Nexans
ELECTRIFY THE FUTURE

Nexans: Electrify the future

UNIVERSAL REGISTRATION DOCUMENT 2020

Contents

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The Universal Registration Document was filed on March 26, 2021 with the AMF, in its capacity as competent authority under EU Regulation 2017/1129, without prior approval, in accordance with Article 9 of said Regulation.

The Universal Registration Document may be used for the purpose of a public offer of financial securities or the admission of financial securities to trading on a regulated market only if supplemented by a transaction note and, if applicable, a summary and all amendments to the Universal Registration Document. The group of documents then formed is approved by the AMF in accordance with Regulation (UE) 2017/1129.

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).

CDP DISCLOSURE INSIGHT ACTION A LIST 2020 CLIMATE

(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 UN GLOBAL COMPACT

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.

As 2021 gets underway, several words come to mind to describe how Nexans has weathered the past year and how it plans to continue its successful trajectory.

Pride. We enjoyed a strong market performance despite a complicated and unprecedented second quarter, and excellent results in all financial indicators. We have come through the ordeal even stronger, with a restored credibility and equipped to harness the leeway afforded by the extensive work of Christopher Guérin and his teams. Nexans is back in the driver's seat and ready to implement its ambitious program.

Solidarity. As personified by the teams that stood shoulder-to-shoulder for months on end. I give a particular shout-out to Nexans in China, which managed the local health crisis astoundingly and then went on to share its experience and instigate numerous initiatives. In early spring 2020, it sent masks to Europe, which our employees initially took it upon themselves to distribute to hospitals close to our sites. If our employees came together to shore up the Group it was because, regardless of the health crisis, their belief in the value of Nexans' mission to "electrify the future" has fostered in them an enduring sense of belonging.

The alignment and commitment of the Board members. Members clearly still need the same level of knowledge to make rapid decisions, and this free-flowing, transparent exchange of information has further consolidated relationships and strengthened individual involvement in the decision-making process. Such an alignment, of both independent members and Invexans and BPI representatives, allows the Board to continue helping management to successfully steer the Group.
Last year you elected two independent Board members - Jane Basson and Sylvie Jéhanno - for an initial term. With

considerable industry and management experience, these members are contributing massively to the success of our plans during this period of major change for the Group.

Pursuant to current law, a second employee representative joined Angeline Afaoukoé on the Board in October 2020. Bjorn Erik Nyborg has been with Nexans for over 15 years and is a senior member of the logistics team at our High Voltage site in Halden, Norway. As for our employee shareholders, they are currently represented by Marie-Cécile de Fougières, whose term of office is due to expire this year. We will therefore be asking you to approve the appointment of Selma Alami, who has been working for the Group for almost 20 years and is currently based in Casablanca as Chief Executive Officer of our Northwest Africa operations. These three directors represent our employees, who I wish to thank sincerely for their strong, unwavering commitment during this particularly intense year.

Professionalism. Surrounded as we are by an atmosphere of stress, doubt and heightened risk, Nexans has been drawing on its robust and well-accepted ethics and compliance mechanism to ensure compliance at all times. An array of intelligent and user-friendly online tools have been rolled out to raise employee awareness about best practices. These include the full training program, and videos of case studies and testimonials. The appeal of this campaign lies in its use of real-life situations as opposed to mere concepts, at a time when cyber attacks are increasing exponentially. The campaign has been well received in the field, where employees are justifiably aware of their company's reputation and the importance of ethical conduct. We strongly encourage our employees to have pride in their Group.

The future, as reflected in our new motto: **"We electrify the Future".** The Group's strategic position and the awareness-raising work carried out internally over the last few months, have seen Nexans claim its rightful place as a major renewable power and energy transition player. Naturally, these "Climate" objectives apply to us as well, and we are on course with the roadmap we announced last year to become carbon neutral by 2030. Outstanding work by all of our employees under the impetus of Executive Management gives the Group the credibility to rise to this major challenge. Your support is invaluable to us.

Beyond market performance, the Board is looking to enhance shareholder involvement by implementing a more coherent dividend policy. At this year's Annual Shareholders' Meeting it will be recommending a dividend payment of €0.70 per share.

Jean Mouton,
Chairman of the Board of Directors

2000 was a year unlike any other. How did Nexans weather the storm?

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 €78 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.

Which practices have been beneficial in the circumstances?

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.

How did you speed up your transformation to 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

Can you tell us more about the purpose and values that the Group has defined?

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**, at 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.

Speaking of electrification, what does it mean to become an "electrification pure player"?

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 rising 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, telecoms, robotics, oil, aerospace and cruise ships and dispose of some 1.5 billion euros worth of assets in these industries by 2024.

What is your 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.

What profile are you aiming for as an electrification pure player by 2024?

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.

How has the energy transition been accelerated by the pandemic?

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.

1

PRESENTATION OF THE GROUP AND ITS ACTIVITIES

1.1. Mission, businesses and markets

WE ARE NEXANS,
WE ARE PART OF THE HISTORY OF ELECTRICITY...

From Edison's pioneering era to this new electrified world, Nexans has relentlessly been part of this living history of electricity. Our Group is an essential link for societies in a world undergoing constant transformation. We link people and put our ideas into action to shape the future. We connect industry to society, and we embrace this responsibility with the utmost integrity. We lead the charge into the new world of electrification. A world that is safer, sustainable, renewable, carbon-free and accessible to all.

- **Our expertise:** the cables we produce, whose high performance is the result of over 120 years of constant innovation, literally act as a link at the heart of the industry.
- **Our mission:** for more than a century, we have played a crucial role in the electrification of the world. From the production and distribution of energy to its use, we design tailored responses to our customers' unique requirements. Nexans' innovative and connected electrification solutions generate sustainable benefits for all our stakeholders, while bringing progress to people and the planet.
- **Our purpose:** because electricity is our DNA, the heart of our existence, we are now positioning ourselves as a world leader in energy transition, a «pure player» in electrification that offers solutions for a better future.

FOUR MARKET SEGMENTS TO SUPPORT THE ENERGY TRANSITION

BUILDING & TERRITORIES

- Provide reliable cabling and smarter energy solutions to help buildings and territories to become more efficient, livable and sustainable.
- Building & Territories cover the following markets: Building, Smart Cities, Smart Grids, E-mobility, Local energy infrastructure, Decentralized and renewable energy systems, Rural electrification.

HIGH VOLTAGE & PROJECTS

- Support customers in and end-to-end approach from design, engineering, manufacturing to installation and after-market. Finding the right cable system solution to address their efficiency and reliability challenges.
- High Voltage & Projects include the following markets: Offshore wind-farms, subsea interconnections, Land high voltage, Smart solutions for Hydrocarbons and New Energy (Direct Electrical Heating).

TELECOM & DATA

- To enable customers, operators, distributors and network integrators to build copper or fiber optic data transmission networks and to optimize their management and life cycle thanks to connected and intelligent solutions.
- The Telecom & Data segment covers the following activities: Data transmission (submarine, fiber, FTTx), Telecom networks, data centers and enterprise cabling solutions.

INDUSTRY & SOLUTIONS

- Support OEMs and Engineering Procurement and Construction (EPC) on international projects in customizing innovative cables and connectivity solutions addressing their electrification, digitalization and automation challenges.
- Industry & Solutions cover the following markets: Transportation (Aerospace, Railways, Rolling Stock, Shipbuilding, Automotive), Automation, Renewables (Solar, Wind), Resources (Oil & Gas, mining), Other (nuclear, medical).

BUILDING & TERRITORIES

Building & Territories remains our core business in both scale and global reach, representing over 42% of total revenue in 2020. In mature markets, the drive towards connected cities, energy efficiency and e-mobility are key growth areas, while in regions such as Africa and South America, there is increasing demand for on- or off-grid systems to bridge the electrification gap. Nexans is well positioned to meet these needs and provide new solutions for sustainable communities and smart cities as well as industry renowned low and medium voltage cables.

Nexans pursues a strategy of differentiation through technical performance, particularly in terms of fire safety, energy efficiency and ease of installation. This is supported by a wide range of services, including professional training, paced deliveries for major projects, recycling services, shared inventory management at distributors' premises, and digital services for both buyers, installers and distribution network operators.

The Group is committed to meeting the most stringent standards of the industry, aimed at supporting sustainable construction and renovation methods, by reconciling energy efficiency, long-lasting, recyclable materials and environmental protection.

TELECOM & DATA

Our world is hyper-connected and data processing and storage capacities are being virtualized. Meeting these technical challenges on a daily basis, while minimizing our environmental impact, is the role of the Telecommunications & Data teams.

Nexans designs, produces and markets cables, components and solutions for our businesses, homes and communities. Our value-added services are driven by multicultural teams, close to their markets and customers.

HIGH VOLTAGE & PROJECTS

The continuing expansion of renewable energy sources requires local, regional and international interconnection solutions increasingly effective and resistant. High-voltage subsea manufacturing and installation is a particularly promising area for major players such as Nexans, as this requires extensive technical expertise.

Some of the most prominent Nexans know-how includes network interconnectors between countries as well as offshore wind farm connections and island-to-mainland links. The Group offers turnkey solutions, covering the cables' design right through to installation and services such as inspection, maintenance and repair.

In the Land High Voltage networks market segment, Nexans offers advanced solutions: composite core cables for overhead lines, HVDC interconnections, superconducting cables for urban networks and superconducting fault current limiters that enhance network security.

As a leading global supplier of cables for subsea applications, we design hybrid and umbilical cables to power and control installations, as well as direct electrical heating (DEH) systems used to maintain flow in subsea pipelines. These solutions can be used in deep water oil and gas fields, including in the Arctic.

INDUSTRY & SOLUTIONS

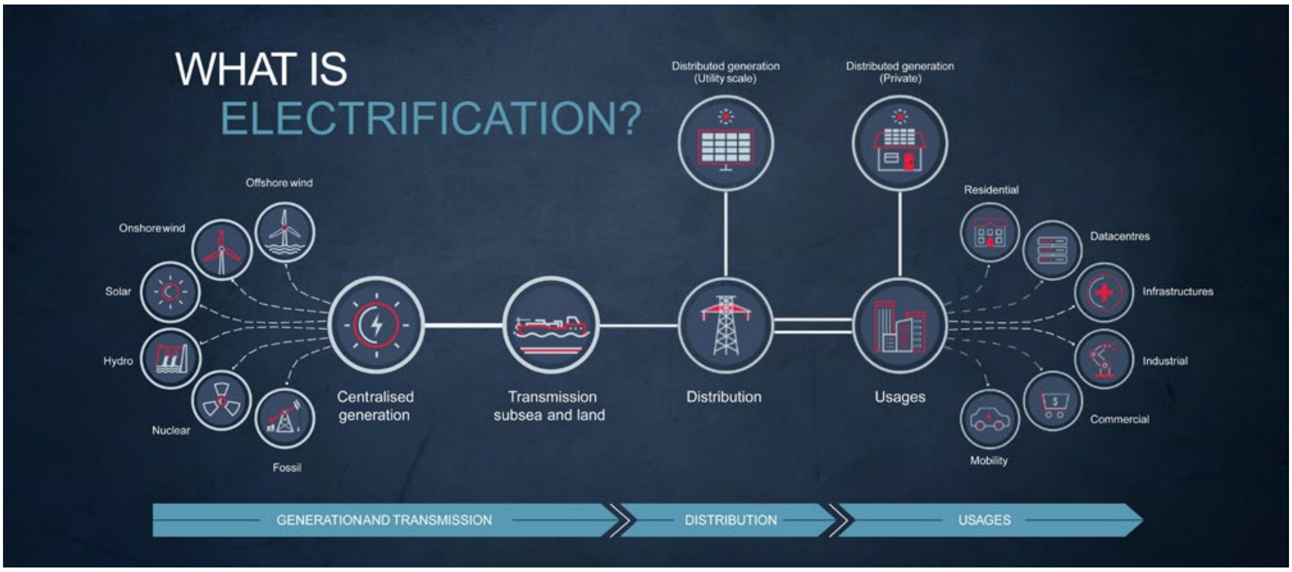
In the attractive Industry market, our key sectors include Automation, Renewables & Wind OEMs, Aerospace, Rail & Rolling stock, as well as the Oil & Gas industry. As these segments are increasingly impacted by megatrends (in particular by the energy revolution, global mobility and smart infrastructures), it is our goal to support OEMs with innovative, customized cables and connectivity solutions for all their energy, data transmission and automation needs.

We work in close cooperation with our manufacturing and OEM customers, to delivering their demand for safe, lightweight, high performance and optimized products that allow to save installation time and easy to install, including in vehicle equipment and cables that can be recycled or reused at the end of their lives.

1.2. Strategy – 2020-2024 sequence

The electrification of the planet is key to a sustainable, balanced and equitable growth that benefits to all humanity.

Mega trends converge to the same conclusion:
1)Electrification of the planet is the main energy stake in the coming decades;
2)Electrification of the planet requires more & more renewables energies;
3)Electrification will require electrical grid network modernization and protection;
4)Electrifying the world poses a considerable technological challenge.

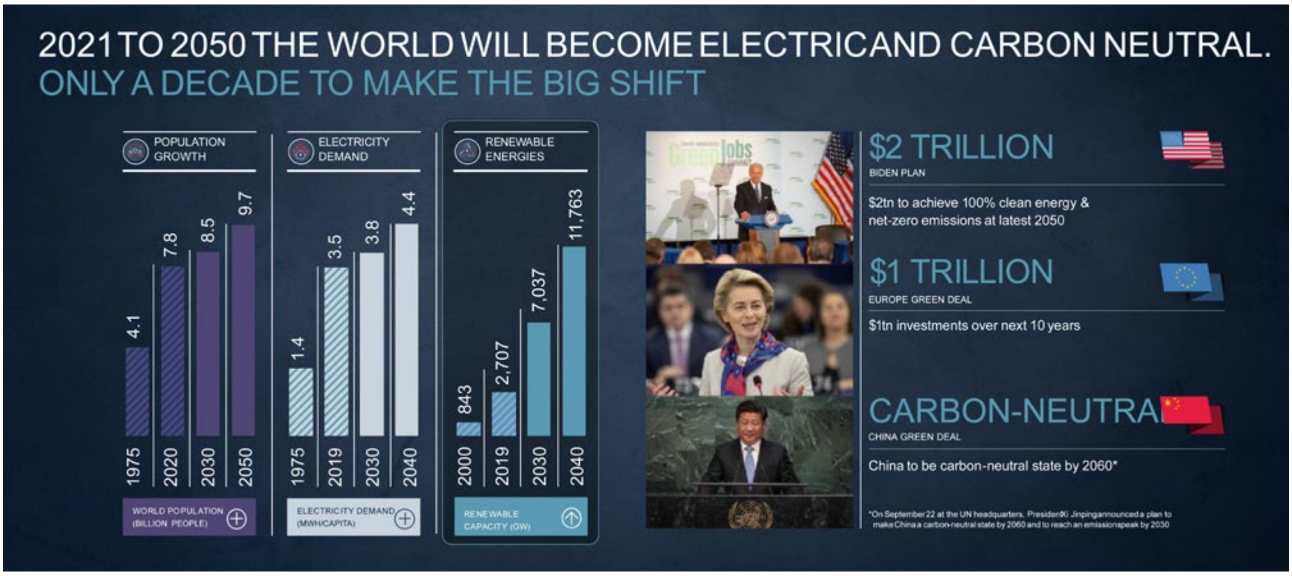


Nexans has always been part of the history of electricity. From its discovery by Edison/Benjamin Franklin to the future electrified world, Nexans is a continuous part of this living history.
Electrification is in our DNA and now it's time to amplify our role by becoming a pure player in electrification.

1.2.1. WHY CHANGE – AN INCREASINGLY ELECTRIC WORLD

2021 – 2050: The world will become electric and carbon neutral

Massive investments are expected to make the big shift.

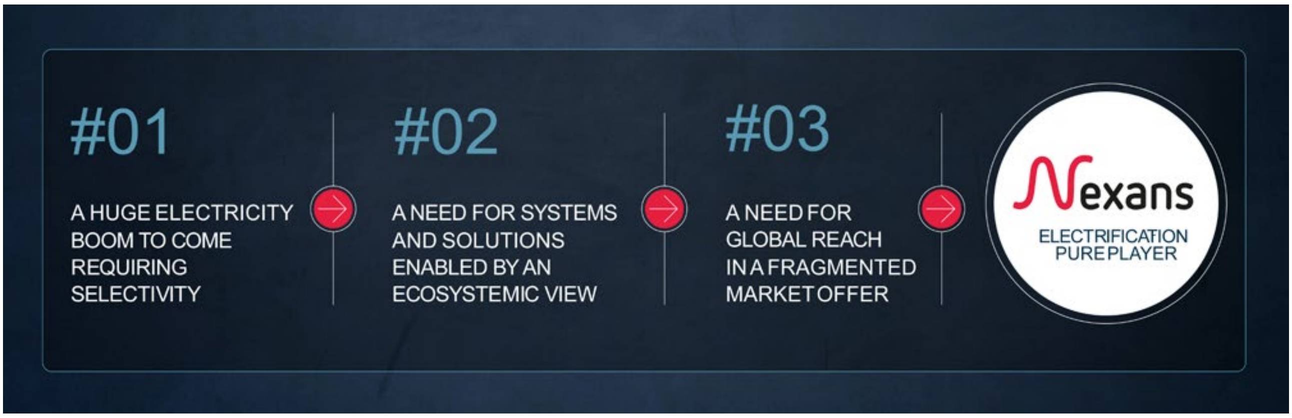


The megatrends and emerging risk converge toward the electrification:

- Fighting global warming and biodiversity attrition trough green new deal.
- Avoid blackout in cities by modernizing the grid.
- Guarantee end users safety in a more and more electric world.

Our clients face new challenges and hence have new needs. The demand is switching from cables to systems combing cables with other hardware and/or software.

Being a generalist will no longer be a strength as the market requires a deeper understanding of clients ecosystem to design solutions combining hardware & software.
These solutions will imply more focused investment to address new needs both in volume and technology.

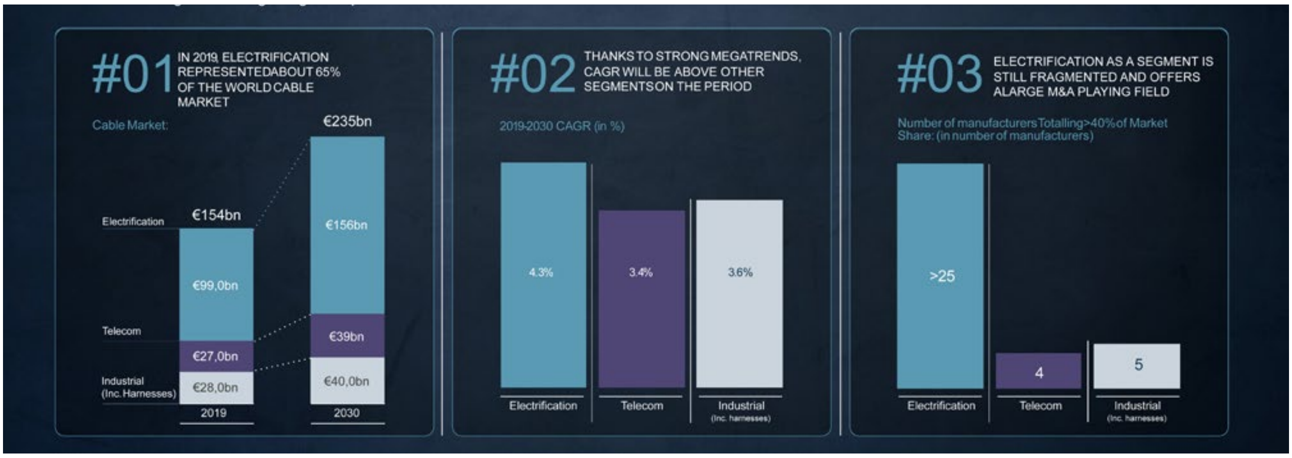


1.2.2. WHAT TO CHANGE – SIMPLIFY OUR BUSINESS, AMPLIFY OUR IMPACT

A. SIMPLIFY OUR BUSINESS – FOCUS ON ELECTRIFICATION

Electrification today represents 55% of Nexans sales, our focus will now be on that market segment as:

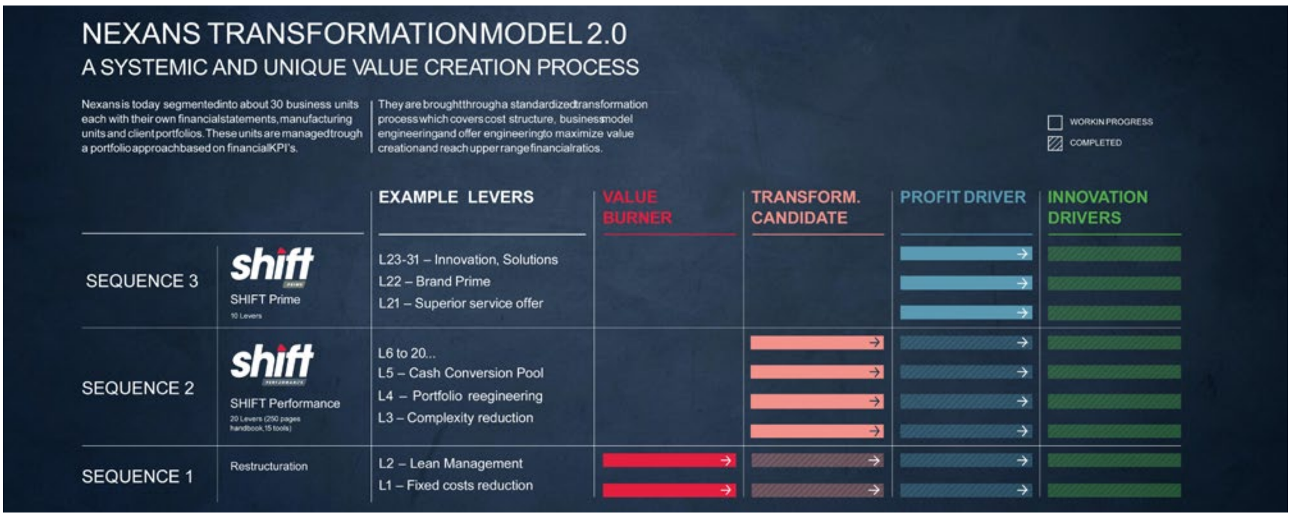
- Today Electrification markets represent about 65% of world cable demand;
- The growth per annum for electrification is 4,3% for the next 10 years, higher than all others;
- Electrification market is still very fragmented and gives us room for M&A consolidation.



B. AMPLIFY OUR IMPACT – PURSUE TRANSFORMATION AND VALUE GROWTH

Nexans will articulate its actions alongside two axis:

Pursue transformation program on all segments trough 3 main actions:
1- Deploy an updated activity portfolio management method, enabling a stronger focus on cash generation;
2- Continue the implementation of cost and productivity improvement programs;
3- Implement SHIFT Performance program wherever still needed.



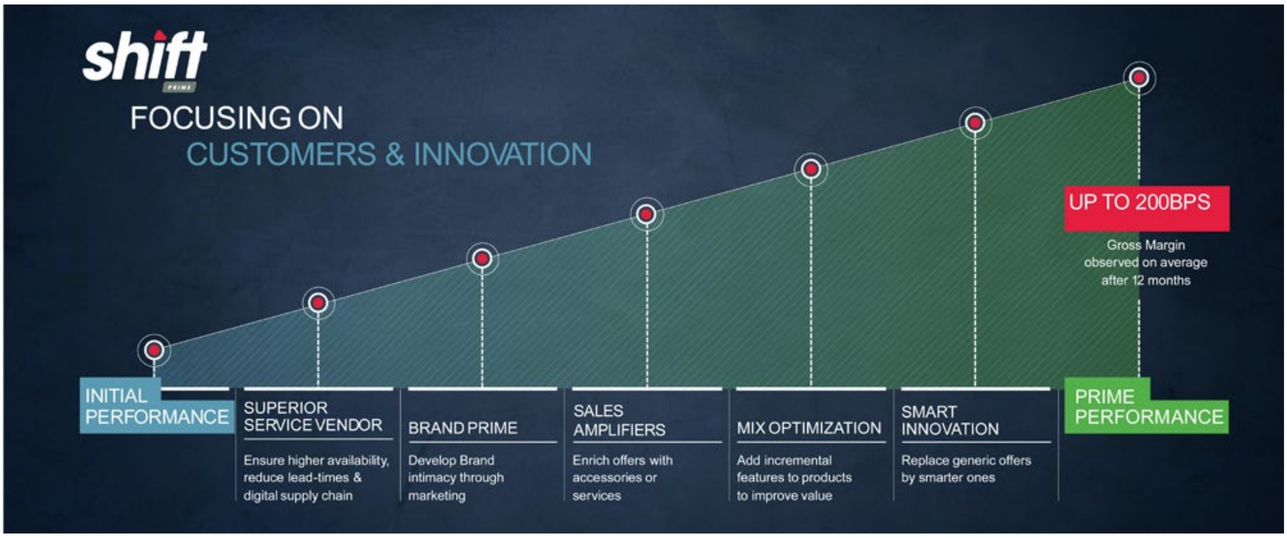
Amplify and accelerate growth on ELECTRIFICATION segments through:

1. Merger and Acquisitions

Nexans will focus its efforts both on transformative deals and bolt on acquisitions to enrich its offer.

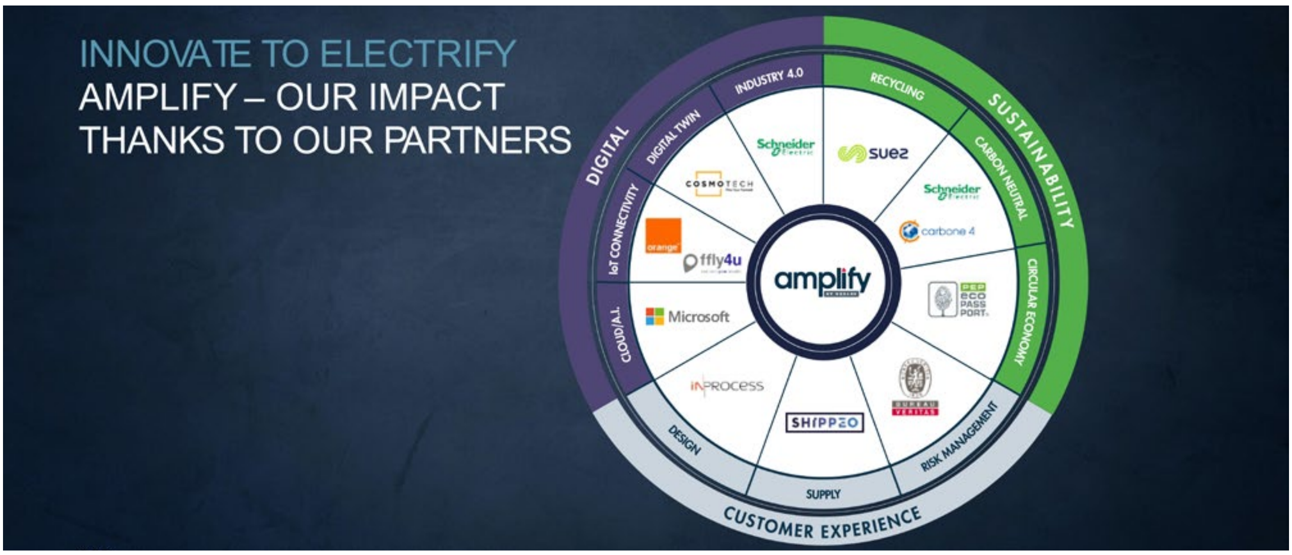
2. SHIFT PRIME program

The SHIFT PRIME program is focused on customer and Innovation to duplicate the successful DNA sequence of our most accretive units at an accelerated pace. It focuses on customers value offer engineering and innovation.



1. AMPLIFY innovation & partnership program

Nexans focusses all its R&D and innovation resources on electrification segments to better answer customer needs and manage risks alongside the electrification value chain.
This initiative is supported by a strong network of partners, bringing differentiating know how and assets to Nexans value proposition.



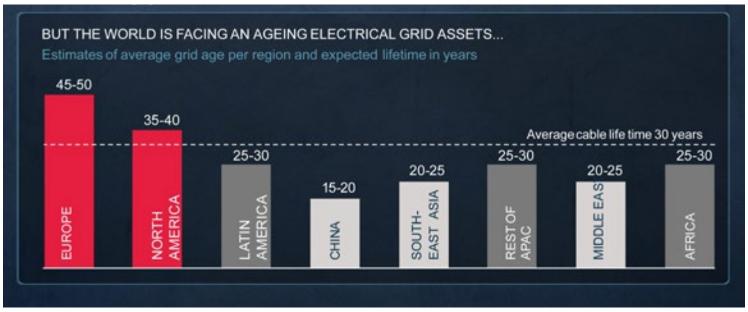
1.2.3. HOW TO CHANGE – TRANSFORM AND INNOVATE

A. GENERATION & TRANSMISSION

Offshore Windfarms and Interconnection markets will display during the next decade impressive growth rates, with respectively 11,5% and 14,3% CAGR.
These markets are becoming more technical and require strong risk management skills due to longer distances, deeper waters, higher voltages and power to be transferred for larger projects.
Investments will be needed to address both market demand in volume and in technology.
On top of the €360M already invested between 2018 and 2021, Nexans will invest additional €200M in Charleston and Halden to reinforce its offer and follow its clients.
Our value proposition relies on three pillars that we will further strengthen:

- Risk & project portfolio management;
- Asset management;
- Cutting edge technology.

B. DISTRIBUTION



The growing demand for electricity and new decentralized ways to generate it will strongly solicitate the grid infrastructures.
When combined with aging grid in EU and US, these trends will imply strong investments for grid renewal. A total of €4,4 billions is to be invested from 2020 to 2030 for electrification, renewables & network replacement.
We combine cables & accessories with Installation, architecture design, smart systems and asset management in turnkey solutions.
Nexans positions itself as an end to end solution provider, dedicating 80 engineers to support these solutions.

C. USAGES

The increasing need for electricity in residential buildings, offices, infrastructure, datacenters industrial areas and to fuel electrical vehicles will generate a 3,8% CAGR growth rate during the next decade for the associated cable markets.

Electrical safety plays a crucial role:

- in mature economies where the stronger load induced by EVCS (Electrical Vehicle Charging Stations) and other new usages will solicitation aging electrical systems, emplacing the existing fire safety stakes;
- in emerging areas where counterfeit cables generate today up to 80% of the fires.

Nexans focusses its offer alongside three axis:

- end user electrical safety;
- support to client competitiveness trough seamless supply chain for easy to handle & install products;
- smart products integrated in a digital ecosystem.

CREATING VALUE BEYOND CABLES

RESSOURCES

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

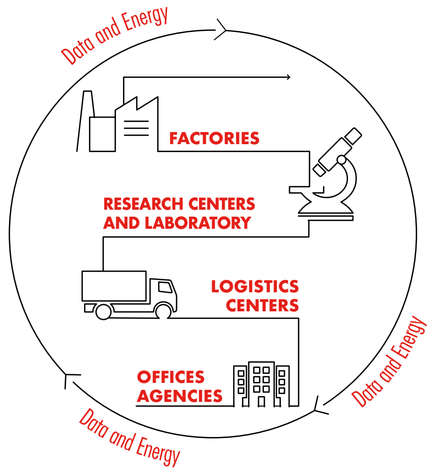
SOCIAL/SOCIETAL CAPITAL
1.87 workplace accident frequency rate
1,800,000 beneficiaries of Nexans Foundation projects since 2013

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 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 €/t.
(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

FINANCIAL CAPITAL
4.1% of the share capital is held by employees

INDUSTRIAL CAPITAL
€255M invested in infrastructures

more than €5bn of purchasing

SOCIAL/SOCIETAL CAPITAL
400,502 hours of employee training

€300,000 annual budget allocated to the Nexans Foundation

INTELLECTUAL CAPITAL
€77M invested in R&D

HUMAN CAPITAL
€1bn in total compensation paid

74% employee engagement rate[4]

ENVIRONMENTAL CAPITAL
92% of recycled production waste

€3.7M of spending on environment

STAKEHOLDERS

EMPLOYEES
- "Nexans Living History" Legacy and contest
- Pride of belonging

CUSTOMERS
- Optimization of high value-added orders

SHAREHOLDERS
- Solidarity
- Dividend waiver 2020

SUPPLIERS
- Sustainable purchasing charter

NEXANS FOUNDATION
- Emergency assistance in Lebanon
- 122 projects supported since 2013

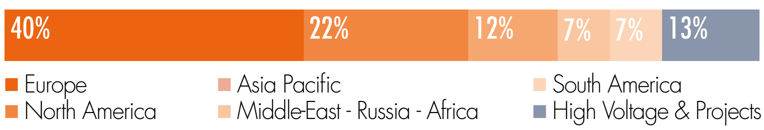
LOCAL AUTHORITIES
- Partnership/training with schools

FINANCIAL ECOSYSTEM
- Best financial and CSR performance

2020 SALES[1]

€5.7bn

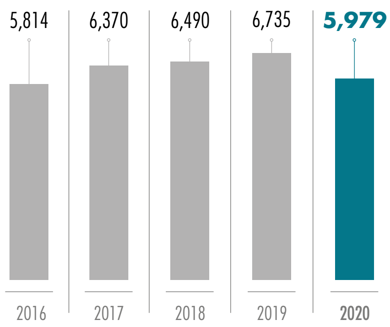
SALES BY SEGMENT



1.3. Key figures

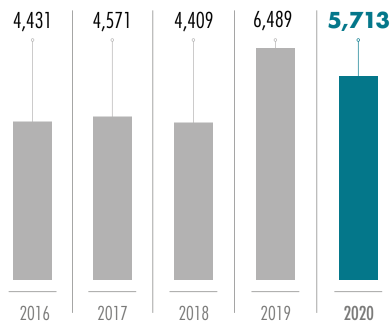
SALES AT CURRENT METAL PRICES

(in €m)

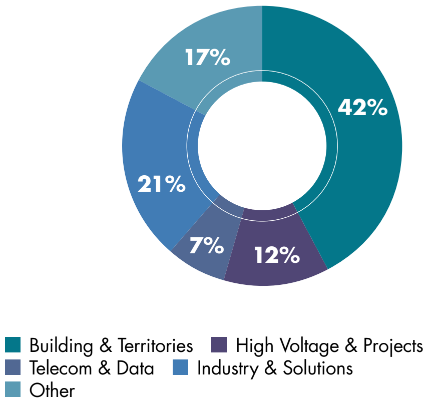


SALES AT CONSTANT METAL PRICES(1)

(in €m)



2020 SALES BY BUSINESS AT CURRENT METAL PRICES



2020 SALES BY BUSINESS AT CONSTANT METAL PRICES

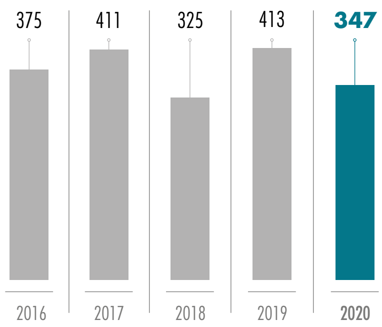
(in €m)

	2020
Building & Territories	2,422
High Voltage & Projects	699
Telecom & Data	393
Industry & Solutions	1,210
Other	989
TOTAL	**5,713**

(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.

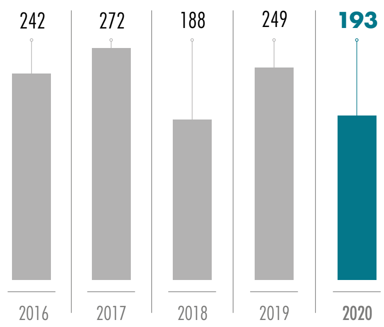
EBITDA[1]

(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)



EBITDA[1] AND OPERATING MARGIN BY BUSINESS

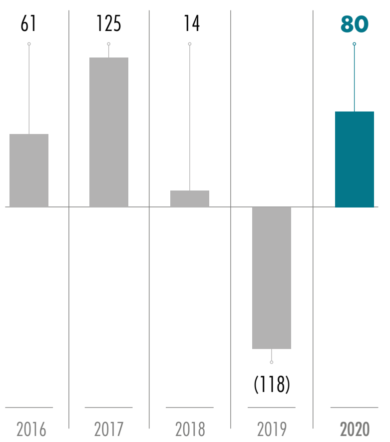
(in millions of euros and as a % of sales at constant metal prices)	2020 (incl. IFRS 16)			2019		
	EBITDA[1]	Operating Margin	EBITDA %	EBITDA[1]	Operating Margin	EBITDA %
Building and Territories	128	80		155	106	
High Voltage & Projects	105	69		104	64	
Telecom & Data	29	22		49	39	
Industry & Solutions	84	48		109	71	
Other	1	(26)		(4)	(31)	
	347	**193**	**6.1%**	**413**	**249**	**6.4%**

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

BREAKDOWN OF MARKET SEGMENTS

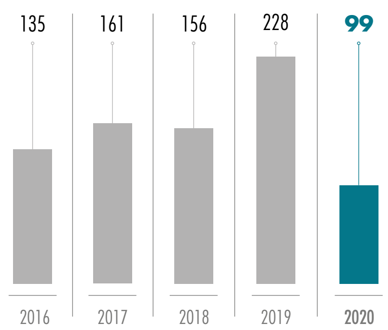
High Voltage & Projects	Telecom & Data	Industry & Solutions	Building & Territories	Other Activities
Land High Voltage	Operators	Harnesses	Building	Rodmill
		Shipbuilding		
		Railways		
Submarine High Voltage	Special Telecom	Aerospace		
		Mining	Utilities	
		Oil & Gas		
Umbilicals	LAN cables & systems	Renewables		
		Automation		
		Other (Medical, Nuclear, etc.)		

NET INCOME/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT *(in €m)*



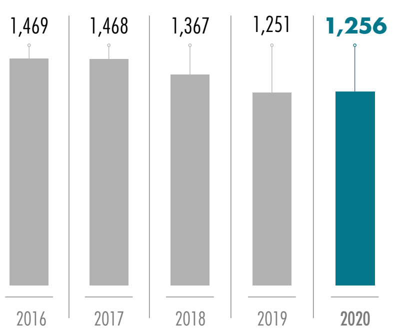
NET CAPITAL EXPENDITURE

(in €m)



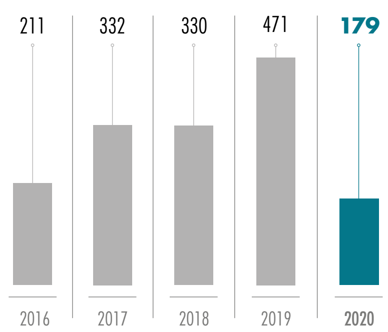
EQUITY

(in €m)



NET DEBT

(in €m and as a % of equity)



1.4. Operations during 2020

1.4.1. CONSOLIDATED RESULTS OF THE NEXANS GROUP

1.4.1.1. OVERVIEW

In 2020, as the world was shaken by the Covid-19 pandemic, the Group took action to adapt the organization to the new health and safety standards, mitigating financial impacts by focusing on financial liquidity preservation and accelerating the deployment of the "New Nexans" transformation plan while maintaining production continuity. Nexans Executive Committee put in place rapidly a stringent mitigation plan, focused on 5 pillars: i) Workforce protection, ii) Supply chain and Production Continuity, iii) Customer engagement, iv) Liquidity preservation and financial modelling, and v) Reinforced communication with External stakeholders aand the Board of Directors. Across all units, mitigation measures were successfully deployed with strict internal control processes, preventive actions, employee engagement and trade union support.

As the pandemic spread and governments implemented lockdown measures, demand was down in the first half of 2020, impacting Nexans activities with the exception of the High Voltage & Projects segment, and, then, gradually recovered in the second half of the year.

Despite these challenging times, the Group maintained production continuity throughout the crisis. Over 2020, no shortage in raw materials was experienced, neither in copper nor aluminum. Seizing the opportunity to accelerate the Transformation Plan, all teams reinforced cost reductions, margin improvements and cash conversion. First, 90 million euros in savings was achieved in 2020 as cost reduction initiatives were accelerated and amplified. Second, 36 million euros was obtained thanks to SHIFT program, which was reinforced and deployed across the Group. Stepping-up selective growth, focus was placed on customer engagement, notably the Tier 1 customers generating 90% of profitability, and on further improving margins while tightening working capital management to support the Group's liquidity. Over the last twelve months period, the Group outperformed expectations notwithstanding the pandemic outbreak. EBITDA landed at 347 million euros and free cash flows at 157 million euros, of which +366 million euros working capital improvement. At the end of December 2020, net debt position reached ten-year low level at 179 million euros.

Over the period, the Group pursued its strategic investments and portfolio management to refocus on its core business, notably completing two divestments and discontinuing two operations. On the investisment side, the construction of the Aurora installation vessel is progressing as planned and will be delivered in May 2021. The extension of the Charleston plant for which 40 million euros where pushed to 2021 will be finalized by the summer 2021. This sole American based subsea high voltage cable facility has already created 150 jobs in the US. On the portfolio management front, Nexans completed both the sale of Berk-Tek, a manufacturer of local area network cables to Leviton Inc., on September 30, 2020, and Nexans Metallurgie Deutschland GmbH, on October 31, 2020. The divestments made by the Group in 2020 generated a net gain of 142 million euros in asset disposals. Finally, in July, Nexans discontinued operations at the Chester and Wallkill operations in the US. The success of the Nexans' Transformation and the impact of divestments translated contributed to the turnaround in net income at 80 million euros compared to -118 million euros in 2019.

Nexans strong crisis management culture, the acceleration of the Transformation Plan, it's unrelenting customer satisfaction focus, have all been instrumental in maintaining profitability and liquidity, with a record low operating working capital in virtue of structural improvements.

Following the Covid-19 outbreak, Nexans took several measures such as:

- On June 11, 2020, Nexans was granted a 280 million euros French State backed loan guaranteed by the French State at 80%. The Board of Directors approved February 16, 2021 the entire early repayment of this loan.
- To sustain operations and demonstrate social cohesion, a premium of 750 euros per month for frontline workers was set for certain European plants and the top executives of the Group agreed for pay cuts of between 15% and 30%.
- In March, in the context of the Covid-19 pandemic, as several governments were taking, or planning to take, restrictive measures resulting into a possible impact on the Group's supply chain and production schedule worldwide, given the overall uncertainty, and as it was too early to assess the impacts on the Group results, Nexans suspended its 2020 Guidance and withdrew the proposed dividend of 0.40 euro per share for the 2019 financial year, originally announced February 20, 2020. At the end of July, as the

global situation, dictated by the pandemic, marginally firmed up, the full year 2020 outlook was reinstated. On November 5, for third-quarter financial information, Nexans updated the 2020 guidance ranges: i) EBITDA was narrowed, ii) ROCE improved and iii) free cash flow enhanced.

Nexans's full year results reflect a significant improvement in activity and profitability in the second half of the year compared to the first half of the year which was impacted by the slowdown in demand due to the Covid-19 pandemic in most activity excluding High Voltage & Projects business.

The Group's **consolidated sales** for the twelve months ending December 31, 2020 closed at 5,713 million euros at standard metal prices, compared with 6,489 million euros in the same period of 2019, representing an organic decline of -8.6%. Sales improved in the fourth quarter, up +2.3% compared to third quarter 2020, and down -4.5% compared to fourth quarter 2019.

In order to compensate for the general slowdown in demand and protect profitability, the Group accelerated its Transformation program, undertaking additional cost reductions while also rolling-out the SHIFT program across all units. As a result, Group profitability was maintained despite the drop in demand and **EBITDA** landed at 347 million euros in 2020 versus 413 million euros in 2019, representing 6.1% of sales at standard metal prices, comparable to 2019 thanks to a cost reduction of 90 million euros, a 36 million euros gain from SHIFT and 11 million euros from growth initiatives, offset by a negative 55 million euros price cost squeeze effect, a 31 million euros decline in volumes considered unrelated to Covid-19, a 94 million euros estimated Covid-19 impact and a negative 23 million euros decrease linked to a scope effect related to the sale of Berk-Tek and foreign exchange impacts.

Operating margin totaled 193 million euros, representing 3.4% of sales at standard metal prices (against 3.8% in 2019).

1.4.1.2. ANALYSIS BY SEGMENT

Building & Territories

Sales for the **Building & Territories** segment amounted to 2,422 million euros at standard metal prices in 2020, representing an organic decline of -8.4% compared to 2019. After a mixed first half of the year, where Building demand slowed down as the pandemic spread while Territories remained resilient, the second half witnessed sound recovery in South America, Middle East and Africa as lockdown measures were lifted or softened. EBITDA totaled 128 million euros compared to 155 million euros in 2019 supported by Nexans' self-help plan focusing on cost reductions and improving performance with the SHIFT program, resulting in a drop in overdues by close to 40% over 2020.

Over the year, the **Territories** (Utilities) segment remained resilient, supported by the grid modernization and long-term client frame agreements. While the **Building** segment, highly GDP related and exposed to the construction market, was further impacted by the pandemic particularly in the first half of the year, the Group reinforced the SHIFT program notably by increasing customer selectivity.

In **Europe**, sales remained resilient throughout the year, down -7.3% compared to 2019, supported by continuous demand in Switzerland, Italy and Sweden, partially offsetting lockdown effects. The activity improved in the second half of the year thanks to a catch-up effect notably in the Building activity in France. Utilities demand remained stable during the year.

In **South America**, sales resisted strongly notably due to the robust recovery in the second half of 2020. Sales were down by -6.5% in 2020 against 2019, boosted by the lifting of lockdown measures in September and the solid restart of the construction market which followed in Peru (+2.8% in second half 2020 against second half 2019), in Brazil (+9.3% in second half 2020 against second half 2019) and in Chile (+10.5% in second half 2020 against second half 2019).

In **Asia Pacific** sales were down -10.4% compared to 2019. Thanks to mild lockdowns and an overall dynamic market, both Australia (-4.3% year-on-year) and New Zealand (-4.5% year-on-year) benefitted from solid demand and continuous operations. While China, despite strict lockdowns and plant closure early 2020, showed sound growth over the twelve months of 2020, at +1.8% year-on-year.

In **North America**, despite solid demand in Canada (up +3.9% year-on-year) supported by the Utilities market, sales declined by -15.9% versus 2019, directly linked to the closure of the Chester plant in the US.

Sales in the **Middle East and Africa** were down by -5.1% year-on-year on an organic basis. The region picked up in the second half of the year, back to 2019 levels. During the year, both Turkey (+12.6% year-on-year) and Morocco (+3.2% year-on-year) regions witnessed backlog recovery with visibility into 2021, the latest benefitting from export sales growth. North West Africa recovered during the second half of the year. The situation in Lebanon remained politically challenging over the period and impacted sales negatively (-45.7% year-on-year).

Industry & Solutions

For 2020, **Industry & Solutions** sales landed at 1,210 million euros at standard metal prices. After a sharp drop in demand in the first half of the year, activity firmed up in the second half notably in Automotive Harnesses which witnessed a record fourth quarter, leaving total segment sales at -1.4% in fourth quarter 2020 compared to fourth quarter 2019. EBITDA landed at 84 million euros for the full year compared to 109 million euros in 2019 supported by the strong recovery of Automotive Harnesses, the additional cost reduction initiatives and the deployment of the SHIFT program.

In line with growing investments in the energy transition and Nexans leading position in the OEM market, the **Wind Turbine** activity was strong in 2020 (+16.5% in sales year-on-year). While **Railway Infrastructure & Rolling Stock** sales only slightly decreased (-3.6% year-on-year) in virtue of the steady demand in China, **Aerospace & Defense** (-42.8% year-on-year) remained challenged by pandemic restrictions and **Automation** (-13.8% year-on-year) witnessed slow recovery in demand in the second part of the year 2020.

After a challenging first half of the year as clients closed down plants for several weeks due to Covid-19 pandemic, **Automotive harnesses** sales rebounded by +8.1% in the second half of 2020 boosted by a strong catch-up in demand starting in the third quarter and progressively growing to land with a record fourth quarter (+17.9% compared to fourth quarter 2019). In addition, the flexibility of the cost base compensated for the drop in demand to a certain extent, protecting business performance.

Telecom & Data

Telecom & Data sales amounted to 393 million euros at standard metal prices in 2020, down -14.8% organically compared to 2019. The segment was challenged throughout the year notably by Covid-19 lockdowns which put a strain on installation campaigns. EBITDA totaled 29 million euros in 2020, down -40.4%, due to slowdown in activity and the disposal of Berk-Tek to Leviton Inc.

In 2020, **LAN cables and systems** activity was mostly impacted by Covid-19 lockdowns in the first half of the year and then by the Berk-Tek divestment in the third quarter. In the second half of the year, the sector benefitted from the rebound in Asia as well as the resilient market in the Middle East who won major project awards. Despite, sales down by -12.5% in 2020 year-on-year, performance was resilient as a result of accelerated cost reductions.

Telecom Infrastructure over the year was impacted by intense Asian competition with high pricing pressure and by Covid-19 lockdown measures weighing on installation campaigns. Despite the underlying demand from end-users for Fiber to the Home (FTTH), deployment in most countries was slow over the second half of the year compared to the same period last year. As a result, sales for the business contracted by -23.5% in 2020 compared to 2019. Overall, fiber optic cables and accessories demands were dynamic in Sweden (+3.5% year-on-year) thanks to a sustained infrastructure market dynamic and market share gains, partially offsetting weak volumes in the rest of Europe, notably in France (-36.7% year-on-year) impacted by a base effect due to intense backbone installations and inventories build up in 2019. Throughout the period the segment worked on fixed cost reductions which enabled to deliver a good performance in the fourth quarter and overall resilience for the full year.

Thanks to the sound demand in the renewables sector and Nexans' leading position, both sales and EBITDA were strongly up in the **Special Telecom** (Subsea) business year-on-year. With a buoyant increase in backlog compared to 2019, visibility for next year is strong.

High Voltage & Projects

Benefitting from its well-balanced and low-risk backlog both in offshore wind farm and interconnection projects as well as the successful turnaround of the Land activity, **High Voltage & Projects** delivered a solid performance in 2020. Sales stood at 699 million euros at standard metal prices, in line with 2019, while EBITDA totaled 105 million euros, up by +1.4% year-on-year. Throughout the year, the Group enforced its risk-reward tendering analysis combining for each project: i) financial modelling, ii) technological risk and iii) terms & conditions.

Subsea high-voltage project execution was in line with backlog phasing and the activity benefitted from continued execution. Tendering activity continued to be sound as several projects were secured during the year such as Seagreen and Crete-Attica. Adjusted backlog(1) landed at 1.4 billion euros at the end of December, with a 24-month visibility. Over the period, sales were resilient year-on-year thanks to a first semester boosted by four Inspection Maintenance and Repair projects, compensating lower sales in fourth quarter 2020 compared to strong fourth quarter 2019 as NordLink and East Anglia projects were completed. In parallel, the Charleston plant transformation extension progressed and the first phase of the Seagreen project cable manufacturing was launched. In line with the Group's flawless and disciplined execution, progress was made on the execution of the turnkey projects NSL, Lavrion-Syros, Mallorca-Menorca and Mindanao – Visayas.

(1) Adjusted subsea backlog including contracts secured not yet enforced.

As planned, the **Land high-voltage** business achieved breakeven in 2020, supported by increased sales (+11.6% year-on-year) and the execution of both the closure of the Hanover plant, Germany, manufacturing plant and the transfer of all projects to the Group's other plants. The activity is now set up for sound project execution to abide by the Group's risk-reward policy and to keep its focus on integrated Land and Subsea projects to offer a unique and cost-efficient offer for subsea interconnection projects.

Other Activities

The "Other Activities" segment – corresponding for the most part to copper wires sales – reported sales of 989 million euros at standard metal prices in 2020, down -6.0% year-on-year. EBITDA was +1 million euros over the period against a negative -4 million euros for 2019.

Since October 31, 2020, the Group completed the disposal of Nexans Metallurgie Deutschland GmbH, a Nexans company specialized in oxygen free copper drawing to Mutares SE & Co. KGaA.

The 2020 figures also include corporate structural costs that cannot be allocated to the other segments, such as the impact of IFRS 16 for lease assets not allocated to specific activities.

1.4.2. OTHER ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1.4.2.1. CORE EXPOSURE EFFECT

The core exposure effect represented income of 42 million euros in 2020 compared with an expense of 11 million euros in 2019. The positive impact on consolidated income for 2020 reflects the sharp rise in average copper prices during the period.

The definition of core exposure is provided in **Note 1.E.c** to the consolidated financial statements.

1.4.2.2. REORGANIZATION COSTS

Reorganization costs came to 107 million euros in 2020 (see breakdown in **Note 22** to the consolidated financial statements), compared with 251 million euros in 2019:

- The 2020 figure includes 44 million euros in costs under the New Nexans program and corresponds mainly to the project to reorganize the Group's operations in Europe announced on January 24, 2019. Other reorganization costs of 63 million euros concerned for the most part new projects launched during the year in the Asia-Pacific, Northern Europe and North America regions, and the ongoing transformation of the Charleston plant in the United States.
- In 2019, reorganization costs mainly concerned the project to reorganize the Group's operations in Europe announced on January 24, 2019, for 184 million euros. This amount primarily corresponded to provisions recognized for employee-related costs in Germany, France and Belgium. Reorganization costs recognized in 2019 also included 17 million euros in costs directly related to the transformation program announced by the Group in late 2018. Most of the remaining cost concerned reorganization plans in the Asia Pacific region, Brazil and North America.

The Group's restructuring plans include assistance measures negotiated with employee representative bodies as well as measures aimed at limiting lay-offs and facilitating redeployment.

1.4.2.3. OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses represented net income of 120 million euros in 2020 versus net income of 2 million euros the previous year. The main year-on-year changes were as follows:

- **Impairment losses** represented a net loss of 21 million euros in 2020 versus a net reversal of 13 million euros in 2019.
  In 2020, impairment losses concerned individual items of property, plant and equipment located for the most part in South America. They also included a 3 million euro impairment loss recorded on the German metallurgy business following its reclassification as held for sale. The Group carries out impairment tests on goodwill at least once a year and on other intangible assets and property, plant and equipment whenever there is an indication of impairment. The main assumptions used for these impairment tests and explanations of the impairment losses recognized during the year are set out in **Note 7** to the consolidated financial statements.
  The 44 million euro net reversal recorded in 2019 mainly concerned reversals of previously recognized impairment losses on individual items of property, plant and equipment held by the High Voltage business in North America in relation to the site's new focus.
- **Gains and losses on asset disposals** represented a net gain of 142 million euros in 2020, mainly relating to the sale of Berk-Tek to Leviton, which was completed in late September 2020. The caption also includes the residual costs related to the sale of the German metallurgy business in the fourth quarter of the year.
  In 2019, the Group recognized a net disposal gain of 7 million euros, primarily on the sale of real estate assets in Europe.
- **Expenses and provisions for antitrust investigations** had virtually no impact on the consolidated income statements in 2020. In 2019, the net expense of 19 million euros corresponded primarily to provision allowances recorded further to the reassessment of the risks associated with antitrust investigations in the submarine and underground high-voltage power cable industry.

1.4.2.4. NET FINANCIAL EXPENSE

Net financial expense amounted to 54 million euros in 2020, compared with 63 million euros in 2019.

Cost of net debt rose to 43 million euros in 2020 from 38 million euros the previous year, due mainly to the costs of arranging the government-backed loan (see Notes 2 and 23 to the consolidated financial statements). In addition, investment income declined in the low interest rate environment. Other financial income and expenses represented a net expense of 11 million euros in 2020 versus a net expense of 24 million euros in 2019, with the year on year improvement mainly attributable to a more favorable currency effect.

1.4.2.5. INCOME TAXES

Income tax expense for 2020 amounted to 111 million euros, compared with 44 million euros in 2019. Most of the increase was due to the taxation in the United States of the profit realized on the sale of Berk-Tek. It also reflected an adjustment of recognized deferred tax assets on tax loss carryforwards to take into account the revised earnings outlook, especially in light of the Covid-19 sanitary crisis.

1.4.2.6. CONSOLIDATED BALANCE SHEET

The Group's total consolidated assets increased to 5,230 million euros at December 31, 2020 from 5,117 million euros at December 31, 2019. Changes in the structure of the Group's balance sheet between those two reporting dates were as follows:

- Non-current assets amounted to 1,947 million euros at December 31, 2020, versus 2,053 million euros one year earlier.
- Operating working capital requirement (trade receivables plus inventories less trade payables and accounts related to long-term contracts) decreased by 338 million euros in 2020.
- Net debt amounted to 179 million euros at December 31, 2020 versus 471 million euros at December 31, 2019.
- Provisions for contingencies and charges – including for pension and other long-term employee benefit obligations – were reduced by 120 million euros over the year to 550 million euros at December 31, 2020. Of this amount, 350 million euros related to pension benefit obligations, compared with 373 million euros at end-2019.
- Total equity stood at 1,256 million euros at December 31, 2020 compared with 1,251 million euros at December 31, 2019.

1.4.2.7. MAIN CASH FLOWS FOR THE PERIOD

Cash flow from operations before gross cost of debt and tax totaled 136 million euros in 2020.

The cash impact of the decrease in working capital requirement amounted to 362 million euros, reflecting the effect of measures to improve the Group's liquidity position and, to a lesser extent, the impact of lower business volumes in 2020.

Net cash used in investing activities amounted to 99 million euros in 2020. The total reflects purchases of property, plant and equipment and intangible assets (including for the construction of the Aurora cable-laying vessel) for 225 million euros, partly offset by the 155 million euros in net proceeds from disposals carried out during the year, and the reclassification from cash and cash equivalents to other short-term financial assets of bank deposits in Lebanon for 39 million euros.

Net cash from financing activities totaled 169 million euros, primarily reflecting:

- The government-backed bank loan for a net amount of 279 million euros, partly offset by:
- 45 million euros in interest payments;
- 47 million euros in debt repayments to wind up the 2010 securitization program (see Note 26 to the consolidated financial statements).

Overall, taking into account the effect of currency translation differences, net cash and cash equivalents increased by 507 million euros during the year to 1,133 million euros at December 31, 2020 (corresponding to 1,142 million euros in cash and cash equivalents reported in the balance sheet less 9 million euros in short-term bank loans and overdrafts).

1.4.2.8. OTHER SIGNIFICANT EVENTS OF THE YEAR

Covid-19 crisis

In 2020, the world was faced with an unprecedented pandemic. After a solid start to the year, Nexans had to adapt its operating model in order to safeguard its business and employees, while continuing with its operational activities in a way that also protects its customers. The Group has taken and maintained measures to protect health and safety and ensure the continuity of its manufacturing operations. As a result, almost all of its plants have been able to operate without interruption, although activity levels have varied depending on the plants and time periods concerned.

The Covid-19 crisis has had widespread economic effects. For this reason, the carrying amounts of the Group's net assets were reviewed at the reporting date, as explained in Note 7 to the consolidated financial statements.

Changes in customer and supplier risks (claims and litigation, contract cancellations, credit risks) were also reviewed, as well as the pandemic's effect on the Group's metals and currency hedges. This review did not reveal any items that could lead to material adjustments being made to the positions taken in the financial statements.

Financing

On May 25, 2020, Nexans was granted a 280 million euro government-backed loan by a pool of French banks. It has a twelve-month maturity which Nexans has the option to extend by up to five years. The French government's guarantee covers 80% of the loan's amount.

The lending banks are Crédit Agricole CIB (acting as agent), BNP Paribas (acting as coordinator), CIC, Crédit Agricole Ile de France, Natixis and Société Générale.

Prior to taking out this loan, in early April 2020 the Group drew down 200 million euros on its syndicated credit facility in order to redeem commercial paper that was reaching maturity. This drawdown was repaid on June 22, 2020.

Disposal of Berk-Tek and the German metallurgy business

Two asset disposal programs were carried out in 2020.

On June 30, 2020 the Group announced the signing of an agreement to sell Nexans Metallurgie Deutschland GmbH (NMD), a Nexans company specialized in oxygen free copper drawing, to Mutares SE & Co. KGaA.

The sale was completed on October 30, 2020.

On July 17, 2020 Nexans announced the execution of an agreement to sell Berk-Tek, a leading US based manufacturer of local area network (LAN) cables, to Leviton. The sale was completed on September 30, 2020.

ACT 2020 plan

At its meeting on November 26, 2019, the Board of Directors decided to use the authorizations granted by the Annual Shareholders' Meeting of May 15, 2019 to set up an employee share ownership plan in 2020 by means of a capital increase through the issuance of up to 500,000 new shares. This was the ninth international employee share ownership plan set up by the Group.

It proposed a "leveraged" structure similar to the five previous plans opened between 2010 and 2018 whereby employees could subscribe to the shares, either through the corporate mutual fund (*fonds commun de placement d'entreprise* – FCPE) or directly, at a preferential discount share price, with the Company providing them with a capital guarantee plus a multiple based on share performance.

The purchased shares or corporate mutual fund units are locked into the plan for five years, apart from in special circumstances when employees can access them earlier. In countries where the leveraged structure using a corporate mutual fund raised legal or tax difficulties an alternative formula was offered comprising the allocation of Stock Appreciation Rights (SAR). Participating employees benefited from a matching payment by the Group.

The reservation period was from September 4 to September 17, 2020, with a revocation period from October 16 to October 19, 2020.

The subscription price was set on October 16, 2020 at 32.76 euros (representing a 30% discount on the average of the prices quoted over the 20 trading days preceding the pricing date) for participating employees in France (members of the *Plan d'Epargne Groupe France* – PEGF) and at 37.44 euros (representing a 20% discount on the average of the prices quoted over the 20 trading days preceding the pricing date) for participating employees in other countries (members of the *Plan d'Epargne Groupe International* – PEGI). The settlement-delivery of the shares took place on November 13, 2020.

As part of the share ownership plan, 499,621 new shares were issued, including 490,843 shares subscribed by Group employees through the corporate mutual fund (FCPE) or by Crédit Agricole Corporate and Investment Bank under the alternative plan option. The remaining 8,778 shares corresponded to free shares financed by the Group's matching payment.

The total impact on equity was an increase of 17.5 million euros, with 0.7 million euros corresponding to the aggregate par value of the new shares and the balance represented by the premium.

To limit the dilution impact and pursuant to the decision made by the Board of Directors on March 17, 2020, 350,314 shares held by the Company in treasury were canceled on December 17, 2020, reducing the Company's share capital by 0.4 million euros.

1.4.3. THE COMPANY

1.4.3.1. ACTIVITIES AND RESULTS

Nexans S.A. (the "Company") is a holding company. Consequently, its business consists of managing the equity interests it holds in other companies.

For the year ended December 31, 2020, the Company reported sales of 25 million euros, derived primarily from services billed to Group subsidiaries (28 million euros in 2019).

After taking into account net operating expense of 59 million euros, net financial income of 40 million euros and non-recurring income of 8 million euros, the Company ended 2020 with a net income of 14 million euros (versus 23 million euros in 2019).

The Company's equity amounted to 1,863 million euros at December 31, 2020, compared with 1,841 million euros one year earlier.

Payment periods of trade payables

In accordance with the requirements of Articles L.441-14 and D.441-6 of the French Commercial Code *(Code de commerce)*, it is hereby disclosed that the Company had outstanding trade payables of 1,465,852 euros at December 31, 2020 and 1,730,298 euros at December 31, 2019.

Information on supplier payment periods is set out below:

At December 31, 2020	1 to 30 days	30 to 60 days	Beyond 60 days	Total
Invoices received not past due by maturity				
Total amount of invoices concerned in euros (including taxes)	773,840	565,600	-	**1,339,440**
Number of invoices concerned	9	2	-	11
Invoices past due by late payment tranche[(1)]				
Total amount of invoices concerned in euros (including taxes)		12,982	113,430	**126,412**
Number of invoices concerned		1	1	2
Percentage of purchases	0.00%	0.03%	0.24%	0.27%
Accrued invoices not received at December 31, 2020				**26,655,149**
Accrued external Supplier invoices (including taxes)				9,811,949
Accrued Intra-Group invoices (including taxes)				16,843,200

(1) Reference payment terms used to calculate late payment (Articles L.441-6 or L.443-1 of the French Commercial Code).

Payment terms for trade receivables

With the Company's receivables comprising only amounts receivable from Group companies, certain information required by Article D.441-6 of the French Commercial Code is not included below as it is deemed irrelevant. Trade receivables totaling 4,664,332 euros (including taxes) at decemnber 31, 2020 break down as follows:

- Trade receivables not past due: 4,312,727 euros;
- Trade receivables past due: 351,605 euros.

At the year-end, unbilled revenue amounted to 4,160,619 (including taxes) and only concerned intra-Group receivables.

1.4.3.2. PROPOSED APPROPRIATION OF 2019 RESULTS AND DIVIDEND PAYMENT

The Annual Shareholders' Meeting to be held in the first half of 2021 will be asked to appropriate the Company's results for 2020 – corresponding to net income of 14,069,734.45 euros as follows:

- Retained earnings brought forward from prior years 103,825,791.26 euros
- Net income for the year 14,069,734.45 euros
- Total distributable income 117,895,525.71 euros

At the same May 12, 2021 meeting, the Board of Directors will recommend a dividend payment of 0.70 euro per share.

In the event that the Company holds any treasury shares at the time the dividend is paid, the amount corresponding to the dividends not paid on those shares will be allocated to the retained earnings account.

In compliance with Article 243 bis of the French Tax Code *(Code général des impôts)*, it is hereby disclosed that all of the Company's shares are of the same class and that all dividends paid will be eligible for the 40% tax relief applicable to French tax residents as referred to in Article 158, section 3, subsection 2 of said Code.

The total amount of dividends paid for the last three fiscal years and the total amount of the dividends qualifying for the 40% tax relief were as follows:

	2019 (paid in 2020)	2018 (paid in 2019)	2017 (paid in 2018)
Dividend per share	-	€0.30	€0.70
Number of shares qualifying for the dividend	-	43,371,996	43,224,012
Total payout	-	€13,011,598.80	€30,256,808.40

1.5. Progress made and difficulties encountered

Under the backdrop of the unprecedented global Covid-19 pandemic, the Group accelerated and executed its "New Nexans" Transformation plan. First, by both reinforcing cost reduction measures initiated 27 months ago and implementing additional savings. Second, by amplifying the SHIFT program to increase portfolio conversion from value burners and transformation to profit drivers as well as enhancing cash optimization. Over 2020, 137 million euros of EBITDA improvement were achieved.

COST REDUCTION INITIATIVES

In 2020, the Group accelerated cost saving measures to mitigate the slowdown in activity and generated 90 million euros of EBITDA improvement during the year.

- The organization simplification plan completed in 2019 enabled the Group to be very agile. Teams in the field swiftly adjusted production capacity and raw material supply in accordance with the change in demand, avoiding any bottlenecks while partial unemployment was applied in regions benefitting from government subsidies and lifted as demand returned.
- Efforts were made to contain or redure direct costs, including subcontracting, travel, manpower, working hours and salaries as well as on indirect costs, such as consulting fees, insurance, marketing campaigns and communication.
- The implementation of an industrial productivity plan, combining dedicated teams deployed in the field with a series of transverse actions, enabled better use of group scale by duplicating "best practices" and/or by standardizing key processes.

SHIFT DEPLOYMENT AND CASH CONVERSION

The SHIFT transformation plan, based on a holistic methodology developed in-house at Nexans, was accelerated and deployed across all units in 2020. Key customer focus and product selectivity, based on cash conversion criteria and profitability levels, was implemented across the Group, generating 36 million euros positive impact in EBITDA.

In order to safeguard liquidity and maintain a positive cash level, cash conversion measures focused on operating working capital management were deployed in record time:

- Strict cash conversion targets were set and implemented at all business units;
- Close inventory management was enforced, and specific commercial actions were initiated resulting in an improvement of 7 days our Days Inventory Outstanding;
- Industrial measures have been deployed to accelerate our productivity and the flow of our work in progress;
- Payables and Receivables were strictly controlled with partners (customers and suppliers) positively contributing to a shorter Cash Conversion Cycle and improved contractual conditions;
- Capex was also rigorously controlled, all non-essential investments were frozen and maintenance expenditures adjusted to utilization rates.

VALUE GROWTH INITIATIVES

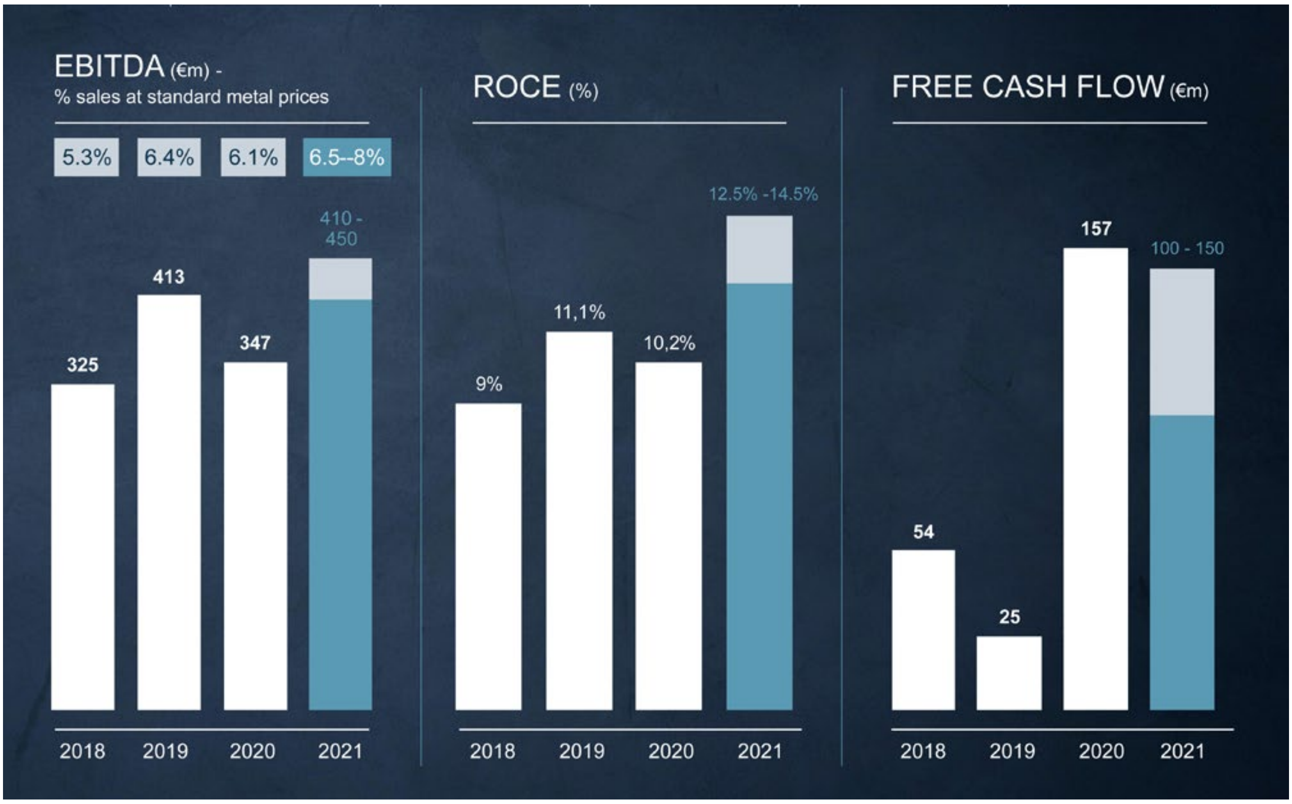
Over the year, the value growth initiatives were mainly focused on High Voltage Subsea activities, strengthening Nexans position among the key players of the energy transition. In 2020, these initiatives generated a positive EBITDA impact of 11 million euros.

1.6. Trends and outlook

1.6.1. 2021 GUIDANCE

In the current macro environment and incorporating no material change in the current view on the impact of the Covid-19 crisis, the Group expects to finalize the deployment of the New Nexans plan in 2021.

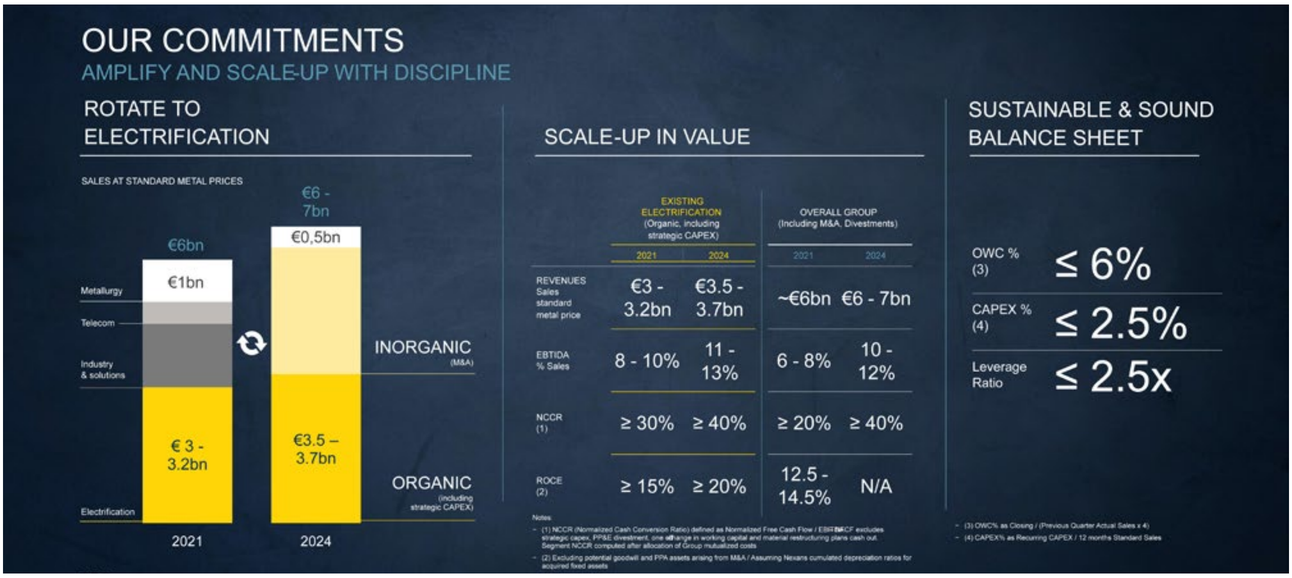
For 2021, Nexans therefore sets its targets as follows:
- EBITDA between 410 and 450 million euros;
- Free Cash Flow before M&A and equity operations between 100 and 150 million euros;
- Return on capital employed (ROCE) between 12.5% and 14.5%.



Notes:
– 2018 pre IFRS16 implementation.
– Starting January 1st 2020, change in copper standard price from 1,500€/ton to 5,000€/ton. 2018 and 2019 EBITDA% calculated based on restated sales at standard metal price.
– ROCE calculated as 12 months Operating Margin on end of period / Closing Capital Employed, excluding antitrust provision.
– FCF before M&A and equity flows.
– 2021 as per current perimeter, i.e excluding M&A and/or divestments.

1.6.2. 2021-2024 NEW FINANCIAL TRAJECTORY

A. SCALE UP TO STEP-UP PERFORMANCE – Group financial trajectory 2021-2024



ROTATE TO ELECTRIFICATION - simplify the portfolio, focus our resources and scale-up in value

Nexans sales will only moderately grow from roughly 6 billion euros today to something between 6 to 7 billion euros by 2024. The structure of our revenues will drastically change:

- Existing electrification activities will grow organically from 3.5 billion euros.
- Industry Solutions and Telecom businesses will be replaced by about 2 to 3 billion euros of new electrification businesses by 2024.
- We will reduce the sales of the Metallurgy business from 1 billion euros to roughly half a billion euros.

SCALE-UP IN VALUE – EXISTING ELECTRIFICATION

Nexans will improve its performance on the existing electrification activities, generating additional 150 million euros EBITDA from them. More details are given in Chapter 1.6.2.

SCALE-UP IN VALUE – OVERALL GROUP

The rotation of the portfolio towards full electrification will be accretive for Nexans thanks to Shift and expected synergies. The Group ratios ratio in 2024 will improve as follow:

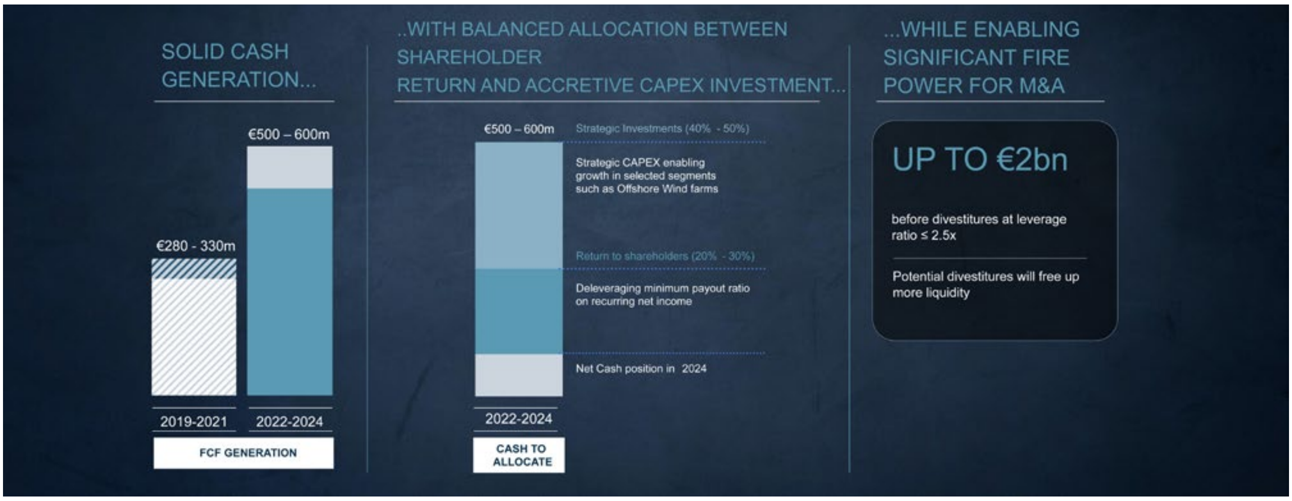
- EBITDA margin will expand to a range between 10 to 12% by 2024.
- Normalized cash conversion rate will double and exceed 40%.

We will not commit at that stage on Return on capital employed for the Group in 2024 as it will depend on acquisition multiples.

KEEP A SUSTAINABLE AND SOUND BALANCE SHEET

Nexans will not grow and transform itself at any cost, several strict ratios will be maintained to protect our balance sheet:

- First, operating working capital will not exceed 6% of current sales.
- Second, maintenance capex on standard sales will not exceed 2.5%.
- And finally, our net leverage will never exceed 2.5 times EBITDA.



Nexans will generate about **500 to 600 million euros** of cash over the three years of the plan, **before M&A**, we propose to allocate the cash flow according to three main buckets.

- **Strategic capex investments** will represent about 40 to 50% of the total cash flow the company will generate. This **strategic capex** is mainly the new capacity in the High voltage Subsea business.
- **Dividends** will be paid for a total of 150 to 170 million euros on the period with a minimum pay-out ratio of 20% each year.
- The remaining part of the cash flow will be used to further reduce the company debt. Pre-M&A we expect that by 2024 Nexans will be debt free.

With **a debt free balance sheet,** and without exceeding a leverage of 2.5 times **EBITDA,** the estimated fire power for M&A of Nexans goes **up to 2 billion euros.** Adding expected cash from divestments, cash available will be between 2.5 to 3 billion euros.

