence rate of over 63.6%*, which exceeds the 50% recommended by the AFEP-MEDEF Code for companies with dispersed capital.

* The independence rate calculated excluding the directors representing employees and employee shareholders, in accordance with recommendation 9.3 of the AFEP-MEDEF Code.



WHAT TRAINING DO THEY RECEIVE?

When taking office, directors take part in a genuine induction program. As part of this program, they have the opportunity to meet key managers of the organization to become familiar with the specific traits of the Group, as well as with its strategy, businesses and business sectors. Rounding out the program are site visits. Directors therefore receive all the information necessary to complete their duties and may request any additional documents they deem useful.

Since 2019, a Director's Handbook is available to the members of the Board of Directors. It comprises documents and information essential to the execution of the Board members' duties, including the Group's strategy, the Company's bylaws, the Board's Internal Regulations, the AFEP-MEDEF Code, several internal procedures and the action plan implemented following the last Board assessment.



HOW ARE THEY ASSESSED?

The Board of Directors' assessment is conducted annually based on a detailed questionnaire sent to each director or via individual interviews held by a specialized consulting firm.

The assessment covers the Board of Directors' operating procedures, composition and organization. This assessment evaluates the contribution and involvement of directors and makes it possible to ensure that significant issues are properly prepared, dealt with and discussed at Board meetings.

In 2020, some of the avenues for improvement include increasing the time dedicated to discussing industrial performance and implementing a Balance Scorecard to monitor the Group's performance.

THE LEAD INDEPENDENT DIRECTOR - A MONITORING ROLE

Appointed at the Board of Directors' meeting held on March 19, 2019, the Lead Independent Director has, among her prerogatives, the ability to conduct meetings of independent directors for whom she is also the point of contact. She reviews Board meeting agendas in conjunction with the Chairman and may propose additional items. She may, at any time, ask the Chairman to convene a meeting of the Board and chair the meetings in his absence.

DIRECTOR REPRESENTING EMPLOYEES - AN ASSET FOR THE GROUP

In the National Cross-industry Agreement (*Accord national interprofessionnel*) signed in 2013, employee representative bodies invited the legislator to require large companies to have employee representatives on their Board of Directors – a requirement that only applied to public companies at the time. Within Nexans, their role is important and their opinion valued during discussions, because not only do they offer their point of view on the Group's strategy from an inside perspective, they also share their in-depth knowledge about the Group's businesses, markets, customers, expertise and competitive environment.



OUR DNA

BECAUSE ELECTRIFICATION IS IN OUR DNA



MARKET MEGATRENDS



4 GLOBAL MEGATRENDS

- 1 ENERGY REVOLUTION
- 2 SMART DEVICES AND INFRASTRUCTURE
- 3 DIGITAL REVOLUTION
- 4 INTERNATIONAL MOBILITY

THE CHALLENGES OF ELECTRIC SYSTEMS

- Connecting decentralized power systems to main grids
- Dealing with massive volumes of data and heterogeneous data sources
- Developing an approach focused on the end user
- Carrying out transactions in local energies
- Managing major uncertainties about patterns of consumption
- Rethinking protection paradigms
- Making energy distribution systems more resilient to different sources of vulnerability
- Dealing with low flywheel energy storage capacities due to massive generator/inverter coupling

5 MAIN DRIVERS (part of the +2°C trajectory)



100%

of the world's population must have access to electricity by 2030



~€23,000 bn

invested in new capacities (production + networks) by 2040



~80%

of renewable energy in the additional production capacity to be deployed by 2040

- Integrating energy storage systems into electricity distribution networks
- Deploying electric mobility and integrating electric vehicles
- Developing new power electronics applications



NEXANS: ELECTRIFY THE FUTURE



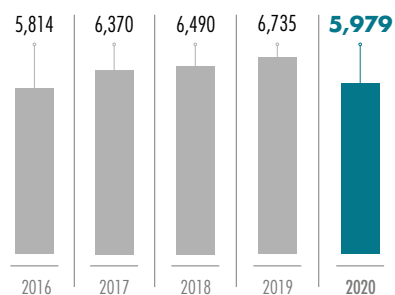
- 1 EXPANSION OF ELECTRICITY IN ENERGY SYSTEMS AND ECONOMIES
- 2 CONTRIBUTION OF ELECTRIFICATION TO THE FIGHT AGAINST CLIMATE CHANGE
- 3 ELECTRIFICATION AS A DRIVER FOR DEVELOPING NEW ECONOMIC MODELS

SUSTAINABLE PERFORMANCE

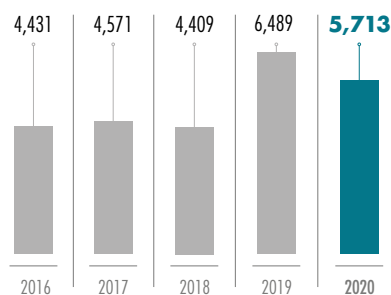
Committed to reporting on the value created for all our stakeholders, Nexans has adopted an approach based on financial and non-financial indicators. These indicators are key in guiding the Group's strategy and offer a clear, global vision of its performance.

FINANCIAL KEY FIGURES

Sales at current metal prices
(in millions of euros)



Sales at constant metal prices⁽¹⁾
(in millions of euros)

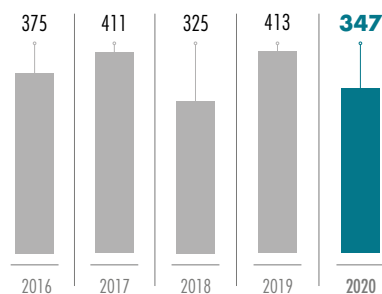


(1) To neutralize the effect of fluctuations in non-ferrous metal prices and measure the underlying sales trend, Nexans also calculates its sales using constant copper and aluminum prices.

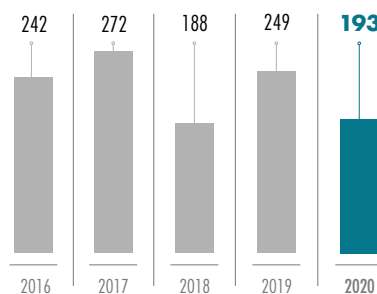
(2) Consolidated EBITDA is defined as operating margin before depreciation and amortization.

(3) Return on capital employed: 12 months operating margin on capital employed at the end of period, excluding antitrust provision, and IFRS 16 of -0.5% in 2019.

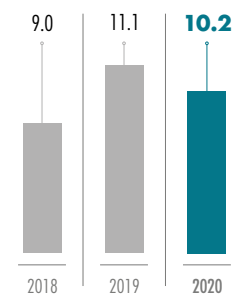
EBITDA⁽²⁾
(in millions of euros and as a % of sales at constant metal prices)



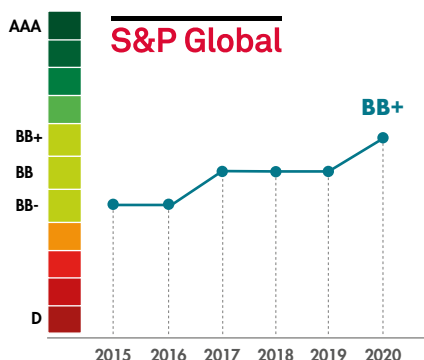
Operating margin
(in millions of euros and as a % of sales at constant metal prices)



ROCE⁽³⁾
(Return on capital employed)



Standard & Poor's ratings on the Group's long-term debt



“



This is a true recognition of the transformation and work

undertaken by the Company since 2019, and a proof that Nexans is

on the right track. A recognition by our investors, and now by our credit rating agency. Nexans is ready for its next strategic step to be unveiled at its Capital Markets Day.

*Jean-Christophe Juillard,
Chief Financial Officer.*

”

NON-FINANCIAL KEY FIGURES

1.80%

WORKPLACE ACCIDENT FREQUENCY RATE

The accident rate has dropped by 80% since 2010 thanks to the dedicated programs deployed around the world

-12.12%

REDUCTION IN GHG EMISSIONS

Compared to 2019, the reference year for Scope 1 and 2 emissions and some Scope 3 emissions (business travel, employee commuting, waste generated, and upstream-downstream transportation)

65%

RENEWABLE OR CARBON-FREE ENERGY

Direct production by Nexans sites or through carbon-free energy purchases

36%

OF EMPLOYEES ARE WOMEN

Eliminating all forms of discrimination and respecting gender equality in similar jobs with similar qualifications are a Group priority, especially as the majority of our employees work in industrial settings

57%

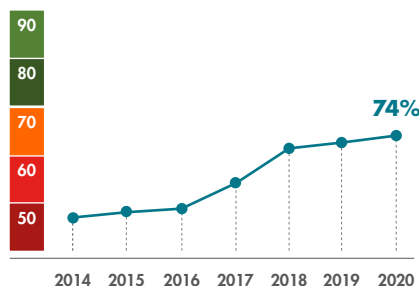
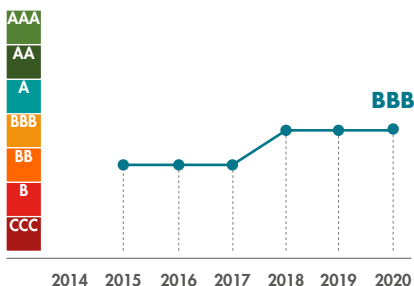
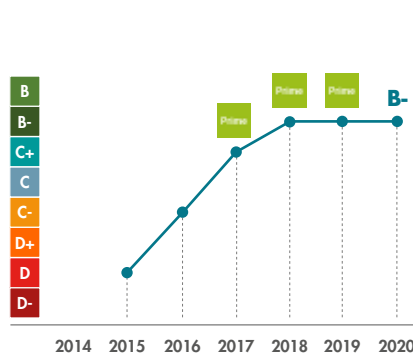
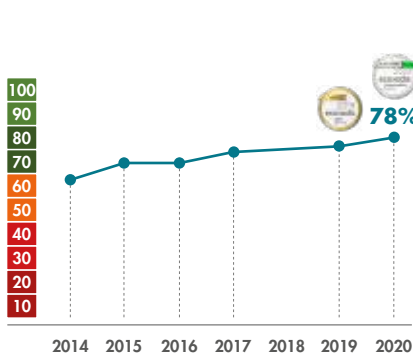
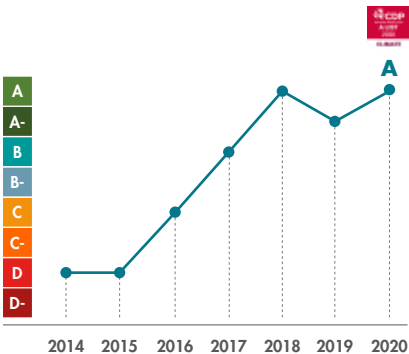
OF REVENUES GENERATED FROM PRODUCTS AND SERVICES CONTRIBUTING TO ENERGY TRANSITION AND ENERGY EFFICIENCY

Including offshore wind farms, interconnection projects, electricity utilities, smart grids, low-carbon buildings, accessories, solar and wind power, eco-mobility and asset management

100%

OF MANAGERS INCLUDED IN THE YEARLY COMPLIANCE AWARENESS COURSE

The course covers a range of topics: anti-corruption, conflict of interest, competition law, harassment and discrimination, and the ethics incident report procedure



NEXANS IS BECOMING AN ELECTRIFICATION PURE PLAYER

Nexans' 2024 strategic plan confirms a refocusing of the Group's activities on electrification and its aim of becoming an electrification pure player – a market that represents 65% of the global cable market and is expected to increase by 4.3% per annum over the next ten years.

For Nexans, focusing on electrification means covering four key pillars: (i) energy production (offshore wind farms, solar power plants, etc.), (ii) energy transmission via interconnections between countries, (iii) energy distribution (which requires infrastructure to be upgraded to support future electricity demand), and (iv) the end use of energy wherever there is human activity (construction, public and industrial infrastructure, commercial activity etc.).

Because customer demand is increasingly turning towards high value-added systems and products, Nexans' aim is to move from being a broad-based cable player covering 34 sub-sectors to an electrification pure player covering 12 sub-sectors. Our strategic objective is to simplify the number of activities we serve in order to amplify our impact.

We are therefore beginning to reorient our portfolio through a number of divestments as well as targeted

transformative transactions and bolt-on acquisitions to round out our electrification offer and enable us to scale up our value proposition.

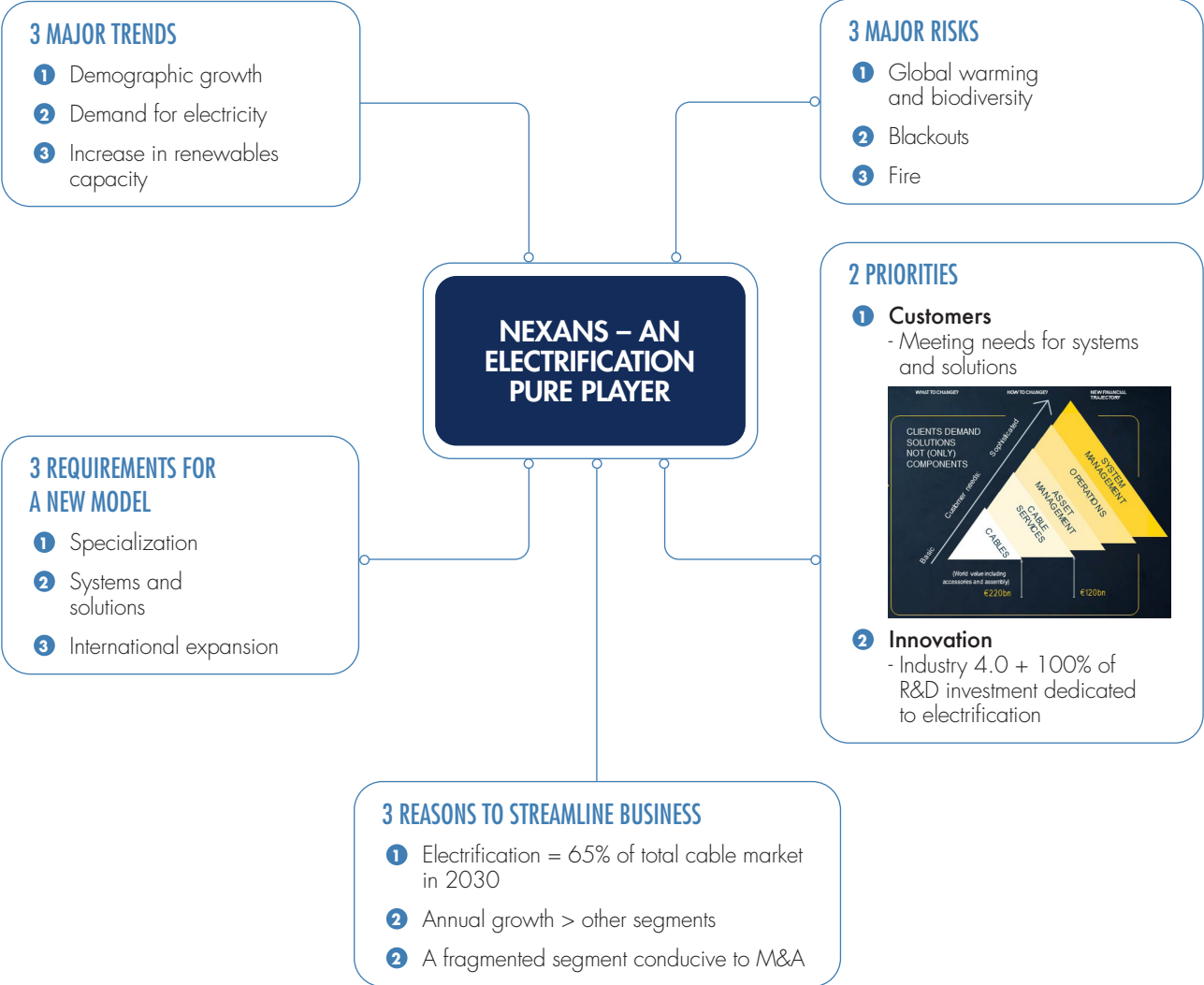
The potential for growth is huge as today the electrification ecosystem represents a market that is currently worth over 100 billion euros and is expected to increase to 154 billion euros by 2030.

In order to execute its strategy of focusing on the electricity sector – which currently accounts for 55% of its sales – Nexans will invest between 1.5 and 2 billion euros between now and 2024. At the same time, the Group intends to sell its cable manufacturing assets in several sectors, including automotive harnesses and telecoms.

Nexans is aiming to achieve standard sales of between 6 and 7 billion euros by 2024, with EBITDA of between 10% and 12% of sales, and to generate between 500 and 600 million euros in cash (before mergers, acquisitions and capital transactions).