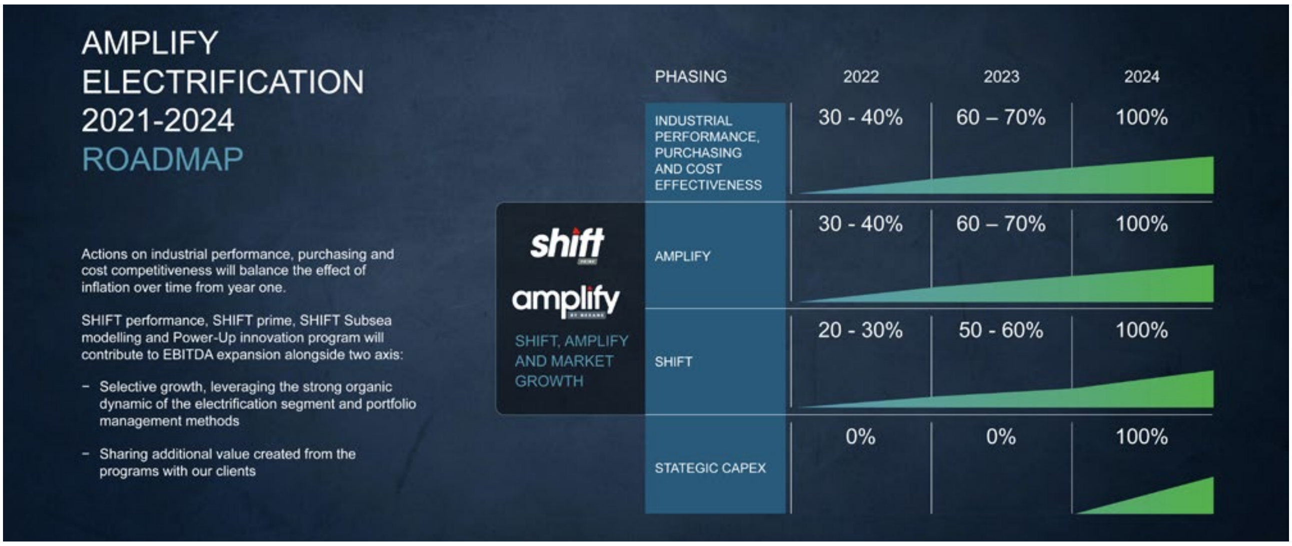
B. AMPLIFY ELECTRIFICATION – Organic growth

On the exiting electrification activities, **EBITDA margin** will increase by 300 basis points from [8-10%] to [11-13%] by 2024.

This represents an **EBITDA increase of +150 million euros** over the three years of the plan coming from four levers:

- **Costs & industrial performance:** stream line our cost base and improve our industrial performance to cope with inflation **– 15 million euros expected from these actions.**
- **Selective volume growth:** additional volume from the Building and Utilities businesses and the ramp-up of Charleston and Aurora in Subsea **– 50 million euros expected.**
- **Shift programs:** benefits from pricing improvements through innovation, as well as better selectivity of our customers and reduced complexity **– 40 million euros expected.**
- **Strategic capex:** the investments in subsea business to increase capacity by two **additional lines of production** will contribute **45 million euros EBITDA** by 2024.

Nexans commits to deliver its achievements **on a year-by-year basis**.
On the first three pillars the growth is quite linear, getting in about one third of the target each year.
On **Strategic Capex** capacity will not be available before 2024 where, due to construction timing.



1.7. Uncertainties

In addition to risk factors described in Section 3.1 of the 2020 Universal Registration Document, the uncertainties for 2021 include:

- The impact of protectionist trade policies globally, as well as growing pressure to increase local content requirements;
- Geopolitical and political instability, particularly in certain countries, cities or regions such as Qatar, Libya, Lebanon, Iraq, the Persian/Arabian Gulf, Hong Kong, Ivory Coast and Nigeria;
- The instability of banking system in Lebanon and uncertainties on the Lebanese pound;
- The impact that the coronavirus pandemic and the adoption by State authorities, in many countries around the world, of national restrictive measures (including prolonged measures to control the pandemic such as travel bans, curfews and country lockdowns) in particular in the context of a further waves of the pandemic in countries around the world together with the appearance of variants to the coronavirus (including in UK, Brazil and South Africa) could have on our Group's business prospects, operating profit and financial position,
- The increase in credit risk in certain countries (including Brazil, Morocco and Turkey) in the context of the coronavirus pandemic;
- Political, social and economic uncertainty in South America, such as in Brazil, Venezuela and Bolivia, which i) is affecting the building market as well as major infrastructure projects in the region (such as the Maracaibo project in Venezuela), ii) creating exchange rate volatility and iii) increasing risks of customer default.
- A marked drop in non-ferrous metal prices resulting in the impairment of Core exposure (non-ferrous metal owned by Nexans and integral part of the production chain), not having an impact on cash or operating margin, but impacting net income. Such marked drop in non-ferrous metal prices might occur in particular in the context of further waves of the coronavirus pandemic;
- In the current context of marked increase in non-ferrous metal prices, should this increase trend continues it might have impact of the non-ferrous market which could potentially lead to rarefaction of non-ferrous metal offers;
- The sustainability of growth rates in the fiber and copper structured cabling (LAN) market and the Group's capacity to seize opportunities relating to the move to higher performing categories in this market;
- The speed of deployment of "FTTH" ("fiber to the home") solutions in Europe and North West Africa and the Group's capacity to seize opportunities relating to the development of this market.
- The impact of the coronavirus pandemic on the aeronautic industry which has led our customers to revisit their order books for the coming months and years;
- The fact (i) that automotive sales may continue to be adversely affected in the context of the coronavirus pandemic on a global basis with issues in components supplies and slower recovery of the cars demand, as well as that (ii) the progress of electrical propulsion solutions will penetrate markets slower than predicted;
- Fluctuating oil and gas prices, and the downturn in the Oil & Gas sector which have lead Oil & Gas sector customers to revise their exploration and production capex programs. The considerable uncertainty about the implementation of these customers' capex programs may also affect the Group's ability to plan for future means of producing cables and umbilicals for these customers, and for imposing changes to the agreed delivery schedules for contracted projects in the context of the coronavirus pandemic;
- The risk of the award or entry into force of subsea and land cable contracts being delayed or advanced, which could interfere with schedules in a given year;
- Inherent risks related to (i) carrying out major turnkey projects for high-voltage cables, which will be exacerbated in the coming years as this business becomes increasingly concentrated and centered on a small number of large-scale projects, (ii) the high capacity utilization rates of the plants involved, (iii) the projects' geographic location and the political, social and economic environments in the countries concerned (such as Philippines for Visayas-Mindanao project).
- The inherent risks associated with major capital projects, particularly the risk of completion delays and the risks of delays in the time to win projects to fill the new capacities. These risks notably concern the construction of a new submarine

cable laying ship, the transformation of Charleston plant in North America to produce subsea high voltage cables, two projects that will be instrumental in ensuring that we meet our objectives.

- The challenges created by the coronavirus pandemic (with subsequent measures taken by national States such as country lockdowns or travel bans) for the performance of projects in countries like the United States (e.g. to meet the defined manufacturing schedule in Charleston) as well as for turnkey projects such as Seagreen (United Kingdom) and Visayas-Mindanao (Philippines) and onshore projects in Europe;

Without major operational impacts, the two following uncertainties may have an impact on the financial statements:

- Sudden changes in metal prices that may affect customers' buying habits in the short term;
- The impact of foreign exchange fluctuations on the translation of the financial statements of the Group's subsidiaries located outside the euro zone.

1.8. Innovation and Technology (R&D)

Nexans set new performance benchmarks in 2020, despite disruption caused by the Covid-19 pandemic. Our cable products and systems went from strength to strength, underpinned by innovations that make it easier than ever for our customers to transport and distribute power. Milestones in 2020 included everything from high-voltage subsea cables that support the energy transition, to innovative cable systems for buildings.

In parallel with this, we continued to drive the expansion of our digital services portfolio, which includes IoT tracking, strategic asset management and end-to-end supply chain solutions. Customer demand for our digital services and solutions grew strongly in 2020. Indeed, the pandemic has underlined the incredible value that digital tools can bring. Meanwhile, we reduced our use of hazardous substances, increased our focus on Ecodesign and improved the recyclability of our products.

Non-stop innovation

Nexans never stops innovating. 2020 saw a total of 72 patent applications – the highest number for six years. Here are the Innovation and Technology highlights of 2020 in more detail:

525 kV HVDC extruded cables: following qualification at 525 kV for both subsea and land cables, we are continuing our development programme to increase the operational performance and cost-efficiency of our systems. Nexans is taking part in ongoing customer technology qualification programmes for Biscay Gulf (Inelfe, 400 kV) and IJmuiden Ver (TenneT, 525 kV).

Deep water cable solutions: responding to demand for future transmission projects in deep waters, Nexans has taken major steps in developing technology for both mass-impregnated and extruded cables at depths of up to 3,000 metres.

Monitoring solutions: Nexans has recently been granted development funds in two separate projects by the EU and the Research Council of Norway. The two projects are focused on enlarging Nexans' portfolio of solutions and services for monitoring and asset management tools. Following the two projects, and in line with ongoing activities in Inspection, Maintenance and Repair (IMR), we will be able to propose an advanced and diversified integrated package in Smart Grids Solutions to our customers. The architecture deployed will allow a strong improvement in grid reliability, asset exploitation, energy-efficient solutions and carbon footprint reduction.

Fire resistant cables for railways and tunnels: cables with a high level of fire performance are required for railways and tunnels. Nexans has developed a new range of cables for these applications based on its proprietary GINGER™ technology. Through the creation of a hermetic hard crust around layers of the cables, this technology achieves the specific requirements from different countries regarding fire propagation and heat release parameters, as well as meeting requirements on the production of smoke, corrosive gas releases and flaming droplets, as set out in the EU Construction Products Regulation (CPR).

Lead-free power distribution cables: anticipating the customer requirement to reduce the use of lead in cables, Nexans has developed an alternative solution that replaces the lead sheath in low-voltage underground cables. This has the added benefit of improving corrosion resistance by 60%.

Crush and impact resistant cables: a new range of cables for the midstream oil & gas market to meet the need for a product that is easy to handle and install in the US Northern Plains, where winters are harsh. These cables yield significant cost savings for the customer in the form of installation labour savings, gland cost savings, and cable tray cost savings (resulting from lower tray fill).

Low Smoke Halogen Free sheathing materials: a new range of cable products for North America's oil & gas and railway markets in close cooperation with EPC companies. These markets have historically used chlorinated sheathing materials that give off significantly more smoke and toxic fumes in fire conditions, compared to low smoke halogen-free materials – giving Nexans a competitive advantage.

Easy Strippable building cables: these cables simplify operations for electrical installers, improving their productivity. To connect the conductors to the terminals, professionals need to strip the cable sheath first – a simple operation that is often difficult because the sheath adheres to the conductors. The replacement of a powder material with a paper tape in our Easy Strippable cable means the sheath slides off easily once cut – speeding up the job and reducing sheathing waste.

CPR class "C" and "B2" building cables: the EU Construction Products Regulation (CPR) strictly defines the requirements for flame retardant cables to allow occupants to escape safely in case of fire. Our FE05-C halogen-free building cables for the Swiss market now match the most demanding two levels in this classification.

Signalling and alarm cable stripping made easy: connecting cables may seem a simple operation but every step requires skill – and dedicated tools. Thanks to a smart insulation material, conductors can now be easily stripped with the tip of a fingernail – literally! Thanks to tool-free stripping, our FXXQB Easy cables for the Swedish market are quicker to install than ever.

EXQ Easy building cables: these are an all-time favourite cable for building installation, further optimised for the Swedish market. Thanks to a new formula, this classic of flush electrical mounting has become even more discreet when surface mounted – and for an unlimited time, too: the sheathing material boasts UV-resistant properties that guarantee that a white cable stays white.

Digital gains momentum

Digital services and solutions are an increasingly important part of Nexans' portfolio. In 2020, we continued to accelerate deployments of innovative solutions to support the evolving needs and ambitions of our customers. Key areas of focus in 2020 included:

Connected Products: we enriched our IoT solution for cable drums with new and unique features that include prevention and detection of theft and losses. The solution is now deployed on five continents with more than 15,000 connected objects – and it underlines the way we are supporting our customers in the execution of their infrastructure projects, while streamlining supply chains and operations.

INFRABIRD™: our IoT access monitoring solution for street cabinets is designed to meet the needs of telecom operators. Our customers benefit from a permanent supervision platform that reduces the maintenance costs of critical assets by 25%, while simplifying the interventions of technicians on the field.

Asset Electrical™: our strategic asset management software solution, Asset Electrical™, provides transmission and distribution grid operators with unequalled capabilities to optimise their asset management strategies and achieve total expenditure savings of more than 10%. The solution leverages our deep knowledge of electrical components and the digital twin technology platform of Cosmo Tech.

Asset management consulting: a leading European power distribution system operator (DSO) has awarded Nexans a consulting service contract to support them as they progress towards receiving certification for the ISO 55001 Asset Management Systems standard.

End-to-end supply chain solution: recognising that the performance of our clients lies in a lean and efficient supply chain, we have accelerated the deployment of our portfolio of logistics visibility, inventory management optimisation and asset tracking solutions. These not only secure deliveries, but also reduce lead times to a minimum, streamline inventories and reduce the working capital requirement.

Putting people first

People are at the heart of everything we do – and at Nexans, our Human Resources activities are dedicated to supporting our people every step of the way. While 2020 was disrupted by the Covid-19 crisis, we demonstrated our ability to adapt by setting up new ways of working. The result is that our employees have been able to work in safety and in compliance with public health requirements throughout the pandemic.

To support and grow the business, we focused on manager development and customer centricity. In parallel with this, we maintained a high level of engagement with regard to talent acquisition and development. This was achieved through a number of channels, including recruitment, internal mobility, on-boarding, training and people development. We remain committed to welcoming young people to Nexans through internships, apprenticeships and the CIFRE PhD graduate scheme.

We also continued to promote inclusion through our territories partnership programme with social and gender diversity organisations.

Building a better future

Sustainable development is a priority for Nexans. And it starts with the product. Can hazardous substances be minimised or eliminated? Can we reduce climate impacts? How easily can the product be recycled?

Our Innovation and Services teams are dedicated to supporting compliance, anticipating legislation, mitigating life cycle impacts and developing products to meet the needs of the circular economy. To achieve these goals, our R&D programmes related to sustainable development are focused on three main domains:

Substances: we identify, track and substitute hazardous substances in final products. In 2020, our R&D programme worked on developing alternative solutions for substances expected to be more strictly regulated in the coming years. By minimising as far as possible and substituting the most harmful substances, Nexans supports the European strategy for a toxin-free environment to protect human health and the planet.

Carbon and climate change: we measure, communicate and reduce the environmental and climate impact of our products. Thanks to our Life Cycle Assessment and Ecodesign methodologies, environmental considerations can be taken into account right at the start of the development of new products to reduce their environmental footprint. In 2020, new sites have been trained in this approach and opportunities for raw materials and processes have been identified and assessed to decrease the carbon footprint of products.

Resources: Nexans is dedicated to growing the circular economy. We are already widely involved in reducing downstream waste, thanks to our recycling service which allows customers and partners to recover and dispose of waste materials. Our R&D efforts are also implemented upstream: we are developing polymers to facilitate recycling and increasing the use of recycled materials in products, both from internal and external sources. The work carried out in 2020 furthered developments in demonstrating the recyclability of polymeric layers used in POWERBOOST™ cables and identifying final applications for recycled material.

Innovation with purpose

Research and innovation are cornerstones of Nexans' strategy and 2020 has seen an increase in the number of patent applications made by the Group. A total of 72 new applications were filed – the highest level of activity achieved since 2014. These new developments are well-aligned with Nexans' strategic initiatives:

Innovation in a crisis has appeared to be more critical than ever. In the first semester of 2020, our fisrt priority was to focus on health of R&D engineers, adjust to work from home as much as possible and optimize working and safety conditions in laboratories while respecting physical distancing.
Rethinking the priorities of innovation topics in 2020 was the key to adapting R&D spending to changes in income and unlocking post-crisis growth.

1.9. Significant events since the approval of the 2020 Management report

On February 17, 2021, S&P Global Ratings S&P Global Ratings reviewed its outlook from negative to positive and confirmed its 'BB/B' rating. S&P Global Ratings mentioned: "a solid credit profile in 2020 with a significant buffer and significantly better ratios than we forecast in our previous review." Jean-Christophe Juillard, Nexans' Chief Financial Officer, stated: "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.

As announced on February 17, 2021 at the occasion of its 2020 annual results presentation, the Group took advantage of its high level of liquidity to early repay the French State backed loan guaranteed by the French State ("PGE") as well as a bond issue. On June 11, 2020, Nexans announced the execution of a French State backed 280 million euros term loan ("PGE") ("the Facility"), issued by a pool of French banks with a twelve-month maturity and an extension option, up to five years, exercisable by Nexans. The French state guaranted the Facility at 80%. Nexans prepaid its 280 million euros "PGE" on February 25, 2021. On March 10, 2021, Nexans also redeemed the 250 million euros fixed-rate bond issue with a 3.25% annual coupon, issued on May 26, 2016 and maturing on May 26, 2021 (ISIN: FR0013176294).

As of December 31, 2020, and before these early repayments, Nexans' liquidity position stood at 1.7 billion euros, including an undrawn revolving credit line of 600 million euros. Nexans has a solid level of liquidity to ensure the continuity of its business and its financial commitments.


Nexans. Electrify the Future.

2

CORPORATE GOVERNANCE

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"). The AFEP-MEDEF Code is available on the MEDEF website, www.medef.com, and the AFEP website, www.afep.com.
Nexans' application of the AFEP-MEDEF Code recommendations is presented in section 2.3.4., Corporate governance code.

The Board of Directors' report on corporate governance was reviewed by the Appointments and Corporate Governance Committee and the Compensation Committee on February 12, 2021. It was approved by the Board of Directors at its meeting of February 16, 2021, as required by Article L.225-37 of the French Commercial Code *(Code de commerce)*, and is included in this section.

2.1. Governance structure

SEPARATING THE DUTIES OF CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

On May 15, 2014, on the recommendation of its Chairman, the Board of Directors approved the principle of separating the duties of Chairman of the Board and Chief Executive Officer.

This organization allows the Company and Executive Management to concentrate on its strategic priorities and implement the strategic plan under the best possible conditions. It is carried out in conjunction with the Group's transformation. It also helps ensure that the Board of Directors operates better. The interest of this separation of duties has been confirmed by the Board assessments carried out each year since 2014.

2.2. Management bodies

CHIEF EXECUTIVE OFFICER

Christopher Guérin has been the Chief Executive Officer of Nexans since July 4, 2018.

Number of shares held: 14,737
Number of corporate mutual fund units invested in Nexans shares: 1,024
48 years old, French nationality
Address: 4 Allée de l'Arche, 92400 Courbevoie, France

Expertise/Experience

Christopher Guérin served as Senior Executive Vice President, Europe and Telecom/Datacom, Power Accessories Business Groups since 2014. Prior to this, he had headed up the Industry business line in 2013 after six years spent working in various Sales and Marketing positions in France and Europe. Between 2005 and 2007 he was Sales Director Europe. Christopher first joined the Metallurgy division of Alcatel Cables and Components (which became Nexans in 2001) in 1997 where he held various management positions. He is a graduate of ESDE/American Business School and has completed the INSEAD Management Acceleration program.

Directorships and positions held during 2020 (and still in force at the year-end)

- Chairman of Europacable
- Vice-Chairman of ICF

Directorships that have expired in the last five years

- Chairman of the Board of Directors of Nexans Suisse SA
- Chairman of the Supervisory Board of Nexans Deutschland GmbH
- Director of Nexans Partecipazioni Italia Srl, de Intercablo SpA and of Legendre Holding 28 (IES)
- Chairman of the Europacable Industry Team

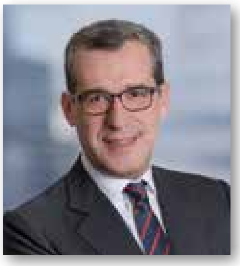
EXECUTIVE COMMITTEE

The Executive Committee is chaired by the Chief Executive Officer, Christopher Guérin. It is responsible for determining the Group's strategy, allocation of resources, and organization. The Executive Committee is tasked with:

- strengthening the Group's relationship with the markets and its customers,
- enhancing the Group's capacity for anticipating change and the agility of its organization structure,
- increasing the focus on financial performance, execution, cost control, innovation, service development and transformation,
- internationalizing the Group's management profile in order to adapt to and keep ahead of the changes taking place in the wider world.

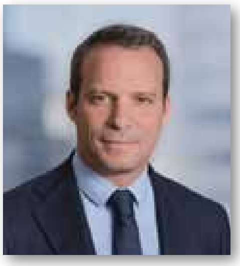
The Executive Committee members are:

Christopher Guérin, Chief Executive Officer



Nino Cusimano, 56, is Senior Corporate Vice President, General Counsel & Secretary General and joined the Group in September 2018. He is based in Paris. Prior to joining Nexans, Nino Cusimano, an Italian national, was General Counsel of Telecom Italia SpA. He has held senior global roles with multinational groups such as General Electric and PPG Industries.

Vincent Dessale, 54, is Chief Operations Officer and Senior Executive Vice President in charge of the B&T Northern Business Group. Vincent joined Nexans in 2001. He has French nationality and is based in Paris.
Vincent held various key Supply Chain management positions in Europe before heading up Operations in South Korea in 2006, and extending his responsibilities to the Asia-Pacific area in 2009. He held several positions in the Submarine High Voltage Business from 2012 and was appointed Senior Executive Vice President Subsea and Land Systems in February 2018, before being appointed to his current position in December 2019.



David Dragone, 44, is Senior Corporate Vice President, Human Resources, and has been in charge of communication and corporate social responsibility since March 18, 2019. After several Human Resource management roles in the Schlumberger and Areva groups, David joined CGG in 2012 as Senior Vice President talent management & people development before becoming Vice President in charge of Human Resources at Faurecia Interiors in 2017. David has French and Italian nationality and is based in Paris.

Juan Ignacio Eyzaguirre, 37, is Corporate Vice President, Strategy and Mergers & Acquisitions. A Chilean national, he is based in Paris. Prior to joining Nexans in February 2017, Juan held various positions in investment management and investment banking, mainly in mergers, acquisitions and securities transactions. He also served in the Chilean Government as Chief of Staff of the President of Chile. During his tenure in government he also acted as Board Member and Executive Director of Chile's state-owned holding company that mainly manages infrastructure assets.

Jérôme Fournier, 51, was appointed Corporate Vice President, Innovation, Services & Growth on January 1, 2019. He has French nationality and is based in Lyon, France. Jérôme joined the Metallurgy division of Alcatel Cables in 1997.
Between 2007 and 2011, he was Head of R&D at Nexans before working for the Michelin Group from 2011 to 2018 where he held various positions as R&D Director.

Ragnhild Katteland, 52, is Executive Vice President and has been in charge of the Subsea & Land Systems Business Group since January 6, 2020. She has Norwegian nationality and is based in Oslo, Norway. Ragnhild began her career in 1993, working as an electrical engineer for Alcatel Contracting in Norway, and she subsequently held several positions in the Submarine High Voltage Business.
Ragnhild retains her role as CEO for Norway.

Julien Hueber, 50, is Executive Vice President in charge of the Industry Solutions & Projects Business Group. He has French nationality and is based in Shanghai, China. Julien joined Nexans in 2002 and has a strong background in Supply Chain management and Purchasing along with excellent knowledge of the Asia-Pacific region where he has held various positions in Australia, South Korea and China.

Jean-Christophe Juillard, 53, is Senior Corporate Vice President and Chief Financial Officer in charge of Finance and Information Systems. He has French nationality and is based in Paris. Jean Christophe has more than 25 years' experience working in finance in the United States and Europe, in various companies in the manufacturing and energy sectors.
In 1992, he joined a subsidiary of Spie Batignolles in New York before moving to the Ernst & Young audit department in Paris in 1996. He held various managerial roles in Finance between 2004 and 2013 at Alstom Transport for North and South America and then in Alstom's renewable energy division. Before joining Nexans in January 2019, Jean-Christophe was Executive Vice President and Chief Financial Officer of ContourGlobal Group.

Vijay Mahadevan, 54, is Executive Vice President in charge of the B&T Northern Business Group. He has Indian nationality and is based in Paris. Before joining Nexans in December 2017, Vijay Mahadevan was CEO of ArcelorMittal Ostrava in the Czech Republic.
He has spent most of his career in the steel industry at ArcelorMittal, where he held various positions in sales and marketing, plant management and general management on several continents. Vijay has extensive knowledge of Eastern Europe, Central Asia, the United States and the Middle East.

DIVERSITY AND GENDER BALANCE AMONG GOVERNANCE BODIES

Many forms of diversity are represented on Nexans' Executive Committee, including gender, religion, sexual orientation and cultural pluralism, with five different 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 woman managing SLS, one of Nexans 4 Business Groups, representing 31% of EBITDA and 71% of CAPEX and at the heart of the Group's strategy.

Female representation on the Executive Committee currently stands at 10%. The Group has chosen to improve gender diversity, including by:

1. Increasing the percentage of women in management positions
2. Increasing the percentage of women in top management positions
3. Increasing the number of women on the Executive Committee.

Women held 22% of executive roles in 2018, before the creation of the Women in Nexans (WIN) network. This increased to 24% in 2020, and our current target is to reach 26% by 2023.

The Group also added a new objective as part of its CSR strategy, namely to increase the percentage of women in Top Management from 13% in 2018 and 15% in 2020 to between 18% and 20% by 2023.

Various initiatives are underway:

- An ad hoc "Women leadership" program to identify future positions and develop and prepare more women to take up top management positions. Fifteen women will take part in this program in 2021, with a view to preparing them to take up top management positions in the next five years.
- Enhance Group guidelines and policies regarding female retention and hiring:
  - every final shortlist of candidates must contain at least one female profile;
  - every second recruitment in management positions should be a woman;
  - a dedicated talent review for women.
- Monitoring KPI's relating to recruitment, Internal Mobility, Career Development with a focus on gender diversity.
- Specific training on unconscious bias will be designed for the main stakeholders in the recruitment process in 2021.

The Group has the right team in place to ensure delivery of the 2021/2024 strategy. 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 commits to adding one woman to the Executive Committee by the end of the Equity Story.

The Group is assisted in its Diversity & Inclusion actions by the Women in Nexans (WiN) network, created in 2018. WiN is a global network which strives for an inclusive work environment where everyone can contribute, by promoting best practices, exchanges and actions. It aims to reach a level of gender equality that truly represents the diversities of customers, suppliers and communities in which the Group serves.

2.3. Administrative body

2.3.1. BOARD OF DIRECTORS' COMPOSITION AND DIVERSITY POLICY

In accordance with Article 11 of the Company's bylaws, the Board of Directors may have between 3 and 18 members at the most. As of December 31, 2020, the Board of Directors comprised 14 members.

In accordance with Recommendation 6.2 of the AFEP-MEDEF Code, at its meeting of February 16, 2021, the Board discussed the balance reflected in its composition and that of its Committees, notably in terms of diversity. The Board aims to boost diversity and complementary skills and maintain a diverse profile in terms of age, nationality, international experience and gender balance.

Pursuant to Article L.22-10-10 of the French Commercial Code, the following table sets out the diversity policy applied by the Board and stipulates the criteria used, the objectives set down by the Board, the implementation procedures and the results obtained over the period ended December 31, 2020.

Criteria	Objectives	Procedures implemented and results obtained in 2020
Size of the Board	Maintaining the number of directors at between 12 and 16.	Given the breakdown of its share capital and the fact that three representatives of the principal shareholder Invexans Limited (UK) (Quiñenco group) and the shareholder Bpifrance Participations sit on the Board, the Group considered 14 directors at the end of 2020 to be a satisfactory number.
Age of directors	Less than one-third of directors should be over 70 years of age.	As of December 31, 2020, the average age of the directors was 53.6. There were no directors over 70.
Gender	Maintaining a balanced representation between men and women with at least 40% of female directors.	The proportion of women[1] on the Board at December 31, 2020 was 45.5%.
Nationalities	Over 25% of directors are foreign nationals.	Five directors are foreign nationals and two directors have dual nationality. As such, 50% of directors were foreign nationals at December 31, 2020.
Independence	The Board set itself the objective of maintaining an independence rate of at least 50% in accordance with Recommendation 9.3 of the AFEP-MEDEF Code.	The independence rate was over 63.6%[2] at December 31, 2020. Concerning the characterization of directors' independence, see section 2.1.1.2. of this Universal Registration Document.
Expertise/experience	Seeking out complementary expertise in industry, energy, finance, communications, CSR, compliance, human resources and services as well as extensive knowledge of the Nexans Group and its stakeholders, and rounded out by senior executive experience.	Of the Board of Directors' members, at least: - 10 have a career in industry; - 2 have a career in energy; - 4 have a career in finance; - 2 have a career in human resources; - 2 have a career in communications; - 2 have a career in services; - 3 have worked within the Nexans Group; - 8 have exercised senior management functions.
Representation of stakeholders	Ensuring balanced representation of the different stakeholders.	Three directors were appointed based on a proposal submitted by the principal shareholder Invexans Limited (UK) (Quiñenco group). One director was appointed based on a proposal submitted by the shareholder Bpifrance Participations. Pursuant to Article 12 *bis* of the bylaws, one of the Board members is appointed at the Ordinary Shareholders meeting, from among the two candidates proposed by the employee shareholders. Pursuant to Article 12 *ter* of the bylaws, two directors representing employees are appointed by the French Works Council and the European Group Works Council.

(1) Proportion of women on the Board calculated without counting the directors representing employees and employee shareholders, in accordance with paragraph 2 of Article L.22-10-6 of the French Commercial Code.
(2) Independence rate calculated without counting the directors representing employees and employee shareholders, in accordance with Recommendation 9.3 of the AFEP-MEDEF Code.

SKILLS AND QUALIFICATIONS MATRIX OF THE MEMBERS OF NEXANS' BOARD OF DIRECTORS

As a group, the members of Nexans' Board of Directors have a wide range of the skills required for the Group's businesses. These skills run the gamut from significant industry and global markets expertise, for many of them, to executive management roles, and functional areas such as human resources, compliance, finance and communication. The directors' qualifications and skills are listed in the following skills matrix.

	Industry	Energy	Business services	Bank Finance Private Equity	Human Ressources, Talent Management, Education Communication	ESG, Sust. Development, Compliance, including anti bribery	Strategy M&A Transformation of organizations	Group's and Group's businesses knowledge	Executive functions	International experience
Jean Mouton	√	√	√		√	√	√	√	√	√
Angéline Afanoukoé	√	√			√			√		
Jane Basson	√				√	√	√		√	√
Marie-Cécile de Fougières	√		√				√	√		√
Marc Grynberg	√	√		√			√	√	√	√
Oscar Hasbún Martinez	√	√		√			√	√	√	√
Anne-Sophie Hérelle	√	√	√	√		√	√	√		√
Sylvie Jéhanno	√	√	√		√		√		√	
Anne Lebel			√	√	√			√	√	√
Andrónico Luksic Craig	√	√	√	√	√	√	√	√	√	√
Bjørn Erik Nyborg	√	√						√		√
Francisco Pérez Mackenna	√	√	√	√	√		√	√	√	√
Hubert Porte			√	√			√	√	√	√
Kathleen Wantz-O'Rourke	√	√	√	√		√	√	√	√	√

LENGTH OF DIRECTORS' TERM OF OFFICE

Pursuant to Article 12 of the bylaws, the term of office of directors is four years. At December 31, 2020, the terms of office of directors appointed by the Annual Shareholders' Meeting expire as follows:

2021 AGM	Marie-Cécile de Fougières(1), Marc Grynberg, Francisco Pérez Mackenna(2), Andrónico Luksic Craig(2)
2022 AGM	Anne Lebel
2023 AGM	Jean Mouton, Hubert Porte, Bpifrance Participations (représenté par Anne-Sophie Hérelle), Oscar Hasbún Martinez(2)
2024 AGM	Jane Basson, Sylvie Jéhanno, Kathleen Wantz-O'Rourke

(1) Director representing employee shareholders.
(2) Directors proposed by the main shareholder Invexans Limited (UK) (Quiñenco group).

CHANGES THAT OCCURED IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES DURING 2020

The summary table below lists the changes that occurred in the composition of the Board of Directors and its Committees during fiscal 2020:

Date of event	Person concerned	Change
February 19, 2020	Jane Basson	Appointed as a censor
March 6, 2020	Sylvie Jéhanno	Appointed as a censor
May 12, 2020	Fanny Letier	Resigned as a director and member of the Appointments, Compensation and Corporate Governance Committee
May 13, 2020	Colette Lewiner	End of term of office as director and member of the Appointments, Compensation and Corporate Governance Committee and the Strategy and Sustainable Development Committee
	Anne Lebel Bpifrance Participations Francisco Pérez Mackenna	Splitting of the Appointments, Compensation and Corporate Governance Committee into two separate Committees: the Appointments and Corporate Governance Committee and the Compensation Committee
	Angéline Afanoukoé	Appointed as member of the Compensation Committee
	Jane Basson	Appointed as director, member of the Appointments and Corporate Governance Committee, the Compensation Committee, and the Strategy and Sustainable Development Committee
	Sylvie Jéhanno	Appointed as director, member of the Appointments and Corporate Governance Committee, the Compensation Committee, and the Accounts, Audit and Risk Committee

2.3.1.1. MEMBERS OF THE BOARD OF DIRECTORS

At December 31, 2020, the members of the Board of Directors were as follows:

(*) Positions held in foreign companies or institutions.
Companies in bold are listed companies (French and non-French).

Jean Mouton, Chairman of the Board of Directors

- Chairman of the Board of Directors of Nexans
- First elected as a director: May 15, 2019
- Appointed as Chairman of the Board of Directors: May 15, 2019
- Expiration of current term: 2023 Annual Shareholders' Meeting
- Number of shares held: 10,550
- 64 years old, French nationality
- Address: 4 Allée de l'Arche, 92400 Courbevoie, France

Expertise/Experience

Jean Mouton was Senior Partner and Managing Director of the Boston Consulting Group (BCG) until April 30, 2019, and then Senior Advisor until April 30, 2020. Since joining the BCG in 1982, Jean has worked extensively, primarily France and in Italy, in a wide range of industrial sectors, including energy, industrial goods and infrastructure. He has partnered with global companies to redefine their strategies and organization and has supported numerous clients through mergers and acquisitions. Prior to joining BCG, Jean worked for Vinci in the Middle East. He is a member of the Supervisory Board of Aéroports de la Côte d'Azur (ACA) and of the Audit Committee of the ARC Foundation (NGO cancer research); he is also Chairman of Stelmax SAS. Jean Mouton is also a member of the AgriFoodTech fund Investment Committee of Praesidium, a private investment office based in London, Luxemburg and Milan. Jean is a graduate engineer from the École Supérieure des Travaux Publics and holds an MBA from the University of Chicago.

Directorships and positions held during 2020 (and still in force at the year-end)

- Member of the Audit Committee of the ARC Foundation
- Member of the Supervisory Board of the Hermione Academy Foundation and of ACA (Aéroports de la Côte d'Azur)
- Chairman of Stelmax SAS
- Member of the AgriFoodTech fund Investment Committee of Praesidium

Directorships that have expired in the last five years

- Senior Partner of the Boston Consulting Group
- Censor of **Nexans** (from February 14, 2019 to May 15, 2019)

Angéline Afanoukoé, director representing employees

- Nexans Head of Institution Relations
- First elected as a director: October 11, 2017
- Expiration of current term: 2021 Annual Shareholders' Meeting
- Member of the Compensation Committee
- Number of shares held: 250
- Number of corporate mutual fund units invested in Nexans shares: 1,032
- 50 years old, French nationality
- Address: 4 Allée de l'Arche, 92400 Courbevoie, France

Expertise/Experience

Angéline Afanoukoé is Nexans Head of Institution Relations, having been Head of External Affairs between 2017 and 2019. In this role, Angéline is in charge of improving the Group's visibility and enhancing the brand image among Nexans stakeholders by managing the Group's media relations as well as its external and institutional communications on a global scale.

From 2001, Angéline was in charge of communications with individual and employee shareholders within the Investor Relations department, before taking over the Group's press relations activities in 2012. Angéline first joined the financial department of the Metallurgy division of Alcatel Cables and Components in 1998. She started her career in 1991, working in small and medium-sized companies in the sales and events sector.

Angéline holds a Master's in International Business (Master 1) from University Paris V René Descartes as well as a Certified European Financial Analyst (CEFA) certificate from Société Française des Analystes Financiers (SFAF). She has also completed the Company Director certificate program run jointly by Sciences-Po and Institut Français des Administrateurs (IFA), the French institute of company directors.

Directorships and positions held during 2020 (and still in force at the year-end)

- None

Directorships that have expired in the last five years

- None

Jane Basson, independent director

- Chief of Staff to the Chief Operating Officer and Head of People Empowerment in Operations of Airbus
- First elected as a director: May 13, 2020
- Expiration of current term: 2024 Annual Shareholders' Meeting
- Member of the Appointments and Corporate Governance Committee
- Member of the Compensation Committee
- Member of the Strategy and Sustainable Development Committee
- Number of shares held: 500
- 51 years old, French and South African nationality
- Address: 2 rond-point Emile Dewoitine, BP90112 - 31703 Blagnac, France

Expertise/Experience

Jane Basson is Chief of Staff to the Chief Operating Officer of Airbus and Head of People Empowerment in Operations. She also chairs Balance for Business, a 10,000 strong employee-led inclusion and diversity platform at Airbus.

Jane worked for various law firms and the Business and Industry Advisory Committee to the OECD in Paris before joining Airbus in 2000. She held various roles in Corporate Communications before being appointed Vice President Internal Communications in 2003. In 2008 she joined Human Resources to develop a culture change program in support of the company's business transformation strategy Power8 and was appointed Senior Vice President Leadership Development & Culture Change for the Group in June 2012 when she set up the Airbus Leadership University. From 2016 to 2019 she became Chief of Staff to the CEO.

Jane has a degree in International Communications, Journalism and Business Administration. Originally from South Africa, Jane has French nationality and lives in Toulouse, France with her husband and daughter.

Directorships and positions held during 2020 (and still in force at the year-end)

- None

Directorships that have expired in the last five years

- Censor of **Nexans** (from February 19, 2020 to May 13, 2020)

Bpifrance Participations (represented by Anne-Sophie Hérelle)

- Managing Director, member of Bpifrance Capital Développement Executive Management Committee
- First elected as a director: May 15, 2019
- Expiration of current term: 2023 Annual Shareholders' Meeting
- Member of the Accounts, Audit and Risk Committee
- Member of the Strategy and Sustainable Development Committee
- Member of the Appointments and Corporate Governance Committee
- Member of the Compensation Committee
- Number of shares held by Bpifrance Participations: 3,363,546
- 40 years old, French nationality
- Address: 6-8 boulevard Haussmann, 75009 Paris, France

Expertise/Experience

Anne-Sophie Hérelle has been a Managing director and member of Bpifrance Capital Développement Executive Committee since 2017. Anne Sophie began her career working in mergers and acquisitions at JPMorgan London in 2003 before joining Fonds Stratégique d'Investissement (FSI) (which subsequently became Bpifrance Investissement) as Investment Director when it was set up in 2009. Anne-Sophie Hérelle represents Bpifrance on the boards of the companies listed below.

Directorships and positions held during 2020 (and still in force at the year-end)

- Bpifrance representative on the boards of Total Eren, Galileo Global Education and Bastide
- Censor on the Board of CMA CGM

Directorships positions that have expired in the last five years

- Bpifrance's representative on the boards of Cegedim, Medipole, Novasep and NGE
- Censor of Quadran (now known as Total Quadran)

Marie-Cécile de Fougières, director representing employee shareholders

- Industry & Solutions Europe Customer Service Manager for EPCs[1] and Operators at Nexans
- First elected as a director: May 12, 2016
- Expiration of current term: 2021 Annual Shareholders' Meeting
- Number of shares held: 960
- Number of corporate mutual fund units invested in Nexans shares: 2,532
- 50 years old, French nationality
- Address: 4 Allée de l'Arche, 92400 Courbevoie, France

Expertise/Experience

Marie-Cécile de Fougières began her career in 1996 in the logistics department of a leading sports retailer. In 1999, she joined the Nexans Group where she has held both on-site operations positions as well as corporate head-office posts in management control/finance, IT, project management, and logistics and supply chain management, both in France and abroad. After helping the project managers implement the Group's strategic transformation projects, she was appointed as Industry & Solutions Europe Customer Service Manager EPCs[1] and Operators on February 1, 2018. She holds a Master's in Fundamental Physics and is also a graduate from Lyon Management School where she studied financial and management control for the industrial sector - a program that was run in conjunction with the École Centrale de Lyon.

Directorships and positions held during 2020 (and still in force at the year-end)

- Member of the Supervisory Board of FCPE Nexans Plus 2016 (corporate mutual fund)

Directorships that have expired in the last five years

- None

(1) EPC = Engineering, Procurement and Consulting.

Marc Grynberg, independent director

- Chief Executive Officer of Umicore
- First elected as a director: May 11, 2017
- Expiration of current term: 2021 Annual Shareholders' Meeting
- Member of the Strategy and Sustainable Development Committee
- Member of the Transformation Committee (until January 22, 2020)
- Number of shares held: 500
- 55 years old, Belgian nationality
- Address: Rue du Marais 31, 1000 Brussels, Belgium

Expertise/Experience

Marc Grynberg was appointed Chief Executive Officer of Umicore in November 2008. He was head of the Group's Automotive Catalysts business unit from 2006 to 2008 and served as Umicore's CFO from 2000 until 2006. He joined Umicore in 1996 as Group Controller. Marc holds a Commercial Engineering degree from the University of Brussels (École de Commerce Solvay) and, prior to joining Umicore, worked for DuPont de Nemours in Brussels and Geneva.

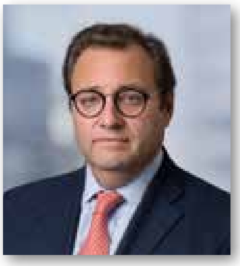
Directorships and positions held during 2020 (and still in force at the year-end)

- Chief Executive Officer of **Umicore***
- Other positions held within the **Umicore*** group
  - Chairman of the Supervisory Board of Umicore Management AG (Germany)*
  - Chairman of the board of directors of Umicore Poland Sp. z.o.o.*, Umicore Japan KK*, Umicore Marketing Services Korea Co., Ltd*
  - Director of Umicore Marketing Services (Hong Kong) Ltd*
  - Chief Executive Officer of Umicore Korea Ltd*

Directorships that have expired in the last five years

- Censor of **Nexans** (from January 18, 2017 to May 11, 2017)
- Director of Umicore International (Luxembourg)*

Oscar Hasbún Martinez, director proposed by Invexans Limited (UK) (Quiñenco group)



- Chief Executive Officer of CSAV (Compañia Sud Americana de Vapores S.A.)
- First elected as a director: May 15, 2019
- Expiration of current term: 2023 Annual Shareholders' Meeting
- Chairman of the Strategy and Sustainable Development Committee
- Member of the Transformation Committee until January 22, 2020
- Number of shares held: 500
- 51 years old, Chilean nationality
- Address: Hendaya 60, piso 14, Las Condes, Santiago, Chile

Expertise/Experience

Oscar Hasbún Martínez is Chief Executive Officer of CSAV (Compañia Sud Americana de Vapores S.A.) and Deputy Vice-Chairman of the Supervisory Board of Hapag-Lloyd AG and a member of its audit and finance committee. From 1998 to 2002, he was Managing Director and member of the Executive Board of the Chilean subsidiary of Michelin. He then joined the Quiñenco Group, where he was in charge of its investments in Croatia. In 2011, he was appointed CEO of CSAV, where he oversaw the shipping company's transformation, restructuring and subsequent merger with Hapag-Lloyd AG. Oscar has a degree in business administration from Universidad Católica du Chile.

Directorships and positions held during 2020 (and still in force at the year-end)

- Positions held within Quiñenco group companies:
  - Chief Executive Officer of **CSAV* (Compañía Sud Americana de Vapores S.A.)**
  - Member of the Supervisory Board and Deputy Vice-Chairman of the Supervisory Board of **Hapag Lloyd AG***
  - Chairman of the Board of Directors of **SM SAAM* (Sociedad Matriz SAAM S.A.)**, a listed company investing in Ports, Tug Boats and Logistics in America
  - Director of **Invexans SA***, SAAM S.A.*, SAAM Logistics S.A.*, Florida International Terminal LLC*, Sociedad Portuaria de Caldera (SPC) S.A.*, Sociedad Portuaria Granelera de Caldera (SPGC) S.A.*, Iquique Terminal Internacional S.A.*, San Antonio Terminal Internacional S.A.*, San Vicente Terminal Internacional S.A.*
  - Advisor of SOFOFA* (professional non-profit federation of Chilean industry and trade unions)

Directorships that have expired in the last five years

- Censor of **Nexans** (from May 17, 2018 to May 15, 2019)

Sylvie Jéhanno, independent director

- Chairwoman and Chief Executive Officer of Dalkia
- First elected as a director: May 13, 2020
- Expiration of current term: 2024 Annual Shareholders' Meeting
- Member of the Accounts, Audit and Risk Committee
- Member of the Appointments and Corporate Governance Committee
- Member of the Compensation Committee
- Number of shares held: 495
- 51 years old, French nationality
- Address: Tour Europe, 33 place des Corolles, 92400 Courbevoie, France

Expertise/Experience

Sylvie Jéhanno was appointed Chief Executive Officer of Dalkia in January 2017, and Chairwoman and Chief Executive Officer in January 2018. Dalkia, a leader in energy services with the development of local renewable energies and energy efficiency, is a subsidiary of the EDF Group.

Sylvie Jéhanno began her career at EDF as manager of an operations unit. She then became manager of a customer relations center and, after that, of a marketing team in charge of preparing the deregulation of energy markets. In 2005, she was appointed B2B Marketing Director before taking charge of EDF's Key Accounts Department in 2007. From the end of 2011 to the end of 2016, she was EDF's Director of Residential Customers Division and led the SOWEE innovation project.

Sylvie Jéhanno is a graduate of Ecole Polytechnique and Ecole des Mines de Paris. She is Vice-Chairwoman of the National Strategic Committee for the "New Energy Systems" industries.

Directorships and positions held during 2020 (and still in force at the year-end)

- Chairwoman and Chief Executive Officer of Dalkia
- Chairwoman of Dalkia Wastenergy, a wholly-owned Dalkia subsidiary
- Director of EDF Energy* (an English subsidiary wholly-owned by EDF) and EDF Energy Services* (JV EDF Energy/Dalkia)
- Member of the Supervisory Board of Segula Technologies

Directorships that have expired in the last five years

- Censor of **Nexans** (from March 6, 2020 to May 13, 2020)
- Chairwoman of CRAM (a Dalkia subsidiary)
- Chairwoman of CHAM, SOWEE and EDEV Téléservices (Edelia) (all wholly-owned EDF subsidiaries)
- Chairwoman of Domofinance (JV BNP-Paribas/EDF)
- Director of Edison* (Italian subsidiary of EDF)

Anne Lebel, Lead Independent Director

- Chief Human Resources Officer of the Capgemini Group and member of the Executive Board
- First elected as a director: May 17, 2018
- Expiration of current term: 2022 Annual Shareholders' Meeting
- Chair of the Appointments and Corporate Governance Committee
- Chair of the Compensation Committee
- Number of shares held: 500
- 55 years old, French nationality
- Address: 11, rue de Tilsitt, 75017 Paris, France

Expertise/Experience

Anne Lebel has been Chief Human Resources Officer of the Capgemini Group since July 20, 2020. She is also a member of Capgemini's Executive Board. She began her career in 1987 at Bossard Consultants as an organization and change management consultant. In 1997, Anne joined Schering Plough France as Human Resources and Training Manager for France and later headed up HR Organization and Development in Europe. In 2004, she joined Serono France as Head of Human Resources in France. In 2008, Anne moved to Allianz Global Corporate & Specialty where she was appointed Head of Human Resources for France, Italy and Spain, and later for Europe and Asia, before becoming Global Head of Human Resources between 2012 and 2016. Anne Lebel joined Natixis in 2016 as Chief Human Resources Officer and a member of Natixis' Senior Management Committee. In 2019, she also took over as Natixis' Corporate Culture Officer. Anne Lebel is a graduate of the Institute of Political Studies in Strasbourg and holds a postgraduate diploma in Business Management and Administration (DESS CAAE) from the Institut d'Administration des Entreprises graduate school of management in Paris.

Directorships and positions held during 2020 (and still in force at the year-end)

- None

Directorships that have expired in the last five years

- Director of Natixis Assurances
- Censor of **Nexans** (from November 22, 2017 to May 17, 2018)

Andrónico Luksic Craig, director proposed by Invexans Limited (UK) (Quiñenco group)

- Chairman of the Board of Directors of Quiñenco
- First elected as a director: May 14, 2013
- Expiration of current term: 2021 Annual Shareholders' Meeting
- Number of shares held: 6,740
- 66 years old, Chilean nationality
- Address: Enrique Foster Sur 20, piso 15, Las Condes, Santiago, Chile

Expertise/Experience

Andrónico Luksic Craig is Chairman of the Board of Directors of Quiñenco, one of the main conglomerates in Chile, and has been a member of the Board of Directors since 1978. He holds several offices within the companies of the Quiñenco group, including Banco de Chile, one of the main financial institutions in Chile, where he has served as Vice Chairman of the Board of Directors since 2002. Also, within the Quiñenco group, he is Chairman of the Board of Directors of LQ Inversiones Financieras, Chairman of the Management Board of Compañia Cervecerías Unidas (CCU), Vice Chairman of the Board of Directors of Compañia Sudamericana de Vapores (CSAV) and a member of the Board of Directors of Antofagasta Minerals, Antofagata Plc and Invexans.

Outside the Quiñenco group, Andrónico Luksic Craig has non-executive duties within Barrick Gold as a member of the International Advisory Board. He is also an active member of several leading organizations and advisory boards, both in Chile and internationally, including the International Business Leaders' Advisory Council of the municipality of Shanghai, the International Advisory Councils of the Brookings Institution and the China Investment Corporation (CIC), as well as the Advisory Board of the Panama Canal Authority. Andrónico Luksic Craig is extremely committed to education. He is involved in managing the educational foundation that he helped to create and takes part in advisory committees for Columbia and Harvard Universities, MIT, the University of Oxford, Tsinghua University, Fudan University and Babson College.

Directorships and positions held during 2020 (and still in force at the year-end)

- Chairman of the Board of Directors of **Quiñenco S.A.***
- Positions held within Quiñenco group companies:
  - Vice-Chairman of the Board of Directors of **Banco de Chile*** and **CSAV*** (Compañia Sudamericana de Vapores S.A.)
  - Chairman of the Board of Directors of LQ Inversiones Financieras* and **CCU*** (Compañia Cervecerías Unidas S.A.) (and its wholly-owned subsidiaries CCU Chile*, CCU Argentina*, ECUSA*, Central Cervecera Colombia SAS* and Zona Franca Central Cervecera SAS*)
  - Director of **Invexans SA***
- Positions held in other companies
  - Chairman of the Board of Directors of the Impulso Initial Foundation*
  - Vice-Chairman of the Board of Directors of the Amparo y Justicia Foundation* and the Luksic Scholars Foundation*
  - Director of Antofagasta Minerals SA* and **Antofagasta Plc***
- Member of the International Business Leaders' Advisory Council of the municipality of Shanghai*
- Member of the International Advisory Board of **Barrick Gold***, the International Advisory Council of the Brookings Institution*, the International Advisory Council of the China Investment Corporation* (CIC), the Advisory Board of the Panama Canal Authority* and the Chairman's International Advisory Council in the Council of the Americas*
- Member of the Global Advisory Council of Harvard University*, the Latin American Advisory Board of Harvard Business School*, the World Projects Council of Columbia University*, the International Advisory Board of the Blavatnik School of Government* at the University of Oxford, and the Advisory Boards of the School of Economics and Management at Tsinghua University* in Beijing and of the School of Management at Fudan University* in Shanghai
- Member of the Americas Executive Board at the MIT Sloan School of Management*
- Emeritus Trustee of Babson College*

Directorships that have expired in the last five years

- Director of **Tech Pack SA*** and SM Chile*
- Member of the APEC Business Advisory Council* (ABAC)
- Member of the Chilean Federation of Manufacturers - SOFOFA* (Sociedad de Fomento Fabril) and the Chile-Pacific Foundation*
- Advisor to the Board of Directors of Inversiones Rio Argenta* (the parent company of Enex*)

Bjørn Erik Nyborg, director representing employees

- Responsible for warehouse consumables at Nexans' Halden plant in Norway
- First elected as a director: October 15, 2020
- Expiration of current term: 2024 Annual Shareholders' Meeting
- Number of shares held: 0
- 44 years old, Norwegian nationality
- Address: Knivsøvn 70, 1788 Halden, Norway

Expertise/Experience

Bjørn Erik Nyborg joined Nexans in November 2005 as an operator working shifts on the paper insulation line in the Submarine & Land Systems (SLS) Business Group. Since 2019, he has been responsible for Warehouse Consumables at the Halden plant in Norway.

Bjørn Erik Nyborg was a deputy member of the Board of Directors of Nexans Norway from 2014 to 2019. He represented the Norwegian workers in NEWCO from 2016 to 2020. He was also a deputy member on an external Board, OK Industri, which is responsible for educating apprentices in one of Norway's regions, from 2014 to 2019.

Bjørn Erik Nyborg joined the local union in 2005. He became full-time deputy leader of the union in 2013. During his time as union leader, Bjørn Erik Nyborg covered many aspects of union duties such as revising local agreements and negotiating salaries both at local and at national level, and dealing with individual employee legal cases.

Directorships and positions held during 2020 (and still in force at the year-end)

- None

Directorships that have expired in the last five years

- Deputy member of the Board of Directors of Nexans Norway*
- Deputy member of the Board of Directors of OK Industri*

Francisco Pérez Mackenna, director proposed by Invexans Limited (UK) (Quiñenco group)

- Chief Executive Officer of Quiñenco
- First elected as a director: May 31, 2011
- Expiration of current term: 2021 Annual Shareholders' Meeting
- Member of the Accounts, Audit and Risk Committee
- Member of the Appointments and Corporate Governance Committee
- Member of the Compensation Committee
- Member of the Strategy and Sustainable Development Committee
- Number of shares held: 500
- 62 years old, Chilean nationality
- Address: Enrique Foster Sur 20, piso 14, Las Condes, Santiago, Chile

Expertise/Experience

Francisco Pérez Mackenna has served as Chief Executive Officer of the Chilean company Quiñenco S.A since 1998. He is also a director of a number of Quiñenco group companies, including Banco de Chile, Tech Pack, CCU (Compañía Cervecerías Unidas S.A.), CSAV (Compañía Sud Americana de Vapores), SM SAAM (Sociedad Matriz SAAM S.A.) and Enex (Empresa Nacional de Energía Enex S.A.). Before joining Quiñenco, between 1991 and 1998, Francisco Pérez Mackenna was Chief Executive Officer of CCU. He is also on the advisory boards of the Booth School of Business at the University of Chicago (United States). Francisco Pérez Mackenna teaches at the Catholic University of Chile.

Directorships and positions held during 2020 (and still in force at the year-end)

- Chief Executive Officer of **Quiñenco S.A.***
- Chairman of the Boards of Directors of the following Quiñenco group companies: **CSAV* (Compañia Sud Americana de Vapores S.A.)**, ENEX* (Empresa Nacional de Energía Enex S.A.), **Invexans S.A.***, Invexans Ltd* and **Tech Pack S.A.***
- Director of the following Quiñenco group companies: **Banco de Chile*, CCU* (Compañia Cervecerías Unidas S.A.)** (and various wholly-owned subsidiaries) and **SM SAAM* (Sociedad Matriz Sudamericana Agencias Aéreas y Marítimas S.A.)** (and various subsidiaries)
- Member of the Supervisory Board of **Hapag-Lloyd AG***, a Quiñenco group company

Directorships that have expired in the last five years

- Director of Banchile Corredores de Bolsa*
- Director of the subsidiary of Quiñenco Hidrosur*

Hubert Porte, independent director

- Founding Partner and CEO of Ecus Capital
- First elected as a director: November 10, 2011
- Expiration of current term: 2023 Annual Shareholders' Meeting
- Member of the Accounts, Audit and Risk Committee
- Number of shares held: 571
- 56 years old, French nationality
- Address: Enrique Foster Norte 0115, 5th floor, Las Condes, Santiago, Chile

Expertise/Experience

Hubert Porte is Founding Partner and CEO of the private equity firm Ecus Capital, which was founded in 2004 and invests in Chile through private equity funds. He is a director of the Chilean companies AMA Time and Loginsa S.A. He is also managing partner of Latin American Asset Management Advisors and of Ecus Investment Advisors, which distribute AXA Investment Managers' mutual funds for the Chilean, Peruvian and Colombian institutional markets, and of COMGEST, representing USD 2 billion worth of investments.

Directorships and positions held during 2020 (and still in force at the year-end)

- The following positions in Chilean companies whose financial investments are managed by Ecus Capital*:
  - Director of AMA Time* (agri-food company)
  - Director of Loginsa* (logistics company)
  - Managing Partner of Latin America Asset Management Advisors* (asset management firm)

Directorships that have expired in the last five years

- Executive Chairman of Ecus Administradora General de Fondos S.A.* (private equity firm)
- Director of **Invexans S.A.*** (Quiñenco group), Vitamina S.A.* and Tabali S.A.*
- Director of Plastic Omnium S.A. Chile*

Kathleen Wantz-O'Rourke, independent director

- Keolis Group Executive Director, Finance & Legal
- First elected as a director: May 12, 2016
- Expiration of current term: 2024 Annual Shareholders' Meeting
- Chair of the Accounts, Audit and Risk Committee
- Number of shares held: 500
- 55 years old, French and Australian nationalities
- Address: 20, rue Le Peletier, 75009 Paris, France

Expertise/Experience

Kathleen Wantz-O'Rourke was appointed Keolis Group Executive Director Finance & Legal in April 2018. From November 1, 2019 to February 1, 2020 and from June 2, 2020 to August 23, 2020, she also acted as interim Chair of the Keolis Group Management Board. Before joining Keolis, she was Group Senior Vice-President Operations & Performance at AKKA Technologies and between 2012 and 2016, she was Group Performance & Transformation and Corporate Finance Director at Engie. Between 1984 and 2012, she held various positions within the Siemens group, in finance, business development and general management in large regional companies.

Directorships and positions held during 2020 (and still in force at the year-end)

- Member of the Board of Directors of Keolis SA
- Member of the Board of Directors of the Trust Management Institute (TMI)*
- Positions held within the Keolis Group: Director of Transpole and the following Australian companies: Keolis Downer Pty Ltd*, KDR Gold Coast Pty Ltd*, and KDR Victoria Pty*.
- Member of the Board of Directors of AEIHFI, an association for students and past students of France's *Institut de Haute Finance*

Directorships that have expired in the last five years

- Chair of the Management Board of Keolis Group SAS
- Chair and Chief Executive Officer of Keolis SA
- Director of Storengy (Engie group)
- Member of the Supervisory Board of Compagnie Nationale du Rhône
- Censor of **Nexans** (from November 24, 2015 to May 12, 2016

2.3.1.2. INDEPENDENCE

The characterization of the independence of Nexans' directors is discussed by the Appointments and Corporate Governance Committee and reviewed by the Board of Directors each year, prior to the preparation of the report on corporate governance, and whenever a new director is appointed.

On February 16, 2021, the Board of Directors examined the individual status of each of its members in light of the independence criteria defined by recommendation 9.4 of the AFEP-MEDEF Code and noted the following situation at December 31, 2020:

- The following directors qualify as independent: (1) Jean Mouton, (2) Marc Grynberg, (3) Hubert Porte, (4) Anne Lebel, (5) Jane Basson (6) Sylvie Jéhanno and (7) Kathleen Wantz-O'Rourke.

  - **Marc Grynberg** is Chief Executive Officer of Umicore. The Board of Directors deemed him independent given the absence of any significant business relationship between Nexans and Umicore in 2020.

  - **Anne Lebel** is Chief Human Resources Officer and Group Executive Board Member of Capgemini, which provides services to Nexans. The Board of Directors has reviewed the business relationships between Capgemini and Nexans, taking into account both quantitative and qualitative criteria. In 2020, Capgemini's net income from its business with Nexans accounted for less than 0.01% of its total net income. The relationship between Nexans and Capgemini is not significant for Capgemini. Capgemini is one of the suppliers with which Nexans works regularly, it being specified that a competitive bidding procedure automatically takes place between the various suppliers for each project or contract, in accordance with the Nexans Group procurement policy. The Board of Directors does not consider this business relationship to be significant for the purpose of the independence criteria.
    The Board also took into account other criteria such as the length and continuity of the relationship between the two companies – which existed long before Anne Lebel was appointed as director of Nexans or Chief Human Resources Officer of Capgemini – and the duties carried out by her within Capgemini, which do not give her direct decision-making power over the agreements that constitute the business relationship between Nexans and Capgemini. She does not receive any compensation in relation to any agreements or business relationships that may exist between Nexans and Capgemini.
    The Board of Directors therefore concluded that Anne Lebel qualified as an Independent Director in the absence of any major business relationships between Nexans and Capgemini.
    In addition, to maintain her character of independence, Anne Lebel has undertaken not to participate in (i) the preparation or solicitation of offers of Capgemini services from Nexans or any Group company, (ii) the services provided by Capgemini and (iii) any votes on matters discussed by the Board of Directors of Nexans relating to projects in which Capgemini would or could be interested as a service provider.

  - **Jane Basson** is Senior Vice President Strategic Projects Operations at Airbus, a Nexans Group client. The Board of Directors has examined the business relationships between Nexans and Airbus, using both quantitative and qualitative criteria.
    In 2020, Nexans Group generated less than 0.1% of its revenue through direct sales to Airbus and less than 1% of its revenue through indirect sales to various Airbus subcontractors. As a result, the Board of Directors does not consider the business relationship to be significant for the purpose of the independence criteria.
    The Board also took into account other criteria such as the length and continuity of the relationship between the two companies as it is a longstanding relationship dating back prior to Jane Basson's appointment as director. The Board also took into consideration Jane Basson's duties as Senior Vice President Strategic Projects Operations at Airbus. This position does not give her direct decision-making power over the commercial agreements or projects that correspond to the business relationship between Nexans and Airbus. She does not receive any compensation in relation to any agreements, connections or business relationships that may exist between Nexans and Airbus.
    Lastly, to maintain her character of independence, Jane Basson has undertaken not to participate in (i) the preparation of projects or contracts to be entered into by Airbus or any company in the Airbus Group or by its subcontractors with Nexans or a Nexans Group company, (ii) the work performed by Airbus under a contract signed with Nexans or any Nexans Group company and (iii) any votes on matters discussed by the Board of Directors of Nexans relating to projects in which Airbus would or could be directly or indirectly interested, as a client.

  - **Sylvie Jéhanno** is Chairwoman and Chief Executive Officer of Dalkia, a Nexans Group supplier. The Board of Directors has examined the business relationships between Nexans and Dalkia using both quantitative and qualitative criteria. In 2020, Dalkia's revenue from its business with Nexans accounted for less than 0.03% of its total revenue. The relationship between Nexans and Dalkia is not significant for Dalkia. In the interests of information and transparency, the revenue generated by the Nexans Group through its business with the EDF group, to which Dalkia belongs, was less than 1% of Nexans' revenue at non-ferrous metal prices in 2020. Dalkia is one of the suppliers Nexans

works with regularly, it being specified that a competitive bidding procedure automatically takes place between the various suppliers for each project or contract, in accordance with the Nexans Group procurement policy. The Board of Directors does not consider this business relationship to be significant for the purpose of the independence criteria.
The Board also took into account other criteria such as the length and continuity of the relationship between the two companies as it is a longstanding relationship dating back prior to Sylvie Jéhanno's appointment as director.
Lastly, to maintain her character of independence, Sylvie Jéhanno has undertaken not to participate in (i) the preparation or solicitation of offers of Dalkia's services from Nexans or any Nexans Group company, (ii) the work performed by Dalkia under a contract or project with Nexans or any Nexans Group company and (iii) any votes on matters discussed by the Board of Directors of Nexans relating to projects in which Dalkia is or could be interested as a supplier.

- **Hubert Porte** has been a Nexans director since November 10, 2011. He was appointed and his term of office was renewed, upon a recommendation of Nexans' main shareholder, Invexans, while he was one of Invexans' directors (Chile). In this context, the Board of Directors decided to qualify Hubert Porte as a non-independent director.
  On January 28, 2019, Hubert Porte resigned as Invexans director. Under these conditions, Invexans Limited (UK) decided not to request the renewal of Hubert Porte's term of office with Nexans, which expired on the date of the 2019 Annual Shareholders' Meeting. Nonetheless, the Board of Directors decided to propose the renewal of Hubert Porte's term of office as director at Nexans' 2019 Annual Shareholders' Meeting and reviewed his situation with regard to Invexans commitment.
  Under this related-party commitment: "a person shall be deemed independent from Invexans, and/or its related Persons and/or its controlling shareholder provided it is not an employee or executive director of Invexans, or an employee or director of its parent or a company that Invexans consolidates, and not having been such a position for the previous five years".
  Hubert Porte fulfils the conditions of independence from Invexans pursuant to this commitment since he is neither an employee nor an executive director of Invexans, nor a director of Quiñenco, the parent company of Invexans, or of a company that Invexans consolidates, and has not been so for the previous five years.
  Moreover, the Annual Shareholders' Meeting of May 15, 2019 renewed Hubert Porte's term of office as an independent director.
  Therefore, the Board of Directors considers Hubert Porte as an independent director as from January 29, 2019.

- **Kathleen Wantz-O'Rourke** is Executive Director, Finance & Legal of Keolis Group. The Board of Directors deemed her independent given the absence of any significant business relationship between Nexans and Keolis in 2020.

- The following directors do not qualify as independent: (1) Oscar Hasbún Martinez, (2) Andrónico Luksic Craig, and (3) Francisco Pérez Mackenna, as these three directors were proposed by the main shareholder, Invexans Limited (UK) (Quiñenco group); (4) Bpifrance Participations which owns 7.71% of Nexans' share capital and voting rights; (5) Marie-Cécile de Fougières, (6) Angéline Afanoukoé and (7) Bjørn Erik Nyborg, as employees of the Group.

At December 31, 2020, seven of Nexans' eleven directors were therefore independent, representing an independence rate of more than 63.6%[1]. This exceeds the proportion of 50% recommended by the AFEP-MEDEF Corporate Governance Code for widely held companies.

(1) Independence rate calculated without counting the directors representing employees and employee shareholders, in accordance with Recommendation 9.3 of the AFEP-MEDEF Code.

The following table summarizes the situation of each director with regard to the independence criteria set out in Recommendation 9 of the AFEP-MEDEF Code, as of December 31, 2020:

Criterion	Employee or executive officer over the past five years	Cross-directorships	Significant business ties	Family ties	Statutory Auditors	Term of office less than 12 years	Status of significant shareholder
Jean Mouton							
Angéline Afanoukoé	√						
Jane Basson							
Bpifrance Participations							√
Marie-Cécile de Fougières	√						
Marc Grynberg							
Oscar Hasbún Martinez							√
Sylvié Jéhanno							
Anne Lebel							
Andrónico Luksic Craig							√
Bjørn Erik Nyborg	√						
Francisco Pérez Mackenna							√
Hubert Porte							
Kathleen Wantz-O'Rourke							

2.3.2. OPERATION AND WORK OF THE BOARD OF DIRECTORS

2.3.2.1. INTERNAL REGULATIONS, CODE OF ETHICS, DECISIONS RESERVED FOR THE BOARD, THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER

Internal Regulations

The Board of Directors adopted Internal Regulations in 2003. Their purpose is to supplement legal and regulatory rules and the Company's bylaws by setting out detailed operating procedures for the Board and its Committees and the duties of directors, particularly in light of the corporate governance principles contained in the AFEP MEDEF Code, which serves as the Company's reference framework. The Internal Regulations include a Code of Ethics and a procedure for designating a permanent representative of a legal entity director. They are published in their entirety on the Company's website and updated on a regular basis (and most recently on December 17, 2020).

Board decisions

The Board's Internal Regulations stipulate that, in addition to the cases set out in applicable legal provisions, some decisions require prior approval from the Board, in particular the following deals/plans:

(i) Any merger, acquisition, divestment or other industrial or finance projects with a unit value of more than 50 million euros (enterprise value for mergers, acquisitions or divestments).
(ii) Opening the capital of a subsidiary through a joint venture or initial public offering amounting to an inflow of more than 25 million euros.
(iii) Any transaction or plan representing diversification outside the Group's lines of business irrespective of its value.

The Board of Directors also reviews the principal basis for significant internal restructuring plans at the Group level, subject to any consultation procedures required by law and without prejudice to decisions relating to the entities that may be concerned.

Role and powers of the Chairman of the Board of Directors

The Internal Regulations set out the role and powers of the Chairman of the Board of Directors. The Chairman represents the Board and, except under special circumstances, is the only person with the power to act and communicate on behalf of the Board.

He organizes and oversees the Board of Directors' work and ensures that the management bodies operate efficiently and in accordance with principles of good governance. He coordinates the work of the Board of Directors and that of the Committees.

The Chairman ensures that the directors are able to fulfill their duties and that they have all the information that they need to accomplish these duties.

The Chairman is kept regularly informed by the Chief Executive Officer of significant events or situations within the Group, particularly as regards strategy, organization, major investment and divestment projects, and major financial transactions. He may ask the Chief Executive Officer for any information that could help the Board of Directors and its Committees fulfill their duties.

He may ask to meet with the Statutory Auditors in order to prepare the Board of Directors' work. He monitors, in conjunction with the Accounts, Audit and Risk Committee, the efficiency of the internal audit system and the access to the work of the Internal Audit Department and can, on behalf of the Board of Directors and after having informed the Chief Executive Officer and the Chairman of the Accounts, Audit and Risk Committee, ask the Internal Audit Department for specific studies. He reports on his findings to the Committee. He also follows, in conjunction with the Accounts, Audit and Risk Committee, the financing of the Group and the risk management process. He monitors with the Strategy and Sustainable Development Committee, the progress of annual updates and the execution of strategic plans and ensures that the short-, middle- and long-term objectives of the different stakeholders are being taken into account.

The Chairman also takes part in some of the Appointments, Compensation, and Corporate Governance Committee's work. In particular, he takes part in the Board of Directors' appraisal of its operating procedures, in the work on the composition of the Board and of its Committees, and in the selection process and preliminary review of the appointment of new directors.

The Chairman may participate, with consultative input, in all meetings of the Board's Committees of which he is not a member and may consult the Committees on any question within their scope of responsibility. In particular, he may consult the Appointments and Corporate Governance Committee on governance matters and the Accounts, Audit and Risk Committee on matters relating to internal audit and internal control.

Management structure

The Chief Executive Officer is responsible for the executive management of the Company. He has the broadest powers to act under any circumstances on behalf of the Company subject to the powers granted by law to the Board of Directors and Shareholders' Meetings, and the Company's own corporate governance rules.

He represents the Company and can bind the Company in its relations with third parties.

He is responsible for the financial information disclosed by the Company and regularly presents the Group's results and prospects to its shareholders and the financial community.

He reports to the Board of Directors and particularly the Chairman on significant events within the Group.

Role and powers of the Lead Independent Director

The Board of Directors may appoint, upon a recommendation of the Appointments and Corporate Governance Committee, a "Lead Independent Director", chosen from among the directors qualified as independent.

The Lead Independent Director is appointed for the duration of his or her term of office as director. The Board of Directors may terminate such assignment at any time.

The duties of the Lead Independent Director are as follows:

- Conduct meetings of independent directors and inform the Chairman of the Board of Directors of the outcome when the latter is not independent;
- Be the point of contact for independent directors;
- In conjunction with the Chairman, review Board meeting agendas and propose additional items;
- At any time, ask the Chairman to convene a meeting of the Board on a predetermined agenda and chair meetings in his absence;
- Perform any other duties that the Board of Directors may entrust to him or her;
- Report on his or her activity and action to the General Shareholders' Meeting.

The Lead Independent Director may be assisted by the Secretary of the Board in carrying out his or her duties.

Other provisions of the Internal Regulations and Code of Ethics

The Board's Internal Regulations also cover:

- information provided to the directors;
- the internal regulations of the Board Committees;
- the directors Ethics Charter, including a procedure for preventing conflicts of interest.

Nexans has also adopted a Group-wide insider trading policy whereby executives or any person with access to non-public information are required to refrain from trading, either directly or indirectly, in Nexans securities. The policy also includes a simplified calendar of additional recommended non-trading periods.

2.3.2.2. BOARD MEETINGS IN 2020

Board meetings are convened in accordance with applicable laws, the bylaws and the Internal Regulations of the Board.

The Board met 15 times in 2020, sometimes without the presence of the Chief Executive Officer and/or internal directors, with an average annual attendance rate of 87.2%. The number of meetings attended by each Board member in 2020 is indicated in the table below:

Director/Censor	Number of meetings attended[1]
Jean Mouton	15
Angéline Afanoukoé	15
Jane Basson	8[2]
Marie-Cécile de Fougières	13
Marc Grynberg	11
Oscar Hasbún Martinez	15
Anne -Sophie Hérelle (Bpifrance Participations)	14
Sylvie Jéhanno	10[3]
Anne Lebel	12
Fanny Letier	8[2]
Colette Lewiner	8[2]
Andrónico Luksic Craig	6
Bjørn Erik Nyborg	2[2]
Francisco Pérez Mackenna	14
Hubert Porte	15
Kathleen Wantz-O'Rourke	13

(1) Out of 15 meetings, of which seven meetings set in advance and eight special meetings on specific topics.
(2) i.e., 100% of meetings held during the director's term of office.
(3) i.e., 86% of meetings held during the director's term of office.

As stipulated in the Internal Regulations, prior to each meeting, Board members are sent details, via the Board's digital platform, about any agenda items that require particular analysis and prior reflection.

The main topics discussed by the Board during its meetings in 2020 were as follows:

Monitoring the Group's key strategic orientations and activities	■ Review of the Equity story and the strategic initiatives; review of strategic options and planned disposals and acquisitions; authorization of disposals, acquisitions and investments ■ Several updates on initiatives undertaken in the context of the Covid-19 crisis ■ Review of business performance ■ Presentation on B&T Northern ■ The Group's Corporate Social Responsibility policy, priorities, actions, performance and risks; CSR scorecard; Non-Financial Performance Statement; Duty of Care Plan; activities of the Nexans Foundation ■ Review of the Corporate Social Responsibility program and Climate Day
The Group's financial position, cash position and commitments	■ 2020 and 2021 budgets ■ Approval of the parent company and consolidated financial statements for the year ended December 31, 2019 and the six months ended June 30, 2020 ■ Adoption of the management report on the operations and results of the Nexans Group and its parent company ■ Adoption of the interim activity report ■ Review of quarterly earnings and interim and annual prospects ■ Review of press releases including on the annual and interim consolidated financial statements ■ Approval of the Company's report relating to financial planning
Compliance and internal control	■ Review of the Compliance Program, risk management, internal control and internal audit – Review of cybersecurity, anti-bribery, Board members' and executives' insurance policies ■ Notice of the Annual Shareholders' Meeting, drafting of the resolutions and the reports to be presented to the Meeting ■ Annual authorization to issue sureties, endorsements and guarantees ■ Procedure for evaluating agreements relating to routine agreements entered into under arm's length conditions (Article L 225-39 of the French Commercial Code). ■ Authorization of related-party agreements and review of related-party agreements and commitments ■ Proposed reappointment of Mazars as Statutory Auditor ■ Duty of Care Plan ■ Continued information on the legislative and regulatory environment
Management compensation	■ Setting of 2020 compensation of the Chairman and the Chief Executive Officer and review of the objectives for the Chief Executive Officer's variable compensation for 2020 ■ Review of the performance and the variable compensation of the Chief Executive Officer for 2019 ■ Recent initiatives in relation to the reduction in the compensation of the Chief Executive Officer, members of the Board of Directors and management as a gesture of solidarity and social cohesion ■ Directors' compensation ■ Issue of performance share and free share plans for 2020 ■ Determination that the performance conditions of the long-term compensation plans had been met – Specific conditions applicable to the Chief Executive Officer ■ Review of publicly available information about the compensation of executive directors
Corporate governance	■ Changes to the Board's Internal Regulations ■ Succession plans for corporate officers ■ Self-assessment in 2019 of the composition, organization and operation of the Board and its Committees and the related actions to be deployed. Monitoring of the action plan ■ Launch (end-2020) of an annual self-assessment of the Board ■ Adoption of the diversity policy within the Board of Directors and the management bodies ■ Adoption of the Board's Report on Corporate Governance ■ Directors' terms of office to be proposed at the 2020 Annual Shareholders' Meeting ■ Proposed processes for designating the director representing employee shareholders ■ Proposed creation of two Committees, one in charge of compensation, the other in charge of appointments and corporate governance, to replace the former Appointments, Compensation and Corporate Governance Committee: draft of the Board of Directors' Internal Regulations at May 13, 2020, modification of the compensation policy for 2020, modification of the comply or explain rules in the report on corporate governance ■ Membership of Committees ■ Characterization of the independence of Board members and censors ■ Appointment of two censors ■ Proposed modification of the age limit of the Chairman of the Board in the bylaws ■ Review of press releases concerning changes in governance
Market transactions	■ Capital reduction via cancellation of treasury shares ■ Employee share issue carried out under the ACT 2020 international employee share ownership plan - Adoption of the additional report

Presentations are also proposed to the Board of Directors on a regular basis by the various managers in charge of the Business Groups and functional departments. In late September 2020, the directors attended a two-day strategy seminar in France, in the Paris area.

In June 2020, the Board made use of the ability to take decisions through written consultation of its members, for the first time, pursuant to Article 13 of the Company's bylaws. The Board of Directors thus authorized the Chief Executive Officer to grant a guarantee.

In July 2020, the independent directors also held a meeting chaired by the Lead Independent Director where they discussed how the Board of Directors works together with opportunities for moving Nexans corporate governance forward.

Lastly, at the initiative of the Chairman of the Board of Directors, a first executive session was organized and chaired by the Lead Independent Director in January 2021, without the presence of the Chief Executive Officer and the members of management. The purpose of this session was to improve the operating procedures of the Board and support management with key issues. The Chairman of the Board of Directors proposed holding two executive sessions of this type each year.

Four members of the Board of Directors took part in the Nexans ESG Day in Paris on November 18, 2020 (see section 4.1.1 "Relations with stakeholders" of this Universal Registration Document).

2.3.2.3. THE BOARD COMMITTEES

In July 2001, the Board of Directors set up the Accounts and Audit Committee (renamed the Accounts, Audit and Risk Committee in January 2019) and the Appointments and Compensation Committee, whose purview was extended in 2012 to cover corporate governance. This committee was split into two separate Committees in May 2020: the Appointments and Corporate Governance Committee and the Compensation Committee. Starting in 2013, the Board also put in place a Strategy Committee, whose purview was extended in 2015 to cover sustainable development.

The Board of Directors' Internal Regulations, which are regularly updated, set out the rules relating to these Committees' membership structure, roles and responsibilities, and operating procedures, which comply with legal requirements and the recommendations of the AFEP-MEDEF Code.