AN INCREASINGLY ELECTRIC WORLD



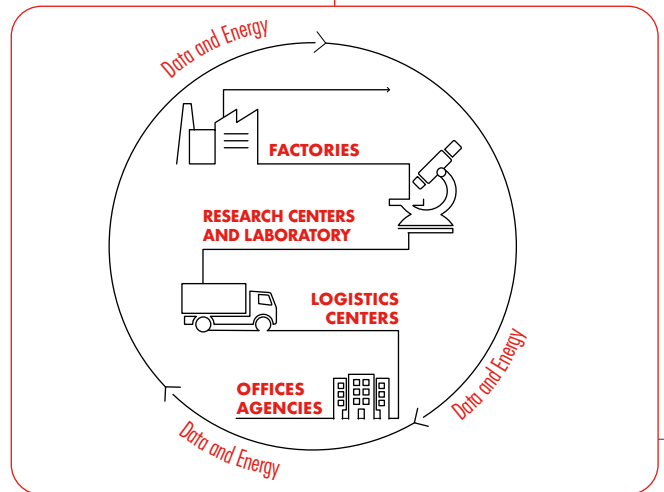
BY 2030, ELECTRIFICATION WILL ACCOUNT FOR 100% OF NEXANS' SALES

CREATING VALUE BEYOND CABLES

RESOURCES

- 
FINANCIAL CAPITAL
 €1,256 million in equity
 €1.8 bn in capital employed
- 
INDUSTRIAL CAPITAL
 Industrial presence in 38 countries
 91 production sites and logistic centers
- 
SOCIAL/SOCIETAL CAPITAL
 1.87 workplace accident frequency rate
 1,800,000 beneficiaries of Nexans Foundation projects since 2013
- 
INTELLECTUAL CAPITAL
 1,800 patent families
 72 patents filed in 2020
- 
HUMAN CAPITAL
 25,000 employees
 4,405 new hires
- 
ENVIRONMENTAL CAPITAL
 95% of sites ISO 14001/EHP⁽⁵⁾ certified
 100% of production sites equipped with GHG emissions monitoring





NEXANS SITES



PRODUCTION

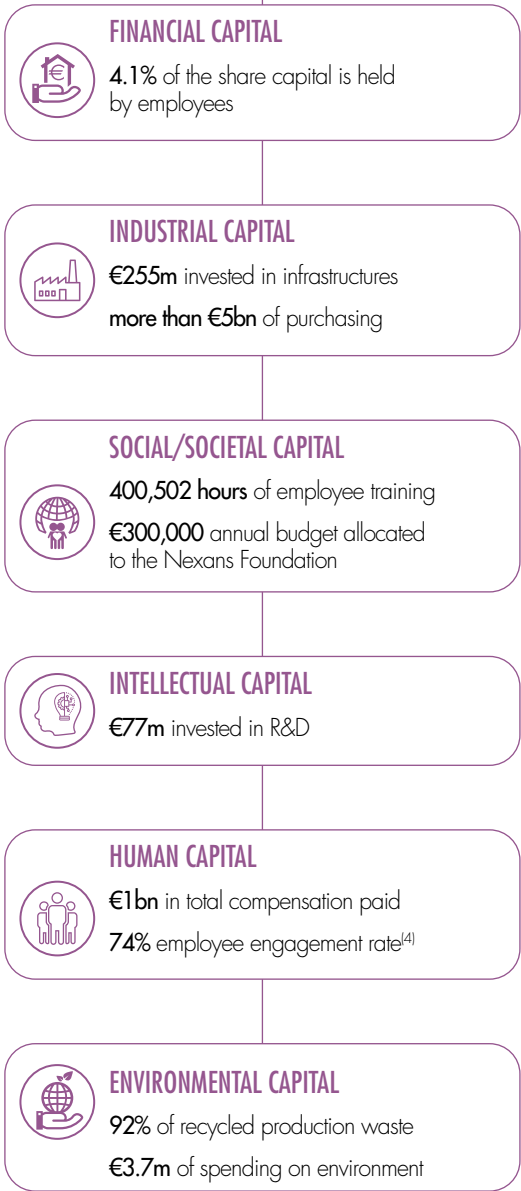
- Cables
- Systems
- Cabling solutions
- Services
- Harnesses
- Accessories

MARKET SEGMENTS AND SECTORS SERVED

- 
BUILDING & TERRITORIES
42% OF SALES
 - Electrical equipment distributors & installers
 - Local authorities
- 
HIGH VOLTAGE & PROJECTS
12% OF SALES
 - Energy suppliers
 - Basic and public infrastructure service operators
- 
INDUSTRY & SOLUTIONS
21% OF SALES
 - Extractive and process industries
 - EPC Customers⁽²⁾
 - OEM Customers⁽³⁾
 - Cable system manufacturers, integrators and OEMs
- 
TELECOM & DATA
7% OF SALES
 - Telecom operators and digital giants
 - IT Infrastructure

(1) Standard sales, new standard price at €5,000/1.
 (2) EPC: Engineering, Procurement and Construction contractor.
 (3) OEM: Original Equipment Manufacturer.
 (4) 2018 Internal Opinion Survey.
 (5) EHP: Highly Protected Environment - Group internal environmental label.

VALUE CREATED



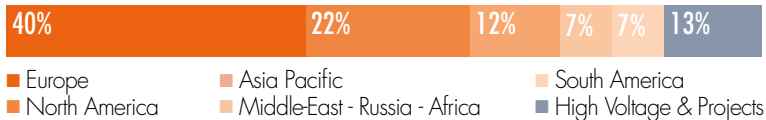
STAKEHOLDERS



2020 SALES⁽¹⁾

€5.7bn

SALES BY SEGMENT



1 SIGNIFICANT EVENTS IN 2020

Although it was an unprecedented year on many levels, Nexans once again recorded organic growth in all of its business areas in 2020. Thanks to a record backlog, the Group saw strong sales momentum that enabled it to cushion the heavy impact of Covid-19. Below we look back at 14 highlights of the year.



— Empire Wind projects in the United States

Nexans signed a preferred supplier agreement with Empire Offshore Wind LLC to electrify the future of New York State by connecting the Empire Wind offshore projects to the onshore grid. The turnkey projects cover the full design and manufacturing, as well as the laying and protection of over 300 km of export cables that will deliver renewable energy to over one million homes.

— Industry 4.0 in Sweden

At its Grimsås site in Sweden – one of two Nexans factories en route to full digitalization – the Group is building a 3,000 sq.m warehouse and logistics center that is scheduled to come on stream in August 2021. This brand new automated logistics center, with more efficient production flows, marks the start of a revolutionary digitalization process within Nexans. The plan also includes a gradual transition to self-driving electric forklift trucks.



— Nexans takes a leap forward in AI and data management with Microsoft Azure

By leveraging Microsoft technologies, the Group will receive crucial support in terms of data management, artificial intelligence and cloud solutions that will accelerate its growth as a leader in sustainable electrification. This collaboration will also help deliver an unparalleled experience for Nexans' customers and installers with an emphasis on enhanced operational services and digital solutions to streamline supply chains and ensure just-in-time delivery.



— **Airbus keeps Nexans on board**

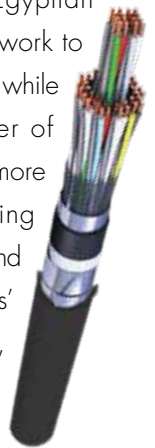
Airbus extended its long-term partnership with Nexans by selecting the Group as its main cable supplier for the next five years. Under this new global supply contract, Nexans will design, manufacture and supply 130,000 km of specialized cables for Airbus aircraft, ranging from the single-aisle A320 Neo and the A350 series to the double-deck A380.



— **Working with Alstom on the BSA project in Egypt**

Nexans completed the delivery of 1,700 km of signaling cable to Alstom for the BSA (Beni Suef - Asyut) project. **This 250 km-long railway line is** one of the three main lines in Egypt, connecting the cities of Beni Suef and Asyut. The aim of the Egyptian Ministry of Transport is to modernize signaling

systems on the ENR (Egyptian National Railways) network to ensure passenger safety while increasing the number of trains in circulation by more than 80%. The signaling cable was developed and manufactured by Nexans' plant in Tuzla, Turkey, specializing in railway signaling cables.



— **Ensuring the safety of Serbia's largest power plant**

Nexans signed a contract with Coptech to deliver 206 km of fire retardant power cables for the new flue gas desulfurization unit at Serbia's 1,560 megawatt (MW) Nikola Tesla A coal-fired power plant. The addition of this new unit is a key step towards achieving a major reduction in sulfur dioxide and particulates emissions from the plant to enable it to meet stringent EU environmental standards. The project is part of the Serbian government's pledge to invest 14 billion euros in boosting the country's economy, including the development of its power generation sector.





— The North Sea Link is advancing through Norway

Nexans teamed up with Fugro – a geo-data specialist – for the complex operation of laying two cables through a mountain between Hylsfjorden and Lake Suldalsvatnet, and along a lakebed, at a depth of 210 m. After 12 months of careful planning and preparation, Fugro delivered

a unique monitoring system enabling the cable laying process to be monitored in real time using a remotely operated vehicle (ROV). Once completed, the electricity interconnector will run from Kvilldal in Norway to Blyth in the United Kingdom, making it the world’s longest subsea interconnector.

— In the Sangomar oil field in Senegal

As the industry leader in umbilicals, Nexans is contributing its expertise and world-class products to Senegal’s first offshore oil development, the Sangomar field. Nexans will design and manufacture 46 km of umbilicals for the field, which will be operated by Woodside. The umbilicals – which will be made at Nexans’ Halden facility in Norway – will be supplied to Subsea 7, the contractor responsible for the integrated subsea production systems serving the Sangomar Field Development project. They will provide vital hydraulic, control and instrumentation services for a stand-alone floating production storage and offloading (FPSO) facility and associated subsea infrastructure.



— Asset divestment and optimization

During 2020, Nexans divested and optimized a number of its global assets. For example, in the United States, it sold Berk-Tek – a leading US based manufacturer of local area network copper and fiber cables – to Leviton Inc. Also in the US, the Group decided to close its Chester and Walkill sites, whose cash flow performance has been negative for several years. Meanwhile, the Charleston plant is being converted to manufacture subsea high-voltage cables and will be able to deliver up to 1,000 km of cables for Ørsted’s offshore wind farms in North America until 2027. Lastly, in Germany, Nexans Metallurgie Deutschland GmbH (NMD) – a subsidiary specialized in oxygen-free copper drawing – was bought by the industrial holding company, Mutares SE & Co. KGaA.



— The Nexans Foundation launches its 9th call for projects

In March 2021, the Nexans Foundation completed its 9th call for projects, which this year received 140 applications from non-profit organizations and NGOs. This figure was stable compared with 2020, reflecting the effect of the Covid-19 crisis, as 147 applications were received for the 8th call for projects, with 18 selected. Africa was once again the continent that called in the most initiatives, accounting for 87% of the total submitted in the Foundation’s 9th call for projects.



— **Early repayments of borrowings**

In February 2021, Nexans took advantage of its strong liquidity level to repay in advance the 280 million euro French government-backed loan it had received but did not use. Also, in March 2021, the Group redeemed the 250 million euros worth of bonds issued in May 2016 and maturing in May 2021.

— **Nexans reaches the top ranks in the Institutional Investor’s 16th annual survey**



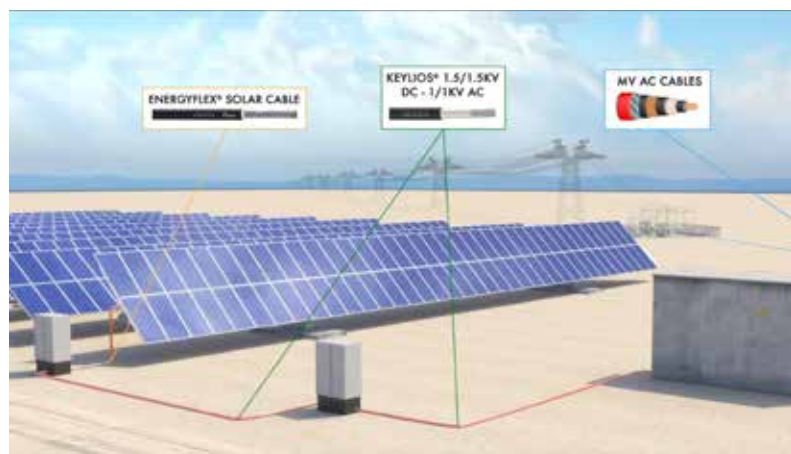
Nexans was in the top ranks in the Institutional Investor’s 2020 All-Europe Executive Team survey within the Capital Goods sector. This recognition by investors and the financial community reflects the clarity and consistency of Nexans’ strategic plan as well as its ability to meet their expectations.

and consistency of Nexans’ strategic plan as well as its ability to meet their expectations.

In the “Small & Mid-Cap” category, Christopher Guérin was named Best CEO, and the Group ranked third as Most Honored Company (fifth place overall). Jean-Christophe Juillard was voted Best CFO Small & Mid-Cap by investors (and ranked third for Best CFOs Overall). Aurélia Baudey-Vignaud was voted second Best IR Professional Small & Mid-Cap by investors (and ranked third for Best IR Professionals Small & Mid-Cap by all voters).

— **The advantages of the new Keylios® harness**

Nexans’ new Keylios® Photovoltaic Harness will help developers, installers and operators of utility-scale solar farms to cut cabling costs of their photovoltaic modules. It removes the need for cables to be cut to length on site as the complete assembly of cables and connectors is manufactured under controlled factory conditions and delivered ready to fit. This offers both improved quality and reliability by reducing the number of connection points, while the very significant reduction in installation time and material wastage can cut the overall cost of cabling by up to 15%.



— **The SMAC agreement for recharging electric cars**



In June 2020, in the extraordinary context of the pandemic, the Nexans site in Donchery in the Ardennes region of France welcomed the SMAC (Smart Charging) consortium. The objective of the meeting – which took place in Covid-safe conditions – was to sign an agreement marking the start of work on a field trial underpinned by innovation. Led by a consortium made up of Enedis, Nexans, the startup Park’n Plug, and Y Schools, SMAC is an experimental project that combines local production of renewable energy (wind power), recharging infrastructure for electric vehicles, and smart energy management in the interests of the end consumer.



Our Innovation

BECAUSE OUR INNOVATION IS THE FUTURE



BUILDING THE NETWORK OF TOMORROW FOR AN ELECTRIC FUTURE

More efficient. Smarter. Simpler. For Nexans, innovation is the art of doing our best for the benefit of our stakeholders and is key to accelerating the delivery of the future energy system.

With this in mind, we are supporting our customers in their energy transition in two main ways, namely by (i) digitalizing our sites with a view to achieving Industry 4.0 status by 2025, and (ii) offering new products, services and solutions.

CUSTOMER-DRIVEN INNOVATION

Nexans is developing a vast range of technologies to ensure that tomorrow's energy system is secure, affordable and sustainable for our renewable energy producer and Distribution System Operator (DSO) customers and to help them make a smooth, swift and cost-effective transition.

We are helping the world's leading renewable energy developers to increase the speed and reduce the cost of deploying new infrastructure. Our innovative plug-and-play cable harnesses for offshore wind turbines and onshore solar plants reduce installation time while increasing reliability during routine operations. Our expertise in turnkey submarine cabling and offshore transmission grids allows operators to connect to markets rapidly. Not forgetting the 2021 launch of Aurora, the most advanced cable-laying vessel in the world.

Nexans is working to create a more resilient energy system at every level – from high-voltage electrical interconnectors that span oceans to

advanced cabling for national grids and regional distribution networks. The Group is also pioneering the development of superconducting cable technology that eliminates losses and enables customers to boost the capacity of congested city networks. Furthermore, its superconducting fault current limiters (SFCLs) provide system operators with a unique tool to get more out of their existing networks.

Nexans also has new digital tools to help DSOs to make the most out of their infrastructure. Nexans' strategic asset management solution, Asset Electrical, provides DSOs with insights into how their power networks are used – and helps them to make better, data-driven decisions about investment. Asset Electrical helps them achieve the perfect balance between network performance, capex, opex and risk, including financial, regulatory, security and environmental factors and the integration of data from smart meters will soon provide even more ways to optimize network performance.

€77_M
invested in R&D

800
R&D employees

over 1,800
patent families in our portfolio

over 50
new products
launched each year

INNOVATION - THE KEY TO THE EUROPEAN GREEN DEAL



In order to achieve the European Union's objective of becoming the first climate neutral continent by 2050, renewable energy needs to replace fossil fuels in the production of electricity, whilst also taking into account the rapid growth - by over 60% - in world electricity demand over the next 20 years. But the energy transition also involves finding new uses for electricity, such as replacing gasoline and diesel to fuel vehicles, and natural gas and petrol to heat homes and industries.

In short, electricity is becoming increasingly important as a source of carbon-free energy.