Accounts, Audit and Risk Committee

At December 31, 2020, the Accounts, Audit and Risk Committee comprised the following five members, who are all non-executive directors:

Kathleen Wantz-O'Rourke	Chair
Bpifrance Participations (represented by Anne-Sophie Hérelle)	Member
Sylvie Jéhanno	Member
Francisco Pérez Mackenna	Member
Hubert Porte	Member

The independence rate of this committee, as assessed on the basis of the annual review of director independence conducted in early 2021, was 60%, taking into account the characterization of Francisco Pérez Mackenna and Bpifrance Participations as non-independent directors (see section 2.1.4 on the application of the AFEP MEDEF Code). The Accounts, Audit and Risk Committee is chaired by an independent director.

60% of the members of the Accounts, Audit and Risk Committee have training and experience in finance, accounting or audit that comply with the obligations laid down in paragraph 2 of Article L.823-19 of the French Commercial Code, which require the appointment of at least one committee member with financial, accounting or audit expertise:

- Kathleen Wantz-O'Rourke, in view of the range of financial positions she has held at Siemens, Engie and Keolis.
- Anne-Sophie Hérelle, in view of the various financial positions she has held at J.P. Morgan and Bpifrance.
- Hubert Porte, in view of his experience in private equity and asset management, especially as Executive Chairman of Ecus Private Equity and Managing Partner of Latin America Asset Management Advisors.

For the implementation of the assignments of the Accounts, Audit and Risk Committee, the Company applies the recommendations of the Final Report on Audit Committees published by the French Financial Markets Authority (AMF) on July 22, 2010 and the government order dated March 17, 2016 on statutory audits.

The main roles and responsibilities of the Accounts, Audit and Risk Committee are described in the Board of Directors' Internal Regulations which are available on the Group's website.

Pursuant to Article 13 of the bylaws, the Chair of the Accounts, Audit and Risk Committee can convene a Board meeting and set the agenda.

In the course of its work, the Accounts, Audit and Risk Committee may request to meet with any member of the Finance Department and the Statutory Auditors, including without the presence of the Company's Executive Management. Presentations are made to the Committee once a year by the Head of Risk Management, the Compliance Officer and the Ethics Correspondent. The Committee can also seek the advice of external specialists.
The Accounts, Audit and Risk Committee reports to the Board of Directors and is under its responsibility.

The Accounts, Audit and Risk Committee met five times in 2020. The meetings were also attended by the Chief Financial Officer, the Head of Internal Audit and Internal Control and the Secretary General, and as needed by Statutory Auditors, the Head of

Consolidation, and the Head of Financial Control. Presentations were also made by the Head of Risk Management, the Compliance Officer and the Ethics Correspondent.

The total average attendance rate of the members was 100%, as shown in the following table:

Director	Number of meetings attended
Kathleen Wantz-O'Rourke	5
Bpifrance Participations (represented by Anne-Sophie Hérelle)	2[1]
Sylvie Jéhanno	2[1]
Francisco Pérez Mackenna	5
Hubert Porte	5

(1) i.e., 100% of meetings held during the director's term of office.

In 2020, the issues discussed by the Committee included:

Financial information	▪ Review of annual and interim consolidated financial statements ▪ Press releases on annual and interim results ▪ Reviewing and monitoring investments and reorganization costs ▪ Monitoring the Group's liquidity and financing ▪ Updates on the pandemic and accounting treatment of the financial impact of Covid-19
Internal audit, internal control, risk management and compliance	▪ Review of internal audit and internal control ▪ Review of the "Risk factors and risk management within the Group" and "Trends and outlook" section of the Management Report ▪ Review of the "Risks and uncertainties" section of the interim activity report ▪ Presentation and review of the risk management program; risk mapping process; risks connected to Information Systems ▪ Reviewing and monitoring the compliance program ▪ Presentation by the Ethics Correspondent of reported and potential ethics violations
Statutory Auditors	▪ Presentation by the Statutory Auditors on their work ▪ Monitoring of the services provided by the Statutory Auditors and authorization of non-audit services

Appointments and Corporate Governance Committee

At the end of 2020, the Appointments and Corporate Governance Committee comprised the following five members, who are all non-executive directors:

Anne Lebel	Chair
Bpifrance Participations (represented by Anne-Sophie Hérelle)	Member
Jane Basson	Member
Sylvie Jéhanno	Member
Francisco Pérez Mackenna	Member

On the basis of the annual review of the characterization of independence of directors conducted in February 2021, the proportion of independent members on the Appointments and Corporate Governance Committee amounted to 60%, taking into account the characterization of Francisco Pérez Mackenna and Bpifrance Participations as non-independent directors. The Appointments and Corporate Governance Committee is chaired by the Lead Independent Director.

The main roles and responsibilities of the Appointments and Corporate Governance Committee are described in the Board of Directors' Internal Regulations which are available on the Group's website.

Pursuant to Article 13 of the Company's bylaws, the Chair of the Appointments and Corporate Governance Committee can convene a Board meeting and set the agenda.

During 2020, the Appointments and Corporate Governance Committee met six times (including four meetings as the Appointments, Compensation and Corporate Governance Committee) with a total average attendance rate of 92%[1], as shown in the following table:

Director	Nombre de séances
Anne Lebel	6
Bpifrance Participations (represented by Anne-Sophie Hérelle)	4
Jane Basson	2[1]
Sylvie Jéhanno	3[1]
Fanny Letier	3[1]
Colette Lewiner	4[1]
Francisco Pérez Mackenna	6

(1) i.e., 100% of meetings held during the director's term of office.

During 2020, the Committee particularly focused on the following matters:

Appointments	■ Review of terms of office expiring at the Annual Shareholders' Meeting, proposed re-election and appointment of new directors ■ Work on the composition of the Board and its Committees ■ Proposed appointment of censors ■ Executive Committee succession plan ■ Board of Directors' and management body diversity policy
Corporate governance	■ Characterization of the independence of Board members ■ Results of an assessment of the Board for 2019 and action plan to be implemented following this assessment ■ Launch of the Board's self-assessment for 2020 and action plan to be implemented following this assessment ■ Review of the Report of the Board of Directors on Corporate Governance ■ Review of the Committee's 2020 work program

Compensation Committee

At the end of 2020 the Compensation Committee had six members, who are all non-executive directors:

Anne Lebel	Chair
Angéline Afanoukoé, director representing employees	Member
Bpifrance Participations (represented by Anne-Sophie Hérelle)	Member
Jane Basson	Member
Sylvie Jéhanno	Member
Francisco Pérez Mackenna	Member

On the basis of the annual review of the characterization of independence of directors conducted in February 2021, the proportion of independent members on the Compensation Committee amounted to 60%, taking into account the characterization of Francisco Pérez Mackenna and Bpifrance Participations as non-independent directors[1]. The Compensation Committee is chaired by the Lead Independent Director.

The main roles and responsibilities of the Compensation Committee are described in the Board of Directors' Internal Regulations which are available on the Group's website.

Pursuant to Article 13 of the Company's bylaws, the Chair of the Compensation Committee can convene a Board meeting and set the agenda.

(1) Independence rate calculated without counting the directors representing employees and employee shareholders, in accordance with Recommendation 9.3 of the AFEP-MEDEF Code.

During 2020, the Compensation Committee met eight times (including four meetings as the Appointments, Compensation and Corporate Governance Committee) with a total average attendance rate of 92.7%, as shown in the following table:

Director	Number of meetings attended
Anne Lebel	8
Angéline Afanoukoé	2[1]
Bpifrance Participations (represented by Anne-Sophie Hérelle)	6
Jane Basson	4[1]
Sylvie Jéhanno	4[1]
Fanny Letier	3[1]
Colette Lewiner	4[1]
Francisco Pérez Mackenna	8

(1) i.e., 100% of meetings held during the committee member's term of office.

During the year, the Committee particularly focused on the following matters:

Compensation	■ Compensation policy for executive directors for 2020 ■ Compensation policy for corporate officers for 2020 ■ Variable portion of the Chief Executive Officer's compensation for 2019 ■ 2020 compensation of the Chairman of the Board of Directors and the Chief Executive Officer ■ 2020 Long-Term Compensation Plan ■ Review of publicly-available information about the compensation of executive directors ■ Draft report on the resolutions submitted to the 2020 Annual Shareholders' Meeting ("say-on-pay") ■ International employee share ownership plan ("Act 2020")

Strategy and Sustainable Development Committee

At the end of 2020, the Strategy and Sustainable Development Committee had five members, who are all non-executive directors:

Oscar Hasbún Martinez	Chairman
Jane Basson	Member
Bpifrance Participations (represented by Anne-Sophie Hérelle)	Member
Marc Grynberg	Member
Francisco Pérez Mackenna	Member

The roles and responsibilities of the Strategy and Sustainable Development Committee are described in the Board of Directors' Internal Regulations, which are available on the Group's website. On the basis of the annual review of the characterization of independence of directors conducted in early 2020, the proportion of independent members on the Strategy and Sustainable Development Committee amounted to 40% taking into account the characterization of Oscar Hasbún Martinez, Francisco Pérez Mackenna and Bpifrance Participations as non-independent directors.

During 2020, the Strategy and Sustainable Development Committee met nine times with an attendance rate of 94.4%.

Director	Number of meetings attended
Oscar Hasbún Martinez	9
Jane Basson	5[1]
Marc Grynberg	6
Colette Lewiner	4[1]
Bpifrance Participations (represented by Anne-Sophie Hérelle)	9
Francisco Pérez Mackenna	9

(1) i.e., 100% of meetings held during the director's term of office as Committee member.

The Committee focused in particular on reviewing the strategic plan and its implementation timeline; business portfolio management; several strategic options and acquisition projects; the Group Corporate Social Responsibility policies, priorities, actions, risks and performance; the CSR scorecard; the Non-Financial Performance Statement and the Duty of Care Plan. The Committee also reviewed the activities of the Nexans Foundation. Presentations were made to it by several senior managers from the Group and by external consultants. The Corporate Vice President Strategy and M&A acted as Committee Secretary.

2.3.2.4. DIRECTORS' TRAINING

Directors receive all information necessary to complete their duties upon taking office and may request any documents they deem useful. They meet the main representatives from the functional departments or Business Groups and can visit the Group's manufacturing sites. In 2020, Anne-Sophie Hérelle, Jane Basson and Sylvie Jéhanno visited the Draveil industrial site in the Paris area. The new directors also met several members of the Executive Committee by videoconference. During the Board's self-assessment at the end of 2020, the directors indicated that the induction program was very satisfactory.

The Board's Internal Regulations stipulate that each director may benefit from additional training, should it be deemed necessary, on specific Company operating procedures, its businesses or business sector.

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. This Handbook is updated regularly.

Each time the Board meets, a review of permanent information is proposed to the directors by the Secretary of the Board with regard to legal and regulatory developments applicable to the Company.

2.3.2.5. ASSESSMENT OF THE BOARD OF DIRECTORS

The Board of Directors' annual assessment covers its operating procedures, composition and organization. This appraisal assesses 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.

The Board's assessment is conducted annually in one of two ways. Either a detailed questionnaire is sent to each director, and the Appointments and Corporate Governance Committee then reviews a synthesis of the results that is reviewed at a Board meeting; or individual interviews are held by specialized consulting firms without the presence of representatives from the Company. The various recommendations for improvement that emerge from these appraisals are discussed by the Appointments and Corporate Governance Committee and the Board of Directors and those selected are implemented and monitored by means of an action plan.

An assessment based on a detailed online questionnaire was carried out at the end of 2020. Among the strengths that emerged from the findings of this assessment, the members of the Board of Directors emphasized the constant improvement over the previous year, an excellent appreciation of the roles of the Chairman of the Board of Directors, the Chief Executive Officer and the Lead Independent Director, the quality of debates and the quality of material submitted to Board members, as well as the exceptional management of the Covid crisis and satisfactory progress in terms of risk and compliance management.

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.

In order to promote continuous improvement, an assessment of each director's individual contribution was performed on the basis of individual interviews held by the Chairman of the Board and the Lead Independent Director.

2.3.3. ADDITIONAL INFORMATION

To the best of the Company's knowledge, there are no family relationships between Nexans' corporate officers, or any service contracts between any of the Board members and the Company or any of its subsidiaries, with the exception of the employment contracts of the directors representing employee shareholders and the directors representing employees.

Also, to the best of the Company's knowledge, during the past five years none of its corporate officers:

- have been convicted of fraud;
- have been involved in any bankruptcies, receiverships or liquidations;
- have been the subject of any official public sanctions by any statutory or regulatory authority;
- have been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from participating in the management or conduct of the affairs of an issuer.

In addition, certain Board members or executive directors serve as corporate officers and/or senior managers for companies that may enter into contractual agreements with companies of the Nexans Group for commercial transactions (e.g., customers). Any such contracts are negotiated and signed under arm's length conditions.

On February 19, 2020, the Board of Directors adopted an internal procedure for reviewing and qualifying routine agreements signed under arm's length conditions. Under this procedure, the Accounting Department regularly assesses the terms and conditions of the agreements signed by the Company relating to routine operations performed under arm's length conditions. The people directly or indirectly concerned by these agreements do not participate in this assessment.

The Company is not aware of any possible conflicts of interest between the directors and executives' duties towards Nexans and their private interests and/or any of their other obligations.

Apart from this undertaking and any related-party agreements and commitments approved in advance by the Board, including the Board practice of proposing to the shareholders at the Annual Shareholders' Meeting directors proposed by the two major shareholders, no agreements or arrangements have been entered into with the Company's main shareholders, customers, suppliers or other parties concerning the appointment of a Nexans director or executive.

2.3.4. CORPORATE GOVERNANCE CODE

For corporate governance matters, Nexans refers to the AFEP-MEDEF Code, as amended in January 2020. It is available on the MEDEF website (www.medef.com) and the AFEP website (www.afep.com).

The Company's practices are in line with the recommendations contained in the AFEP-MEDEF Code, with the exception for 2020 of the following recommendation:

	Recommendation in the AFEP-MEDEF Code	The Company's practices and explanations
§ 16.1	Independent Directors must make up at least two-thirds of the Audit Committee	The Accounts, Audit and Risk Committee has three independent members out of five, i.e., 60%, given the presence of each of the two main shareholders. The Board of Directors is unable to modify this composition in the short term, but any future changes will involve an increase in the proportion of independent directors until the 2/3 threshold is met. In any event, the Accounts, Audit and Risk Committee does not comprise any executive officers and is chaired by an independent director. It operates independently of the Group management. As described by the AMF in its 2020 report on corporate governance and executive compensation in listed companies (paragraph 6.1, page 74) "The Haut Comité de Gouvernement d'Entreprise considers that an audit committee containing, for example, three independent members out of five remains in compliance with the spirit of the Code provided that it is chaired by an independent director." "The Haut Comité de Gouvernement d'Entreprise considers that 60% of independent members on the audit committee does not represent a serious deviation."

2.4. Transactions in the Company's securities by corporate officers and senior managers

In accordance with the disclosure requirements in Article 223-26 of the AMF General Regulations, transactions in the Company's securities carried out and disclosed to the AMF during fiscal 2020 by the corporate officers and senior managers referred to in Article L.621-18-2 of the French Monetary and Financial Code *(Code monétaire et financier)* are listed in the following table.

	Date of transaction	Type of transaction	Financial instrument	Number *(of corporate mutual fund units or shares)*	Total gross amount *(in euros)*
Guérin Christopher Chief Executive Officer	02/21/2020	Purchase	Shares	1,650	€78,507.00
Mouton Jean Chairman of the Board of Directors	02/21/2020	Purchase	Shares	2,000	€94,881.80
Hasbún Martinez Oscar Director	02/28/2020	Purchase	Shares	500	€20,510.30
Guérin Christopher Chief Executive Officer	03/09/2020	Purchase	Shares	1,771	€64,482.11
Luksic Craig Andrónico Director	03/26/2020	Purchase	Shares	3,240	€91,121.76
Sylvie Jéhanno Director	05/18/2020	Purchase	Shares	108	€3,888.00
Guérin Christopher Chief Executive Officer	07/27/2020	Purchase	Shares	1,866	€0.00 (1)
Sylvie Jéhanno Director	08/10/2020	Purchase	Shares	375	€17,250.00
Sylvie Jéhanno Director	08/17/2020	Purchase	Shares	5	€240.00
Sylvie Jéhanno Director	08/25/2020	Purchase	Shares	7	€325.50

(1) Shares granted under the Compensation Plan no. 18A of July 27, 2018 (see section 2.5.4.3. for more information on the plan conditions).

Pursuant to Article 11 of the Company's bylaws, all directors - except the directors representing employees - must own at least 10 shares. This principle is respected by all directors. Furthermore, the Directors' Charter appended to the Board of Directors' Internal Regulations recommends that each Board member should own at least 500 shares.

2.5. Compensation and benefits

2.5.1. COMPENSATION POLICY FOR DIRECTORS AND EXECUTIVE DIRECTORS FOR 2021

The compensation policy for corporate officers for 2021 was decided by the Board of Directors at its meeting of February 16, 2021, based on the recommendation of the Compensation Committee. In accordance with Article L.22-10-8 of the French Commercial Code, the policy presented in this section will be submitted for approval to the 2021 Annual Shareholders' Meeting.

2.5.1.1. DIRECTORS' COMPENSATION POLICY

At December 31, 2020 the Company's Board of Directors comprised 14 members. The aggregate annual amount of compensation for Board members was set at 650,000 euros at the Annual Shareholders' Meeting held on May 15, 2012, effective from the fiscal year that commenced on January 1, 2012, and has remained unchanged since that date.

The methods for determining and allocating the directors' compensation is approved by the Board of Directors and only reviewed in the event of a change in the conditions and organization of the work performed by the Board of Directors and its committees.

These methods generally include the calculation of a fixed portion and a predominant variable portion based on the directors' attendance at Board meetings and their membership of Committees.

Since January 1, 2017, the rules for allocating directors' compensation are as follows. Each director receives:

- fixed compensation of 13,000 euros per year;
- compensation of 3,000 euros for each Board meeting attended, capped at an aggregate 21,000 euros per year;
- if they are a member of a Board Committee (other than the Committee Chairman), compensation of 3,000 euros per Committee meeting attended, capped at an aggregate 18,000 euros per year;
- if they are the Chairman of a Board Committee, compensation of 6,000 euros per Committee meeting attended, capped at an aggregate 36,000 euros per year.

When the meeting of the Appointments and Corporate Governance Committee and the Compensation Committee are held on the same day, the members of the Compensation Committee do not receive any compensation in addition to the amount received for the meeting of the Appointments and Corporate Governance Committee. If the meeting of the Compensation Committee is held on a day other than the day of the meeting of the Appointments and Corporate Governance Committee, the members of the Compensation Committee shall be compensated in accordance with the provisions of this paragraph.

The Chairman of the Board does not receive compensation as Board member. His compensation as Chairman of the Board of Directors is detailed in paragraph 2.5.1.2 below. Directors representing employees and employee shareholders do not receive any compensation as directors or Committee members. Similarly, the Lead Independent Director does not receive any compensation for his specific duties.

Censors receive the same amount of compensation as Board members[1].

Non-executive directors do not receive any compensation from the Company or its subsidiaries other than that shown above, apart from directors representing employees and employee shareholders, who receive compensation from the subsidiary that employs them.

2.5.1.2. COMPENSATION POLICY FOR EXECUTIVE DIRECTORS

PRINCIPLES APPLICABLE TO ALL EXECUTIVE DIRECTORS

The work of the Compensation Committee is structured around three to four meetings throughout the year and intermediate preparatory work carried out by the Chair of the Committee. The compensation policy for Nexans' executive directors for fiscal 2021 was examined by the Compensation Committee during four meetings between October 2020 and February 2021, before being proposed to and approved by the Board of Directors.

(1) At December 31, 2020, the Board of Directors did not include any censors.

The Board takes constant care to ensure that the various components that make up the compensation of executive directors result in compensation that is competitive, fair, comprehensible, consistent and performance related. The compensation components of executive directors, whether vested or potential, are made public after the decision of the Board of Directors having determined them.

In accordance with Article L.22-10-8 III of the French Commercial Code, in exceptional circumstances, the Board of Directors may, on the recommendation of the Compensation Committee, adapt certain provisions of the compensation policy in line with the main principles of the compensation policy, provided that this exemption is temporary, in accordance with the corporate interest and necessary to guarantee the sustainability or viability of the Company.

COMPENSATION OF NON-EXECUTIVE OFFICERS

In order to propose the compensation structure for the Chairman of the Board of Directors, the Compensation Committee relied on studies of external consultants indicating market practices for comparable companies. It also takes into account the specific tasks entrusted to the Chairman of the Board as detailed in the Internal Regulations available on the website (www.nexans.com).

The Chairman of the Board receives a fixed annual fee. He does not receive variable compensation. The Chairman of the Board does not receive compensation as member of the Board of Directors.

COMPENSATION OF EXECUTIVE OFFICERS

When the Compensation Committee proposes to the Board the compensation of executive officers, it ensures that the rules applied are consistent with the annual appraisal of the individual performance of the Group's executives as well as the Company's performance. It also takes into account all of the Company's strategic, financial and corporate social responsibility objectives, the interests of shareholders and other stakeholders and any changes to the AFEP-MEDEF Code.

When determining the structure of executive officers' compensation packages, the Committee compares them to the median compensation package of a panel of 13 French and international companies that are comparable to Nexans (Alstom, Arkema, BIC, Imerys, Ingenico, Legrand, Plastic Omnium, Rexel, Group SEB, Somfy, SPIE, Valeo, and Vallourec). The panel is reviewed every few years. It was reviewed in 2020 to take account of mergers and/or acquisitions performed by certain companies on the panel.

The Committee ensures that none of the components of the compensation package is disproportionate and analyzes the compensation package as a whole by taking into account all of its components: fixed compensation, variable compensation, long-term incentive plan, supplementary pension plan and benefits of all kinds. Variable components make up a predominant portion of the compensation paid to executive officers.

Fixed compensation

The fixed compensation package for executive officers is determined by taking into account the level and complexity of their responsibilities, their experience in the position, and market practices for comparable groups and companies. It is only reviewed every three years. However, an early review is possible if the scope of responsibilities changes significantly or the comparison of compensation with the benchmark panel reveals a significant gap.

Annual variable compensation

Executive officers are entitled to annual variable compensation for which the Board of Directors, upon the recommendation of the Compensation Committee, defines each year performance criteria that are diverse, demanding, precise and pre-defined, allowing for a comprehensive performance analysis, aligned with the Company's challenges and strategy and shareholders' interests. The assessment of the performance is based on a balance between predominant collective criteria and individual criteria, both operational and managerial.

The Board of Directors defines the target rate and the maximum rate of annual variable compensation annually as a percentage of the annual fixed compensation. It determines the proportion of collective and individual objectives and the corresponding set of criteria.

Payment of the annual variable compensation due to executive officers is subject to its approval by the Annual Shareholders' Meeting.

Long-term compensation

The Group's long-term compensation policy is part of a global strategy to retain and motivate its employees under competitive market practices and in the interests of the Company and its shareholders. Each long-term incentive plan is subject to prior approval by the Annual Shareholders' Meeting.

Performance shares are valued in accordance with IFRS and must not represent a percentage that is disproportionate to the overall compensation and shares granted to each executive officer.

The Board makes awards each year in periods consistent with prior Company practice, unless a decision with the reasons therefor is provided under special circumstances.

Executive directors who receive performance shares formally undertake not to use hedging instruments during the vesting period.

Executive officers may not sell their vested shares during certain "blackout" periods, in accordance with the applicable legal and regulatory requirements and the Group's "Insider Trading" procedures.

Executive officers who are removed from their position forfeit their right to any shares that have not yet vested on the date of their removal. On retirement, executive officers maintain their rights to performance shares on a pro rata temporis basis unless the Board of Directors decides otherwise with good reason. On departure for other reasons, performance share rights are maintained unless the Board of Directors decides otherwise, upon the recommendation of the Compensation Committee.

Shareholding obligation

In accordance with the law and the procedures adopted periodically by the Board of Directors, executive officers must hold a significant and increasing number of shares.

Executive officers are thus required to hold, in registered form and for as long as they remain in office, one quarter of the performance shares that they acquire at the end of the vesting period. This requirement applies unless the Board of Directors decides otherwise in view of the executive officer's situation and particularly taking into account the objective of holding an increasing number of shares acquired under such plans.

Exceptional compensation

Highly specific circumstances may warrant the award of exceptional compensation to executive officers (e.g., due to their importance for the Company; the involvement they demand and the difficulties they present). The allocation of exceptional remuneration is non-recurring, justified and disclosed by the Board.

Its payment is subject to approval by the Annual Shareholders' Meeting and the amount is capped at 100% of the beneficiary's fixed compensation.

Benefits for taking up a position

Benefits for taking up a position may only be granted to a new executive officer who has come from a company outside the Group. The payment of this benefit is intended to compensate the executive officer for the loss of the entitlements from which he or she previously benefited before joining the Group.

It is explicitly indicated and the amount is made public at the time it is determined. It cannot be higher than the value of the entitlements lost by the new executive officer upon leaving his or her previous position.

Commitments given to executive officers

All commitments given to executive officers are authorized by the Board of Directors and submitted for approval to the Annual Shareholders' Meeting. Details can be found in section 2.5.4.4. of this document.

Termination and non-compete indemnities

In accordance with the AFEP-MEDEF Code, the total termination and non-compete indemnities may not exceed two (2) years' worth of actual compensation (fixed plus variable).

Termination indemnity

The payment to an executive officer of a termination indemnity is conditional upon the acknowledgment by the Board that the performance conditions determined by the Board have been satisfied and can only occur in case of forced departure linked to a change of control or strategy (the latter condition being presumed met unless otherwise decided by the Board of Directors, particularly in the case of serious misconduct).

The termination indemnity must not exceed two (2) years' worth of effective compensation (fixed and variable).

Non-compete indemnity

The Chief Executive Officer has undertaken not to exercise any business that would compete either directly or indirectly with any of the Company's businesses for a period of two years from the end of his term of office as Chief Executive Officer. In return for his undertaking, he will receive a non-compete indemnity which will be paid in 24 equal and successive monthly installments and will not exceed one year of his total fixed and variable compensation. The Board could decide to impose a non-compete obligation on the Chief Executive Officer for a period shorter than two years. In such a case, the non-compete indemnity would be reduced on a *pro rata temporis* basis.

In accordance with Article 24.3 of the AFEP-MEDEF Code, in the event of an executive officer's departure, the Board of Directors will decide whether or not the non-compete agreement entered into with him will apply and will be entitled to cancel it (in which case no non-compete indemnity will be payable).

Moreover, in accordance with Article 24.4 of the AFEP-MEDEF Code, the non-compete indemnity shall not be payable if the executive officer exercises his pension rights. In any event, no indemnity shall be paid beyond the age of 65.

Supplementary pension plan

Executive officers are covered by a supplementary pension plan set up by the Group for certain Senior Executive Vice-Presidents and members of the Executive Committee. This "Article 82" defined contribution pension plan under which contributions are paid to a third party was set up on September 1, 2018.

Annual contributions to the plan paid by the Company correspond to 20% of the beneficiary's total actual annual compensation (fixed plus variable).

Pension and welfare plans and unemployment insurance plan

Executive officers benefit from Group pension and welfare plans (medical, disability, invalidity and death) under the same terms and conditions as Nexans employees.

They have coverage for loss of employment, acquired from an insurance agency, guaranteeing them, in case of an involuntary loss of professional activity, daily indemnities in the amount of 55% of 1/365th of tranches A, B and C of their professional income for the fiscal year preceding their departure, applicable for a 12-month period following the loss of employment.

Benefits-in-kind

Executive officers benefit from the use of a company car.

Other components of compensation

Executive officers do not benefit from multi-annual or deferred variable compensation in cash. The Board of Directors prefers to use a share-based mechanism to strengthen the alignment of the executive officers' interests with those of shareholders. They are also not entitled to any compensation in respect of their term of office as director.

Discontinuance of the employment contract in case of appointment to a corporate office

When a senior executive of the Group becomes Chief Executive Officer, Deputy Chief Executive Officer or Chairman and CEO of the Company, the employment contract with the Company is terminated either contractually or by resignation, unless the Board of Directors decides otherwise with a motivated decision.

2.5.1.3. APPENDIX TO THE COMPENSATION POLICY FOR EXECUTIVE DIRECTORS: COMPONENTS SET FOR 2021

Compensation of the Chairman of the Board of Directors

The fixed annual compensation of Jean Mouton as Chairman of the Board of Directors for 2021 has been set at 250,000 euros. This amount has been unchanged since the Chairman's appointment in May 2019.

Compensation of the Chief Executive Officer

1. Fixed compensation

The Board of Directors set the fixed annual compensation of Christopher Guérin at 750,000 euros at its meeting on February 16, 2021. This fixed annual compensation has remained unchanged since his appointment on July 4, 2018 and is reviewed every 3 years, in compliance with the compensation policy for executive directors.

The Board noted that the fixed compensation of the Chief Executive Officer was lower than the first quartile of a benchmark panel of 13 companies: Alstom, Arkema, Bic, Groupe Seb, Imerys, Ingenico, Legrand, Plastic Omnium, Rexel, Somfy, Spie, Valeo, and Vallourec.

Over the last three years, under Christopher Guerin's leadership, significant framework agreements have been signed, like the exclusive contract signed with Orsted in the USA to supply wind offshore cables for the period from 2021 to 2027 (contractual value of over 1 billion euros). Both the backlog and revenues from strategic customers have steadily increased while overall risk exposure has been mitigated.

Notwithstanding the outbreak of the pandemic, in 2020 Free Cash Flow reached a record level since Nexans' creation in 2001, and now stands at more than 1.8 billion euros.

In the first quarter of 2020, the Group anticipated the impacts of the pandemic by rapidly deploying a series of initiatives including the immediate provision of protective equipment for employees, securing customer deliveries and safeguarding liquidity.

The deployment of SHIFT, the management business turnaround plan designed by Christopher Guerin, has allowed the turnaround of about 98% of the Group's lower performing activities in less than 2 years.

In spite of the severity of the Covid-19 pandemic, Christopher Guérin has taken bold decisions to speed up the Group's transformation by introducing a new long term perspective around Electrification, a new corporate purpose (Electrify the Future), a completely new corporate ambition, and the introduction of new methodologies to accelerate Nexans' carbon neutrality commitment.

Finally, at December 31, 2020 Nexans' share price stood at 60 euros, up from 29.77 euros on the day of his appointment. Nexans' market capitalization has roughly doubled to 2.8 billion euros at the end of 2020.

Taking into account all these considerations, the Board of Directors decided to increase the CEO's fixed annual compensation from 600,000 euros to 750,000 euros to represent 94% of the panel's median (median of 800,000 euros).

The adjustment of his annual fixed compensation will be subject to approval at the 2021 Annual Shareholders' Meeting of the resolution relating to Chief Executive Officer's compensation policy for 2021.

2. Variable compensation

The Board of Directors, at its meeting of February 16, 2021, set the objectives of Christopher Guérin's variable compensation for 2021. The variable compensation may vary based on the achievement of objectives set by the Board of Directors, from 0% to 150% of his fixed annual compensation. The target rate of annual variable compensation represents 100% of the annual fixed compensation. It will be determined based on the fulfillment of collective objectives for 60% and on the achievement of demanding, pre-defined individual objectives for 40%.

The target amounts for the selected objectives are those of the 2021 budget.

The objectives were set as follows:

Collective objectives for 2021

Criteria	Weighting
ROCE	25%
EBITDA	50%
OFCF	25%
TOTAL	**100%**

Free Cash Flow is defined as total cash flow before distribution of dividends and mergers and acquisitions, as reported in the 2021 financial statements published in 2022 (based on net debt).

In the event of a significant change in the Group's reporting structure, the Board may decide to adjust these criteria accordingly.

Individual objectives for 2021

The individual objectives and their respective weighting for 2021 are as follows:

1. 25% - Implementation of the new strategic chapter, as presented to Capital Markets Day on February 17, 2021, first actions to be taken in alignment with electrification refocus; kick-off Shift PRIME transformation program, innovation program AMPLIFY, and related partnerships; related investors relations management; net income 2021: €85 million.

2. 25% - Rollout and oversight of operational efficiency projects, costs monitoring and control (new industrial strategy design, in regards to new strategic chapter, kick-off Industry 4.0 program, IT organization redesign).

3. 25% - Rollout of the new corporate purpose (Electify the Future), implementation and role modelling of new values and behaviors, strategic talent agenda, and diversity policy.

4. 25% - Rollout of the CSR agenda and continuation of the CSR scorecard rollout; related Investors relations management.

These objectives were set in line with the Group's strategy and on the basis of the projected budget reviewed by the Board of Directors on January 21, 2021.

Payment of annual variable compensation will be subject to approval at the 2022 Annual Shareholders' Meeting of the resolution related to the total compensation and benefits of all kinds paid or granted to the Chief Executive Officer for 2021 under Article L.225-100 of the French Commercial Code.

3. Long-term compensation

The Board of Directors, at its meeting of February 16, 2021, set out the performance conditions for the long-term incentive plan.

40% of the performance shares that may be granted to the Chief Executive Officer for 2021 will be subject to a vesting condition based on Nexans' TSR (total shareholder return) as compared with that of a benchmark panel made up of the following nine companies: Belden, Legrand, Leoni, Prysmian, Rexel, ABB, Schneider Electric, NKT Cables, and ZTT.

The Board of Directors may revise the panel during the period if any of the companies cease to exist or merge with another company.

For the period considered, the TSR corresponds to the increase in the share price plus the dividend per share. The increase in the share price is measured by comparing the average opening price for the three months preceding the share grant with the average for the three months preceding the end of the performance assessment period. The dividend per share is the sum of all dividends paid on a (Nexans or panel company) share during the three year performance assessment period.

The resulting TSR will be compared to the TSR of the benchmark panel calculated for the same period, and will result in Nexans being ranked against the panel companies.

40% of the performance shares granted in 2021 will be subject to a financial performance condition based on the amount of Free Cash Flow at end of 2023. In the event of a significant change in the Group's reporting structure, the Board of Directors may decide to adjust the operating margin and capital employed to take account of this change.

20% of the performance shares granted in 2021 will be subject to a performance condition linked to the Group CSR profile as set out in the roadmap for 2021-2023.

For 2021, the shares that may be granted to the Chief Executive Officer are capped by the resolution adopted by the Annual Shareholders' Meeting of May 13, 2020 at no more than 12% of the aggregate number of performance shares granted (i.e., 36,000 shares), corresponding to approximately 0.08% of the Company's share capital at December 31, 2020 (made up of 43,755,627 shares).

The value of the shares granted to the Chief Executive Officer should not exceed, on the grant date, a maximum of 130% of his fixed annual compensation.

2.5.2. DIRECTORS' COMPENSATION FOR 2020

The total compensation and benefits of all kinds paid or allocated to directors and censors for offices held in the course of 2020 was 650,000 euros. The table below shows the allocation between the individual directors and censors for 2020 in comparison with 2019 (in euros).

Board members	Compensation due for and paid in 2019	Compensation due for and paid in 2020
Jean Mouton	6,205[(1)]	-
Georges Chodron de Courcel[(3)]	-	-
Angéline Afanoukoé[(2)]	-	-
Jane Basson	-	54,372
Bpifrance Participations (Anne-Sophie Hérelle)	41,227	69,731
Cyrille Duval[(3)]	34,808	-
Marie-Cécile de Fougières[(4)]	-	-
Marc Grynberg	46,000	47,711
Véronique Guillot-Pelpel[(5)]	22,773	-
Oscar Hasbún Martinez	52,000	64,226
Sylvie Jéhanno	-	45,593
Anne Lebel	64,000	75,236
Fanny Letier[(6)]	46,000	31,860
Colette Lewiner[(7)]	52,000	45,655
Andrónico Luksic Craig	19,000	28,443
Bjørn Erik Nyborg[(2)]	-	-
Francisco Pérez Mackenna	67,000	83,494
Hubert Porte	46,000	44,958
Kathleen Wantz-O'Rourke	52,000	58,721
TOTAL	**549,014**	**650,000**

(1) As censor from February 14, 2019 to May 15, 2019.
(2) Director representing employees.
(3) Director whose term of office expired on May 15, 2019.
(4) Director representing employee shareholders.
(5) Director who resigned from the Board on May 14, 2019.
(6) Director who resigned from the Board on May 12, 2020.
(7) Director whose term of office expired on May 13, 2020.

As a sign of solidarity and social cohesion, the compensation of the members of Nexans Board of Directors and its Chairman was reduced by 30% in April and May 2020.

Pursuant to the strict application of the compensation policy for directors and censors approved by the Annual Shareholders' Meeting of May 13, 2020, the total compensation to be paid to members of the Board of Directors in respect of 2020 exceeded, by over 20,000 euros, the maximum amount of 650,000 euros set by said Meeting, despite the 30% reduction applied for the months of April and May 2020.

This is due to the large number of meetings held in 2020: 15 Board of Directors meetings; 6 meetings of the Appointments and Corporate Governance Committee and 2 additional meetings of the Compensation Committee; 5 meetings of the Accounts, Audit and Risk Committee and nine meetings of the Strategy and Sustainable Development Committee. It was also due to the appointment of two censors who received compensation similar to that of the directors, and which resulted in the number of Board members increasing from 13 to 15 over the period from early March 2020 to the 2020 Annual Shareholders' Meeting. Lastly, the members of the Accounts, Audit and Risk Committee increased from 3 to 5.

Accordingly, the Board of Directors decided to proportionally reduce the 2020 compensation of each of the members of the Board of Directors and the censors in order to reduce the total annual compensation to 650,000 euros.

In 2020, the non-executive corporate officers received no compensation from the Company or its subsidiaries other than the compensation listed above, with the exception of directors representing employees and employee shareholders, who receive compensation from the subsidiary employing them.

2.5.3. COMPENSATION PAYABLE FOR 2020 TO JEAN MOUTON, CHAIRMAN OF THE BOARD OF DIRECTORS

At its meeting of January 27, 2020, the Board of Directors decided that the Chairman of the Board would receive fixed annual compensation of 250,000 euros. This amount was unchanged from his appointment on May 15, 2019. The Chairman of the Board does not receive any additional compensation for his role as director, nor is he entitled to any variable or long-term compensation or to any benefits-in-kind.

As a sign of solidarity and social cohesion, the compensation of the Chairman of Nexans' Board of Directors was reduced by 30% in April and May 2020.

Summary of Jean Mouton's compensation and benefits

	2019	2020
Compensation due for the year as Chairman of the Board of Directors	€92,628	€237,500

Breakdown of Jean Mouton's compensation and benefits

	Amounts due for 2019	Amounts paid in 2019	Amounts due for 2020	Amounts paid in 2020
Fixed compensation	€92,628	€92,628	€237,500	€237,500
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' compensation	-	-	-	-
Benefits-in-kind	-	-	-	-
TOTAL	**€92,628**	**€92,628**	**€237,500**	**€237,500**

2.5.4. COMPENSATION PAYABLE FOR 2020 TO CHRISTOPHER GUÉRIN, CHIEF EXECUTIVE OFFICER

The compensation paid to the Chief Executive Officer comprises a fixed portion and a variable portion linked to the Group's short and medium-term performance. His overall package takes into account the fact that he is a member of a supplementary pension plan and includes the benefits shown in the table below.

Summary of compensation payable to Christopher Guérin, Chief Executive Officer

	2019	2020
Compensation due for the year as Chief Executive Officer	€1,380,657	€1,458,164
Valuation of performance shares granted during the year as Chief Executive Officer(1)	€517,300€	€299,800
Valuation of performance shares vested during the year	€151,195(2)	€84,231

(1) Valued at the time of the performance share grant using the Monte Carlo method.
(2) Valuation at vesting date. Performance shares granted to Christopher Guérin as an employee of the Company, prior to his appointment as Chief Executive Officer on July 4, 2018.

Breakdown of compensation payable to Christopher Guérin, Chief Executive Officer

	Amounts due for 2019	Amounts paid in 2019	Amounts due for 2020	Amounts paid in 2020
Fixed compensation	€600,272	€600,272	€570,000	€570,000
Variable compensation	€776,400	€162,462	€882,360	€776,400
Exceptional compensation	-	-	-	-
Directors' compensation(1)	-	-	-	-
Benefits-in-kind(2)	€3,985	€3,985	€5,804	€5,804
TOTAL	**€1,380,657**	**€766,719**	**€1,458,164**	**€1,352,204**

(1) Christopher Guérin is not a director of Nexans.
(2) Supply of a Company car.

2.5.4.1. FIXED COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

On January 27, 2020, the Board of Directors approved the recommendation of the Compensation Committee and maintained the Chief Executive Officer's fixed compensation at 600,000 euros for 2020.

This amount remains unchanged from when he took up his duties on July 4, 2018.
As a sign of solidarity and social cohesion, the compensation of Nexans' Chief Executive Officer was reduced by 30% in April and May 2020.

2.5.4.2. VARIABLE COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

As decided by the Board of Directors at its meeting on January 27, 2020, the targeted percentage of Christopher Guérin's variable annual compensation for 2020 will represent 100% of his fixed annual compensation, with 60% determined by reference to the achievement of group-based objectives and 40% on the achievement of specific predefined individual objectives. Christopher Guérin's variable compensation for 2020 may vary depending on the achievement levels of the objectives set by the Board of Directors, ranging from 0% to 150% of his fixed annual compensation as Chief Executive Officer.

The Board of Directors set the financial objectives for the group-based portion and their relative weighting as follows:

(1) ROCE: 25%, (2) EBITDA: 50 %, and (3) OFCF: 25%.

On February 16, 2021, the Board of Directors voted on the determination of the amount of Christopher Guérin's variable compensation for 2020 and decided:

- For the portion contingent on group-based objectives, the Board based its calculation on a strict application of the achievement levels for the objectives set for 2020 (ROCE 25%, EBITDA 50% and OFCF 25%).
  - The achievement rate for the ROCE objective was 100% of the maximum, reflecting a strong performance for this indicator compared to the revised budget approved by the Board of Directors in July 2020.
  - The achievement rate for the EBITDA objective was 93.3% of the maximum amount, this indicator having outperformed the revised budget for 2020.
  - The achievement rate for the OFCF objective was 100% of the maximum amount, this indicator also having outperformed the revised budget for 2020.

Based on these figures, the Board of Directors noted that the portion of variable compensation contingent on group-based objectives amounted to 522,360 euros (for a potential maximum potential of 540,000 euros or 96.7% of this amount).

- For the portion contingent on specific, pre-defined individual objectives, the Board assessed the achievement level of the objectives for 2020. After assessing their degree of achievement, the Board of Directors defined them as follows:
  - The achievement rate of "anchoring the transformation change internally, delivering against the transformation plan targets (including Land High Voltage) and achieving net income of 80 million euros adjusted for the CORE exposure impact and FX gains and losses, was 100% of the maximum amount. Net income for 2020 (adjusted for COREX and FX) was 59 million euros in spite of the effect of Covid.
    Regarding internal transformation, SHIFT was launched in 2020 mainly in Europe, Australia and New Zealand. The SHIFT transformation plan was redesigned to safeguard Nexans' liquidity (with results exceeding expectations – FCF generation of 200 million euros for the first six months). The Covid crisis management plan was in place in the first week of March and forced Nexans to rethink its entire management cash model.
  - The achievement rate of "Deploying and overseeing projects to boost operating efficiency and tracking and controlling the related cost (all workstreams, + Charleston Capex deployment project) was 100% of the maximum amount. The Board noted that Game Changers projects were launched and implemented (Brazil, Switzerland, and closure of Chester in the US). A bimonthly follow up of Charleston Capex deployment was implemented (highly complex follow up and implementation due to Covid). An enhanced fixed cost reduction program due to the impact of Covid was launched in April (indirect expenses).
  - The achievement rate of the "Strategic plan update beyond 2021, to prepare the next sequence to be introduced to the market at the Capital Market Day event was 100% of the maximum amount. Due to the Covid crisis, Investor Day was postponed to February 2021; however, an ESG event was organized and 35 investors interviewed for a 2020 perception survey and thanks to Nexans' re-rating, its market capitalization increased. The Board's virtual strategic seminar approved the key strategic decisions and the next Equity Story was presented on February 17, 2021.
  - The achievement rate of "CSR deployment, and the continued deployment of the CSR scorecard" was 100% of the maximum amount, given that the New ESG scorecard was launched and communicated at a dedicated event on November 18, 2020 and webcasted. Nexans integrated the RE100 Club.
  - The achievement rate of "Finalize the assessment of Business Unit leaders and prepare development accordingly. Strengthen the succession plan for the Top Executives. Define a new mission statement, culture and values for the group" was 100% of the maximum amount.
    16 BU leaders were assessed and 9 potential successors were found. Based on the results, specific actions such as training, job rotation or special projects were designed and implemented. The purpose and mission were defined and communicated in November 2020 and the Values were disclosed in February 2021.

Based on these figures, the Board of Directors noted that the portion of variable compensation contingent on individual objectives amounted to 360,000 euros (for a potential maximum of 360,000 euros or 100% of this amount).

The total amount of variable compensation paid to Christopher Guérin as determined by the Board for 2020 was thus 882,360 euros or 98.04% of the maximum amount.

Payment of the Chief Executive Officer's variable compensation is subject to approval by the 2021 Annual Shareholders' Meeting.

2.5.4.3. STOCK OPTIONS AND PERFORMANCE SHARES GRANTED TO CHRISTOPHER GUÉRIN

Stock options granted during the year to the Chief Executive Officer

In accordance with the Group's long-term compensation policy, the Chief Executive Officer did not receive any stock options in 2020. Since 2010, the Company no longer grants any stock options.

Shares granted to Christopher Guérin in 2020

	Plan no. 20 March 17, 2020
Number of shares granted in 2020	Between 0 and 20,000
Value of shares based on the method used in the consolidated financial statements[1]	€299,800
% capital represented by shares granted	0.05%
Vesting date	03/17/2024
End of lock-up period	03/17/2024
Performance conditions	Yes

(1) Valued at the time of the performance share grant using the Monte Carlo method.

In accordance with the Group's long-term compensation policy and the authorization given at the Annual Shareholders' Meeting of May 15, 2019, on March 17, 2020 the Board of Directors approved the recommendation of the Appointments, Compensation and Corporate Governance Committee and adopted a new long-term compensation plan (Plan no. 20). This plan involves grants of performance shares and free shares to the Group key senior managers. Under the plan, the Board granted Christopher Guérin between 0 and 20,000 performance shares as Chief Executive Officer. The vesting of these shares is subject to the achievement of the following three performance conditions, which are applicable to all performance share beneficiaries:

(1) a share performance condition, which applies to 40% of the shares granted and is based on Nexans' TSR (Total Shareholder Return) as compared with that of a benchmark panel made up of the following nine companies: Belden, Legrand, Prysmian, Rexel, ABB, Schneider Electric, Leoni, NKT Cables and ZTT. The Board of Directors may revise the panel during the period if any of the companies cease to exist or merge with another company.
For the period considered, the TSR corresponds to the increase in the share price plus the dividend per share. The increase in the share price is measured by comparing the average opening price for the three months preceding the share grant with the average for the three months preceding the end of the performance assessment period. The dividend per share is the sum of all dividends paid on a (Nexans or panel company) share during the three-year performance assessment period.
The resulting TSR will be compared to the TSR of the benchmark panel calculated for the same period, and will result in Nexans being ranked against the panel companies.

(2) a financial performance condition which applies to 40% of the shares granted and is based on measuring the Free Cash Flow at the end of 2022[1].

(1) Free Cash Flow = total Cash Flow total before dividends and M&A as reported in the Group's 2022 financial statements published in 2023 (based on net debt).

(3) a CSR performance condition will be applied to 20% of the shares granted, which consists of measuring the achievement of the Group CSR profile as set out in the roadmap for 2018-2022:

		KPI	Target 2022
PEOPLE	Workplace safety	Workplace accident frequency rate	<1
	Human capital	Managers with an Individual Development Plan	100%
		Women in management positions	25%
PLANET	Environmental management	Industrial sites certified EHP and/or ISO 14001	97%
	Energy	Energy intensity (268 in 2018)	-3%
	Climate	Reduction of GHG emissions (scopes 1,2 and 3) (versus n-1)	-5%
PRODUCT	Sustainable Products	Total waste recycled	>50%
PARTNERS	Business ethics	Managers having signed the Compliance Certificate	100 %
	Stakeholders	OTIF - 1C	94 %
		Employee engagement index (74% in 2018)	+3

Out of the performance shares granted to the Chief Executive Officer, the number of shares that will actually vest at the end of the vesting period on March 17, 2024 may range between a minimum of 0 and a maximum of 20,000 depending on the attainment of the following applicable performance targets.

Performance achieved by Nexans compared with the TSR benchmark panel	% of shares vested based on this condition
Tier 1 or 2	100%
Tier 3	90%
Tier 4	80%
Tier 5	60%
Tier 6	40%
< Tier 6	0%

Group's Free Cash Flow at end-2022	% of shares vested based on this condition
≥ €215 million	100%
≥ €205 million and < €215 million	90%
≥ €195 million and < €205 million	80%
≥ €185 million and < €195 million	70%
≥ €175 million and < €185 million	60%
≥ €165 million and < €175 million	50%
< €165 million	0%

CSR index achieved at end-2022	% of shares vested based on this condition
≥ 90%	100%
≥ 70% and < 90%	70%
< 70%	0%

Shares vested in 2020

At its meeting on May 13, 2020, the Board of Directors noted that the performance conditions for Plan no. 16 of May 12, 2016 had not been met, with the result that none of the total performance shares originally granted under the plan had vested.

In accordance with the Board's decision of March 20, 2018, approved by the Shareholders' Meeting of May 17, 2018, the Board of Directors has decided to compensate a portion of the loss of accrued pension plan rights defined benefit plans by four former members of the Company Management Board who were no longer beneficiaries.

In this context, the Board meeting of July 25, 2018 decided to grant a total number of 7,461 free shares without conditions of performance or presence to Christopher Guérin as compensation for the rights he had accrued under the defined benefit pension plan from which he benefited as an employee member of the Management Board.

25% of the number of shares thus granted vested fully for Christopher Guérin on July 27, 2020, i.e., 1,866 shares.

2.5.4.4. COMMITMENTS GIVEN TO THE CHIEF EXECUTIVE OFFICER

First appointed as Chief Executive Officer: July 4, 2018

Employment contract	Supplementary pension plan	Indemnities or benefits related to termination or a change in duties	Non-compete indemnity
No	Yes	Yes	Yes

Employment contract

In accordance with the recommendation of the AFEP-MEDEF Code, Christopher Guérin's employment contract was terminated when he was appointed Chief Executive Officer of the Company on July 4, 2018.

Termination benefits

As Chief Executive Officer, Christopher Guérin has received commitments from the Company concerning termination benefits. They were authorized at the Board meeting of July 3, 2018, and ratified at the Annual Shareholders' Meeting held on May 15, 2019.

In accordance with Article 24.5 of the AFEP-MEDEF Code, Christopher Guérin's total termination benefits and non-compete indemnities may not exceed two years' worth of his actual compensation (fixed plus variable) received prior to his departure.

Termination indemnity

As Chief Executive Officer, Christopher Guérin is entitled to a termination indemnity. The termination indemnity will be payable only(1) in the event of a forced departure due to a change of control or strategy (it being specified that this condition will be deemed to be met unless otherwise decided by the Board of Directors, particularly in the case of serious misconduct), and (2) after the Board of Directors has placed on record that the applicable performance conditions have been met, either at the time of, or after the termination or change in the Chief Executive Officer's duties, in accordance with Article L.225-42-1 of the French Commercial Code.

On the recommendation of the Compensation Committee, the Board of Directors decided at its February 16, 2021 meeting to modify the applicable performance conditions. The payment of the indemnity would be subject to an overall rate of achievement of objectives for target annual variable compensation of at least 80% over the three years prior to the date of the forced departure (compared with 60% previously). The Compensation Committee will determine the achievement rate of the applicable performance conditions and submit their findings to the Board for a final decision.

The indemnity will be equal to two years' worth of his total compensation (fixed and variable), i.e., 24 times his most recent monthly compensation (fixed portion) prior to the month of his departure plus an amount equal to his most recent monthly base compensation (fixed portion) multiplied by his most recent nominal bonus rate.

If forced departure takes place before the end of three full years as from the date he took up his position, the indemnity will be equal to one year's worth of his total fixed and variable compensation and the performance condition will be assessed based on the number of full years completed (either one or two years).

The final amount payable in relation to the termination indemnity would be paid in one installment within a maximum of one month after the Board of Directors' assessment of whether the applicable criteria have been met.

In compliance with the compensation policy for executive officers described in section 2.5.2. above, the termination indemnity may not exceed two years of Christopher Guérin's actual compensation (fixed and variable).

Non-compete indemnity

Christopher Guérin has undertaken not to exercise any business that would compete either directly or indirectly with any of the Company's businesses for a period of two years from the end of his term of office as Chief Executive Officer, irrespective of the reason for the termination of his duties.

In return for this undertaking he will receive a non compete indemnity which will be paid in 24 equal and successive monthly installments and will correspond to one year of his total fixed and variable compensation, i.e., 12 times the amount of his most recent monthly compensation (fixed portion) plus an amount equal to his most recent monthly base compensation (fixed portion) multiplied by his most recent nominal bonus rate. The Board of Directors may require Christopher Guérin as Chief Executive Officer to comply with a non-compete obligation for a period of less than two years. In such a case, the non-compete indemnity payable would be reduced on a proportionate basis.

In accordance with Article 24.3 of the AFEP-MEDEF Code (January 2020 version), in the event of Christopher Guérin's departure, the Board of Directors will decide whether or not the non compete agreement entered into with him will apply and will be entitled to cancel it (in which case no non-compete indemnity will be payable).

Moreover, in accordance with Article 24.4 of the AFEP-MEDEF Code, the non-compete indemnity shall not be payable if Christopher Guérin exercises his pension rights.

Supplementary pension plan

On July 3, 2018, in connection with his term of office as Chief Executive Officer, the Board of Directors approved Christopher Guérin's membership of the defined contribution pension plan set up by the Group for certain employees and corporate officers, with effect from September 1, 2018. The annual amounts payable under this defined contribution pension plan are paid exclusively by the Company and are equal to 20% of the Chief Executive Officer's reference compensation, defined as his actual annual fixed and variable compensation. The annual cost of the premiums for the Company was 240,000 euros in 2020.

Pension and welfare plans and unemployment insurance plan

Christopher Guérin is a member of the welfare plan (covering death and disability benefits and medical expenses) set up for the Company's employees. He also has coverage for loss of employment, acquired from an insurance agency, guaranteeing him, in case of an involuntary loss of professional activity, daily indemnities in the amount of 55% of 1/365th of tranches A, B and C of his professional income for the fiscal year preceding his departure, applicable for a 12-month period following the loss of employment. The annual cost of the premiums for the Company was 11,261 euros in 2020.

2.5.5. PAY RATIOS

This information is provided in accordance with the provisions of the Pacte Act of May 22, 2019 and the recommendations of the AFEP-MEDEF Code in its January 2020 version.

Pay ratio between the level of compensation of executive directors and the average and median compensation of the employees of the Company and its subsidiary Nexans France

The ratios below have been calculated on the basis of the fixed and variable compensation paid during the financial years mentioned as well as the free and performance shares vested during the same periods and valued at their fair value. The scope of this information includes employees of Nexans and Nexans France.

	Ratio	2020	2019	2018	2017	2016
Chairman of the Board	Average	4	6	5	5	7
	Median	6	8	7	7	10
Chief Executive Officer	Average	24	23	31	30	39
	Median	34	40	44	42	55

Nexans France employees did not benefit from profit-sharing in 2019. The calculation was based on the target variable compensation of the Chief Executive Officer.

For 2018, the data on the compensation of the two successive Chief Executive Officers (current and former) do not include the free shares granted nor the additional compensation paid in cash, as partial compensation for the rights accrued under their previous defined benefit pension plan.

Pay ratio between the level of compensation of executive directors and the Group's performance

Ratio in %	2020	2019	2018	2017	2016
Sales	0.02	0.02	0.03	0.02	0.03
EBITDA	0.35	0.31	0.51	0.38	0.52

2.5.6. STOCK OPTIONS AND PERFORMANCE SHARES

2.5.6.1. THE GROUP'S LONG-TERM COMPENSATION POLICY

The Group's long-term compensation policy is part of a global strategy aimed at retaining and motivating its executives and employees under competitive market practices. Each long-term compensation plan is put to the vote of shareholders at the Annual Shareholders' Meeting.

The Group's long-term compensation policy is adjusted according to the population concerned. For the Chief Executive Officer, it is based for the 2020 plan on grants of performance shares, which are subject to vesting conditions linked to the Group's economic value added (the value created in excess of the weighted average cost of capital), overall CSR performance and comparative stock market performance. The stock market performance condition consists of measuring Nexans' TSR (total shareholder return) over a three-year period compared with that of a benchmark panel. The financial performance conditions apply consistently to all executives who receive performance shares, as do the conditions relating to vesting, continued employment and holding periods.

Senior executives (except for the Chief Executive Officer) also receive a long-term incentive bonus calculated by reference to the Group's performance over a three-year period.

Performance shares granted to executive officers will only vest if the Compensation Committee notes that the performance conditions set by the Board at the grant date have been met.

Performance shares are valued in accordance with IFRS and must not represent a percentage that is disproportionate to the overall compensation and shares granted to each executive officer.

In addition, for each performance share grant, the Board ensures that the grants made to executive officers do not represent an excessive proportion of the total number of shares granted. The Board therefore capped the shares granted to the Chief Executive Officer for 2020 at 12% of the aggregate number of performance shares granted, or 0.08% of the Company's share capital at December 31, 2020 (made up of 43,755,627 shares).

The Board makes awards each year at periods consistent with prior Company practice, unless a decision with the reasons therefor is provided under special circumstances.

Executive directors who receive performance shares formally undertake not to use hedging instruments during the vesting period.

Executive officers may not sell their vested shares during certain "blackout" periods, in accordance with the applicable legal and regulatory requirements and the Group "Insider dealing" procedures.

The Board of Directors has set at 15,000 the minimum number of shares that Christopher Guérin is required to hold in his capacity as Chief Executive Officer, and decided that these shares may come from the vesting of performance shares granted to him.

2.5.6.2. STOCK OPTIONS

Summary of stock option plans

Since 2010, the Company no longer grants any stock options.

There were no outstanding stock option plans at December 31, 2020.

Shares purchased in 2020 following the exercise of stock options by the ten employees exercising the most options (excluding corporate officers)

None.

2.5.6.3. PERFORMANCE SHARES AND RESTRICTED (FREE) SHARES

History of free share plans and performance share plans

At its meeting on May 13, 2020, the Board of Directors noted that the performance conditions for Plan no. 16 of May 12, 2016 had not been met, with the result that none of the total performance shares originally granted under the plan had vested. For more details on the achievement of the performance conditions, see the "Corporate Governance – Compensation of executive directors" section of the www.nexans.com website.

	Plan no. 15	Plan no. 16	Plan no. 16 bis	Plan no. 17	Plan no. 18	Plan no. 18A	Plan no. 18B	Plan no. 19	Plan no. 20
Date of Annual Shareholders' Meeting	05/05/15	05/12/16	05/12/16	05/12/16	05/11/17	05/11/17	05/11/17	05/17/18	05/17/19
Grant date	01/01/16	12/05/16	11/23/16	03/14/17	03/13/18	07/27/18	07/27/18	03/19/19	03/17/20
Number of performance shares granted (based on maximum performance)	30,000	223,200	3,900	195,300	166,900	-	14,500	269,850	291,350
o/w to the Chief Executive Officer (based on maximum performance)	-	27,000	-	19,800	-	16,800	14,500	28,000	20,000
o/w to the ten employees receiving the most shares	30,000	83,800	3,900	73,800	53,300	39,717	14,500	123,100	70,000
Number of free shares granted	-	30,000	-	30,000	44,200	39,717	-	49,850	49,300
Vesting date (French tax residents)	01/01/20	05/12/20	11/23/20	03/14/21	03/13/22	07/27/19 for 50% 07/27/20 for 25% 07/27/21 for 25%	07/27/2022 07/27/20 for 25% 07/27/21 for 25%	03/19/23	03/17/24
End of lock-up period (French tax residents)	01/01/20	05/12/20	11/23/20	03/14/21	03/13/22	07/27/20 for 75% 07/27/21 for 25%	07/27/2022 07/27/21 for 25%	03/19/23	03/17/24
Total number of beneficiaries	1	181	6	216	246	4	1	297	545
Number of shares vested	15,000	24,400	-	-	-	-	-	-	-
Number of performance share rights canceled	15,000	33,333	3,900	49,430	51,600	-	-	22,400	2,450

The performance conditions applicable for the performance shares granted under Plan no. 15 of January 1, 2016 are as follows: (1) a share performance condition based on Nexans' share performance over a period of three years as compared with that of a benchmark panel, and (2) a financial performance condition based on the achievement rate at end-2017 of objectives relating to operating margin on sales at constant metal prices and ROCE.

The performance conditions applicable for the performance shares granted under Plan no. 16 of May 12, 2016 and Plan no. 16 bis of November 23, 2016 are as follows:
(1) a stock market performance condition based on Nexans' TSR (total shareholder return) as compared with that of a benchmark panel, and (2) a financial performance condition based on the achievement rate at end-2019 of objectives relating to operating margin on sales at constant metal prices and ROCE.

The performance conditions applicable for the performance shares granted under Plan no. 17 of March 14, 2017, Plan no. 18 of March 13, 2018 and Plan no. 18B of July 27, 2018 are as follows: (1) a stock market performance condition based on Nexans' TSR (total shareholder return) as compared with that of a benchmark panel, and (2) a financial performance condition, based on measuring the Company's Simplified Economic Value Added, which corresponds to the value created in excess of the average cost of capital – at the end of 2019 for Plan no. 17 and the end of 2020 for Plan numbers 18 and 18B. Simplified Economic Value Added will be calculated as follows: operating margin – 10% of capital employed.

The performance conditions applicable for the performance shares granted under Plan no. 19 of March 19, 2019 are as follows: (1) a stock market performance condition based on Nexans' TSR (total shareholder return) as compared with that of a benchmark panel, and (2) a financial performance condition, based on measuring the Company's Simplified Economic Value Added, which corresponds to the value created in excess of the average cost of capital, at the end of 2021. Simplified Economic Value Added will be calculated as follows: operating margin – 10% of capital employed.

The performance conditions applicable for the performance shares granted under Plan no. 20 of March 17, 2020 are as follows: (1) a vesting condition based on Nexans' TSR (total shareholder return) as compared with that of a benchmark panel; (2) a financial performance condition defined as total cash flow before dividends and mergers/acquisitions, as reported in the 2022 financial statements; and, lastly (3) a global CSR performance condition, based on 10 criteria to be achieved by end-2022.
The potential dilutive impact of the performance shares and free shares granted under Plan no. 20 was approximately 0.78% of capital at end-2020 (made up of 43,755,627 shares).

Free shares granted during 2020

In accordance with Article L.225-197-4 of the French Commercial Code, the following section details share grants made during 2020 pursuant to Articles L.22-10-59, L.225-197-2 and L.225-197-3 of the Code.

At December 31, 2020, Nexans holding company comprised a Chairman of the Board of Directors, Jean Mouton, a Chief Executive Officer, Christopher Guérin, and eight employees.

Pursuant to the authorizations granted by the Combined Shareholders' Meeting of May 15, 2019, the Board of Directors adopted a long-term incentive plan in 2020 with the following main features:

	Plan no. 20
Date of Annual Shareholders' Meeting	05/05/2019
Grant date	03/17/2020
Number of performance shares granted	291,350
Number of free shares granted	49,300
o/w to the Chief Executive Officer	20,000
o/w to the ten employees receiving the most shares	70,000
Vesting date	03/17/2024
End of lock-up period	03/17/2014
Total number of beneficiaries	545
Number of shares vested	-
Number of performance share rights canceled	2,450

Vesting of free share plan no. 20 is contingent on continued employment in the Company. Vesting of performance share plan no. 20 is contingent on continued employment in the Company and performance conditions measured over a three-year period. For more information on the plan conditions, see paragraph above.

The number and value of the free shares granted to each of the corporate officers(1)) during the year in recognition of their positions and activities by the Company and related companies pursuant to Article L.225-197-2 of the French Commercial Code:

No. and date of plan	Beneficiary[2]	Number of shares granted in 2020	Valuation of shares[1]	Vesting date	End of lock-up period
Plan no. 20	Chief Executive Officer	20,000	€331,400	03/17/2024	03/1/2024

(1) Method used for the consolidated financial statements.
(2) Positions held at the grant date.

The number and value of free shares granted to each of the corporate officers during the year in recognition of the positions they hold in controlled companies within the meaning of Article L.233-16 of the French Commercial Code:

None.

Number and value of free shares granted to each of the Company's employees, who are not corporate officers, and who received the greatest number of free shares:

Nexans SA beneficiary employees(2)	Number of performance shares granted	Value of shares granted(1)
Member of the Executive Committee	7,000	€115,990
Member of the Executive Committee	5,000	€82,850
Member of the Executive Committee	5,000	€82,850
Member of the Executive Committee	5,000	€82,850
Member of the Executive Committee	5,000	€82,850
Member of the Executive Committee	5,000	€82,850
Member of the Executive Committee	5,000	€82,850

(1) Method used for the consolidated financial statements.
(2) Positions held at the grant date.

The number and value of free shares granted to all beneficiary employees and the number and breakdown of these beneficiary employees by category:

Performance shares

Category of beneficiary	Number of beneficiaries	Number of performance shares granted	Value of shares granted(1)
Chief Executive Officer(2)	1	20,000	€331,400
Members of the Executive Committee	9	46,000	€762,220
Other employees	318	225,350	€3,734,050
TOTAL	328	291,350	€4,827,670

(1) Valued at the grant date under the method used for the consolidated financial statements.
(2) Positions held at the grant date.

Free shares not subject to performance conditions

	Number of beneficiaries	Number of free shares granted	Value of shares granted(1)
Employees who are not members of the Executive Committee(2)	217	49,300	€1,127,491
TOTAL	217	49,300	€1,127,491

(1) Valued at the grant date under the method used for the consolidated financial statements.
(2) Positions held at the grant date.

Characteristics of stock options and performance shares granted to executive directors

Since the Group adopted the AFEP-MEDEF Code, any grants of performance shares and/or stock options to executive officers have complied with the recommendations set out in said Code and the characteristics described in the compensation policy for executive officers set out in section 2.5.4.3. above, particularly:

Performance conditions	Performance shares granted to executive directors will only vest if the Compensation Committee notes that the performance conditions have been met.
Lock-up	The Chief Executive Officer is required to hold, in registered form and for as long as he remains in office, one quarter of his fully vested performance shares. This requirement applies unless the Board of Directors decides otherwise in view of the Chief Executive Officer's situation and particularly taking into account the objective of holding an increasing number of shares that have vested under such plans.
Prohibition of hedging instruments	The Chief Executive Officer has formally undertaken not to use hedging instruments during the vesting period.
Recommended "blackout" periods	Group procedure on insider dealing.

3

MAIN RISK FACTORS AND RISK MANAGEMENT WITHIN THE GROUP

3.1. Risk factors

In an environment in constant evolution and changes, Nexans is committed to protecting the interests of its shareholders, employees, clients, suppliers, and all other stakeholders, while achieving its objectives. In this context, Nexans is implementing an active risk management policy to be able to efficiently respond to internal and external threats likely to have a material adverse effect on its financial condition, its results, its business activities or its prospects. Due to Nexans geographical presence, the competitiveness of the cable industry and the diversity of its business activities, Nexans is exposed to a variety of risks, both endogenous and exogenous. Strategic, Operational, Legal and Compliance, and Financial risks identified by Nexans are being constantly managed to mitigate both their occurrence and their impact. For that purpose, the Group has developed a risk management process and organization which is being constantly improved to better address identified risks.

As part of Nexans' risk mapping process, the Group has conducted a risk assessment to identify the risk factors to which it is exposed. The 13 risks presented in this Chapter, at the date of this Universal Registration Document, are the risks that the Group considers may have a significant adverse impact on its business, financial condition, outlook, reputation, operational results or ability to achieve its objectives should they occur. These 13 risks are, however, not exhaustive and other risks or uncertainties, unknown or not considered herein at the date of this Universal Registration Document, could occur or arise and have a material adverse effect on the Group's business, financial condition, outlook, reputation, operational results or ability to achieve its objectives. As part of the Group's risk mapping process, the Group is committed to defining and implementing internal control and mitigation action plans with the objective of either reducing the likelihood that the identified risks will occur or reducing their potential impact should the identified risks occur.

Pursuant to the provisions of Article 16 of Regulation (EU) 2017/1129 of the European Parliament and the Council, this chapter presents the principal specific risks that could, on the date of this Universal Registration Document, impact the Group's business, financial condition, outlook reputation, operational results or ability to achieve its objectives. The 13 risks are grouped in four categories (Strategic Risks, Operational Risks, Legal and Compliance Risks, and Financial Risks).

As regards the methodology, the risks are those which are specific to Nexans and have the greatest net impact. The ranking results from the assessment first i) of the greatest level of criticality (level of the potential impact on the Group if the risks were to occur multiplied by its probability of occurrence) and then ii) the taking into consideration for each risk of the risks mitigation measures deployed by the Group to minimize their occurrence and impact. The risks are ranked by order of importance within each category, the risks with the greatest residual exposure being presented first. The residual exposure of the risks mapped by the Group are ranked on a scale going from low, moderate, material to critical.

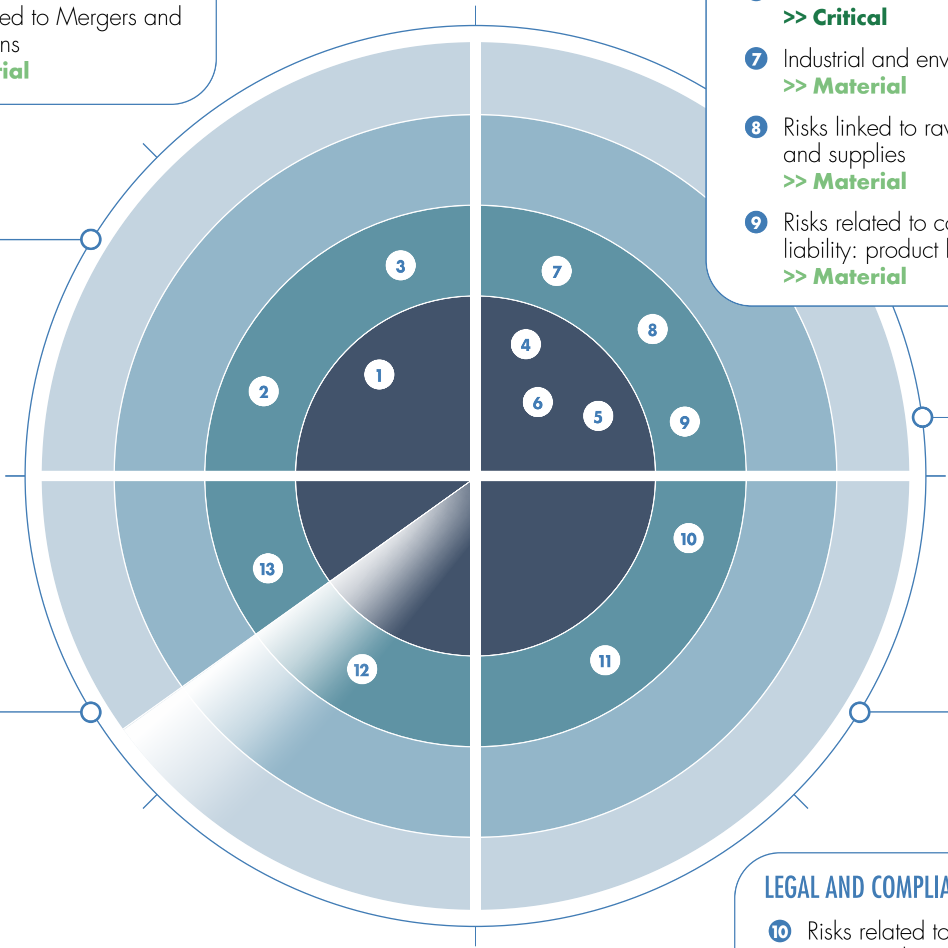
Only risks assessed as 'material' or «critical» are detailed in this chapter.

STRATEGIC RISKS

1. Geopolitical, political and social instability
>> Critical
2. Risks related to the competitive environment of the Groups's operating subsdidiaries
>> Material
3. Risks related to Mergers and Acquisitions
>> Material

OPERATIONAL RISKS

4. Cybersecurity, continuity and performance of information systems
>> Critical
5. Risks related to climate change and natural hazards
>> Critical
6. Risks related to turnkey projects
>> Critical
7. Industrial and environmental risks
>> Material
8. Risks linked to raw materials and supplies
>> Material
9. Risks related to contractual liability: product liability
>> Material



FINANCIAL RISKS

12. Metal price risks
>> Material
13. Credit and counterparty risks
>> Material

- Critical
- Material
- Moderate
- Low

LEGAL AND COMPLIANCE RISKS

10. Risks related to non-compliance with antitrust laws
>> Material
11. Risks related to non-compliance with anti bribery legislation
>> Material

Other risks such as health and safety, human resources, and human risks:
Although these risks relate to issues of primary and vital paramount importance for Nexans, they do not qualify among the specific risks assessed as having the highest net impact. First, they are not necessarily specific to Nexans. Second, preventive measures are deployed to avoid their occurrence and minimize their impacts. The main non-financial risks and the policies in place to prevent or reduce their occurrence are presented in detail in the Non-Financial Performance Statement.

Other risks such as for market and innovation risks:
They are considered as being medium or long-term trends that are impacting Group's strategy and business model which is further detailed in Chapter 1, pages 16-17.

Other risks such risk of liquidity, interest rate risks, foreign exchange, tax risks:
They are considered as moderate risks in the present context and thanks to measures deployed to mitigate them.

IMPACT OF THE COVID-19 CRISIS

Covid-19 crisis has been assessed as a material risk for NEXANS as it has exacerbated a number of risks identified as specific to the Group and described in this Chapter. In the present context of a further wave of the pandemic in many countries around the world with the apparition of variants of the virus in countries like Brazil, UK, South Africa, the Group remains organized in a crisis mode to handle the pandemic crisis. The health of its employees and business partners remain the utmost priority of the Group.

This being said, as such the Covid-19 risk is not specific to the Group. Therefore, it will not be described below but when relevant it will be mentioned in the description of certain risks.

Section 1.4.2.8 of this Universal Registration Document reports details on the impact of Covid-19 risks on the Group.

3.1.1. STRATEGIC RISKS

3.1.1.1. GEOPOLITICAL, POLITICAL AND SOCIAL INSTABILITY RISK

Risk ranking – CRITICAL

RISK DESCRIPTION

Certain high-growth regions are important for the Group's development but are exposed to major geopolitical risks. In 2020, some 7% of the Group's sales at current non-ferrous metal prices were generated in the MERA Area (Middle East, Russia, Africa) and around 2% in countries which are classified by the Group's credit insurer as having "a very unsettled economic and political environment" or representing a very high risk.

In addition, it is Nexans Strategy to develop also in high-growth regions (such as in South America and Africa) which may be subject to geopolitical, political and social instability.

The political developments currently happening, or due to happen, in the United States and Europe are also factors of risk and uncertainty for the Group's operations in view of the proportion of revenue generated by the Group in these two regions. Risk factors for the Group include Brexit's potential political and economic consequences for the United Kingdom as well as for the other EU countries, and future trade policy changes that may occur in the United States in terms of customs protection and embargoes.

Similarly, the blockade of Qatar has led to fewer export opportunities for our subsidiary (consolidated by equity method) to the Gulf states and caused longer supply lead times. On January 9, 2021, both parties announced to lift such blockade. However, conditions of levee are uncertain and remain to be clarified. In 2020, the political and economic instability in Lebanon has led in particular to a strict foreign exchange control policy by Lebanese banks which may affect activities of our subsidiary in Lebanon.

In an environment shaped by chronic budget deficits in emerging countries in the past several years, governments are now tending to introduce stricter tax laws in order to maximize their income from taxes and levies. Consequently, these governments take positions that could lead to legal disputes or double taxation issues. In some countries (in particular in non OECD countries), the Group may face issues of tax instability and uncertainties which could affect the financial results of Group's operating entities.

Lastly, Covid-19 crisis still active worldwide may lead to economic and social instabilities which effect may materialized in 2021 and potentially in the following years.

RISK MANAGEMENT RESPONSE

The Group closely monitors its industrial and commercial operations and its turnkey projects in countries exposed to geopolitical risks, including but not limited to Brazil, China, Ivory Coast, Ghana, Lebanon, Libya, Tunisia, Philippines, Nigeria and Turkey.

The review of geopolitical situation is embedded in the Group's decision processes.

To minimize any potential impacts of geopolitical, political and social instability risk, the Group i) is developing a policy of diversification of suppliers and internal sourcing unit and ii) is continuously enhancing its Business Continuity Management processes at the level of Group industrial sites.

Lastly, the Group has defined procedure to manage closely export control regulations not to expose Group's operational entities to sanctions.

3.1.1.2. RISK RELATED TO THE COMPETITIVE ENVIRONMENT OF THE GROUP'S OPERATING SUBSIDIARIES

Risk ranking – MATERIAL

RISK DESCRIPTION

The cable industry is still very fragmented both regionally and internationally, and the cable and cabling system markets are extremely competitive. The number and size of competitors of the Group's operating companies vary depending on the market, geographical area and product line concerned. Furthermore, for some businesses and in certain regional markets, the main competitors of the Group's operating companies may have a stronger position or have access to greater know-how or resources. In addition to large-scale global competitors, new market players have more recently emerged, which are drawing on low-cost production equipment and organizational structures and therefore creating additional capacity and an extremely competitive environment (both domestically and internationally), particularly for cables for the energy infrastructure and building sectors. These players have emerged over the last ten years and are growing rapidly, in many regions of the world including in Southern and Eastern Europe, the Middle East, South Korea, China but also in South America and Africa.

RISK MANAGEMENT RESPONSE

Nexans' risk management starts at the very earliest stage and as early as the tendering phase. In order to abide by Nexans commitment to focus and generate value, the Group is required to ensure strict and comprehensive selectivity. For each project notably for Interconnections & Wind Offshore activity (representing a value above €5million), Nexans systematically applies its risk and reward analysis, combining three fundamental dimensions: i) financial modelling, ii) technological risk and iii) the terms & conditions. Thus, guaranteeing a healthy and balanced backlog.

Throughout the years, Nexans has focused on innovative technologies, differentiating assets, building up its know-how and consolidating its track record to ensure smooth project execution, high quality product delivery and consistent client satisfaction, while always abiding by this risk-reward mindset.

Since, Nexans Transformation plan launched in 2019, the rationalization of production facilities and core businesses, the optimization of cost structure, the policy of geographical diversification and, last but not least, the ongoing pursuit of innovative technological solutions development, all help the Group to address the potential effects arising from the competitive environment.

3.1.1.3. RISK RELATED TO M&A

Risk ranking – MATERIAL

RISK DESCRIPTION

Based on the analysis undertaken end of 2018 on the mega trends Nexans identified excellent long-term perspectives to grow and scale up the value chain. In order to capture these opportunities, the Group initiated a transformation of its operational model through cost reduction initiative and the SHIFT Program. Since 2019, Nexans' self-help enabled the Group to reduce complexity, increase selectivity and efficiency while optimizing its operations and portfolio. In 2020, Nexans seized two opportunities to sell two activities for which the Group considered it was no longer the best-owner. End of September 2020, Nexans completed the sale of Berk-Tek, a leading US based manufacturer of local area network cables, to Leviton. In October 2020, Nexans completed the sale of German Metallurgy Business to Mutares.