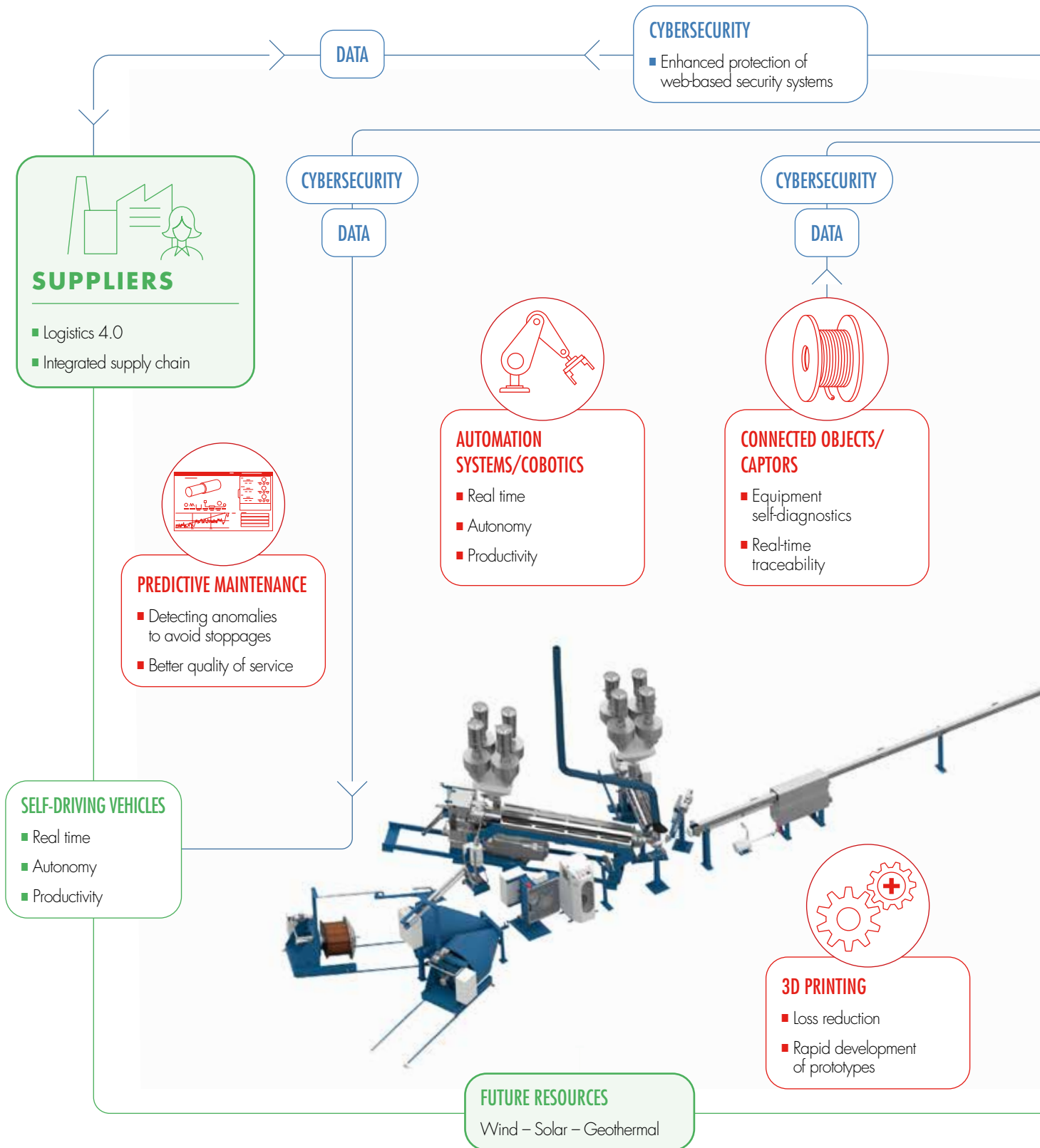
Let's imagine it's 2050



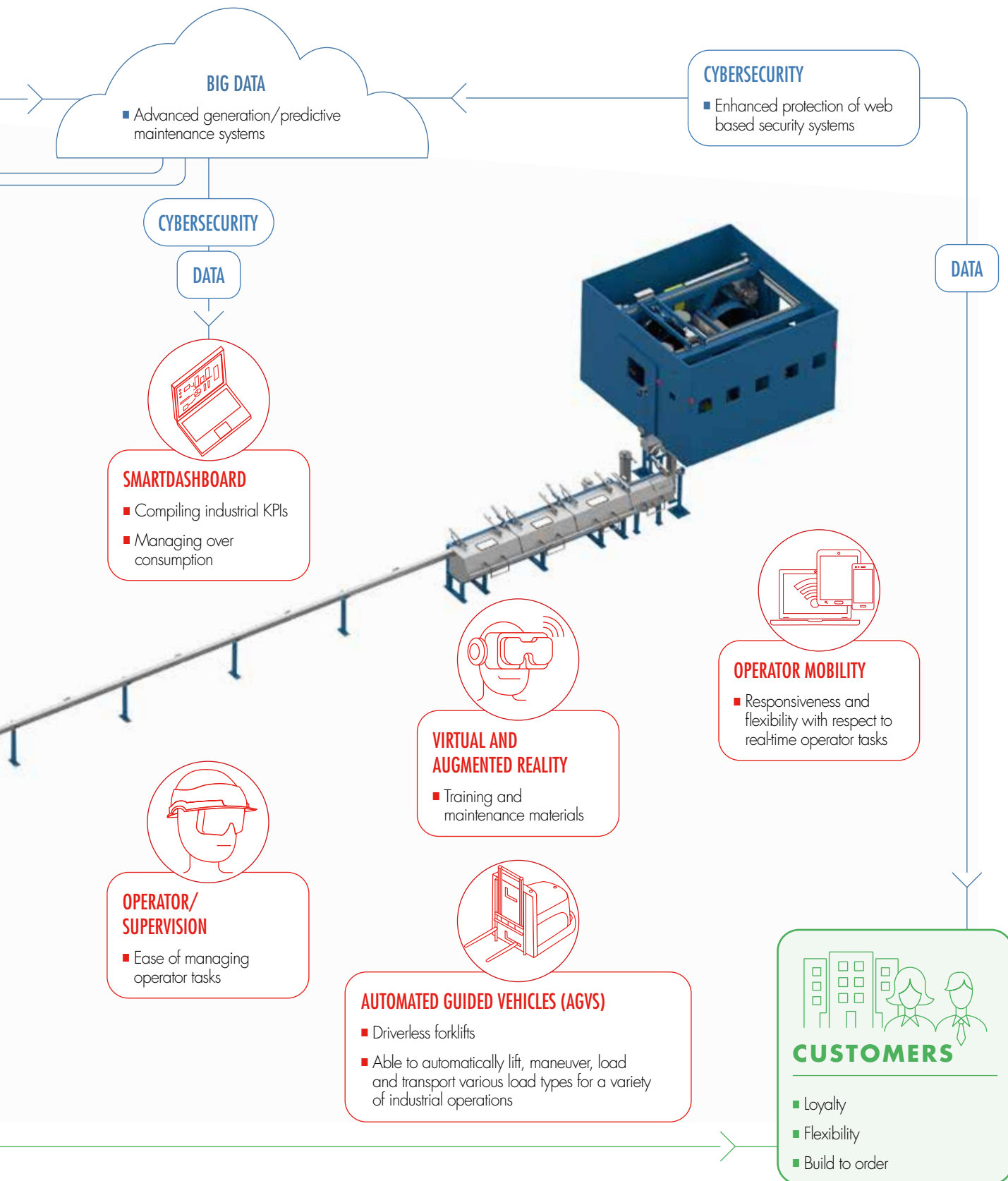
Renewables will be the primary source of electricity generation, largely from offshore wind farms and solar plants. However, households and businesses will also play a part through rooftop solar power generation. There is potential for more than 150 million of these mini power stations in Europe by 2050. As electricity generation becomes more decentralized, it will need to become more collaborative. It is not only generation that will be different, the pattern of consumption will also change. Transport electrification – which is vital to reduce emissions will rely

on lower- and zero-emission vehicles, some 13 million of which are expected to be on the roads by 2025, compared with one million in 2020. The electrification of space heating – the main source of domestic energy demand – will also contribute to the 2050 deadline, by which time most space heating in the EU will need to be carbon-neutral. More than 100 million European households will need to make the switch from fossil fuels to electricity for heating.

INDUSTRY 4.0 WIDE-SCALE ROLL-OUT FOR NEXANS



Since the outbreak of the Covid-19 pandemic, industrial companies have had to completely change their way of working. This has been an opportunity for them to move a step closer to their Industry 4.0 goals: IoT, Data analytics, digitalization, virtualization, predictive modeling, robotization connected with new, affordable cognitive solutions, etc. Factory 4.0 is not only a question of technology and digitalization, it also means rethinking plant development and, especially, the role of human beings in the manufacturing process.



— Industry 4.0: more agile, intelligent and human

Industry 4.0 has been on Nexans' agenda for the last four years. The long-term goal is to be able to use all of a factory's available data and settings to manage the manufacturing base in real time and improve performance across several levels, namely (i) operator security, (ii) eliminating non-value added tasks (pushing a drum from A to B, checking if a machine is working, copying the same form four times, etc.), (iii) enhancing energy consumption and the supply chain.

The Group has already embraced digitalization at some of its sites, using 3D printing, Big Data and virtual reality and selecting some of its profit drivers and leading factories for a pilot program.

Industry 4.0 offers considerable benefits. Firstly, it makes the industry more attractive to target markets such as younger customers. Virtual reality is a highly valuable tool for safely training operators in complex areas such as high voltage. It also provides a more qualitative way of working, which

challenges the Group to ensure that operators are properly qualified. This does not mean less jobs, but rather different profiles.

However, several challenges still exist, including the cultural challenges of ensuring that the entire organization is on board with digitalization, and of changing routines, modus operandi, and team training. Significant acculturation work needs to be carried out, with reference to use cases, to properly support employees.

Financing can also present a challenge, as digitalization requires considerable investment, sometimes up to €1 million per site. There is rapid return on investment, however, usually in under two years.

To take its digital journey to the next level, Nexans has partnered with Schneider Electric on a joint pilot program, which is set to deliver results by fall 2021, with the aim of reaping the benefits at all of the Group's industrial sites worldwide.



Partnership with Schneider Electric

Nexans decided to collaborate with Schneider Electric after witnessing the successful roll-out of its digital transformation program across more than 115 sites worldwide. Applying a philosophy of "Think big. Act small. Scale fast", yielded impressive results. These include an up to 80% reduction in maintenance time by implementing predictive maintenance solutions as well as a 15% reduction in energy costs. This partnership, which began in 2020, will accelerate the transformation of Nexans into a business driven by clear, rich and actionable data as the foundation for improved business performance, safety and flexibility. The digitalization of its factories will further improve the efficiency of production lines, enable predictive maintenance and reduce carbon emissions. It will also contribute to the Group's commitment to achieve carbon neutrality by 2030.

Its cable and service customers will also benefit from this program through enhanced product availability. Nexans' collaboration with Schneider began in October 2020 with a local assessment of two pilot plants in Europe. The assessment focused on monitoring energy usage and predictive, condition-based maintenance. The aim was to identify improvement initiatives that would yield a return on investment in less than three years. More generally, the pilot program has also carried out an audit of Nexans' current information and operational technology to establish the best systems to deploy for the future. The conclusion of the two plants' assessment will be used to develop a long-term plan to take the digital transformation to a number of major Nexans sites worldwide.

— New generation of services and solutions

Nexans is leveraging its DNA in cabling and electrical systems to create a new generation of innovative services and solutions for customers. The supply chain and operational services provide unprecedented real time visibility and control over assets around the world. The ability to deploy powerful, intelligent IoT devices has huge implications for the way infrastructure is managed. One of the most exciting developments is “digital twin” technology – a real-time digital model of all assets – that not only monitors infrastructure, but also creates simulations, identifies business opportunities and prevents problems before they happen. The IoT will have a huge impact on the development of digital twin technology because it provides accurate real-time data to drive the virtual model.

The advantage of this is that it covers the entire project, from the front-end engineering and design phase right through to asset management. To design, build and manufacture these innovative solutions that meet our customers’ needs, we make extensive use of digital technologies such as cloud, artificial intelligence, edge computing and the Internet of Things (IoT). We also have a network of partners ranging from startups to multinational groups.

Solutions of this sort are part of our vision for the future. Meanwhile, Nexans’ customers are already benefiting from a growing range of digital services and solutions. As well as the IoT, these include Smart Inventory Management (SIM) and Asset Electrical, our asset management solution for grid operators.

SMART INVENTORY MANAGEMENT



Inventories can tie up a huge amount of cash and be complex to manage. This is why we have developed Smart Inventory Management (SIM).

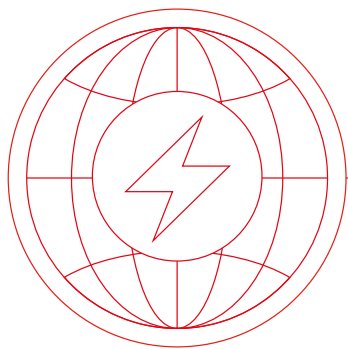
This solution allows customers to monitor and manage their cable stocks easily in real time and reduce the operating working capital associated with inventories by approximately 50%.

The solution combines RFID (radio-frequency identification), demand driven replenishment methods and a cloud-hosted platform to provide 24/7 access to physical inventory throughout the supply chain. It tracks the history of movements and triggers alerts if there is the risk of a product shortage or overstock. Meanwhile, automatic stock replenishments and faster physical inventory counts transform inventory management and boost performance.

Smart Inventory Management creates a seamless and transparent supply chain between Nexans’ factories and end-users of cable, including distributors, installers, and their subcontractors.

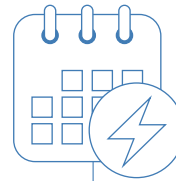
This solution simplifies our customers’ everyday life.

GLOBAL ELECTRICITY CONTRIBUTION BY 2040



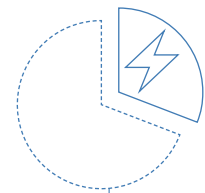
x1.5%

Increase in global demand by 2040



+1.7%

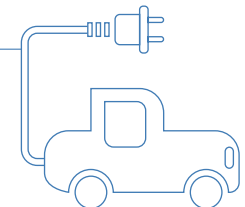
Average increase in global electricity output by 2040



31%

Share of electricity in final energy consumption by 2040

Electric vehicles at the
forefront
of sources of additional electricity



Nexans

- has been a member of the UN Global Compact since 2008 and incorporates the SDGs into its CSR priorities
- has made these SDGs the cornerstone of its strategy, in particular goals 9 (Industry, Innovation and Infrastructure), 12 (Responsible Consumption and Production) and 13 (Climate Action)
- secured a place on the global environmental non-profit CDP's prestigious "A List"
- commits to contributing to carbon neutrality by 2030 in line with a trajectory of 1.5°C (see pages 69 to 73)



As a signatory of the United Nations Global Compact, Nexans is committed to supporting and implementing ten universally-accepted principles in the areas of human rights, labor, the environment and anti-corruption.

**Direct contribution
of global electrification
to the UN's SDGs**



1 bn
more people have had access
to electricity since 2010



WITH 4.5%
of their GDP dedicated
to resilient infrastructure, developing
nations may be able to achieve
the sustainable development
goal of limiting climate
change to +2°C



\$21.4 bn
in international financing
for the development of countries
that promote clean energy



80%
of renewable energy in the
additional generation capacity
to be rolled out by 2020

Sources: UN, World Bank, IEA, Irena, Roland Berger



Our energy intelligence

BECAUSE THE FUTURE IS NOW FOR NEXANS' ENERGY INTELLIGENCE



ELECTRICITY PRODUCTION & TRANSMISSION

Through its new strategy, Nexans is becoming a unique and fully integrated player covering the entire electrification value chain. In the area of electricity production, the Group intends to reinforce its positioning in the offshore wind farm and interconnection markets.

OUR BUSINESS

Nexans' core business encompasses both interconnections and cabling solutions for offshore wind farms. And our business begins with the production and transmission of electricity. Our customers are offshore wind farm developers, national transport network operators and, increasingly, investors in infrastructure.

Longer distances, deeper waters and larger projects are requiring ever-higher voltages and ever-increasing quantities of energy. All of these factors are causing energy markets to become more and more technical, which means that market players also need solid risk management skills. Going forward, investments will be needed to meet market demand, both in terms of volumes and technologies.