As regards external growth, to scale core businesses, Nexans intends to pursue an active capital investment and/or acquisitions strategy. Strategic fit of targets is closely evaluated with respect to the strategic market attractiveness of the business, the opportunity to create value going forward and the synergies with Nexans.

The Group is also party to a certain number of joint venture agreements. These agreements can only work if the joint venture partner have the same objectives, and there is always a risk that these objectives may diverge, leading to operational difficulties for the entities concerned.

RISK MANAGEMENT RESPONSE

The Group is conducting detailed market studies to identify best opportunities of merger and acquisition to pursue its strategy.

The Group has put in place specific process and governance for each project. In particular, it has set up a Mergers and Acquisitions Committee which is responsible for examining and approving all acquisition and divestment projects as well as potential strategic alliances or partnerships. With the exception of major acquisitions piloted by Mergers & Acquisitions Department, project of acquisition or alliances are under the responsibility of Business managers supported by Mergers & Acquisitions Department.

Each acquisition is to be subject to robust due diligence with the support of internal specialists and/or external experts or advisors. This enables Nexans to identify risks related to the acquired company and implement mitigation action by obtaining a reduction of the price or contractual provisions such as indemnification clauses.

For each project, the risk of overestimating the value of the target is attenuated by using a variety of valuation methods (EBITDA multiples, discounted cash flow, ratios on similar deals) and comparing their results, sometimes with the support of an advisory bank. Material projects are to be submitted to the Board of directors.

An integration plan process to be led by an integration project manager is to be implemented under the supervision of a member of the Executive Committee.

With respect to disposals, the Mergers & Acquisitions Department leads such projects with the support of recognized external advisors to prevent any risks.

3.1.2. OPERATIONAL RISKS

3.1.2.1. RISK RELATED TO CYBER SECURITY, CONTINUITY AND PERFORMANCE OF INFORMATION SYSTEMS

Risk ranking – CRITICAL

RISK DESCRIPTION

Nexans' business relies on state-of-the-art information technology, systems and infrastructure (datacenters, servers and networks). Like any organization using information technology, the Group is permanently exposed to the risk of cyber-attacks. This disruption of services could originate from within the Group (system obsolescence, configuration errors, lack of infrastructure maintenance, malicious acts) – or from outside Nexans (cybercrime, viruses, etc.). These attacks are becoming increasingly sophisticated and can lead to business interruption, theft of know-how or confidential information, fraud attempts or ransomware with financial and reputational impacts which can be potentially extremely high. It is important to highlight that situation of crisis exacerbates cyber risks. Covid-19 crisis is an illustration of this phenomena.

Due to the international presence of the Group, Nexans' business activity requires multiple and often interconnected information systems, IT applications as well as industrial information systems. In addition, the implementation of more digital initiatives, new services for our customers and partners, and potentially disruptive technology increase Nexans' potential exposure to cyber security threats, including without limitation, denial of service attacks, industrial espionage and ransomware attacks.

Any disruption or interruption of service could have potentially affected multiple regions and businesses, with significant disruption on i) industrial processes (disturbance of production or distribution activities) and ii) the capacity for internal communication. It could also affect Group's image. This risk is increasing in a context of reinforced regulatory requirements related to protection and confidentiality of data.

RISK MANAGEMENT RESPONSE

The cyber security team, led by the Chief Information Security Officer, is integral part of the Risk Management Department and is fully dedicated to cyber risk. It defines and implements policies and projects specific to the business cyber security plan as well as personal data protection. It develops guidelines on the use of information and industrial systems for all employees. The cyber security team is also responsible for conducting regular security audits and security testing on the Group's key business and industrial assets, with the support of external service providers.

Nexans is continuously strengthening Group's cyber security processes and tools (to meet 3 axes –To prevent, to detect, to react against cyber incidents) in close relation with its service providers.

The cybersecurity team has designed a cyber security program based on 4 pillars:

- **Empower** people in Nexans to effectively thwart threats by placing them at the center of its detection and response capabilities
  - In 2020, to raise awareness, Nexans employees were asked to follow an online training named Cyber & Me and developed with other major French companies.
  - Phishing campaigns are performed several times per year at the Group level as well as at the country and business group levels.
  - Our Information and Cyber Risk policy is regularly updated, to be adapted to emerging threats.

- **Protect** key technological assets and business activities by controlling access and safeguarding information
  - Any business, industrial and IT projects are analyzed to assess the level of business impacts in case of a security incident. Based on a risk analysis, security controls - technical, operational as organizational - are defined and their implementation controlled.
  - Based on multi layers approach the Group has deployed security technologies such as web filtering, email analysis, anti-malware on workstations and servers, network segmentation.
  - The Group is deploying state-of-art access control solutions.

- **Respond** to any threat and cyber incident in a timely manner to limit the adverse impact on the business and industrial operations
  - Threats are closely monitored and security incidents detected thanks to a Security Operations Center, including in the industrial environment.
  - Cybersecurity incidents are timely and adequately handled by means of an internal crisis response team integrating external experts in cyber security.

- **Control** the effectiveness of operated security controls and provide means of continuous improvement
  - Cyber penetration tests are performed on a yearly basis on Group's key business and industrial systems to identify any major weaknesses and develop mitigation actions.
  - Specific security acceptance tests are performed in the phase of development of business, industrial and IT projects before going into production.

Group cyber security system and program are continuously improved to adapt to Nexans' business strategy, cyber threat evolution as well as to digital, IT and industrial transformation of the Group.

3.1.2.2. RISK RELATED TO CLIMATE CHANGE AND NATURAL HAZARDS

Risk ranking – CRITICAL

RISK DESCRIPTION

With respect to physical risks, some of the Group's manufacturing sites are located in areas at risk of natural disasters (earthquakes, tornadoes, floods, etc.).

For example, the Charleston plant in the United States is located next to a river and therefore has access to the sea; it is also an area prone to hurricanes. This means that the site is subject to natural disaster risks that had to be taken into account at the time of its construction. Although the Group draws up a systematic audit plan of its sites in cooperation with its property insurer for the purpose of implementing plant integrity risk management processes, it is impossible to rule out all risks of production stoppages.

In 2016, a review was performed with the Group's property & casualty insurer to assess the possible impact of global warming on the Group's exposure to flood and storm risks and make any necessary adjustments to its insurance coverage of these risks. This was followed, in 2018, by a review to assess the possible impact of global warming on the Group's exposure to drought risk. In a context where it is becoming increasingly difficult to obtain such coverage for a reasonable price, the 2020 renewals lead to a decrease in natural catastrophe insurance limits.

The list below details the sites with a risk of natural catastrophes with high level of exposure plus some sites or countries which have encountered in the past exposures to natural hazard:

- Earthquake: Japan, USA, Lebanon, Turkey, Italy, Chile, Peru;
- Windstorm: Switzerland, Belgium, Japan, Norway, USA;
- Flood: Norway, Australia, USA, France, Turkey, Brazil;
- Hail/Ice Strom: Switzerland, Germany, Belgium, France, Canada, Turkey;

- Tornado: USA, Japan;
- Coastal flood, tsunami: Japan.

* it does not mean that other sites cannot be exposed but the level of exposure is not assessed as high.

The reviews in 2016 showed that the standard global warming scenarios should not lead to any significant increase in the flood, storm and drought risk exposure of the Group's sites.

Lastly, like other international organization, Nexans activities are exposed to a risk of transition.

RISK MANAGEMENT RESPONSE

Nexans is continuing assessing risks related to natural disasters with the support of its property insurer reviewing in the meantime the mitigations plan to be implemented to better mitigate the impacts of such risks should a natural disaster occur. When investing in industrial sites like in Charleston or for sites exposed to high risks of natural hazards, the Group ensures technical solutions are defined to reduce impacts of such natural disaster risks. Employees are regularly trained to adapt should natural disaster event take place. Business continuity plans are developed, and crisis management processes are in place to manage exceptional natural events.

The Group carried out a specific natural catastrophe study for 2 sites that have these exposures and suffered reduced limits from the Insurers to assess some loss scenarios. Additional insurance may be purchased for these sites in 2021.

With respect to transition risk, the Group has decided to launch in 2021 a study to assess this risk aligned with Task Force on Climate-related Financial Disclosures (TCFD) guidelines.

3.1.2.3. RISK RELATED TO TURNKEY PROJECTS

Risk ranking – CRITICAL

RISK DESCRIPTION

The majority of contracts for the supply and installation of cables as part of turnkey infrastructure projects involve submarine and land high-voltage cable operations. The sales generated on such projects vary from one year to another and represent approximately 12% of consolidated sales at constant non-ferrous metal prices. The individual value of these contracts is often high and they contain penalty and liability clauses that could be triggered if a Group company does not comply with the delivery schedule and/or with quality requirements (for example, technical defects requiring major intervention after installation due to product non-conformity resulting from production anomalies).

To illustrate the specificity of this risk for the Group, below are detailed the major turnkey projects entered by Nexans operating entities in the last years:

- In 2015 Nexans received orders for two major high-voltage subsea power links, between Norway and Germany (Nordlink) and between Norway and the United Kingdom (NSL). These two megaprojects (which represent an aggregate of more than 800 million euros worth of orders for Nexans) followed on from the cable project linking Montenegro and Italy (around 300 million euros). For Nordlink, Nexans lots were completed in 2020 while NSL is to be completed in 2021.
- In 2016 Nexans won contracts for connecting two offshore wind farms to the UK grid, which represent an aggregate of over 400 million euros in orders for Nexans – (i) Beatrice (around 600 MW), off the coast of Scotland, for which Nexans worked to complete it in a consortium with the Siemens group which will supply the transformers, and (ii) East Anglia One (700 MW), located off the coast of East Anglia, which works were completed in 2020. These megaprojects illustrate the growing scale and complexity of the turnkey projects in which the Group is involved.

- In 2017, the Group won an order to supply and install HVDC extruded insulation cables for the DolWin6 offshore wind farm direct current link. This will be the Group's first contract for this type of technology which will represent a new technical challenge benefiting our customers and the energy transition process.

- In 2018, the Group recorded two orders, one for the Mindanao-Visayas Interconnection Project (350kV DC MI deepwater cabling system) in the Philippines and the other for an interconnector between the Greek city Lavrion and the island of Syros. Together, the two projects represent over 200 million euros worth of orders for Nexans.

- In 2019, the Group:
  - Won with RTE the Saint Brieuc windfarm project which represents an amount of 115 million euros for the supply and installation of 225kV export cables;
  - Has been awarded preferred supplier for the supply and installation of 320kV export cable for the 1,075MW Seagreen windfarm project in Scotland which represents an amount of 240 million euros;
  - Won two subsea grid connections orders, one for the Marjan Increment project (supply of 220kV 3-core submarine power cables) in the Kingdom of Saudi Arabia and the other for the Crete-Attika interconnection project (for the supply and installation of 500kV HVDC MI submarine power cables). Together, the two projects represent over 347 million euros worth of orders for Nexans.

Cables – which have to comply with a certain number of specifications and international standards – are tested several times: i) before the start of manufacturing, ii) before delivery subject to factory acceptance tests and iii) after installation and before entry into service. In view of the growing complexity of technical standards, increases in transmission voltage and high customer expectations, the need to successfully complete certain tests after the contract signature can lead to delays in the manufacturing schedule and/or require certain cables to be remanufactured.

Likewise, successfully carrying out turnkey infrastructure projects can depend on and/or be affected by the occurrence of unforeseen events or the existence of circumstances that were not taken into account during the project preparation phase. When such events or circumstances arise, the Group company concerned sometimes negotiates with the customer to amend the related contractual provisions, but that company may have to temporarily or permanently bear extra production or installation costs.

In that respect, Covid-19 was an unforeseen event which impacted turnkey projects activities by creating certain limited delays in project execution as well as costs overrun linked to restriction measures adopted by different States around the world. As of the date of this present Document, Nexans operating entities are to monitor closely restrictions measures taken by State to adopt mitigation actions to ensure continuity of the activity in particular as regards logistic issues and installation works (such as testing process for the crew to embark on Nexans vessel or for the team to proceed with installation of the cables).

If a Group company is held liable for a problem in connection with a turnkey contract, this could have a material adverse effect on the financial position and earnings of the Group as a whole as (i) heavy penalties may be incurred, (ii) all or some of the cables concerned may have to be replaced (before or after delivery), (iii) damage claims may be filed against the Group company involved, (iv) warranty periods may have to be extended, and/or (v) the liability may result in other more far-reaching consequences such as production delays for other projects.

In addition, a number of turnkey contracts are performed as part of consortia set up between one or more of the Group's operating companies and a manufacturer and/or service provider or with the large-scale involvement of a manufacturer or subcontractor. In this case, the Group companies share to a certain extent their partners' performance risks.

If the Group or its companies are subject to any such claims, the Group takes their impact into account when calculating the margins recognized on the contracts concerned, as described in Note 1.E.a to the consolidated financial statements.

As at end-2020, certain contracts entered into by the Group could lead to performance difficulties, although the Group currently considers that those difficulties do not justify the recognition of provisions in the financial statements or specific disclosure as contingent liabilities.

RISK MANAGEMENT RESPONSE

The Group has developed detailed risk management system for turnkey projects based on the following:

- All major contracts entered into by the Group's operating subsidiaries are subject to a systematic risk-assessment procedure and all bids representing over 25 million euros for the high-voltage business are submitted to the Group Tender Review Committee. Particular focus is placed on ensuring that the Group's sales and technical teams are able to pinpoint the risks inherent in sales contracts and that they involve the Group's Legal Department in contractual negotiations;
- The execution of the projects is led by dedicated project teams responsible to ensure proper implementation of the mitigation actions as well as to manage any risks not identified initially which may appear during project execution;
- Quality policy and control procedures are in place to monitor quality in production;
- Production sites are ISO 9001 certified;
- The development of technology aimed at guaranteeing customers reliable industrial processes (such as the capex investment program in Charleston US) as well as high quality and performance of the products;
- The development of new installation capacity (construction of a new cable installation vessel Aurora) to increase installation capacity as well as substantially improving in timely and competitive performance of turnkey installation and protection obligations of the cables;
- Lastly the Group has subscribed a Construction All Risk (CAR) insurance program specifically designed to address turnkey project risks.

3.1.2.4. INDUSTRIAL AND ENVIRONMENTAL RISK

Risk ranking – MATERIAL

RISK DESCRIPTION

Industrial Risk

As the Group's operating companies carry out manufacturing activities, they are exposed to the risk of damage to their production sites as well as major machinery breakdown incidents, which could lead to production stoppages and significant adverse consequences.

Some sites, particularly in Brazil, can be subject to operating risks related to potential water and electricity supply shortages.

In view of the importance to the Group of the submarine high-voltage cables market, it needs a cable-laying vessel capable of performing installation contracts within the required timeframes. As there are very few of these vessels available worldwide, the Group has its own cable-laying vessel, the Skagerrak (owned through one of its Norwegian subsidiaries), which is one of the rare ships in the world specially designed to transport and lay submarine high-voltage cables over long distances and in deep waters. It also regularly charters cable-laying ships. These ships are exposed to marine risks (e.g., storms, icebergs and acts of piracy). In 2017, work began on a new cable laying ship (the "Aurora") which is due to be delivered to the Group in 2021 to support business growth.

When implementing capital expenditure projects, the Group is exposed to the risk of failing to achieve its targets. This could have a material impact, particularly in the case of new equipment or new plants built with a view to enabling the Group to break into markets where it does not have an operating presence or has a limited presence.

Industrial investments in Charleston or investment of the Aurora are examples of such capital expenditures projects which could have a material impact if targets are not achieved.

Environmental Risk

As is the case for any industrial player, the Group is subject to numerous environmental laws and regulations in the countries where it operates. These laws and regulations impose increasingly strict environmental standards, particularly concerning emissions to air, water and land, wastewater disposal, the emission, use and handling of toxic waste and materials, waste disposal methods and site clean ups. Consequently, the Group's operating subsidiaries are exposed to the possibility of liability claims being filed against them, and of incurring significant costs (e.g., for liability with respect to current or past activities or related to assets sold).

In the United States, the Group's operating companies are subject to several federal and state environmental laws, under which certain categories of entity (as defined by law) can be held liable for the full amount of environmental clean-up costs, even if no fault against said entity is determined or even if the relevant operations comply with the applicable regulations.

The Group may also be subject to certain clean-up obligations (remediations works and/or monitoring obligations) including when it discontinues operations of a site. In line with this obligation, for example following the closure of sites in Brazil, the local subsidiary is finalizing the performance of clean-up operations in compliance with Brazilian regulations (in aggregate approximately 3 M€).

As of December 31, 2020, consolidated provisions for environmental risks amounted to approximately 15 million euros and mainly included amounts set aside for (i) clean-up costs for several manufacturing sites and (ii) a dispute with the purchasers of a plot of land and the local authorities in Duisburg, Germany concerning soil and groundwater pollution. The Group has also performed surveys at its sites in order to establish whether any environmental clean-up processes may be required. It estimates that any site clean-up costs it may incur that have not already been provisioned should not have a material impact on its earnings in view of the value of the land concerned, which in the past has always exceeded the amount of any required clean-up costs.

The Group cannot guarantee that future events, in particular changes in legislation or the development or discovery of new facts or circumstances, will not lead to additional costs that could have a material adverse effect on its business, earnings or financial position.

Asbestos Risk

The manufacturing processes used by the Group's various operating subsidiaries do not involve any handling of asbestos.

In the past (and particularly to comply with French army specifications), asbestos was used to a limited extent, in full compliance with applicable laws, to improve the insulation of certain kinds of cables designed for military purposes. It was also used in the manufacture of furnaces for enamel wire at two sites in France and in continuous casting at one site in France. The manufacture of furnaces for enamel wire activity was discontinued a long time ago. Several claims and lawsuits have been filed against the Group by current and former employees, in France and abroad, concerning alleged exposure to asbestos.

As of end-2016, approximately 60 people in France had been classified as suffering from an asbestos-related occupational illness, of whom several (fewer than ten) had filed lawsuits against their employers that are still in progress. A lawsuit has been filed against the Group and a claim lodged with the relevant French authorities following the closure of a manufacturing site. The lawsuit involved some 200 plaintiffs, who were seeking compensation for anxiety as a result of alleged exposure to asbestos.

In March 2015 the site concerned was classified by the French government as a site that could entitle workers to retire early as a result of their exposure to asbestos (known as ACAATA sites). The Group made an application to cancel this classification. The classification was subsequently canceled by the administrative court in October 2017. Then, the French government appealed the court's ruling. In 2020 the Administrative Court of Appeal confirmed the decision of administrative court to cancel the classification. Administrative procedure is now closed.

Judicial proceedings will restart as it was postponed to the ruling of the Administrative Court of Appeal.

Similar proceedings are also under way in Italy.

In addition, for historical reasons, in some buildings built before asbestos bans adopted locally country by country, there can be presence of asbestos.

RISK MANAGEMENT RESPONSE

As regards Industrial risk, the Group has designed internal procedure to assess risks related to Capex projects and assess return of investment. Prevention plans are defined to mitigate identified risks and vulnerabilities. To mitigate risks of obsolescence regular investments are made in modernization and maintenance of industrial facilities.

In relation with the environmental risk, the Group ensures that its manufacturing sites have sufficient resources to identify and track regulatory requirements that concern them, as well as changes in those regulations, and also that they have the financial resources they need to ensure regulatory compliance (see below, section 4.2. Environment, for a description of the Group's environmental management system). Environmental due diligence Phase 1 or initial soil pollution diagnosis have been run in all its Nexans sites. Environmental due diligence Phase are run by international recognized specialized service providers.

In the meantime, Nexans is leading on an annual basis, a detailed survey on all environmental issues to keep updated environmental risks assessment per industrial site based on which mitigation actions are defined for major risks.

In relation with asbestos risk, monitoring to check compliance with local regulations is lead under the responsibility of industrial business unit managers. In addition, industrial business unit managers are to develop an elimination plan.

3.1.2.5. RISK RELATED TO RAW MATERIALS AND SUPPLIES

Risk ranking – MATERIAL

RISK DESCRIPTION

Cable industry is highly dependent on the supply of core raw materials (in particular copper, aluminum, lead and plastics).

The said raw materials (Copper, aluminum, lead and plastics (particularly PE and PVC)) are the main raw materials used by the Group's operating companies, with copper and aluminum accounting for the vast majority of their raw material purchases. Optical fiber is also an essential raw material for the Group's manufacture of telecommunications and data cables.

Consequently, price fluctuations and product availability have a direct effect on the Group's business. In that respect, the Group is constantly assessing the risks of supply tension on raw materials either on prices or on availability. Any shortage of raw materials, interruptions of supplies or the inability to obtain raw materials at commercially reasonable prices could have an adverse effect on the Group's earnings, even though it has diversified its sources of supply as much as possible in order to reduce these risks and has developed close – but non-exclusive – relationships with certain key suppliers. This partnership strategy has been pursued and extended over the last years. However, should the price of its supplies increase, the Group may not be able to fully pass on the increases to its customers.

Copper consumption in 2020 amounted to around 460,000 tons (versus some 525,000 tons in 2019), excluding the approximately 76,000 tons processed on behalf of customers. To cover their main requirements, Group companies enter into annual contracts with various copper producers for the purchase of pre-determined amounts. The Group's aluminum consumption in 2020 totaled 100,000 tons (versus 110,000 tons in 2019).

Additional risk can be linked to the fact that non-ferrous metal markets (copper, aluminum and lead) work on the basis of take or pay contracts.

In addition, the Group has an indirect exposure to foreign exchange risk on its purchases of oil by-products (plastics, etc.), natural gas and steel, which together account for a large proportion of total raw materials purchases other than non-ferrous metals. Although these purchases are billed in local currency (euros, etc.), the prices paid by the Group reflect world prices and the prices of underlying materials which are quoted in US dollars. No instruments are available on the market that would satisfactorily hedge this risk. However, the Group obtains a degree of protection by including price indexation clauses in its sale contracts wherever possible.

Risks related to the supply of raw materials are specifically monitored by each purchaser for the product family concerned. The purchasing strategy based on close relationships with a number of key suppliers is aimed at reducing the Group's exposure to shortages of supplies that are essential for its business activities, including metals, plastics, equipment and services. The Group's policy is to have at least two suppliers for any raw material or component used in manufacturing its products. Even if progress still remain to be made, the Group efforts made for years on reducing situations where the Group is dependent on a sole supplier has shown efficiency during Covid-19 crisis during which the Group did not experiment any stoppage of supplies.

Similarly, for some raw materials such as silicone or XLPE used in the production of high-voltage DC cables, the number of suppliers is limited and in the event of market pressures, the Group could experience supply problems that could adversely affect its operations.

In addition, the Group relies on a limited number of suppliers for supplies of certain plastics – particularly specialty plastics – and is therefore exposed to these suppliers' industrial risks (such as the risk of fire or explosions). If such a risk were to occur, the business of some of the Group's operating subsidiaries could be significantly impacted.

The Group has also been adversely affected by tight conditions in the road freight market, especially in Europe where a shortage of truck drivers has led to higher prices. This was exacerbated by Covid-19 crisis. Similar situations may arise in the future.

Lastly Covid-19 crisis, this crisis has exacerbated additional risks:

- The higher complexity of supply chains worldwide due to lack of available ships, containers and trucks, as well as
- The fragility of certain suppliers from a financial standpoint.

RISK MANAGEMENT RESPONSE

First, the Group has developed a procedure aimed at identifying risks of supply so as to define and implement mitigation plans.

To reduce risks related to raw materials, the Group has developed various mitigation action including in particular:

- For non-ferrous metal markets (copper, aluminum and lead), the Group entities work on the basis of take or pay contracts and negotiate volume flexibility clauses to avoid the risk of oversupplies. In addition, in the event of exceptional market circumstances resulting in a significant decrease in volumes, any hypothetical surpluses purchased but not subsequently used can be traded on a regulated market, with a potential loss or gain arising on any ensuing differences in prices and premiums.

  The Group always covers 100% of its non-ferrous metals volumes requirements under long term contracts including significant upward and downward flexibility in order to make sure the Group's requirements are always met. The Group is very rarely active on the spot market. This spot activity is only used in exceptional circumstances. Concurrently, the Group always make sure we address our non-ferrous metal requirements to a wide array of counterparties.

  The financial instruments used by Group subsidiaries to manage exposure to commodities risks for copper and aluminum are described in the notes to the consolidated financial statements (**Note 27** Financial risks, paragraph C, Foreign exchange and metal price risks). The sensitivity of the Group's earnings to copper prices is described in paragraph E, Market risk sensitivity analysis of the same note.

  Contracts entered into by Group subsidiaries for other raw materials are generally negotiated annually without any firm purchase commitments for Nexans, and orders are placed monthly on the basis of requirements.

- For the other supplies, the Group is entering into contracts with key suppliers to guarantee supplies of minimum volumes. The Group is continuously developing for years a multi-source strategy to mitigate supplier risks to mitigate the risk of dependence. A broad-based initiative was launched in 2018 (and continued in afterwards) to approve alternative materials and new suppliers. This initiative has been reinforced after the first wave of Covid-19 crisis as the Group is still facing a certain number of cases where suppliers are in a single source or mono source situation.

- More generally, the Group is proceeding to the assessment for its most critical suppliers of their financial vulnerability exposition and is verifying that such suppliers have robust business continuity plan in place.

- In addition, one of the objectives of the Group is to reduce complexity in its portfolio of products as well as of supplies. The objective of reduction of complexity in suppliers is to limit Nexans dependency on some suppliers especially through materials substitution across sites & categories (such as for certain plastics).

- Lastly, the Group exercises its duty of vigilance when it comes to selecting suppliers and has strengthened its supplier qualification procedures in order to limit the risk of unethical practices in the supply chain (for more information about supplier qualification procedures, see section 4.4.3 Sustainable purchasing).

3.1.2.6. RISK RELATED TO CONTRACTUAL LIABILITY: PRODUCT LIABILITY

Risk ranking – MATERIAL

RISK DESCRIPTION

The manufacturing and commercial activities of the Group's operating companies expose them to potential product quality issues and possible claims for damage to property or third parties allegedly caused by its products. In particular, supplying Group's products to certain sectors such as the automotive or the aerospace industries, would expose the Group's operating companies to possible product recalls or grounding campaigns as a result of serial product defects that can affect a large number of vehicles or aircrafts.

Also, industry and market practices and trends have been evolving over the past years, and customers (such as in the Oil & Gas or nuclear power plant markets) push for longer product warranty periods, and more stringent contract conditions (in particular related to liabilities). In the meantime, the warranties extended to the Group's various companies by their suppliers of materials and components used in these companies' products may remain shorter or be less extensive than the warranties granted by the Group's subsidiaries to their own customers (for example steel tubes in umbilical cables, optical fiber in optical fiber cables, PVC materials and others).

In some countries such as in South America, utilities are imposing their terms and conditions whereby no limitation of liability is accepted for some categories of cables. In the same spirit, in certain industries such as in the automotive business, customers are imposing their terms and conditions with no limitation of liability.

RISK MANAGEMENT RESPONSE

To limit these risks related to product liability, the Group has developed the following control systems:

- All major contracts entered into by the Group's operating subsidiaries are subject to a systematic risk-assessment procedure and all bids representing over 5 million euros for businesses other than high-voltage business are submitted to the Group Tender Review Committee. Particular focus is placed on ensuring that the Group's sales and technical teams are able to pinpoint the risks inherent in sales contracts and that they involve the Group's Legal Department in contractual negotiations.
- A sales contract policy aiming at limiting the overall liability exposure of the Group's operating companies towards their clients in case of the occurrence of a contract execution issue (such as delay, quality problem);
- In order to mitigate product liability risk, the Group has set up stringent product quality control procedures. The majority of its units are ISO 9001-certified. Many of them also hold certifications that are specific to their business (e.g. IRIS for rolling stock, ISO 9100 for aerospace, ...). In addition, each unit tracks a set of indicators on a monthly basis in order to assess progress made in terms of quality and customer satisfaction.
- The Group currently has third party liability insurance that covers product liability, which it considers to be in line with industry standards and whose coverage amounts largely exceed any past claims. However, the Group cannot guarantee that its insurance policies would provide sufficient coverage for all forms of liability claims (see the section entitled Insurance below) and if several entities suffer claims in the same year as although the coverage amounts are high, they are capped at annual levels and the policies contain standard exclusion clauses, notably concerning the cost of the product itself and late-delivery penalties.

3.1.3. LEGAL AND COMPLIANCE RISKS

3.1.3.1. RISK RELATED TO NON-COMPLIANCE WITH ANTITRUST LAWS

Risk Ranking – Material

RISK DESCRIPTION

In late January 2009, antitrust investigations were launched in several countries against various cable manufacturers including Group companies in relation to anticompetitive behavior in the submarine and underground high-voltage power cables sector.

On April 7, 2014, Nexans France SAS and the Company were notified of the European Commission's decision, which found that Nexans France SAS had participated directly in an infringement of European antitrust legislation in the submarine and underground high-voltage power cable sector. The Company was held jointly liable for the payment of a portion of the fine imposed on Nexans France SAS by the European Commission.

In early July 2014, Nexans France SAS paid the 70.6 million euro fine imposed on it by the European Commission. Nexans France SAS and the Company appealed the European Commission's decision to the General Court of the European Union. The appeal was dismissed on July 12, 2018. Nexans France SAS and the Company appealed the General Court's judgment before the European Court of Justice, which, in turn, dismissed the appeal on July 16, 2020.

In April 2019, certain Group entities received antitrust damages, claims from customers filed before the courts in the United-Kingdom, Italy and the Netherlands against Nexans and other defendants.

In the UK, Scottish and Southern Energy (SSE) lodged a claim against the Company and Nexans France SAS and certain companies of the Prysmian Group. In September 2019, the claim against the Company and Nexans France SAS was discontinued, with no payment to SSE and each party bearing their own costs of the proceedings.

Prysmian is one of the main defendants in certain antitrust damages claims initiated in the UK by National Grid and Scottish Power in 2015. Contribution claims have been brought by Prysmian against Nexans France SAS and the Company in these cases. Prysmian and the other main defendants have now reached a settlement with National Grid and Scottish Power.

In April 2017, Vattenfall initiated a claim for alleged antitrust damages against Prysmian and NKT before the High Court in London. On June 12, 2020, Nexans France SAS and the Company were notified of a contribution claim brought by Prysmian. Following a transfer from the High Court, both cases are now pending before the UK Competition Tribunal.

Italian campany Terna S.p.A. launched an antitrust damages claims in the Court of Milan. Nexans Italia filed a defense on October 24, 2019 focusing on Nexans Italia's lack of standing to be sued. Following an initial hearing on November 13, 2019, the judge ruled Terna's claim to be null for lack of clarity on February 3, 2020. Terna supplemented its claim on May 11, 2020. On January 26, 2021, the judge ruled that the decision on jurisdiction and other preliminary issues will be rendered along with that on the merits. A final outcome is not expected before 2022.

The claim in Netherlands was made jointly by Electricity & Water Authority of Bahrain, GCC Interconnection Authority, Kuwait Ministry of Electricity and Water and Oman Electricity Transmission Company, against certain companies of the Prysmian Group and its former shareholders, and companies in the Nexans Group and ABB Groups. This action has been brought before the Court of Amsterdam. On December 18, 2019, Nexans and other defendants filed a motion contesting jurisdiction. The court issued its judgment on November 25, 2020, declaring itself incompetent with regard to the claims against the non-Dutch defendants, including certain Group entities. The court also ordered the claimants to pay the costs of the proceedings. The case on the merits against the Dutch defendants is stayed until March 3, 2021.

Investigations carried out by the American, Japanese, New Zealand and Canadian authorities in the high-voltage power cable sector were closed without sanctions. During investigations led by the Australian antitrust authority (ACCC), the Australian courts dismissed ACCC's case and refused to sanction Nexans and its Australian subsidiary in the high-voltage power cable sector in a case pertaining to the sale of low- and medium-voltage cables.

An investigation in Brazil by the General Superintendence of the antitrust authority "CADE" in the high-voltage power cable sector was concluded on February 11, 2019. On April 15, 2020 the Administrative Tribunal of CADE condemned the Company, together with other cable manufacturers. Nexans has paid the 1 million euro (BRL equivalent) fine and has appealed the decision.

An investigation by the antitrust authority in South Korea ("KFTC") in the high-voltage power cable sector has not been officially closed but Nexans understands that the relevant limitation periods should be considered expired.

Nexans' local Korean subsidiaries have cooperated with the KFTC in investigations initiated between 2013 and 2015 in businesses other than the high-voltage. As a result, full leniency (zero fine) was granted by KFTC in 15 cases, and for two other cases the Nexans Korean subsidiaries were granted a 20% reduction on the fines imposed and were ordered to pay the KFTC a total of approx. 850,000 euros. All such investigations are now closed, and the risks associated with the majority of claims brought by customers in connection with them are now all concluded.

On November 24, 2017 in Spain, Nexans Iberia and the Company (in its capacity as Nexans Iberia's parent company) were notified of a decision by the Spanish competition authority ("CNMC"), which found that Nexans Iberia had participated directly in an infringement of Spanish competition laws in the low- and medium-voltage cable sectors. The Company was held jointly liable for the payment of part of the fine levied on Nexans Iberia by the CNMC. In early January 2018, Nexans Iberia settled the 1.3 million euro fine levied by the CNMC. Nexans Iberia and the Company have appealed the CNMC's decision. Appeal decision is expected in 2021.

On July 27, 2020, Nexans Iberia was served with a claim filed by Iberdrola before the Commerce Court of Barcelona, on the basis on the CNMC's decision (which also sanctioned one of Iberdrola's subsidiaries). Iberdrola is seeking a total of 9.4 million euros in damages from the defendants, including Prysmian and several local Spanish producers. Nexans filed preliminary defense arguments on August 11, 2020 and the case is pending.

As of 31 December 2020, and following a reassessment of risks, the Group has a recorded contingency provision of 70 million euros to cover all the investigations mentioned above as well as the direct and indirect consequences of the related rulings that have been or will be handed down and in particular the follow-on damages claims by customers (existing or potential claims). The amount of the provision is based on management's assumptions that take into account the consequences in similar cases and currently available information. There is still considerable uncertainty as to the extent of the risks related to potential claims and/or fines. The final costs related to these risks could therefore be significantly different from the amount of the provision recognized.

The Group's risk prevention and compliance systems have been strengthened regularly and significantly in recent years. However, the Group cannot guarantee that all risks and problems relating to practices that do not comply with the applicable rules of ethics and business conduct will be fully controlled or eliminated. The compliance program includes means of detection which could generate internal investigations, and even external investigations. As consistently communicated by the Company in the past, unfavorable outcomes for antitrust proceedings and/or investigations as well as the associated consequences could have a material adverse effect on the results and thus the financial position of the Group.

RISK MANAGEMENT RESPONSE

Policy

As a complement to the section of the Code of Ethics and Business Conduct dedicated to fair competition, the Group's Antitrust Guidelines provide guidance on the application of basic competition law rules to our business. The Antitrust Guidelines are applicable to all affiliates and subsidiaries everywhere Nexans does business.

Training

All top executives, managers and key personnel throughout the Group must complete the Compliance Week training every year. The training contains an antitrust section with test questions based on realistic business cases.

In addition, more in-depth / spot trainings are conducted to most exposed positions and / or when a specific issue is identified.

Specific mitigation measures subsequent to the risk mapping

The Group has integrated all competition law aspects to the compliance risk mapping carried out pursuant to the "Sapin II" legislation.

These antitrust risks identified are managed through centrally monitored mitigation and remediation measures, including the use of dedicated digital tools which facilitate second and third level control.

Whistleblowing

Employees are encouraged, through internal communication and trainings, to use the Group's incident report system to raise concerns including about any breach of business ethics and anticorruption rules, whether within Nexans or by business partners.

The incident report system is also available to anyone outside the Group, by phone or remotely through the website www.nexans.com. In addition, a simple search "Nexans alert" on any Internet search engine will direct to the incident report system portal.

For further information on the Group's incident alert system, please refer to [4.3.4. Fair practices].

Internal controls and internal audit

The Group Audit department controls compliance with antitrust rules in the framework of the regular audits of operational entities and also performs missions dedicated to specific antitrust issues.

3.1.3.2. RISK OF NON-COMPLIANCE WITH ANTI-BRIBERY LEGISLATION

Risk Ranking – Material

RISK DESCRIPTION

With a global presence worldwide and activities in a diversity of sectors such as Oil & Gas, energy infrastructure, large international projects for high voltage, employees worldwide might be confronted with corruption practices.

The Group generates approximately 10% of its turnover in countries with a high-risk profile (rated 40 or below as per the Corruption Perception Index by Transparency International). In 2020, the Group had physical presence in Brazil, Colombia, Lebanon, Morocco, Nigeria, Peru and Turkey.

In addition, the Group relies on an ecosystem of commercial partners, including sales intermediaries, resellers, and distributors. This ecosystem may represent a risk for the Group.

RISK MANAGEMENT RESPONSE

Policy

As a complement to the sections of the Code of Ethics and Business Conduct dedicated to anticorruption and conflict of interest, the Group has issued a number of specific guidelines:

- the **Corruption Prevention Policy** sets out the rules and processes to be applied for preventing corruption and/or bribery in our daily business with sales representatives and other business partners and keeping justification thereof;
- the **Gifts and Hospitality Policy**, also governing invitations, charity and donations;
- the **Conflict of Interest Policy** explaining how to identify, disclose and manage potential and actual conflict of interest situations;
- the **Tender Review and Contract Risk Management Policy** ensures that sales offers, bids, quotations submitted or sales contracts signed by all Nexans subsidiaries are compliant with the Group ground rules, notably the Corruption Prevention Policy.

These Guidelines are applicable to all affiliates and subsidiaries, everywhere Nexans does business.

Training

All top executives, managers and key personnel throughout the Group must complete the Compliance Week course every year. This course contains reminders about the basic ethics & human rights rules and robust training on corruption and conflict of interest.

In addition, more in-depth/spot trainings are conducted to most exposed positions and/or when a specific issue is identified.

Specific mitigation measures subsequent to the risk mapping

Sales intermediaries always represent an inherent corruption risk. The latest Group risk mapping exercise on sales intermediaries used by the Group led to a risk ranking of active sales intermediaries. On that basis, specific risk mitigation activities which include due diligence and monitoring initiatives were introduced through a dedicated online platform, enabling the Group to have a centralized tool to manage sales intermediaries.

In addition, all relevant employees who find themselves in a potential conflict of interest situation or are politically exposed have an obligation to disclose their situation through a centralized and automated digital tool. The system allows a harmonized management of cases, facilitating second and third level controls.

Furthermore, managers, as well as all employees in sales and purchase positions whatever their grade sign, annually, a compliance certificate pursuant to which they commit to comply with Nexans' internal policies.

The Group also performs compliance due diligence in the framework of contemplated Merger and Acquisitions transactions so as to be able to identify compliance issues with potential acquisition targets early on.

Finally, in 2020, the Group has defined a three-year Sustainable Purchase Plan which includes strengthening compliance due diligence for the categories of purchasers identified as most at risk. Please report to [4.3.6. Duty of Care Plan] for further information with respect to sustainable purchases.

Whistleblowing

Employees are encouraged, through internal communication and trainings, to use the Group's incident report system to raise concerns including about any breach of business ethics and anticorruption rules, whether within Nexans or by business partners.

The incident report system is also available to anyone outside the Group, by phone or remotely through the website www.nexans.com. In addition, a simple search "Nexans alert" on any Internet search engine will direct to the incident report system portal.
For further information on the Group's incident alert system, please refer to [4.3.4. Fair practices].

Internal controls and internal audit

The implementation of the Group's Compliance Action Plan is audited every year by the Internal Audit Team.

The Group Audit department also controls compliance with anticorruption rules in the framework of the regular audits of operational entities and performs missions specifically dedicated to anticorruption issues.

Further information with respect to the fight against corruption in the Group can be found in the [4.3.4. Fair practices].

3.1.4. FINANCIAL RISKS

This section should be read in conjunction with **Note 26**, Financial risks to the consolidated financial statements, which also sets out a sensitivity analysis for 2020.

Please also refer to **Note 1.F.c** to the consolidated financial statements as well as **Note 7**, Net asset impairment, which sets out the assumptions used for the purpose of impairment testing.

Metal price risk

Risk Ranking – Material

RISK DESCRIPTION

The nature of the Group's business activities exposes it to volatility in non-ferrous metal prices (copper and, to a lesser extent, aluminum and lead) as non-ferrous metal represent a significative portion of the cables.

In the recent years, numerous banks went out of the metal market as they considered it mobilized too many resources compared to the level of risk and the fact it is not profitable enough. As a consequence, limited number of players can support us in hedging this risk.

It is also to be noted that the market is currently subject to tension in demands and prices.

RISK MANAGEMENT RESPONSE

In line with general practice in the cable industry, the policy of the Group's operating subsidiaries concerned is to pass on metal prices in their own selling prices and to hedge the related risk either through a natural hedge or by entering into futures contracts on metal exchanges. In addition, a dedicated team at Group level is fully monitoring the risk of volatility of non-ferrous metal prices.

Despite this general policy, the Group remains exposed to non-ferrous metal price vitality risk due to the nature of activities of the Group (such as long term contracts…).

In that respect, the Group's strategy for managing non-ferrous metal price risks, the potential impact of fluctuations in copper prices and the hedges put in place are described in **Notes 26.C** and **26.E** to the consolidated financial statements.

Credit and counterparty risk

Risk Ranking – Material

RISK DESCRIPTION

The nature of the Group's business activities exposes it to three main types of credit risk:

- Customer credit risk relating to its trade receivables portfolio. Credit risk has been heightened by the difficult market environment caused by recent global economic and political crises. It has been exacerbated Covid-19 crisis. It is currently difficult to obtain credit insurance for some countries in South America, Turkey and Africa, which means that the Group's customer credit insurance is limited in those countries. The current situation in the Middle East, particularly Lebanon, is also restricting the availability of credit insurance for these countries. The situation is being followed closely to be agile in the case of a downturn in certain markets.

The Group assists its insurer in obtaining financial information about customers and analyzing the customer credit risk for certain risk classes or some countries in order to obtain higher insurance limits. The Group is also exposed to the risk of its customers terminating commercial contracts in advance of term, which could lead to (i) losses due to the liquidation of currency positions or purchases of non-ferrous metals no longer having a counterparty, or (ii) impairment losses on inventories of specific products.

- Counterparty risk arising from derivatives set up to hedge currency risks and non-ferrous metal price risks.
- Counterparty risk arising from deposits placed with financial institutions.

These different types of risk are described in Note 26.D to the consolidated financial statements.

RISK MANAGEMENT RESPONSE

- The Group's diverse business and customer base and wide geographic reach are natural mitigating factors for customer credit risk. The Group also applies a proactive policy for managing and reducing its customer credit risk by means of a credit management policy rolled out to all of Nexans' subsidiaries.
- The Group has also set up a master credit insurance program for covering most of its subsidiaries even partially, although trade receivables in particular in Lebanon, Libya, Ghana and Ivory Coast are not covered, as of the date hereof, by this program.
- The Group is monitoring Group exposure to counterparties with the assistance of the Insurer and on a regular basis follow up on the financial situation and/or rating of the main counterparties and adjust our contract management accordingly.
- The Group is monitoring its exposure to financial institutions and on regular basis follow up financial situation and/or rating of the main financial institutions.

3.2. Insurance

The Group's Insurance Department negotiates and subscribes master insurance programs, covering companies that are over 50%-owned and/or over which the Group exercises managerial control. The programmes are negotiated by the Group Insurance Department and deployed throughout the Group including by issuing local policies in certain countries where there is an obligation to take out insurance. Newly acquired entities are incorporated into the Group's programs as soon as possible.

The insurance programs are negotiated with top-rated insurers, taking into account their solvency ratings. The insurances policies are negotiated mostly on an annual basis with certain policies under a 2 years programme. The coverage limits on these policies are based on a risk assessment taking into account the Group's claims experience and the advice of its brokers with industry benchmarks as well as on specific and/or actuarial studies.

Although they generally exceed the maximum amount of insured losses incurred by the Group in the past (apart from for credit insurance), they do not always cover the entire risk as they may be capped in terms of insured amounts or not include certain types of coverage (for example, the value of replacement products and late delivery penalties are not covered in the Group's third-party product liability policy or the policy covering business interruption risks during the transportation of goods).

The Group relies on the expertise of global networks of insurance brokers to assist it with managing and deploying its insurance programs in all the countries where it operates.

The overall cost of insurance policies (excluding life & health and accident insurance) taken out at Group level represents less than 0.5% of consolidated sales at constant non-ferrous metal prices. The Group and, according to its Purchasing policy, regularly invites insurers to bid for its insurance programs, a policy that helps to ensure that cover is closely aligned with the Group's risk exposure and optimize and contain insurance costs.

The negotiation and placement of all the insurance policies taken out by the Group remains extremely challenging where all Insurers are increasing their premiums for the risk even in the absence of claims, requesting higher deductibles, adding exclusions and reducing limits. To contain insurance premiums, the Group is reinforcing the use of its reinsurance captive. In this frame, additional risks were added in 2020 and the Group is increasing its risk appetite to counter the negative impact of the current insurance market.

Apart from the directors and officers liability policy, the main insurance programs set up by the Group to cover its manufacturing and operating activities are described below.

Property damage – business interruption

The Group has covered its assets via a Property and business interruption insurance policy that covers loss or damage to Property and any consequential interruption of business.

In certain geographic areas, insurers will only provide limited coverage for accumulation reasons linked to natural catastrophe risks, such as areas with a high risk of earthquakes (e.g., Chile, Greece, Japan, Lebanon, Peru and Turkey) or those exposed to other natural perils such as wind exposure (e.g., one site in the United States) and flooding.

These coverage limits by the insurers are generally lower than the related exposure amounts and it is becoming increasingly difficult to obtain such coverage for a reasonable price. It was particularly true for the 2020 and 2021 renewals of the insurance policies. A more detailed analysis of the Group's exposure to earthquakes and other natural catastrophe risks conducted in 2017 showed that the maximum cover provided under the policies in 2019 appeared adequate. But the 2020 renewals lead to a decrease in natural catastrophe insurance limits. End of 2020, the Group started a study to reassess its risks exposure especially for the sites with reduced limits and adapt, if necessary, the Group's natural catastrophe insurance limits.

As part of its risk management process, the Group has set up a specific capital expenditure program aimed at helping to prevent industrial losses and based to a large extent on the recommendations of its insurers. This program is designed in close collaboration between the Operations Department (covering Industry and Purchasing), the Insurance Department and expert advisors from the Group's property insurer. These advisors regularly visit manufacturing sites (even if it was more difficult to deploy in 2020 due to Covid-19 travel restrictions), making targeted recommendations on how to improve risk prevention and health and safety procedures. The Operations Department, in cooperation with the Insurance Department and the broker, subsequently monitors that the relevant recommendations are followed. A specific Loss prevention governance scheme was introduced in 2020 that will be deployed throughout 2021 to reinforce the monitoring and implementation of the Insurers recommendations throughout the Group with the assistance of the broker and the Insurer to ensure all parties are knowledgeable on the recommendations concerned.

Third-party liability (general, product, environmental, aeronautics and aerospace)

General liability policies cover the Group's entities for third-party liability claims incurred during the course of their business or as a result of the products they manufacture. Environmental, aeronautics and aerospace risks are covered by specific policies.

With respect to third-party liability resulting from aerospace products, coverage for losses caused to third parties is limited to severe accidents or decisions to ground aircraft made by domestic or international civil aviation authorities, and excludes all other types of liability. A rare but highly serious claim could considerably exceed the insured amounts (or the policy's coverage) and could therefore significantly affect the Group's earnings.

Third parties and insurers are turning increasingly toward litigation in order to either reduce or, conversely, expand the scope of contractual undertakings. The possibility of legal action being taken creates further uncertainties as to the amount of risk transferred. Some of our business activities do not have a cap on liability and the insurance policy has an annual cap so in the case where a significant claim occurs and other entities have claims also, then the insurance limit may be insufficient.

Transport

Transport risks that are covered by insurance concern supplies and deliveries for which the Group is responsible as well as transfers between sites, irrespective of the type of transport used.

Comprehensive construction insurance for laying land and subsea cables

Site work relating to the laying of both land and subsea cables is covered by two specific insurance programs tailored to the operations concerned. Whether or not such cable-laying work can be included in these two master frame agreement programs depends on the specific nature and characteristics of each project and it is sometimes necessary to set up separate site-specific policies, notably for very large contracts which exceed the coverage limits in the master programs. This was the case, for example, for a project concerning a submarine cable between Montenegro and Italy, for which a specific insurance policy was set up in 2014. The after-delivery warranties requested by certain customers sometimes exceed the coverage periods available in the insurance market.

Coverage for the Group's cable-laying ship Skagerrak

The Group's cable-laying ship, Skagerrak, is covered by hull & machinery/loss of hire and protection & indemnity insurance. These same insurance policies will also be taken out for the new vessel Aurora, expected mid-2021.

Short-term credit risk insurance covering receivables owed by certain domestic and export customers

Since 2013, a short-term credit insurance policy is deployed throughout the Group covering most of its subsidiaries with some exceptions such as Lebanon, Ivory Coast and Ghana.

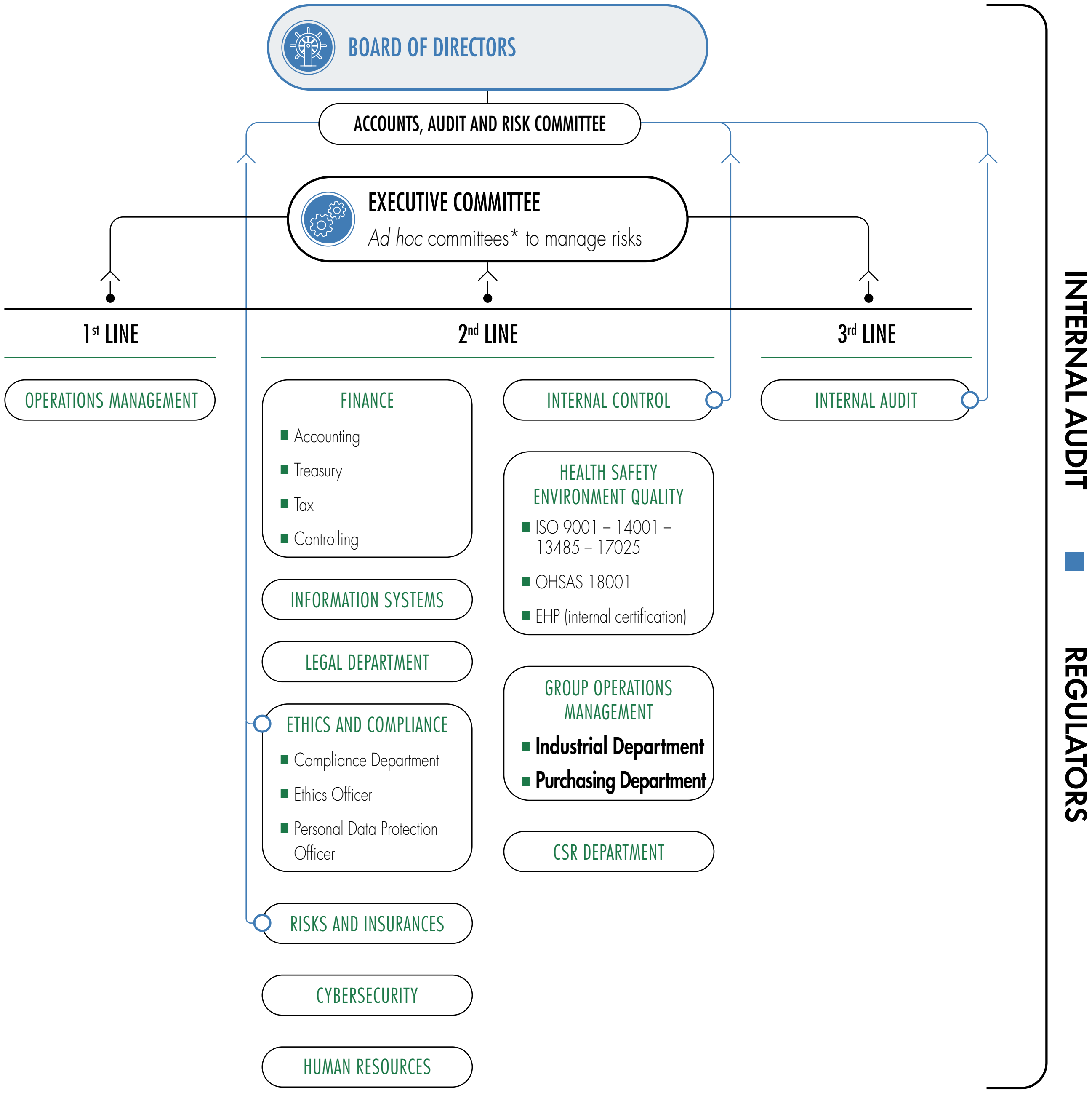
Captive reinsurance entity

The Group has a captive reinsurance entity – Nexans Re – which has been operational since January 1, 2008 and is aimed at optimizing and managing the Group's risk retention strategy, as well as preventing and managing risks. It reinsures:

- Property and business interruption risks. It operates on a program-by-program basis, with maximum coverage amounts per loss and a cumulative cap per insurance year. The maximum amount reinsured by Nexans Re for property and business interruption risk has been increased considering the strong increase of premiums by insurers leading Nexans to reconsider its share of the risk.
- Since 2020, Nexans Re also cover Group third party liability risks including product liability an amount per claim and a capped annual aggregate amount.

3.3. Risk Management and Internal control

The main items of Nexans' risks management and internal control system are described in the chart below and are based on three risk control lines.



Main procedures issued by General Management covering ethics, governance and internal control: Code of Ethics and Business Conduct • Bribery prevention • Compliance with competition rules • Insider trading risks • Rules for commercial contracts • Processing of mergers and acquisitions, industrial investments and real estate transactions • Crisis communication management • Internal control referential • Accounting principles manual based on the practices recommended by the AMF Reference Framework • Limits to the authorization of commitments within the various Group entities.

**Ad hoc* Committees:
- *Disclosure Committee*
- *Tender Review Committee*
- *Purchase Contracts Review Committees*
- *Mergers & Acquisitions Committee*
- *Corporate Social Responsibility, CSR,* supported by two expert committees, the Governance and Social Committee and the Environment and Products Committee

3.3.1. SCOPE AND OBJECTIVES OF RISK MANAGEMENT AND INTERNAL CONTROL

3.3.1.1. RISK MANAGEMENT

Risks may affect people, the environment, the Group's assets, its reputation, or even prevent the Group from reaching its objectives. The success of Nexans strategy and business is conditioned upon Nexans ability to manage risks.

Risk management is a dynamic system for the purpose of:
i) enabling managers to identify and analyze the main risks regarding the Group's strategic objectives, and
ii) adopting mitigation actions to keep the risks at an acceptable level.

Under the frame of Nexans Risk Management policy, Nexans is committed to develop and disseminate a risk management culture within the Group around key principles:

- Responsibility & Risk ownership: Risk management is everyone's responsibility;
- Regular risks assessments and follow up of defined mitigation plans: Risks that could affect the ability of Nexans to achieve its objectives are to be identified, analyzed and evaluated, and action plans controlled;
- Communication and escalation: Risks are to be communicated within the organization and escalated to the next management level.

Nexans has constantly reinforced the importance of an approach aiming at identifying, assessing and ranking the main risks to which the Group is exposed, as well as at developing action plans which objective are to improve Nexans level of control.

Global Nexans Risk management system is designed to meet, in particular, the following objectives:
- To ensure the health and safety of Nexans' employees;
- To guarantee the compliance with Nexans Code of Ethics and Business Conduct and with other Group processes and procedures;
- To ensure that Nexans meets its strategic objectives;
- To preserve Nexans values as well as business activities, assets and reputation of the Group.

3.3.1.2. INTERNAL CONTROL

In Nexans Basic Internal Controls manual states that internal control is a company's system aiming at ensuring that:
- Laws and regulations are complied with;
- The instructions and directional guidelines set by Executive Management or the Board of Directors are applied;
- The Group's internal processes are functioning correctly, particularly those involving the security of its assets;
- Financial information is reliable; and generally, contributes to the control over its activities, to the efficiency of its operations and to the efficient use of its resources.

3.3.2. PROCEDURES FOR RISK MANAGEMENT AND INTERNAL CONTROL

The Group has put in place risk management procedures to identify and manage the risks related to its activities. These procedures enable the Group to identify the risks to which it is exposed and to better control these risks so that it can deploy its strategy properly. They are a key part of its governance structure. In accordance with the law, the Accounts, Audit and Risk Committee monitors the effectiveness of risk management procedures.

The risk management procedures provide a systematic approach to identify, assess, prioritize and deal with the main risks to which the Group is exposed, and to monitor its risk exposure over time. These procedures help operational workforce understand and take account of risk in their day-to-day management, and ensure that mitigation, control and monitoring plans are put in place, along with programs transferring major identified risks to the insurance market where appropriate, in line with the Group's levels of risk appetite.

They cover the Group's main short-, medium- and long-term risks falling under 4 categories of risks: Strategic risks, Operational risks, Legal and Compliance risks, as well as Financial risks.

Among others, Nexans developed internal control processes including but not limited to financial controls and the reliability of published financial and non-financial information, extending to all of the Group's transactions and processes, as well as its human capital and tangible, intangible and financial assets.

Procedures deployed at all operational and functional levels within the Group cover the main ethics, governance and internal control issues.

Key procedures are listed below:

- Code of Ethics and Business Conduct,
- Anti-corruption procedure,
- Antitrust compliance procedure,
- Insider trading risk procedure,
- Procedures to ensure compliance with the rules applicable to commercial contracts,
- Procedures for mergers and acquisitions, capital projects or real estate transactions, purchasing transactions, crisis management and communication procedures,
- Procedure related to managing Cyber security, and
- The Basics Internal Controls manual.

A delegation of authority procedure has also been established, setting limits on managers' signature authority in the various Group entities. The Group has also drawn up an Accounting Manual based on the practices recommended by the Reference Framework published by the AMF.

In accordance with the Group's procedures, each subsidiary is to implement all of the above-mentioned procedures.
In addition, several specific procedures developed by the Finance Department and that apply to all the Group's entities also contribute to risk management and accounting and financial internal control, particularly the procedures for treasury management, currency risk management, non-ferrous metals management, credit risk management and physical inventories. The procedures for the management of currency risk and non-ferrous metals risk are described in Note 27 to the consolidated financial statements.

3.3.3. INTERNAL CONTROL AND RISK MANAGEMENT ORGANISATION

Internal control and risk management organization in Nexans is structured around three main lines of defense.

3.3.3.1. FRONT-LINE OF DEFENSE: BUSINESS GROUPS AND ENTITIES

The Business Groups and entities play a front-line role in managing risks in their respective geographic and business areas.

Their departments are responsible for applying all of the Group's risk management as well as internal control policies and procedures in their area of responsibility, covering such issues as compliance with applicable laws and regulations and with the Group's Code of Ethics and Business Conduct.

3.3.3.2. SECOND LINE OF DEFENSE: FUNCTIONAL DEPARTMENTS, INTERNAL CONTROL, RISK MANAGEMENT AND COMPLIANCE DEPARTMENTS

Internal Control and Risk Management Departments report regularly to the Accounts, Audit and Risk Committee on their activities and the effectiveness of internal control as well as of the risk management system.

- Functional Departments

The functional departments (Finance, Legal and Compliance, Risk and Insurance, Human Resources, Purchasing, Information Systems, Industrial Management, Technology & Innovation…) at the Corporate or Business Group levels track regulatory developments and emerging risk management practices in their specific area of expertise, provide methodological support to the operating departments and entities for the management of their risks and check the effectiveness of their risk management procedures, define specific internal control rules for their area of expertise and oversee the application of these rules throughout the Group. They may also assist Business Groups and entities in monitoring their risks exposures and implementing specific risk mitigation measures. The Group's increasingly cross-functional processes help to strengthen their overall effectiveness, including for risk management and internal control.

- Internal Control Department

The Internal Control Department – which is combined with the Internal Audit Department – contributes to the drafting of rules and compulsory controls to limit ex ante their occurrence, particularly transaction-related risks. These controls help inter alia to limit the risk of errors and fraud.

The internal control system is built around an internal control manual, which is based on the AMF "Risk management and Internal Control systems" issued in 2010 to adapt the 2007 AMF Reference Framework. In that perspective, the internal control manual:

i) Emphasizes the need for an adequate internal control infrastructure (scope, objectives actors, components, etc.),

ii) Covers internal controls to be implemented in a variety of processes (segregation of duties, Purchases to Cash, Inventories Management, Sales to Cash, Reporting, Cash and Foreign Exchange Risk Management, Metal Risk Management, Accounting, etc.).

The internal control manual is supplemented by regular "Flash Reports" issued by the Internal Control Department on significant internal control issues identified in the Group or made public by other companies.

Additionally, the Group has been gradually deploying for several years a data analytics tool aiming at regularly providing Business Groups and operational entities with exception reports related to internal controls (e.g. transactions departing from established internal control principles, such as Purchase Orders issued after the supplier invoice has been received).

- Risk Management Department

The Risk Management Department initiates, develop and manages the risk management system and checks its effectiveness in ensuring that the Group meets its objectives, working in partnership with the Internal Control Department and the Internal Audit Department. Risk Management Department, reporting to Nexans Accounts, Audit and Risk Committee, participates actively i) to the design and implementing an overall risk management process for the organization, which includes an analysis of the financial impact on Nexans when risks occur and ii) the building of risk awareness amongst staff by providing support and training within Nexans.

In particular, it participates in identifying and monitoring strategic risks alongside the Business Groups, Functional departments and the Strategy Department.

It is responsible for managing the insurance programs and ensuring that they are consistent with the Group's risk exposures and appetite.

In 2020, the decision to have the Cyber Security team reporting to the Nexans Group Risk Manager was taken. The reorganization comes as cyber risk, which relates to all information systems of the Group and connected industrial machines/assets, is identified as a critical risk for the Group.

Other internal control and risk management bodies or committees

- On Compliance matters

- The Ethics Correspondent receives, and processes reports of violations of the Group's Code of Ethics and Business Conduct. The Ethics Correspondent reports directly to the General Secretary, with a dotted-line reporting relationship with the Chief Executive Officer, and reports the cases handled at least once a year to the Accounts, Audit and Risk Committee as well as the CSR Committee (see section 4.3.4. Fair practices below).
- The Compliance Officer reports directly to the General Secretary. The Compliance Officer is responsible for proposing to Executive Management measures to prevent, detect and handle breaches of ethics laws and regulations, and supporting the functional and operational managers in implementing the Compliance Action Plan. The Compliance Officer reports on the work performed to the Accounts, Audit and Risk Committee at least once a year.

  The Compliance Department performs second-level controls on:
  - registration in the centralized online platform, documentation, review, approval and monitoring of sales intermediaries;
  - amount, beneficiary, motive and authorization chain of gifts, entertainment, hospitality, sponsoring and charity donations given out by the Group;
  - management of conflicts of interest by the business managers and Human Resources Community;
  - membership to trade associations;
  - management of politically exposed persons
  - due diligence performed on suppliers by the Purchasing Department;
  - due diligence performed on prospect clients in the framework of tender review committees.
- A Group Data Protection Officer has responsibility for establishing rules and procedures to ensure that the processing of personal data within the Group complies with the applicable legislation by protecting the private nature of the information. The Group Data Protection Officer is supported in the tasks by a network of local data protection correspondents and the Information Systems Security Officer.

- Committees roles

The Group has set up several committees that help identifying and/or monitoring the main risks:

- The Disclosure Committee, whose role is to help identify the main legal and financial risks surrounding the Group's businesses and entities, assess their materiality and ensure that risks are communicated properly outside the Group.
- The Tender Review Committee reviews the commercial, legal, financial and technical terms and conditions of all bids in excess of 5 million euros and 25 million euros for the High Voltage business.
- Purchase Contract Review Committees review the legal, financial and technical terms and conditions of purchase contracts in excess of 1 million euros. The goal of these committees is to ensure purchase contracts are within Group parameters of risk taking or risk management.
- The Mergers & Acquisitions Committee reviews and approves (subject to prior approval by the Board of Directors of projects with a unit value higher than 50 million euros) any potential business acquisition or divestment projects, or possible strategic alliances or partnerships.
- The CSR Committee determines the Group's corporate social responsibility policies and monitors its CSR initiatives. It is assisted by two specialized committees, the Governance and Social Affairs Committee and the Environment and Products Committee. See section 4.3.6 Duty of care plan.

3.3.3.3. THIRD LINE OF DEFENSE

Internal Audit Department

Internal Audit Department report regularly to the Accounts, Audit and Risk Committee on their activities and the effectiveness of internal control as well as of the risk management system.

The Internal Audit Department contributes to overseeing the risk management and internal control system. Its role and responsibilities are described in the Group's Internal Audit Charter. It reports to Executive Management and meets with the Accounts, Audit and Risk Committee at least twice a year to discuss the audits carried out by the team and their findings. An internal audit plan is drawn up each year based mainly on the Group risk map. The aim is for all Group entities to be audited at least once every four to five years.

The plan is submitted to Executive Management for approval and the approved plan is presented to the Accounts, Audit and Risk Committee. The audits cover not only financial and operational processes but also ethics and corporate governance issues. Following each audit, a report is issued describing any observed weaknesses or failures in applying and meeting the Group's principles and rules. In addition, the report contains recommended improvements. Implementation of the most important and urgent recommendations is monitored on a quarterly basis by Executive Management.

The Internal Audit Department contributes to overseeing the internal control system through the assignments it performs and the reports it draws up, as well as by monitoring the implementation of recommendations issued.

3.3.4. PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

Control activities are based on a financial and accounting reporting system and a set of internal control procedures.

3.3.4.1. PROCESS FOR THE PREPARATION OF FINANCIAL AND ACCOUNTING INFORMATION

Financial and accounting information is generated in consolidated form as follows.

All amounts reported on the face of the financial statements are obtained from the accounting systems of the legal entities, whose accounts are kept according to local accounting principles and then restated in accordance with the accounting principles and methods applied by Nexans to prepare the consolidated financial statements, which are drawn up in accordance with IFRS pursuant to EC Regulation 1606/2002.

The Group's entire financial and accounting reporting process is structured around the Hyperion System.

Reporting packages are based on the information from each unit's management accounts. These accounts are prepared according to standard accounting principles defined in numerous procedures. In particular, to ensure the consistency of the information produced, Nexans has an accounting manual which is used by all Group units and defines each line in their income statement by function and statement of financial position.

Based on the Group's Equity Story, which sets out the main strategic and financial directional guidelines, each unit establishes an annual budget by business unit in the last quarter of every year. The budget is discussed by both local management and the management of the Business Group and is submitted to the Executive Committee for final approval. The Group's budget is presented each year to the Board of Directors. It is then broken down into monthly figures.

The business units produce monthly reports that are analyzed by management. The consolidated results by Business Group are analyzed with the Group's management at dedicated Business Group meetings.

A consolidated accounts closing procedure is carried out on a half-yearly basis. The procedure includes a specific review and analysis of the financial statements during meetings which are attended by the Group Finance Department, the Finance Departments of the Group's main operating subsidiaries and the VP Finance controllers for the Business Group concerned. These meetings also provide an opportunity to review the various main points to be considered for the upcoming close.

Any off-balance sheet commitments are reviewed by the Consolidation Department based on information provided by the business units, the Treasury and Non-Ferrous Metals Management Departments, and the Group General Secretary's Department. This information is set out in the notes to the Group's consolidated financial statements.

Lastly, the Group has set up a half-yearly procedure whereby the Chief Executive Officers and Chief Financial Officers of all Nexans' subsidiaries sign internal representation letters giving – for the scope for which they are responsible – a written commitment concerning the quality and completeness of the financial information reported to the Group departments and concerning the existence of adequate internal control procedures that are effectively implemented.

3.3.4.2. MAIN INTERNAL CONTROL PROCEDURES FOR FINANCIAL AND ACCOUNTING INFORMATION

The Group's Finance Department keeps the above-mentioned procedures up to date. It has also drawn up procedures for the main areas that fall within its purview, particularly procedures for reporting, treasury management, non-ferrous metals management, credit risk management and physical inventories.

The Group's Finance Department also seeks to ensure at all times that there are clear procedures to deal with sensitive issues or identified financial risk factors (described in the Management Report) that are specific to the Nexans Group's business and could have an impact on its assets or earnings.

This is the case, for example, with the management of risks associated with exchange rates, interest rates, and the fluctuation of non-ferrous metal prices, for which specific reporting procedures are in place at business unit level. These risks are controlled and analyzed by both the Treasury, Financing and Non-Ferrous Metals Management Department.
The Internal Audit Department performs controls to ensure that adequate internal controls are in place and function effectively and that Group procedures are complied with.

3.3.5. OVERSIGHT OF INTERNAL CONTROL OF THE ACCOUNTS, AUDIT AND RISK COMMITTEE

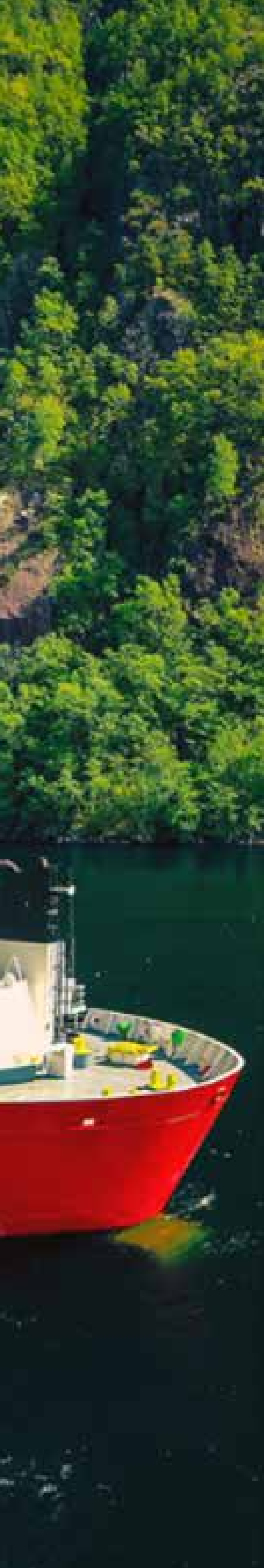
As a result of the powers conferred upon it by law and by the Board of Directors' Internal Regulations, **the Accounts, Audit and Risk Committee** monitors the process for preparing the financial information and, where appropriate, makes recommendations to ensure its integrity.

The Accounts, Audit and Risk Committee reviews the annual and interim financial statements and ensures the relevance and continuous application of accounting methods adopted by the Company for its corporate and consolidated financial statements, in particular for significant transactions.

The Accounts, Audit and Risk Committee ensures that systems of internal control and risk management and, where applicable, the internal audit of the procedures relating to the preparation and processing of the accounting and financial information, are in place; it follows up on their effectiveness by ensuring that corrective actions are taken in case of identified weaknesses and significant anomalies. Each year, the internal audit plan is reviewed by the Accounts, Audit and Risk Committee and the Committee is given a presentation on the main conclusions every six months. The Board of Directors contributes to monitoring internal control through the work and reports of the Accounts, Audit and Risk Committee.

The Accounts, Audit and Risk Committee ensures that a description of internal procedures to identify off-balance sheet commitments and risks is made known to the members of the Committee and examines significant off-balance sheet commitments and risks. It takes note of the work carried out by internal audit, gives its opinion, and reviews the principal conclusions of the work undertaken. It examines the appropriateness of the procedures for analyzing and monitoring the main risks arising from the Group's activities. It reviews the programs and actions implemented in risk management. It examines the Group's program regarding compliance, ethics and business conduct and its implementation: training and prevention, investigations and processing of reports.


NEXANS SKAGERRAK



4

NON-FINANCIAL PERFORMANCE STATEMENT – CORPORATE SOCIAL RESPONSIBILITY

Nexans, Electrify The Future!

From energy production and distribution to usage, the Group offers systematic answers to its customers' unique requirements.

Nexans' innovative, connected electrification solutions generate sustainable profits for all of its stakeholders, and enable progress for people and the planet.

The Group is leading the charge to the new world of electrification – safer, sustainable, renewable, decarbonized and accessible to everyone – connecting us all to new opportunities, technologies and behaviors that will build a better future.

Electrify the future

Electrification is in Nexans' DNA. It is at the very core of the Group's existence. Electrification is what drives the people at Nexans to give the best of themselves, to build a better future for the world.

Creating a sustainable world

Nexans is now a global player in energy transition, building part of the new electric world, accessible to everyone.

The electrification of the planet is key to sustainable, balanced growth that benefits all of humanity.

This change will open a new era, with new players and new economic models linked to the decentralization and digitalization of electricity systems.

An opportunity for virtuous growth

As all sectors move to an electrified and digital vision, the Group has a huge opportunity to capitalize.

In doing so, the Group can help tackle global warming and bring about economic growth, for all of humanity.

Build the sustainable energy highway of the future

Two areas in which the Group is making a difference:

1. Active contribution to carbon neutrality at its industrial environment supported by Industry 4.0 levers.

- Automating manufacturing operations using innovative technologies that improve return on capital and profitability.
- Helping reduce waste and energy consumption to address the impact on climate change.

2. Leadership in the sustainable electrification of the world.

- Designing, building and supporting systems to provide sustainable and reliable energy networks to the Group' customers.
- Reducing cost and meeting future challenges by launching the Group's new laying vessel Aurora, bringing higher capabilities (deeper installation, longer cables and laying dual cables).

Contribute to carbon neutrality: the Group's pledges

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.

1. Limiting global warming to 1.5°C

- 4.2% average annual reduction of company greenhouse gas emissions, particularly on Scopes 1 and 2[1].
- 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 recycled.
- Deployment of energy efficiency solutions at all sites.

(1) 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..

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

The Group works responsibly every day to respond to major challenges and meet stakeholder needs. As one of our value creation drivers, CSR[1] remains a key component and integral part of the Group's strategy.

With the 3Ps Program – People, Planet & Profit – launched in 2020 to reward the Business Units that have made progress in the indicators used to measure performance in these three areas, the Group capitalizes on CSR to drive global performance.

This chapter presents the information that must be reported in the Non-financial Performance Statement[2].

The Group's business model described in Chapter 1, Presentation of the Group and its activities, highlights the advantages and strengths of its structure and processes that enable it to interact with its ecosystem in keeping with its strategic direction.

The CSR roadmap for 2020-2023 was presented to stakeholders at the Nexans ESG[3] event held in November 2020.

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.

CSR strategy

PEOPLE: Looking after our people and building a diverse and inclusive workplace for all.

- Workplace safety: guarantee health and safety on sites
- Human capital: build people who build business
- CSR awareness: motivate people to act on CSR issues

ENVIRONMENT: Committing to reduce carbon impact on the planet in innovative ways

- Environmental management: maintain a high standard of environmental management
- 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
- Climate: reduce our impact on the climate and improve the share of renewable, decarbonized energy

ECOSYSTEM: Sharing our values and the highest ethical standards with all stakeholders

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

(1) CSR: Corporate Social Responsibility.
(2) Statement on Non-Financial Performance: articles L. 225-102-1, R. 225-105 et R. 225-105-1 of the French Commercial Code.
(3) ESG : Environment – Social – Governance. See www.nexans.com/en/csr/Nexans-ESG.

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.

			2020	Target 2021	Target 2022	Target 2023
PEOPLE	Workplace safety	Workplace accident frequency rate(1)	1.87	1.5	1	0,9
		Severity rate(2)	0.15	<0.12	<0.11	<0.10
	Human capital	Graded positions staffed internally(3)	58%	50%-55%	55%-57%	60%
		Women in management positions	24%	24%	25%	26%
		Women in top management positions(4)	14.7%	16%-18%	17%-19%	18%-20%
	CSR awareness	Employees eligible to Long Term Incentive with CSR criteria(5)	100%	100%	100%	100%
ENVIRONMENT	Environmental management	Industrial sites certified ISO 14001	86%	88%	90%	93%
	Circular economy	Total production waste recycled(6)	92%	93%	94%	95%
		Sales generated from products and services that contribute to energy transition & efficiency(7)	57%	60%-70%	60%-70%	70%-80%
		Proportion of Nexans cable drums worldwide connected to digital platforms and recyclable(8)	17%	30%	55%	80%
	Climate	Reduction of GHG emissions (scopes 1, 2 and 3) (base year 2019)(9)	-12.12%	-8.4%	-12.6%	-16.8%
		Proportion of renewable or decarbonized energy(10)	65%	65%	68%	72%
ECOSYSTEM	Business ethics	Managers having completed the yearly Compliance Awareness course(9)	98%	100%	100%	100%
	Partners	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%(12)	136	230	370	500
		Employee engagement index(13)	NA	77%	78%	78%
	Nexans Foundation	Amount allocated by the Nexans Foundation	€300,000	€300,000	€300,000	€300,000

(1) 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. This rate relates to internals and temporary workers.
(2) Severity rate: total number of lost work days due to accidents at work/total number of hours worked x 1000. This rate only relates to internal workers.
(3) Proportion of staff positions filled through internal mobility at position C and above, according to the Nexans Grading system.
(4) Top management: Category of employees defined by the Group's Executive Committee based on the Nexans Grading system.
(5) Among the employees benefiting from a long-term Incentive plan validated by the Board of Directors, 100% include a CSR criterion.
(6) Non-hazardous production wastes consist mainly of non-ferrous metal and plastic materials. They are revalorized internally or externally.
(7) Offshore wind, interconnection projects, utilities, smart grids (Energy transition), energy efficiency (building), accessories, solar energy, wind energy, eco-mobility and asset management.
(8) 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.
(9) 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).
(10) Proportion of renewable energy produced directly by Nexans locations or the purchase of decarbonized energy.
(11) Classified in HR My Learning tool as "Executives Committee and Board members, other top executives, Managers and key positions" employees of the Group (notwithstanding Harnesses, where the top 4 Executives were in the scope), to complete the yearly Compliance awareness course covering several topics including but not limited to, anti-corruption, conflict of interest, competition law, harassment and discrimination, ethics incident report procedure.
(12) 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%, based on Nexans purchase CSR risk mapping, made by EcoVadis.
(13) Scope: Cables.

Impact of the health crisis

Right from the start of the epidemic, the Group adapted its organization to the new health and safety standards and implemented measures to mitigate its financial impact by focusing on preserving financial liquidity, accelerating the deployment of the "New Nexans" transformation plan and preserving production continuity.

The members of the Executive Committee have implemented a rigorous action plan focused on five key objectives: (i) protection of teams; (ii) business and production continuity; (iii) meeting customer commitments; (iv) preservation of liquidity and financial modeling; and (v) communication with external stakeholders and enhanced communication with the Board of Directors.

Across all activities, the action plan has been successfully deployed thanks to rigorous internal control processes, preventive actions, team commitment and union support.

The impacts of the health crisis on each of the three pillars of CSR are presented in the introduction to the developments for each of these pillars.

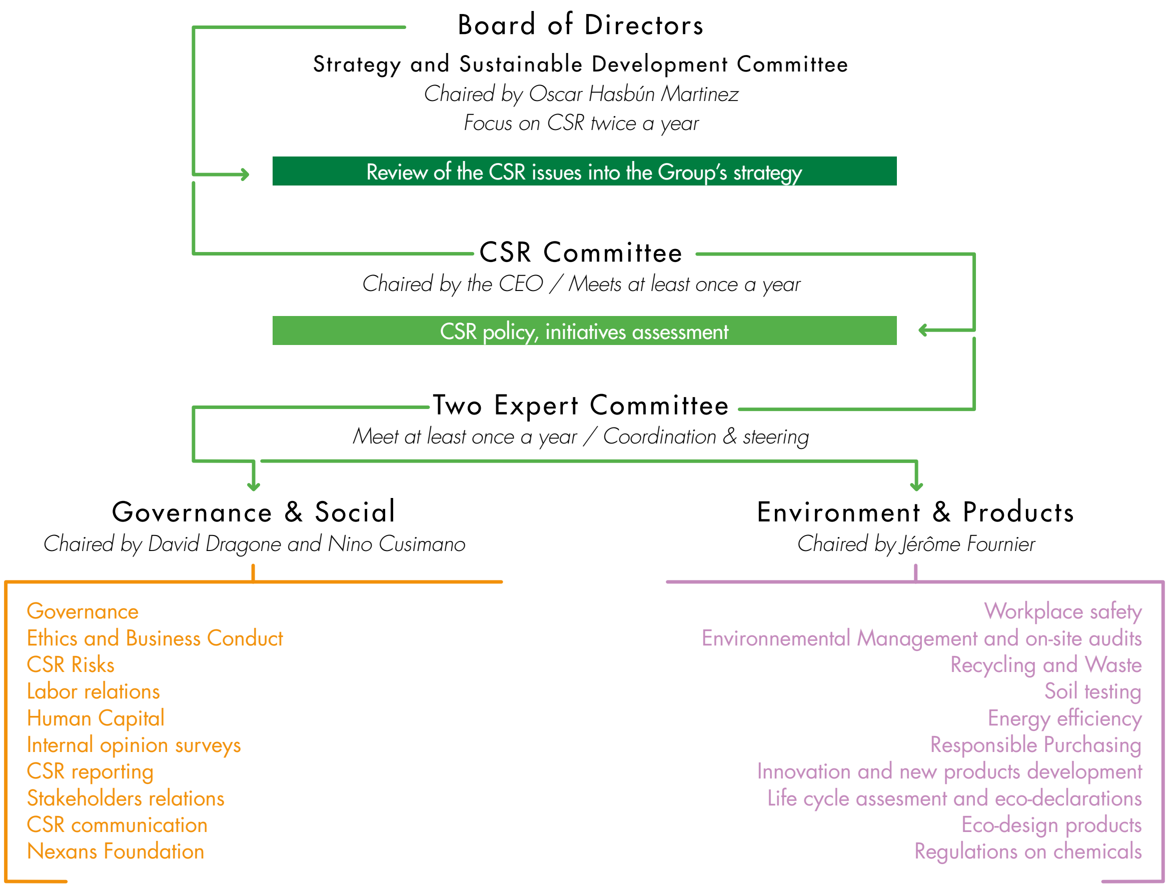
CSR performance

The CSR performance of the Group is regularly measured and recognized by its stakeholders, in particular non-financial rating agencies (see section 4.3.2. "Relations with stakeholders").

The strength of its CSR performance was affirmed in 2020, as assessed by:

- **ISS Oekom:** B- rating maintained (the best rating in the industry is B), enabling the Group to keep its "Prime" status.
- **CDP (Carbon Disclosure Project):** A-rating (versus A in 2019). By joining the Climate A list, the Nexans Group is one of the 273 companies selected out of the 5,800 organizations that disclosed their data.
- **EcoVadis:** Improvement in the Advanced rating with a score of 78% (74% in 2019), earning the Group the EcoVadis Platinum level CSR recognition medal. The Group now ranks among the top 1% of companies assessed by EcoVadis.
- **Sustainalytics:** Rating of 73% (up from 71% in 2019), ranking the Group 9th out of 43 in its industry.
- **MSCI:** BBB rating maintained, ranking the Group in the top four in its industry.

CSR governance



To steer its CSR ambitions, the Group has set up a dedicated governance structure overseen by the CSR Department, which reports to the Group's Senior Corporate Vice President Human Resources, in charge of Communications and CSR, and member of the Executive Committee. Regarding Fair Practices, it has set up an ethical compliance program under the responsibility of the Group's Secretary General and the Head of the Ethical Compliance Program, who report to the Chief Executive Officer and the Audit and Accounts Committee of the Board of Directors.

The Group's highest decision-making bodies and operating and support departments are closely involved in CSR governance. This is reflected in the commitment to integrate CSR into its strategy through various committees.

Primarily, the **CSR Committee**[1] chaired by the Chief Executive Officer[2], is made up of members of the Executive Committee This committee meets at least once a year to define the CSR policy and assess the various initiatives. The CSR Committee works with two expert committees that meet at least once a year to translate the CSR ambitions and other CSR issues into operations:

- **Governance and Social Affairs Committee** co-chaired by the Group's Senior Corporate Vice President Human Resources, in charge of Communications and CSR, and member of Executive Committee, and by the Senior Corporate Vice President, General Secretary, and member of the Executive Committee: Governance, ethics and business conduct, CSR risks, labor relations, human capital, internal opinion surveys, CSR reporting, stakeholder relations, CSR communication, Nexans Foundation.

- **Environment and Products CSR Committee** chaired by the Senior Corporate Executive Vice President and member of the Executive Committee: Workplace safety, environmental management and on-site audits, recycling and waste, soil testing, energy efficiency, responsible purchasing, innovation and new product development, life cycle assessment and eco-declarations, eco-design, regulations on chemicals.

Twice a year, the Strategy and Sustainable Development Committee of the Board of Directors also reviews how the Group takes into account sustainable development issues in defining its strategy.

The involvement of the highest governance bodies and the organization's operating departments and support functions in developing CSR policy attests to the strong commitment to incorporate CSR issues into the Group's strategy.

This commitment is embodied by the publication in 2020 of the Group's third integrated report.

After publishing its first integrated report, the Group received the Integrated Thinking Awards in 2019. This award recognizes the Group's integrated thinking approach to bring its actions in line with its ecosystem and its strategic direction.

Main CSR risks and opportunities

In connection with preparing its Non-financial Performance Statement, the Group analyzed its CSR risks with a view to assessing its opportunities and risk management processes. As well as taking into account Group-level risk analyses, stakeholder requests (including from non-financial rating agencies), the issues raised in the above-mentioned materiality test and operational risks related to its business, the Group performed a specific CSR risk mapping process during the year.

The findings of this CSR risk analysis were presented to the Board of Directors.

The analysis was carried out jointly by the Risk Department and the CSR Department in conjunction with the Operations, HR, Innovation and Purchasing Departments.

During the analysis, the Group identified the non-financial risks to which it is exposed in relation to its business activities, products and services, notably concerning social and environmental issues, human rights and anti-corruption measures. Its level of exposure to these risks were then assessed based on a scoring system that takes into account both probability and impact. For each of the main identified risks, the Group verified that it has the appropriate systems in place as well as adequate human and financial resources for effective risk management. In the context of this analysis, the Group notes that no significant impact of the health crisis on the themes covered by the mapping should be mentioned.

The main CSR risks identified and the related commitments made by the Group are as follows:
- Risks related to sustainable purchasing and conflict minerals: ensure that the Group continues to comply with the applicable laws and regulations and effectively prepares for regulatory changes, by making sure that all operations staff are fully aware of the practices required (see section 4.3.3. "Sustainable purchasing" and 4.3.6. "Duty of care plan").
- Risks related to regulations on chemicals: ensure that the Group remains compliant with the REACh regulation and the RoHS Directive and putting in place the requisite resources for achieving such compliance (see section 4.2.7. "Reducing the use of hazardous substances" and 4.3.7. "Measures taken to protect consumers' health and safety").
- Risks related to workplace safety: ensure safety in the workplace for the Group's employees and partners and stepping up the measures aimed at reaching the objective set

(1) CSR : Corporate Social Responsibility.
(2) CSR goals in the variable portion of the Chief Executive Officer's compensation, see section 2.5. of this report.

for 2023 (see section 4.1.1. "An active workplace health and safety policy" and section 4.3.6. "Duty of care plan").

- Risks related to attracting and retaining talent: check that the Group has, and will maintain, the necessary skills to meet its strategic goals (see section 4.1.2.1. "Attracting and developing talent").
- Risks related to environmental pollution: identify any sources of pollution and implement measures to eliminate, reduce or manage them when they are identified (see section 4.2.2. "Managing pollution risks" and section 4.3.6. "Duty of care plan").
- Risks related to compliance: ensure that employees comply with the Code of Ethics and Business Conduct in the exercise of their professional activities and that external stakeholders also comply with the rules and practices set out in said code (see 4.3.4. "Fair of practices").

The Group has put in place strategies for managing each of these risks, with carefully tracked action plans backed by results indicators and regular performance reporting. Reviews of this approach are included on the agenda of specific CSR Committee meetings.

Risks related to climate change are no longer considered as a major risk for the Group in 2020. Climate change remains a known risk, but due to the Group's undertakings to fight climate change, the resources to mitigate this risk are now in place. The initial risk was essentially that the Group would be unable to respect the Paris Agreement. Now, with a commitment to contribute to achieving carbon neutrality by 2030 in line with the 1.5°C trajectory, the Group has set out an ambitious roadmap to meet and implement this target.

This topic is discussed in the Non-financial Performance Statement with details on the information above.

Independent data verification

An external audit was carried out on the compliance of the Non-financial Performance Statement with the provisions of Article R.225-105 of the French Commercial Code *(Code de Commerce)* and the equity of the information provided pursuant to 3° of the I and II of Article R.225-105 of the French Commercial Code and the fairness of the HR, environmental and social information provided in this report pursuant to Article R.225-105-2 of the French Commercial Code.

4.1. People

Nexans is a key player in electrification and decarbonation, contributing to the energy transition. This represents a fantastic opportunity to mobilize employees around the Group's new purpose: "Nexans, Electrify the Future".

In terms of people, this implies three main challenges for the Group:

1. The first is to attract and onboard people with the right skills; attracting graduates and technical experts profiles, who are in high demand in the competitive energy sector.

2. The second challenge is to retain and develop employees by ensuring knowledge transfer, continuous learning and job moves. Imagining, designing, manufacturing, installing a cable or creating a new service is a long process, requiring a mastery and temporality quite different from the "right now" of the world in which we live.

3. Finally, the third challenge is to foster diversity. The Group firmly convinced that plural teams and differences are a source of richness and performance, not only for the company but also for all employees.

To meet these challenges, the Group's priority remains to take care of the health and safety of each employee. The Covid-19 pandemic has offered a further reminder of the importance of health. Within the Group, spontaneous, extraordinary acts of solidarity have been expressed throughout the world.

To deal with the health crisis, the Group implemented a number of measures, including home-working, which was favored for its employees whenever possible. In addition, health protocols have been put in place (compulsory wearing of masks, limited number of employees on site, provision of hydro-alcoholic products, tests, etc.) and have been adapted to the evolution of the pandemic.

In addition, the Group has adapted its organization to the specific features of the Covid-19 crisis. For example, distance learning (e-learning, etc.) has been favored and the recruitment and integration processes for new employees have been adapted to health risks.

The Group shares a genuine safety culture, because it concerns everyone, whatever their role and wherever they work. That is why every year the Group 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.

In addition to its focus on safety, the Group develops employee education and engagement through courses and ongoing development with a comprehensive and diverse range of training programs.

Passionate people

People are the Group's purpose. Through their engagement, dedication, talent and diversity, employees are part of what makes Nexans' vision a reality.

That is why the Group's social approach is a key focus of its CSR policy and one of its three CSR pillars.
The "People" pillar aims to "Looking after our people and building a diverse and inclusive workplace for all" by working towards three key targets: workplace health and safety, human capital and CSR awareness.

These 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 the indicators used to measure performance in the three areas. For the People pillar of the 3Ps program, the following performance indicators were selected: workplace accident frequency rate, absenteeism and indicators to measure commitment and diversity.

Workplace health and safety is an absolute priority and a fundamental value upheld at all times by the Group.

Regarding human capital, the Group will continue to develop its diversity program, more specifically by increasing the number of women in management and top management positions. Internal mobility is another Group priority, with the aim of increasing the number of management positions staffed internally.

CSR awareness involves integrating CSR goals into long-term performance plans.

Nexans' HR policy and the initiatives taken or continued in 2020 are perfectly in line with its CSR priorities and address the main CSR risks. The objective is to support Nexans' strategy to become a learning organization, where each employee can play an active role in his or her personal development, a diverse organization, concerned about individual well-being and safety at the workplace, and capable of attracting the talent the Group needs for its future growth.

			2020	Target 2021	Target 2022	Target 2023
PEOPLE	Workplace safety	Workplace accident frequency rate[1]	1.87	1.5	1	0.9
		Severity rate[2]	0.15	<0.12	<0.11	<0.10
	Human capital	Graded positions staffed internally[3]	58%	50%-55%	55%-57%	60%
		Women in management positions	24%	24%	25%	26%
		Women in top management positions[4]	14.7%	16%-18%	17%-19%	18%-20%
	CSR awareness	Employees eligible to Long Term Incentive with CSR criteria[5]	100%	100%	100%	100%

(1) 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. This rate relates to internals and temporary workers.
(2) Severity rate: total number of lost work days due to accidents at work/total number of hours worked x 1000. This rate only relates to internal employees.
(3) Proportion of staff positions filled through internal mobility at position C and above, according to the Nexans Grading system.
(4) Top management: Category of employees defined by the Group's Executive Committee based on the Nexans Grading system.
(5) Among the employees benefiting from a long-term Incentive plan validated by the Board of Directors, 100% include a CSR criterion.

At December 31, 2020, the Group's 24,248 employees (25,945 in 2019) broke down as follows:

- its international scope: 89% of the Group's employees work outside France and 46% work outside Europe;
- a substantial proportion of headcount (14%) made up of executives, engineers or the equivalent, of which 24% are women;
- proportion of women within the Group of 36%;
- a high proportion of employees in full-time employment (99%), on permanent contracts (83.4%).

NORTH AMERICA

2,611 employees (11%)
- **36.2% females**
- **11.8% are managers,** of whom 24.6% are females
- **88.4% are permanent employees**

Average seniority **6.7 years**
Average age **38.4 years**
Frequency rate of work accidents **0.82**

EUROPE

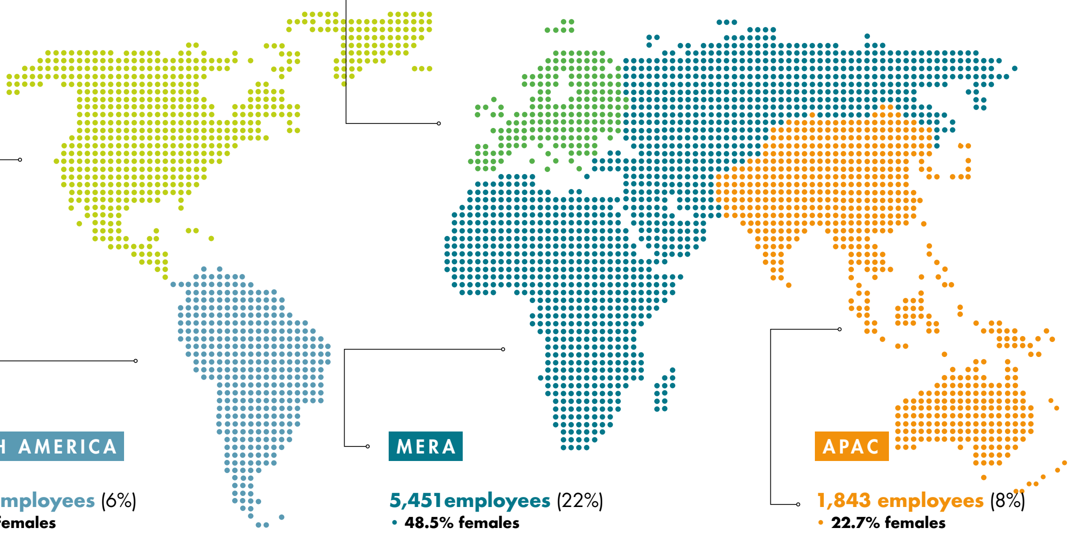
12,997 employees (54%)
- **34.8% females**
- **16.4% are managers,** of whom 23.2% are females
- **95.3% are permanent employees**

Average seniority **11.2 years**
Average age **42.7 years**
Frequency rate of work accidents **3.06**

NEXANS

24,248 employees
- **35.8% females**
- **14.4% are managers,** of whom 23.9% are females
- **83.4% are permanent employees**

Average seniority **9.5 years**
Average age **40.0 years**
Frequency rate of work accidents **1.87**



SOUTH AMERICA

1,346 employees (6%)
- **10.8% females**
- **19.0% are managers,** of whom 24.5% are females
- **97.5% are permanent employees**

Average seniority **10.0 years**
Average age **41.6 years**
Frequency rate of work accidents **2.88**

MERA

5,451employees (22%)
- **48.5% females**
- **5.5% are managers,** of whom 2.3% are females
- **51.9% are permanent employees**

Average seniority **5.6 years**
Average age **33.1 years**
Frequency rate of work accidents **0.11**

APAC

1,843 employees (8%)
- **22.7% females**
- **27.3% are managers,** of whom 26.4% are females
- **75.9% are permanent employees**

Average seniority **12.0 years**
Average age **42.4 years**
Frequency rate of work accidents **0.88**

Definition of the workplace accident frequency rate: see section 4.1.1.1.

In 2020, the Group's 4,405 hires by age group were as follows: 61.4% were under 30 (versus 60% in 2019), 25% were between 31 and 40, 10.3% were between 41 and 50, and 3.3% were over 50.

Average length of service for the Group's employees was 9.4 years, for an average age of 40 years.

Monitoring absenteeism is a key element of management and is one of the essential indicators measured in the 3Ps Program – People, Planet & Profit. In 2020, the Group's absenteeism rate stood at 6.7% (versus 5.5% in 2019), 5.6% for Cables and 8.3% for the Harness business.

In 2020, 16.6% of the Group's total headcount were on fixed-term contracts.

7.3% of temporary workers increased the total headcount in 2020. Overtime accounted for 5.2% of total hours worked.

Diversity and equal treatment

Promoting diversity is a core Group commitment to its teams and professional environment.

The Group has set two targets relating to diversity. The first is to have 26% of female managers by 2023 (versus 24% in 2020), while the second is to increase the proportion of women in top management from 18% to 20% by 2023 (versus 14.7% in 2020).

People from nearly 30 nationalities work at the Group's head office.

Different forms of diversity are also represented on the Executive Committee, including in terms of foreign nationals, with five nationalities among the ten members. For the first time in the Group's history, one of the Group's largest businesses has been under the leadership of a Norwegian woman, since January 2020.

The Group's governance structure has a rich cultural diversity (see 2.2 "Diversity policy among governance bodies").

The Group places great importance on eliminating all forms of discrimination in terms of employment and professional activities (gender, age, race, political affiliation, religion, etc.) and pays special attention to professional equality, gender equality, the employment of seniors and young people, the employment of people with disabilities and access to training.

These principles are stated in the Group's Code of Ethics and Business Conduct, and its Human Resources policy, and are in line with the United Nations Global Compact, which Nexans joined in 2008.

Nexans and human rights

Human rights are included in the Group's Code of Ethics and Business Conduct, in line with the United Nations Global Compact, which Nexans joined in 2008.

An in-house assessment on the respect of Human Rights and fundamental freedoms was conducted in 2019 among the Group's country-level HR managers and no cases of non-compliance were noted (see section 4.4.6.4. "Human Rights and fundamental freedoms risks").

To build closer relations with entities on the subject of human rights, this in-house assessment will be conducted every year starting in 2021. HR² – Human Resources for Human Rights is a dedicated HR working group created within the Human Resources Department, along with representatives from each Business Group, to work on human rights issues.

A special governance system was also set up in 2020, with the participation of the Purchasing, Legal, Compliance and Risks Departments to ensure compliance with human rights and fundamental freedoms, and to develop a charter on these points.

Women In Nexans - WIN

When hiring, the Group makes sure 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 Group's leading diversity and inclusion network on a global level.

The WIN network accelerated its growth in 2020 by increasing the number of members and implementing a wider range of actions worldwide.

Despite the health crisis, subgroups continued working on developing a new mission statement and defining the main priorities for 2020 along with key performance indicators to measure progress.

One of WIN's headline initiatives focuses on breast cancer awareness. In 2020, 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, pink drums, and a "wear it pink" photo and video theme. The WIN network also launched a "Movember" campaign to raise awareness about prostate cancer in November.

The network featured newly hired women operators at the Group in interviews shared on Yammer and its intranet.

Attracting women to positions as operators is not always easy for an industrial group. However, one of the Group's factories in China met this challenge with the ergonomic adjustments to production equipment which proved beneficial for both female and male operators.

Nexans and employment of people with disabilities

Despite the pandemic, the Group participated in initiatives for European Disability Employment Week for the fifth consecutive year.

For example, the Lyon site in France focused on disability and workplace integration through the following actions:
- Partnership with a local sheltered workshop that specifically employs people with disabilities, which has provided one of its employees since November 2020 to work as an operator on fire resistant products. This service contract enables an employee with a disability from one of these sheltered workshops to integrate into a "traditional" working environment.
- Work with the sheltered sector for landscaping and on-site food services.
- Implementation of a meal voucher system compatible with the nearby sheltered workshop to give employees access to the workshop's restaurant.
- Inclusive, transparent masks 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.

4.1.1. AN ACTIVE WORKPLACE HEALTH AND SAFETY POLICY

"Safety starts with me!", such is the commitment of Nexans carried to the highest level of decision-making.

Employee health and safety is an absolute priority for the Group, both in relation to its own employees and those of all its partners (subcontractors, temporary staff, customers, etc.) who are fully part of the Group's core values. Workplace health and safety is a key performance indicator covered by the CSR ambitions and an integral part of the managerial routines.

With a view to encouraging risk prevention, in 2008 the Group set up a dedicated Health and Safety unit, reporting to the Operations Department, which relays health and safety standards and implements related initiatives across the Group through a network of Safety and Environment representatives.

4.1.1.1. WORKPLACE SAFETY

The Group has put in place the following programs and initiatives:

Safety Standards

In view of the main risks inherent in its business, the Group has defined a set of basic rules to guarantee its employees' safety. These rules cover technical aspects (handling of cable drums, electric testing, etc.), methodology (especially maintenance rules and evaluation tools) and behavior described below.

The Basic Safety Tools used by operations teams with the support of the HSE and Continuous Improvement teams (as part of the Nexans Excellence Way program) include:
- Job Safety Analysis (JSA) to analyze tasks performed, identify potential risks of exposure and determine corrective measures;
- Safe and Un-Safe Act (SUSA) to report safety problems and suggestions and monitor potential hazard closure rates;
- SQDCE to provide a forum for employees to identify any safety concerns at their workplace and with daily management review and resolution assignments.

Alert Management System (AMS)

The Group made the 8D problem solving methodology the standard for analyzing lost time injuries (LTIs), medical treatment incidents (MTIs), and serious first aid and/or near miss cases/(LTIs).

These incidents are reported in real time via the Group's Alert Management System, or AMS.

Lost time injuries are communicated in flash reports sent to managers and all on-site safety managers.

The Group's aim remains to continue improving risk analysis at each site and share proactively with the entire Group any potential risks along with corrective and preventive measures.

Measures implemented

In addition to the safety standards described above, Nexans defined its **15 Safety Golden Rules** in 2016. They were defined based on an analysis of the main risks and most serious or common types of accidents. The rules mainly cover reel and drum storage, handling, work at height, traffic flow, wearing required protective equipment, etc.

Overall site compliance is measured every year and are subject to occasional audits throughout the year to guarantee that all these rules are followed. In any cases of non-compliance, the sites must decide on corrective actions that will bring them in line with the Safety Golden Rules.

At end-2020, the Group's overall compliance with these Safety Golden Rules stood at 92%.

Since 2014, the Group has held its annual Safety Day event at all its sites. However, due to COVID, Safety Day 2021 has been postponed and modified into a year-long "Hand Safety" campaign that includes the initial launch to all employees, release of revised Cutter tool standard and an employee hand safety slogan contest. Hand safety standards will be reviewed, particularly those relating to the use of cutting tools. A competition for employees to come up with a hand safety slogan will also be organized.

The following initiatives were launched in 2020 to improve safety performance and awareness:

- Monthly QHSE report –to communicate on YTD results, site safety rankings for governance, recognitions, best practices.
- Group Safety Committee established to discuss safety results, initiatives, and to recognize best practices and safety accomplishments and make decisions on upcoming needs and actions.
- Safety Council established – A safety leader from each Business Group represents the sites within their Business Group to channel communications and actions throughout the organization and elevate issues to the Group Safety Committee.

Workplace Safety indicators

The workplace accident frequency rate improved significantly in 2020. The FR1[1] was 1.87 at end-2020, for a target of less than 2, while the FR2[2] was 5.3, for a target of less than 6 at end-2020.

The Group clearly plans to continue its work on workplace health and safety in the years to come, and targets a frequency rate of 1 by 2023. The FR1 frequency rate has fallen by 80% since 2010.

This frequency rate breaks down as follows:

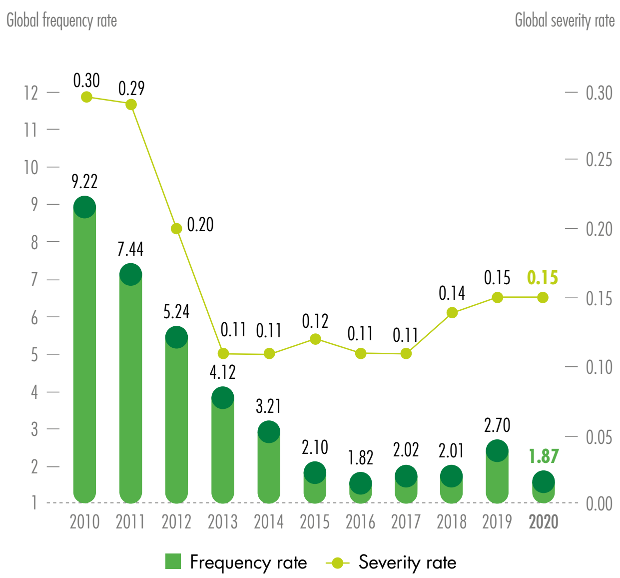
- Frequency rate for internal employees: 1.81 (with 74 accidents)
- Frequency rate for temporary employees: 3.11 (with 6 accidents)

In 2020, two thirds of the manufacturing sites did not record any occupational accidents involving lost working time in excess of 24 hours.

No fatal accidents occurred at any of the Group's sites.

Several sites have stood out as not having any significant accidents for a number of years. For example, the Futtsu site (Japan), with over 5,100 days without any accidents, the Amercable site (USA) with over 3,800 days without any accidents, Charleston (USA) with over 3,100 days without any accidents, and Nanterre (France) and Casablanca (Morocco) with over 2,000 days without any accidents.

The Group's severity rate was stable at 0.15. Severity rate is one of the key indicators monitored and a central focus in the CSR roadmap, with a target of less than 0.10 by 2023.



(1) FR1: 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. This rate relates to internals and temporary workers.
(2) FFR2: total number of workplace accidents with more than 24 hours of lost time, plus the total number of injuries treated by outside medical providers/total hours worked X 1,000,000. This rate relates to internals and temporary workers.

The definitions of the frequency rate and severity rate are included in section 4.4., "Environmental and social indicators – CSR concordance tables".

Over 40% of the Group's manufacturing sites are OHSAS 18001/ISO 45000 certified.

Nexans Safety Toolbox

To further boost its safety performance, the Group has added "Take 5" to the Safety Tool box as well as elevating several of the Safety Standards, while implementing a one-year hand safety campaign.

The "Take 5" program is a tool in which employees are not only encouraged, but in some cases required, to perform pre-task risk assessments for both routine and non-routine tasks. Assessment checklists are provided to document their findings and any high potential hazards must be mitigated prior to performing the task. The completed checklists then follow the same process as SUSA to ensure permanent corrective actions are taken. "Take 5" training and implementation has been completed within many of the production facilities.

Equipment safety standards were updated (cable drums, cutting tools) and disseminated Group-wide for implementation.

4.1.1.2. WORKPLACE HEALTH

During 2020, the primary workplace health issue was the proactive prevention of exposure to Covid-19. Nexans created a task force team that ensured that sites had or shared PPE (masks, gloves, hand sanitizers, etc.). Weekly meetings were held with key site managers to evaluate the local governance and share best practices and procedures. These included such actions such as potential site closures, shift rotation start times, electrostatic cleaning, social distancing, PPE, cleaning of equipment, protective measures, cleaning of equipment, protective measures, etc. A minimum level weekly on-hand inventory of PPE was defined and monitored.

The main prevention measures cover risks involving manual handling, cable drums and extrusion processes. Entities identify and monitor possible occupational illnesses according to their local legislation. Currently these figures are not consolidated at the Group level.

Given our activity, the following may be identified as occupational illnesses: musculoskeletal disorders, hearing problems and exposure of employees to chemical risks.

Along with the extensive information and training on workplace health and well-being provided throughout the year at sites, some sites have started offering special workstation ergonomics awareness training sessions as well as regular check-ups for staff to monitor for musculoskeletal, cardiovascular and psychosocial issues. Other safety measures include the systematic use of personal protective equipment when risk assessments require it in certain site areas or workstations.

In addition to regular health check-ups, employees were surveyed to assess their stress level, exposure to noise pollution and hazardous substances, workstation ergonomics, etc., to prevent health and safety risks and invest in the appropriate equipment.

Along with its measures to reduce the risks of damage to employee health or loss of capacity to work, the Group also takes local initiatives to support health education and public health programs.

These programs encourage employees to adopt healthy behavior on a day-to-day basis. They may involve:

- Preventive actions and free health check-ups for employees in countries where access to health care is difficult or costly: In Canada, South Korea, the USA, Chile, Peru, Ghana and Lebanon, Nexans provides medical exams and vaccinations;
- Encouraging physical activity and exercise by making sports equipment available and proposing well-being and fitness programs:
  - Nexans Sweden offers access to a fitness room,
  - Nexans France has set up in-company osteopathy sessions.
- Awareness and prevention campaigns (addictions, nutrition, cardiovascular diseases, etc.) that can be tailored to local priorities:
  - Nexans Chile disseminates a Drug and Alcohol Charter and has introduced a Quality of Life improvement program,
  - Nexans USA and Nexans Canada offer a well-being program with personalized monitoring and coaching.

Regarding the well-being in the workplace, initiatives have been strengthened in the context of the health crisis, particularly with strong local initiatives to reduce the stress related to the situation, to create and improve working conditions in a harmonious work environment and to develop social and collective bonds. In particular, the following initiatives should be noted:

- in Chile, Colombia and Peru, a survey was launched to understand the expectations of employees, particularly in terms of health in the context of Covid-19, and to propose actions;
- at the Group's head office, information on professional efficiency in a remote working context was distributed, wellness workshops (sophrology, yoga, naturopathy) were set up, and question-and-answer sessions with the occupational physician were organized;
- in China, in Shanghai and Suzhou, sports challenges were organized (badminton, marathon and ping-pong), as well as yoga and qi-jong classes, and also tree and flower planting activities.

Information on asbestos is provided in section 3.1.2.10. "Asbestos".

4.1.2. APPEAL, DEVELOPMENT AND ACCOUNTABILITY AT EVERY LEVEL

To achieve operational excellence and develop products and services to stand out in globalizing markets, the Group upholds its policy to attract, retain and develop talent. Nexans has set up a number of initiatives to welcome its new employees and works continuously to provide an environment and development opportunities that will allow its employees to grow professionally and enhance their skills.

In line with its overall transformation, the Group is continuously pursuing new development experiences, such as special projects in multi-cultural groups, opportunities to temporarily trade job positions, or mobility to new job functions and/or geographic locations. It is focusing on developing this mobility to guide its employees towards greater agility and open-mindedness.

In 2020, the Group set up a Learning Center of Expertise (COE) whose goal is to shape Nexans into a learning organization in view of the high agility expected from its people in connection with its transformation process. In 2020, the Learning COE substantially developed digital learning through an LMS platform called MyLearning, which was completely redesigned and accessible to all employees working from a computer. This transition to digital learning offers a way to reach more employees worldwide and provides them with a consistent development experience that can also be adapted to their personal training objectives.

4.1.2.1. ATTRACTING AND DEVELOPING TALENT

The Group's aim is to develop its internal resources over the long term (with the objective of ultimately filling 60% of its management positions internally, except for junior managers, by 2023) as well as bring in the new skills it needs to successfully implement its strategic plans.

Attracting talent

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.

The main achievements in this area in 2020 were as follows:

- Since it was created in July 2019, the SSC has filled over 160 job vacancies in Europe, of which nearly one third through internal mobility.
- The Group strives to have at least one female candidate in each short list. Almost 40% of all the people hired internally or externally by the SSC were women.
- Agency fees were reduced by about 90% in 2020 compared with 2019 as significantly fewer recruitments were outsourced to external firms.

As part of the compliance program (see 4.3.4 "Fair practices"), due diligence is carried out on external candidates considered for all key positions around the world.

Several initiatives have also been implemented to promote internal mobility at Group level, such as defining KPIs for the next few years, implementing routines with HR managers from Business Groups, defining a new internal mobility policy for HR staff, and launching an internal communication and awareness campaign for employees and team managers.

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 organization worldwide, was signed to offer foreign students six to 18 month internships. In 2020, the Group welcomed ten interns from the organization.

Developing managerial talent

Several years ago, the Group 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, the Group wanted to bring special attention to the talent identified via this process.

Individual and personalized development plans have also been put in place.

4.1.2.2. DEVELOPING SKILLS AND CAREERS

The diversity of professional backgrounds is also a key factor in managing employees at the Group. To improve this form of diversity, managers and their team members share various tools, including individual development plans (IDP), annual performance and career appraisals and systematic publication of vacant positions.

Extensive resources are available for employees to guide them in creating these plans.

Employees are responsible for writing their own development objectives and reviewing, with their line manager and Human Resources representative, the most appropriate solutions for workplace learning, mentoring, coaching and classroom or virtual training.

In addition to completing and updating their online profile, employees can indicate any desire to change functional positions or geographic locations, as a way to better prepare career development discussions with their manager and HR Department.

In addition to improving and developing the Mylearning digital learning platform, the Group's goal is to build a range of training programs aligned with its objectives. The main digital programs deployed Group-wide in 2020 were:

- "Quick Start in Nexans", helping new employees to 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.

The proportion of digital training is constantly growing within the overall offering proposed by the Learning COE, with internally produced content also increasing, notably in alignment with the Group's strategic goals.

People management skills

The Group wanted to create a solid base of people management fundamentals as an integral part of its continuous improvement policy. Quality people management, efficient routines and performance feedback provide powerful ways of guaranteeing long-term operational excellence.

Despite the health crisis in 2020, the Group continued to deploy the Manage Me Up! program, launched in 2017 to train the Group's 2,300 managers regardless of their organizational level or culture. The underlying objectives of this program are to:

- Develop a Nexans managerial DNA made up of components that clearly say "We do it like this at Nexans";
- Give managers efficient, operational tools and managerial routines to speed up the Group's transformation and effectively manage the related processes, both on an individual and collective basis;
- Give meaning to managerial activities and inspire managers by making them fully aware of the impact they can have.

At end-2020, more than 3,000 managers had been, or were being, trained. Of these, 264 were trained during the year, representing 23 training sessions, 12 of which were led by a team of internal trainers. The program is expected to continue by 2021.

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.

Technical skills and excellence

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.

Staff members from these functions take part in of four hours of digital training per year, on average.

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.

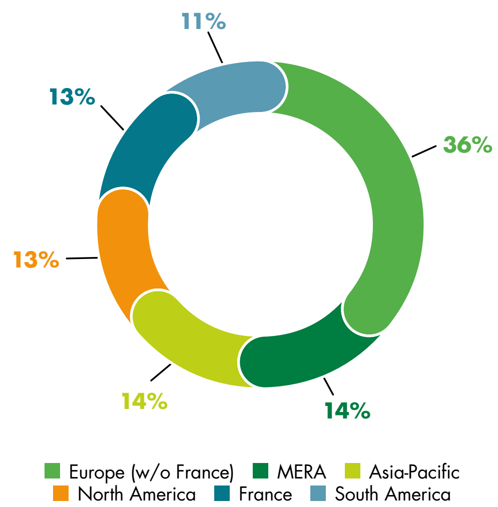
International mobility

The Group promotes international mobility for the professional development of its managers. This policy also provides a means of retaining talent, transferring expertise, relaying the Group's corporate values throughout the world, and bringing our international customers Group representatives with a global perspective. At end-2020, 56 employees were on international mobility assignments (lasting more than one year). They are all covered by four formal policies which ensure equal treatment for all those involved in the international mobility program, along with social and tax protection adapted to their individual situation.

Most of the international mobility positions were in Industry, accounting for 33% of expatriates in 2020, followed by Finance with 14%.

The average length of service for expatriates in the Group is 14 years.

Expatriates 2020



4.1.2.3. GROUP TRAINING POLICY

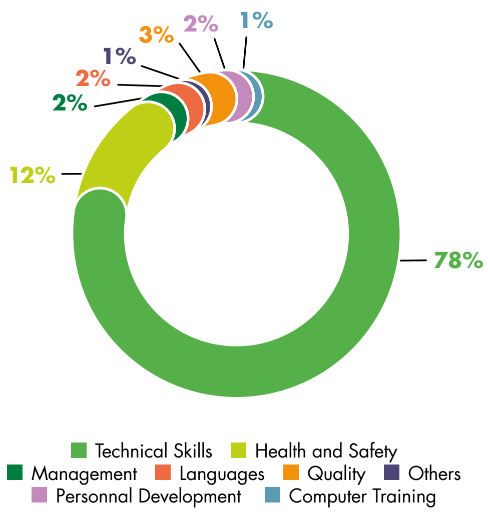
Training is a key issue for the Group and its employees, and is an important factor, in addition to those mentioned above, in its approach to skills development.

The Group's continuous improvement policy reinforces this choice to provide employees with the means to adapt to changes in their business, expand and develop their knowledge, reinforce their curiosity, and enhance their employability.

At end-2020, the total time devoted to training (in or outside the workplace) amounted to 400,502 hours (versus 523,492 in 2019).

Group-wide, 12,032 employees (over 48% of the Group's average headcount in 2020, versus 68% in 2019) followed one or more training courses during the year, representing an average of 33 hours' training per employee trained in 2020.

Managers represented almost 23% of the total training numbers. In 2020, training efforts focused on technical skills – core business, which represented 78% of the training provided. Up to 12% of the total training provided during the year related to safety.



Various local and global training programs are led simultaneously to account for the diversity of the Group's sites.

For global programs, in addition to supporting functions and academies, the Learning Center of Expertise (COE) also provides support to its people during business transformation programs, promotes knowledge management and helps disseminate best practices.

The Learning COE supports operational staff in designing training programs in all areas and for all levels, including skills based training for operators in the Group's core businesses (extrusion, metallurgy, etc.), as well as training in technical, support services and managerial domains. All new Group training programs in 2020 were developed for digital learning.

Special expertise is provided for course design techniques, in house train-the-trainer programs, selection of service providers, and digital technology applied to knowledge transfer.

Also, the Learning COE implemented a specific digital strategy to make it a key source of development for Group employees. Now called MyLearning, the LMS platform was redesigned, includes new courses, and is currently available to over 7,500 employees worldwide. The COE manages digital communities on the Group's social media for training participants and local Human Resources staff to enhance self-directed learning and target all needs.

For the year 2020, there is an unprecedented acceleration in the adoption of digital training by learners, including :

- the switchover of courses or face-to-face events to virtual training: "Manage Me Up!" manager training sessions, delivery of "Metallurgy" technical courses via video conferencing (50 participants on average over 30 sessions), Management Drive certification delivered 100% digitally, 100% digital Compliance week;
- recognition by managers of the pedagogical effectiveness of Nexans' specific e-learning modules (Operating Working Capital);
- the use of 100% online courses for top managers in partnership with Harvard Online Business School, with a satisfaction rate of 6.3/7 and a completion rate of 95%;

Thus, the average digital learner has increased from 17 minutes per year in 2019 to nearly 3 hours in 2020.
For new recruits, a complete introduction program to the Nexans Group on the MyLearning platform was made available, with a Net Promotor Score of 67%, a score of 4.3/5 on the probability of applying this knowledge in their new job.

4.1.2.4. COMPENSATION, BENEFITS AND EMPLOYEE SHARE OWNERSHIP

The main underlying goals of the Group's compensation policy are to strengthen employees' commitment, reward skills acquisition and encourage individual and collective performance.

Compensation policy

The Group's compensation policy is driven by the principles of competitiveness on local markets, fairness within the organization and differentiating compensation based on performance to attract, motivate and develop the skills of our employees. It aims to ensure that the Group's entities offer fair and competitive compensation packages by providing for regular use of compensation surveys and for salary increase budgets to be set in line with the Group's financial resources and local market trends in each country concerned. This policy is adapted in every country where Nexans operates, in line with local legislation (collective bargaining, application of industry wide collective agreements on compensation, etc.).

Gender equality has received special emphasis, especially in France in accordance with the agreement signed on this issue.
For the Group's managers, the compensation policy is underpinned by a worldwide job classification system (Nexans Grading System). Initiated in 2011, this system is now fully rolled out and updated regularly, and serves as a reference for Human Resources programs.

In accordance with the Group's policy, compensation structure may include fixed and variable components.

Short-term variable compensation (for managerial and specialist staff) is based on target amounts which may represent up to 50% of the employee's basic annual salary (depending on his or her level of responsibility). The amount of variable compensation actually paid is calculated by reference to the achievement of both individual and Group objectives.

Individual salary raises of fixed compensation are granted based on the set budget as well as each employee's pay positioning by reference to both the market and in-house practices. They also take into account assessments of employees' actual and potential performance as well as the skills they have acquired and demonstrated.

Information on the Group's total payroll and its changes is available in the parent company financial statements published in the Universal Registration Document (see 5.2.4. "Financial results for the last 5 financial years"). The Group's long-term compensation policy is aligned with Nexans' three-year strategic objectives. This policy is based on the following:

- For senior managers, a mix of performance shares and long-term bonuses, the vesting/payment of which are contingent on the Group's share performance, financial performance, and following the CSR roadmap as assessed at the end of a three year period. Firmly convinced that CSR contributes to its overall performance, the Group's aim is for all of its employees to benefit from a long-term performance plan based on CSR criteria.
- For other high-potential managers, or managers who have made an exceptional contribution, free shares are granted with the aim of giving them a stake in the Group's future performance and providing them with a differentiated form of compensation.

Employee benefits

Employee benefits are an essential component of the Group's compensation system and reflect the different needs of its employees.

As employee benefit plans can vary significantly from one country to the next due to different levels of employee benefits and tax and legal regulations, Nexans tailors its employee benefits programs to each country.

All compensation and employee benefit policies comply with local regulations and agreements. They include employee savings plans, in particular the International Group Savings Plan introduced in 2001 and available in all countries. In France, employees also have access to a Group Savings Plan with employer contributions from Nexans France paid on top of the amounts they invest.

Employee share ownership

Employee share ownership plays a major role in employee engagement for Nexans as it builds their sense of belonging to a shared community and gives them a stake in the Company's capital.
It is also an effective way for the Group to share its gains. Regular share ownership plans therefore constitute a relatively significant component of the employee benefits offered by the Group, and are particularly interesting from a long-term perspective.

Act 2020

The ninth employee share ownership plan, Act 2020, was launched in September 2020 in 25 countries worldwide. Three new countries – Australia, Côte d'Ivoire and New Zealand – participated in 2020 in the leveraged plan with guarantees on employees' personal contribution in euros under attractive terms.

Despite the challenging health and economic climate, employees expressed a long-term vote of confidence in the Group by making the plan a great success. The participation rate was over 22%, representing the best performance of any Act plan since its launch in 2010. All of the shares were subscribed for, raising nearly 17 million euros in cash for the Group.

At the end of Act 2020, 22.7% of employees own shares in Nexans, representing 4.1% of the share capital at December 31, 2020.

4.1.3. SOCIAL DIALOGUE, THE SOURCE OF THE GROUP'S COLLECTIVE RESILIENCE

Through its adherence to the Ten Principles of the Global Compact, Nexans demonstrates its strong support for freedom of association and collective bargaining as universal fundamental rights. Nexans employees agree to uphold local legislation at all times in every country where the Group operates and to develop the best internal labor standards for its employees. The Code of Ethics and Business Conduct remains the Group's shared set of standards that applies to all its employees around the world. This Code of Ethics and Business Conduct is derived from the Ten Principles of the UN Global Compact, the Universal Declaration of Human Rights and international labor standards, especially those concerning forced labor and child labor.

Social dialogue is handled at country level by country managers and HR managers who work with employee representative bodies and labor unions. At the transnational level, the Nexans European Works Council (NEWCO) is responsible for most of Europe.

Social dialogue is also fully integrated into the Group's social reporting system.

As for obligations under the Labor Act no. 2016-1088 of August 8, 2016, related to work, the modernization of labor relations and job security, the Group continues to look forward to the publication of the decree.

4.1.3.1. STRONG AND PROACTIVE SOCIAL DIALOGUE

The Covid-19 global health crisis has disrupted traditional organizational structures at companies by creating a need for heightened coordination within a shortened space of time.

The strength of its social dialogue empowered the Group to meet this challenge, enabling business units to rapidly implement all the necessary health measures to protect employees and therefore continue safely producing and delivering our products. Local management teams worked with employee representative bodies to adjust these measures as needed on the ground to keep the organizations agile and responsive in dealing with the crisis.

In many countries, digital communication methods played an important role in maintaining regular dialogue with employee representatives via virtual meetings. This new form of expression for social dialogue made it possible to maintain a dense annual collective bargaining process, with 32 collective bargaining agreements signed in ten countries in 2020.

The agreements signed during the year concerned the following topics:

- workplace health and safety;
- compensation and benefits (salaries, bonuses, profit sharing, etc.);
- organizational issues (skills and performance, job classifications, restructuring, etc.);
- working conditions (working time, training, paid leave, psychosocial risks, strenuous working conditions, non-discrimination, gender equality, etc.);

In 2020, there was an unprecedented shift towards remote working so that the functions that could were able to maintain operational continuity from outside the workplace, while reducing the risk of Covid-19 contamination. An agreement on remote working had been signed by Nexans France a few years earlier.

The Group collected feedback on the measures taken in 2020 to improve current systems by taking an adapted, structural approach in line with national regulations.

4.1.3.2. A EUROPEAN BODY DEDICATED TO SOCIAL DIALOGUE

Set up on July 16, 2003, the Nexans European Works Council (NEWCO) is dedicated to sharing information, exchanging views and opinions, and discussing labor issues at European level.

It serves as a veritable cross-border body, with a role that is separate from but complementary to that of the national representative bodies and it has its own specific prerogatives.

Ordinary plenary meetings are held twice a year and it is informed, and if necessary consulted, on cross-border issues that have an impact on Group employees. NEWCO has a committee comprising four members (elected by their peers) which meets at least four times a year to prepare and review issues to be raised at the plenary meetings, as well as to discuss and share information with Group Management.

In 2020, NEWCO closely monitored the implementation of the Group's reorganization plan launched in the first half of 2019 and contributed to the quality of the organization of social dialogue in Europe during the very unique period of the pandemic.

For the first time, it appointed a second director representing employees to the Group's Board of Directors, Bjorn Erik Nyborg, on November 26, 2020. Mr. Nyborg was elected to NEWCO before being appointed by his peers to the Board of Directors.

4.1.4. EMPLOYEE COMMITMENT AND ENGAGEMENT

Employee commitment is vital to achieving operating excellence and meeting the Group's performance objectives. It is therefore one of the essential indicators monitored in the CSR roadmap.

The Group has launched a number of initiatives over the past several years to engage all its employees and reinforce their feeling of belonging.

Workplace health and safety

The health and safety of each employee remains one of the Group's priorities.

The health and economic crisis has emphasized the importance of people and their health.

As for any industrial group, safety issues take prominence at operational sites. The Nexans Group takes things further, by promoting a safety culture that affects everyone, whatever their role and wherever they work.

That is why a Safety Day is held every year, with specific actions at each site, to remind everyone of the importance of safety for all. These safety issues are measured monthly based on performance indicators. Business Unit awards are also organized every quarter to recognize performance in three areas, People, Profit and Planet. Safety at work indicators, including severity rate are part of the People criteria.

This approach features worldwide programs, such as Safety Day, which was held on September 16, 2019. This one-day event brings together Group employees to participate in workshops on workplace safety and the safety mindset.

Learning

Learning is a key focus to awaken and sharpen employees' curiosity.

A notable example is the induction programs to teach new employees about the Group's culture and enable them to network in their first months on the job. Onboarding sessions for new hires were launched in 2018. A digital format of this program was created in 2020, "Quick Start in Nexans". The health and economic context, coupled with remote working, strengthened the Group's belief that it was crucial for all employees to benefit from an induction program, whatever the conditions.

Holding the belief that digital learning is a major pathway towards employee development, and in turn their engagement, the Group also created its own Learning Management System. Through this LMS, over 7,700 employees have the opportunity to ramp up their professional skills at three academies, each focused on a business function: HR Academy, Purchasing Academy and Finance Academy. In 2020 each employee took part in 4.5 hours of training via these academies, on average.

Recognition

The engagement and outstanding contribution of certain employees is celebrated every year with the Nexans Remarkable People Program, which has handed out awards to 375 employees since it began in 2016.

In 2020, the fifth edition of the program confirmed its important role within the Group. This event is always highly anticipated at all Group sites, with everyone eager to find out who the winners are. With the pandemic in 2020, the Nexans Remarkable People Program took on even greater importance. The application deadline was extended to make sure that remarkable achievements during the Covid-19 health crisis would be properly recognized. It was also 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!

In 2020, 129 applications were submitted for recognition of individual or collective achievement. In all, 23 projects were selected, with 104 employees in 13 countries winning awards for their remarkable engagement or performance.

Cultural change

The Group must adapt and change what it does and the way things are done in order to grow and develop in a changing world. To guide the Group's strategic transformation, focus is on cultural change, which is what the Group calls its "Culture Story". This means designing a global approach to adapt and change Nexans' culture, first to actively contribute to the new Nexans and to guarantee its performance, while taking advantage of what Nexans already has to offer, and second, to (continue) involving employees, drawing on what the crisis has revealed about them, to promote pride and engagement.

Putting human capital at the center of our business strategy creates favorable conditions for the Group's transformation, particularly by providing a working environment where everyone can identify ways to drive their own commitment and motivation.

In 2020, a video came out to highlight where Nexans comes from; "Nexans Living History" tells the story of Nexans and its major role in electrifying the world. The video was viewed by all Group employees at special on-site screenings. Employees noted how being reminded of Nexans' beginnings sincerely helped them feel more engaged.

This Culture Story is built on a redefinition of the Group's purpose (why the Group exists) and its mission (what Nexans does) to meet Nexans' new challenges and objectives, as well as values, and how all that can be embraced by its employees.
This commitment and engagement began with top management. As leaders, they play an essential role in bringing about cultural change, and therefore in employee commitment.

Staying in touch and "taking the pulse"

Engaging and keeping in contact with employees involves regularly measuring sentiment and "taking 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, based on the changes and new ways of listening to employees, several initiatives were launched to develop a feedback culture within the organization:

- Review of the employee communication strategy: with a global survey every two years and shorter surveys to measure employee sentiment during periods of change (health crisis, acquisition, transformation within a corporate function, etc.). These surveys aim to improve how employee expectations are transformed into action plans and change initiatives, while measuring the effectiveness of these actions. The priority is to follow up on employees' expectations for their work life (management, leadership, training, communication, operating efficiency, etc.). This will be operational in 2021.
- Special communication plan for 2020: several surveys were conducted during the year.
  - The first survey in April was for all employees, to ask (i) how they were coping with the unusual period caused by the health crisis, and (ii) for those working from home, how they were handling the situation. Results showed that 65% of employees said they were doing well or very well, and over 85% said they were satisfied with the way the crisis was being managed. Less than a week after the survey closed, Group HR shared initial overall feedback. Ten days later a video was posted on site screens and the intranet. One month after that, a detailed action plan was disseminated with proposed actions to respond to employee expectations. Progress on these actions was monitored until the summer. In addition, all employees who asked to be contacted by an HR staff member were contacted individually, and said they sincerely appreciated the consideration they were given.
  - The second survey was aimed at top management on their commitment and perception of the Group's current and future values.
  - The third survey was sent to all employees to ask which three out of a selection of words best represented the values of the New Nexans. To give a voice to every employee, even those without an email address, a link was accessible via email and QR code.

4.2. Environment

With more ambitious goals to fight climate change and drive the energy transition, the Group plays a major role in creating a more sustainable world.

In early 2020, the Group announced its goal to build tomorrow's sustainable energy highway and take steps to contribute to carbon neutrality by 2030.

Build the sustainable energy highway of the future

Two areas in which the Group is making a difference:

1. Active contribution to carbon neutrality at its industrial environment supported by Industry 4.0 levers.

- Automating manufacturing operations using innovative technologies that improve return on capital and profitability.
- Helping reduce waste and energy consumption to address the impact on climate change.

2. Leadership in the sustainable electrification of the world.

- Designing, building and supporting systems to provide sustainable and reliable energy networks to the Group' customers.
- Reducing cost and meeting future challenges by launching the Group's new laying vessel Aurora, bringing higher capabilities (deeper installation, longer cables and laying dual cables).

Contribute to carbon neutrality: the Group's pledges

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.

1. Limiting global warming to 1.5°C

- 4.2% average annual reduction of company greenhouse gas emissions, particularly on Scopes 1 and 2[1].
- 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 recycled.
- 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

The Group 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. To achieve this objective, the Group has set ambitious targets in three key areas. One of these areas involves managing environmental impacts.

The Group's first goal in this area is to maintain a high standard of environmental management at its sites by developing certification and virtuous environmental conduct programs.

The second area relates to the circular economy to reduce production waste, generate revenue from products and services that contribute to the energy transition and efficiency, and also increase the share of recyclable and connected cable drums.

And third, climate change is another key focus. The Group has taken numerous initiatives so that its business activity has the lowest possible impact on the climate. The Carbon Disclosure Project (CDP) recognized the Group's efforts to reduce climate change by giving it an A rating for 2020. By joining the Climate A list, the Nexans Group is one of the 273 companies selected out of the 5,800 organizations that disclosed their data.

The Group's environmental 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

(1) 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.

performance in the three areas. For the Planet pillar, the following performance indicators were selected: energy and water consumption, CO_2 emissions, amount of waste generated and waste recovering rate.

In 2020, as a result of the health crisis and the restrictive measures (lockdowns, curfews, travel bans, etc.) adopted by governments around the world, the Group was forced to temporarily close a number of its sites over a limited period of time, which led to reductions in energy (process and heating) and water consumption.

Reductions in energy consumption, as well as energy reduction and efficiency actions as described below, have enabled the Group to exceed the targets it had set for reducing greenhouse gas emissions. Actions will continue in the coming years in order to achieve the objective of contributing to carbon neutrality by 2030.

			2020	Target 2021	Target 2022	Target 2023
ENVIRONMENT	Environmental management	Industrial sites certified ISO 14001	86%	88%	90%	93%
	Circular economy	Total production waste recycled(1)	92%	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 (scopes 1, 2 and 3) (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 wastes consist mainly of non-ferrous metal and plastic materials. They are revalorized 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.

4.2.1. WORKING TOWARDS RIGOROUS ENVIRONMENTAL MANAGEMENT

Environmental management is a key focus area of the Environment pillar and one of the Group's main ambitions.

The Operations Department ensures environmental management at Group sites and compliance with applicable laws and regulations, as well as with the Group's policies on conservation and environmental protection. The environmental rules and targets apply to Group operations worldwide.

The Group's main environmental objectives are as follows:

- respecting regulatory requirements;
- rolling out environmental certification programs: ISO 14001 and HPE (*Environnement Hautement Protégé* or Highly Protected Environment – Group label);
- limiting and controlling the consumption of natural resources: water, raw materials;
- controlling energy consumption;
- preventing risks of air, water and ground pollution resulting from our businesses;
- reducing CO_2 emissions generated by our businesses;
- reducing the volume of waste generated and improving waste recovery and recycling.

The continuous performance improvement program for production sites is steered by the Environment and Products CSR Committee and coordinated by the Group's Environment Manager, who works with the network of local environment managers and site managers.

A QHSE Department was created at Group level in February 2020 and reports to the Operations Department. The governance system works with a network of heads of industrial management from Business Groups. Monthly meetings are held to keep the governance team well informed of manufacturing and operational activities.

Environmental evaluation and certification

As part of the continuous improvement approach and the prevention of the main environmental risks identified in connection with the Group's activity, two additional evaluation and certification processes have been set up, supported at the sites by a network of representatives:

- An external certification: ISO 14001;
- An internal label: the EHP (Highly Protected Environment) which is not only an environmental management system, but also a management system of the environmental risks constituting a performance obligation for the sites, distinguishing it from ISO 14001. Thanks to these systems, the Group has been preparing for the recent changes to ISO 14001 since the 2000s. This label is awarded under the responsibility of the Group's Operations Department based on periodic audits carried out by certified internal auditors specifically trained for this purpose. In 2015, the Environment and Products CSR Committee defined the EHP2 label, which applies more stringent criteria to aim for excellence.

In 2020, among the production sites, 67 sites were ISO 14001-certified and 67 held the EHP label, (representing 86% and 87%, respectively, of the Group's total sites). To date, five sites have been awarded the EHP2 label.

In 2020, due to the health crisis caused by the Covid-19 pandemic, physical site audits conducted to check environmental performance and award internal certification labels could not be carried out. These audits will continue in 2021.

Accordingly, as in 2019, 95% of the Group's sites were covered by at least one environmental certification.

The target set in the CSR roadmap is for 93% of its sites to be ISO 14001 certified by 2023 and 100% by 2030.

The EHP label covers 12 main areas, broken down into 39 criteria that are managed and consolidated using a special system. A few criteria and objectives required to obtain the EHP/EHP2 label are provided as examples in the table below.

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

Providing training and information to employees on environmental protection

Many awareness and communication actions were held in 2020 to present the Group's goals and roadmap to achieve carbon neutrality.

Following Climate Day held in September 2020, a special issue of the in-house newsletter sent to all employees centered on the climate and the Group's environmental programs. An awareness campaign was then launched in the form of about ten "Did you know?" posters, focusing on environmental certification, waste management, recycling, eco-design, and more. That campaign was followed up with "micro-surveys" sent to employees worldwide about actions they take to protect the planet.

The 3Ps Program is also an important tool for increasing employee awareness and commitment, so that actions and initiatives at each site contribute to global performance through the three pillars, People, Planet and Profit.

To help employees better understand climate issues and the causes and effects of climate disruption, a Climate Collage event was held at the head office. Several employees received training on leading Mural workshops, and further events are scheduled at several sites in 2021.

During the health crisis, a test project to educate employees about CSR issues was launched at the Building & Territories Northern Business Group. Designed for Sales and Marketing, Purchasing, Industrial Management, and Technology staff, the program's ten modules cover a range of topics such as climate change, mineral traceability, recycling and human rights. This training is planned to be rolled out at other Business Groups in 2021 to educate and train more employees on environmental issues. The webinar format made it possible to reach over 120 people.

Specific training programs are provided to employees based on their level of responsibility. Targeted training is also provided to employees working in areas that have specific environmental concerns, such as product life cycle analysis, eco-design, hazardous substance management, and REACh[1] (see section 4.1.2.3. "Group training policy").

New employees at each site receive training on environmental rules to follow, as an integral part of the environmental and safety training plan for new hires.

Subcontractors working at our sites are also informed about current environmental rules.

The Group's QHSE Department organizes quarterly meetings to bring together all HSE managers. These meetings provide an opportunity to share information, best practices, and training needs (e.g., calculating carbon emissions). Training modules are then created and provided internally.

Employees are also involved in local environmental protection programs (see section 4.3.1. "Regional, economic and social impact of the Group's businesses"). Posts on internal communication platforms, such as Yammer, on local initiatives and best practices, reflect employees' interest and engagement on these issues.

A whistle-blowing procedure is available and open to all Group employees and third parties (see section 4.3.4. "Fair practices") to report any violations of the Code of Ethics and Business Conduct, including environmental issues. "Fair practices").

Regular environmental audits of production sites also raise awareness about the environmental management strategy.

Preventing environmental risks

The annual environmental survey conducted as part of the EHP assessment (12 main areas broken down into 39 criteria) is used to measure the environmental risks at each site and map out the Group's industrial environmental risks. Every year, this risk map is sent to the Group's Head of Risk and is supplemented with planned prevention measures, such as protecting stored liquids that could potentially cause environmental damage, eliminating asbestos, and setting up oversight plans in certain regions. These measures are submitted for approval to the Environment and Products CSR Committee.

Natural disasters – As mentioned in Chapter 3 "Main risk factors and risk management within the Group", some of the Group's manufacturing sites are located in areas at risk of natural disasters (earthquakes, tornadoes, floods, hurricanes, etc.). For several years, the Group has been organizing special reviews with its property and casualty insurer, to determine Group sites that are most exposed to these risks. The reviews are conducted to estimate maximum amount of losses possible based on the type of soil, construction standards and preventive measures implemented by the site.

Recommendations issued by the insurer are discussed with the site to monitor progress and improve risk prevention. In 2020, special reviews were conducted at Futtsu-shi in Japan and Charleston in the USA, as both sites are located close to a river and have access to the sea. The objective was to assess their exposure more precisely in order to estimate the potential impact of an earthquake, hurricane, tornado or flooding, and therefore gauge whether the Group has adequate insurance coverage. For example, the Charleston plant in the USA is located close to a river and has access to the sea. This means that the site is subject to natural disaster risks that had to be taken into account at the time of its construction. Although the Group draws up a systematic audit plan of its sites in conjunction with its property and casualty insurer for the purpose of implementing a plant integrity risk management policy, it is impossible to rule out all risks of production stoppages.

The main risks identified in the Duty of care plan are outlined in section 4.3.6. "Duty of care plan".

Crisis management – All of the Group's sites draw up environmental crisis management plans. These plans are audited as part of the environmental audits and are backed by investments in protective equipment such as containment basins and valves to prevent external pollution, as well as emergency intervention kits (contaminant booms, mobile valves, etc.). This protective equipment is regularly tested during dedicated verification exercises.

The environmental risk prevention program is included in the Group's Lean Manufacturing methodology and the management

(1) REACh: Registration Evaluation Authorization of Chemicals.

processes at its manufacturing sites. In 2020, as part of the new industrial strategic plan, the Group decided to implement a tool to measure the maturity of sites every year based on four pillars, one of which is QHSE. Under this pillar, control and discharges are measured and the main environmental risks are assessed.

Asbestos – The Group's environmental policy provides for continuous monitoring of asbestos at its operational sites and is incorporated into the audit tools used in EHP assessments. As part of this monitoring, all sites affected by asbestos have carried out special surveys on their buildings and equipment. These surveys – which are regularly updated for all manufacturing sites – provide a precise inventory of any materials still present in buildings or equipment that contain bonded asbestos (i.e., not likely to release fibers into the atmosphere). Where risk areas are identified, specific instructions are provided to anyone who may be required to work in those areas in order to ensure that all necessary protective measures are taken and respected.

The Group uses asbestos-free materials in new buildings and in the equipment it uses worldwide (including in countries where asbestos might still be authorized). Leased buildings undergo a preliminary asbestos assessment.

The results from asbestos monitoring are regularly reported to the Executive Committee.

ICPE[1] – Most production sites in France comply with ICPE regulations. These sites are required to monitor and report on areas which mainly include waste management, noise pollution, water and soil pollution and greenhouse gas emissions. ICPE sites are closely monitored to ensure they meet all regulatory requirements.

The Group has no Seveso sites.

Industrial, environmental and financial risks associated with climate change and low-carbon strategy are presented in Chapter 3 "Main risk factors and risk management within the Group".

Environmental expenditure and investments

The Group continues to work hard to protect the environment by investing in protection initiatives that aim to improve its environmental performance.

In 2020, environment-related expenditure amounted to 3.7 million euros (versus 6.5 million euros in 2019) These expenditures mainly concerned the following items: environmental taxes (including water tax), maintenance (including the purchase of filters), analyses and tests, royalties and licenses, and external environmental services. The Group continued to invest in environmental initiatives within its plants through awareness-raising and the rollout of its environmental program launched the previous years.

In view of the industrial projects presented, a total of 2.5 million euros worth of environment-related investments were approved for 2020 (versus 6 million euros in 2019). These investments were used to replace less energy-efficient equipment, buy new cooling towers, remove asbestos from roofs, repair electric machinery, treat emissions of air pollutants, and implement noise reduction systems, among other things. Other expenses may be incurred for the clean-up of closed sites and sites earmarked for sale, but the Group expects the related amounts to be less than the market value of the sites in question.

(1) ICPE : Installations classified for the protection of the environment.

4.2.2. MANAGING POLLUTION RISKS

EHP and ISO 14001 certifications and their audits contribute to this approach to reducing the Group's environmental footprint.

One of the objectives of the Group's environmental policy is to control its pollution risks. It has therefore analyzed the sources of pollution within its business activities, based on the key processes used, the overall risks they generate, and measures implemented.

Sources of pollution

Continuous casting – These operations require large volumes of water and gas and cause air pollution. Smoke generated by the casting furnaces is processed and monitored based on the thresholds set in the applicable regulations. The Group's copper and aluminum continuous casting facilities also use stripping and passivation products (alcohol and acid). These hazardous products are stored and transported in accordance with both the applicable local regulations and Group standards.

Metallurgy – The main resources used by metallurgy operations (wire drawing) are electricity and water, which is used for emulsions and cooling. Emulsions used for wire drawing purposes are processed and filtered in order to extend their duration of use and are subsequently eliminated by specially authorized service providers.

Cable manufacturing – Extrusion cable manufacturing requires large quantities of water for cooling. Most of this water is recycled, ensuring that consumption remains low. Air emissions are processed by filter extractors specific to each facility and subject to the emissions thresholds established by country. Solvent consumption primarily concerns marking inks, for which special processing is required by the Group, such as solvent storage cabinets and fume hoods used when cleaning ink jets and wheels.

Compound production – The production of compounds (such as PVC, rubber and HFFR[1] – which are used as raw materials for insulating cables – requires the use of certain products that are potential pollutants (peroxide, silane and plasticizing agents) and which require the 17 sites concerned to take particular precautions for their storage, transport and utilization in accordance with the relevant regulations in force in each country (e.g., ventilation of premises, storage with adequate containment facilities and the use of spill pallets for on-site transportation).

Preventive and corrective measures

Discharges into water

In order to mitigate the risk of an accidental spillage into water networks which could pollute surface water or public facilities, certain specific measures are taken by the Group's sites.

The measures taken have already allowed 39 sites to be equipped to contain fire water and stop the spread of a potential spill thanks to containment basins, containment valves and network valves.

To date, no spills or major discharges have been reported.

Land use and discharges

The Group's activities have little impact on the soil as they do not involve any extraction or spraying operations and are located in dedicated industrial areas. For its underground and submarine cable laying operations, the Group strictly complies with the applicable regulatory requirements.

The Group has set up an environmental management procedure to deal with the pollution risks related to its sites' environmental liabilities for its real estate assets, applied when sites are acquired or sold. The Group also ensures that this procedure is consistently and proactively implemented across all of the Group's sites. Its aim is to enable the Group to identify and effectively control pollution risks and to mitigate their potential consequences. Studies of past activity are conducted every year at selected sites. If pollution risks are identified, land and groundwater surveys may also be carried out. Other actions may be considered based on the findings of each phase of the study.

The Group's sites are subject to the risk of causing gradual or accidental pollution as they store products that are potentially harmful to the environment, even if sites have emergency intervention kits that can be used in the event of an accidental spillage. The Group regularly assesses this risk, which is a major component in the environmental audit checklist. For example, sites must make sure that all tanks with a capacity of over 1 cu.m used to store potentially environmentally-harmful liquids feature a containment system. The Group therefore launched a program to systematically protect all tanks containing potentially environmentally-harmful substances that do not yet feature protection systems to totally eradicate this risk. This risk is a core element covered in the duty of care plan (see 4.3.6 "Duty of care plan").

(1) HFFR: Halogen-Free Flame Retardant.

Since 2017, it has invested 800,000 euros in this program and will continue investing in it in the years to come.

Concerning Persistent Organic Pollutants (POPs), a program to replace equipment containing PCBs has been put in place for the Group's manufacturing companies. To date, no major incidents have been reported.

Air emissions

Even though air emissions are extremely limited due to the nature of the Group's businesses, manufacturing sites strictly monitor their operations to remain compliant with their environmental certification. Their emissions are monitored locally to comply with legislation and checked over the course of environmental audits. Emissions are then consolidated at Group level by the Operations Department.

Special measures are taken to channel and treat NOx, SOx and particulate emissions by filters where necessary, notably in casting operations. Emissions of Volatile Organic Compounds (VOCs) are limited as the Group only uses a low amount of solvents (infrequent use of inks).

The levels of these emissions are not significant enough to be reported externally.

To date, no air pollution incidents have been reported.

Regulations applicable to refrigerant gases, nitrogen oxides (NOx) and sulfides (SOx) differ from country to country. An assessment of our current knowledge of regulations in the countries where the Group operates has been drawn up to check our compliance with regulations. This was done to anticipate restrictions that already apply in Europe, for example, total bans on some greenhouse gases and tighter regulations on NOx and SOx. This assessment will also be used to plan the investments required to bring our facilities in compliance with these regulations.

Noise pollution

Noise pollution is also an area that the Group takes care to address. For example, it is one of the criteria taken into account, especially when purchasing manufacturing equipment. Machinery and equipment, including devices used for transportation and handling, can also emit noise. Sound levels are checked regularly and measured at site perimeters when applying for operating permits from the local authorities in the light of applicable regulations. The few sites whose activities could give rise to noise pollution have adopted appropriate solutions such as special training sessions, use of personal protective equipment, reducing noise at source thanks to quieter equipment, covering machines with soundproof enclosures, installing noise barriers, and setting specific times for noise-generating activities. If, despite all of these measures, any case of noise pollution were brought to the Group's attention, it would take all possible steps to reduce it through appropriate corrective measures.

No official complaints were filed in 2020.

Vibrations

The Group takes great care to ensure that the equipment used by its manufacturing companies does not generate vibrations that could be a source of disturbance for either its employees or local residents. However, should any of the manufacturing companies be informed of such a disturbance, it would take all possible steps to reduce the vibrations concerned through appropriate corrective measures.

Odor pollution

The Group's operations do not give rise to any significant odor pollution as its manufacturing activities do not generally generate any odors. As far as the Group is aware, no complaints have been filed against the Group with respect to odor pollution.

4.2.3. 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.

Water consumption

The cable manufacturing process involves the use of water for cooling operations. In order to limit this water consumption, the Group has invested in closed-loop cooling systems. To date, out of the 55 sites that use water for cooling, 52 have a recycling rate of over 75% (see EHP table).

The sites with the highest water consumption are individually monitored and specific action plans have been put in place.

In addition to tracking annual water consumption, a tool was implemented in 2020 to collect quarterly data and therefore monitor changes in consumption on a more regular basis. A water management study was also initiated at the end of the year using leak detectors installed on flow meters. The study will continue in 2021.

Water consumption is one of the indicators monitored on a quarterly basis for the Planet pillar of the 3Ps Program.

Non-ferrous metal consumption

Copper

The Group is taking measures to maximize the portion of recycled copper used in its cables. By vertically integrating into copper metallurgy, the Group can now incorporate a significant proportion of recycled copper into its upstream process.

In 2020, around 24,000 tonnes of copper waste (33,220 in 2019) were used in the Group's continuous casting operations in Montreal, Canada and Lens, France, equal to about 7% of Group factory needs.

This industrial advantage helps reduce the Group's overall carbon footprint while conserving natural copper resources.

Aluminium

The other main non-ferrous metal used in cable manufacturing is aluminum (around 100,000 tonnes in 2020). The Group takes steps to use as much low-carbon aluminum as possible. Aluminum is classified as low-carbon in the Environmental Product Declaration (EPD) analysis delivered by suppliers.

In 2020, 80% of the aluminum purchased by the Group was qualified as low-carbon, i.e., produced primarily using hydropower as a base energy source, and to a lesser extent, nuclear power.

Use of recycled plastic

The Group also launched development programs to reduce and reuse its plastic waste, and to replace virgin plastic with recycled plastic in its production processes. This initiative aims to minimize the environmental impact of its products. Recycled plastic is integrated into products in line with specific standards applicable to each product which guarantee their quality and reliability. For example, in Europe this concerns applications that use plastic as insulation in low-voltage cables and as sheathing in low-voltage and medium-voltage cable. Depending on the application and materials, up to over 30% of the plastic used can be recycled plastic. The Group works with its customers on these development programs.

In 2020, the Group increased its use of recycled plastic in Europe by 24%, with several thousand tonnes used, and aims to increase the amount of recycled plastic used in 2021.

Packaging and drums

The Group has also taken the initiative to reduce the impact of packaging, cardboard and plastic, notably cable drums. In line with this, the majority of cable drum supplies for our European sites come from sustainably-managed forests, which guarantees that the wood is sustainably sourced.

The Operations Department monitors consumption from packaging through an annual questionnaire sent to sites as part of the environmental management system.

Connected drums

The management of cable drums, their recyclability and their connectivity to digital platforms is one of the Group's priorities. It is therefore one of the essential indicators monitored in the CSR roadmap.

The Internet of Things, or IoT, technology helps organizations cut costs, optimize performance and boost productivity. The Group uses the IoT so that its customers can track the production steps for cable drums, to reduce the loss and theft of materials, and to control the cost of renting drums and storing cables.

By transforming these objects into "smart, enhanced" products, featuring a GPS and 3D accelerometer with onboard intelligence inside the drum, Group customers can remotely measure the amount of cable remaining on each drum, monitor progress on their projects and optimize drum collection and worksite cleaning. Staff on site can also access data on any drum with a smartphone, by using tags built into the reel. Product factsheets and residual length are included in the information stored on the drum. Warehouse and worksite personnel can therefore easily identify the type of cable, its use and rules they need to follow.

For Group customers, this improves drum logistics and facilitates a speedier return of empty drums on consignment.

At end-2020, the Group had 17,000 active tags and nearly 7,000 drums equipped with the technology.

This brings the indicator in the CSR roadmap on the percentage of Nexans cable drums worldwide that are recyclable and connected to digital platforms to 17% for 2020, with a 2023 target of 80% (100% by 2030).

Energy consumption

Saving energy is a major focal point for the Group. Energy management is integrated into the environmental management system. A special working group was formed with the Operations, Innovation, Purchasing and CSR Departments to design a joint program to reduce CO_2 emissions and enhance energy efficiency. This program covers purchasing and generating renewable energy of the sites, as well as improving energy efficiency. A system was implemented at industrial sites to collect energy consumption data every quarter (electricity, natural gas and fuel).

Energy consumption is one of the indicators monitored on a quarterly basis for the Planet pillar of the 3Ps Program.

Within the scope of the energy efficiency program at production sites, energy audits were conducted to define the appropriate action plans:

- In 2015, regulatory audits at the European sites;
- Since 2016, self-assessments at all manufacturing sites (based on the ISO 50001 recommendations, which offer a methodology to improve energy efficiency).

Since 2020, energy assessments have formed an integral part of the annual environmental survey.

One of the Group's priorities in tackling climate change is to install energy efficient solutions across all its industrial sites.

Actions launched in 2020 to improve energy efficiency include:

- Collaboration with Métron to optimize energy use at the Lens Casting site (France), in order to improve monitoring of gas and electricity consumption, and provide real-time recommendations to optimize this consumption. The target is to reduce natural gas consumption by 5% and electricity consumption by 10%.
- A study on the management of energy consumption with Schneider Electric at two sites in France and one site in Sweden. One of the studies could be more in depth, and lead to a complete elimination of emissions from natural gas and reduce emissions from electricity generation by 20%.
- Publication of the "Nexans Book of Solutions" containing a list of the sites' best practices for reducing energy consumption.
- Study on opportunities to install solar panels at sites in Europe and North Africa.

Over 20% of the Group's environment-related investments in 2020 focused on making equipment and production lines more energy efficient, for example by replacing air compressors or cooling towers or installing highly energy-efficient motors.

Several of the Group's factories, depending on local energy prices, have taken steps to replace traditional lighting with more energy-efficient LED lighting.

Some countries already use renewable energy. For example:

- Cortaillod (Switzerland) and Frameries (Belgium) have installed solar panels;
- Suzhou (China) has put in a solar heating system;
- Buizingen (Belgium) has installed two 2 MW wind turbines;
- the Lebanon site has installed solar panels that have been in operation since June 2017. The green energy they produce covered over 70% of the site's electricity consumption in 2020.

21% of electricity purchased by the following sites is from renewable energy sources: Bohain (France), Buizingen, Elouges, Erembodegem (Belgium), Grimsas (Sweden), Offida (Italy), Ksar Hellal (Tunisia), Montreal (Canada), Lilydale (Australia), New Plymouth (New Zealand), Halden and Rognan (Norway).

At the end of 2020, the Group joined the Climate Group's RE100[1] initiative and pledges to achieve 100% renewable electricity by 2030. RE100 is a global initiative bringing together the world's most powerful businesses driving the transition to 100% renewable electricity.

Waste management

The management of waste from manufacturing processes, an issue central to the shift towards a circular economy model, is one of the nine CSR ambitions. The Group has two main objectives:

- Reducing waste: production waste is monitored monthly by each individual site and consolidated by the Group Industrial Management Department. The CSR roadmap has set a target to recycle 100% of its production waste by 2030. In 2020, the recycling rate was 92%.
  The production waste recycling and recovery rate is one of the indicators monitored on a quarterly basis as part of the Planet pillar of the 3Ps Program.
  In 2020, the proportion of production waste per tonne of cable produced was 6% (versus 5.7% in 2019).
- Increasing our waste recycling rate, through sorting, recovery, treatment and recycling:
  - Sorting and recovery – All sites, including those subject to minimal waste management regulations, have put in place an ambitious waste sorting program at source (for wood, cardboard, metals, etc.) and wherever possible production waste is re-used directly on site as a secondary raw material. Hazardous waste (which requires specific processing) is identified, sorted and then processed by specially authorized service providers in accordance with the applicable local rules and regulations.
  - Processing and recycling – The Group continues its ambitious waste management program to recover cables and production waste through facilities that guarantee full traceability. In doing so, it also helps to promote treatment processes that have a limited impact on the environment.

In Europe, the Group recycles a portion of its production waste, notably through RecyCâbles, a company in which it owns a 36% interest. RecyCâbles is one of Europe's leading cable waste recovery providers, with total capacity of 35,000 tonnes.

In 2020, the Group recycled 14,800 tonnes of cable waste (17,300 in 2019) using latest-generation industrial tools with minimal environmental impact (especially in terms of use of water and electricity).

In late 2017, the Group launched Nexans Recycling Services, which enables its customers and partners to recover and dispose of their waste copper and aluminum cables. This turnkey service not only provides Group customers with an eco-friendly solution for recovering waste cable from their operations, enabling them to benefit from the Group's expertise in this area, but also actively contributes to developing the circular economy in the cable industry. In 2020, around 200 tonnes of obsolete or waste cable from various worksites was recycled.

A system was implemented in 2020 to collect waste produced and recovered from industrial sites on a quarterly basis.

Food waste

In the fight against food waste, the Group has taken strong action to monitor its catering service providers in the main countries where it operates. This policy consists in measuring the performance of current suppliers through environmental and social performance indicators and in using evaluation criteria to rate supplier proposals in the bidding process for catering services. Of all the indicators measured, the Group focuses on the reduction of resources used, waste reduction and management and food waste monitoring.