THE MARKET

Renewable energy sources – such as offshore wind farms – are key to the transition to sustainable energy. This market will see extraordinary growth in the coming decade, with an estimated annual growth rate of 11.5% and some 200 gigawatts of capacity scheduled to be installed worldwide. The high-voltage interconnection market (subsea and land) is set to grow by 14.13% per year. As renewable energy sources are not always located close to where the electricity is used, Nexans connects them to each electricity grid by installing energy highways. While Europe will remain the main market, Asia and the United States are expected to follow closely behind. Offshore wind farms

and interconnections represent approximately 11.5% annual growth for Nexans' cable and installations market, i.e. 8 billion euros per year by 2030.

OUR PORTFOLIO

Armed with unparalleled expertise in subsea cable systems, Nexans is already very well positioned and engaged in the fast-growing offshore wind farm market.

The Group's major contracts in this market include the Seagreen 1 project – an offshore wind farm located off the coast of Scotland with a production capacity of up to 1.5 GW. This joint venture between SSE Renewables and Total will be Scotland's largest source of renewable energy and will make a significant contribution to the country's objective of becoming carbon neutral. It will be the largest wind farm in Scotland, ultimately providing clean energy to over 600,000 Scottish homes.

Another major contract in this market is the exclusive agreement signed with the world leader in offshore wind power – the Danish company Ørsted – and New England's premier transmission builder – Eversource. Under this agreement, Nexans will provide up to 1,000 km of subsea high-voltage export cables until 2027 to connect up to the network of Ørsted's future wind farms located off the North-East coast of the United States.

Nexans has also been awarded a purchase order to supply 180 km of cables for the Marjan increment development mega-project in Saudi Arabia as part of a program to expand the Marjan field, which is one of

the oldest and biggest offshore oil and gas fields in the Arabian Gulf. Nexans is one of the very few suppliers in the world capable of manufacturing, testing, storing, transporting and installing extremely long lengths of cable in one complete segment without the need for offshore joints. In the interconnections market, the Group is also involved in the EuroAsia Interconnector Limited project, designed to link the national grids of Greece, Cyprus and Israel. Lastly, in 2020 Nexans completed the repair of a 95 km subsea high voltage (HV) cable linking Malta with Sicily. The interconnector cable was damaged by a ship anchor, causing a nationwide blackout in Malta and a series of power cuts in the following weeks.

PARTNERSHIP

In the area of risk management, Nexans has signed a partnership agreement with Bureau Veritas (BV), a world leader in testing, inspection, and certification. The aim of the agreement is to reduce risk and promote best practices for turnkey deliveries of high voltage power cables used for connecting offshore wind farms to onshore grids. As offshore wind farms are increasingly being installed further away from coasts and in deeper waters, the risk of failures could increase due to a more complex marine environment. This partnership builds on Bureau Veritas's maritime expertise and extensive experience in risk management to help the offshore wind sector reduce operational risk.

Nexans has invested over

€500m

in energy transition

€360m

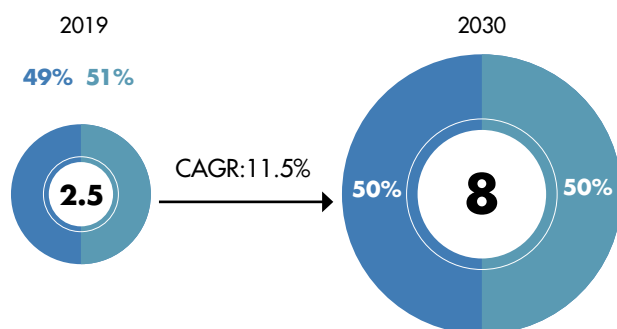
already invested between 2018 and 2021

€200m

more will be injected by Nexans into the Charleston (USA) and Halden (Norway) plants

The cable market for offshore wind farms, including installations

(in €bn: 2019-2030) Source: Roland Berger

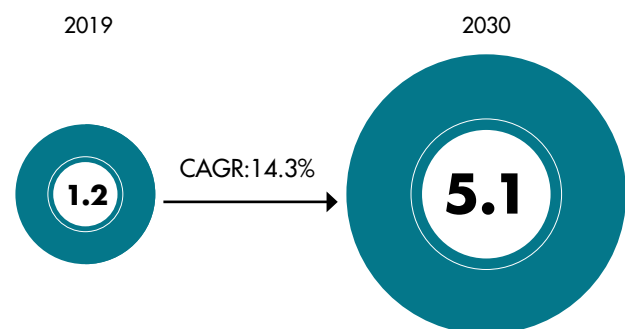


■ Cables ■ Installations

The cable market for offshore wind farms is worth 2.5 billion euros and is expected to grow 11.5% a year to 8 billion euros by 2030, driven by the faster pace of transition to carbon-free energy made possible by offshore wind farms. Although the development of offshore wind farms is still in its early stages, they already represent a significant market for cables.

The cable market for electrical interconnections

(in €bn: 2019-2030) Source: Roland Berger



The cable market for electrical interconnections is worth 1.2 billion euros and is expected to increase by 14.3% a year, reaching 5 billion euros by 2030, driven by a rising need for renewable energy and a large pipeline of major projects.

THE NEXANS AURORA – NAVIGATING TOWARDS ENERGY TRANSITION

The Group – which already owns the Nexans Skagerrak – took delivery of its second cable-laying ship, the Nexans Aurora in May 2021. This revolutionary vessel has a large capacity cable handling spread including a 10,000-tonne split turntable, as well as a basket for fiber optic cables with a capacity of 450 tonnes, and high-tech equipment enabling cables to be laid at depths of 3,000 meters. Its construction marks a major step in Nexans' long-term strategy, enabling

it to maintain and reinforce its position as a leading player in subsea cables. The Nexans Aurora will play a vital role going forward by facilitating the connection of offshore wind farms to onshore grids, the electrification of offshore oil and gas installations, and the creation of interconnections between countries. It will begin its career in Scotland, in the third quarter of 2021, at the Seagreen 1 wind farm where it will lay three 65 km offshore cables.



ELECTRICITY DISTRIBUTION

In the area of electricity distribution, Nexans intends to reinforce its turnkey solutions combining cables and accessories with installation services, architectural design, smart systems and asset management.

OUR BUSINESS

Distribution is the essential link between production and transmission on the one hand and usage on the other. Our business in this area is mainly based on medium voltage equipment, but also entails turnkey solutions combining cables and accessories with installation services, architectural design, smart systems and asset management. As an end-to-end supplier of these solutions, Nexans and its team of 80 dedicated engineers is rising to the challenges of electrification, providing turnkey solutions to connect renewable energy sources to electrical grids and making green energy more accessible and cost-efficient. We also manage superconductors and infrastructure to help reduce breakdowns, enhance reliability and optimize costs.

THE MARKET

Electrical grid infrastructure is set to come under pressure due to higher demand for electricity and new decentralized ways of producing it. These trends, coupled with the aging of grids – especially in Europe and the United States – mean that major investments will be needed to upgrade and renew infrastructure. Between 2020 and 2030, 4,400 billion euros will be spent on distribution with a view to improving grid access and reliability. In addition, forecasts for the cable market alone put the cumulative annual growth rate at 4.2%.

OUR PORTFOLIO

Nexans is well positioned in electricity distribution thanks to the unique solutions we offer.

One of our flagship contracts in this domain is with Stockyard Hill – Australia's largest onshore wind farm – for which the Group is designing, manufacturing, supplying, installing and testing 275 km of cables. This contract was won thanks to the excellent upfront work of Nexans' engineers, who rethought the farm's electrical architecture to show the customer how it could cut its initial capex by 9% as well as decreasing its opex by several percentage points by reducing electricity losses.

Another major achievement in electricity distribution is our Neogrid® turnkey solution deployed in Côte d'Ivoire. This ready-to-use power distribution infrastructure solution – covering engineering, the supply and installation of the electrical grid, electric pylons and public lighting – meets the objective of Côte d'Ivoire's National Rural Electrification Program (PRONER), which is to provide electricity to all of the country's rural communities by 2025.

Our portfolio also includes other smart management solutions designed by Nexans, such as Connected Drums, which uses IoT technologies to enable customers to track their cable drums in real time at all of their sites. Over 100,000 Nexans connected drums have been deployed worldwide, with one of our Connected Drums customers saving \$200,000 a year. Another example is Asset Electrical, which provides information on the use of energy networks and helps grid operators/managers make the best investment decisions based on accurate data. In other words, it enables them to put in place a predictive and preventive maintenance system.

PARTNERSHIP

Nexans has selected Orange Business Services as a strategic partner to deliver the global IoT connectivity that is crucial for the extension of Nexans' connected products program. This program provides the Group's customers with real-time information about the location of their cables, helping to reduce theft and loss, and increase recycling. Nexans has pledged to connect 25% of its products by 2024. The partnership for the

deployment of Nexans' IoT solutions also involves two other players: ffly4u and Sigfox. Within the digital field more generally, Nexans has teamed up with Microsoft for cloud-based solutions, analytics and artificial intelligence, and with Cosmo Tech – specialized in simulation software for complex systems and digital twin technologies – for the deployment of Asset Electrical.

By 2030:

1.8 bn

inhabitants will need access to electricity

Energy production is set to increase by

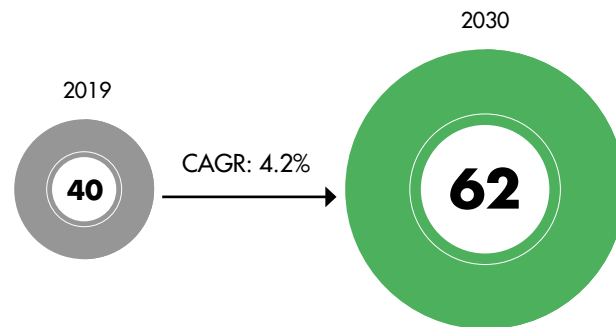
17%

The growth factor for renewable energy will be

2.6

The cable market for electrical grids ⁽¹⁾

(In billions of euros: 2019-2030) Source: WEO 2020, Roland Berger



(1) Excluding accessories.

The cable market for electrical grids represents 40 billion euros and is expected to grow 4.2% a year between now and 2030, driven by electrification, renewable energy and investment in aging grids.



ELECTRICITY USE

Concerning electricity usage, Nexans is an “all rounder” and plans to center its offering on electrical safety solutions for end-users. In order to be competitive, the Group intends to leverage a fail-safe supply chain and products that are easy to use and install, as well as smart products integrated into a digital ecosystem.

OUR BUSINESS

Electrical safety is a fundamental requirement in all regions of the world:

In mature economies, where new usages – such as solutions for charging electric vehicles – will put increasing pressure on aging electrical systems, fire safety will need to be a priority. A fire breaks out every two minutes in Europe due to electrical faults, causing 273,000 incidents a year.

In emerging countries, counterfeit cables are currently the cause of 80% of fires.

That is why Nexans has structured its offering around three main areas: electrical safety for end-users; supporting customers' competitiveness thanks to a fluid supply chain and products that are easy to handle and install; and smart products, integrated into a digital ecosystem. And the fact that we are a local player makes a significant contribution to reducing carbon emissions all along the production chain. Our environmental approach and digital transformation capacities have proved to be deciding factors for customers when selecting a service provider.

THE MARKET

All human activity needs electricity, whether in residential buildings, offices, infrastructure (transport), new hyper-scale data centers, industrial zones and charging electric vehicles. This need will generate 3.8% annual growth in the next decade in the corresponding cable markets.

For example, cables for the building industry is a sector that is booming due to strong demand and is expected to grow by 50% (representing 27 billion euros) in the next ten years. This very sharp growth

is the result of various global megatrends, such as population growth, urbanization and the electrification of rural areas, as well as e-mobility and the 30 million electric vehicle charging stations that will be installed in Europe alone by 2030.

OUR PORTFOLIO

Nexans has developed a multitude of smart solutions adapted to its customers' different usages, all of which have been designed to make their daily life easier.

For example, in a building or rolling stock, Nexans' cables help reinforce fire safety. In many countries we have launched halogen-free flame-retardant (HFFR) cables to replace old PVC models. These cables can withstand temperatures of 1,000°C for more than two hours, while continuing to transmit electricity, which makes it easier to safely evacuate people in the event of an emergency.

For electricians installing cables at construction sites, MOBIWAY® – Nexans' new patented set of plastic drum and associated unwinding system – has revolutionized the transportation and handling of drums. The MOBIWAY® system's ergonomic design also makes it easier for electricians to install power cables and saves them time on a daily basis.

Leading the way in e-mobility, Nexans has designed the AGICITY® charging station, which offers a range of preventative and on-going maintenance services. AGICITY® uses real-time monitoring systems and has a robust design so it can be installed in public spaces, closed or open-air car parks (including company car parks), or even in the street.

To help telecom service providers tackle the problem of unauthorized access to their fiber-to-the-home (FTTH) street cabinets, Nexans has launched INFRABIRD™. This innovative connected solution comprises a keyless access supervision system that can be deployed in just a few minutes to turn passive cabinets into smart, cloud-connected assets.

PARTNERSHIP

Nexans has teamed up with Shippeo – a European leader in supply chain visibility – to provide real-time visibility for its customer deliveries. The partnership will accelerate Nexans’ vision for enhanced customer satisfaction and business development by creating an agile, data-driven supply chain supported by state-of-the-art technology. Digitalization will enable Nexans to deliver value-added services for customers such as real-time tracking, accurate estimated time of arrival (ETA) predictions and incident management of shipments.

On a wider level, Nexans is working closely with Suez on a recycling service, with Carbon 4 and EcoPassport on projects related to carbon neutrality and with Schneider Electric on the circular economy.



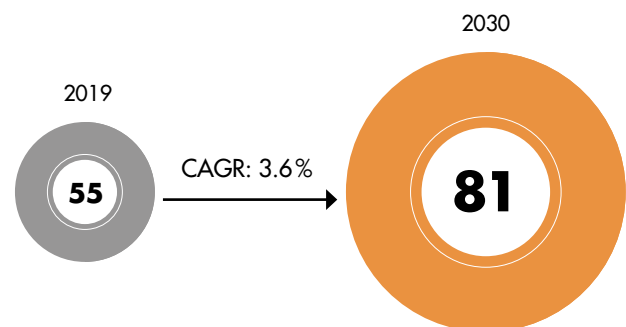
+3.8%

growth in cable markets between now and 2030

50%

growth in demand for cables in the building sector alone between now and 2030

The market for cables for buildings ⁽¹⁾
(in €bn: 2019-2030) Source: CRU, Roland Berger

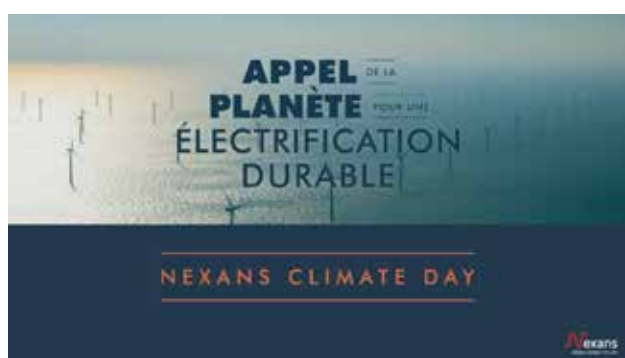


(1) Excluding accessories.

The market for cables for buildings currently represents 55 billion euros and is expected to grow 3.6% a year to 81 billion euros by 2030, driven by new electricity usages and an increase in the global electrified population.

INEXANS, ELECTRIFY THE FUTURE

Nexans is at the forefront of the move towards a new era of safer, sustainable, renewable and decarbonized electrification that is accessible to everyone. An electrification that is providing connections to new opportunities, technologies and behaviors, and helping build a better future. Aware of the pioneering role we are playing in this area, in 2020 we held two major events based on our corporate purpose to “Electrify the future”.



CLIMATE DAY

— Nexans launches “The planet’s call for sustainable electrification”

Nexans organized its first Climate Day on September 22, 2020 at the GoodPlanet Foundation in Paris. The event brought together world-renowned experts, contributing a full spectrum of opinions, to debate the challenges of climate change and energy transition and the urgent need to find answers to the planet’s call for sustainable electrification.

Nexans cannot provide all the answers to these questions on its own, so the aim of the inaugural Climate Day was to open up the debate and begin to structure a collective reflection process. Yann Arthus-Bertrand, an environmental activist, journalist and photographer and Chairman of the GoodPlanet Foundation, set out a very humanistic vision of the ecological question before Mark Lewis from BNP Asset Management explained why investors are increasingly turning to companies that are committed to renewable energies. Édouard Lecerf from the BVA Institute then presented the findings of a survey comparing French, British and American public opinion.

The highlight of the event was the announcement of Nexans’ commitment to carbon neutrality by 2030. The Group unveiled its road map for achieving this objective before formalizing a partnership until the 2024 Vendée Globe with the French skipper, Fabrice Amedeo, who is going to sail round the world non-stop and without assistance. Several members of the Nexans Executive Committee took this opportunity to present the Group’s initiatives related to product recycling, the offshore wind energy market and asset management solutions for supporting the energy transition, as well as the impacts of the electrification projects supported by the Nexans Foundation.

The second Climate Day is scheduled for September 2021.



— **Brainstorming partners**

The round table bringing together Nexans’ expert partners began with an analysis of an unprecedented global survey carried out by the consultancy firm Roland Berger on the challenges raised by global electrification. A discussion

then took place between Christopher Guérin – Nexans’ CEO – Christel Heydemann – Executive Vice-President, Europe and France Operations at Schneider Electric – Mark Lewis – Global Head of Sustainability Research at BNP Paribas Asset Management – and Emmanuel Fagès – Partner in charge of electrification issues at Roland Berger.



ESG DAY

At its ESG Day on November 18, 2020, Nexans delivered a presentation on the environmental, social and governance (ESG) initiatives implemented within the Group. The scale of these initiatives reflect our new corporate purpose, revealed at the event by Christopher Guérin: Electrify the future. Our objective throughout the day was to explain to all of our stakeholders our corporate mission and purpose and the measures and action plans we are putting in place to achieve them.

The morning session started by hosting a large audience of various media representatives, investors, suppliers, customers and Nexans team members, who were shown a number of videos commented by various members of the Board of Directors and the Executive Committee. During the day, the participants were also presented with the Group’s major pledges in terms of Corporate Social Responsibility (CSR), illustrated by examples of tangible actions, future

projects and performance indicators. For the Group, the main objective is to build a highway towards a sustainable energy future and contribute to carbon neutrality. It is an ambitious aim, and our people are at the heart of it. We therefore need a diverse, talented and engaged workforce to help make sustainable energy a reality. All of this work is underpinned by Nexans’ overriding commitment to solid governance and management practices.

The second part of the day was devoted to a virtual Q&A session led by Nexans’ CEO, Christopher Guérin, who concluded with the following statement, clearly illustrating the Group’s winning strategy for the future: “Everything we are doing now is not just a short-term transformation. It is a long-term objective. Believe me, Nexans will be one of the world’s leading electrification pure players in the next ten years.” A second ESG Day has been scheduled for the fall of 2021.



CRITICAL RISK MANAGEMENT

Our risk management system lies at the heart of our governance process. It helps the Group to achieve its strategic objectives and contributes to safeguarding its assets and reputation. It also encourages our teams to work together within a shared risk framework. The Group has committed to regularly assessing its risks, and to putting in place internal controls and action plans aimed at mitigating them.

Nexans' new strategic move towards electrification is picking up pace in 2021, with a radical change in its market positioning and business model. This process has to be accompanied by a robust and selective analysis of Nexans' risks and opportunities arising due to the emergence of new threats (cyber attacks, etc.) and unforeseen situations (Covid-19), as well as the need for responsiveness and agility that comes with deep-seated changes.

In view of these factors, Nexans has developed a corporate risk management system so that its operational and support divisions can include risks and opportunities in the various decisions they need to take in managing their business activities.

In 2020, Nexans updated its risk map, which identifies the main risks – i.e. strategic, operational, legal & compliance and financial risks – that could have an impact on its business, financial position, outlook, reputation and results of operations, or on its ability to achieve its objectives (in line with the European "Prospectus 3 Directive").

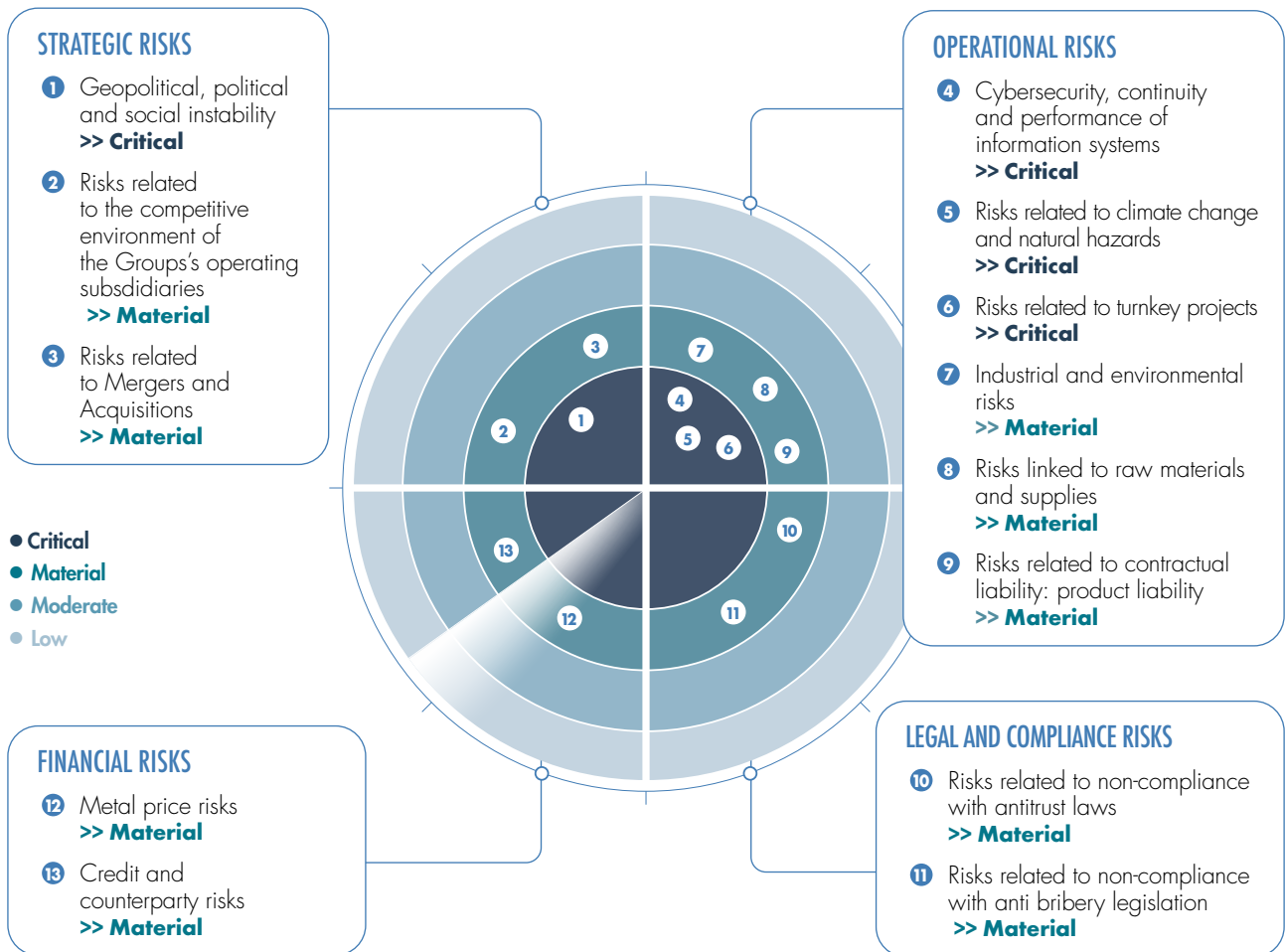
For each category, the risks are classified depending on their degree of criticality – weak, moderate, significant or critical – i.e. based on their seriousness and probability of occurrence, after taking into account the mitigation action plans put in place.

In view of the major impacts caused by the unprecedented Covid-19 pandemic, Nexans' risk management system has been further strengthened. The Group had to adapt its business model in 2020 in order to protect its employees, while taking care to ensure the continuity of its operations so that it could also protect its customers and partners. Consequently, we put in place – and are continuing to implement – health and safety measures, as well as business continuity plans for our

manufacturing operations, which enabled almost all of our plants to continue to operate without any interruptions, albeit with variable output volumes depending on the plants and time periods concerned.



NEXANS' 13 RISKS BY CATEGORY AND DEGREE OF EXPOSURE



CLIMATE RISK – ASSESSMENT IN PROCESS

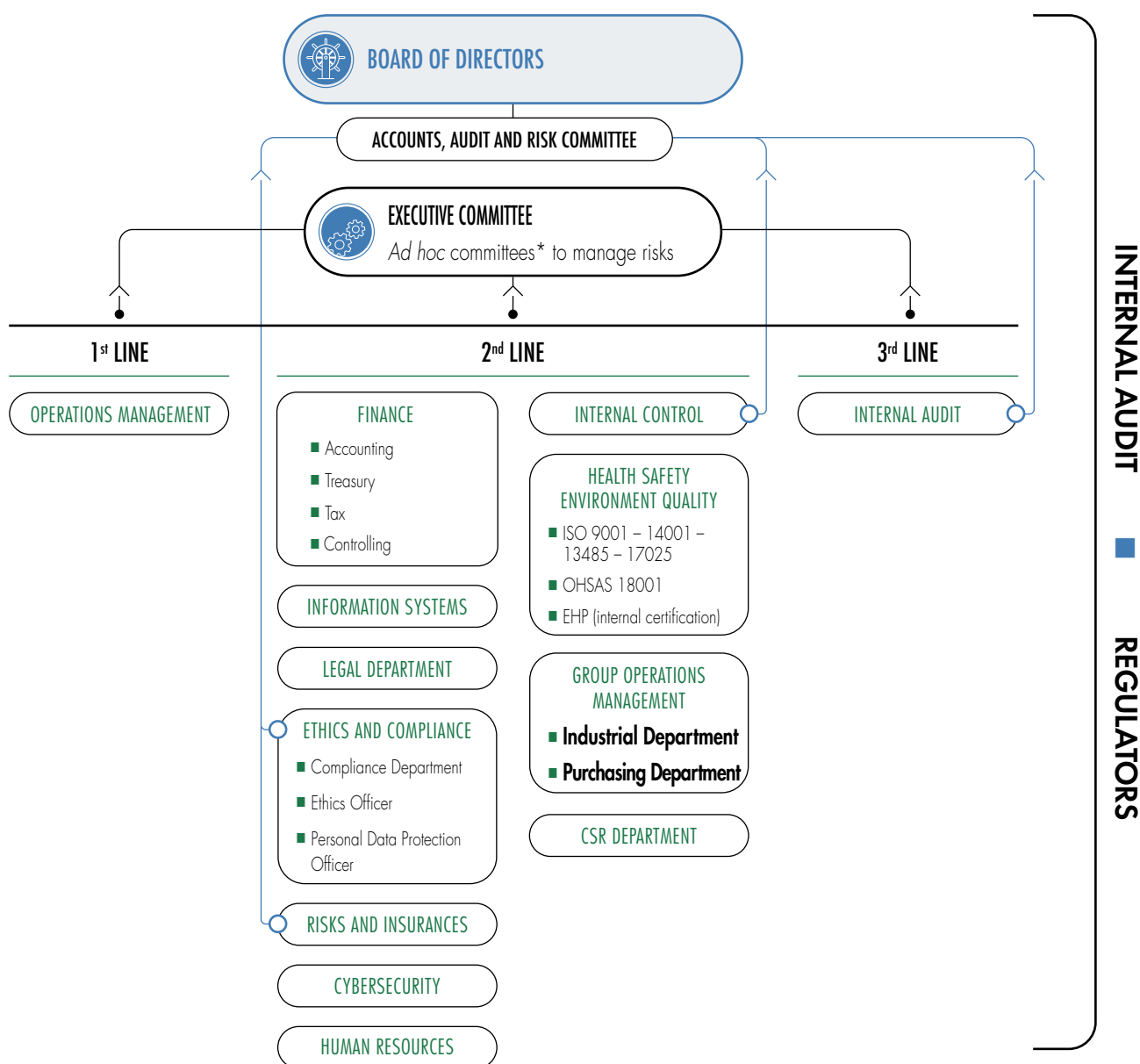


Nexans has set up a working group to draw up a quantitative and qualitative scoring system for climate risks (physical risks and transition risks), based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) concerning the effect of climate-related risks on companies' businesses. Set up by the G20 at the COP21 Paris Climate Conference in 2015, the TCFD sets out recommendations concerning companies' climate-related financial disclosures. The TCFD's final report published in June 2017 specifies the four core elements of climate-related financial disclosures that should be included in corporate registration documents: Governance, Strategy, Risk Management, and Metrics and Targets.

NEXANS' RISK MANAGEMENT ORGANIZATION EFFECTIVE MANAGEMENT OF RISKS AND INTERNAL CONTROL

The success of Nexans' strategy and operations depends on its ability to manage risks. Consequently, the Group has set up a dynamic risk management system, which has the dual aim of enabling it to (i) analyze the main risks that could affect its ability to achieve its strategic

objectives, and (ii) put in place appropriate measures to ensure that risks are effectively managed and reduced to acceptable levels. This risk management system is structured in the form of internal control processes, based on three lines of defense.



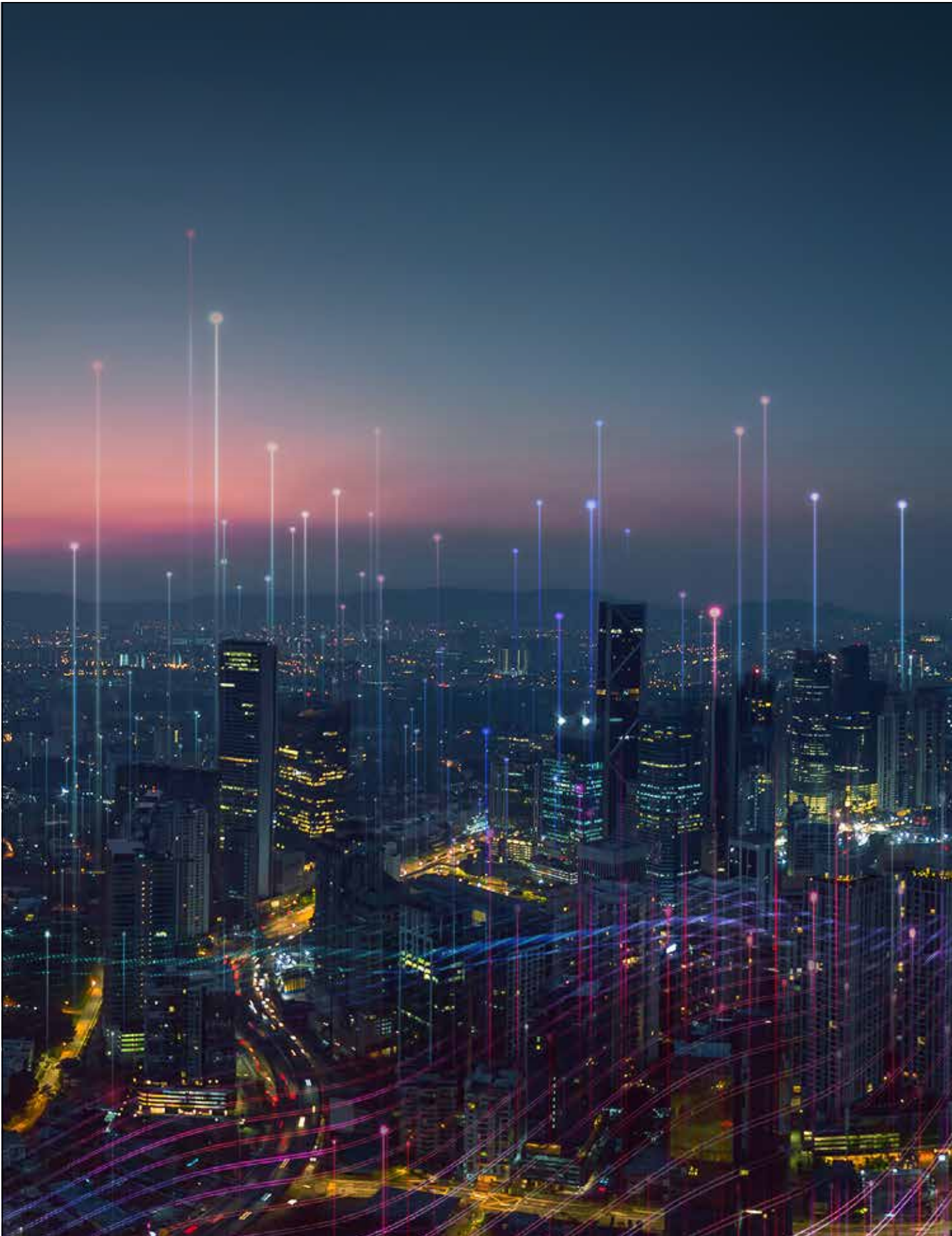
● **First line of defense – Business Groups and operational entities**, which play a front line role in managing risks in their respective geographic and business areas. ● **Second line of defense – Support departments** (Finance, Legal and Compliance, Risks and Insurance, Human Resources, Purchasing, Information Systems, Industrial Management, Technical & Innovation, etc.) at Group or Business Group level, as well as the Internal Control & Risk Management department. These departments regularly report to the Accounts, Audit and Risk Committee on their activities and on the effectiveness of the risk management system. ● **Third line of defense – the Internal Audit department**, which reports to Group Executive Management and contributes to overseeing the overall system.