Conserving biodiversity

The Group's manufacturing operations only have a limited impact on biodiversity. To date, no major impact on biodiversity at Group sites has been reported. Nevertheless, biodiversity is taken into account for each new facility construction project and cable laying or removal operation. Certain sites have put in place biodiversity conservation initiatives and several tree-planting programs are underway to offset a portion of sites' CO_2 emissions.

Similarly, beehives have been installed at the Group's head office and activities are organized to raise employees' awareness about the life of bees and their role in biodiversity.

(1) www.there100.org

4.2.4. REDUCING THE IMPACT OF OUR BUSINESS ACTIVITY ON THE CLIMATE

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 the roadmap mentioned above.

A special team was set up in early 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 Departments. The team meets every week with the support of the consulting firm Carbone 4 as an external expert. A progress report is regularly presented to the Management Committee.

The Group measures its greenhouse gas (GHG) emissions annually on a worldwide basis using the following indicators:

- emissions related to the use of fossil fuels and fugitive GHG emissions (scope 1);
- indirect emissions related to the purchase of electricity and steam (scope 2);
- all emissions upstream and downstream of the Group's business operations (scope 3) were assessed and measured using the Group's methodology, which has been approved by external experts (Carbone4). The significant sources included in our calculation of upstream and downstream emissions, combined with our direct and indirect emissions, cover over 99% of GHG emissions;
- the predominant source of the Group's emissions involves the use of products to distribute electricity over the course of their life cycle. The purchase of raw materials, as well as the purchase of goods and services, the transportation of goods and people were measured and are not significant sources of emissions compared with the use of the products sold.

To align its approach with the target to limit climate change to 1.5°C set forth in the Paris Agreement, the Group has pledged to contribute to achieving carbon neutrality by 2030. Its priority target is to reduce its total greenhouse gas emissions annually by 4.2% (compared to 2019, the base year) for scopes 1 and 2, as well as for certain scope 3 emissions for which the Group is able to make a direct impact (production waste, upstream and downstream transportation, business travel and employee commuting).

In 2019, the Group signed up to the Fret 21 process, supported by ADEME (the French Environmental Agency), aimed at reducing the environmental impact of transport. The program consists in promoting multimodal transport, reorganizing vehicle loading rates, and encouraging the Group's transport suppliers to earn labels and sign the ADEME's CO_2 Objective Charter.

The objective is to reduce greenhouse gas emissions related to the transport of products to Group customers in France and for deliveries to neighboring countries by 5% in three years.

At the end of 2020, with one third of the three-year target achieved, the Group is in line with its ambitions.

The Group brings concrete responses that span every phase of its business activities to reduce the carbon impact of products throughout their life cycle.

Its approach to low-carbon production includes measures that aim to:

- improve energy efficiency;
- optimize resources;
- use recycled materials;
- reduce waste.

The main source of direct GHG emissions within the Group is energy consumption. Measures taken to improve energy efficiency at sites and the use of renewable energy are outlined in section 4.2.3., "Conserving resources".

CFC and HCFC emissions are monitored by air conditioning technicians who maintain our air conditioning systems in compliance with local regulations. A program is under way to replace R22 and other banned GHGs at sites that use these air conditioning units, in compliance with local regulations. The use of SF6 is reserved for testing high voltage cables and accessories. The Group has implemented procedures to control its use, avoid any leaks, replace it and reduce it.

To tackle emissions generated by business travel, the Group has rolled out a policy to limit travel and reduce its impact. Remote communication tools are available at most sites to limit unnecessary travel so that employees from around the world can easily communicate with each other (videoconferencing, teleconferencing, etc.). Although these emissions are not significant compared with all other emissions sources, the Group includes them in calculating its scope 3 emissions as these emissions are included in its commitment to contribute to achieving carbon neutrality by 2030.

In addition, local initiatives have been taken to encourage employees to reduce their emissions during their commute. In France, Nexans promotes the use of energy-efficient service vehicles on lease and offers sales employees training in environmentally friendly driving techniques.

Similarly, at the Group's head office there is an electric car is available for employees to use on a car-share basis for journeys in the Paris area, as well as electric bicycles. Employees are partially reimbursed for their public transport passes and a program is available for Nexans France employees that authorizes them to work remotely.

Mobility plan

A Mobility Plan was defined to improve the mobility of staff working at the Group's head office and reduce their commute time. This means optimizing the use of cars, promoting alternative means of transport and encouraging flexible work arrangements to limit home-to-work travel.

To design its Mobility Plan, the Group first studied existing and planned future accessibility to the site, analyzed daily commutes and reviewed current mobility practices. In the second phase, the Group defined an adapted, rational and attainable action plan to meet mobility improvement targets.

Climate change risks

Working with the Group, its property insurer plans and performs production site visits to assess risks, including risks related to climate change (see Chapter 3, "Main risk factors and risk management within the Group"), and conducts specific studies on certain sites' exposure to climate change, e.g., Japan and the USA in 2020.

4.2.5. DRIVING THE ENERGY TRANSITION AND ENERGY EFFICIENCY

As a global player in cables and cabling systems, Nexans draws on its expertise and innovation capacity to advance towards the energy transition. Climate change is a key issue for the Group, which provides concrete responses that span every phase of its business activities to reduce the carbon impact of products throughout their life cycle.

In reaffirming its commitment to the French Business Climate Pledge in August 2019, alongside some 100 other French organizations, the Group reiterated the undertakings it made at COP21 in relation to fighting climate change.

Furthermore, as pointed out in its roadmap to work towards carbon neutrality, the Group pledges to focus all of its R&D projects on the energy transition and energy efficiency, by promoting ecodesign and low-carbon solutions.

The indicator monitored in the CSR roadmap, set for 2023, is for 70% to 80% of Group revenue to be generated from products and services that contribute to the energy transition and energy efficiency.

Innovative products

Developing zero-carbon electricity

As a partner to large-scale projects, the Group secures the operation of wind turbines with cables that can resist twisting and the most severe weather conditions. Nexans optimizes the life and yield of photovoltaic installations, collects and channels the electricity generated with minimum loss. As world leader in submarine applications, Nexans is stepping up its research and development efforts in hydraulic energy.

Adapting electricity transmission and distribution

The Group helps meet growing worldwide demand by facilitating the integration of renewable energy production and electricity exchanges between countries, and by improving grid resilience and energy efficiency through safer solutions for powering cities.

Nexans provides solutions to interconnect networks, secure the power supply, develop installed solar and wind capacity and supply energy to islands and offshore facilities.

Reducing energy consumption and emissions from transport

To reduce the weight of vehicles and therefore their energy consumption, Nexans develops finer, more lightweight cables. The Group contributes to the development of electric mobility with cable solutions that allow the engine in hybrid and electric vehicles to operate. In partnership with the startup G2mobility, Nexans offers a comprehensive solution to facilitate the rollout of smart charging infrastructure for electric cars.

Improving the energy efficiency of buildings and data centers

Nexans assists in the construction and renovation of sustainable buildings. Its approach combines safety, energy efficiency and a limited environmental footprint. The EcoCalculator application helps professionals select the best low voltage cable solution for improving energy efficiency, reducing carbon impact and ensuring fire safety. Nexans cables also optimize the energy efficiency of data centers.

Bringing electrical power to more people

Access to electricity is a challenge for the economic development of emerging countries. But providing this access also offers the opportunity to take action to protect the climate by reducing deforestation and fossil energy consumption. The Group supports large-scale electrification programs in emerging countries through a simple, complete and easy-to-manage offer. In addition, the Nexans Foundation supports access to low carbon electricity for disadvantaged communities.

4.2.6. PROMOTING ECO-DESIGN

The Group integrates an eco-design approach into its product development process in two ways:

- a qualitative approach taking into consideration the different stages in product life cycles;
- a global, quantitative approach based on life cycle assessments in line with ISO 14040 and 14044.

Incorporating these two programs into the environmental management system also contributes to meeting the requirements of ISO 14001:2015 by integrating life cycle aspects into product design.

In 2020, two new Group sites were trained in life cycle assessments and eco-design. Many internal systems have also been improved to make it easier for sites to take environmental aspects into account when developing compounds, products and packaging.

Circular economy

The circular economy features in the Group's CSR policy as one of the main ambitions. This model aims to limit the consumption of resources by implementing a closed-loop system for materials and resources.

Within the Group, circular economy policy focuses on:

- increasing the use of recycled materials in products from internal or external sources;
- reducing the amount of raw materials used in products;
- providing recycling services to customers.

The use of renewable resources in products, such as biosourced materials, was measured but is currently limited for two main reasons:

- inadequate technical properties on the whole prevent cables from meeting the requirements provided for in the applicable standards;
- mixed environmental impact of biosourced products. For example, the environmental advantages of biopolymers (reducing climate impact or consumption of resources) are generally offset by a rise in other environmental indicators (water consumption, water toxicity, energy consumption).

Life cycle assessment of products

The Group assesses the environmental impact of some of its products, at every stage in their life cycle, covering the extraction of raw materials used in their composition, manufacturing, distribution, installation, use and scrapping or recycling. To conduct life cycle assessments of products, the Group uses the PEP (Product Environmental Profile) methodology developed by the PEPecopassport® program, of which Nexans France is a founding member. This program meets ISO 14025 concerning type III environmental declarations, which provide the findings of the assessment of the product's environmental impact.

The PEP, or Product Environmental Profile, applies:

- a recognized methodology based on ISO 14040 standards that define the principles, framework, requirements and guidelines for best practices in life cycle assessment;
- product category rules in line with ISO 14025 and defined jointly with other electrical and electronic equipment manufacturers;

- internationally recognized methodology used to determine life cycle impact assessments (CML), with indicators that comply with the EN 15804 standard and include nine environmental indicators (including global warming, water scarcity, water and air pollution) and 18 indicators to monitor consumption of energy, water, waste, etc.

Each PEP is checked by an independent verifier accredited by the PEPecopassport® program.

To date, Nexans has registered 68 PEPs covering over 1,500 product references, essentially in the French, Belgian and Italian markets, as well as in the USA and Norway. In the USA and France, these environmental declarations are mainly used to obtain environmental certification for buildings, such as the LEED® program and the E+/C- label for energy-positive, low-carbon buildings.

Product use

The EcoCalculator was developed to help customers to identify cables combining energy efficiency, CO_2 emissions reduction and personal safety. Users select the technical features and the solution suggests the cable best suited to minimize energy losses due to heating effects. The EcoCalculator calculates the kWh, use phase CO_2 emissions, savings, return on investment and the end benefit of the particular facility. Halogen-free alternatives are suggested whenever possible to improve fire safety.

Product life cycle

Group products have long life cycles (generally lasting several decades) as they are by nature used in long-term infrastructure. This feature reduces the relevance of product obsolescence for the Group. However, the Group works to improve product life cycles to further minimize their environmental impact. For example, the Group performs a wide range of tests to measure, improve and estimate the life cycle of materials used to make the end cable and full cables, in compliance with product standards.

All cables have their own aging procedures to measure and estimate the life of cables (UV resistance, resistance to ozone, sea mist test, thermal aging, resistance to fluids, alternative or continuous electric performance at high temperatures, etc.).

The Technology and Innovation Department works with universities and private companies to improve the life cycle of products.

End of product life – Recycling

Taking a circular economy approach, products and their parts are recycled at the end of the product's useful life.

As an industry pioneer in recycling, the Group offers customers and partners its Recycling Services range, a comprehensive solution for recovering and disposing of copper and aluminum cables. See 4.2.3 "Conserving resources/Waste management".

4.2.7. REDUCING THE USE OF HAZARDOUS SUBSTANCES

The use of chemical substances is managed by the Innovation, Services & Growth Department, which works with a network of local, regularly trained representatives.

Hazardous substances

Nexans' products must comply with laws on chemical substances, in particular REACh regulations, which aim to improve protection of human health and the environment. In 2020, the Group continued its action to comply with and uphold these regulations:

- **Anticipate:** by identifying chemicals currently being assessed at European level, participating in European consultation processes, and managing the use of these substances at our factories and in our products. The Services Department works with the sites concerned to provide regular, ongoing monitoring of chemicals used and for which Europe has launched a process to assess the risk of a change in classification or restriction in use. The Group also introduced a rule banning the use of hazardous substances on the REACh authorization list for any new product development in Europe.
- Innovate: several research programs are underway to find innovative solutions to replace substances that could potentially be subject to restriction or authorization under REACh regulations.
- Communicate: through dialogue with its suppliers, the Group maintained its strict monitoring of the composition of raw materials used to manufacture its products.

In 2020, the internal system that provides information on the composition of materials and article compliance was improved. This will make it easier for sites to identify and trace future substances classified as hazardous by REACh regulations. Over the year, over 90 people took training on REACh regulations to guarantee a high level of expertise on this legislation and the compliance of all sites that work with these materials.

The other major piece of legislation on the use of certain hazardous substances in electrical and electronic equipment is the RoHS Directive (Restriction of Hazardous Substances – Directive 2011/65/EC). An extremely small number of Nexans products fall within the scope of application of this European directive.

In 2020, 15 substances were identified that fall under EU REACh and RoHS regulations and are used at certain sites. Programs are in progress for seven of these chemicals to develop and replace them with alternative solutions.

Environmental disclosures

In addition to its legal obligations to disclose information about hazardous substances covered by REACh regulations, the Group also provides other environmental information on its products via the Material Declaration and Product Environmental Profile (PEP).

The Material Declaration is an environmental communication format developed by Europacable, a European association that is the voice for Europe's leading cable manufacturers. It is used to provide customers with information on the general composition of cables, their compliance with REACh regulations or the RoHS Directive and other environmental aspects (product-related emissions, end-of-life, and packaging).

4.3. Ecosystem

The Group brings special care all its stakeholders, with whom it strives to act responsibly and build long-term relationships. As such, the "Ecosystem" pillar plays an integral role and is one of the three key priorities in its CSR policy, in its aim to share our values and the highest ethics standards with all our stakeholders.

Business ethics remain a top priority, and the Group will work to maintain a compliant framework and fair business practices. Every year, as part of their annual performance review, managers are asked to sign the compliance certificate to check their commitment to apply the Code of Ethics and Business Conduct and to complete the compliance course.

The Group will also take steps to uphold lasting relationships with its stakeholders based on frequent high-quality dialogue to continuously work together in building the future. This policy is underpinned by a rigorous and proactive ethical and CSR approach. For employees, this is primarily reflected in the measurement of their engagement rate, while for suppliers, it is ensuring that High CSR risk and High spend suppliers could present a CSR valid scorecard issued by EcoVadis (or equivalent CSR expert) and a CSR score = or > 35%.

Furthermore, as the Group's business revolves around energy, Nexans is active in helping bring electrical power to disadvantaged communities. It plans to continue developing the initiatives of the Nexans Foundation, with a budget of 300,000 euros per year.

Social and societal policy at Nexans, along with initiatives taken or continued in 2020, is perfectly in line with its CSR priorities and addresses major CSR risks. The objective remains to strengthen the drive to assert Nexans' position as a socially conscious, sustainable organization within its ecosystem and its sphere of influence.

In 2020, the health crisis has made the Group's commitment all the more anchored in the territories where it is established by implementing specific actions with its stakeholders in response to the new needs related to Covid-19, particularly through the qualification of local suppliers. In addition, numerous local solidarity actions to provide gloves and masks to medical or hospital establishments.

These targets are in line with the Sustainable Development Goals set by the United Nations, which the Group adopted in 2008.

			2020	Target 2021	Target 2022	Target 2023
ECOSYSTEM	Business ethics	Managers having completed the yearly Compliance Awareness course(1)	98%	100%	100%	100%
	Partners	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%(2)	136	230	370	500
		Employee engagement index(3)	NA	77%	78%	78%
	Nexans Foundation	Amount allocated by the Nexans Foundation	€300,000	€300,000	€300,000	€300,000

(1) Classified in HR My Learning tool as "Executives Committee and Board members, other top executives, Managers and key positions" employees of the Group (notwithstanding Harnesses, where the top 4 Executives were in the scope), to complete the yearly Compliance awareness course covering several topics including but not limited to, anti-corruption, conflict of interest, competition law, harassment and discrimination, ethics incident report procedure.
(2) 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%, based on Nexans purchase CSR risk mapping, made by EcoVadis.
(3) Scope: Cables.

4.3.1. REGIONAL, ECONOMIC AND SOCIAL IMPACT OF THE GROUP'S BUSINESSES

The Group's interaction on a regional level is based on fostering close links with local organizations and communities. Through the nature of its business, the Group contributes to local employment and therefore plays a role in regional development.

The Group firmly believes in the importance of building strong ties with local and regional communities, economic and social players, universities, schools and training centers. The Group contributes to local employment and therefore plays a major role in regional development.

As reiterated in the Code of Ethics and Business Conduct, it places great importance on building up close ties with local and regional communities, economic and social players, universities, schools and training centers with a view to capitalizing on its strong local presence.

The Group also contributes to community projects and its subsidiaries' sites seek to forge high-quality relationships with their neighboring communities, deploying both financial and human resources to support non-profit organizations, aid programs, volunteer work, and partnerships with schools.

The following are just a few examples of the initiatives supported in 2020:

- Local economic and industrial development projects organized through employer federations, chambers of commerce and industry and cooperatives. For example, in South Korea, Nexans is represented by the country's Chamber of Commerce and Industry;

- Contribution to organizations that take measures to improve the environment (picking up litter, recycling, energy spending awareness, pollution, etc.): in Canada, USA, Chile, Colombia, Sweden and China, employees are engaged in environmental protection;

- Well-being programs for employees and their families (addiction counseling, nutrition advice, sports facilities, etc.) and sponsorship of disease control and disaster relief organizations. The well-being programs and sports activities are offered to employees in the majority of the Group's host countries, as well as grants for sports organizations;
  - Nexans Qatar, in partnership with the International Labour Organization, has set up a committee to ensure good relations between its employees in the workplace;
  - In Lebanon, Côte d'Ivoire, the Netherlands Canada and the USA, several non-profit organizations (the Children's Cancer Center, the Red Cross, SOS Villages d'Enfants among others) are regularly promoted by Nexans as well as given donations;
  - In South Korea and Italy, various initiatives are organized to support the elderly, the needy and orphans;
  - In Chile, the Group provides support for offender rehabilitation programs, via a local NGO that offers training and paid carpentry work;
  - In Côte d'Ivoire, three health centers have been equipped with solar energy in the villages located in the region of Behablo, Behebo and Bohobly, in partnership with the Nexans Foundation;

- Education: Most countries work with universities and technical schools to train students with the plan of eventually hiring them as interns, recruiting young talent to take on professional positions and developing the image of Nexans.
  - In Switzerland every year, 20,000 Swiss francs are given to a student selected by a jury from the University of Neuchâtel;
  - In China and Canada, scholarships are granted to students in need;
  - In Australia, Japan, China, Lebanon, Ghana, Netherlands, Chile, Peru, Canada, Germany, Sweden, England and the USA, employees and their families have been given financial assistance or scholarship programs for higher education;
  - In Lebanon and Morocco, aid was given, in partnership with the Nexans Foundation, to the "Seeds of Hope" project coordinated by IECD, an organization that provides training for jobs in the electricity industry;
  - In Morocco, participation in a program against school drop-out, including tutoring disadvantaged children, offering them support up to the BAC level. University scholarships can then be awarded for the most deserving;
  - The Autoelectrics entity (harnesses activity) has development centers within the plants providing qualifying training to employees;
  - In Brazil, the local entity has helped build a library and daycare facility in a favela near the plant, with the ambition, when the Covid-19 situation is over, to set up a music program for children;
  - Nexans France and the organization Our neighborhoods have talent "Nos quartiers ont des talents" have signed a partnership to support the employment of young graduates from disadvantaged backgrounds. Nexans France will mobilize volunteer managers to support and advise participants in the program;
  - Nexans France has launched its first digital mediation pilot workshops at its Draveil site (France) for operators with digital or even electronic difficulties. Following the success of this pilot, Nexans France has decided to deploy its training courses within its 17 sites for about 600 operators.

In addition, after the terrible explosion in Beirut, Lebanon, a team of 60 volunteers from Liban Câbles worked with a local NGO and participated in the rebuilding process.

Other highlights of the year included the following initiative:

- Creation by the Group of the YouTube channel called "What's Watt". The host, Frédéric, is one of the Group's passionate employees. He explains, in a very simple and original way, electrification and the vital role it plays in today's world. It's fun to watch, and very informative. As a responsible company, the Group considers it its duty to share this knowledge as much as possible.

Since 2017, the Group has worked in partnership with the Leonard de Vinci Engineering School (ESILV) in Paris to strengthen relations between universities and Nexans in France. This partnership involves participating in lectures and various events, giving classes (since 2019), helping to design training programs, and hiring students for internships and work placements.

The Group also set up a sponsorship program with Vinci EcoDrive, an organization made up of students from different departments at Leonard de Vinci Engineering School. They are working to develop a prototype for an electric battery-powered vehicle. They can compete in races such as the Shell Eco Marathon in which teams complete seven laps, aiming to achieve the highest possible fuel efficiency.

4.3.2. RELATIONS WITH STAKEHOLDERS

The Group has a policy of encouraging frequent high-quality dialogue with its stakeholders. This policy is underpinned by a rigorous and proactive ethical and CSR approach.

The Group strives to take its stakeholder expectations into account. To achieve that goal, an event was held in November 2020 to focus on ESG. With some 300 people connected to the virtual conference, the Group presented its ESG approach illustrated with several videos on each of the three pillars and answered questions from attendees. For the event, the new CSR roadmap along with indicators to measure progress was also published.

Examples of dialogue with stakeholders:

Stakeholder	Type of dialogue	Department
Customers	■ Regular satisfaction surveys ■ Online publication of environmental data on products ■ Trade fairs and exhibitions ■ Customer events ■ Publication of environmental data on products	Market lines, Marketing, Innovation, Services & Growth, Communications
Shareholders and investors	■ Quarterly conference calls to present results ■ Meetings with investors (roadshows etc.) and ESG events ■ Meetings with all shareholders (AGMs, etc.) ■ Information meetings ■ Universal Registration Document ■ Quarterly shareholder newsletters ■ Shareholders' e-club and toll-free shareholder hotline ■ Response to non-financial rating agencies ■ Response to questions from SRI analysts ■ Individual meetings with SRI analysts	Finance, Communications, Legal, Site Management, CSR
Suppliers	■ Supplier CSR Charter(1) ■ Supplier CSR risk map ■ Supplier audits	Purchasing
Employees	■ Intranet ■ NewsWire, electronic newsletter ■ Surveys ■ Employee forum at European sites ■ Corporate values ■ Safety Day ■ Individual skills development meetings ■ Social dialogue with employee representative bodies	Human Resources, Communications, Site Management
ESG analysts and investors(2)	■ Response to rating questionnaires ■ Individual meetings ■ ESG events	CSR, Finance
Technical and Research Centers	■ Collaborative approach, setting up and participating in competitiveness clusters, R&D programs ■ University chairs and trade associations ■ Partnerships with universities ■ Taking on apprentices and interns ■ PEPecopassport® program	Innovation, Services & Growth
Communities, NGOs	■ Corporate citizenship programs ■ Partnerships with local NGOs ■ Open house days	CSR, Communications, Countries

(1) CSR: Corporate Social Responsibility.
(2) Environment, Social and Governance.

Employees

The Group has made it a priority to improve the engagement rate of its employees (see section 4.1.4. "Employee commitment and engagement").

Customers

Customer relations remains a priority CSR ambition.

Meetings with customers continued in 2020, more specifically with customers that had already set CSR commitments. These meetings are organized to present the Group's and the customer's respective CSR policies and find opportunities to create synergies that will enable them to develop, in particular, collaborative projects on low-carbon solutions, ways of improving the supply chain, and commitments to reduce greenhouse gas emissions.

The aim is to take a proactive approach and develop common projects, in which everyone can work towards meeting the targets set, especially for a low-carbon offering, which is one of the key objectives of the Group's Climate roadmap.

Suppliers

Under the new roadmap for the sustainable purchasing policy, the Group 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.

For more information on the sustainable purchasing policy, see 4.3.3 "Sustainable purchasing" and 4.3.6.1. "Duty of care plan for suppliers").

Non-financial rating agencies

The Group's CSR performance is measured regularly by non financial rating agencies. Nexans maintains structured relations with analysts and takes their scores into account as part of its continuous improvement policy.

The Group's CSR performance improved further in 2020, as mentioned in the introduction to Chapter 4.

Financial community

The Group maintains regular dialogue with the financial community, particularly with the 11 French and international financial analysts who regularly publish analysis ratings on the Nexans Group.

In 2020, the Executive Management and Investor Relations team met with over 320 investors at four roadshows, 15 conferences and a number of individual meetings. The roadshows and conferences were held in person in France (Paris and Lyon), in London and North America (New York, Boston and Toronto), and remotely due to the health crisis.

These meetings offer the opportunity to talk with investors about the Group's strategy, performance, transformation and Socially Responsible Investments (SRIs).

In mid-November 2020, an ESG Event was held as an online event that was attended by nearly 300 stakeholders. The Group presented its ESG approach, illustrated with several videos on each of the three pillars and answered questions from attendees. The event was followed by the publication of the new CSR roadmap and indicators to measure progress.

In 2020, investors and financial market actors placed the Group at the top of Institutional Investor's annual ranking of European executive teams in the capital goods industry. The executive teams ranked first for Best CEO, second for Best CFO and second for Best IR Professional in the Small & Mid-Cap segment.

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 such as governance, labor relations or taxation.

4.3.3. SUSTAINABLE PURCHASING

One of the objectives of the Group's Purchasing policy is to ensure that we work with a base of high-performing and reliable suppliers who can help us achieve our business objectives while at the same time respecting export control requirements and environmental, financial, ethical and social obligations, as well as national and international compliance rules.

The Group strives to develop fair and sustainable relations with its subcontractors and suppliers while taking into account the social and environmental impacts of their activities. In 2020 subcontracting accounted for 3.4% of the Group's purchases, representing 2.48% of its consolidated sales.

In 2020, the Group significantly expanded its sustainable purchasing policy applicable to its suppliers to limit potential CSR risks in its supply chain and as part of its duty of care as defined in French Act 2017-399 of March 27, 2017.

The new sustainable purchasing roadmap is presented in 4.3.61 "Duty of care plan for suppliers".

4.3.4. FAIR PRACTICES

Underlying commitments in conducting business. Nexans' Code of Ethics and Business Conduct lays down the ethical rules and values with which Group employees are required to comply within the course of their work. Nexans' business partners are also expected to comply with these rules and values. They cover competition law, the prevention of fraud, corruption and conflicts of interest, compliance with applicable regulations on embargoes, money laundering, personal data protection, etc.

All new employees receive a copy of the Code of Ethics and Business Conduct and commit to applying it by signing the annual compliance certificate. Certain Group procedures address specific issues covered by the Code in more detail. They include the Procedure for the Prevention of Corruption and the Antitrust Guidelines.

Executive management commitment

Nexans' Executive Management is the cornerstone in this commitment, which it firmly upholds. This is reflected in the CEO's opening statement to the Code of Ethics, which underscores everyone's responsibility and interest in complying with these rules, and zero tolerance and application of sanctions for any violation. This commitment also took form in Nexans' adherence to the United Nations Global Compact and its ten fundamental principles, which cover anti-corruption.

The Executive Committee approves the annual compliance action plan, and its members ensure that the anti-corruption policy is promoted through personal communication. For example, five members of the Executive Committee took part in the Compliance Week through letters, videos and podcasts.

Nine Chief Financial Officers, each representing a business activity or operating region of the Group, recorded a video message or podcast in their native language (English, French, Chinese, Korean, Spanish, Portuguese, Italian, Turkish and German), reminding staff members of the importance of second-level controls and the fight against "petty" corruption involving small amounts.

Also, targeted messages from managers of different functions (Audit, Legal, Business Groups) are regularly sent by email, displayed on video screens at sites, or posted on the Group's Intranet.

In 2020, alerts were issued on risks relating to cybersecurity, money laundering, fraud, membership to a trade association and export control.

Any participation from legal and/or compliance teams in sales meetings, training sessions or events held within a function provides the opportunity to remind staff members of the management's commitment in the fight against corruption and unethical practices.

Dedidated compliance program

In all these areas, the purpose of the Group's compliance program is to establish the actions to prevent, detect and handle any breaches.

Above and beyond the Code of Ethics and Business Conduct, which lays down basic rules, this program applies specific procedures and guidelines tailor-made to the Group's risk mapping. These procedures and guidelines explain and illustrate the rules and/or processes that all Group employees must follow in the areas of corruption prevention, gifts and hospitality, competition law, export controls and personal data protection. The Group's business partners are required to sign a specific ethical charter or a written commitment to respect equivalent rules.

Detailed due diligence procedures on ethics compliance are conducted prior to any mergers and acquisitions, investments or real estate transactions.

Dedicated system to evaluate the integrity of sales intermediaries

The anti-corruption procedure developed by Nexans requires due diligence on the integrity of agents and business partners, commitments to comply with applicable international regulations relating to anti-corruption, and a written report describing the work delivered by the business partner to check that compensation aligns with the work provided (man-hours).

The Group has implemented a digital anti-corruption tool to optimize the mandatory process for approval and integrity checks of its sales representatives. Overseen by the sales department dealing with the business partner, each case must be approved by the head of the Legal Department and Vice President of the relevant Business Group. A team made up of the Compliance Officer and in-house laywers was set-up to ensure that each case is properly documented, approved and monitored.

Targeted and motivated actions

Each year, a specific action plan is established and rolled out throughout the Group by top management and executive management at operating entities and subsidiaries.

It includes, in particular, the signing of Ethics Code compliance certificates by all Group managers and an advanced required training program consisting of e-learning or classroom instruction, depending on the year and the topic.

The sales and purchasing teams are made aware of competition rules, anti-corruption measures, conflicts of interest and embargoes, in particular. Adapted measures and procedures are defined mainly based on a specific assessment of compliance risks using a risk map created with the contribution of the operational departments. These measures and actions are reviewed regularly.

The annual review of managers' performance encompasses their compliance with and their teams' implementation of the Group's rules and procedures covered in the areas of the Code of Ethics and Business Conduct and in the updated annual action plan included in the compliance program.

High accountability and involvement from operating departments

These programs involve not only the central functions that regularly work to strengthen the rules and procedures implemented and develop awareness, training and control measures, but also all the Group's subsidiaries that implement the compliance program locally and take any other necessary steps to comply with and/or adapt to all applicable regulations. The operational departments also contribute to defining the ethical risk map.

The commitment from Business Unit managers also takes the form of a questionnaire, which is sent out twice a year, reporting any case of non-compliance and the actual implementation of the compliance action plan. Responses to the questionnaire are centralized by the Legal Department and Compliance Officer before being reviewed by the Executive Management.

Monitoring compliance with rules

The Group's general internal control and audit program covers the policies and systems relating to compliance. These points are systematically checked during routine audits conducted on the Group's business units. Every year, the internal audit team verifies the application and implementation of the compliance program.

Whistleblowing procedure

A whistle-blowing procedure is in place and available to all Group employees and anyone outside the Group, including suppliers, customers and subcontractors, to report any possible violations of the Code of Ethics and Business Conduct. Reports can be submitted via a digital tool that can be easily accessed through a link provided on the Intranet, through the Internet using a key word search on any search engine (i.e., "Nexans alert"), through a fully secured call center, or by contacting the Group's Ethics Correspondent, a line manager or any member of the Human Resources team. Employees are regularly informed of the existence of the whistle-blowing system and this digital reporting tool (always advertised during Compliance Week, in podcasts, routinely mentioned through intranet communications and training messages).

Reports are investigated without disclosing the identity of the persons involved or their data. Investigations may, depending on the situation, lead to corrective action and/or disciplinary sanctions.

The Ethics Correspondent reports directly to the General Secretary and has a dotted-line reporting relationship with the Chief Executive Officer. She reports the cases handled to the Accounts, Audit and Risk Committee and the Governance and Social Affairs Committee at least once a year. The Ethics Correspondent also informs the Accounts, Audit and Risk Committee of any reports concerning members of the Executive Committee and manages directly any reported cases concerning the CEO or the Chairman of the Board of Directors with the Committee.

In 2020, about ten cases were reported through the online whistleblowing system. This figure does not include reports submitted via traditional channels, such as line management, Human Resources, etc. Each report is investigated pursuant to the principles of anonymity and impartiality set out in the Code of Ethics. None of these reports raised a significant non-compliance risk for the Group.

Program coordination

About 20 people are involved in managing and coordinating the compliance program, which comes under the responsibility of the Group's General Secretary, including:

- the Compliance Officer, who is responsible for designing the program and supporting managers in its rollout;
- he Ethics Correspondent;
- the Data Protection Officer;
- Some 20 in-house lawyers throughout the Group.

Other key functions are also involved. Executive Management regularly encourages employees to embrace the values and fundamental principles of compliance. The Finance Team and Internal Audit carry out verifications and Human Resources make sure employees, especially senior managers, agree to uphold ethical practices when they are hired.

Achievements in 2020 and goals for 2021

The following actions were taken in 2020:

- A "Compliance Week" was organized: due to Covid-19 and so that as many employees as possible could participate, the Compliance Week was fully digital. Composed of eleven items, the Compliance Week program included videos, podcasts, presentations and quizzes. As part of the Group's continuous improvement approach, the 2020 edition covered more topics than the previous edition. The subjects covered included conflicts of interest, harassment, discrimination, corruption risks, antitrust law, cybersecurity risks, protection of personal data and the whistleblowing procedure. The Group also invited a client to share his anti-corruption experience in a video. All the items requiring active participation from employees (i.e. the quizzes) were available in nine languages (English, French, Chinese, Korean, Spanish, Portuguese, Italian, Turkish and German). The Compliance Week training was compulsory for Group managers and was also available to the non-managers who have access to the online training module. At the end of 2020, 5,248 Group employees had completed the Compliance Week program, i.e., 1,900 more people than in 2019. The 2020 program was completed by 98% of Group managers.
- In addition, 95% of Group managers and all managerial and non-managerial sales and marketing employees signed their annual compliance certificate, stating that they are aware of the applicable internal procedures governing compliance, conflicts of interest and antitrust law.

The Group continuously updates its corruption risk mapping. All stakeholders participated in this mapping process in their specific areas of expertise. Focus remains on countries ranked by Transparency International as highly exposed to corruption risks and rigorous management of any risks specifically related to sales agents [see 3.1.3.2. "Risk related of non-compliance with anti-bribery legislation"].

- Concerning personal data protection, the Group maintained its measures to standardize processes and provide training to its employees. This included defining a new Group personal data protection policy, a dedicated process relating to employee access rights, and a specific procedure for analyzing the impact of personal data protection.
- Local data protection officers were appointed throughout the Group. There are now a total of 42 in 35 countries. Data protection officers were also appointed in departments that are particularly affected by the issue, i.e., HR, IT, Purchasing and Sales & Marketing. Training was provided to all of these data protection officers.
- And the local data protection officers plan to map out their entities' personal data processing operations. The Group IT Department and Cybersecurity team are tasked with ensuring that Privacy by Design and Privacy by Default best practices are being properly implemented by issuing recommendations for security measures to be used for the Group's applications, from the project planning phase through to when applications are decommissioned. Actions were stepped up to raise employee awareness about privacy issues, with a new on-line training module covering all of the Group's best practices for information security. In parallel, penetration tests are conducted once a year to identify any vulnerability that could jeopardize the security of Nexans data including personal data processed by Nexans.

As well as the recurring measures carried out yearly, the 2021 compliance action plan include the following new initiatives:

- Updating the Code of Ethics and Business Conduct to include the Human Rights Charter, define a politically exposed person and influence peddling in more detail.
- Rolling out targeted training programs, especially training for all Group Human Resources personnel on handling actual and potential conflicts of interest disclosed; training on antitrust law dedicated exclusively to rules applicable before, during and after meetings of trade associations for all employees identified as attending such organizations; specific training for Group Buyers on antitrust law and anti-corruption, etc.
- Enhancing communication for employees at industrial sites on the use of the whistleblowing system and the list of reportable violations (in particular environmental damage).
- Implementing the 2020-2023 Sustainable Purchasing action plan, which includes anti-corruption and supplier integrity checks [see 4.3.6 "Duty of care plan"].
- Reinforcing second-level controls in order to more effectively manage risks related to conflicts of interest, corruption and antitrust law.
- Continuing to roll out digital tools to support the mapping of anti-corruption risk.

As part of its CSR ambitions relating to compliance, the Group has set a target to have all of its managers take part in the annual compliance awareness program by 2023. The signature rate at end-2020 was 98%.

While 95% of managers had signed the compliance certificate.

4.3.5. FIGHTING TAX EVASION

Nexans has established a policy of managing tax matters responsibly and takes steps to uphold transparency and comply with laws in the countries where it operates.

As such, the Group bases its tax policy on the following principles:

- Complying with international tax standards set out by the OECD (Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations) to ensure that its intercompany transactions are in line with the arm's length principle.
- Not evading taxes by using complex and opaque corporate structures.
- This means that the Group does not use shell companies or other legal structures that would not be consistent with its operational targets. The Group has no legal entities located in countries singled out as jurisdictions that are not in line with France's tax rules.
- Promoting professional and cooperative relations with the tax authorities in countries where the Group operates. The Group complies with its country-by-country tax reporting requirements (CBCR) and regulations on the disclosure of information required by the French tax authorities.

4.3.6. DUTY OF CARE PLAN

Impact of the entry into force of EU Regulation 2017/821 on conflict minerals on January 1, 2021 on the Group's business activities

Of the minerals covered by this legislation, the Group only purchases tin. As it sold its German metallurgy business in 2020, the regulation may not apply to the Group depending whether the 2021 purchases reach the thresholds set.

However, the Group is committed to complying with regulations on conflict minerals on a voluntary basis (see details below).

Under French Law 2017-399 of March 27, 2017, corporations in France are subject to a duty of care with respect to safety, human rights and the environment, and are required to draw up a duty of care plan. The Group has set up various risk prevention and management procedures and systems in order to ensure it meets this duty of care.

In 2020, the CSR risk analysis covering the issues contained in the Group's Duty of care plan was updated and the section on human rights was further developed by the Human Resources Department as part of a dedicated risk mapping process.

The Duty of care plan resulting from the risk analysis highlighted the following main internal and external risks:

- Risk of accidental pollution (including hazardous waste/ materials such as oils, fuels, solvents, etc.)
- Risk of historical pollution
- Workplace safety risk
- Workplace health risk
- Risks related to human rights and fundamental freedoms

The report on the implementation of the Duty of care plan for 2020, together with the key areas for improvement for the year to come, are submitted to the Board of Directors, and monitored by dedicated CSR Committees.

4.3.6.1. DUTY OF CARE PLAN FOR SUPPLIERS

As part of its continuous improvement approach, in 2020 the Group improved its sustainable purchasing policy, particularly in the following areas:

- Supplier CSR risk map

In 2020, the Group updated its CSR risk mapping by supplier using the EcoVadis methodology, which was applied to draw up the previous risk mapping in 2018 based on the 2017 purchase portfolio.

The methodology attributes each supplier a CSR risk rating on a scale of 1 "very low" to 6 "severe". The rating is based on (i) purchasing category (e.g., mica tape suppliers are assigned a rating of 6, while consulting firms are assigned a rating of 1, and (ii) country risk (e.g., China is level 5 and Germany is level 1), to achieve an overall score for each supplier purchase/ country pair (e.g., Chinese consulting firms), based on the EcoVadis rating.

Based on this risk mapping, the Group defined a process consisting of several actions, which can be mandatory or optional depending on the supplier's risk rating.

- New Nexans Supplier CSR Charter

In late 2020, the Group significantly enhanced its Supplier CSR Charter to make it stricter and more tangible, aligning it more with current issues faced by society.

This updated version of the Charter includes new rules (e.g., reduction of greenhouse gas emissions, protecting personal data protection), a precise definition of principles (e.g., for the ban on child labor, a child is defined as a person under age 16), and concrete examples of best practices (e.g., measuring the number of accidents, monitoring water consumption, etc.), with references to relevant international laws and initiatives.

By signing this Charter, suppliers agree to apply these CSR principles to their employees and to ensure that their own suppliers adhere to the same principles. These are not mere intentions anymore, but actual commitments applicable to the entire supply chain.

The Group also reviewed the internal processes around the CSR Charter, such as the scope, storage of signed versions, and consequences if a supplier refuses to sign.

The Group requires the following suppliers to sign the Charter:

- suppliers with the highest CSR risk rating, i.e., between level 3 (low to medium) and 6 (severe), based on the CSR risk mapping;

- main suppliers (annual business volume of over 1 million euros);
- any new supplier before entering into a business relationship with the Group.

Signature of the Charter is considered to be valid for a period of three years, except for suppliers of conflict minerals, who must sign the Charter every year.

To ensure that suppliers in the list above sign the Charter, the Group has come up with a global deployment plan. Around 5,000 suppliers have already been contacted, and the remaining suppliers will be contacted in waves until the end of the first half of 2021.

New suppliers must submit certain documents, including a signed copy of the new CSR Charter, to be referenced. All new supplier accounts are managed centrally.

Through its network of Buyers, the Group encourages the other suppliers to sign and comply with the new Charter as well.

Signed charters are archived on a centralized platform that can be accessed by all Buyers. The Charter is currently available in English. Versions in French, Chinese, Portuguese and Spanish will be available in 2021. The Charter will be gradually translated into other languages to adapt to local requirements and risks identified.

Cases in which suppliers that meet the above criteria but refuse to sign the Charter are reviewed at the monthly meeting of the CSR Risk Purchasing Committee presented below.

CSR assessment of suppliers

In early 2020, the Group reviewed the supplier CSR assessment process and asked the following suppliers to submit a CSR assessment conducted by EcoVadis or an equivalent independent organization:

- suppliers with which the Group generates an annual business volume of over 2 million euros;
- suppliers with the highest CSR risk rating, i.e., level 5 (high) and 6 (severe), based on the CSR risk map.

The Group also encourages suppliers with a CSR risk score of 4 to provide a CSR scorecard.

Previously, the Group had appointed EcoVadis to contact its main suppliers in terms of business volume via its dedicated platform, to obtain their assessment or perform one if no assessment was available.

Now, Nexans Buyers are in charge of contacting suppliers that meet these criteria directly and asking, or even convincing, them to provide their CSR scorecard or submit to an assessment. To give the Group full control over the process, a performance objective has been set to Buyers measuring the number of suppliers in their portfolio with a valid CSR scorecard.

The Group deems any supplier CSR assessment that has been issued by an internationally recognized CSR expert, such as EcoVadis or equivalent, within the past three years as of the issue date to be valid.

EcoVadis measures a supplier's CSR performance via an online questionnaire based on four pillars: (i) the environment, (ii) labor & human rights, (iii) ethics and (iv) sustainable procurement, including requirements under the Sapin II Act, the French anti-corruption legislation, and under the Duty of care. Law EcoVadis reviews the answers to the questionnaire provided by the supplier and issues a CSR scorecard, which reflects the supplier's CSR performance.

The Group considers that a score of less than 50% is unsatisfactory and a score of less than 35% is unacceptable. Suppliers with these scores have six months to devise and implement an improvement plan.

The case of suppliers who refuse to have an assessment or have a CSR score of less than 50% is decided upon during the monthly meeting of the CSR Risk Purchasing Committee, as described below.

Since 2017, suppliers representing 80% of the Group's purchases have been surveyed about their CSR policy.

At end-2020, 47% of these suppliers had answered the EcoVadis questionnaire and had been assessed, accounting for 49% of the Group's expenditure for 2000. Of those assessed, 98% achieved an EcoVadis rating of 35% or higher.

The CSR roadmap includes the following indicator: number of suppliers that could present a potential major CSR risk and the Group's main suppliers with a valid CSR assessment ≥ 35% delivered by EcoVadis (or equivalent). Suppliers are categorized based on the supplier CSR risk map created by EcoVadis. The 2023 target is 500. In 2020, the number was 136.

On-site supplier CSR audits

The Group launched an on-site CSR audit plan for its suppliers with the highest CSR risk scores. Some 30 supplier CSR audits will be conducted per year between 2021 and 2023 by an internationally recognized independent audit firm.

Suppliers that do not meet the standards of the Group's Supplier CSR Charter based on the findings of the audit will be reviewed at the monthly meeting of the CSR Risk Purchasing Committee.

In 2020, the Group hired Bureau Veritas to audit three Chinese mica tape suppliers (level 6 "severe" CSR risk) on their CSR performance, and their policies to ensure that their own suppliers, all the way up to the mica mines, comply with CSR principles. The audit reports showed employee hours worked above standard, and a few work-condition deficiencies (lack of evacuation plan, no masks worn in the pasting workshop) The deficiencies identified will be subject to an action plan monitored in 2021.

CSR Risk Purchasing Committee

At the end of 2020, the Group set up a CSR Risk Purchasing Committee to review the following suppliers that present an identified CSR risk:

- audited suppliers with identified deficiencies;
- suppliers with CSR risk rating from 3 (low to medium) to 6 (severe) who refuse to sign the Nexans CSR Charter;
- suppliers with CSR risk rating of 5 (high) or 6 (severe), with a CSR performance score of less than 50%; and
- suppliers with a CSR risk rating of 5 (high) to 6 (severe) that refuse to have an assessment based on CSR criteria.

In line with its continuous improvement approach, the Group works to support suppliers that take steps to improve their CSR performance.

Suppliers with a low CSR performance are required to implement an improvement plan.

For new suppliers, the Group refuses to work with any potential supplier that does not adhere to basic CSR principles.

For suppliers that are currently working with the Group, the CSR Risk Purchasing Committee decides on what action to take on an individual basis, after taking into consideration the specific areas of non-compliance identified and results of action plans. If there is no satisfactory improvement to CSR performance within six months, the Group reserves the right to delist the supplier.

The Committee gathers the Group Executive Vice President for Purchasing, Head of Sustainable Purchasing, Buyers involved in the business relationship, and the Group Head of Risk.

In 2020, focus was on mica tape suppliers, as they have the highest CSR risk score, 6 (severe). As a result, the Committee conducted a CSR audit of some suppliers and updated the purchasing strategy for mica tape.

CSR criteria

The Group assesses its suppliers to control purchasing risks and award contracts. CSR performance was added to the supplier selection criteria in 2020.

A Group procedure was drawn up to define the purchasing risk assessment process. The Group's main suppliers in terms of sales are assessed by Buyers using a set of criteria that includes CSR performance (based on their CSR scorecard: CSR scorecard with a rating of over 35, under 35, or no scorecard available).

In 2021, the assessment threshold will be revised to 50, to align it with the sustainable purchasing policy.

This same criterion is taken into account to decide whether to list the supplier as a Preferred Supplier.

As mentioned above, the Group's CSR policy is reviewed every year by EcoVadis. With a rating of 78%, the Group ranks in the Advanced category (65% to 84%) and earned the EcoVadis Platinum level CSR recognition medal. The Group now ranks among the top 1% of the thousands of companies assessed by EcoVadis.

Conflict Minerals

As the Group is not listed on any U.S. stock exchange, it is not required to comply with the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act on conflict minerals(Democratic Republic of the Congo and adjoining countries).

However, the Group follows OECD guidance on minerals from conflict-affected and high-risk areas. Due to the sale of its German metallurgy business in 2020, the Group may not be subject to EU Regulation 2017/821 on conflict minerals depending on its 2021 purchase volumes.

Even so, the Group takes the rules governing conflict minerals seriously, in line with its CSR commitments, especially to the United Nations Global Compact, and is committed to voluntarily complying with these rules.

As such, it has implemented a procedure to address this issue within its own supply chain and address its customers' inquiries.

In addition, the Group confirms that it will continue to apply its duty of care policy to conflict minerals in the future, notwithstanding the amount purchased.

Of the four minerals governed by the regulations (gold, tin, tungsten and tantalum), the Group only purchases tin.

In 2020, the Group bought pure tin (to manufacture its own tinned wire) from two suppliers. Due to the sale of its German metallurgy business in 2020, the Group only has one tin supplier left in 2021.

The Group also purchases tinned copper wire from 27 suppliers. This product type does not fall within the scope of EU Regulation 2017/821 on conflict minerals.

The Group only has trade relations with qualified suppliers, based on a thorough testing process. "Spot" purchases of minerals from non-qualified suppliers are neither authorized not possible as the Group's non-ferrous purchasing department approves the creation of any new tin supplier account.

Every year, the Group checks with its suppliers that the tin purchased originates from conflict-free zones. Inquiries led thus far have confirmed that supplies come from "conflict-free" sources, as defined by the relevant rules.

In 2020, both of raw tin suppliers were compliant with applicable regulations, as were the Group's 27 suppliers of tinned copper wire.

However, the Responsible Mineral Initiative (RMI)[1] reports that "the business-related impacts due to Covid-19 have caused delays in audits" of conflict minerals smelters (gold, tin, tungsten, tantalum). The RMI provides industry professionals with a database of compliant conflict minerals smelters based on audits. Its Conflict Minerals Reporting Template (CMRT) is a reporting tool that traces information on smelters throughout the supply chain.

As part of its duty of care, the Group asks its suppliers what measures have been taken with their smelters to ensure continuous compliance. It should be noted that the audits conducted on both of the Group's suppliers of pure tin are valid until the end of 2021.

If, in exercising its duty of care, the Group becomes aware that one of its supply sources is not conflict-free, it will take immediate action to remedy the situation. Action will be in line with the Group's Conflict Mineral Policy, signed by the Executive Vice President for Purchasing, and the sustainable purchasing policy, both updated in 2020.

The sustainable purchasing policy, defines the following points specifically for conflict minerals:

- Suppliers of minerals within the list of "conflict minerals" must sign the new Nexans CSR Charter every year
- Suppliers of "conflict minerals" must undergo a CSR assessment every three years
- A CSR audit must be conducted on suppliers of "conflict minerals" as a priority
- The CSR Purchasing Committee was created to review suppliers of "conflict minerals" as a priority

Also in 2020, the Group conducted CSR audits of mica tape suppliers, as this purchasing category is assigned a CSR risk rating of 6 (severe) based on the CSR risk mapping.

Although mica is not defined as a "conflict mineral" under US and European regulations, the RMI released a CMRT for mica on October 28, 2020. The Group had designed its own reporting tool to trace mica from its tier 1 suppliers all the way up to mica mines, before the RMI came out with its CMRT.

This internal form, partly drawing on the CMRT for conflict minerals, was completed by the Group's suppliers of mica tape. The Group will now use the CMRT developed by the RMI for mica.

This action to ensure traceability demonstrates the Group's vigilance in managing mineral-related risks, which has proven its effectiveness in the framework of an alert reported by a third party.

See also sections 4.3.3. "Sustainable purchasing" and 3.1.2.3. "Risks related to raw materials and supplies".

4.3.6.2. ENVIRONMENTAL RISKS

Identification and assessment of environmental risks

The Group is exposed to a number of internal and external risks such as those listed in section 4.2., "Environment". The main risks identified by the Group are described in Chapter 3 "Main risk factors and risk management within the Group".

Environmental risks relating to the operations of Group subsidiaries are monitored using maps that are updated yearly and used to adapt the prevention and management procedures for these risks. As for environmental risks relating to the operations of suppliers and subcontractors, these are monitored under the sustainable purchasing program (see section 4.3.6.1. "Duty of care plan for suppliers" above and section 4.3.3. Sustainable purchasing"). The Group is working to better monitor these risks and develop systems to reduce them.

(1) www.responsiblemineralsinitiative.org

Risk of accidental pollution (including hazardous waste/materials such as oils, fuels, solvents, etc.)

The Group has fully understood the risks and challenges involved in handling and storing materials that are hazardous to the environment.

The Group identified possible pollution scenarios that could occur in the course of its industrial operations due to the following risks:

- The risk of minor leaks at Group sites is prevented by applying internal standards involving the use of containment systems for any storage or handling of liquids or materials that are hazardous to the environment.
- The risk of more serious accidental leaks that could cause land and groundwater pollution is considered low, but the impact could be high if they occurred.

To limit the occurrence and impact of these risks, the Group has established a systematic protection plan for all unprotected tanks containing hazardous materials. All new facilities comply with Nexans' new internal standards. The Group has fully understood the risks and challenges involved in handling and storing materials that are hazardous to the environment.

Monitoring indicator

Number of tanks in need of a protection system.

A survey conducted in 2016 at each production site identified 110 tanks that needed a protection system.

Following investment and measures taken, 60 of these 110 tanks no longer posed a pollution risk at end-2020.

Governance

This indicator is monitored twice a year at the Environment and Products CSR Committee meeting in order to decide on measures and the yearly investment needed to fit all tanks with a protection (see section 4.2.2. "Managing pollution risks").

Historical pollution

Another pollution risk identified by the Group involves long standing site operations that may have caused pollution.

To reduce this risk, the Group introduced an ambitious program a number of years ago to identify the sites that could pose a historical pollution risk. The program includes various diagnostics phases:

- Phase 1: Historical review conducted by specialized third parties to identify the site's present or past risks, the areas potentially concerned and types of pollutants involved. This phase was conducted internally for some sites and officially reported using an Initial Soil Diagnosis (ISD).

- Phase 2: Evidence of pollution established by specialized third parties and estimate of remediation costs.

- Phase 3: Assessment of potential risks to human health and other receiving environments (animal and plant life, etc.). This phase is launched if deemed appropriate once phase 2 is completed.

- Phase 4: Based on the findings from phase 3, remediation or protection measures may be taken.

This program is implemented every time a new site is acquired or rented.

Monitoring indicator

Number of sites that have conducted a phase 2 following a phase 1 and/or an Initial Soil Diagnosis leading to the detection of pollution risk: 100% target for 2034 (50% at December 31, 2020).

Governance

The indicator is measured twice a year at the Environment and Products CSR Committee meeting to decide if any sites should move into phase 2 or update this review (see section 4.2.2. "Managing pollution risks/Land use and discharges").

4.3.6.3. HEALTH AND SAFETY RISKS

Identification and assessment of health and safety risks

In addition to the Group's existing procedures and actions described in section 4.1.1 "An active workplace health and safety policy", in 2020 the Group created a tool for mapping health and safety risks for all its sites and for suppliers and subcontractors that work at its sites. The insights gained through the mapping process are used to adapt measures taken to prevent and manage these health and safety risks to the local context.

Workplace safety

Employee health and safety is an absolute priority for the Group, both in relation to its own employees and those of all its partners (subcontractors, temporary staff, customers, etc.) who are fully part of the Group's core values. Workplace health and safety is a key performance indicator covered by the CSR ambitions and an integral part of the managerial routines. (see section 4.1.1. "An active workplace health and safety policy").

With a view to encouraging risk prevention, in 2008 the Group set up a dedicated Health and Safety unit reporting to the Industrial Management Department which relays health and safety standards and implements related initiatives for all employees and anyone present at any Group site (temporary employees, suppliers, subcontractors, etc.) through a network of HSE representatives.

Main safety risks

Most of the accidents that occurred within the Group in 2020 were caused by behavior, involving hazards relating to:

- hand injuries;
- rotating equipment (e.g., forklifts); and
- movement of people.

To combat these risks, the Group draws on the proactive programs and initiatives developed across its sites, which are described in section 4.1.1.1. "Workplace safety". Each site will be able to use the in depth risk analysis currently under way to set its priorities and develop action plans to meet them.

Monitoring indicator

The Group's compliance rate with the "Golden" safety rules.

The Group's compliance rate with its Safety Golden Rules was 92% at the end of 2020.

Based on the risks listed above, the following monitoring indicators are used:

- Risk assessment on handling cutting tools: sites took an inventory of the equipment that could present potential cutting risks; with 78 pieces of equipment logged across 50 sites. To date, 71% of the risks have been resolved.
- Risk assessments on rotating parts (take-ups): sites conducted self-assessments based on the recently updated safety standard on take-ups. Some 41 sites have submitted requests for funding to improve their systems.
- Behavior-based safety is ongoing at sites to continue awareness campaigns and identify potentially dangerous actions.

Governance

These indicators are monitored monthly in the framework of the Group Security Committee to decide on measures to take to improve them and submitted twice a year to the Environment and Products CSR Committee meeting.

Workplace accident frequency rate are monitored monthly for each production site. Those facing difficulties in that regard are subject to a dedicated improvement program followed-up the Executive Committee.

Workplace safety indicators are also routinely reported to members of the Executive Committee.

Main health risks

The Group's main health risks for employees and anyone present at its sites (temporary employees, suppliers, subcontractors, etc.) mainly involve manual handling and exposure to chemical risks.

A considerable number of training courses and prevention campaigns are organized to prevent these risks from occurring (see section 4.1.1.2. "Workplace health"). Other safety measures include the systematic use of personal protective equipment when risk assessments require it in certain site areas or workstations.

In addition to regular health check-ups, surveys are conducted to assess employee stress levels, exposure to noise pollution and hazardous substances, workstation ergonomics, etc., to prevent health and safety risks and invest in appropriate equipment.

Monitoring indicator

At least one medical check-up every two years for each employee.

In 2020, 73% of Group employees benefited from a medical check-up every two years.

Governance

This indicator will be monitored by the Governance and Social Affairs Committee.

4.3.6.4. HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS RISKS

Through its adherence to the Ten Principles of the Global Compact, the Group demonstrates its strong support for the fundamental human rights and freedoms that must be respected universally. The Group's employees agree to comply with local regulations at all times in every country where the Group operates. The Code of Ethics and Business Conduct remains the Group's shared set of standards that applies to all its employees around the world. Nexans business partners are also expected to comply with this Code (see section 4.3.4. "Fair practices"). This Code of Ethics and Business Conduct is derived from the Ten Principles of the UN Global Compact, the Universal Declaration of Human Rights and international labor standards, especially those concerning forced labor and child labor.

The evaluation of the respect of human rights and fundamental freedoms by the Group's suppliers is addressed through the EcoVadis platform's questionnaire as part of the sustainable purchasing program (see section 4.3.3. "Sustainable purchasing"). The new version of the Supplier CSR Charter provides detailed expectations on these matters.

A Human Rights Questionnaire was sent to all country HR managers in 2019 to assess respect for human rights and fundamental freedoms across the Group. No major issues were identified.

The Group was planning to conduct this questionnaire every two years. However, due to the critical nature of this issue, the Group decided to strengthen its approach to managing human rights risks.

First, a governance structure dedicated to human rights was implemented, with a multi-disciplinary team with managers from the Legal, Compliance, Risks, Purchasing and CSR departments under the leadership of the Human Resources Department. The team meets every six weeks or as issues arise.

Another dedicated team was created within the Human Resources Department, comprised of representatives from each Business Group. Their priority is to review the Human Rights Questionnaire, which will now be conducted every year.

To this end, a database of standard questions and answers has been created and is shared on intranet sites, enabling people to answer more rapidly and precisely to questions asked by suppliers, customers and other stakeholders.

Lastly, a Human Rights Charter is being co-developed with employee representative bodies. Once approved, this document will be incorporated into the Code of Ethics and Business Conduct.

Monitoring indicator

1 - 100% of the manufacturing sites comply with the Human Rights Questionnaire.
2 - Any issues raised with the Group's Ethics Officer concerning human rights and fundamental freedoms is dealt with within three months.
3 - Check that employees adhere to the Human Rights Charter.

Governance

These indicators are monitored by the Governance and Social Affairs Committee, and more regularly by the Human Rights governance team.

4.3.6.5. ASSESSMENT AND CONTROL

The Group has set up an internal control and risk management system to better prevent and reduce the risks to which it is exposed.

The internal control and risk management principles and procedures are described in Chapter 2 "Corporate governance". These principles apply to all Group subsidiaries and employees, and state that they must comply with the Code of Ethics and Business Conduct and the principles of the United Nations Global Compact.

See also section 4.3.4. "Fair practices".

4.3.6.6. WHISTLEBLOWING MECHANISMS

The whistleblowing system described in section 4.3.4., "Fair practices", is available for all Group employees and anyone outside the Group to report any violations of the Group's Code of Ethics and Business Conduct safely and anonymously. This includes potential failure to meet CSR commitments, made in the areas of the environment, health, safety, and human rights.

4.3.6.7. MONITORING PLAN – AREAS FOR IMPROVEMENT

Monitoring indicators selected for each of the risks listed above are reviewed at ad hoc CSR Committee meetings to confirm their relevance and measure progress towards the target set for the year.

Based on the Group's risk mapping conducted in 2019, the key development area for the 2020 Duty of care plan was to strengthen the Group's sustainable purchasing policy.

An action plan was defined in 2020 to work towards that goal. This action plan to strengthen the Group's sustainable purchasing policy was rolled out at the end of 2020, with the update of the Supplier CSR Charter and Supplier CSR risk mapping. On-site audits were also conducted by independent, internationally recognized audit firms.

The objective of the 2021 Duty of care plan will be to ensure that the steps in the sustainable purchasing roadmap for 2020-2023 are moving forward as planned for the year, namely:

- Ensure that suppliers included in the global deployment plan sign the CSR Charter: around 5,000 suppliers have already been contacted, and the remaining suppliers will be contacted in waves until the end of the first half of 2021.
- 30 audits performed by independent, internationally recognized audit firms.
- Target of 230 suppliers that could present a potential major CSR risk and the Group's main suppliers with a valid CSR assessment ≥ 35% delivered by EcoVadis (or equivalent). Suppliers are categorized based on the supplier CSR risk mapping created by EcoVadis.

The Group has also set a goal for 2021 to complete its Human Rights Charter and incorporate it into the Code of Ethics and Business Conduct.

Reporting on the progress of the 2021 Duty of care plan will be included in the next Universal Registration Document.

4.3.7. MEASURES TAKEN TO PROTECT CONSUMERS' HEALTH AND SAFETY

Protecting consumers' health and safety is a priority for the Group. Steps are taken to achieve this in three main areas:

- identifying and tracing chemical substances used to manufacture products;
- disclosing environmental product information;
- managing substances of high concern.

The Group has developed a special tool (REACh Supplier) available in all European Union (EU) countries and other countries to identify the composition of raw materials and articles, and therefore monitor the use of hazardous substances (see section 4.2.7. "Reducing the use of hazardous substances").

All inventories from Group plants and declarations for chemicals provided by the supply chain are available in a single database to consolidate data easily at Group level.

A REACh coordinator is designated at each plant that delivers to the European market so that these processes are properly monitored and applied. The coordinator ensures that products on the market, new raw materials and registered articles meet local compliance standards. Additionally, the Group has a worldwide network of technical and HSE experts who are informed whenever a substance used within the Group changes status under REACh regulations. They can also express an opinion during the consultation process concerning substances at EU level. Training is provided regularly throughout the network to keep them up to date on the latest changes in regulations or in Nexans processes.

The Group has implemented REACh indicators to measure and monitor the level of each plant and make sure no deviations are being made. For each plant concerned, the local monitoring of Nexans processes, the quality and completeness of supplier documentation, and the number of substances of high concern used by the facility are checked regularly at Group level.

Communications

The Group notifies its customers of any substances of very high concern (SVHCs)[1] present in its products in a "Material Declaration", as required by REACh regulations. This information is also included on order confirmations and invoices to make sure that customers are systematically informed.

At the end of 2020, the new European database for Substances of Concern In articles as such or in complex objects (Products), or SCIP, was launched to trace SVHCs in articles in Europe. Established under the Waste Framework Directive, this database guarantees that information on articles containing SVHCs is available throughout the product life cycle into the waste phase. This is intended to improve the sorting, recycling and recovery of these products and the materials they contain. The 13 Group plants required to provide these disclosures on their use of substances of very high concern submitted their declarations, in a timely manner, on products containing SVHCs identified within the Group. The EU is expected to provide public access to the database in the near future. SCIP will also be used to help consumers make more informed choices and should support the gradual substitution of substances on the candidate list for authorization.

(1) Substances of very high concern are those included in the REACh candidate list of substances and substances subject to an authorization or restriction process.

Hazardous substance management

An internal "substances roadmap" informs the Group's sites of the regulatory status of substances of very high concern, and identifies the factories impacted and the measures taken to develop alternative solutions. In line with the European strategy for an environment free of toxic substances, the Group endeavors to reduce the use of SVHCs, substitute them wherever possible, and progressively discontinue their use.

In 2020, the Group found that 15 substances falling under EU REACh and RoHS regulations were used at its European sites. Several R&D programs have been launched to find substitutes for seven of these substances that could be restricted in the future due to their classification as being hazardous to health.

Furthermore, the Group has taken a more proactive approach with its rule that bans using SVHCs in all new developments in Europe, even if they are still legally authorized.

4.3.8. THE NEXANS FOUNDATION: SOLIDARITY THROUGH ELECTRICAL POWER

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

Energy plays a key role in Nexans' business, so the Group decided to make it a priority for its Foundation.

The Nexans Foundation and the UN's Sustainable Development Goals

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)[1], 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.

Today, the United Nations Development Program (UNDP)[2] estimates that one in seven people still do not have access to electricity, with most of them living in rural areas of the developing world. And over 40% of the world's population, 3 billion people, rely on polluting and unhealthy fuels for cooking.

Nexans Foundation governance

The governance of the Nexans Foundation is organized into two separate bodies: the Project Selection and Review Committee and the Board of Directors.

The Project Selection and Review Committee is made up of employees from different countries and functions and meets every year to review the projects submitted in the annual call for projects.

A short-list of projects is then presented to the Board of Directors' meeting, which is chaired by the Group's CEO and includes six members divided into three groups (founding companies, employee representatives and qualified experts).

Supporting 68 organizations and helping over 1,800,000 people since 2013

With an annual budget of 300,000 euros, the Nexans Foundation has supported 122 projects in 38 countries in partnership with 68 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

(1) www.iea.org
(2) www.undp.org

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. While most of the Foundation's projects are developed in sub-Saharan Africa (in 18 countries), there are also projects in Morocco, Lebanon, Turkey, Asia (in nine countries), South America (in six countries) and France.

An activity report must be submitted to ensure that the project meets all the necessary requirements to receive financial assistance.

A Foundation that acts fast in emergencies

Working with Electricians Without Borders for many years, the Nexans Foundation also supports one-off projects involving emergency situations, for example in the Philippines (2013), Nepal (2015), Haiti (2016), several Caribbean territories (2017), Indonesia (2019), Mozambique (2019), and more recently in Lebanon (2020).

To respond even faster to handling humanitarian emergencies, the Nexans Foundation, along with ten other leaders from the electricity industry, formed a partnership in late 2017 with the crisis center of the French Ministry for Europe and Foreign Affairs and Electricians Without Borders. In the event of a humanitarian crisis, Electricians Without Borders intervenes to restore access to energy. This action is crucial in an emergency because it allows international solidarity organizations to act in the best conditions possible to help people in need.

For more information on the Nexans Foundation, please visit www.fondationnexans.com

4.4. Environmental and social indicators – CSR concordance tables

ENVIRONMENTAL INDICATORS

	Evolution	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 wastes (tonnes)	↘	2,805	4,700	5,074
Hazardous wastes 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 an erroneous data in 2019.
(4) Intensity calculations are based on sales at constant metal prices. Since 2019, and in order to neutralize the effect of variations in non-ferrous metal prices and thus measure the effective evolution of its activity, Nexans has also been calculating its sales at constant copper prices (new reference price of 5,000 €/t) and aluminum prices. The 2019 data have been recalculated to take into account this change in the reference price in 2019.

SOCIAL INDICATORS

NEXANS GROUP

	Evolution	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
% Female managers (of manager population)	→	24%	24%	23%
EMPLOYMENT DATA				
Absenteeism rate	↗	6.7%	5.5%	5.2%
SAFETY				
Global workplace accident frequency rate(1)	↘	1.87	2.7	2.01
Global workplace accident severity rate(2)	→	0.15	0.15	0.14
TRAINING				
Total number of training hours(3)	↘	400,502	523,492	603,301

(1) 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.
(2) Overall workplace accident severity rate: total number of lost calendar days (due to accidents at work)/total number of hours worked x 1,000. Since 2020, this rate is only available for internals. Beforehand, it integrated internals and externals.
(3) The 2019 data has been updated following the correction of an erroneous data.

CABLE BUSINESS

	Evolution	2020	2019	2018
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(3)	↘	297	378	314
EMPLOYMENT DATA				
Natural departures	↘	-1,433	-1,605	-1,705
Restructuring	↗	-744	-309	-215
New hires	↘	1,011	1,418	1,727
Impact of changes in Group structure	↘	-623	0	32
Mobility (net variation)	↗	8	1	-20
Employee turnover rate(4)	↘	9.8%	10.4%	10.6%
Overtime rate(5)	↘	4.8%	5.5%	6.0%
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(1)	↘	2.94	4.06	3.15
Number of sites having zero accident	↗	99	32	42
Global workplace accident severity rate(2)	→	0.25	0.26	0.23
TRAINING				
Total number of training hours(6)	↘	135,887	210,625	283,646

(1) 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.

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

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

(4) 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.

(5) Overtime rate: number of overtime hours worked/total number of hours worked.

(6) The 2019 data has been updated following the correction of an erroneous data.

HARNESSES BUSINESS

	Evolution	2020	2019	2018
HARNESSES BUSINESS				
HEADCOUNT HARNESSES BUSINESS	↗	10,636	10,491	11,128
Europe	↘	4,864	5,098	6,054
Asia-Pacific	↘	192	509	389
North America	↗	1,748	1,694	1,985
Middle East, Russia, Africa	↗	3,832	3,190	2,700
% Female overall employees	→	60%	60%	60%
% Female managers (of manager population)	↗	23%	21%	20%
Average age (years)	→	34.6	34.8	34.5
Average length of service (years)	↗	5.2	5.0	4.8
EMPLOYMENT DATA				
Natural departures	↘	-2,937	-4,808	-4,642
Restructuring	↗	-310	-150	-209
New hires	↘	3,394	4,369	5,781
Impact of changes in Group structure	→	0	0	0
Mobility (net variation)	→	0	-1	1
Employee turnover rate(3)	↘	28.0%	43.9%	42.4%
Absenteeism rate	↗	8.3%	6.2%	5.7%
SAFETY				
Global workplace accident frequency rate(1)	↘	0.34	0.74	0.29
Global workplace accident severity rate(2)	→	0.01	0.01	0
TRAINING				
Total number of training hours(4)	↘	264,615	312,867	319,655

(1) 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.
(2) Overall workplace accident severity rate: total number of lost calendar days (due to accidents at work)/total number of hours worked x 1,000. Since 2019, this rate is only available for internals. Beforehand, it integrated internals and externals.
(3) 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 on fixed-term contracts and then departures at the end of the contract.
(4) The 2019 data has been updated following the correction of an erroneous data.

CSR CROSS-REFERENCE TABLES

The CSR cross-reference tables are available in section 8.5.

These tables include the following components:
- Cross-references between Articles R.225-104 *et seq.* of the French Commercial Code and the GRI-G4 indicators;
- Cross-references with the principles of the Global Compact;
- Cross-references with the TCFD guidelines;
- Cross-references with Non-Financial Performance Statement (NFPS).

4.5. Data compilation methodology for CSR indicators

4.5.1. DATA COMPILATION METHODOLOGY FOR ENVIRONMENTAL INDICATORS

The environmental indicators are presented in section 4. 4. “Environmental and social indicators – CSR concordance tables”.

The Group’s environmental data is tracked, analyzed and consolidated by the Group Operations Department.

The information disclosed in section 4.2. “Environment” above is based on environmental data collected annually, by entity, through an internal data collection system (EMP – Environmental Management Plan), as well as discussions with teams during site visits and internal audits.

If an error is brought to the attention of the person in charge of the Group’s environmental reporting process, only he or she can make the necessary changes.

If an indicator has already been officially published (Management Report), it will not be amended after the fact in subsequent publications (comparison table). However, a footnote will be added for the indicator showing the change and the reason for it.

Scope – The scope of consolidation for the environmental data covers all of the Group’s manufacturing sites (78 sites) along with four non-industrial sites in France, such as the Sales Office France based in Lyon, the logistics platform in Nanterre, the research center in Lyon and the Group’s head office. This scope includes companies that are over 50%-held by the Company, either directly or indirectly. Sites acquired in year Y are included in the scope of environmental reporting in year Y+1. Administrative and logistics sites are not included in the scope of consolidation as their environmental impact is not significant. Where information is provided on resource consumption per tonne of cable produced, the scope is limited to the Group’s cable entities (excluding harnesses, accessories and metallurgy), corresponding to 47 sites.

Referential – The indicators referred to are based on the Group’s standard definitions set out in the Group Environmental Manual.

Definitions of key indicators used:

- **Energy consumption –** Fuel oil consumption corresponds to purchases of fuel oil made during the year rather than actual consumption.
- **Raw materials –** Use of solvents corresponds to purchases of solvents made during the year rather than actual consumption.
- **Waste production –** Waste sent by one Nexans manufacturing site to another Nexans site – whether for recycling or not – is counted as waste. Waste is counted as such once it leaves the site where it was generated, except for the Lens site in France, whose waste generated from wire drawing activities is transferred for reuse in casting operations.
- **Controls –** Consistency controls are performed by entities when data is entered and by the Group at the end of the data collection process. Any inconsistency in data is discussed with the entities concerned, and corrected as necessary.

4.5.2. DATA COMPILATION METHODOLOGY FOR SOCIAL INDICATORS

Social indicators are presented in section 4.4. “Environmental and social indicators – CSR concordance tables”.

The Group’s social data is tracked, analyzed and consolidated by the Group Human Resources Department as follows:

- Quantitative human resources data is compiled in each country or entity on a quarterly basis via an internal data system and is then accessed using a business intelligence system. The data compilation process is subject to internal consistency checks. Data on health and safety is analyzed jointly with the Industrial Management Department. Headcount data are reconciled with the figures reported in the Finance Department’s system and discussions may take place between the head office and the entities concerned in relation to other data.

- Qualitative human resources data is compiled both quarterly – via the internal system – and annually, through a questionnaire sent to each of the Group's countries. Discussions may take place on the information provided in this questionnaire in order to obtain further details and to fine-tune snapshot analyses of the Group's HR situation.

The scope of consolidation for the social data covers companies that are over 50%-held by the Company, either directly or indirectly. Nexans Industry Solutions (Poland) was included in the reporting scope for the first time.

Regarding the case of Colada Continua (Chile) held at 30.341% by the Group, and Cobrecon (Peru) held at 50%, they join the social reporting for the first year on a pro rata basis.

Eurocable (France) was deconsolidated in 2020 but remains within the Group.

Nexans Metallurgie Deutschland GmbH (Germany) and BerkTek LLC (USA) left the Group in 2020.

The Group's reporting process is based on a pre-defined timeline that is reiterated in the guide on definitions of the Group's HR indicators which is sent at the beginning of each year to all contributors to the Group's HR reporting process.

If an error is brought to the attention of the person in charge of the Group's reporting process, only he or she can make the necessary changes. If an indicator has already been officially published (Management Report), it will not be amended after the fact in subsequent publications (comparison table). However, a footnote will be added for the indicator showing the change and the reason for it.

Definitions of HR indicators:

- **Headcount:** This indicator includes employees who have an employment contract with the Group (permanent or fixed-term contracts, people on work placements, and employees whose employment contracts have been suspended).
- **Absenteeism rate:** This indicator is calculated based on the ratio of the number of hours of absence compared with the theoretical, contractual number of hours worked. The number of hours of absence includes absences for illness, work accidents or commuting accidents, maternity leave and unauthorized absences. It does not include absences that are longer than six months.
- **Workplace accident frequency and severity rates:** These indicators are calculated based on the actual number of hours worked, the number of workplace accidents with more than 24 hours of lost time and the number of calendar days lost due to workplace accidents. The frequency rate also takes into account fatal accidents when they occur. Note: This data is for Nexans employees and subcontractors.
- **Training hours:** The number of training hours includes hours of training delivered both at or outside Nexans sites.

A number of calculation formulae are provided below the table on HR indicators provided in section 4.4 "Environmental and social indicators – CSR concordance tables".

4.5.3. DATA COMPILATION METHODOLOGY FOR SOCIETAL DATA

The data set out above was compiled as follows: ethics data was compiled by the Internal Audit Department, anti corruption data by the Legal Department, and the other data by the departments concerned (Communications Department, Human Resources Department, Technical Department).

The Group's subcontractor data is tracked, analyzed and consolidated by the Purchasing Department. The share of subcontracting corresponds to the amount of product purchases in relation to the total annual amount of external purchases, and is also calculated in relation to the total amount of sales.

As regards the supplier CSR assessment process via the EcoVadis platform, the Group Purchasing Department consolidates them on the basis of the information gathered by EcoVadis. The proportion of suppliers who responded to the EcoVadis questionnaire corresponds to the annual amount of purchases with these suppliers, compared to the total annual amount of external purchases. Only internal Group purchases are excluded. Previously, internal purchases, as well as copper and aluminum purchases, were excluded.

Under Article R.225-105-2 of the French Commercial Code, organizations must report on the issues of food insecurity, respect for animal welfare, responsible and sustainable food production and fair food trade. These issues are not monitored as the Group is not directly concerned by them.

4.6. Report by the Independent Third Party on the consolidated non-financial statement included in the group management report

FOR THE YEAR ENDED DECEMBER 31ST 2020

To the Shareholders,

In our capacity as independent third party, accredited by COFRAC number 3-1058 (scope available at www.cofrac.fr), and member of the Mazars network of one of the company's Statutory Auditors, we hereby report to you on the consolidated non-financial statement for the year ended December 31st 2020 (hereinafter the "Statement"), included in the Group management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code *(Code de commerce)*.

The entity's responsibility

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement (and on request from the entity's head office).

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of articles A. 225-1 *et seq.* of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, and with ISAE 3000[1] :

- We obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;

- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;

(1) ISA 3000 - Assurance engagements other than audits or reviews of historical financial information.

- We verified that the Statement includes each category of social and environmental information set out in article L.225-102-1 III as well as information regarding compliance with anti-corruption and tax avoidance legislation;

- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;

- We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;

- We referred to documentary sources and conducted interviews to :
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important[1]; concerning risks related to compliance and sustainable purchasing, our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities[1];

- We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;

- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;

- For the key performance indicators and other quantitative outcomes that we considered to be the most important[1], we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 20% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;

- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of 7 people between October 2020 and February 2021 and took a total of 7 weeks.

We conducted 5 interviews with people responsible for preparing the Statement, representing in particular the Sustainable Development Direction, the Human Resources Direction, the Industrial and the Purchasing Direction.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, February 22, 2021
MAZARS SAS

Isabelle Sapet
Partner

Edwige Rey
Sustainable Development Partner

(1) See Appendix

Annex 1: List of qualitative and quantitative information, including key performance indicators and contributing entities

Key performance indicators and other quantitative information (action and results) that have been considered as most important topics are those related to the main risks:

- Sustainable purchasing and Conflict minerals;
- Compliance with regulations on substances;
- Workplace safety;
- Attracting and retaining talent;
- Environnemental pollution;
- Compliance.