***Ad hoc Committees:**

- Disclosure committee
- Tender Review Committee
- Purchase Contracts Review Committees

- Mergers & Acquisitions Committees
- Corporate Social Responsibility (CSR) supported by two expert committees, The Governance Social Committee and the Environment and Products Committee.

To find out more about this section see Chapter 3 of the 2020 URD.



Our Integrated Performance

BECAUSE OUR INTEGRATED PERFORMANCE IS A NEW WORLD



Nexans

LIVING HISTORY

For Benjamin Febvay,
Jeannette Heindel and
Isabella Scheidegger,
great winners of the NLH
internal photo contest,
Nexans is:





Photos by our teams for the Nexans Living History contest, which aimed to represent our daily life.



For **Ipek Cebeci Axelsson, Hana Pospisilikova** and **Agustin Saez**, second place award winners, Nexans is:





For **Elena Canzi,**
Wanja
Ducroux-Gschib,
Isabelle Edwards,
Evelyn HE,
Gilles Pellaton
and **Elin Forsstrøm**
Vangen,
Nexans is:



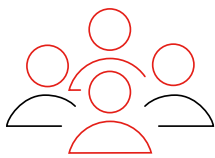
OUR CSR STRATEGY

The three CSR pillars for building a sustainable future are now grouped into three priorities, which break down into nine ambitions corresponding to the issues that give rise to challenges and risks on which the Group is focusing its CSR efforts.

These three priorities cover a set of key performance indicators that are used to measure and report on the Group's progress. The CSR priorities draw on the Sustainable Development Goals set by the United Nations, which the Group adopted in 2008

when it joined the Global Compact. Efforts to achieve the nine CSR ambitions are overseen by dedicated representatives based on the 2020-2023 roadmap, which is structured into key performance indicators and their targets.

NEXANS SCORECARD 2020-2023



PEOPLE

LOOKING AFTER OUR PEOPLE AND BUILDING A DIVERSE AND INCLUSIVE WORKPLACE FOR ALL

1. **Workplace safety:** guarantee health and safety on sites
2. **Human capital:** build people who build business
3. **CSR awareness:** motivate people to act on CSR issues

	Workplace safety		Human capital			CSR awareness
	Workplace accident safety rate	Severity rate	Graded positions staffed internally	Women in management positions	Women in top management positions	Employees eligible for Long Term Incentives with CSR criteria
2020	1.87	0.15	58%	24%	14.7%	100%
TARGET 2021	1.50	<0.12	50%-55%	24%	16%-18%	100%
TARGET 2022	1.00	<0.11	50%-55%	25%	17%-19%	100%
TARGET 2023	0.90	<0.10	60%	26%	18%-20%	100%

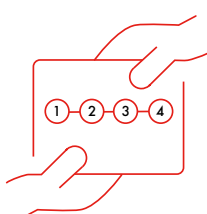


ENVIRONMENT

COMMITTING TO REDUCE CARBON IMPACT ON THE PLANET IN INNOVATIVE WAYS

- 4. Environmental management:** maintain a high standard of environmental management
- 5. Circular economy:** reduce production waste, generate revenue from products and services that contribute to the energy transition and energy efficiency, increase the share of recyclable and connected cable drums
- 6. Climate:** reduce our impact on the climate and improve the share of renewable, decarbonized energy

	Environmental management	Circular economy			Climate	
	Industrial sites certified ISO 14001	Total production waste recycled	Sales generated from products and services that contribute to energy transition and efficiency	Proportion of Nexans cable drums worldwide connected to digital platforms and recyclable	Reduction of GHG emissions (base year 2019)	Proportion of renewable or decarbonized energy
2020	86%	92%	57%	17%	-12.12%	65%
TARGET 2021	88%	93%	60%-70%	30%	-8.4%	65%
TARGET 2022	90%	94%	60%-70%	53%	-12.6%	68%
TARGET 2023	93%	95%	70%-80%	80%	-16.8%	72%



ECOSYSTEM

SHARING OUR VALUES AND THE HIGHEST ETHICAL STANDARDS WITH ALL STAKEHOLDERS

- 7. Business ethics:** maintain a compliant framework and fair business practices
- 8. Stakeholders:** maintain a sustainable stakeholder relationship
- 9. Nexans Foundation:** help underprivileged communities access energy

	Business ethics	Stakeholders	Nexans Foundation	
	Managers having completed the yearly Compliance Awareness course	Number of high CSR risk and high spend suppliers with a CSR valid scorecard issued by EcoVadis (or equivalent CSR expert) and a CSR score = or > 35%	Employee engagement index	Amount allocated by the Nexans Foundation
2020	98%	136	-	300,000%
TARGET 2021	100%	230	77%	300,000%
TARGET 2022	100%	370	78%	300,000%
TARGET 2023	100%	500	78%	300,000%

PEOPLE, A CAPITAL VALUE

With our new purpose – “Nexans, Electrify the Future” – we are positioning ourselves as a major player in electrification and decarbonization and as drivers of the energy transition. Based on this purpose, we invited employees to tell us which three values they feel most embody the new Nexans. This new corporate story, which blends our DNA and our growth challenges, puts the emphasis firmly on agility, collaboration, collective intelligence, trust and accountability. This requires us to rise to the three main challenges of (i) attracting and onboarding people with the right skills, (ii) retaining and developing talents and (iii) promoting diversity.

THREE VALUES FOR THE NEW NEXANS

After unveiling our new purpose, “Electrify the Future”, in late 2020 we wanted the values that we hold dear to be embodied by each and every Group employee. With this in mind, we asked employees around the world to consult a list of key words and select the three that best capture the new Nexans for them: **Pioneers, Dedicated, United.**

Pioneers, because we are a company of explorers, researchers and founders who are pioneering the energy transition and creating the benchmark for a viable and sustainable electrification of the future. This concern for the viability of the planet, the availability of resources and the world we leave to future generations, is something specific to pioneers.

Dedicated, because the Group’s strength is its ability to concentrate fully on the task at hand, which went a long way to helping us successfully address the Covid-19 health crisis. Nexans is fully dedicated to addressing its own particular challenges and resources, as well as the specific requirements of its customers. It is good to reflect, but it is more important to act! We provide impeccable quality, service and offerings, enabling us to deliver the highest levels of performance.

United, because we need our employees to come together within the Group, work side-by-side and know that they can rely on and trust each other as they work towards our shared goal to Electrify the Future.

“



These values can only come alive if each and every employee commits to and embodies them on a daily basis. This is why we plan on implementing group initiatives

such as employee forums, to help our staff to incorporate these new values into their day-to-day behavior.

The idea is that everyone expresses their own personal meaning of each value, as well as the visible and observable behavior that is important to them. This is a fantastic opportunity to build the new Nexans together!

David Dragone, Senior Corporate Vice President & Chief Human Resources Officer, CSR & Communication. ”

WORKPLACE HEALTH AND SAFETY DURING THE COVID-19 PANDEMIC

The Group's priority remains to take care of the health and safety of each employee and this took on even greater importance in 2020, with the Covid-19 health crisis. Spontaneous and extraordinary acts of solidarity were carried out around the world, wherever the Group operates.

The Group shares a genuine safety culture, because it concerns everyone, whatever their role and wherever they work. That is why every year Nexans holds its Safety Day. This event gives each employee at every site the opportunity to take part in at least one specific training session or awareness activity. Safety is in the Group's DNA.

We decided to postpone the 2020 **Safety Day** until 2021 due to the Covid crisis, and replaced it with a Group-wide "Hand Safety" campaign targeting all employees. This involved a review of hand safety standards, particularly those covering the use of cutting tools, and a competition for employees to come up with a hand safety slogan.

To entirely fulfill its "Safety starts with me!" commitment, undertaken by the highest decision-making bodies, the Group bases its work on a set of programs and initiatives. These include the Safety Standards that together with the Alert Management System (AMS) act as the accident analysis base, and the groundbreaking initiatives such as the 15 Safety Golden Rules, which focus mainly on behavior and must be applied at all Group sites. At end-2020, the Group's overall compliance with these Golden Rules stood at 92%.

+40%

of the Group's manufacturing sites are OHSAS 18001/ISO 45001 certified

75%

of the manufacturing sites did not record any occupational accidents involving lost working time in excess of 24 hours

1.87

global workplace accident frequency rate (FR1) for a target of less than 2

0.15

workplace accident severity rate with a target of less than 0.10 by 2023



MANAGING EXPOSURE TO COVID-19

We implemented a proactive risk prevention program in response to this major health problem and put together a team of experts specifically to handle it. This team made sure that all sites were equipped with the correct personal protective equipment (PPE), such as masks, gloves, hand sanitizer, etc. Weekly meetings with key site managers also allowed us to evaluate local governance and share best procedures and practices.

These meetings covered issues such as the extent of site closures, shift rotation times, electrostatic disinfection, social distancing and so on.

A PPE inventory is performed at least once a week and stocks are closely monitored.



AN ATTRACTIVE EMPLOYER BRAND

Nexan's primary challenge is to appeal to graduates and technical experts, who are in high demand in the competitive energy sector. With a focus on our employees' long-term fulfillment, our aim is to fill 60% of our management positions internally (except for junior managers) by 2023, as well as bringing in the new skills we need to successfully implement our strategic plans.

To insource the hiring process and strengthen internal mobility, in 2019 the Group set up a Recruitment Shared Services Center (SSC) at a European level. The SSC builds close ties with Group employees, which encourages them to put themselves forward for posts and work alongside managers to attract and develop talent. Since it was created in 2019, the SSC has filled over 160 job vacancies in Europe, of which nearly one third through internal mobility. The Group also strives to have at least one female candidate in each short list. Of all the vacancies filled by the SSC by hiring internally or externally, almost 40% were women.

In keeping with this philosophy, the Group developed a Volunteering for International Experience (VIE) program managed by Business France. This program provides the opportunity for young people aged 18 to 28 to take an assignment from six to 24 months at an overseas subsidiary of a French company. At December 31, 2020, the Group had 17 employees working under the VIE program in eight countries (Australia, Belgium, Brazil, Denmark, Germany, Norway, Spain and Switzerland). About one third of these workers are recruited at the end of their assignment on either a local contract in the host country or in France. Furthermore, a partnership with AIESEC, the largest student platform of its kind worldwide, offers foreign students six-to-18-month internships. In 2020, the Group welcomed ten interns from the organization.

TRAINING – A FUNCTION OF WORKPLACE WELL-BEING

Our second challenge is retaining and training employees. The Group cultivates employee engagement by encouraging education and ongoing development, with a comprehensive and diverse range of training programs. Designing, developing, producing and installing a cable, or even creating a service, is a long process that requires management and timing skills that are diametrically opposed to the "instant-results" world we currently live in. When we launched our restructuring project in 2019, we created a customized assessment and training program for our 24 Business Unit managers with a view to enhancing their skills and wellbeing. Corporate employees have access to our digital academies, whilst a pilot Digital Mediation Training program has been launched for factory workers at the Draveil site in France. The aim of this program is to familiarize workers with the challenges of the digital era and introduce them to new digital tools. Not only has the initiative been a success, it has also proven to be a good means of improving employability. Since December 2020, the induction program for new employees has been carried out online.

Three digital programs rolled out across the Group in 2020



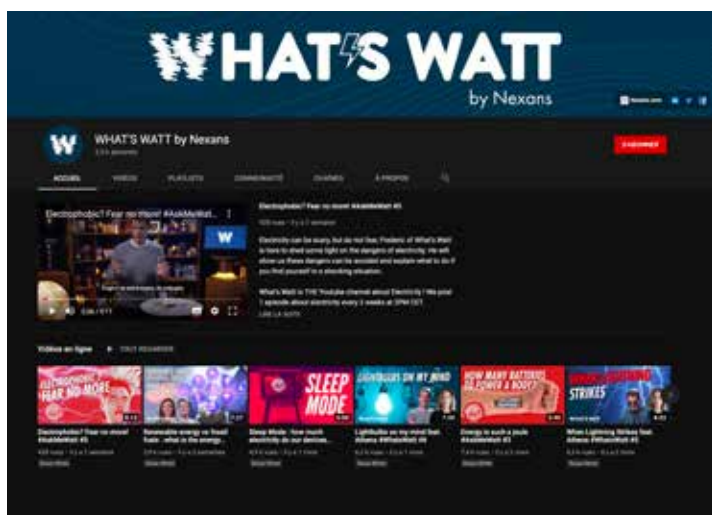
These programs come in addition to the Mylearning digital learning platform:
 “Quick Start in Nexans”, dedicated to helping new employees accelerate their understanding of the Group and therefore their integration and performance;
 “Nexans Business Fundamentals”, as part of the senior management development plan in partnership with Harvard Online Business School;
 The «Operating Working Capital» program, designed for operations managers to ensure that the best management practices are shared globally and implemented on a daily basis over the long term.

Every major Group function is responsible for keeping its employees’ professional expertise up to date. In addition to local initiatives, there are Group-wide programs coordinated by academies (group of experts in charge of defining the basic training, experience and skills needed to fully understand a given field). Each function is also dedicated to developing a digital approach to implement its standards effectively.

The Finance and Purchasing functions were the first to initiate the digital transformation of their Academy in 2017. Following on from that in 2020, Human Resources launched its e-Academy. An e-Academy will be launched in 2021 for the Industrial Management, Supply Chain and QHSE functions, representing an audience of over 800 managers. Core topics will cover industrial performance, the supply chain and safety. >>

almost
3 hours
 per year dedicated to digital training (compared with 17 minutes in 2019)

WHATS WATT, NEXANS’ VERY OWN YOUTUBE CHANNEL



The channel, which was launched in 2020, discusses everything there is to know about electricity, from those little neurons in your brain to today’s biggest hydroelectric stations, energy, transmission lines, new emerging technologies and more. The podcast is hosted by Frédéric Lesur, a Nexans’ employee who loves to share his passion for electricity with as many people as possible. He uses humor and simple explanations to illustrate the crucial role of electrification in today’s world.

**INTERNATIONAL
MOBILITY**

56

employees at end-2020

33%

of Industry positions
are held by expatriates

14%

in Finance

14 years

average length of service
of expatriates

These actions, along with Nexans' ongoing skills assessment mechanism, support one of the Group's major priorities: internal mobility. This policy of promoting international mobility for the professional development of its managers also provides a means of retaining talent, transferring expertise, relaying the Group's corporate values throughout the world, and ensuring that customers around the world have access to Group representatives with a global perspective. >>



Several years ago, Nexans implemented a talent review process (SPID) applicable to all levels of the organization in order to identify employees with the capacity and drive to advance through different levels of the organization or gain specific expertise. In 2020, we focused particularly on the talents identified during this process, in view of the organizational changes that took place during the year. Individual and personalized development plans have also been put in place.



5TH EDITION OF THE NEXANS REMARKABLE PEOPLE PROGRAM

This 5th edition was marked by the health crisis, which only served to confirm the program's focus on celebrating the engagement and outstanding contribution of certain Group employees, as well as the strong support it receives at all Group sites. Out of the 129 entries, 23 projects were selected, with 104 employees in 13 countries winning awards for their remarkable engagement or performance. This is a source of satisfaction and pride for employees, managers and winners, as many received awards at an event that brought together local teams and a member of the Executive Committee. In Colombia, a surprise was planned with the families of winners to announce to them at home that they had won, with their entire team and manager, as the rest of the staff looked on. A truly memorable moment!

With its Manage Me Up! program!

launched in 2017 and set to run until 2021, Nexans has equipped itself with a solid base for managing employees.

The aim is to train the Group's 2,300 managers regardless of their organizational level or culture in order to develop a Nexans managerial DNA made up of components that allow them to say "This is how we manage at Nexans".

More than 1,300 managers have received training over this three-year period, including 264 in 2020.

Manage Me Up! demonstrates the importance the Group gives to all its managers, the essential links in the chain towards achieving results and disseminating a shared culture of rigor, care, and kindness.

FOSTERING DIVERSITY

The Group firmly believes that multidisciplinary teams and diversity are key advantages that help drive performance, not just for the company but also for all employees. With almost 30 nationalities present at the Group's head office, promoting diversity is a core Group commitment to its teams and professional environment.

We place great importance on eliminating all forms of discrimination in terms of employment and professional activities and pay special attention to gender equality, the employment of seniors, young people and people with disabilities, as well as access to training.

When hiring, the Group makes sure that at least one female candidate is selected in the final recruitment process for each position. Women are also encouraged to change positions internally. They receive guidance on their career development through a specific performance assessment. All initiatives are supported by the Women In Nexans program, or WIN, the leading diversity and inclusion network on a global level (see inset). >>

DIVERSITY TARGETS**26%**

women in management positions by 2023
(versus 24% in 2020)

18 to 20%

women in top management by 2023
(versus 15% in 2020)

**WIN GATHERS PACE**

The Women in Nexans (WIN) network accelerated its growth in 2020 by increasing the number of members and implementing a wide variety of actions worldwide. One of its headline initiatives focuses on breast cancer awareness.