The key performance indicators and other quantitative results that we considered most important:

Topics	Key Performance indicators and other information	Audited entities
PEOPLE	Headcount at 31/12	Nexans Sweden A.B Nexans Norway AS Auto Tunisia
	Part of women among "cadres" category (management category);	
	Frequency rate of work accident	
	Severity rate of work accident	
	Turnover rate	
	External Recruitements	
	Number of training hours	
	Training costs (blind audit)	
	Absenteeism rate (including sick leave)	
ENIVIRONMENT	Recycled waste proportion	Autun - France Noyelles - France El Dorado - USA Santiago - Chile (waste only) Grimsas - Sweden Halden - Norway Messadine - Tunisia
	Energy intensity: consumption of electricity, natural gas, fuel	
	Water consumption	
	Quantity of solvents purchased	
	Percentage of reduction in greenhouse gas emissions	Group Corporate Industrial Management Direction
	Percentage of EHP/ ISO14001 certified sites	
ECOSYSTEM	Amount allocated by the Nexans Foundation	Group CSR Department
	Percentage of managers who have signed the certificate of compliance	Group Legal Department
	Number of suppliers being assessed by EcoVadis with a rate equal or above 35	Purchasing Department

5

FINANCIAL STATEMENTS

5.1. Consolidated financial statements

5.1.1. CONSOLIDATED INCOME STATEMENT

(in millions of euros)	Notes	2020	2019
NET SALES [1]	1.E.a, 3 and 4	**5,979**	**6,735**
Cost of sales		(5,324)	(5,949)
GROSS PROFIT		**654**	**786**
Administrative and selling expenses		(385)	(442)
R&D costs		(77)	(94)
OPERATING MARGIN [2]	1.E.b and 3	**193**	**249**
Core exposure effect [3]	1.E.c	42	(11)
Other operating income and expenses [4]	6, 7 and 8	120	2
Reorganization costs	22.B	(107)	(251)
Share in net income of associates		(2)	(0)
OPERATING INCOME (LOSS)	1.E.d	**246**	**(11)**
Cost of debt (net) [5]	1.E.e	(43)	(38)
Other financial income and expenses	1.E.e and 9	(11)	(24)
INCOME BEFORE TAXES		**192**	**(73)**
Income taxes	10	(111)	(44)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**80**	**(118)**
Net income from discontinued operations		-	-
NET INCOME (LOSS)		**80**	**(118)**
■ attributable to owners of the parent		78	(122)
■ attributable to non-controlling interests		2	5
ATTRIBUTABLE NET INCOME (LOSS) PER SHARE *(in euros)*	11		
■ basic earnings (loss) per share		1.80	(2.81)
■ diluted earnings (loss) per share		1.76	(2.81)

(1) Sales at constant metal prices calculated using reference prices are no longer presented in the income statement but are still presented in the segment information provided in Note 3 *and are used in the activity report in Section 2.1.*
Sales at constant copper and aluminum prices are used by the Group to monitor its operational performance, because the effect of changes in non-ferrous metals prices is neutralized to show underlying business growth. Cost of sales is restated on the same basis. Since January 1, 2020, the reference price for copper has been 5,000 euros per tonne (compared with 1,500 euros in 2019 and previous years). For both 2019 and 2020 the reference price for aluminum was 1,200 euros per tonne.
(2) Operating margin is one of the business management indicators used to assess the Group's operating performance, see Note 1.E.b.
(3) Effect relating to the revaluation of Core exposure at its weighted average cost.
(4) As explained in Notes 6, 7 *and* 8*, in 2020, «Other operating income and expenses» included some 142 million euro net disposal gains and 21 million euros in net asset impairment.*
(5) Financial income amounted to 3 million euros in 2020 versus 4 million euros in 2019.

5.1.2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	Notes	2020	2019
NET INCOME (LOSS)		**80**	**(118)**
Recyclable components of comprehensive income (loss)		**(80)**	**64**
■ currency translation differences		(105)	21
■ cash flow hedges	25	25	43
Tax impacts on recyclable components of comprehensive income (loss)	10.C	**(8)**	**(11)**
Non-recyclable components of comprehensive income (loss)		**6**	**(32)**
■ actuarial gains and losses on pensions and other long-term employee benefit obligations	21.B	6	(31)
■ financial assets at fair value through other comprehensive income		-	(1)
■ share of other non-recyclable comprehensive income of associates		-	-
Tax impact on non-recyclable components of comprehensive income (loss)	10	**(0)**	**8**
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		**(82)**	**29**
TOTAL COMPREHENSIVE INCOME (LOSS)		**(1)**	**(88)**
■ attributable to owners of the parent		(2)	(93)
■ attributable to non-controlling interests		1	5

5.1.3. CONSOLIDATED BALANCE SHEET

(At December 31, in millions of euros)	Notes	2020	2019
ASSETS			
Goodwill	7	232	242
Intangible assets	12	115	126
Property, plant and equipment	13	1,346	1,382
Investments in associates	14	32	37
Deferred tax assets	10.D	115	175
Other non-current assets	15	102	92
NON-CURRENT ASSETS		1,942	2,053
Inventories and work in progress	16	937	1,113
Contract assets	4	94	69
Trade receivables	17	829	1,015
Current derivative assets	25	86	40
Other current assets	18	201	186
Cash and cash equivalents	23.A	1,142	642
Assets and groups of assets held for sale		0	0
CURRENT ASSETS		3,288	3,065
TOTAL ASSETS		**5,230**	**5,117**

(At December 31, in millions of euros)	Notes	2020	2019
EQUITY AND LIABILITIES			
Capital stock, additional paid-in capital, retained earnings and other reserves		1,258	1,167
Other components of equity		(42)	42
Equity attributable to owners of the parent		**1,216**	**1,209**
Non-controlling interests		40	42
TOTAL EQUITY	20	**1,256**	**1,251**
Pensions and other long-term employee benefit obligations	21	350	373
Non-current provisions	22	78	106
Long-term debt	23	684	923
Non-current derivative liabilities	25	0	7
Deferred tax liabilities	10.D	133	118
NON-CURRENT LIABILITIES		**1,246**	**1,527**
Current provisions	22	122	191
Short-term debt	23	636	190
Contract liabilities	4	364	256
Current derivative liabilities	25	46	33
Trade payables	24	1,213	1,319
Other current liabilities	24	349	350
Liabilities related to groups of assets held for sale		0	0
CURRENT LIABILITIES		**2,729**	**2,339**
TOTAL EQUITY AND LIABILITIES		**5,230**	**5,117**

5.1.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in millions of euros)	Number of shares outstanding [(3)]	Capital stock	Additional paid-in capital	Treasury stock
JANUARY 1, 2019	**43,371,996**	**44**	**1,606**	**(8)**
Net income for the year	-	-	-	-
Other comprehensive income (loss)	-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	-	-	-	-
Dividends paid	-	-	-	-
(Purchases)/sales of treasury stock	77,839	-	-	3
Employee share-based plans :				
■ Service cost	-	-	-	-
■ Proceeds from share issues	-	-	-	-
Transactions with owners not resulting in a change of control	-	-	-	-
Other	-	-	-	-
DECEMBER 31, 2019	**43,449,835**	**44**	**1,606**	**(5)**
Net income for the year	-	-	-	-
Other comprehensive income (loss)	-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	-	-	-	-
Dividends paid	-	-	-	-
Share buyback program	(350,314)	-	-	(10)
Cancelation of treasury stock	-	(0)	(9)	10
(Purchases)/sales of treasury stock	49,330	-	-	2
Employee share-based plans :				
■ Service cost [(1)]	-	-	-	-
■ Proceeds from share issues [(2)]	499,621	0	16	-
Transactions with owners not resulting in a change of control	-	-	-	-
Other	-	-	-	-
31 DÉCEMBRE 2020	**43,648,472**	**44**	**1,614**	**(3)**

(1) Including a 1 million euro expense related to the ACT 2020 plan.
(2) Related to the share settlement-delivery that took place in November 2020 for ACT 2020 (see ***Note 20.F****).*
(3) The number of shares outstanding at December 31, 2020 corresponds to 43,755,627 issued shares less 107,155 shares held in treasury.

Retained earnings and other reserves	Changes in fair value and other	Currency translation differences	Equity attributable to owners of the parent	Non controlling interests	Total equity
(309)	**(36)**	**22**	**1,319**	**42**	**1,361**
(122)	-	-	(122)	5	(118)
(24)	33	21	29	-	29
(146)	**33**	**21**	**(93)**	**5**	**(88)**
(13)	-	-	(13)	(2)	(15)
(3)	-	-	-	-	-
6	-	-	6	-	6
-	-	-	-	-	-
(13)	-	4	(9)	(3)	(12)
-	-	(1)	(1)	-	(1)
(479)	**(4)**	**47**	**1,209**	**42**	**1,251**
78	-	-	78	2	80
6	19	(105)	(80)	(1)	(82)
84	**19**	**(105)**	**(2)**	**1**	**(1)**
-	-	-	-	(3)	(3)
-	-	-	(10)	-	(10)
-	-	-	-	-	-
(2)	-	-	-	-	-
3	-	-	3	-	3
-	-	-	17	-	17
-	-	-	-	-	-
(4)	-	2	(2)	-	(2)
(397)	**15**	**(56)**	**1,216**	**40**	**1,256**

5.1.5. CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Notes	2020	2019
Net income		80	(118)
Depreciation, amortization and impairment of assets (including goodwill)	7, 12 and 13	175	151
Cost of debt (gross)		46	43
Core exposure effect (1)		(42)	11
Current and deferred income tax charge (benefit)	10	111	44
Net (gains) losses on asset disposals	8	(142)	(7)
Other restatements (2)		(94)	135
CASH FLOWS FROM OPERATIONS BEFORE GROSS COST OF DEBT AND TAX (3)		**136**	**260**
Decrease (increase) in working capital	19	362	56
Impairment of current assets and accrued contract costs		4	19
Income taxes paid		(46)	(36)
NET CHANGE IN CURRENT ASSETS AND LIABILITIES		**320**	**40**
NET CASH GENERATED FROM OPERATING ACTIVITIES		**456**	**300**
Proceeds from disposals of property, plant and equipment and intangible assets		16	12
Capital expenditure	12, 13	(225)	(238)
Decrease (increase) in loans granted and short-term financial assets (4)		(42)	(1)
Purchase of shares in consolidated companies, net of cash acquired		(2)	(1)
Proceeds from sale of shares in consolidated companies, net of cash transferred		155	(1)
NET CASH USED IN INVESTING ACTIVITIES		**(99)**	**(228)**
NET CHANGE IN CASH AND CASH EQUIVALENTS AFTER INVESTING ACTIVITIES		**356**	**71**
Proceeds from (repayments of) long-term and short-term borrowings	23	218	(261)
▪ of which repayment of 2016-2019 OCEANE bonds		-	(269)
▪ of which proceeds from the government-backed loan		279	-
Cash capital increases (reductions)	20	7	-
Interest paid		(45)	(52)
Transactions with owners not resulting in a change of control		(7)	(5)
Dividends paid		(4)	(15)
NET CASH USED IN FINANCING ACTIVITIES		**169**	**(332)**
Net effect of currency translation differences		(19)	(0)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**507**	**(260)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	23.A	**626**	**886**
CASH AND CASH EQUIVALENTS AT YEAR-END	23.A	**1,133**	**626**
▪ of which cash and cash equivalents recorded under assets		1,142	642
▪ of which short-term bank loans and overdrafts recorded under liabilities		(9)	(16)

(1) Effect relating to the revaluation of Core exposure at its weighted average cost, which has no cash impact (see Note 1.E.c).

(2) "Other restatements" in 2020 primarily include (i) a negative adjustment of 98 million euros (2019: positive adjustment of 103 million euros) to cancel the net change in operating provisions (including provisions for pensions, reorganization costs and antitrust proceedings), (ii) a 7 million euro negative adjustment (2019: 13 million euro positive adjustment) related to the cash impact of hedges and (iii) 3 million euro positive adjustment (2019: 6 million euro positive adjustment) to cancel the cost of share-based payments.

(3) The Group also uses the "operating cash flow" concept, which is mainly calculated after adding back cash outflows relating to reorganizations (170 million euros and 129 million euros in 2020 and 2019 respectively), and deducting income tax paid.

(4) In 2020, this caption included 39 million euros corresponding to bank deposits by the Group's Lebanese company with Lebanese banks that have been reclassified from Cash and cash equivalents in accordance with IAS 7.

5.1.6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL PRINCIPLES

Nexans (the Company) is a French joint stock corporation *(société anonyme)* governed by the laws and regulations applicable to commercial companies in France, notably the French Commercial Code *(Code de commerce)*. The Company was formed on January 7, 1994 (under the name Atalec) and its headquarters is at Le Vinci, 4 allée de l'Arche, 92400 Courbevoie, France.

Nexans is listed on the regulated market of Euronext Paris (Compartment A) and forms part of the SBF 120 index.

The consolidated financial statements are presented in euros rounded to the nearest million. Rounding may in some cases lead to non-material discrepancies in the different totals or year-on-year changes. They were approved by the Board of Directors on February 16, 2021 and will become final after approval at the Annual Shareholders' Meeting, which will take place on May 12, 2021 on first call.

The significant accounting policies used in the preparation of these consolidated financial statements are set out below. Except where otherwise indicated, these policies have been applied consistently to all the financial years presented.

Basis of preparation

The consolidated financial statements of the Nexans Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union at December 31, 2020.

The Group has applied all of the new standards, interpretations and amendments to existing standards that were mandatory for the first time in the fiscal year beginning January 1, 2020, and which were as follows:

- Amendments to References to the Conceptual Framework in IFRS Standards;
- Amendments to IFRS 3, "Definition of a Business";
- Amendments to IAS 1 and IAS 8 "Definition of material";
- Amendment to IFRS 16: "Rent concessions granted as a result of the Covid-19 crisis".

These amendments did not have a material impact on the Group's consolidated financial statements.

In addition, during 2020 the Group completed its analysis of the consequences of the IFRIC interpretation dated November 26, 2019 on the determination of lease terms for the application of IFRS 16. The impact on the consolidated financial statements is not material.

In 2020, the Group applied the hedging part of IFRs 9, without any material impact on the Group's consolidated financial statements.

New standards, amendments and interpretations published by the IASB but not yet effective

The IASB has not issued any new standards, amendments or interpretations that have been endorsed by the European Union but are not yet applicable.

The IASB has issued the following amendments that have not yet been endorsed by the European Union and are potentially applicable by the Group:

- Annual improvements to IFRSs (2018-2020), including IFRS 9, "Fees and cost included in the 10% test for derecognition of financial liabilities";
- Amendments to IAS 1 "Classification of liabilities as current or non-current";
- Amendments to IAS 16, "Property, plant and equipment – Proceeds before intended use";
- Amendments to IAS 39, IFRS 7, IFRS 9 and IFRS 16, "Interest rate benchmark reform – Phase II";
- Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture".

The Group does not expect its application of these amendments to have a material impact on its consolidated financial statements.

Accounting estimates and judgments

The preparation of consolidated financial statements requires Management to exercise its judgment and make estimates and assumptions that could have a material impact on the reported amounts of assets, liabilities, income and expenses.

When preparing the annual consolidated financial statements, Management took the consequences of the Covid-19 pandemic into account in its estimates and assumptions, despite the prevailing uncertainty concerning the virus's mutation and how the resulting crisis will evolve. The pandemic's consequences are described in Note 2 and are taken into account in the estimates described below, where applicable.

The main sources of uncertainty relating to estimates are expanded upon where necessary in the relevant notes and concern the following items:

- The recoverable amount of certain items of property, plant and equipment, goodwill and other intangible assets, and determining the groups of cash-generating units (CGUs) used for goodwill impairment testing (see Note 1.F.a, Note 1.F.b, Note 1.F.c and Note 7).

- Recognition and recoverability of deferred tax assets for unused tax losses (see **Note 1.E.f** and **Note 10.E**).
- Margins to completion and percentage of completion on long-term contracts (see **Note 1.E.a**).
- The measurement of pension liabilities and other employee benefits (see **Note 1.F.j** and **Note 21**).
- Provisions and contingent liabilities (see **Note 1.F.k, Note 22** and **Note 29**).
- The measurement of derivative instruments and their qualification as cash flow hedges (see **Note 1.F.n** and **Note 25**).
- Cancelable lease terms for real estate leases (see **Note 1.F.m**).

These estimates and underlying assumptions are based on past experience and other factors considered reasonable under the circumstances and are reviewed on an ongoing basis. They serve as the basis for determining the carrying amounts of assets and liabilities when such amounts cannot be obtained directly from other sources. Due to the inherent uncertainties of any valuation process, it is possible that actual amounts reported in the Group's future financial statements may differ from the estimates used in these financial statements. The impact of changes in accounting estimates is recognized in the period of the change if it only affects that period or over the period of the change and subsequent periods if they are also affected by the change.

B. CONSOLIDATION METHODS

The consolidated financial statements include the financial statements of (i) Nexans, (ii) the subsidiaries over which Nexans exercises control, and (iii) companies accounted for by the equity method (associates).

The financial statements of subsidiaries and associates are prepared for the same period as those of the parent company. Adjustments are made to harmonize any differences in accounting policies that may exist.

Subsidiaries (companies controlled by Nexans) are fully consolidated from the date the Group takes over control through the date on which control is transferred outside the Group. Control is defined as the direct or indirect power to govern the financial and operating policies of a company in order to benefit from its activities.

Other companies over which the Group exercises significant influence are classified as associates and accounted for by the equity method. Significant influence is presumed to exist when the Group's direct or indirect interest is over 20%.

The type of control or influence exercised by the Group is assessed on a case-by-case basis using the presumptions set out in IFRS 10, IFRS 11 and the revised version of IAS 28. A list of the Group's main subsidiaries and associates is provided in **Note 31**.

Intra-group balances and transactions, including any intra-group profits, are eliminated in consolidation.

C. FOREIGN CURRENCY TRANSLATION

The Group's financial statements are presented in euros. Consequently:

- The balance sheets of foreign operations whose functional currency is not the euro are translated into euros at the year-end exchange rate.
- Income statement items of foreign operations are translated at the average annual exchange rate, which is considered as approximating the rate applicable to the underlying transactions.

The resulting exchange differences are included in other comprehensive income under "Currency translation differences". The functional currency of an entity is the currency of the primary economic environment in which the entity operates and in the majority of cases corresponds to the local currency.

Cash flow statement items are also translated at the average annual exchange rate.

In 2020, the Lebanese economy was considered as hyper-inflationary within the meaning of IAS 29. However, as the Group's income and expenses in this country are mainly denominated in US dollars, IAS 29 has not been applied for the translation of the Lebanese subsidiary's financial statements.

Since 2006, IAS 29 has not been applied to translate the financial statements of any Group company.

Foreign currency transactions are translated at the exchange rate prevailing at the transaction date. When these transactions are hedged and the hedge concerned is documented as a qualifying hedging relationship for accounting purposes, the gain or loss on the spot portion of the corresponding derivative directly affects the hedged item so that the overall transaction is recorded at the hedging rate in the income statement.

In accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates", foreign currency monetary items in the balance sheet are translated at the year-end closing rate. Any exchange gains or losses arising on translation are recorded as financial income or expense except if they form part of the net investment in the foreign operation within the meaning of IAS 21, in which case they are recognized directly in other comprehensive income under "Currency translation differences".

Foreign exchange derivatives are measured and recognized in accordance with the principles described in **Note 1.F.n.**

D. BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method, whereby the identifiable assets acquired, liabilities assumed and any contingent liabilities are recognized and measured at fair value.

For all business combinations the acquirer must (other than in exceptional cases) recognize any non-controlling interest in the acquiree either (i) at fair value (the "full goodwill" method) or (ii) at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets measured at their acquisition-date fair value, in which case no goodwill is recognized on non-controlling interests (the "partial goodwill" method).

Goodwill, determined as of the acquisition date, corresponds to the difference between:

- The aggregate of (i) the acquisition price, generally measured at acquisition-date fair value, (ii) the amount of any non controlling interest in the acquiree measured as described above, and (iii) for a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and
- The net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with IFRS 3.

The Group has a period of 12 months from the acquisition date to complete the initial accounting for a business combination, during which any "measurement period adjustments" may be made. These adjustments are notably made to reflect information obtained subsequent to the acquisition date about facts and circumstances that existed at that date.

The consideration transferred in a business combination must be measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. Any contingent consideration at the acquisition date is systematically included in the initial fair value measurement of the consideration transferred in exchange for the acquiree, based on probability tests. Any changes in the fair value of contingent consideration that the acquirer recognizes after the acquisition date and which do not correspond to measurement period adjustments as described above – such as meeting an earnings target different from initial expectations – are accounted for as follows:

- Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.
- Contingent consideration classified as an asset or liability that is a financial instrument and is within the scope of IFRS 9 is measured at fair value, with any resulting gain or loss recognized in the income statement (notably the effect of unwinding the discount) or in other comprehensive income as appropriate.

The Group accounts for acquisition-related costs for subsidiaries as expenses in the periods in which the costs are incurred and the services received. However, if the acquisition of a subsidiary is financed through the issuance of equity or debt instruments, the related costs are recognized in equity or debt respectively in accordance with IFRS 9 and IAS 32.

E. INCOME STATEMENT ITEMS

a. Sales

Net sales

Net sales (at current metal prices) represent revenue from sales of goods held for resale, as well as sales of goods and services deriving from the Group's main activities, for which consideration has been promised in contracts drawn up with customers. Net sales correspond to the Net sales at current metal prices in Note 3 related to Operating segments.
The Group's main activities correspond to sales of cables produced in its plants, as well as cable installation services. Cables are sold either separately under specific contracts with customers (see below, "Sales of goods") or together with installation services under contracts that combine both sales of cables and installation services (see below, "Goods and services contracts").
In accordance with IFRS 15, revenue is recognized under sales when the control of goods or services is transferred to the customer. The amount recognized corresponds to the consideration the entity expects to receive in exchange for the goods or services.
For all business, the sales amount recognized in revenue corresponds to the amount of consideration to which the entity expects to be entitled based on the terms and conditions of each contract and standard commercial practices. Penalties are deducted from revenue from the underlying contract as soon as they are accepted. Revenue also includes certain variable consideration, notably relating to discounts and rebates, which are measured using the expected value method or based on the single most likely amount, depending on the specific terms and conditions of the contracts concerned.
For all of the Group's activities, the revenue recognized as the consideration promised from customers for the transfer of goods or services takes into account the financial impact of payment deferrals when such deferrals are significant and represent a period of more than one year.

Sales of goods
Customer contracts covering sales of goods include a single performance obligation for each delivery.
Revenue from sales of goods is recognized at a specific point in time, corresponding to the moment when control of the asset concerned is transferred to the customer, which is generally when the goods are delivered.
In addition, as the delivery of goods also corresponds to the moment when the Group obtains an enforceable right to payment, the contra-entry to the recognized amount of sales is presented in "Trade receivables" on the assets side of the consolidated balance sheet.

Goods and services contracts
Contracts covering both sales of goods and cable installation services essentially concern the Group's high-voltage cable and umbilical cable activities. They are contracts that are specifically negotiated for constructing and installing an asset or a group of assets that are closely interrelated or interdependent in terms of their

design, technology and function or their ultimate purpose or use. When the customer cannot use an asset or a group of assets during their production or installation due to the specific features of their design and interdependency as provided for contractually, then a single performance obligation is identified per contract.

Performance obligations under goods and services contracts are considered to be satisfied over time if (i) the asset or group of assets created in connection with a goods and services contract is specific to the requirements of the customer and cannot have an alternative use, and (ii) Nexans has an enforceable right to payment for the services performed up until the date in question. The input method is used to measure progress towards fulfilling the performance obligation based on costs incurred. The costs taken into account do not include any inefficiencies that were not anticipated and cannot therefore trigger any revenue recognition.

For each goods and services contract, the cumulative amount of revenue recognized in respect of all of the Group's service obligations under the contract, less any advance payments received from customers and trade receivables which are recognized separately, is presented in the consolidated balance sheet under "Contract assets" or "Contract liabilities".

When it is probable that total contract costs will exceed total contract revenue, the expected loss to completion is recognized immediately in cost of sales in the consolidated income statement, and under "Short-term provisions" or "Long-term provisions" in the consolidated balance sheet.

Customer advance payments
The Group may receive partial payments from customers before the corresponding work is performed, which are referred to as customer advance payments. In accordance with IFRS 15, these advance payments are recorded under "Contract liabilities" or "Contract assets" depending on the net balance sheet position of the related goods and services contract.
In the same way as for recognition of consideration promised by customers, when recognizing customer advance payments, the Group takes into account the financial impact of payment deferrals when such deferrals are significant and represent a period of more than one year.

Sales at constant metal prices

On an operating level, the effects of fluctuations in metal prices are passed on in selling prices.
To neutralize the effect of fluctuations in non-ferrous metal prices and thus measure the underlying trend in its business, the Group also presents its sales figures based on a constant price for copper and aluminum. These reference prices were set in 2020 at 5,000 euros per tonne for copper and 1,200 euros per tonne for aluminum. The sales at constant metal prices are shown in **Note 3**.

b. Operating margin

Operating margin, a key indicator, measures the Group's operating performance and comprises gross profit (which includes indirect production costs), administrative and selling expenses and research and development costs (see **Note 1.F.a)**.

Share-based payments (see **Note 1.F.i**), pension operating costs (see **Note 1.F.j**) and employee profit-sharing are allocated by function to the appropriate lines in the income statement based on cost accounting principles.

Operating margin is measured before the impact of: (i) revaluing Core exposure (see **Note 1.E.c**); (ii) impairment losses recorded on property, plant and equipment, goodwill and other intangible assets following impairment tests; (iii) changes in fair value of non-ferrous metal derivatives; (iv) gains and losses on asset disposals; (v) acquisition-related costs when they concern acquisitions that have been completed and acquisition fees and costs related to planned acquisitions; (vi) expenses and provisions for antitrust investigations; (vii) reorganization costs; (viii) share in net income of associates; (ix) financial income and expenses; (x) income taxes; and (xi) net income (loss) from discontinued operations.

The Group also uses EBITDA and ROCE as operating performance indicators.

Consolidated EBITDA is defined as restated operating margin before depreciation and amortization, while ROCE corresponds to the return on capital employed and is calculated as operating margin divided by capital employed.

c. Core exposure effect

This line of the consolidated income statement includes the following two components (see also **Note 26.C**):

- A "price" effect: In the Group's IFRS financial statements non-ferrous metal inventories are measured using the weighted average unit cost method, leading to the recognition of a temporary price difference between the accounting value of the copper used in production and the actual value of this copper as allocated to orders through the hedging mechanism. This difference is exacerbated by the existence on a permanent basis of a minimum inventory of metal that is not hedged (called "Core exposure").
  The accounting impact related to this difference is not included in operating margin and instead is accounted for in a separate line of the consolidated income statement, called "Core exposure effect". Within operating margin – which is a key performance indicator for Nexans – inventories consumed are valued based on the metal price specific to each order, in line with the Group's policy of hedging the price of the metals contained in the cables sold to customers.

- A "volume" effect: At the level of operating margin – which is a performance indicator – Core exposure is measured at historic cost, whereas at operating income level it is valued at weighted average cost (see Note 1.F.e) in accordance with IFRS. The impact of any changes in volumes of Core exposure during the period is also recorded under "Core exposure effect" in the consolidated income statement. However, this effect is generally limited, as the tonnage of Core exposure is usually kept at a stable level from one period to the next, except for any structural change in the event of structural reorganizations within the Group or following a lasting significant contraction or expansion in business volumes, in accordance with the management principles described in Note 26.C.

d. Operating income

Operating income includes operating margin (see Note 1.E.b), Core exposure effect (see Note 1.E.c), reorganization costs (see Note 1.F.k), share in net income of associates, and other operating income and expenses. Other operating income and expenses are presented in Note 6 and mainly include impairment losses recorded on property, plant and equipment, goodwill and other intangible assets following impairment tests (see Note 1.F.c), gains and losses on asset disposals, and expenses and provisions for antitrust investigations.

e. Financial income and expenses

Financial income and expenses include the following:

- Cost of debt, net of financial income from investments of cash and cash equivalents.
- Other financial income and expenses, which primarily include (i) foreign currency gains and losses on transactions not qualified as cash flow hedges, (ii) additions to and reversals of provisions for impairment in value of financial investments, (iii) net interest expense on pensions and other long-term benefit obligations, and (iv) dividends received from non-consolidated companies.

Details on the majority of these items are provided in Notes 9 and 23.

f. Income taxes

The income tax expense for the year comprises current and deferred taxes.

Deferred taxes are recognized for temporary differences arising between the carrying amount and tax base of assets and liabilities, as well as for tax losses available for carryforward. In accordance with IAS 12, no deferred tax assets or liabilities are recognized for temporary differences resulting from goodwill for which impairment is not deductible for tax purposes, or from the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit (except in the case of finance leases and actuarial gains or losses on pension benefit obligations).
Deferred tax assets that are not matched by deferred tax liabilities expected to reverse in the same period are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, based on medium-term earnings forecasts (generally covering a five-year period) for the company concerned. The Group ensures that the forecasts used for calculating deferred taxes are consistent with those used for impairment testing (see Note 1.F.c).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled. The rates applied reflect Management's intentions of how the underlying assets will be realized or the liabilities settled. All amounts resulting from changes in tax rates are recorded either in equity or in net income in the year in which the tax rate change is enacted or substantively enacted, based on the initial recognition method for the corresponding deferred taxes.

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, except to the extent that (i) the Group is able to control the timing of the reversal of the temporary difference, and (ii) it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if the entity is legally entitled to offset current tax assets and liabilities and if the deferred tax assets and liabilities relate to taxes levied by the same taxation authority.

F. ITEMS RECOGNIZED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

a. Intangible assets

See Notes 1.D and 1.F.c for a description of the Group's accounting treatment of goodwill.

Intangible assets are stated at cost less any accumulated amortization and impairment losses. When they are acquired in a business combination, their cost corresponds to their fair value.

The Group applies the cost model for the measurement of intangible assets rather than the allowed alternative method that consists of regularly revaluing categories of assets. Government grants are recognized as a deduction from the gross amount of the assets to which they relate.

Intangible assets primarily correspond to the following:

- Trademarks, customer relationships and certain supply contracts acquired in business combinations. Except in rare cases, trademarks are deemed to have an indefinite useful life. Customer relationships are amortized on a straight-line basis over the period during which the related economic benefits are expected to flow to the Group (between five and twenty-five years). Supply contracts can be deemed to have an indefinite useful life when they are automatically renewable and where there is evidence, notably based on past experience, indicating that the contractual rights will be renewed. Otherwise, their useful lives generally correspond to the term of the contract.

- The costs for acquired or developed software, usually intended for internal use, and development costs, to the extent that their cost can be reliably measured and it is probable that they will generate future economic benefits. These assets are amortized by the straight-line method over their estimated useful lives (between three and five years).

- Development costs that meet the recognition criteria in IAS 38. Capitalized development costs are amortized over the estimated useful life of the project concerned, from the date the related product is made available. Research costs, as well as development costs that do not meet the recognition criteria in IAS 38, are expensed as incurred. Research and development costs to be rebilled to or by customers under the terms of construction contracts are included in “Contract assets” and “Contract liabilities”.

Intangible assets are derecognized when the risks and rewards of ownership of the asset are transferred.

b. Property, plant and equipment

Property, plant and equipment are stated at cost less any accumulated depreciation and impairment losses. When they are acquired in a business combination, their cost corresponds to their fair value. In accordance with IAS 23, directly attributable borrowing costs are included in the cost of qualifying assets.

The Group applies the cost model for the measurement of property, plant and equipment rather than the allowed alternative method that consists of regularly revaluing categories of assets. Government grants are recognized as a deduction from the gross amount of the assets to which they relate.

Property, plant and equipment are depreciated by the straight-line method based on the following estimated useful lives:

INDUSTRIAL BUILDINGS AND EQUIPMENT	
■ Buildings for industrial use	20 years
■ Infrastructure and fixtures	10-20 years
■ Equipment and machinery:	
- Heavy mechanical components	30 years
- Medium mechanical components	20 years
- Light mechanical components	10 years
- Electrical and electronic components	10 years
■ Small equipment and tools	3 years
BUILDINGS FOR ADMINISTRATIVE AND COMMERCIAL USE	**20-40 years**

The depreciation method and periods applied are reviewed at each year-end where necessary. The residual value of the assets is taken into account in the depreciable amount when it is deemed significant. Replacement costs are capitalized to the extent that they satisfy the criteria in IAS 16.

Property, plant and equipment are derecognized when the risks and rewards of ownership of the asset are transferred.

Property, plant and equipment also include right-of-use assets recognized for leases (see Note 1.F.m).

c. Impairment tests

At each period-end, the Group assesses whether there is an indication that an asset may be impaired. Impairment tests are also carried out whenever events or changes in the market environment indicate that property, plant and equipment or intangible assets (including goodwill), may have suffered impairment. An impairment loss is recognized where necessary for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Intangible assets with indefinite useful lives and goodwill are tested for impairment at least once a year.

For operating assets that the Group intends to hold and use in its operations over the long term, the recoverable amount of a cash-generating unit (CGU) corresponds to the higher of fair value less costs to sell (where determinable) and value in use. Where the Group has decided to sell particular operations, the carrying amount of the related assets is compared with their fair value less costs to sell. Where negotiations in relation to such a sale are in progress, fair value is determined based on the best estimate of the outcome of the negotiations at the reporting date.

Value in use is calculated on the basis of the future operating cash flows determined in the Group's budget process and strategic plan, which represent Management's best estimate of the economic conditions that will prevail during the remainder of the asset's useful life. The assumptions used are made on the basis of past experience and external sources of information, such as discount rates and perpetual growth rates.

When an analysis of the related context reveals that a CGU, intangible asset, or item of property, plant and equipment that is in use or ready for use may have become impaired, the asset concerned is tested for impairment in accordance with IAS 36, based on the following:

- CGU: a cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of goodwill is tested at the level of the CGU or group of CGUs to which it is allocated. The structure of the Group's CGUs is aligned with its operational organization and is based on a combined vision of market segments and geographic areas.
- Other intangible assets and property, plant and equipment: groups of assets with finite useful lives are tested for impairment if there is a specific indication that they may be impaired (as defined in IAS 36.12). Examples of indications that an asset may be impaired include a pronounced decline in profitability, a considerably lower performance than in the original business plan, or a significant loss of customers, market share or product certifications.
- The discount rate applied corresponds to the expected market rate of return for a similar investment, specific to each geographic area, regardless of the sources of financing. The discount rates used are post-tax rates applied to post-tax cash flows. The recoverable amounts determined using these post-tax rates are the same as those that would be obtained by using pre-tax rates applied to pre-tax cash flows.
- Five-year business plans are used, based on the Group's budget process and strategic plan, with an extrapolation calculated in conjunction with local management for the final years of the projection period if appropriate.
- Operational cash flows are extrapolated based on growth rates specific to each geographic area.

Impairment losses (net of reversals) are recorded in the income statement under "Other operating income and expenses" unless they directly relate to a reorganization operation (see Note 1.F.k).

d. Financial assets at fair value through profit or loss or other comprehensive income

Financial assets at fair value through profit or loss or through other comprehensive income relate to the shares in non-consolidated entities. They are initially recognized at fair value. For each of these assets, the Group decides whether to measure subsequent changes in fair value either through profit or loss or through other comprehensive income (without any possibility of subsequently being recycled to profit or loss). This choice is made at the initial recognition date and is irreversible.

e. Inventories and work in progress

Inventories and manufacturing work in progress are stated at the lower of cost and net realizable value. The costs incurred in bringing inventories to their present location and conditions are accounted for as follows:

- Raw materials: purchase cost according to the weighted average cost (WAC) method;
- Finished goods and work in progress: cost of materials and direct labor, and share of indirect production costs, according to the WAC method.

In compliance with IAS 23, qualifying inventories include directly attributable borrowing costs.

Inventories include Core exposure:

- With respect to continuous casting activities, the Core exposure represents the minimum quantity of non-ferrous metal inventories necessary to establish and maintain casting operations.
- In respect to Nexans cabling activities, the Core exposure represents the amounts of non-ferrous metals required for the Group's cable plants to operate.

Its overall volume is generally kept stable and is constantly replenished, however the level of Core exposure may have to be adapted at times, particularly in the event of a lasting significant contraction or expansion in business volumes. In the event of structural reorganizations within the Group, the level of Core exposure may have to be revised.

The impact of changes in value of this component is shown in a separate line of the income statement and is included as a component of cash flows from operations in the statement of cash flows.

Net realizable value of inventories is the estimated sale price in the ordinary course of business, less estimated completion costs and the costs necessary to carry out the sale. If the carrying amount of non-ferrous metal inventories is higher than their market value at the year-end, an impairment loss is only recognized when the products to which the assets are allocated have a negative production margin. Additional factors may be taken into account in determining inventory impairment losses, such as obsolescence, physical damage, defects or other indications of impairment (short lengths, etc.) As stated in Note 1.E.c, impairment losses on Core exposure are recognized under "Core exposure effect" in the income statement. Any impairment losses related to other categories of inventories are recognized within operating margin.

f. Trade receivables and other receivables

Trade receivables are stated at their transaction price, determined in accordance with IFRS 15. Interest-free short-term operating receivables are recognized at nominal value as the impact of discounting is not material.

Impairment losses for trade receivables are recognized based on two methods:

- A collective method based on a statistical approach that reflects the expected credit losses over the lifetime of receivables, including receivables not past due, in accordance with IFRS 9.
  In order to apply this method, the Group has drawn up a matrix of the rates used to write down its trade receivables that factor in country risks, observed default probabilities and expected losses in the event of default. The base used to calculate these statistical loss allowances also takes into account any contractual guarantees received in relation to the receivables concerned. The carrying amount of the asset is written down and the amount of the loss is recognized in the income statement under "Cost of sales".
- An individual method, whereby an impairment loss is recorded for a trade receivable whenever there is an objective indication that the Group will not be able to collect the full amounts due under the conditions originally provided for at the time of the transaction. The following are indicators that a receivable may be impaired: (i) major financial difficulties for the debtor; (ii) the probability that the debtor will undergo bankruptcy or a financial reorganization; and (iii) a payment default. The amount of the impairment loss recorded represents the difference between the carrying amount of the asset and the estimated value of future cash flows, discounted at the initial effective interest rate.
  Receivables written down by the individual method are excluded from the calculation base for impairment losses determined by the collective method.
  In the same way as for the collective method described above, under the individual method, the carrying amount of the asset is written down and the amount of the impairment loss is recognized in the income statement under "Cost of sales".

These impairment methods also apply to "Contract assets" recognized in the consolidated balance sheet.

g. Cash and cash equivalents

Cash and cash equivalents, whose changes are shown in the consolidated statement of cash flows, comprise the following:

- Cash and cash equivalents classified as assets in the balance sheet, which include cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.
- Bank overdrafts repayable on demand which form an integral part of the entity's cash management. In the consolidated balance sheet, bank overdrafts are recorded as current financial liabilities.

h. Assets and groups of assets held for sale

Presentation in the consolidated balance sheet

Non-current assets or groups of assets held for sale, as defined by IFRS 5, are presented on a separate line on the assets side of the balance sheet. Liabilities related to groups of assets held for sale are shown on the liabilities side, also on a separate line, except those for which the Group will remain liable after the related sale as a result of the applicable sale terms and conditions. Non-current assets classified as held for sale cease to be depreciated from the date on which they fulfill the classification criteria for assets held for sale.

In accordance with IFRS 5, assets and groups of assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The potential capital loss arising from this measurement is recognized in the income statement under "Other operating income and expenses" in "Net asset impairment".

Presentation in the income statement

A group of assets sold, held for sale or whose operations have been discontinued is a major component of the Group if:

- It represents a separate major line of business or geographical area of operations;
- It is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- It is a subsidiary acquired exclusively with a view to resale.

Where a group of assets sold, held for sale or whose operations have been discontinued is a major component of the Group, it is classified as a discontinued operation and its income and expenses for all periods presented are shown on a separate line of the income statement, "Net income (loss) from discontinued operations", which comprises the total of:

- The post-tax profit or loss of discontinued operations; and
- The post-tax gain or loss recognized on the measurement at fair value less costs to sell or on the disposal of assets or groups of assets held for sale constituting the discontinued operation.

When a group of assets previously presented as "held for sale" ceases to satisfy the criteria in IFRS 5, each related asset and liability component – and, where appropriate, income statement item – is reclassified to the relevant items of the consolidated financial statements.

i. Share-based payments

Stock options, performance shares and free shares may be granted to senior managers and certain other Group employees. These plans correspond to equity-settled share-based payment transactions and are based on the issue of new shares in the parent company (Nexans).

In accordance with IFRS 2, "Share-based Payment", stock options, performance shares and free shares are measured at fair value at the grant date (corresponding to the date on which the plan is announced). The Group uses different measurement models to calculate this fair value, notably the Black & Scholes and Monte-Carlo pricing models.

The fair value of vested stock options, performance shares and free shares is recorded as a payroll expense on a straight-line basis from the grant date to the end of the vesting period, with a corresponding adjustment to equity recorded under "Retained earnings and other reserves".

If stock options or share grants are subject to internal performance conditions their fair value is remeasured at the year-end. For plans that are subject to market performance conditions, changes in fair value after the grant date do not affect the amounts recognized in the financial statements.

The Group has also set up employee stock ownership plans that entitle employees to purchase new shares at a discount to the market price. These plans are accounted for in accordance with IFRS 2, taking into consideration the valuation effect of the five-year lock-up period that generally applies.

j. Pensions, statutory retirement bonuses and other employee benefits

In accordance with the laws and practices of each country where it operates, the Group provides pensions, early retirement benefits and statutory retirement bonuses.

For basic statutory plans and other defined contribution plans, expenses correspond to contributions made. No provision is recognized as the Group has no payment obligation beyond the contributions due for each accounting period.

For defined benefit plans, provisions are determined as described below and recognized under "Pensions and other long-term employee benefit obligations" in the balance sheet (except for early retirement plans which are deemed to form an integral component of a reorganization plan, see Note 1.F.k):

- Provisions are calculated using the projected unit credit method, which sees each service period as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. These calculations take into account assumptions with respect to mortality, staff turnover, discounting, projections of future salaries and the return on plan assets.
- Plan assets are measured at fair value at the year-end and deducted from the Group's projected benefit obligation.
- In accordance with the revised version of IAS 19, actuarial gains and losses – resulting from experience adjustments and the effects of changes in actuarial assumptions – are recognized as components of other comprehensive income that will not be reclassified to the income statement, and are included in "Changes in fair value and other" within equity.
- The Group analyzes the circumstances in which minimum funding requirements in respect of services already received may give rise to a liability at the year-end.

When the calculation of the net benefit obligation results in an asset for the Group, the recognized amount (which is recorded under "Other non-current assets" in the consolidated balance sheet) cannot exceed the present value of available refunds and reductions in future contributions to the plan, less the present value of any minimum funding requirements.

Provisions for jubilee and other long-service benefits paid during the employees' service period are valued based on actuarial calculations comparable to the calculations used for pension benefit obligations. They are recognized in the consolidated balance sheet under "Pensions and other long-term employee benefit obligations". Actuarial gains and losses on provisions for jubilee benefits are recorded in the income statement.

In the event of an amendment, curtailment or settlement of a defined benefit pension plan, the Group's obligation is remeasured at the date when the plan amendment, curtailment or settlement occurs and the gain or loss on remeasurement is included within operating margin. When a defined benefit pension plan is subject to a reduction in liquidity or an amendment as a result of a reorganization plan, the related impact is presented in "Reorganization costs" in the income statement.

The financial component of the annual expense for pensions and other employee benefits (interest expense after deducting any return on plan assets calculated based on the discount rate applied for determining the benefit obligations) is included in other financial expenses (see Note 9).

k. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) resulting from a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of discounting is material, the provisions are determined by discounting expected future cash flows applying a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liabilities concerned. The effect of unwinding the discounting is recognized as a financial expense and the effects of any changes in the discount rate are recognized in the same account as that through which the provision was accrued.

A provision is set aside to fully cover reorganization costs when they relate to an obligation by the Group to another party resulting from a decision made at an appropriate managerial or supervisory level, backed by a detailed formal plan that has been announced before the year-end to the party or parties concerned. Such costs primarily correspond to severance payments, early retirement benefits (except where qualified as employee benefits, see Note 1.F.j), costs for unworked notice periods, training costs of employees whose employment contracts have been terminated, and other costs directly linked to the shutdown of facilities.

Asset retirements and impairment of inventories and other assets, as well as other cash outflows directly linked to reorganization measures but which do not meet the criteria for the recognition of a provision are also recorded under reorganization costs in the income statement. In the consolidated balance sheet, this type of impairment is presented as a deduction from the related non-current or current assets. Reorganization costs also include costs directly related to the programs undertaken by the Group transformation strategy.

l. Financial liabilities

Financial liabilities are initially recognized at fair value, corresponding to their issue price less transaction costs directly attributable to the acquisition or issue of the financial liability. If the liability is issued at a premium or discount, the premium or discount is amortized over the life of the liability using the effective interest method. The effective interest method calculates the interest rate that is necessary to discount the cash flows associated with the financial liability through maturity to the net carrying amount at initial recognition.

Convertible bonds and other borrowings

Under IAS 32, "Financial Instruments: Presentation", if a financial instrument has both a liability and an equity component, the issuer must account for these components separately according to their nature.

This treatment applies to OCEANE bonds which are convertible into new shares and/or exchangeable for existing shares, as the conversion option meets the definition of an equity instrument.

The liability component is measured on the issue date on the basis of contractual future cash flows discounted applying the market rate (taking into account the issuer's credit risk) for a similar instrument but which is not convertible/redeemable for shares.

The value of the conversion option is calculated as the difference between the issue price of the bonds and the value of the liability component. This amount is recognized under "Retained earnings and other reserves" in equity.

Following initial measurement of the liability and equity components, the liability component is measured at amortized cost. The interest expense relating to the liability is calculated using the effective interest method.

Put options given to minority shareholders

Put options given to minority shareholders in subsidiaries are recognized as financial liabilities at their discounted value.

In accordance with the revised version of IFRS 3, the impact of changes in the exercise price of these options is recognized in equity.

m. Leases

Leases are recognized in the balance sheet at their inception for an amount corresponding to the present value of the future lease payments. The discount rates used for the present value calculations are based on the Group's incremental borrowing rate to which a spread is added to take into account the economic environments specific to each country.

This amount is recognized under "Lease liabilities" on the liabilities side and "Right-of-use assets" on the assets side. The right-of-use asset recognized for a lease is then depreciated over the term of the lease, which generally corresponds to the non-cancelable period of a lease, together with optional periods, i.e., periods where the Group is reasonably certain that it will exercise an extension option or not exercise a termination option.

In the income statement, due to the balance sheet treatment referred to above, lease payments are recognized as (i) depreciation of the right-of-use asset, included in "Operating margin", and (ii) interest on the lease liability, included in "Cost of debt (net)". The tax impact of the restatements carried out on consolidation is accounted for via the recognition of deferred taxes.

In the statement of cash flows, lease payments are presented in cash flows from financing activities under "Proceeds from (repayments of) long-term and short-term borrowings" for the portion corresponding to the repayment of lease liabilities and under "Interest paid" for the portion corresponding to the payment of interest on lease liabilities.

Payments under leases corresponding to low-value assets or short-term leases are recognized directly as expenses.

n. Derivative instruments

Only derivatives negotiated with external counterparties are deemed eligible for hedge accounting.

Foreign exchange hedges

The Group uses derivatives (mainly forward purchases and sales of foreign currencies) to hedge the risk of fluctuations in foreign currency exchange rates. These instruments are measured at fair value, calculated by reference to the forward exchange rates prevailing at the year-end for contracts with similar maturity profiles.

Foreign exchange cash flow hedges

When foreign exchange derivatives are used to hedge highly probable future transactions (forecast cash flows or firm orders) that have not yet been invoiced, and to the extent that they satisfy the conditions for cash flow hedge accounting, the change in the fair value of the derivative comprises two elements:

- The "effective" portion of the unrealized or realized gain or loss on the hedging instrument, which is recognized directly in equity under "Changes in fair value and other". Any gains or losses previously recognized in equity are reclassified to the income statement in the period in which the hedged item impacts income, for example when the forecast sale takes place. These gains or losses are included in operating margin when they relate to commercial transactions.
- The "ineffective" portion of the realized or unrealized gain or loss, which is recognized directly in the income statement as financial income or expense.

Foreign exchange derivatives that do not qualify for hedge accounting

Changes in fair value of derivatives that do not qualify for hedge accounting are recognized directly in the income statement as financial income or expense.

These derivatives notably include instruments used as economic hedges that were never or are no longer designated as hedges for accounting purposes.

Hedging of risks associated with fluctuations in non-ferrous metal prices

Forward purchases of non-ferrous metals used in the Group's operations and which require physical delivery of the metals concerned are not included within the scope of IFRS 9. The purchases are recognized on the delivery date. The Group uses futures contracts negotiated primarily on the London Metal Exchange (LME) to hedge its exposure to non-ferrous metal price fluctuations (copper, aluminum and, to a lesser extent, lead). These contracts are settled net in cash and constitute derivative instruments falling within the scope of application of IFRS 9.

Cash flow hedges of risks associated with fluctuations in non-ferrous metal prices

Due to the sharp volatility in non-ferrous metal prices over the past several years, the Group has taken measures to enable a large portion of these derivative instruments to be classified as cash flow hedges as defined in IFRS 9. Consequently, whenever these instruments are used to hedge future transactions (mainly purchases of copper wires and cathodes) that are highly probable but not yet invoiced, and meet the requirements in IAS 39 for cash flow hedge accounting, the Group applies IFRS 9 as follows:

- The "effective" portion of the unrealized gain or loss on the hedging instrument is recognized directly in equity under "Changes in fair value and other" and the corresponding realized gain or loss is recognized within operating margin.
- The "ineffective" portion of the unrealized gain or loss is recognized in the consolidated income statement under "Other operating income and expenses" and the corresponding realized gain or loss is recognized within operating margin, which, in accordance with the Group's management model, includes all of the realized impacts relating to non-ferrous metals.

The majority of the metal derivatives used by the Group qualify as hedges.

Hedges of risks associated with fluctuations in non-ferrous metal prices that do not qualify for hedge accounting

Changes in fair value of derivatives that do not qualify for hedge accounting are recognized directly within operating income under "Changes in fair value of non-ferrous metal derivatives". Any realized gains or losses are recorded in operating margin when the derivatives expire.

These derivatives notably include instruments used as economic hedges that were never or are no longer designated as hedges for accounting purposes.

NOTE 2. SIGNIFICANT EVENTS OF THE YEAR

A. COVID-19 – IMPACT ON OPERATIONS AND FINANCING

In 2020, the world was faced with an unprecedented pandemic. After a solid start to the year, Nexans had to adapt its operating model in order to safeguard its business and employees, while continuing with its operational activities in a way that also protects its customers. The Group has taken and maintained measures to protect health and safety and ensure the continuity of its manufacturing operations. As a result, almost all of its plants have been able to operate without interruption, although activity levels have varied depending on the plants and time periods concerned.

The Covid-19 crisis has had widespread economic effects. The Group considered that it represented an indicator of impairment and therefore reviewed the values of its net assets, notably by carrying out impairment tests on its cash-generating units. Following this exercise, impairment losses of 14 million euros were recognized, primarily on the property, plant and equipment of certain operations in South America (see Note 7).

Changes in customer and supplier risks (claims and litigation, contract cancellations, credit risks) were also reviewed, as well as the pandemic's effect on the Group's metals and currency hedges. This review did not reveal any items that could lead to material adjustments being made to the positions taken in the financial statements.

Concerning financing, on May 25, 2020, Nexans was granted a 280 million euro government-backed loan by a pool of French banks. It has a twelve-month maturity which Nexans has the option to extend by up to five years. The French government's guarantee covers 80% of the loan's amount.

The lending banks are Crédit Agricole CIB (acting as agent), BNP Paribas (acting as coordinator), CIC, Crédit Agricole Ile de France, Natixis and Société Générale.

At December 31, 2020, the government-backed loan is classified as short-term debt.

Prior to taking out this loan, in early April 2020 the Group drew down 200 million euros on its syndicated credit facility in order to redeem commercial paper reaching maturity. This drawdown was repaid on June 22, 2020.

The Group's net debt is presented in Note 23.

B. 2020 ASSET DISPOSAL PROGRAMS

Two asset disposal programs were carried out in 2020.

On June 30, the Group announced the signing of an agreement to sell Nexans Metallurgie Deutschland GmbH, a Nexans company specialized in oxygen free copper drawing to Mutares SE & Co. KGaA.

The sale was completed on October 30, 2020.

On July 17, Nexans announced the execution of an agreement to sell Berk-Tek, a leading US based manufacturer of local area network (LAN) cables, to Leviton. The agreement was completed on September 30, 2020.

The impact of these disposals on the Group's results is presented in Note 8.

C. INTERNATIONAL EMPLOYEE SHARE OWNERSHIP PLAN

At its meeting on November 26, 2019, the Board of Directors, pursuant to the authorizations granted by the Annual Shareholders' Meeting of May 15, 2019, decided to set up an international employee share ownership plan in 2020 by means of a capital increase through the issuance of up to 500,000 new shares. This was the ninth international employee share ownership plan set up by the Group.

It will propose a "leveraged" structure similar to the five previous plans opened since 2010 whereby employees may subscribe to the shares, either through the corporate mutual fund *(fonds commun de placement d'entreprise – FCPE)* or directly, at a preferential discount share price, with the Company providing them with a capital guarantee plus a multiple based on share performance.

The shares are locked into the plan for five years, apart from in special circumstances when employees can access them earlier. In countries where the leveraged structure using a corporate mutual fund raised legal or tax difficulties an alternative formula was offered comprising the allocation of Stock Appreciation Rights (SAR). Participating employees benefited from a matching payment by the Group.

The reservation period was from September 4 to September 17, 2020, with a revocation period from October 16 to October 19, 2020.

The subscription price was set on October 16, 2020 at 32.76 euros (representing a 30% discount on the average of the prices quoted over the 20 trading days preceding the pricing date) for participating employees in France (members of the Plan d'Epargne Groupe France – PEGF) and at 37.44 euros (representing a 20% discount on the average of the prices quoted over the 20 trading days preceding the pricing date) for participating employees in other countries (members of the Plan d'Epargne Groupe International – PEGI). The settlement-delivery of the shares took place on November 13, 2020.

As part of the share ownership plan, 499,621 new shares were issued, including 490,843 shares subscribed by Group employees through the corporate mutual fund (FCPE) or by Crédit Agricole Corporate and Investment Bank under the alternative plan option. The remaining 8,778 shares corresponded to free shares financed by the Group's matching payment.
The total impact on equity was an increase of 17.5 million euros, with 0.7 million euros corresponding to the aggregate par value of the new shares and the balance represented by the premium.

To limit the dilution impact and pursuant to the decision taken by the Board of Directors on March 17, 2020, 350,314 shares held by the Company in treasury were canceled on December 17, 2020, reducing the Company's share capital by an amount of 0.4 million euros.

NOTE 3. OPERATING SEGMENTS

The Group has the following four reportable segments within the meaning of IFRS 8 (after taking into account the aggregations authorized by the standard):

- **Building & Territories:** This segment provides reliable cabling systems and smart energy solutions enabling buildings and territories to be more efficient, sustainable and people-friendly. It covers the following markets: building, smart cities/grids, e-mobility, local infrastructure, decentralized energy systems and rural electrification.

- **High Voltage & Projects:** This segment partners its customers from the start of the cycle (design, engineering, financing, asset management) right through to the end (systems management) to help them find the cabling solution that is the best suited to their needs in terms of efficiency and reliability. It covers the following markets: offshore wind farms, subsea interconnections, land high-voltage, and smart solutions for the oil and gas sector (direct electric heating, subsea heating cables).

- **Telecom & Data:** This segment helps customers to easily deploy copper and fiber optic infrastructure thanks to plug-and-play cabling and connection solutions. It encompasses the following activities: data transmission (subsea, fiber, FTTx), telecom networks, hyperscale data centers and LAN cabling solutions.

- **Industry & Solutions:** This segment provides support to OEMs and industrial infrastructure project managers in personalizing their cabling and connection solutions to enable them to meet their electrification, digitization and automation requirements. It covers the following markets: transport (aeronautics, rail, shipbuilding, automotive), automatic devices, renewable energy (solar and wind power), resources (oil and gas, mining) and other sectors (nuclear, medical, handling, etc.).

The Group's segment information also includes a column entitled **"Other Activities"**, which corresponds to (i) certain specific or centralized activities carried out for the Group as a whole which give rise to expenses that are not allocated between the various segments, and (ii) the Electrical Wires business, comprising wire rods, electrical wires and winding wire production operations.

Concerning the **"Other Activities"** column, the following should be noted:
- A total of 99% of the sales at constant metal prices recorded under "Other Activities" in 2020 were generated by the Group's Electrical Wires business (2019: 92% before the change in the copper reference price, 97% at the new reference price).
- Operating margin for "Other Activities" was a negative 26 million euros in 2020, reflecting the combined impact of profit generated from sales of copper wires and certain centralized Group costs that are not allocated between the segments (such as holding company expenses).

Transfer prices between the various operating segments are generally the same as those applied for transactions with parties outside the Group.
The reported figures for 2020 and 2019 have been determined as follows:
- Sales at constant metal prices have been calculated using the 2020 reference prices of 5,000 euros per tonne for copper and 1,200 euros per tonne for aluminum.
- Allocations between the segments take into account the rationalized performance reporting system in place since January 1, 2020. This rationalization has had no impact on the cash-generating units.

A. INFORMATION BY REPORTABLE SEGMENT

2020 (in millions of euros)	Building & Territories	High Voltage & Projects	Telecom & Data	Industry & Solutions	Other Activities	Group total
Net sales at current metal prices	2,578	707	395	1,222	1,078	5,979
Net sales at constant metal prices	2,422	699	393	1,210	989	5,713
EBITDA	128	105	29	84	1	347
Depreciation and amortization	(48)	(36)	(8)	(36)	(27)	(154)
Operating margin	80	69	22	48	(26)	193
Net impairment of non-current assets (including goodwill) (see **Note 7**)	(14)	(3)	-	-	(4)	(21)

2019 (in millions of euros)	Building & Territories	High Voltage & Projects	Telecom & Data	Industry & Solutions	Other Activities	Group total
Net sales at current metal prices	2,799	779	572	1,374	1,212	6,735
Net sales at constant metal prices	2,754	753	503	1,394	1,084	6,489
Net sales at constant metal prices and 2020 exchange rates	2,645	705	495	1,384	1,062	6,291
EBITDA	155	104	49	109	(4)	413
Depreciation and amortization	(50)	(40)	(10)	(38)	(26)	(163)
Operating margin	106	64	39	71	(31)	249
Net impairment of non-current assets (including goodwill) (see **Note 7**)	-	15	-	(1)	-	13

The Executive Committee also analyzes the Group's performance based on geographic area.

B. INFORMATION BY MAJOR GEOGRAPHIC AREA

2020 (in millions of euros)	France	Germany	Norway	Other (2)	Group total
Net sales at current metal prices (1)	917	741	691	3,632	5,979
Net sales at constant metal prices (1)	874	740	680	3,419	5,713
Non-current assets IFRS 8 (at December 31) (1)	199	164	302	1,059	1,725

(1) Based on the location of the assets of the Group's subsidiaries.
(2) Countries that do not individually account for more than 10% of the Group's net sales at constant metal prices.

2019 (in millions of euros)	France	Germany	Norway	Other (2)	Group total
Net sales at current metal prices (1)	1,040	819	758	4,118	6,735
Net sales at constant metal prices (1)	1,005	811	750	3,924	6,489
Net sales at constant metal prices and 2020 exchange rates (1)	1,005	811	689	3,786	6,291
Non-current assets IFRS 8 (at December 31) (1)	203	195	291	1,097	1,786

(1) Based on the location of the assets of the Group's subsidiaries.
(2) Countries that do not individually account for more than 10% of the Group's net sales at constant metal prices.

C. INFORMATION BY MAJOR CUSTOMER

The Group did not have any customers that individually accounted for over 10% of its sales in 2020 or 2019.

NOTE 4. REVENUE FROM CONTRACTS WITH CUSTOMERS

A. CONSOLIDATED SALES

Consolidated sales can be analyzed as follows:

2020 (Sales, in millions of euros)	Building & Territories	High Voltage & Projects	Telecom & Data	Industry & Solutions	Other Activities	Group total
Performance obligations satisfied at a point in time	2,578	100	395	1,222	1,078	5,372
Performance obligations satisfied over time	-	607	-	-	-	607
NET SALES	**2,578**	**707**	**395**	**1,222**	**1,078**	**5,979**

2019 (Sales, in millions of euros)	Building & Territories	High Voltage & Projects	Telecom & Data	Industry & Solutions	Other Activities	Group total
Performance obligations satisfied at a point in time	2,799	106	572	1,374	1,212	6,063
Performance obligations satisfied over time	-	674	-	-	-	674
NET SALES	**2,799**	**779**	**572**	**1,374**	**1,212**	**6,736**

B. CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract assets and contract liabilities can be analyzed as follows:

(in millions of euros)	December 31, 2020		December 31, 2019	
	Sales of goods	Goods and services contracts	Sales of goods	Goods and services contracts
Contract assets	-	94	-	69
Contract liabilities	(91)	(273)	(54)	(203)
TOTAL	**(91)**	**(178)**	**(54)**	**(134)**

Sales of goods

Contract liabilities correspond to customer advance payments. The related performance obligation is satisfied within two years of receipt of the advance payment. The majority of the amounts reported at December 31, 2019 are included in 2020 sales.

Goods and services contracts

Contract assets correspond mainly to revenue recognized in respect of services rendered but not yet invoiced at the period-end. Amounts recorded in "Contract assets" are transferred to "Trade receivables" when the Group obtains an enforceable right to payment.

The 45 million euro increase in contract liabilities, net of contract assets, reflects:

- Billings of items included in the opening balance (negative impact of around 10 million euros),
- A net increase in advances received by the Group (negative impact of around 85 million euros), and
- Reduction in timing differences between the satisfaction of the performance obligation and the Group obtaining enforceable rights to payment (negative impact of around 25 million euros),
- Revenue recognized by the percentage-of-completion method on projects in progress at the beginning of the year (positive impact of 75 million euros).

C. UNSATISFIED PERFORMANCE OBLIGATIONS

Sales of goods

Due to the nature of the business, performance obligations related to sales of goods are satisfied within the short term. Consequently, no details are provided of unsatisfied performance obligations.

Goods and services contracts

Goods and services contracts mainly concern the Group's high-voltage cable and umbilical cable activities. The amount of unsatisfied performance obligations for these activities is close to 1,100 million euros, of which more than 80% should be satisfied over the next two years.

NOTE 5. PAYROLL COSTS AND HEADCOUNT

		2020	2019
Payroll costs (including payroll taxes)	*(in millions of euros)*	981	1,150
Staff of consolidated companies at year-end	*(in number of employees)*	24,151	25,890

Payroll costs in the above table include share-based payments within the meaning of IFRS 2. These payments totaled 4 million euros in 2020 (including payroll taxes). See Note 20 for further details.

Compensation paid to employees affected by reorganization plans in progress is not included in the above table.

NOTE 6. OTHER OPERATING INCOME AND EXPENSES

(in millions of euros)	Notes	2020	2019
Net asset impairment	7	(21)	13
Changes in fair value of non-ferrous metal derivatives		1	1
Net gains (losses) on asset disposals	8	142	7
Acquisition-related costs (completed and planned acquisitions)		(2)	(1)
Expenses and provisions for antitrust investigations		0	(19)
OTHER OPERATING INCOME AND EXPENSES		**120**	**2**

In 2019, the line "Expenses and provisions for antitrust investigations" corresponded primarily to provision allowances recorded further to the reassessment of the risks associated with potential civil claims arising from antitrust investigations in the submarine and underground high-voltage power cable industry.

NOTE 7. NET ASSET IMPAIRMENT

(in millions of euros)	2020	2019
Impairment losses – non-current assets	(21)	(1)
Reversals of impairment losses – non-current assets	-	14
Impairment losses – goodwill	-	-
Impairment losses – assets and groups of assets held for sale	-	-
NET ASSET IMPAIRMENT	**(21)**	**13**

The Group carries out impairment tests on goodwill at least once a year, on intangible assets with an indefinite useful life at least once a year, and on other intangible assets and property, plant and equipment whenever there is an indication that they may be impaired (see **Note 1.F.c.**).

Impairment tests are performed on goodwill at the level of the CGUs to which it is allocated, and an impairment loss is recognized if the carrying amounts of the underlying assets are lower than their recoverable amounts.

A. RESULTS OF THE IMPAIRMENT TESTS PERFORMED IN 2020

As described in **Note 1**, and in accordance with IAS 36, impairment tests were first carried out on individual assets when an indication of impairment was identified.
In 2020, the Group considered that the environment shaped by the Covid-19 pandemic represented an indication of impairment of all of its CGUs and tested them all for impairment.
During the year, impairment losses of 21 million euros were recognized, primarily on the property, plant and equipment of certain operations in South America. These impairments losses also included a loss recognized on the German metallurgy business due to the asset disposal program.
The tests performed in 2019 did not result in any material impairment losses being recognized but did lead to the reversal of 11 million euros of previously recognized impairment losses, mainly on the United States high-voltage business, following the strategic refocusing of the plant's business.

B. GOODWILL BREAKDOWN

Goodwill balances and movements in goodwill can be analyzed as follows by CGU:

(in millions of euros)	Asia-Pacific Building & Territories CGU	South America Building & Territories CGU	Europe Industry & Solutions CGU	North America Industry & Solutions CGU	Other CGUs	Total
DECEMBER 31,2019	67	64	31	28	51	242
Business combinations	-	-	-	-	-	-
Disposals/acquisitions	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Exchange differences and other movements	(1)	(4)	0	(2)	(2)	(9)
DECEMBER 31,2020	66	60	31	26	49	232

No impairment loss on goodwill was recognized by the Group in 2020 or 2019.

C. MAIN ASSUMPTIONS

The discount rates in the Group's main monetary areas and the perpetuity growth rates applied when preparing the business plans used in connection with impairment testing are presented below by geographic area:

	Discount rates (after tax) of future flows		*Infinite growth rate*	
	2020	2019	2020	2019
Europe (Euro Zone)	6.5%	6.5%	1.5%	1.4%
Chile	8.0%	8.0%	2.5%	3.2%
United States of America	8.0%	8.0%	1.8%	1.6%
Brazil	10.0%	10.0%	2.2%	2.3%
China	9.5%	9.5%	5.5%	5.5%
Peru	10.0%	10.0%	3.8%	3.8%
Norway	7.5%	7.5%	1.8%	1.7%
Australia	8.0%	8.0%	2.5%	2.6%

The cash flow assumptions used for impairment calculations were based on the latest projections approved by Group Management and therefore factor in Management's most recent estimates of the Group's future business levels (as contained in the 2021 Budget and the Strategic Plan). Cash flows are projected over a five-year period for the purpose of these assumptions.

D. SENSITIVITY ANALYSES

The main assumptions described above are used for measuring the CGUs that are tested for impairment. Sensitivity analyses are performed to assess the effect on the calculations of changes in the assumptions. The method used consists of testing the effect of a 50-basis point change in assumptions, as follows:

- 50-basis point increase in the discount rate compared to the assumptions used,
- 50-basis point decrease in the perpetuity growth rate compared to the assumptions used,
- 50-basis point decrease in EBITDA margin (measure of business performance) compared to the assumptions used. In 2020, the decrease was doubled to reach 100-basis points to take into account the economic context resulting from the sanitary crisis.

At December 31, 2020, a further 100 basis-point decrease in EBITDA margin would have led to the recognition of an additional 5 million euro impairment loss on the Group's South American operations.
The other sensitivity tests did not reveal any potential need to recognize additional impairment losses.

NOTE 8. NET GAINS (LOSSES) ON ASSET DISPOSALS

(in millions of euros)	2020	2019
Net gains (losses) on disposals of fixed assets	9	7
Net gains (losses) on disposals of investments	133	-
Other	-	-
NET GAINS (LOSSES) ON ASSET DISPOSALS	**142**	**7**

Net gain on asset disposals represented 142 million euros in 2020, mainly for the sale of Berk-Tek to Leviton, effective. It also included the remaining costs related to the divestiture of the German metallurgy business.

Berk-Tek is located in the United States and manufactures local area network (LAN) cables. The sale was effective end of September 2020. This entity was included in the operating segment "Telecom & Data".

The German metallurgy business was included in Nexans Metallurgie Deutschland GmbH, a Nexans company specialized in oxygen free copper drawing. The sale took place during the last quarter of the year. This entity was included in the operating segment "Other activities".

In 2019, gains and losses on asset disposals mainly concerned disposals of real estate assets in France and Switzerland.

NOTE 9. OTHER FINANCIAL INCOME AND EXPENSES

(in millions of euros)	2020	2019
Dividends received from non-consolidated companies	4	1
Provisions	(3)	(0)
Net foreign exchange gain (loss)	(3)	(11)
Net interest expense on pensions and other long-term employee benefit obligations [1]	(2)	(5)
Other	(6)	(9)
OTHER FINANCIAL INCOME AND EXPENSES	**(11)**	**(24)**

(1) See Note 21.B.

NOTE 10. INCOME TAXES

A. ANALYSIS OF THE INCOME TAX CHARGE

(in millions of euros)	2020	2019
Current income tax charge	(40)	(52)
Deferred income tax (charge) benefit, net	(71)	8
INCOME TAX CHARGE	**(111)**	**(44)**

Nexans heads up a tax group in France that comprised 11 companies in 2020. Other tax groups have been set up where possible in other countries, including in Germany, the United-States, Italy and South Korea.

B. EFFECTIVE INCOME TAX RATE

The effective income tax rate was as follows for 2020 and 2019:

Tax proof *(in millions of euros)*	2020	2019
Income before taxes	192	(73)
▪ of which share in net income of associates	(2)	(0)
INCOME BEFORE TAXES AND SHARE IN NET INCOME OF ASSOCIATES	**194**	**(73)**
Standard tax rate applicable in France (in %) (1)	32.02%	34.43%
THEORETICAL INCOME TAX CHARGE	**(62)**	**25**
Effect of:		
▪ Difference between foreign and French tax rates	27	16
▪ Change in tax rates for the period	0	(0)
▪ Unrecognized deferred tax assets	(68)	(76)
▪ Taxes calculated on a basis different from "Income before taxes"	(9)	(7)
▪ Other permanent differences	0	(2)
ACTUAL INCOME TAX CHARGE	**(111)**	**(44)**
EFFECTIVE TAX RATE (IN %)	**57.36%**	**-60.42%**

(1) For the purpose of simplicity, the Group has elected to only use the standard tax rate for France, i.e., including surtaxes.

The theoretical income tax charge is calculated by applying the parent company's tax rate to consolidated income before taxes and share in net income of associates.

The effective income tax rate for 2020 is mainly due to unrecognized deferred tax assets on the tax losses of certain entities, and to a decrease in the level of recognition of deferred tax assets in Europe to allow for the unfavorable impact of the Covid-19 crisis on certain Group businesses.

C. TAXES RECOGNIZED DIRECTLY IN OTHER COMPREHENSIVE INCOME

Taxes recognized directly in other comprehensive income in 2020 can be analyzed as follows:

(in millions of euros)	December 31, 2019	Gains (losses) generated during the year (1)	Amounts recycled to the income statement (1)	Total other comprehensive income (loss)	December 31, 2020
Currency translation differences	(7)	(1)	(1)	(2)	(8)
Cash flow hedges	(1)	(5)	(1)	(6)	(7)
TAX IMPACTS ON RECYCLABLE COMPONENTS OF COMPREHENSIVE INCOME (2)	**(8)**	**(6)**	**(2)**	**(8)**	**(16)**
Financial assets at fair value through other comprehensive income	-	-	-	-	-
Actuarial gains and losses on pensions and other long-term employee benefit obligations	58	(0)	N/A	(0)	58
TAX IMPACTS ON NON-RECYCLABLE COMPONENTS OF COMPREHENSIVE INCOME	**58**	**(0)**	**-**	**(0)**	**58**

(1) The tax effects relating to cash flow hedges and available-for-sale financial assets, as well as the gains and losses generated during the year and amounts recycled to the income statement are presented in the consolidated statement of changes in equity in the "Changes in fair value and other" column.
(2) These taxes will be recycled to the income statement in the same periods as the underlying transactions to which they relate (see Notes 1.C *and* 1.F.n*).*

D. DEFERRED TAXES RECOGNIZED IN THE CONSOLIDATED BALANCE SHEET

Deferred taxes break down as follows by type:

(in millions of euros)	December 31, 2019	Impact on income	Change in consolidation scope	Impact on equity	Exchange differences and other	December 31, 2020
Fixed assets	(42)	(6)	-	0	4	(43)
Other assets	(79)	(25)	0	(0)	4	(100)
Employee benefit obligations	64	(3)	(0)	0	(1)	59
Provisions for contingencies and charges	36	(28)	-	-	(2)	6
Other liabilities	15	(6)	-	(8)	0	2
Unused tax losses	601	51	(1)	(0)	(18)	633
DEFERRED TAX ASSETS (GROSS) AND DEFERRED TAX LIABILITIES	**596**	**(17)**	**(1)**	**(8)**	**(12)**	**557**
Unrecognized deferred tax assets	(538)	(54)	1	0	15	(575)
NET DEFERRED TAXES	**57**	**(71)**	**(0)**	**(8)**	**3**	**(18)**
■ of which recognized deferred tax assets	175					115
■ of which deferred tax liabilities	(118)					(133)

Net deferred taxes excluding actuarial gains and losses represent a liability of 76 million euros at December 31, 2020 (negative amount of 1 million euros at December 31, 2019).

At December 31, 2020 and 2019, deferred tax assets in the respective amounts of 575 million euros and 538 million euros were not recognized as the Group deemed that their recovery was not sufficiently probable. These mainly concern the tax losses described in Note 10.E below.

E. UNUSED TAX LOSSES

For countries in a net deferred tax asset position after offsetting deferred tax assets and deferred tax liabilities arising from temporary differences, the net deferred tax asset recognized in the consolidated balance sheet is determined based on updated business plans (see Note 1.E.f).

Unused tax losses carried forward represented potential tax benefits for the Group of 633 million euros at December 31, 2020 (601 million euros at December 31, 2019). The main entities to which these tax losses related at those dates were as follows:

- French subsidiaries, in an amount of 243 million euros (205 million euros at December 31, 2019), of which 10 million euros were recognized in deferred tax assets at December 31, 2020 (13 million euros at December 31, 2019).
- German subsidiaries, in an amount of 208 million euros (196 million euros at December 31, 2019), of which 20 million euros were recognized in deferred tax assets at December 31, 2020 (37 million euros at December 31, 2019).

Deferred tax assets recognized in France and Germany are consistent with the Group's analysis based on the latest business plans and the reorganization measures implemented in the subsidiaries concerned.

The potential tax benefits deriving from unused tax losses carried forward break down as follows by expiration date:

(At December 31, in millions of euros)	2020	2019
Year Y+1	6	3
Years Y+2 to Y+4	7	14
Year Y+5 and subsequent years[1]	620	583
TOTAL	**633**	**601**

(1) This line includes the potential tax benefits derived from unused tax losses that may be carried forward indefinitely.

F. TAXABLE TEMPORARY DIFFERENCES RELATING TO INTERESTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

No deferred tax liabilities have been recognized in relation to temporary differences where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future, or where the reversal of the temporary difference will not give rise to a significant tax payment.

NOTE 11. EARNINGS PER SHARE

The following table presents a reconciliation of basic earnings per share and diluted earnings per share:

	2020	2019
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT [1]	78	(122)
Average number of shares outstanding	43,279,093	43,405,477
Average number of dilutive instruments [2]	1,090,562	*Anti-dilutive*
Average number of diluted shares	44,369,655	43,405,477
ATTRIBUTABLE NET INCOME PER SHARE		
▪ Basic earnings per share [3]	1.80	(2.81)
▪ Diluted earnings per share [3]	1.76	(2.81)

(1) In millions of euros. In 2020 and 2019, attributable net income corresponded to adjusted net income attributable to owners of the parent.
(2) Dilutive instruments in 2020 correspond to free share and performance share rights.
(3) In euros.

NOTE 12. INTANGIBLE ASSETS

(in millions of euros)	Trademarks	Customer relationships	Software	Intangible assets in progress	Other	Total
Gross value	57	195	113	29	45	438
Accumulated amortization and impairment	(26)	(179)	(86)	-	(23)	(313)
NET AT JANUARY 1, 2020	**31**	**16**	**27**	**29**	**22**	**126**
Acquisitions and capitalizations	-	-	3	7	0	10
Disposals	-	-	(0)	-	(1)	(1)
Amortization expense for the year	-	(3)	(9)	-	(3)	(14)
Impairment losses, net of reversals (1)	-	(0)	-	-	-	(0)
Changes in Group structure	-	-	-	-	-	-
Exchange differences and other	(2)	(1)	3	(29)	24	(5)
NET AT DECEMBER 31, 2020	**29**	**12**	**24**	**7**	**42**	**115**
Gross value	53	187	116	7	67	429
Accumulated amortization and impairment	(24)	(174)	(92)	-	(24)	(314)

(1) See Note 7.

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

(in millions of euros)	Land and buildings	Plant, equipment and machinery	Right-of-use assets	Property, plant and equipment under construction	Other	Total
Gross value	950	2,279	135	234	195	3,793
Accumulated amortization and impairment	(583)	(1,646)	(22)	(1)	(159)	(2,410)
NET AT JANUARY 1, 2020	**367**	**634**	**113**	**232**	**36**	**1,382**
Acquisitions and capitalizations	4	29	25	180	3	240
Disposals	(5)	(5)	(0)	-	(0)	(11)
Amortization expense for the year	(23)	(84)	(25)	-	(8)	(140)
Impairment losses, net of reversals (1)	(9)	(12)	-	-	-	(20)
Changes in Group structure	(4)	(21)	(2)	(2)	(1)	(30)
Exchange differences and other	22	24	(10)	(104)	(6)	(75)
NET AT DECEMBER 31, 2020	**351**	**565**	**101**	**306**	**23**	**1,346**
Gross value	898	2,112	136	307	167	3,620
Accumulated amortization and impairment	(546)	(1,547)	(35)	(1)	(144)	(2,273)

(1) Se référer à la Note 7.

Right-of-use assets primarily concern real estate leases for 90 million euros at December 31, 2020.

NOTE 14. INVESTMENTS IN ASSOCIATES – SUMMARY OF FINANCIAL DATA

A. EQUITY VALUE

(At December 31, in millions of euros)	% control	2020	2019
Qatar International Cable Company	30.33%	12	13
Cobrecon/Colada Continua	50% / 41.00%	9	10
Recycables	36.50%	3	4
IES Energy	27.80%	9	11
TOTAL		**32**	**37**

B. FINANCIAL DATA RELATING TO ASSOCIATES

The information below is presented in accordance with the local GAAP of each associate as full balance sheets and income statements prepared in accordance with IFRS were not available at the date on which the Group's consolidated financial statements were published.