Over 40 sites in 20 countries participated through a wide range of actions, from guest speakers to personal stories from cancer survivors working at Nexans. The WIN network also holds an annual "Movember" campaign to raise awareness about prostate cancer in November. The network also featured newly hired women operators at the Group in interviews shared on Yammer and its intranet. Lastly, WIN applauds the exemplary initiative by a Chinese plant, which adjusted its production equipment to improve operating conditions and safety for its female operators. These ergonomic adjustments also benefited the male operators!

Nexans is firmly committed to ensuring an inclusive corporate culture and as such has been multiplying initiatives in favor of disability. During European Disability Employment Week, the Lyon site in France focused on disability and workplace integration. Actions included (i) the signature of a partnership with a local sheltered workshop that specifically employs people with disabilities, which has enabled one of its employees since November 2020 to work as an operator on fire resistant products; (ii) working with the sheltered sector for landscaping and on-site food services; and (iii) the implementation of a meal voucher system compatible with the nearby sheltered workshop to give employees access to the workshop's restaurant. In addition, inclusive, transparent masks were provided at the last Health, Safety and Working Conditions

Committee meeting in 2020 to facilitate understanding by employees with hearing impairments who usually lip-read.

STAYING IN TOUCH AND "TAKING THE PULSE"

Employee commitment is a core element of our CSR scorecard (see pages 60-61). Hence the importance of staying in touch and being able to regularly "take the pulse" of the organization, so as to adapt how cultural change takes place in order to increase employee commitment.

The Group has been conducting its employee commitment survey every two years since 2014. In 2020, conscious of changes and new ways of listening to employees, we launched several initiatives to develop a feedback culture within the organization.

The first of these is a review of the employee communication strategy, through a global survey to be carried out annually (from 2021), as well as shorter ad hoc surveys. The shorter surveys are to sound out employees' feelings on specific events, such as the health crisis, a particular acquisition, etc., and respond to their requests in terms of workplace well-being (management, leadership, training, communication, operational efficiency, etc.) with action plans and change initiatives, whilst also monitoring their effectiveness.

A special communication plan was implemented in 2020, with surveys conducted at regular intervals. The first survey in April was for all employees, to gauge how they were coping and, for those working from home, how they were handling the situation. The second survey was aimed at top management and focused on their commitment and perception of the Group's current and future values. Lastly, the third survey once again concerned all employees, and asked them which three out of a selection of words best represented the values of the New Nexans.



SUSTAINABLE ENERGY TO CONTRIBUTE TO CARBON NEUTRALITY

Climate change is a key ambition for Nexans, which is committed to ensuring that the impact of its activity on the climate is as low as possible. This ambition has been reinforced by the Group’s refocusing on electrification businesses, driven by the energy transition. Determined to play a major role in creating a viable and sustainable world, the Group announced its goal to build tomorrow’s sustainable energy highway and take steps to contribute to carbon neutrality by 2030.

Nexans continues its efforts to limit the impact of its business activity on the environment and sell products that contribute to the energy transition and energy efficiency.

efficiency, and increasing the proportion of recyclable and connected cable drums. Finally, continuing to mitigate the impact of the Group’s activity on the climate.

MANAGE THE GROUP’S ENVIRONMENTAL IMPACT

Nexans has set three ambitious objectives to limit its environmental impact. First, to maintain a high standard of environmental management at its sites, by developing certifications and virtuous environmental conduct approaches. Secondly, to integrate more of the circular economy. This involves reducing the volume of production waste, generating revenue through products and services that contribute to the energy transition and


The Group’s targets are in line with the Sustainable Development Goals set by the United Nations, which the Group adopted in 2008. They also support the 3Ps Program (People, Planet & Profit) launched in 2020 to reward the Business Units that have made progress on each indicator used to measure performance in the three areas. The selected indicators for the Planet pillar are “energy and water consumption”, “CO₂ emissions” and “amount of waste generated and waste recovering rate”.

THE 3PS PROGRAM ON TRACK

PEOPLE

Performance indicators

- Workplace safety
- Absenteeism
- Measuring engagement and diversity



PROFIT

Performance indicators

- EBITDA
- Working capital requirement (WCR)
- Free cash flow

PLANET

Performance indicators

- Water and energy consumption
- CO₂ emissions
- Waste recycling and recovery

THE 3PS, UNIFIED

In 2020 and 2021, Nexans is introducing a fundamental change by refocusing its management on the 3Ps: People, Planet, and Profit. Business Units will no longer be rewarded solely for their ability to generate profits, and each quarter, they will be assessed on the basis of performance indicators.

Profit ■

Planet ■

People ■

Nexans joins the prestigious “A-list” of the CDP ranking

With the awarding of an A rating to Nexans, the independent international organization CDP has recognized the Group’s approach to climate and its leadership in sustainable development. By joining the A Climate list, Nexans joins the select group of 277 companies out of 5,800 rated. The CDP’s annual communication and rating process is unanimously recognized as a benchmark for corporate environmental transparency. In 2020, the CDP pulverized its scores with some 9,600 company responses. That’s more than 50% of the world’s market capitalization that shared their data related to the risks and opportunities of their environmental impact. The CDP then screened the data using its independent rating method, which is in line with the recommendations of the TCFD (Task Force on Climate-related Disclosures), an international financial initiative aimed at increasing transparency between companies and investors on climate-related issues.

2020, ACCELERATING THE ENERGY TRANSITION

The health crisis and the restrictive measures (lockdowns, curfews, travel bans, etc.) adopted by governments around the world have forced Nexans to temporarily close some of its sites for a limited period. This has led to a reduction in energy (process and heating) and water consumption. Combined with energy reduction and efficiency actions (see table), these have enabled the Group to exceed its greenhouse gas emission reduction targets. These actions will continue in order to achieve the objective of contributing to carbon neutrality by 2030.

KEY INDICATORS AND OBJECTIVES

		2020	Target 2021	Target 2022	Target 2023
ENVIRONMENTAL MANAGEMENT	Industrial sites certified ISO 14001	86%	88%	90%	93%
CIRCULAR ECONOMY	Total production waste recycled ⁽¹⁾	91%	93%	94%	95%
	Sales generated from products and services that contribute to energy transition & efficiency ⁽²⁾	57%	60% - 70%	60% - 70%	70% - 80%
	Proportion of Nexans cable drums worldwide connected to digital platforms and recyclable ⁽³⁾	17%	30%	55%	80%
CLIMATE	Reduction of GHG emissions (base year 2019) ⁽⁴⁾	-12.12%	-8.4%	-12.6%	-16.8%
	Proportion of renewable or decarbonized energy ⁽⁵⁾	65%	65%	68%	72%

(1) Non-hazardous production waste consists mainly of non-ferrous metal and plastic materials. It is recycled internally or externally.
 (2) Offshore wind, interconnection projects, utilities, smart grids (Energy transition), energy efficiency (building), accessories, solar energy, wind energy, eco-mobility and asset management.
 (3) Proportion of Nexans returnable drums worldwide that are tracked on digital platforms thanks to advanced technologies such as RFID or Internet Of Things and that are recyclable after several rotations on the customer side.
 (4) Greenhouse Gas (GHG) emissions for Scopes 1 and 2 as well as part of Scope 3 relating to business travel, employee commuting, waste produced, as well as upstream and downstream transport, as defined by the GHG protocol - ghgprotocol.org. The targets are based on the reduction of emissions of 2019, the base year. The 2019 data has been restated to have a scope identical to that of 2020 (deduction of the 5 sites closed in 2020 from the 2019 data).
 (5) Proportion of renewable energy produced directly by Nexans locations or the purchase of decarbonized energy.

BUILD THE SUSTAINABLE ENERGY HIGHWAY OF THE FUTURE

Nexans' business is closely linked to what will make the world of tomorrow: a more electric world, where energy consumption will grow by 40% in 10 years, and where renewable energies will double by 2030. A world that is concerned about climate change without giving up electricity, and therefore needs more cables. Cables that renewable energies need to respond to their specific geography: offshore wind farms installed on a massive scale in the North Sea, a windy area all year round; hydroelectricity omnipresent in energy production in Norway, thanks to the relief cut by numerous rivers; solar energy that radiates in all regions of the world. However, the consumption areas are not always close to the production area, and sometimes even outside the production country. Consequently, transmission system operators must set up submarine and land interconnections between countries: the "energy highway".

To achieve its ambition of building the sustainable energy highway, the Group can rely on two areas in which it is making a difference. The first is its active contribution to carbon neutrality at its industrial environment supported by Industry 4.0 levers. The second is its leadership in the sustainable electrification of the world.

INDUSTRY 4.0, AN ACTIVE AGENT OF CLIMATE CHANGE

Nexans is taking a new step in its Industrial 4.0 revolution by integrating digital solutions into its industrial processes. This automation of industrial processes using innovative technologies not only improves profitability and efficiency, but above all increases the contribution to reducing waste and energy consumption. Technically speaking, Industry 4.0 calls for communicating



sensors, IIoT (Industrial Internet of Things), smart data, etc., all framed by a strict and reinforced cyber security policy. In other words, big data is driving the factory, moving from reaction to prediction, and sharing information instantly with customers and suppliers. All these tools, processes and methodologies are major catalysts for change.

In practice, Industry 4.0 is changing the game in cable production. It brings better control of material consumption but also greater precision in the lengths of cables to be manufactured. And therefore a reduction in waste. Thanks to predictive maintenance, it reduces production line stoppages, smoothes the supply chain and allows for a further reduction in inventories, while maintaining the highest level of service to customers, thus improving working capital. Finally, maintenance 4.0 extends the life of equipment, and therefore reduces capital expenditure. Industry 4.0 is also a game changer in terms of energy efficiency. To prevent the plant from continuing to consume energy once the production line is shut down, energy monitoring and management schedules the shutdown of equipment components, optimizes consumption, and therefore significantly reduces the bill.

BEING A LEADER IN THE SUSTAINABLE ELECTRIFICATION OF THE WORLD

Nexans is a committed player in reducing the cost of megawatt-hours produced with renewable energy. It designs, builds and promotes advanced systems, solutions and services that provide reliable and sustainable energy networks for its customers, while reducing Capex and Opex in their installations and operations.

For years, Nexans has been a major player in the construction of the power grid, with many existing interconnections, some of which have been equipped with Nexans cables and systems for over 40 years. And the Group is preparing for the future by bringing to life a unique asset, the new state-of-the-art cable ship Aurora, ready in mid-2021. It will enable Nexans to lay longer cables and/or two cables at the same time (thus reducing installation costs), to lay them in deeper areas up to 3,000 meters, thus meeting the future challenges of interconnections.

Nexans' know-how and expertise, its innovative systems and solutions, the new Aurora vessel and Nexans' industrial footprint are building the energy highway. These two areas represent concrete examples of Nexans' corporate commitment to carbon neutrality, as both agent and actor. However, Nexans' commitment requires clearly defined objectives and ambitions, translated into a roadmap.

STEERING THE CLIMATE ROADMAP

Fully aware of its responsibility to address climate change and operationally prepared to do so, the Group announced its goal to contribute to achieving carbon neutrality by 2030 through a dedicated roadmap. A special team was set up in 2020 to coordinate the implementation of this roadmap and monitor progress towards Group targets. The Planet Team, sponsored by the Corporate Executive Vice President Innovation,

Services & Growth and member of the Executive Committee, is made up of the CSR Department and representatives from the Industrial Management, Purchasing and Technology Department. At its first Climate Day on the sustainable electrification of the world held in September 2020, the Group disclosed its roadmap to contribute to carbon neutrality. It is articulated in four major objectives.

1. Limiting global warming to 1.5°C:

- 4.2% average annual reduction of company greenhouse gas emissions, particularly on Scopes 1 and 2.
- Use of renewable energy via local production or the purchase of decarbonized energy for all locations.

2. Environmental management:

- 100% of production sites certified ISO 14001.
- 100% of production waste to be recycle.
- Deployment of energy efficiency solutions at all sites.

3. Innovation and R&D:

- 100% of R&D projects to be dedicated to energy efficiency and energy transition, promoting eco-design and low-carbon offers.
- 100% of Nexans' cable drums to be connected to digital platforms and recyclable.

4. Transportation and car fleet:

- Optimization of logistical flows by using multi-modal transport and shorter delivery routes.
- 100% of Nexans employee automobile fleet to switch to either hybrid or electric vehicles.

WORKING TOWARDS RIGOROUS ENVIRONMENTAL MANAGEMENT

Good environmental management is a priority for Nexans, which ensures that the environment is respected and protected at all its sites worldwide. To achieve this, the Group has set seven major objectives, starting with compliance with regulatory requirements and the deployment of environmental certification programs - ISO 14001 and EHP (Environment Highly Protected - internal certification). Another objective is to limit and control the consumption of natural resources (water, raw materials) and energy. Another objective is to prevent the risks of pollution from its activities in the water, soil and air. Another objective is to reduce CO₂ emissions from its activities, as well as the volume of waste generated, and to improve its recycling.

The management of the environment and its progress towards the set objectives require an effective control system. The continuous improvement program for production sites is steered by the CSR Environment and Products Committee and led by the Group's environmental manager, who relies on the network of local environmental managers and site directors. This organization will be strengthened in 2020 by the newly created Group QHSE department.



CONSERVING RESOURCES

One of the objectives of the Group's environmental and risk management policy is to establish a sustainable approach that enables our manufacturing processes to conserve resources, as defined in the environmental management system. In environmental audits, the measures taken to protect resources are assessed based on defined objectives.

MAIN CRITERIA	EHP*	EHP2
Implementing an energy efficiency policy	Self-assessment completed + dedicated action plan	Self-assessment over 60%
Recycling of cooling water	In minima 50%	In minima 75%
Water drainage systems	Site equipped by a hydrocarbon separator for the rain water evacuation network	No potential pollution outside the site
Safe storage of hazardous liquids	All tanks with a capacity of over 1 cu.m must feature a containment system	Same, including for wire drawing tanks
Operating a waste sorting policy	Recovery of the waste (by weight) between 50% and 80%	Waste recovery over 80%
Volatile Organic Compounds (VOCs)	Emissions of over 10 tonnes per year	Emissions of less than 10 tonnes per year
Liquid refrigerants	HCFC** (R22) without replacement plan	HCFC** (R22) with replacement plan
Regulatory non-compliance	Known cases of NC and planning <3 months	Compliant with regulations

* EHP: Highly Protected Environment - Group internal environmental label.

** HCFC: hydrochlorofluorocarbons.

THE NEXANS FOUNDATION

In 2013, Nexans became the first cable player to create a Foundation to act and serve in the general interest of society. Its main mission: provide financial support actions to initiatives that help bring electrical power to disadvantaged communities throughout the world by giving priority to grassroots-level organizations and reliable and sustainable solutions.



The Nexans Foundation federates the many initiatives taken by the Group's teams in the continents and countries where it is present, in order to unite them around a common objective: access to energy in the world, for the benefit of disadvantaged communities. It is therefore a form of solidarity sponsorship that meets major challenges.

A COMPONENT OF THE CSR

Energy plays a key role in Nexans' business, so the Group decided to make it a priority for its Foundation. This commitment follows on from the call from the United Nations (UN) in 2012 to promote awareness worldwide about energy poverty and the importance of developing access to energy.

In 2015, the UN took this initiative further by including an energy component in its new Sustainable Development Goals (SDGs) – to ensure access to affordable, reliable, sustainable and modern energy for all (SDG 7) – a priority long recommended by the International Energy Agency (IEA), which advocates universal energy access by 2030. Energy not only provides access to light, it also ensures access to education and promotes learning (SDG 4), improves conditions of access to health care (SDG 3), empowers women and girls (SDG 5), and promotes employment and contributes to economic growth (SDG 8). These are ways of transforming living conditions, economic development and respect for the environment.

SEVEN YEARS OF SOLIDARITY SPONSORSHIP

With an annual budget of 1.5 million euros, the Nexans Foundation has supported 122 projects in 38 countries in partnership with 62 organizations since it was created. These projects have brought, or plan to bring, electrical power to over 1,800,000 people.

Due to the ever growing involvement of the Group's local entities, the Nexans Foundation supports large non-profits that are well known in the area of access to energy such as Electricians Without Borders, the Group for the Environment, Renewable Energy and Solidarity (GERES) and FONDEM (Fondation Energies pour le Monde) for large-scale projects, as well as smaller organizations, such as Shekina, Accesmad and Lumières pour tous.

It works in all countries, primarily those affected by energy poverty, mainly sub-Saharan Africa (in 18 countries), North Africa (1), the Middle East (2), Asia (9), South America (6) and the Caribbean (2). It also leads energy access and anti-energy poverty projects in France.

REACTING IN AN EMERGENCY

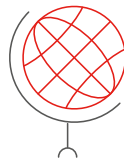
The Nexans Foundation also supports emergency-related interventions, such as in Lebanon in 2020, when 2,750 tons of ammonium nitrate exploded in the port of Beirut, or in Mozambique at the end of 2019, following Cyclone Idai. To respond even faster to handling humanitarian emergencies, the Nexans Foundation, along with ten other leaders from the electricity industry, formed a partnership with the crisis center of the French Ministry for Europe and Foreign Affairs and Electricians Without Borders. This partnership will enable international solidarity organizations to help disaster victims in optimal conditions.

<https://fondation.nexans.com>



€300,000

annual budget



1.8M

people supported in



122

projects in partnership with

38

countries since 2013

62

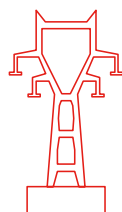
organizations since 2013

ENERGY IN THE WORLD



770M

people still do not have access to electricity⁽¹⁾



90%

is the global electrification rate, which has increased by 7 points since 2010

151M

more people on average have access to electricity each year

(1) I.e., 10% of the world's population, and 75% are living in sub-Saharan Africa.

Sources: <https://www.iea.org/reports/sdg7-data-and-projections/access-to-electricity> Tracking SDG7 – The Energy Progress 2020 – https://tracking.sdg7.esmap.org/data/files/download-documents/tracking_sdg_7_2020-full_report_-_web_0.pdf



THE NEXANS FOUNDATION IN ACTIONS

— With Electricians Without Borders in Lebanon post-emergency

On August 4, 2020, the inhabitants of Beirut were victims of a devastating double explosion that left a hundred people dead and more than 4,000 injured. This was yet another trauma in a bankrupt country, with an already unstable and fragile electricity network and a health system saturated by the Covid crisis. In addition to the regular power cuts, the ravaged areas are no longer supplied with electricity and the domestic electrical installations are becoming dangerous. The priority is to restore immediate and secure access to energy. In support of ESF, Nexans is providing €10,000 to facilitate the delivery of equipment to the field (generators, portable rechargeable solar lamps, etc.). In total, 5,000 people have benefited from this aid, including at least 530 families.



— With Green Energy For All and Énergie du Nord-Kivu in Beni

With infant (6.7%) and maternal (5%) mortality rates among the highest in the world, the Democratic Republic of Congo is in vital need of infrastructure that provides access to quality health care. In Beni, about 50 of the 70 health facilities do not have access to electricity via the grid, hindering the use of basic equipment such as fridges, lamps or incubators. The idea: to connect six hospitals in Beni to the electricity distribution network. Thanks to the construction of a low-voltage line connecting the existing distribution network to each hospital, the latter will have access to reliable and permanent electricity and will reduce their energy bill by three times.




— With TECHO in Chile

Insecurity remains the main problem of the slum populations, who deplore the lack of public lighting in the streets at night and suffer from the absence of a reliable and secure connection to the national electricity network. This is why the «solar lights» scheme provides for the installation of 150 street lamps in public spaces (playgrounds and sports fields, etc.) in 30 excluded communities where TECHO is active. A solution that helps to reduce the feeling of insecurity in the street and common spaces, to avoid wild and dangerous connections and to promote and raise awareness of renewable energy. Thus, 7 volunteers from MADECO Chile (a Nexans subsidiary) devoted their day on December 23 to the installation of 5 solar panels in the Villa Maule II neighborhood, in Renca, on the outskirts of Santiago de Chile.



LOCATION OF PROJECTS SUPPORTED BY THE NEXANS FOUNDATION

- SOUTH AMERICA
- NORTH AFRICA
- SUB-SAHARAN AFRICA
- MIDDLE-EAST

[Find all the Nexans Foundation initiatives here](#) 

— **With the IECD in Lebanon, Morocco and Ivory Coast**

Youth unemployment remains a major challenge for Lebanon, Morocco and Ivory Coast, which have inactivity rates of 35%, 26% and 22%, respectively, in this population. Through its program Grains of Hope (GDE), the European Institute for Cooperation and Development (IECD) offers unqualified young people quality training in industrial and electrical trades, adapted to the needs of companies. Created in Lebanon in 2007, GDE's success has allowed it to spread to Morocco, Ivory Coast, Egypt and Vietnam. The results have been very positive: on average, 85% of Lebanese graduates are employed one year after completing their training, 92% in Morocco and 75% in Ivory Coast.



— **With SHEKINA in Ivory Coast**

In order to fill the electricity gap that weighs on the growth of Ivory Coast, particularly in terms of access and quality of care, the installation of photovoltaic panels on medical infrastructures is an answer. Carried out in three non-electrified health centers in the Cavally region - those of Pahoubly, Gblapleu and Tiobly -, the operation led by SHEKINA will generate 30,000 kW of solar energy and provide 24-hour access to healthcare for 15,000 beneficiaries. The arrival of this green and affordable energy also improves the working conditions of the medical teams, who can now store vaccines and medicines that need to be refrigerated on site.



E³, A UNIQUE AND POWERFUL PERFORMANCE MEASUREMENT TOOL

The health crisis emphasized the need to reboot the Group’s management approach in order to optimize its three financial, environmental and social dimensions. The Group, which already differentiated itself from the traditional silo mentality with its 3P (People, Planet, Profit) approach, is now going one step further with the E3 performance management tool, which intrinsically links the three dimensions.

The idea is to operate in a very granular fashion. The drive for volume is not necessarily synonymous with higher return, but requires more resources (both natural and human), generates more stress in terms of productivity, more complexity in terms of management and, lastly, encourages cost inflation and cash flow problems.

This is why Nexans has chosen E3, a business performance tools that is as powerful as it is unique. Every quarter, all around the world, even the smallest of our units will need to find the right performance

balance between the three key dimensions of economy, environment and engagement. This performance is measured and monitored on the basis of three KPIs, i.e., Return on Invested Capital, Environmental Return on Carbon Employed, and Return on Skills Employed.

In order to obtain its “license to operate” each unit will have to adhere to this unique, virtuous and holistic performance model. Although profit remains a source of income for the Group, it must be used wisely to protect the planet and provide employees with an enriching work environment and quality of life.



SHARING VALUE WITH OUR STAKEHOLDERS

Nexans is committed to cultivating long-term relationships and sharing value added with each of its stakeholders. The Group always aims to achieve a balance between awarding equal salary increases, improving profitability to enhance its ability to invest and innovate, and generating sufficient cash to meet the Company's needs on a sustainable basis.

— Employees

Nexans puts human capital at the center of its strategy, creating the conditions for a successful transformation, thanks to a working environment where everyone can identify ways to drive their own commitment and motivation. The "Nexans Living History" video, viewed by all Group employees, helped them feel more engaged. This "Culture Story" is built on a redefinition of the Group's purpose – Electrify the Future – which is in turn built around the three values chosen directly by employees: Pioneer, Dedicated, United.

— Customers

Customer relations is one of Nexans' priority ambitions, in particular through regular meetings and more specifically with customers that had already set CSR commitments. The aim of these meetings is to present the Group's and the customer's respective CSR policies and find opportunities to create synergies on low-carbon solutions, ways of improving the supply chain, and commitments to reduce greenhouse gas emissions. This aim is supported by regular customer satisfaction surveys to understand their expectations and better serve or even anticipate them, whilst always staying one step ahead with our offerings.

— Industry partners

Suppliers, subcontractors, etc.

Nexans works with a base of high-performing and reliable suppliers and subcontractors who can help the Group achieve its business objectives, while at the same time respecting certain national and international requirements, obligations and regulations. Under the new roadmap for the sustainable purchasing policy, Nexans updated the Supplier CSR Charter and is planning a campaign to reassess CSR risks, which will be followed by requests for sustainability assessments from EcoVadis or an equivalent rating, along with possible on-site audits.

— Financial partners

Shareholders, banks, rating agencies etc.

Nexans maintains high-quality dialogue with its shareholders, regularly consulting them to better understand their expectations, as well with the financial community. The Group is very selective about its partner banks. In order to work with Nexans, banks must be highly rated or majority-owned by their highly-rated home state (which must be either an EU member state, Canada or the United States). Lastly, evaluations by non-financial rating agencies, are not only sometimes performed on the basis of available documentation, but are often the result of structured relations with analysts.

— Local partners

Local communities, economic and academic players, etc.

In addition to paying taxes to local governments, Nexans fosters close links with authorities at a local level in order to amplify the contribution of our activities to local employment, and therefore to regional development. Through its subsidiaries, the Group builds close ties with local and regional communities, economic and social actors, universities, schools and training centers with a view to capitalizing on its strong local presence.

— Sphere of influence

Nexans engages in lobbying in line with the Code of Ethics and Business Conduct. These activities primarily take place through professional organizations of which Group companies are a member. They cover issues relating to cable manufacturing, especially renewable energy and safety, but can also involve policy in technical areas relating to corporate, tax and governance matters.

	2020	2019	2018
INCOME STATEMENT in €m			
Sales at current metal prices	5,979	6,735	6,490
SALES AT CONSTANT METAL PRICES	5,713	6,489	4,409
Margin on variable costs	1,227	1,419	1,363
Margin rate ⁽¹⁾	21.5%	21.9%	30.9%
Indirect costs	(881)	(1,007)	(1,038)
EBITDA ⁽²⁾	347	413	325
EBITDA rate ⁽¹⁾	6.1%	6.4%	7.4%
Impairment	(154)	(164)	(137)
OPERATING MARGIN	193	249	188
Operating margin rate ⁽¹⁾	3.4%	3.8%	4.3%
Restructuring	(107)	(251)	(53)
Others	160	(9)	(23)
OPERATING INCOME	246	(11)	112
Cost of debt (net)	(54)	(63)	(56)
INCOME BEFORE TAX	192	(73)	56
Income tax	(111)	(44)	(44)
NET INCOME (LOSS) FROM OPERATIONS	80	(118)	13
ATTRIBUTABLE NET INCOME (LOSS) PER SHARE	78	(122)	14

	2020	2019	2018
FROM OPERATING MARGIN TO OPERATING INCOME in €m			
Core exposure impact	42	(11)	(15)
Restructuring	(107)	(251)	(53)
Net asset impairment	(21)	13	(44)
Provision for anti-trust investigations	-	(19)	(1)
Change in fair value of metal derivatives	1	1	(5)
Proceeds from disposals	142	7	44
Others	(4)	-	(23)
ADJUSTMENTS TO OPERATING MARGIN	53	(260)	(76)

NB: As from January 1, 2020, the reference price has been set at 5,000 euros per tonne for copper versus 1,500 euros in 2019 and in previous years.
The reference price for aluminium has been set at 1,200 euros per tonne since 2019.

(1) % of sales at constant metal prices.

(2) Consolidated EBITDA is defined as operating margin before depreciation and amortization.

	2020	2019	2018
BALANCE SHEET in €m			
Long-term fixed assets	1,827	1,878	1,608
- Of which goodwill	232	242	243
Deferred tax assets	115	175	162
NON-CURRENT ASSETS	1,942	2,053	1,770
Working capital	176	465	556
TOTAL TO BE FINANCED	2,118	2,518	2,327
Net debt	179	471	330
Reserves	550	671	510
Of which:			
- restructuring	87	159	34
- pension & jubilee	350	373	363
Deferred tax liabilities	133	118	109
Non-current derivative liabilities	-	7	11
Shareholders' equity and minority interests	1,256	1,251	1,367
TOTAL FINANCING	2,118	2,518	2,327

	2020	2019	2018
SITES MANAGEMENT			
Number of sites monitored	78	82	88
Number of ISO 14001 certified sites	67	65	66
% of ISO 14001 certified sites	86%	79%	75%
Number of EHP ⁽¹⁾ certified sites	68	73	78
% of EHP certified sites	87%	89%	89%
ENERGY			
Energy purchased (MWh)	943,779	1,176,992	1,181,197
Energy intensity (MWh/€m) ⁽⁴⁾	165	181	268
- o/w electricity (MWh)	569,913	692,029	696,232
- o/w fuel oil (MWh)	37,210	48,879	58,398
- o/w gas (MWh)	334,056	434,781	414,642
- o/w steam (MWh)	2,600	1,302	11,924
WATER			
Water consumption (m ³)	1,802,867	2,159,174	2,319,212
Water intensity (m ³ /€m) ⁽⁴⁾	316	333	526
RAW MATERIALS & CONSUMABLES			
Copper consumption (tonnes) ⁽²⁾	460,000	525,000	495,000
Aluminum consumption (tonnes) ⁽²⁾	100,000	110,000	105,000
Solvent purchased (tonnes)	313	448	452
WASTES			
Waste tonnage (tonnes) ⁽³⁾	70,725	75,468	93,507
Waste intensity (tonnes/€m) ⁽⁴⁾	12	16	21
- o/w hazardous waste (tonnes)	2,805	4,700	5,074
Hazardous waste intensity (tonnes/€m)	0.49	0.72	1.15
GHG EMISSIONS (Scopes 1-2-3)			
GHG emissions (tonnes CO ₂ eq.)	200,534,032	240,443,613	228,443,990
GHG emissions intensity (tonnes/€m) ⁽⁴⁾	35,101	37,054	51,813
- o/w Scope 1 (tonnes CO ₂ eq.)	94,802	130,017	125,427
- o/w Scope 2 (tonnes CO ₂ eq.)	137,589	214,364	239,170
- o/w Scope 3 (tonnes CO ₂ eq.)	200,301,641	240,099,232	228,079,393

(1) EHP: Highly Protected Environment – the Group's Internal Environmental label.

(2) The tonnes consumed correspond to the tonnes sold to Group external customers during the year.

(3) The 2019 data has been updated following the correction of erroneous data in 2019.

(4) Intensity is calculated based on sales at constant metal prices. Since 2019, to neutralize the effect of fluctuations in non-ferrous metal prices and measure the underlying sales trend, Nexans also calculates its sales using constant copper (new reference price of 5,000 euros/tonne) and aluminum prices. 2019 data have been recalculated to reflect the change in reference price applied in 2019.

	2020	2019	2018
NEXANS GROUP			
TOTAL HEADCOUNT	24,248	25,945	27,058
- Europe	12,997	14,142	15,448
- Asia-Pacific	1,843	2,317	2,414
- North America	2,611	3,199	3,470
- South America	1,346	1,372	1,369
- Middle East, Russia, Africa	5,451	4,915	4,357
% of Female managers (of manager population)	24%	24%	23%
CABLE BUSINESS			
HEADCOUNT CABLE BUSINESS	13,612	15,454	15,930
% Female overall employees	17%	16%	16%
% Female managers (of manager population)	24%	24%	23%
Average age (years)	44.3	44.2	43.8
Average length of service (years)	12.7	12.5	12.7
% Temporary employees	7.0%	7.3%	7.0%
Disabled employees ⁽¹⁾	297	378	314
EMPLOYMENT DATA			
New hires	1,011	1,418	1,727
Employee turnover rate ⁽²⁾	9.8%	10.4%	10.6%
Part-time contracts	245	341	394
% Fixed-term contracts	5.5%	5.8%	6.6%
Absenteeism rate	5.6%	5.0%	4.8%
SAFETY			
Global workplace accident frequency rate ⁽³⁾	2.94	4.06	3.15
Number of sites having zero accident	99	32	42
Global workplace accident severity rate ⁽⁴⁾	0.25	0.26	0.23
TRAINING			
Total number of training hours	135,887	210,625	283,646
HARNESSES BUSINESS			
HEADCOUNT HARNESSES BUSINESS	10,636	10,491	11,128
% Female overall employees	60%	60%	60%
% Female managers (of manager population)	23%	21%	20%
Average age (years)	34.6	34.8	34.5
SAFETY			
Global workplace accident frequency rate ⁽³⁾	0.34	0.74	0.29
Global workplace accident severity rate ⁽⁴⁾	0.01	0.01	0
TRAINING			
Total number of training hours	264,615	312,867	319,655

(1) This figure does not take into account countries where this information is not disclosed due to local regulations.

(2) Employee turnover rate: number of departures (resignations, contract expirations, individual terminations, death) excluding departures due to retirement, restructuring, business disposals and employee mobility transfers/average headcount x 100. For the Harnesses business, it should be noted that turnover is inherent in the very agile business model of this activity, which generates numerous hires.

(3) Overall workplace accident frequency rate: total number of workplace accidents with more than 24 hours of lost time/total number of hours worked x 1,000,000. Since 2019, this rate has related to internals and interim workers. Beforehand, it integrated internals and externals.

(4) Overall workplace accident severity rate: total number of lost calendar days (due to accidents at work)/total number of hours worked x 1,000. As of 2019, this rate is only available for internals. Beforehand it integrated internals and externals.