Condensed balance sheet

(At December 31, in millions of euros)	2020	2019
Property, plant and equipment and intangible assets	107	122
Current assets	105	109
TOTAL CAPITAL EMPLOYED	**212**	**230**
Equity	99	115
Net financial debt	22	42
Other liabilities	91	73
TOTAL FINANCING	**212**	**230**

Condensed income statement

(in millions of euros)	2020	2019
Sales at current metal prices	237	228
Operating income	(5)	(1)
Net income	(8)	(6)

NOTE 15. OTHER NON-CURRENT ASSETS

(At December 31, in millions of euros, net of impairment)	2020	2019
Long-term loans and receivables	41	33
Shares in non-consolidated companies	33	31
Pension plan assets	15	8
Derivative instruments	5	9
Other	9	11
TOTAL	**102**	**92**

The maturity schedule for non-current assets at December 31, 2020 is presented below, excluding shares in non-consolidated companies, and pension plan assets:

(At December 31, in millions of euros)	Value in the consolidated balance sheet	1 to 5 years	> 5 years
Long-term loans and receivables	41	37	3
Derivative instruments	5	5	-
Other	9	2	6
TOTAL	**55**	**44**	**10**

Movements in impairment losses recognized for other non-current assets carried at net realizable value were as follows:

(in millions of euros)	Long-term loans and receivables	Other
AT DECEMBER 31, 2019	**4**	**3**
Additions	-	-
Disposals/reversals	0	-
Other	-	(0)
AT DECEMBER 31, 2020	**4**	**3**

NOTE 16. INVENTORIES AND WORK IN PROGRESS

(At December 31, in millions of euros)	2020	2019
Raw materials and supplies	402	384
Industrial work in progress	261	323
Finished products	323	462
GROSS VALUE	**986**	**1,170**
IMPAIRMENT	(49)	(56)
NET VALUE	**937**	**1,113**

NOTE 17. TRADE RECEIVABLES

(At December 31, in millions of euros)	2020	2019
Gross value	866	1,056
Impairment	(36)	(41)
NET VALUE	**829**	**1,015**

Receivables securitization and factoring programs are discussed in **Note 27.A.**

Changes in provisions for impairment of trade receivables can be analyzed as follows (see **Note 26.D** for details on the Group's policy for managing customer credit risk):

(in millions of euros)	At January 1	Additions	Utilizations	Reversals	Other (currency translation differences…)	At December 31
2020	**41**	**4**	**(0)**	**(6)**	**(2)**	**36**
2019	40	9	(3)	(5)	-	41

Receivables more than 30 days past due at the year-end but not written down were as follows:

(in millions of euros)	Between 30 and 90 days past due	More than 90 days past due
AT DECEMBER 31, 2020	**11**	**20**
At december 31, 2019	32	20

At December 31, 2020 and 2019, the remaining receivables past due but not written down mainly related to leading industrial groups, major public and private electricity companies and telecommunications operators, and major resellers.

NOTE 18. OTHER CURRENT ASSETS

(At December 31, in millions of euros)	2020	2019
Prepaid and recoverable income taxes	16	33
Other tax receivables	66	75
Cash deposits paid	8	7
Prepaid expenses	21	27
Other receivables, net	90	45
NET VALUE	**201**	**186**

Cash deposited to meet margin calls on copper forward purchases traded on the LME whose fair value was negative at the year end (see **Note 26.C**) is presented under "Cash deposits paid" in the above table and amounted to 4 million euros at December 31, 2020 (3 million euros at December 31, 2019).

At December 31, 2020, other receivables, net include cash deposits by the Group's entity in Lebanon with local banks, see **Note 23.A**.

NOTE 19. DECREASE (INCREASE) IN WORKING CAPITAL

The change in working capital mentioned in the statement of cash flows in **5.1.4** is detailed below:

(At December 31, in millions of euros)	2020	2019
Inventories and work in progress	149	(23)
Trade receivables and other receivables	89	10
Trade payables and other debts	125	69
DECREASE (INCREASE) IN WORKING CAPITAL	**362**	**56**

The improvement of the working capital is related to the measures taken by the Group to improve its liquidity, and to a lesser extent to the decrease in volumes in 2020.

In 2020, the Group sold 11 million euros worth of tax receivables. These receivables continued to be recognized in the consolidated balance sheet as the Group retained substantially all of the risks and rewards of ownership.

NOTE 20. EQUITY

A. COMPOSITION OF CAPITAL STOCK

At December 31, 2020, Nexans S.A.'s capital stock comprised 43,755,627 fully paid-up shares with a par value of 1 euro each, compared with 43,606,320 shares at December 31, 2019.
The Company's shares have not carried double voting rights since said rights were removed by way of a resolution passed at the Shareholders' Meeting of November 10, 2011.

B. DIVIDENDS

At the Annual Shareholders' Meeting, shareholders will be invited to approve the payment of a dividend of 0.70 euros per share, representing an aggregate payout of 31 million euros based on the 43,755,627 shares making up the Company's capital stock at December 31, 2020.

If the Company holds any treasury shares at the time the dividend is paid, the amount corresponding to unpaid dividends on these shares will be allocated to retained earnings. The total amount of the dividend could be increased in order to reflect the number of additional shares that may be issued between January 1, 2020 and the date on which the Annual Shareholders' Meeting is called to approve the dividend payment.

At the Annual Shareholders' Meeting held on May 13, 2020 to approve the financial statements for the year ended December 31, 2019, the Company's shareholders approved the Board's proposal not to pay a dividend for 2019 due to the Covid-19 crisis.

C. TREASURY STOCK

In 2020, Nexans S.A. purchased 350,314 shares into treasury under the buyback program approved by the Board of Directors on March 17, 2020. These shares were canceled on December 17, 2020.

During 2020, 49,330 shares were delivered under free share and performance share plans.

During 2019, 77,839 shares were delivered under free share and performance share plans.

At December 31, 2020, 107,155 shares were held in treasury stock.

At December 31, 2019, 156,485 shares were held in treasury stock.

D. FREE SHARES AND PERFORMANCE SHARES

The Group allocated an aggregate 340,650 free shares and performance shares in 2020 and 319,700 in 2019.

At December 31, 2020, there were 995,298 free shares and performance shares outstanding, each entitling their owner to one share on vesting, representing a total of 2.3% of the Company's capital stock (996,625 shares at December 31, 2019, representing 2.3% of the Company's capital stock).

The free shares and performance shares outstanding at December 31, 2020 can be analyzed as follows:

a. Plan characteristics

Grant date	Number of shares originally granted	Number of shares outstanding at the year-end	End of vesting period
January 1, 2016	30,000	0	January 1, 2020
May 12, 2016	253,200	0	May 12, 2020
November 23, 2016	3,900	0	November 23, 2020
March 14, 2017	225,300	175,870	March 14, 2021
March 13, 2018	211,100	159,500	March 13, 2022
July 27, 2018	39,717	9,928	July 27, 2021
July 27, 2018	14,500	14,500	July 27, 2022
March 19, 2019	319,700	297,300	March 19, 2023
March 17, 2020	340,650	338,200	March 17, 2024
TOTAL	**1,438,067**	**995,298**	

b. Movements in outstanding free shares and performance shares

	Number of shares
SHARES OUTSTANDING AT BEGINNING OF YEAR	**996,625**
Shares granted during the year	340,650
Shares canceled during the year	(292,647)
Shares vested during the year [1]	(49,330)
SHARES OUTSTANDING AT THE YEAR-END	**995,298**

(1) Including 49,330 shares allocated from treasury stock.

c. Valuation of free shares and performance shares

The assumptions applied to value the shares impacting income for 2020 and 2019 were as follows:

Grant date	January 1, 2016	May 12, 2016	November 23, 2016	March 14, 2017	March 13, 2018	July 27, 2018	March 19, 2019	March 17, 2020
Share price at grant date (in euros)	33.84	43.47	49.8	48.31	44.64	29.28	28.22	24.77
Vesting period	4 years	4 years	4 years	4 years	4 years	3-4 years	4 years	4 years
Volatility (%) (1)	35%	37%	37%	38%	35%	42%	35%	38%
Risk-free interest rate (%)	0.00%	0.00%	0.00%	0.06%	0.02%	0.00%	-0.22%	-0.32%
Dividend rate (%)	2.0%	1.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Fair value of each share (in euros)	17.27 - 31.24	28.50 - 41.76	25.76 - 47.85	23.48 - 44.59	21.14 - 41.21	12.53 - 28.70	10.90 - 26.05	7.11 - 22.87

(1) Only for shares subject to a stock market performance condition.

The fair value of free shares and performance shares is recorded as a payroll expense from the grant date to the end of the vesting period, with a corresponding adjustment to equity. The cost recorded in the income statement totaled 3 million euros in 2020 (6 million euros in 2019).

E. PUT OPTIONS GRANTED TO NON-CONTROLLING INTERESTS

During 2020, Nexans acquired non-controlling interests in Olex Australia and Olex New Zealand according to the commitment under put options granted end of 2019.

At December 31, 2020, there were no longer any outstanding put options on non-controlling interests.

F. EMPLOYEE SHARE OWNERSHIP PLAN

In 2020, Nexans launched a new employee share ownership plan made up of an employee share issue involving a maximum of 500,000 shares. The settlement-delivery of the shares took place on November 13, 2020 and resulted in the issuance of 499,621 new shares, representing an aggregate amount of 17.5 million euros. The expense relating to this plan (representing 0.7 million euros including the employer contribution) was recognized in 2020 and included the impact of valuing the lock-up period applicable to plans in countries where it was possible to set up a corporate mutual fund.
Out of the proceeds of this employee share issue (net of the related issue costs), 0.5 million euros was recognized in "Capital stock" and 16.3 million euros in "Additional paid-in capital".

NOTE 21. PENSIONS, RETIREMENT BONUSES AND OTHER LONG-TERM BENEFITS

There are a large number of retirement and other long-term employee benefit plans in place within the Group:

- In France, each Group employee is eligible for state pension plans and is entitled to statutory retirement indemnities paid by the employer. For historical reasons, certain employees are also members of defined benefit supplementary pension plans, one of which has been closed to new entrants since 2005, the other since 2014. Senior executive vice president members of the Executive Committee and corporate executive officers are members of a defined contributions supplementary pension plan that has been set up by the Company.
- In other countries, pension plans are subject to local legislation, and to the business and historical practices of the subsidiary concerned. Nexans takes care to ensure that its main defined benefit plans are funded in such a way as to ensure that they have plan assets that approximate the value of the underlying obligations. The majority of unfunded defined benefit plans have been closed.

Provisions for jubilee and other long-term benefits paid during the employees' service period are valued based on actuarial calculations comparable to the calculations used for pension benefit obligations, but actuarial gains and losses are not recognized in other comprehensive income but in benefit expense.
The Group also has certain guaranteed-yield plans that are not included in pension benefit obligations as defined in IAS 19 because they are not material.

A. MAIN ASSUMPTIONS

The basic assumptions used for the actuarial calculations required to measure obligations under defined benefit plans are determined by the Group in conjunction with its external actuary. Demographic and other assumptions (such as for staff turnover and salary increases) are set on a per-company basis, taking into consideration local job market trends and forecasts specific to each entity.

The weighted average rates used for the main countries concerned are listed below (together, these countries represented some 96% of the Group's pension obligations at December 31, 2020).

	Discount rate 2020	Estimated future salary increases 2020	Discount rate 2019	Estimated future salary increases 2019
France	0.60%	1.80% -2.30%	0.70%	1.80% -2.30%
Germany	0.60%	3.00%	0.70%	3.00%
Norway	1.55%	N/A	2.50%	N/A
Switzerland	0.10%	1.00%	0.10%	1.00%
Canada	2.35%	3.50%	2.85%	3.50%
United States	2.40%	3.50%	3.60%	3.50%
South Korea	2.55%	3.00%	2.55%	3.00%
Australia	1.30%	2.00%	1.90%	2.50%

The discount rates applied were determined as follows:

- By reference to market yields on high-quality corporate bonds (rated AA or above) in countries or currency zones where there is a deep market for such bonds. This approach was notably used to determine the discount rates in the Eurozone, Canada, the United States, Switzerland, Japan, South Korea, Australia and Norway.
- By reference to market yields on government bonds with similar maturities to those of the benefit payments under the pension plans concerned in countries or currency zones where there is no deep market for high-quality corporate bonds (including for bonds with short maturities).

B. PRINCIPAL MOVEMENTS

RETIREMENT COSTS FOR THE YEAR *(in millions of euros)*	2020	2019
Service cost	(13)	(13)
Net interest expense	(2)	(5)
Actuarial gains (losses) (on jubilee benefits)	(0)	(2)
Past service cost	1	7
Effect of curtailments and settlements	0	2
Impact of asset ceiling	-	-
NET COST FOR THE YEAR	**(15)**	**(11)**
▪ of which operating cost	(13)	(6)
▪ of which finance cost	(2)	(5)

VALUATION OF DEFINED BENEFIT OBLIGATION *(in millions of euros)*	2020	2019
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AT JANUARY 1	**825**	**773**
Service cost	13	13
Interest expense	8	13
Employee contributions	2	2
Plan amendments	(1)	(9)
Business acquisitions and disposals	(3)	(0)
Plan curtailments and settlements	(3)	(9)
Benefits paid	(47)	(45)
Actuarial (gains) losses	15	69
Exchange differences and other	(15)	17
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AT DECEMBER 31	**794**	**825**

PLAN ASSETS *(in millions of euros)*	2020	2019
FAIR VALUE OF PLAN ASSETS AT JANUARY 1	459	415
Interest income	5	8
Actuarial gains (losses)	21	37
Employer contributions	12	14
Employee contributions	2	2
Business acquisitions and disposals	-	-
Plan curtailments and settlements	(3)	(9)
Benefits paid	(27)	(25)
Exchange differences and other	(11)	17
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	**459**	**459**

FUNDED STATUS *(At December 31, in millions of euros)*	2020	2019
Present value of wholly or partially funded benefit obligations	(522)	(538)
Fair value of plan assets	459	459
FUNDED STATUS OF BENEFIT OBLIGATION	**(63)**	**(79)**
Present value of unfunded benefit obligation	(272)	(287)
BENEFIT OBLIGATION NET OF PLAN ASSETS	**(335)**	**(365)**
Unrecognized surplus (due to asset ceiling)	-	-
NET PROVISION RECOGNIZED	**(335)**	**(365)**
▪ of which pension assets	15	8

CHANGE IN NET PROVISION *(in millions of euros)*	2020	2019
NET PROVISION RECOGNIZED AT JANUARY 1	365	358
Expense (income) recognized in the income statement	15	10
Expense (income) recognized in other comprehensive income	(6)	31
Utilization	(32)	(34)
Other impacts (exchange differences, acquisitions/disposals, etc.)	(7)	(0)
NET PROVISION RECOGNIZED AT DECEMBER 31	**335**	**365**
▪ of which pension assets	(15)	(8)

C. SIGNIFICANT EVENTS OF THE YEAR

Actuarial gains recognized in 2020 were mainly due to (i) the return on plan assets (excluding amounts included in net interest on the net defined benefit obligation), and (ii) the use of an updated mortality table for the Swiss plan, partially offset by the effect of lower discount rates.

The Group's employer contributions relating to defined benefit plans are estimated at 8 million euros for 2021.

Other retirement benefits for which the Group's employees are eligible correspond to defined contribution plans under which the Group pays a fixed contribution and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay benefits. Contributions under these plans are recognized immediately as an expense. The amount of contributions paid in relation to defined contribution plans amounted to 92 million euros in 2020 (98 million euros in 2019).

Actuarial losses recognized in 2019 were mainly due to the use of lower discount rates, the effect of which was partly offset by the return on plan assets (excluding amounts included in net interest on the net defined benefit obligation).

D. ANALYSIS OF ACTUARIAL GAINS AND LOSSES

Actuarial gains and losses arising on the Group's defined benefit obligation (DBO) can be analyzed as follows:

	2020		2019	
	in millions of euros	% of DBO	in millions of euros	% of DBO
Discount rate	23	3%	71	9%
Salary increases	-	0%	(0)	0%
Mortality	(11)	1%	(0)	0%
Staff turnover	-	0%	0	0%
Other changes in assumptions	-	0%	(1)	0%
(GAINS) LOSSES FROM CHANGES IN ASSUMPTIONS	12	2%	69	8%
(GAINS) LOSSES FROM PLAN AMENDMENTS	-	0%	-	0%
(GAINS) LOSSES FROM EXPERIENCE ADJUSTMENTS	3	0%	(2)	0%
OTHER	-	0%	2	0%
TOTAL (GAINS) LOSSES ARISING DURING THE YEAR	**15**	**2%**	**69**	**8%**

E. BREAKDOWN OF PLAN ASSETS BY CATEGORY

The Group's portfolio of plan assets breaks down as follows:

(At December 31)	2020		2019	
	in millions of euros	% of DBO	in millions of euros	% of DBO
Equities [1]	147	32%	146	32%
Bonds and other fixed income products [1]	169	37%	171	37%
Real estate	87	19%	90	20%
Cash and cash equivalents	7	2%	7	1%
Other	49	11%	45	10%
FAIR VALUE OF PLAN ASSETS	**459**	**100%**	**459**	**100%**

(1) All of the instruments recognized under "Equities" and "Bonds and other fixed income products" are listed.

F. SENSITIVITY ANALYSES

The present value of the Group's obligation for pensions and other retirement benefits is sensitive to changes in discount rates. A 50 basis-point decrease in the discount rates applied would have had the following impacts on the present value of the Group's defined benefit obligation:

	2020		
	Actual DBO in millions of euros	Adjusted DBO in millions of euros	% change
Europe	580	615	6.09%
North America	179	191	6.63%
Asia	21	22	4.35%
Other Countries	15	15	4.83%
TOTAL	**794**	**843**	**6.14%**

The present value of the Group's obligation for pensions and other retirement benefits is also sensitive to changes in inflation rates. Depending on the type of plan concerned, changes in inflation rates can affect both the level of future salary increases and the amounts of annuity payments. A 50 basis-point increase in the inflation rates used would have had the following impacts on the present value of the Group's defined benefit obligation (assuming that the discount rates applied remain constant):

	2020		
	Actual DBO in millions of euros	Adjusted DBO in millions of euros	% change
Europe	580	597	3.00%
North America	179	179	0.00%
Asia	21	21	0.00%
Other countries	15	15	1.38%
TOTAL	**794**	**812**	**2.22%**

G. CHARACTERISTICS OF THE MAIN DEFINED BENEFIT PLANS AND ASSOCIATED RISKS

The two plans described below represent 59% of the total present value of the Group's defined benefit obligation at December 31, 2020.

Switzerland

The pension plan of Nexans Suisse S.A. is a contribution-based plan with a guaranteed minimum rate of return and a fixed conversion rate on retirement. It offers benefits that comply with the Swiss Federal Law on compulsory occupational benefits (the "LPP/BVG" law).

As specified in the LPP/BVG law, the plan has to be fully funded. Therefore, if there is a funding shortfall, measures must be taken to restore the plan to a fully funded position, such as by the employer and/or employees contributing additional financing and/or by reducing the benefits payable under the plan.

The pension fund for Nexans Suisse S.A. is set up as a separate legal entity (a Foundation), which is responsible for the governance of the plan and is composed of an equal number of employer and employee representatives. The strategic allocation of plan assets must comply with the investment guidelines put in place by the Foundation, which are aimed at limiting investment risks.

Nexans Suisse S.A. is also exposed to risks related to longevity improvement concerning the plan as three-quarters of the defined benefit obligation relates to employees who have already retired.

The weighted average life of the plan is approximately 12 years.

Germany

Nexans Deutschland GmbH's most significant plan is a defined benefit plan that has been closed to new entrants since January 1, 2005. For other employees, their pension benefits will be calculated based on their vested rights as at the date the plan was closed.

This plan – which is unfunded – also provides for disability benefits. In general, any disability payments due will be made on top of the amount of future pension benefits. In addition, the plan provides for reversionary benefits.

The weighted average life of the plan is approximately 11 years.

NOTE 22. PROVISIONS

A. ANALYSIS BY NATURE

(At December 31, in millions of euros)	2020	2019
Accrued contract costs	38	38
Provisions for reorganization costs	87	159
Other provisions	75	101
TOTAL	**200**	**297**

Movements in these provisions were as follows during 2020 and 2019:

(in millions of euros)	TOTAL	Accrued contract costs	Provisions for reorganization	Other provisions
AT DECEMBER 31, 2018	**147**	**32**	**34**	**81**
Additions	212	19	172	21
Reversals (utilized provisions)	(56)	(11)	(39)	(6)
Reversals (surplus provisions)	(26)	(4)	(21)	(1)
Business combinations	-	-	-	-
Exchange differences and other	20	(1)	13	6
AT DECEMBER 31, 2019	**297**	**38**	**159**	**101**
Additions	73	16	55	2
Reversals (utilized provisions)	(118)	(7)	(105)	(6)
Reversals (surplus provisions)	(33)	(8)	(24)	(1)
Business combinations	-	-	-	-
Exchange differences and other	(19)	(1)	3	(21)
AT DECEMBER 31, 2020	**200**	**38**	**87**	**75**

The above provisions have not been discounted as the effect of discounting would not have been material.

Provisions for accrued contract costs are primarily set aside by the Group as a result of its contractual responsibilities, particularly relating to customer warranties, loss-making contracts and penalties under commercial contracts (see **Note 29**). They include provisions for construction contracts in progress, where applicable, in accordance with the method described in **Note 1.E.a.**

The "Other provisions" column mainly includes provisions set aside for antitrust investigations, which amounted to 70 million euros at December 31, 2020 and 74 million euros at December 31, 2019 (see **Note 29**).

Surplus provisions are reversed when the related contingency no longer exists or has been settled for a lower amount than the estimate made based on information available at the previous period-end (including provisions for expired customer warranties).

B. ANALYSIS OF REORGANIZATION COSTS

Reorganization costs amounted to 107 million euros in 2020, breaking down as follows:

(in millions of euros)	Redundancy costs	Asset impairment and retirements[1]	Other monetary costs	TOTAL
Charges to provisions, net of reversals of surplus provisions	25	8	5	38
Other costs for the year	19	-	50	68
TOTAL REORGANIZATION COSTS	**43**	**8**	**55**	**107**

(1) Presented as a deduction from the corresponding assets in the consolidated balance sheet.

They included 31 million euros in costs related to the project to reorganize the Group's operations in Europe announced on January 24, 2019. This amount mainly corresponded to costs for which no provisions could be recorded in accordance with IFRS (notably in Germany, France and Belgium). In 2019, costs for this project amounted to 184 million euros.

In 2020, the total also included costs related to new projects launched during the year, primarily in the North America, Europe and Asia-Pacific regions, for 42 million euros. In July 2020, due to its limited share of the Building and Territories market in the United States, the Group decided to close its Chester plant in the state of New York, and to reorganize its North American structure in order to optimize the cost base.

As was the case in previous years, wherever possible the reorganization plans implemented by the Group in 2020 included assistance measures negotiated with employee representative bodies as well as measures aimed at limiting lay-offs and facilitating redeployment.

In addition to restructuring costs, in 2020, "Other costs" included 24 million euros in costs directly related to the transformation program announced by the Group on November 9, 2018. The costs incurred under this program in 2019 amounted to 32 million euros.

NOTE 23. NET DEBT

At both December 31, 2020 and December 31, 2019, the Group's long-term debt was rated BB by Standard & Poor's with a negative outlook.

A. ANALYSIS BY NATURE

(At December 31, in millions of euros)	Notes	2020	2019
Long-term – ordinary bonds [(1)]	23.C	523	772
Other long-term borrowings [(1)]		80	59
TOTAL LONG-TERM DEBT [(2)]		**603**	**831**
Short-term – ordinary bonds [(1)]	23.C	250	-
Short-term borrowings and short-term accrued interest not yet due [(2)]	23.D	353	150
Short-term bank loans and overdrafts		9	16
TOTAL SHORT-TERM DEBT [(2)]		**611**	**165**
GROSS DEBT [(2)]		**1,215**	**996**
Cash		(1,120)	(617)
Cash equivalents		(21)	(25)
NET DEBT EXCLUDING LEASE LIABILITIES		**73**	**355**
Lease liabilities [(3)]		105	116
NET DEBT		**179**	**471**

(1) Excluding short-term accrued interest not yet due and lease liabilities.
(2) Excluding lease liabilities.
(3) Out of the total lease liabilities recognized, 81 million euros corresponded to non-current liabilities and the balance to current liabilities. The related interest expense amounted to 4 million euros in 2020.

At December 31, 2020, the consequences of the situation in Lebanon were taken into account by the Group as follows:

- Application of IFRS 9 led to the recognition of a 4 million euro impairment loss on the Lebanese subsidiary's cash, to take into account the risk of the country's banks being unable to pay depositors.
- The deposits with Lebanese banks – mainly held in US dollars –, representing a net amount of 36 million euros after impairment, were reclassified from cash and cash equivalents to other short-term financial assets in accordance with IAS 7 at December 31, 2020.

B. CHANGE IN GROSS DEBT

(in millions of euros)	December 31, 2019	New borrowings/ repayments	Change in consolidation scope	Change in accrued interest	Transfers from long-term to short-term	Other [(1)]	December 31, 2020
Long-term – ordinary bonds	772	-	-	-	(250)	1	523
Other long-term borrowings	59	39	-	-	(14)	(3)	80
Short-term – ordinary bonds	-	-	-	-	250	(0)	250
Other short-term borrowings	135	204	-	-	14	(16)	336
Lease liabilities	116	(25)	(1)	(0)	-	15	105
Short-term accrued interest not yet due	15	N/A	-	2	-	(0)	17
GROSS DEBT EXCLUDING SHORT-TERM BANK LOANS AND OVERDRAFTS	**1,097**	218	(1)	2	0	(4)	**1,311**

(1) Including the non-cash impacts of (i) the transition to IFRS 16 and (ii) new leases signed during the year.

C. BONDS

(in millions of euros)	Carrying amount at end-2020	Face value at issue date	Maturity date	Nominal interest rate
Ordinary bonds redeemable in 2021	255	250	May 26, 2021	3.25%
Ordinary bonds redeemable in 2023	329	325	August 8, 2023	3.75%
Ordinary bonds redeemable in 2024	203	200	April 5, 2024	2.75%
TOTAL ORDINARY BONDS [1]	**787**	**775**		

(1) Including 14 million euros in short-term accrued interest.

On August 8, 2018, Nexans issued 325 million euros worth of fixed-rate bonds with a five-year term, maturing on August 8, 2023. The bonds were issued at par and had an annual coupon of 3.75%. The issue price was 100% of the bonds' par value.

On April 5, 2017, Nexans carried out a 200 million euro bond issue with a maturity date of April 5, 2024. The issue price was 100.00% of the bonds' face value.

On May 26, 2016, Nexans carried out a 250 million euro bond issue with a maturity date of May 26, 2021. The issue price was 100.00% of the bonds' face value. This loan was recorded under "Short-term – ordinary bonds" at December 31, 2020.

All of the OCEANE 2019 bonds were redeemed in early January 2019 for an aggregate amount of 276 million euros, including accrued interest.

D. OTHER BORROWINGS

On June 17, 2020, Nexans received the proceeds of a 280 million euro government-backed bank loan (see **Note 2**). It has a twelve-month maturity which Nexans has the option to extend by up to five years. The French government's guarantee covers 80% of the loan's amount.

The debt was reclassified as "Short-term borrowings and short-term accrued interest not yet due" at December 31, 2020 for its carrying amount of 280 million euros (see **Note 23.A**).

In early April 2020, Nexans drew down 200 million euros on its 600 million syndicated credit facility (which was amended in December 2018). This drawdown was repaid on June 22, 2020.

"Other borrowings" at December 31, 2020 included an approximately 72 million euro drawdown on a loan to finance the construction of a cable-laying vessel (unchanged from December 31, 2019). Of the total at December 31, 2020, 68 million euros were classified as "Other long-term borrowings" and the balance was recorded under "Short-term borrowings and short-term accrued interest not yet due". See **Note 23.E** below for further details.

At December 31, 2019, the Group's short-term debt included a securitization program (the "On-Balance Sheet" program) set up by Nexans France in the second quarter of 2010. This program involves the sale of trade receivables and is contractually capped at 80 million euros. The program had terminated as of December 31, 2020.

E. ANALYSIS OF GROSS DEBT BY CURRENCY AND INTEREST RATE

Long-term debt

(At December 31, excluding short-term accrued interest not yet due)	Weighted average EIR [1] (%)		in millions of euros	
	2020	2019	2020	2019
Ordinary bonds redeemable in 2021	N/A	3.40%	N/A	249
Ordinary bonds redeemable in 2023	3.89%	3.89%	324	324
Ordinary bonds redeemable in 2024	2.87%	2.87%	199	199
Other	3.70%	4.68%	80	59
TOTAL LONG-TERM DEBT [2]	**3.53%**	**3.55%**	**603**	**831**

(1) Effective interest rate.
(2) Excluding lease liabilities.

The majority of Nexans' medium-and long-term debt is at fixed rates.

Long-term debt denominated in currencies other than the euro correspond primarily to the loan granted to Nexans Norway for the financing of construction of the Aurora cable-laying vessel, loans to Liban Câbles at preferential rates, and loans to Nexans Côte d'Ivoire.

Short-term debt

(At December 31)	Weighted average EIR [1] (%)		in millions of euros	
	2020	2019	2020	2019
Ordinary bonds redeemable in 2021	3.40%	N/A	250	N/A
Government-backed loan	0.75%	N/A	280	N/A
Euro (excluding ordinary bonds)	2.19%	1.05%	15	85
US dollar	4.34%	3.98%	3	7
Other	3.08%	4.49%	47	58
TOTAL SHORT-TERM DEBT EXCLUDING ACCRUED INTEREST [2]	**2.10%**	**2.51%**	**595**	**150**
Accrued interest (including short-term accrued interest on long-term debt)	N/A	N/A	17	15
TOTAL SHORT-TERM DEBT [2]	**2.10%**	**2.51%**	**611**	**165**

(1) Effective interest rate.
(2) Excluding lease liabilities.

At December 31, 2020, US dollar-denominated debt primarily concerned Lebanese and Brazilian subsidiaries.

Debt denominated in currencies other than euros and US dollars corresponds mainly to borrowings taken out locally by certain Group subsidiaries in Asia (China), in Africa (Morocco and Côte d'Ivoire), and South America (primarily Brazil). In some cases, such local borrowing is required as the countries concerned do not have access to the Group's centralized financing facilities. However, it may also be set up in order to benefit from a particularly attractive interest rate or to avoid the risk of potentially significant foreign exchange risk depending on the geographic region in question.

Apart from the current portion of bond debt and the government-backed loan, the vast majority of the Group's short-term debt is at variable rates.

F. ANALYSIS BY MATURITY (INCLUDING ACCRUED INTEREST)

Nexans Financial and Trading Services, a wholly-owned Nexans subsidiary, is responsible for the Group's centralized cash management. However, in its capacity as parent company, Nexans S.A. still carries out the Group's long-term bond issues.

Nexans Financial and Trading Services monitors changes in the liquidity facilities of the holding companies, as well as the Group's overall financing structure on a weekly basis (see Note 26.A).

In view of Nexans' available short-term liquidity facilities and long-term debt structure, the Group's debt maturity schedule set out below is presented on a medium- and long-term basis.

Maturity schedule at December 31, 2020

(in millions of euros)	Due within 1 year		Due in 1 to 5 years		Due beyond 5 years		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Ordinary bonds redeemable in 2021	250	8	-	-	-	-	250	8
Ordinary bonds redeemable in 2023	-	12	325	24	-	-	325	37
Ordinary bonds redeemable in 2024	-	6	200	17	-	-	200	22
Other long-term borrowings	-	4	41	11	39	3	80	18
Government-backed loan	280	2	-	-	-	-	280	2
Short-term bank loans and overdrafts	65	1	-	-	-	-	65	1
Lease liabilities	25	3	55	8	25	4	105	16
TOTAL	**620**	**38**	**621**	**60**	**64**	**7**	**1,305**	**105**

Notes concerning the preparation of the maturity schedule:

- Foreign exchange and interest rate derivatives used to hedge the Group's external debt are not material for the Group as a whole.
- The euro equivalent amount for borrowings in foreign currencies has been calculated using the year-end exchange rate at December 31, 2020.
- It has been assumed that the nominal amounts of short-term borrowings including short-term bank loans and overdrafts will be fully repaid at regular intervals throughout 2020.
- The interest cost has been calculated based on contractual interest rates for fixed-rate borrowings and on weighted average interest rates at December 31, 2020 for variable-rate borrowings (see **Note 24.D** above).

NOTE 24. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

(At December 31, in millions of euros)	2020	2019
TRADE PAYABLES	**1,213**	**1,319**
Social liabilities	207	230
Current income tax payables	40	46
Other tax payables	37	29
Deferred income	0	0
Other payables	64	45
OTHER CURRENT LIABILITIES	**349**	**350**

At December 31, 2020, trade payables included approximately 154 million euros (226 million euros at December 31, 2019) related to copper purchases whose payment periods can be longer than usual for such supplies.

Amounts due to suppliers of fixed assets totaled 1 million euros at December 31, 2020 (1 million euros at December 31, 2019).

NOTE 25. DERIVATIVE INSTRUMENTS

(in millions of euros)	December 31, 2020							December 31, 2019		
	Notional amounts					Market value		Notional amounts	Market value	
FOREIGN EXCHANGE DERIVATIVES	USD	NOK	EUR	Other	Total	Assets	Liabilities		Assets	Liabilities
FOREIGN EXCHANGE DERIVATIVES - CASH FLOW HEDGES						40	29		19	12
Forward sales	351	551	713	174	1,789			1,912		
Forward purchases	250	985	338	229	1,802			1,923		
FOREIGN EXCHANGE DERIVATIVES - ECONOMIC HEDGES						12	10		17	22
Forward sales	238	34	48	287	608			685		
Forward purchases	171	12	207	217	607			683		
METAL DERIVATIVES	Copper	Aluminum	Lead	Other	Total	Assets	Liabilities	Notional amounts	Assets	Liabilities
METAL DERIVATIVES - CASH FLOW HEDGES						39	6		10	5
Forward sales	161	13	1	-	176			128		
Forward purchases	315	30	27	-	372			349		
METAL DERIVATIVES - ECONOMIC HEDGES						-	-		2	2
Forward sales	-	-	-	-	-			54		
Forward purchases	-	-	-	-	-			70		
TOTAL FOREIGN EXCHANGE AND METAL DERIVATIVES						**90**	**46**		**48**	**41**

Foreign exchange derivatives

In 2020, the loss relating to the ineffective portion of the Group's foreign exchange derivatives was not material. In the consolidated income statement this loss is included in "Other financial income and expenses" for the operations component of the hedge and in "Cost of debt (net)" for the financial component.

In 2020, a 7 million euro net loss on cash flow hedges was recognized in the consolidated statement of comprehensive income and a net gain of 5 million euros was recycled to the income statement.

Metal derivatives

In 2020, the ineffective portion of gains or losses arising on the fair value remeasurement of metal derivatives designated as cash flow hedges represented a non-material amount that was recognized in the consolidated income statement on the line "Changes in fair value of non-ferrous metal derivatives" in "Other operating income and expenses".

An aggregate 36 million euro net gain was recognized in the consolidated statement of comprehensive income for metal derivatives designated as cash flow hedges and an 8 million euro loss was recycled to the income statement.

NOTE 26. FINANCIAL RISKS

The Group Finance Department determines the Group's overall policy for managing financial risks. It is assisted by the following two departments:

- The Treasury and Financing Department, which manages risks related to liquidity, foreign exchange, interest rates, credit and banking counterparties.
- The Metals Management Department, which manages risks relating to changes in non-ferrous metal prices, as well as credit and financial counterparty risks for entities that trade in non-ferrous metals markets.

These two departments are part of the legal entity, Nexans Financial and Trading Services.

Where permitted by local regulations, Group subsidiaries' foreign exchange and interest rate risks are managed on a centralized basis and their access to liquidity is managed through a cash pooling system.

Since November 2, 2020, Nexans Financial and Trading Services is the counterparty for all hedges of commodities risks, except for those set up by subsidiaries in Brazil, South Korea and China.

The main subsidiaries that did not have access to the centralized cash management system at December 31, 2020 are located in Morocco, Lebanon, China, South Korea, Peru, Brazil and Colombia. These subsidiaries, which have their own banking partners, are nevertheless subject to Group procedures regarding their choice of banks and foreign exchange and interest rate risk management.

The Group's risk management policy for non-ferrous metals is also determined and overseen on a centralized basis for the Group as a whole. The Metals Management Department centralizes subsidiaries' use of metals markets and places their orders for them. At December 31, 2020, only subsidiaries in Australia, New Zealand and China had direct access to such markets.

A. LIQUIDITY RISKS

Group financing

Monitoring and controlling liquidity risks

The Treasury and Financing Department monitors changes in the treasury and liquidity positions of the Group on a weekly basis (encompassing both holding companies and operating entities). As a such, subsidiaries are required to provide cash forecasts for the four weeks of the current month. These forecasts are then compared to actual cash figures.

Bank borrowings taken out by subsidiaries that are not part of the Nexans Financial and Trading Services centralized cash management system must be approved in advance by the Treasury and Financing Department and may not have maturity dates exceeding 12 months, unless express authorization is obtained.

The key liquidity indicators that are monitored are (i) the unused amounts of credit facilities granted to the Group, and (ii) available cash and cash equivalents.

The Group also monitors its net debt position on a monthly basis (see Note 23 for the definition of net debt).

Management of cash surpluses

The Group's policy for investing cash surpluses is guided by the overriding principles of ensuring sufficient availability and using safe investment vehicles. The banks considered by the Group as acceptable counterparties must be rated at least A2 by Standard & Poor's and P2 by Moody's, or must be majority-owned by the government of their home country (which must be either an EU member, Canada or the United States).

At December 31, 2020, the Group's cash surpluses were recognized under "Cash and cash equivalents" in the consolidated balance sheet and were invested in:

- Current accounts with banks considered by the Group as acceptable counterparties;
- Money-market mutual funds (OPCVM) which are not exposed to changes in interest rates and whose underlying assets are investment-grade issues by both corporations and financial institutions; or
- Term deposits and certificates of deposit issued by banks, with an initial investment period of less than one year.

Main sources of financing

Over the past several years the Group has implemented a strategy of diversifying its sources of financing, through:

- Issues of convertible bonds, i.e., the OCEANE bonds redeemed at the beginning of 2019 (see **Note 23**);
- Issues of ordinary bonds maturing in 2021, 2023 and 2024 (see **Note 23**);
- A medium-term syndicated credit facility representing an amount of 600 million euros, including a very short-term drawing facility representing an amount of 200 million euros;
- A 280 million euro government-backed bank loan;
- Trade and tax receivables securitization and factoring programs:
  The Group's securitization program – set up on March 29, 2010 and covering the securitization of trade receivables in France and Germany – was renewed on March 30, 2015 for five years. On May 23, 2017, the Off Balance Sheet program was terminated, leaving only the On Balance Sheet program which expired in March 2020.
  As of December 31, 2020, Nexans France SAS had sold 25 million euros as part of a receivables securitization program set up in the second half of 2020.
  The other main receivables securitization and factoring programs concern Norway, Sweden.
  In Norway, receivables sold under the factoring program totaled 28 million euros at December 31, 2020 (36 million euros at December 31, 2019).
  In Sweden, receivables sold under the factoring program totaled 18 million euros at December 31, 2020 (4 million euros at December 31, 2019).
  In Brazil, receivables sold under the factoring program totaled 9 million euros at December 31, 2019.
  An analysis of the terms of the contracts and programs showed that rights to the cash flows from the receivables and substantially all of the related risks and benefits were transferred to the factor. The factored receivables were therefore derecognized in accordance with IFRS (Off Balance Sheet programs).
- Local credit facilities.

Covenants and acceleration clauses

On December 12, 2018 an amendment to the 600 million euro syndicated credit facility was signed, extending the expiration date until December 12, 2023 and including in the facility's 600 million euro total amount a 200 million euro very short-term drawing facility utilizable to finance a negotiable instruments program. This program was signed on December 21, 2018 for a maximum amount of 400 million euros, which was not drawn down at December 31, 2020. (drawn down for 30 million euros at December 31, 2019).
The amended syndicated credit facility and the government-backed loan are subject to the following two hard covenants, applicable since June 30, 2019:

- The consolidated net debt to equity ratio (including non-controlling interests) must not exceed 1.20; and
- Consolidated debt is capped at 3.2x consolidated EBITDA, as defined in **Note 1.E.b**.

These ratios were well within the specified limits at both December 31, 2020 and at the date the Board of Directors approved the financial statements.

If any of the covenants were breached, the syndicated credit facility or the government-backed loan would become unavailable and any drawdowns would be repayable, either immediately or after a contractual cure period depending on the nature of the breach.

In addition, in order to finance the construction of Nexans' new cable-laying vessel, a Group subsidiary took out a loan of 1,050 million Norwegian krone in May 2019. This loan – which will be drawn down in tranches throughout the vessel's construction – will be repaid on a straight-line basis over the twelve years following delivery of the vessel. It includes two options exercisable by the Group on the vessel's delivery date: (i) an option to switch from a variable interest rate to a fixed rate, and (ii) an option to choose between the Norwegian krone, the euro or the US dollar as the repayment currency.

The loan also includes (i) the same financial covenants as those set out in the Group's amended syndicated credit facility described above and (ii) the following covenants specific to the Group's subsidiary, based on its statutory accounts at the year-end:

- an equity to asset ratio;
- a net debt to equity ratio; and
- a certain level of cash and cash equivalents.

The subsidiary's statutory financial statements had not yet been issued as of the date the Board of Directors approved the consolidated financial statements for the year ended December 31, 2020.
These covenants were well within the specified limits at June 30, 2020.

The Group is not subject to any other financial ratio covenants.

This syndicated loan agreement, together with the indentures for the ordinary bonds redeemable in 2021, 2023 and 2024 also contain standard covenants (negative pledge, cross default, *pari passu* and change of control clauses), which, if breached, could accelerate repayment of the syndicated loan or the bond debt.

B. INTEREST RATE RISKS

The Group structures its financing in such a way as to avoid exposure to the risk of rises in interest rates:

- The vast majority of Nexans' medium- and long-term debt is at fixed rates. At December 31, 2020, the bulk of this debt corresponded to the ordinary bonds redeemable in 2023 and 2024.
- The Group's short-term debt includes the 2021 ordinary bonds and the government-backed loan, both of which are at a fixed rate of interest and were due within twelve months at the reporting date. All of the Group's other short-term debt at December 31, 2020 was at variable rates based on money market indices (EONIA, EURIBOR, LIBOR or local indices). Fixed-rate debt with original maturities of less than one year is considered as variable-rate debt. The Group's short-term cash surpluses are invested in instruments which have maturities of less than one year and are therefore at adjustable rates (fixed rate renegotiated when the instrument is renewed) or at variable rates (based on the EONIA or LIBOR for a shorter maturity than that of the investment). Consequently, the Group's net exposure to short-term changes in interest rates is limited and concerned its variable rate net cash position of 1,076 million euros at December 31, 2020 and 491 million euros at December 31, 2019.

The Group did not have any interest rate hedges in place at either December 31, 2020 or December 31, 2019.

Consolidated net debt breaks down as follows between variable and fixed interest rates:

(At December 31, in millions of euros)	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
VARIABLE RATE						
Financial liabilities (1)	65	0	66	151	51	203
Cash and cash equivalents	(1,142)	-	(1,142)	(642)	-	(642)
NET VARIABLE RATE POSITION	**(1,076)**	**0**	**(1,076)**	**(491)**	**51**	**(439)**
FIXED RATE				-	-	-
Financial liabilities (1)	570	684	1,254	38	871	910
Cash and cash equivalents	-	-	-	-	-	-
NET FIXED RATE POSITION	**570**	**684**	**1,254**	**38**	**871**	**910**
NET DEBT	**(506)**	**684**	**179**	**(452)**	**923**	**471**

(1) Including the short-term portion of accrued interest not yet due on long-term debt.

C. FOREIGN EXCHANGE AND METAL PRICE RISKS

The Group's foreign exchange risk exposure primarily relates to operations-based transactions (purchases and sales). The Group considers that it only has low exposure to foreign exchange risk on debt. However, other than in exceptional cases, when debt is denominated in a currency that is different to the Group's functional currency the inherent foreign exchange risk is hedged.

Due to its international presence, the Group is exposed to foreign currency translation risk on the net assets of subsidiaries whose functional currency is not the euro. It is Group policy not to hedge these risks.

The Group's policy for managing non-ferrous metal risks is defined by the Finance Department and implemented by the subsidiaries that purchase copper, aluminum and, to a lesser extent, lead. The Group's main exposure to metal price risk arises from fluctuations in copper prices.

The Group's sensitivity to foreign exchange risk on operating cash flows is considered to be moderate due to its operational structure, whereby the majority of Nexans' operating subsidiaries have a very strong local presence, except in the high-voltage business.

The Group's policy is to hedge its foreign exchange and non-ferrous metal price risks on cash flows relating to (i) foreseeable significant contractual commercial transactions, and (ii) certain forecast transactions. The operations arising from this hedging activity may result in certain positions being kept open. Where this happens, the positions are limited in terms of amount and tenor and they are overseen by the Central Treasury Department.

Methods used to manage and hedge exposure to foreign exchange risk

The Group verifies that its procedures for managing foreign exchange risk are properly applied by means of quarterly reports provided to the Central Treasury Department by all subsidiaries exposed to this type of risk, irrespective of whether or not they are members of the cash pool. The reports contain details on the subsidiaries' estimated future cash flows in each currency and the related hedges that have been set up, as well as a reconciliation between actual figures and previous forecasts.

The Central Treasury Department has developed training materials for the Group's operations teams and carries out ad hoc audits to ensure that the relevant procedures have been properly understood and applied. Lastly, the Internal Audit Department systematically verifies that the procedures for identifying and hedging foreign exchange risks have been properly applied during its audit engagements carried out at the Group's subsidiaries.

In addition, some bids are made in a currency other than that in which the entity concerned operates. Foreign exchange risks arising on these bids are not systematically hedged, which could generate a gain or loss for the Group if there is a significant fluctuation in the exchange rate between the date when the bid is presented and the date it is accepted by the customer. However, in such cases, the Group takes steps to reduce its potential risk by applying expiration dates to its bids and by incorporating the foreign exchange risk into the price proposal.

Foreign exchange risk is identified at the level of the Group's subsidiaries, whose treasurers execute hedges centrally or locally using forward currency transactions. For subsidiaries that are members of the cash pool, these transactions are carried out with the Central Treasury Department. Other subsidiaries enter into forward currency transactions with their local banks. The objective of these transactions is for operating cash flows to be denominated in the functional currency of the entity concerned.

Methods used to manage and hedge exposure to metal risks

The exposure of a certain number of subsidiaries to the risk of changes in non-ferrous metal prices is hedged at Group level. To this end, each Group company reports its exposures to the Group Treasury and Metals department.

The Group verifies that its procedures for managing and hedging metal risks are correctly applied by means of each operating subsidiary reporting monthly on its exposure to copper, aluminum and lead risk in both tonnage and value terms. The related reports are analyzed and consolidated at Group level by the Central Treasury Department.

In addition, the Central Treasury Department regularly provides training sessions and performs controls within the subsidiaries to ensure that the procedures are properly understood and applied. It has also created training modules on the Group intranet for operations teams, including salespeople, buyers, finance staff and "hedging operators", who are in charge of daily hedging activities concerning metal risks. Lastly, the Internal Audit Department systematically checks that the procedures for identifying and hedging metal risks have been properly applied during its audit engagements carried out at the Group's operating subsidiaries.

In order to offset the consequences of the volatility of non-ferrous metal prices (copper and, to a lesser extent, aluminum and lead), Nexans' policy is to pass on metal prices in its own selling prices, and hedge the related risk either by setting up a physical hedge or by entering into futures contracts on the London, New York and, to a lesser degree, Shanghai, metal exchanges. Nexans does not generate any income from speculative trading of metals.

The Group's production units require access at all times to a minimum level of metal inventories for their routine operations, which is referred to as "Core exposure". Core exposure represents the minimum amounts that are necessary for the production units to operate appropriately. Consequently, the quantities of metal corresponding to Core exposure are not hedged and are recorded within operating margin based on initial purchase cost. However, as described in **Note 1.E.c**, at the level of operating income, Core exposure is measured at its weighted average cost and therefore the difference between historical cost and weighted average cost is recognized under "Core exposure effect" in the income statement.

As a result, any reduction (via sales) in volume of Core exposure due to (i) structural changes in the needed tonnages for the operations of an entity in the event of structural reorganizations within the Group or (ii) a lasting significant change in the business levels of certain operations, can impact the Group's operating margin.

In addition, the Group's operating margin is still partially exposed to fluctuations in non-ferrous metal prices for certain product lines, such as copper cables for cabling systems and building sector products. In these markets, any changes in non-ferrous metal prices are generally passed on in the selling price, but with a time lag that can impact margins. The fierce competition in these markets also affects the timescale within which price increases are passed on.

In accordance with its risk management policy described above, the Group enters into physical contracts only for operational purposes (for the copper component of customer or supplier orders) and uses futures contracts only for hedging purposes (LME, COMEX or SHFE traded contracts, see **Note 26.D**, "Metals derivatives"). The Group's main subsidiaries document their hedging relationships in compliance with the requirements of IFRS 9 relating to cash flow hedges.

D. CREDIT AND COUNTERPARTY RISK

In addition to customer credit risk, counterparty risk arises primarily on foreign exchange and non-ferrous metal derivatives as well as on the Group's investments and deposits placed with banks.

Customer credit risk

The Group's diverse business and customer base and wide geographic reach are natural mitigating factors for customer credit risk. At December 31, 2020, no single customer represented more than 5% of the Group's total outstanding receivables.

The Group also applies a proactive policy for managing and reducing its customer credit risk by means of a Group-wide credit management policy which has been rolled out to Nexans' international subsidiaries. The Group has also set up a master credit insurance program for most of its subsidiaries, although a portion of its trade receivables is not covered by this program. Lastly, the difficult market environment created by economic crises and recent political crises around the world, was made significantly worse by the Covid-19 pandemic. In 2020, the Group focused on optimizing credit and collection procedures, to limit the incidence of late payments and disputes. Efforts are also being made to reduce the impact of decisions by the Group's insurer to cut insured amounts under the global credit insurance program as a direct result of the pandemic.

Foreign exchange derivatives

In accordance with Group policy, to keep counterparty risk as low as possible, entities wishing to hedge the foreign exchange risk on their medium- or long-term commercial commitments may only purchase long-term derivatives (expiring in more than one year) from banks that have been assigned medium- and long-term ratings of at least A- by Standard & Poor's and A3 by Moody's. For short-term derivatives (expiring in less than one year), the banks must have been assigned short-term ratings of at least A2 by Standard & Poor's and P2 by Moody's. Where this requirement cannot be fulfilled due to local banking conditions, the entities in the countries concerned limit their counterparty risk by keeping their exposure to a minimum and spreading it between at least three banks.

For subsidiaries that are not members of the cash pool, the same criteria apply but exceptions may be made, notably for subsidiaries located in countries with sovereign ratings that are below the specified thresholds. In this case, foreign exchange derivatives involving counterparty risk can only be set up with branches or subsidiaries of banking groups whose parent company satisfies the above risk criteria.

Counterparty risk for these subsidiaries is subject to a specific monthly monitoring process that tracks the external commitments made by each subsidiary in relation to foreign exchange hedges.

Based on a breakdown by maturity of notional amounts at December 31, 2020 (the sum of the absolute values of notional amounts of buyer and seller positions), the Group's main exposure for all subsidiaries (both members and non-members of the cash pool) is to short-term maturities:

(At December 31, in millions of euros)	2020		2019	
	Notional amounts Buyer positions	Notional amounts Seller positions	Notional amounts Buyer positions	Notional amounts Seller positions
Within 1 year	2,178	2,171	2,191	2,191
Between 1 and 2 years	229	224	412	404
Between 2 and 3 years	2	2	3	2
Between 3 and 4 years	-	-	-	-
Between 4 and 5 years	-	-	-	-
Beyond 5 years	-	-	-	-
TOTAL	**2,409**	**2,397**	**2,606**	**2,597**

Metal derivatives

The Nexans Group hedges its exposure to copper, aluminum and, to a lesser extent, lead, by entering into derivatives transactions in three organized markets: the LME in London, the COMEX in New York and, in certain limited cases, the SHFE in Shanghai. Substantially all of the derivatives transactions conducted by the Group are standard buy and sell trades. The Group does not generally use metal options.

The Central Treasury Department carries out metal derivatives transactions on behalf of substantially all of the Group's subsidiaries apart from – at December 31, 2020 – its Australian, New Zealand and Chinese entities. Non-ferrous metal hedging transactions carried out on commodity exchanges may give rise to two different types of counterparty risk:

- The risk of not recovering cash deposits made (margin calls); and
- The replacement risk for contracts on which the counterparty defaults (mark-to-market exposure, i.e., the risk that the terms of a replacement contract will be different from those in the initial contract).

The Central Treasury Department manages counterparty risk on the Group's derivative instruments by applying a procedure that sets ceilings by counterparty and by type of transaction. The level of these ceilings depends notably on the counterparties' ratings. In addition, the transactions carried out are governed by master netting agreements developed by major international Futures and Options Associations that allow for the netting of credit and debit balances on each contract.

The Group's counterparties for these transactions are usually its existing financial partners, provided they have a long-term rating of at least A-/A3. Counterparties rated between BBB-/Baa3 and BBB+/Baa1 can also be approved provided the Group's aggregate exposure to these counterparties does not exceed (i) 10 million US dollars for counterparties rated BBB+ or BBB, and (ii) 10 million US dollars for counterparties rated BBB-.

In Australia and New Zealand, because of the countries' time zone, the Group's subsidiaries carry out metal derivatives transactions with an Australian broker, which is not rated. However, the Group only has a low level of exposure to this broker. Subsidiaries in China hedge their metal risks on the Shanghai Futures Exchange (SHFE), which can only be used by local brokers.

The Group's metal derivatives transactions are governed by master netting agreements developed by major international Futures and Options Associations that, in the event of a default, allow for the netting of a Group subsidiary's assets and liabilities related to the defaulting counterparty.

The Group's maximum theoretical counterparty risk on its metal derivatives transactions can be measured as the sum of credit balances (including positive mark-to-market adjustments) and cash deposits, after contractually permitted asset and liability netting. This maximum theoretical risk amounted to 49 million euros at December 31, 2020 (6 million euros at December 31, 2019).
The notional amounts of metal derivatives (sum of the absolute values of buy and sell positions) at December 31, 2020 are analyzed by maturity in the table below:

(At December 31, in millions of euros)	2020		2019	
	Notional amounts Buyer positions	Notional amounts Seller positions	Notional amounts Buyer positions	Notional amounts Seller positions
Within 1 year	353	176	378	182
Between 1 and 2 years	19	-	39	1
Between 2 and 3 years	0	-	2	-
Between 3 and 4 years	-	-	-	-
Between 4 and 5 years	-	-	-	-
Beyond 5 years	-	-	-	-
TOTAL	**372**	**176**	**419**	**183**

Cash deposited to meet margin calls on copper forward purchases whose fair value was negative at the year-end (see **Note 18**) amounted to 4 million euros at December 31, 2020 (3 million euros at December 31, 2019).

In conclusion, the Group has limited exposure to credit risk. The Group considers that its management of counterparty risk is in line with market practices but it cannot totally rule out a significant impact on its consolidated financial statements should it be faced with the occurrence of systemic risk.

Risk on deposits and investments

The table below sets out the Group's counterparty risk relating to deposits and investments of Nexans Financial Trading Services' cash surpluses placed with banks at December 31, 2020. These Nexans Financial Trading Services deposits and investments amounted to an aggregate 774 million euros at that date, representing approximately 68% of the Group total.

(At December 31, 2020, in millions of euros)

COUNTERPARTY RATINGS (1)	AAA	AA-	A+	A	A-	BBB+	Money market funds (SCAV)	Total
Cash on hand	1	56	678	39	-	-	-	774
Short-term money market funds (OPCVM) (2)	-	-	-	-	-	-	-	-
Certificates of deposit/EMTN	-	-	-	-	-	-	-	-
TOTAL	**1**	**56**	**678**	**39**	**-**	**-**	**-**	**774**

(1) Based on Standard & Poor's ratings.
(2) Based on the AMF classification.

For the Group's other subsidiaries, counterparty risk on deposits and investments is managed in accordance with the principles and procedures described in Note 26.A.

E. MARKET RISK SENSITIVITY ANALYSIS

A sensitivity analysis is provided below on the impact that a theoretical change in the above-mentioned main market risks would have on consolidated income and equity.

Sensitivity to changes in copper prices

Fluctuations in copper prices can impact both consolidated income and equity, as well as the Group's financing needs. Sensitivity calculations are based on an assumed increase in copper prices. A fall in copper prices would have the inverse effect.

A rise in copper prices would result in:
- A rise in the fair value of the Group's portfolio of cash-settled copper derivatives (the Group is a net buyer);
- A revaluation of the Group's Core exposure;
- A limited increase in working capital and therefore a limited increase in financing needs (any short-term positive impact of margin calls is not taken into account in the sensitivity analysis).

At Group level, the impact on working capital is limited and mainly relates to the timing of derivatives settlement. Potential significant variations could occur at local level due to pricing conditions.

An increase in the fair value of cash-settled copper derivatives would positively affect either consolidated operating income or equity, based on the accounting treatment used for these derivative instruments (the derivatives of the Group's main subsidiaries are designated as cash flow hedges within the meaning of IFRS 9).

A revaluation of the Group's Core exposure would positively affect consolidated operating income.

The simulation below is based on the following assumptions (with all other assumptions remaining constant, notably exchange rates):
- A 10% increase in copper prices at December 31, 2020 and 2019 and translation of this impact evenly across the entire price curve without any distortion of forward point spreads.
- All working capital components (inventories, and the copper component of trade receivables and payables) would be impacted by the increase in copper prices.
- 25,000 tonnes and 53,000 tonnes of copper included in working capital at December 31, 2020 and December 31, 2019 respectively.
- Short-term interest rate (3-month Euribor) of -0.55% in 2020 and -0.38% in 2019.

- A worst-case scenario, in which the increase in working capital would be constant throughout the year, leading to an annualized increase in financial expenses (not taking into account the temporary positive impact of margin calls or the effect of changes in exchange rates).
- 47,375 tonnes of copper classified as Core exposure at December 31, 2020 (49,750 tonnes at December 31, 2019).
- A theoretical income tax rate of 32.02% for 2020 and 34.43% for 2019.

Any impact of changes in copper prices on both impairment in value of the Group's non-current assets (in accordance with IAS 36) and the provision for impairment of inventories has not been taken into account in this simulation, as it is impossible to identify a direct linear effect.

(At December 31, in millions of euros)	2020	2019
Impact on operating income	28	26
Impact on net financial expense	0	0
NET IMPACT ON INCOME (AFTER TAX)	**19**	**17**
IMPACT ON EQUITY (1) (AFTER TAX)	**12**	**13**

(1) Excluding net income (loss) for the period.

Sensitivity to the US dollar (USD) exchange rate

The US dollar is the main foreign currency to which the Group is exposed.

The simulation below is based on a 10% decrease in the US dollar spot rate against the world's other major currencies compared with the rates prevailing at December 31, 2020 and December 31, 2019, e.g., using US dollar/euro exchange rates of 1.35 and 1.24 respectively, without any changes in the forward points curve.

The main impacts on the consolidated financial statements stem from the revaluation of the Group's portfolio of derivative instruments. The impact on equity related to designated cash flow hedges and the impact on income have been separated out. This revaluation effect is offset by the revaluation of underlying US dollar positions in (i) the Group's trade receivables and trade payables portfolios, and (ii) net debt.

The Group's other financial assets and liabilities are rarely subject to foreign exchange risk and have therefore not been included in this simulation.

Foreign currency translation impacts have likewise not been taken into account in the following calculations.

Sensitivity at December 31, 2020 *(in millions of euros)*	Impact on income (net after tax (2))	Impact on equity (1) (net after tax (2))
Trade receivables	(15)	N/A
Bank accounts	(5)	N/A
Trade payables	11	N/A
Loans/borrowings	(1)	-
NET POSITION – USD UNDERLYINGS (3)	**(10)**	-
Portfolio of forward purchases (4)	(12)	(11)
Portfolio of forward sales (4)	13	19
NET POSITION – USD DERIVATIVES	**0**	**8**
NET IMPACT ON THE GROUP	**(10)**	**8**

(1) Excluding net income (loss) for the period.
(2) Using a theoretical income tax rate of 32.02%.
(3) Impact primarily due to net open positions in countries whose currencies are very closely correlated to the US dollar.
(4) Forward purchases and sales that comprise an exposure to US dollars.

Sensitivity at December 31, 2019 *(in millions of euros)*	Impact on income (net after tax [2])	Impact on equity [1] (net after tax [2])
Trade receivables	(15)	N/A
Bank accounts	(2)	N/A
Trade payables	13	N/A
Loans/borrowings	(1)	-
NET POSITION – USD UNDERLYINGS [3]	**(5)**	-
Portfolio of forward purchases [4]	(16)	(11)
Portfolio of forward sales [4]	12	19
NET POSITION – USD DERIVATIVES	**(4)**	**8**
NET IMPACT ON THE GROUP	**(8)**	**8**

(1) Excluding net income (loss) for the period.
(2) Using a theoretical income tax rate of 34.43%.
(3) Impact primarily due to net open positions in countries whose currencies are very closely correlated to the US dollar.
(4) Forward purchases and sales that comprise an exposure to US dollars.

Sensitivity to the Norwegian krone (NOK) exchange rate

The Norwegian krone is an essential counterparty currency used in contracts for submarine high-voltage cables.

The simulation below is based on similar assumptions to those used for the US dollar (i.e., a 10% decrease in the Norwegian krone spot rate against the world's other major currencies), e.g., using closing NOK/euro exchange rates of 11.5 and 10.9 at December 31, 2020 and 2019 respectively, without any changes in the forward points curve.

Sensitivity at December 31, 2020 *(in millions of euros)*	Impact on income (net after tax [2])	Impact on equity [1] (net after tax [2])
Trade receivables	2	N/A
Bank accounts	0	N/A
Trade payables	(2)	N/A
Loans/borrowings	7	-
NET POSITION – NOK UNDERLYINGS	**7**	-
Portfolio of forward purchases [3]	5	21
Portfolio of forward sales [3]	(8)	(43)
NET POSITION – NOK DERIVATIVES	**(3)**	**(22)**
NET IMPACT ON THE GROUP	**4**	**(22)**

(1) Excluding net income for the period.
(2) Using a theoretical income tax rate of 32.02%.
(3) Forward purchases and sales that comprise an exposure to the Norwegian krone.

Sensitivity at December 31, 2019 *(in millions of euros)*	Impact on income (net after tax [2])	Impact on equity [1] (net after tax [2])
Trade receivables	3	N/A
Bank accounts	1	N/A
Trade payables	(1)	N/A
Loans/borrowings	0	-
NET POSITION – NOK UNDERLYINGS	**3**	-
Portfolio of forward purchases [3]	8	13
Portfolio of forward sales [3]	(2)	(35)
NET POSITION – NOK DERIVATIVES	**6**	**(21)**
NET IMPACT ON THE GROUP	**9**	**(21)**

(1) Excluding net income (loss) for the period.
(2) Using a theoretical income tax rate of 34.43%.
(3) Forward purchases and sales that comprise an exposure to the Norwegian krone.

NOTE 27. ADDITIONAL DISCLOSURES CONCERNING FINANCIAL INSTRUMENTS

A. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The Group has defined the following main categories of financial assets and liabilities:

(At December 31, in millions of euros)	IFRS 9 category	Fair value hierarchy level	2020		2019	
			Carrying amount	Fair value	Carrying amount	Fair value
ASSETS						
Shares in non-consolidated companies	Financial assets at fair value through profit or loss		26	26	23	23
	At fair value through other comprehensive income		7	7	7	7
Other non-current financial assets	Loans and receivables		50	50	44	44
Commercial receivables						
▪ Contract assets	Loans and receivables		94	94	69	69
▪ Trade receivables	Loans and receivables		829	829	1,015	1,015
Derivative instruments (1)	Financial assets at fair value through profit or loss	Foreign exchange: 2 Metal: 1	52 39	52 39	37 12	37 12
Other current financial assets	Loans and receivables		163	163	126	126
Cash and cash equivalents	Financial assets at fair value through profit or loss	Term deposits: 2 Other: 1	21 1,120	1,142	25 617	642
LIABILITIES						
Gross debt						
▪ Ordinary bonds (2)	Financial liabilities at amortized cost		787	822	786	835
▪ Other financial liabilities	Financial liabilities at amortized cost		428	428	211	211
Commercial payables						
▪ Contract liabilities	Financial liabilities at amortized cost		364	364	256	256
▪ Trade payables	Financial liabilities at amortized cost		1,213	1,213	1,319	1,319
Derivative instruments (1)	Financial liabilities at fair value through profit or loss	Foreign exchange: 2 Metal: 1	39 6	39 6	34 7	34 7
Other current financial liabilities	Financial liabilities at amortized cost		308	308	304	304

(1) Derivatives designated as cash flow hedges are carried at fair value through other comprehensive income. Any gains or losses previously recognized in equity are reclassified to the income statement in the period in which the hedged item impacts income.
(2) Including short-term accrued interest (see Note 23.C*).*

The Group's fixed rate debt mainly comprised its ordinary bonds redeemable in 2021, 2023 and 2024, whose fair values may differ from their carrying amounts in view of the fact that the bonds are carried at amortized cost - of which proceeds from the government-backed loan.

The fair value of the 2021, 2023 and 2024 ordinary bonds was calculated based on a bank valuation provided at December 31, 2020 and included interest accrued at the year-end. The same method was used at December 31, 2019.

B. CALCULATIONS OF NET GAINS AND LOSSES

(in millions of euros)	Net gains (losses)					
		On subsequent remeasurement				
	Interest	Fair value adjustments	Currency translation	Impairment	On disposal	2020
OPERATING ITEMS						
Receivables	N/A	N/A	(2)	(3)		(5)
Financial assets and liabilities at fair value through profit or loss	N/A	(2)	N/A	N/A		(2)
Financial liabilities at amortized cost	N/A	N/A	(2)	N/A		(2)
Cost of hedging						*1*
SUB-TOTAL – OPERATING ITEMS	-	(2)	(4)	(3)	-	(8)
FINANCIAL ITEMS						
Shares in non-consolidated companies				0		0
Loans	-	N/A	(3)	(4)		(7)
Financial assets and liabilities at fair value through profit or loss	N/A	18	N/A	N/A	N/A	18
Financial liabilities at amortized cost	(40)	N/A	(16)	N/A	N/A	(56)
Cost of hedging						*(1)*
SUB-TOTAL – FINANCIAL ITEMS	(40)	18	(19)	(4)	-	(46)
TOTAL	**(40)**	**15**	**(23)**	**(6)**	**-**	**(54)**

- Gains and losses corresponding to interest are recorded under "Cost of debt (net)" when they relate to items included in consolidated net debt (see Note 23).
- The accounting treatment of changes in fair value of derivatives is described in Note 26 above. Other than the impact of foreign exchange and metal derivatives, gains and losses relating to financial assets and liabilities at fair value through profit or loss include fair value adjustments recognized on cash and cash equivalents which amounted to a positive 3 million euros in 2020 and 4 million euros in 2019. These amounts are calculated taking into account interest received and paid on the instruments concerned, as well as realized and unrealized gains.
- Gains and losses arising from currency translation differences are recorded under "Other financial income and expenses" when they relate to operating items as classified in the table above, or under "Cost of debt (net)" if they relate to items included in consolidated net debt.
- Impairment losses on operating receivables are recognized as operating expenses and impairment losses on loans are recognized as financial expenses.

NOTE 28. RELATED PARTY TRANSACTIONS

Related party transactions primarily concern commercial and financial transactions carried out with the Quiñenco group – Nexans' principal shareholder – as well as with associates, non-consolidated companies, and directors and key management personnel (whose total compensation is presented in the table set out in **Note 28.C** below).

A. RELATED PARTY TRANSACTIONS WITH ASSOCIATES AND NON-CONSOLIDATED COMPANIES

Income statement

(in millions of euros)	2020	2019
REVENUE		
■ Non-consolidated companies	44	48
■ Associates	3	2
COST OF SALES		
■ Non-consolidated companies	(10)	(3)
■ Associates	(6)	(7)

Consolidated balance sheet

The main items in the balance sheet affected by related party transactions in 2020 and 2019 were as follows:

(At December 31, in millions of euros)	2020	2019
ASSETS		
■ Non-consolidated companies	7	9
■ Associates	1	1
FINANCIAL LIABILITIES/(RECEIVABLES)		
■ Non-consolidated companies	(17)	(15)
■ Associates	-	-
OTHER LIABILITIES		
■ Non-consolidated companies	1	0
■ Associates	1	1

B. RELATIONS WITH THE QUIÑENCO GROUP

At December 31, 2020, the Quiñenco group held approximately 29% of the Company's capital stock through two subsidiaries, Invexans Limited (UK) and Tech Pack (Chile). The Quiñenco group has given the Company a long-term undertaking that it would not request representation on the Board in excess of three non-independent members in a Board of 14 members, or if the Board were to be enlarged, in excess of a number of directors proportionate to its shareholding.

At December 31, 2020, the main contractual relations between Nexans and the Quiñenco group concerned agreements related to the contract dated February 21, 2008 for the acquisition of the Quiñenco group's cables business, as amended by an addendum signed on September 30, 2008.

The impact of the commercial agreements with the Quiñenco group on the income statement and balance sheet is included in the tables set out in **Note 28.A** above, on the line "Associates".

C. COMPENSATION OF KEY MANAGEMENT PERSONNEL

In 2020 as in 2019, Key Management Personnel correspond to corporate officers and members of the Executive Committee.

Total compensation

Total compensation paid to the Group's Key Management Personnel can be analyzed as follows:

(in millions of euros)	2020	2019
Compensation for corporate officer positions (1)	1.6	1.4
Compensation under employment contracts and benefits in kind (1)	9.4	7.0
Performance shares (2)	1.8	1.9
Termination benefits (1)	-	1.1
Long-term incentive plan (2)	0.0	0.1
Accruals for pensions and other retirement benefit obligations (3)	2.3	2.7
TOTAL COMPENSATION	**15.2**	**14.2**

(1) Amounts paid during the year, including payroll taxes.
(2) Amounts expensed in the income statement during the year.
(3) For defined benefit plans, this item includes the service cost and interest expense for the year.

Additional information on the compensation of Key Management Personnel (corporate officers and members of the Executive Committee):
- The Group's total obligation for pensions and other retirement benefits relating to Key Management Personnel (net of plan assets) amounted to 3 million euros at December 31, 2020, compared with 7 million euros at December 31, 2019.
- On March 19, 2019, the Board of Directors adopted a new long-term compensation plan for the Group's key managers and executives, in the form of a performance share plan. For the performance shares to vest, the beneficiary must still be employed by the Group on the vesting date and conditions concerning Nexans' financial performance and its share performance must also be met.

Commitments given to the Chief Executive Officer

All of the commitments given to Christopher Guérin in his capacity as Chief Executive Officer are described in detail each year in the Universal Registration Document (section entitled "Commitments given to the Chief Executive Officer").

As Chief Executive Officer, Christopher Guérin has received the following commitments from the Company, which were authorized at the Board Meeting of July 3, 2018 and approved at the Annual Shareholders' Meeting held on May 15, 2019:
- If Christopher Guérin is removed from his position as Chief Executive Officer, he will be entitled to payment of a termination indemnity representing two years' worth of his total fixed and variable compensation. This indemnity will be subject to actual performance in relation to the objectives applicable to his target annual variable compensation being at least equal to 60% of said objectives on average over the three years preceding his removal. This indemnity will be payable only in the event of a forced departure due to a change of control or strategy, which will be deemed to be the case unless specifically decided otherwise by the Board of Directors, notably in the event of serious misconduct. If Christopher Guérin's forced departure takes place before the end of three full years as from the date he took up his position as Chief Executive Officer, the indemnity will be equal one year's worth of his total fixed and variable compensation and the performance conditions will be assessed based on the number of full years completed (either one or two years).
- As compensation for an undertaking not to exercise any business that would compete either directly or indirectly with any of the Company's businesses for a period of two years from the end of his term of office as Chief Executive Officer, Christopher Guérin will receive a non-compete indemnity, regardless of the cause of termination of his duties. Said indemnity will be paid in 24 equal and successive monthly installments and will equal one year of his fixed and variable compensation, i.e., 12 times the amount of his most recent monthly compensation (fixed portion) plus the corresponding percentage of his bonus.

In accordance with Article 23.3 of the AFEP-MEDEF Code (June 2018 version), in the event of Christopher Guérin's departure, the Board of Directors will decide whether or not the non-compete agreement entered into with him will apply and will be entitled to cancel it (in which case no non-compete indemnity will be payable).

In addition, in accordance with Article 23.4 of the AFEP-MEDEF Code, no non-compete indemnity will be due if Christopher Guérin takes retirement upon leaving the Group.

Lastly, in accordance with the Group's 2020 compensation policy for key management personnel, as described in section 2.5.4, Christopher Guérin's total termination payments – i.e., termination and non-compete indemnities – may not exceed two years' worth of his actual compensation (fixed plus variable) received prior to his departure.

If Christopher Guérin retired, he would be entitled to benefits under the supplementary defined contribution pension plan set up by the Group in 2019 for certain employees and corporate officers. Annual contributions to the plan paid by the Company correspond to 20% of the Chief Executive Officer's total actual annual compensation (fixed plus variable), i.e., 240,000 euros in 2020.

NOTE 29. DISPUTES AND CONTINGENT LIABILITIES

A. ANTITRUST INVESTIGATIONS

In late January 2009, antitrust investigations were launched in several countries against various cable manufacturers including Group companies in relation to anticompetitive behavior in the submarine and underground high-voltage power cables sector.

On April 7, 2014, Nexans France SAS and the Company were notified of the European Commission's decision, which found that Nexans France SAS had participated directly in an infringement of European antitrust legislation in the submarine and underground high-voltage power cable sector. The Company was held jointly liable for the payment of a portion of the fine imposed on Nexans France SAS by the European Commission.

In early July 2014, Nexans France SAS paid the 70.6 million euro fine imposed on it by the European Commission.

Nexans France SAS and the Company appealed the European Commission's decision to the General Court of the European Union. The appeal was dismissed on July 12, 2018. Nexans France SAS and the Company appealed the General Court's judgment before the European Court of Justice which, in turn, dismissed the appeal on July 16, 2020.

In April 2019, certain Group entities received antitrust damages claims from customers filed before the courts in the United Kingdom, Italy and the Netherlands against Nexans and other defendants.

In the UK, Scottish and Southern Energy (SSE) lodged a claim against the Company and Nexans France SAS and certain companies of the Prysmian Group. In September 2019, the claim against the Company and Nexans France SAS was discontinued, with no payment to SSE and each party bearing their own costs of the proceedings.

Prysmian is one of the main defendants in certain antitrust damages proceedings initiated in the UK by National Grid and Scottish Power in 2015. Contribution claims have been brought by Prysmian against Nexans France SAS and the Company in these cases. Prysmian and the other main defendants have now reached settlements with National Grid and Scottish Power.

In April 2017, Vattenfall initiated a claim for alleged antitrust damages against Prysmian and NKT before the High Court in London. On June 12, 2020, Nexans France SAS and the Company were notified of a contribution claim brought by Prysmian. Following a transfer from the High Court, both cases are now pending before the UK Competition Appeal Tribunal.

Italian company Terna S.p.A. launched an antitrust damages claim in the Court of Milan. Nexans Italia filed a defense on October 24, 2019 focusing on Nexans Italia's lack of standing to be sued. Following an initial hearing on November 13, 2019, the judge ruled Terna's claim to be null for lack of clarity on February 3, 2020. Terna supplemented its claim on May 11, 2020. On January 26, 2021, the judge ruled that the decision on jurisdiction and other preliminary issues will be rendered along with that on the merits. A final outcome is not expected before 2022.

The claim in the Netherlands was made jointly by Electricity & Water Authority of Bahrain, GCC Interconnection Authority, Kuwait Ministry of Electricity and Water and Oman Electricity Transmission Company, against certain companies of the Prysmian Group and its former shareholders, and companies in the Nexans and ABB Groups. This action has been brought before the Court of Amsterdam. On December 18, 2019, Nexans and other defendants filed a motion contesting jurisdiction. The court issued its judgment on November 25, 2020, declaring itself incompetent with regard to the claims against the non-Dutch defendants, including certain Group entities. The court also ordered the claimants to pay the costs of the proceedings. The case on the merits against the Dutch defendants is stayed until March 3, 2021.

Investigations carried out by the American, Japanese, New Zealand and Canadian authorities in the high-voltage power cable sector were closed without sanctions. During investigations led by the Australian antitrust authority (ACCC), the Australian courts dismissed ACCC's case and refused to sanction Nexans and its Australian subsidiary in the high-voltage power cable sector in a case pertaining to the sale of low- and medium-voltage cables.

An investigation in Brazil by the General Superintendence of the antitrust authority "CADE" in the high-voltage power cable sector was concluded on February 11, 2019. On April 15, 2020, the Administrative Tribunal of CADE condemned the Company, together with other cable manufacturers. Nexans has paid the 1 million euro (BRL equivalent) fine and has appealed the decision.

An investigation by the antitrust authority in South Korea ("KFTC") in the high-voltage power cable sector has not been officially closed but Nexans understands that the relevant limitation periods should be considered expired.

Nexans' local Korean subsidiaries have cooperated with the KFTC in investigations initiated between 2013 and 2015 in businesses other than high-voltage. As a result, full leniency (zero fine) was granted by KFTC in 15 cases, and for two other cases the Nexans Korean subsidiaries were granted a 20% reduction on the fines imposed and were ordered to pay the KFTC a total of approx. 850,000 euros. All such investigations are now closed, and the risks associated with the majority of claims brought by customers in connection with them are now concluded.

On November 24, 2017 in Spain, Nexans Iberia and the Company (in its capacity as Nexans Iberia's parent company) were notified of a decision by the Spanish competition authority ("CNMC"), which found that Nexans Iberia had participated directly in an infringement of Spanish competition laws in the low- and medium-voltage cable sectors. The Company was held jointly liable for the payment of part of the fine levied on Nexans Iberia by the CNMC. In early January 2018, Nexans Iberia settled the 1.3 million euro fine levied by the CNMC. Nexans Iberia and the Company have appealed the CNMC's decision. The appeal decision is expected in 2021.

On July 27, 2020, Nexans Iberia was served with a claim filed by Iberdrola before the Commerce Court of Barcelona, on the basis on the CNMC's decision (which also sanctioned one of Iberdrola's subsidiaries). Iberdrola claims a total of 9.4 million euros in damages from the defendants, including Prysmian and several local Spanish producers. Nexans filed preliminary defense arguments on August 11, 2020 and the case is pending.

As of 31 December 2020, and following a reassessment of risks, the Group has a recorded contingency provision of 70 million euros to cover all the investigations mentioned above as well as the direct and indirect consequences of the related rulings that have been or will be handed down and in particular the follow-on damages claims by customers (existing or potential claims). The amount of the provision is based on management's assumptions that take into account the consequences in similar cases and currently available information. There is still considerable uncertainty as to the extent of the risks related to potential claims and/or fines. The final costs related to these risks could therefore be significantly different from the amount of the provision recognized.

The Group's risk prevention and compliance systems have been strengthened regularly and significantly in recent years. However, the Group cannot guarantee that all risks and problems relating to practices that do not comply with the applicable rules of ethics and business conduct will be fully controlled or eliminated. The compliance program includes means of detection which could generate internal investigations, and even external investigations. As consistently communicated by the Company in the past, unfavorable outcomes for antitrust proceedings and/or investigations as well as the associated consequences could have a material adverse effect on the results and thus the financial position of the Group.

B. OTHER DISPUTES AND PROCEEDINGS GIVING RISE TO THE RECOGNITION OF PROVISIONS

For cases where the criteria are met for recognizing provisions, the Group considers the resolution of the disputes and proceedings concerned will not materially impact the Group's results in light of the provisions recorded in the financial statements. Depending on the circumstances, this assessment takes into account the Group's insurance coverage, any third party guarantees or warranties and, where applicable, evaluations by the independent counsel of the probability of judgment being entered against the Group.

The Group considers that the other existing or probable disputes for which provisions were recorded at December 31, 2020 do not individually represent sufficiently material amounts to require specific disclosures in the consolidated financial statements.

C. CONTINGENT LIABILITIES RELATING TO DISPUTES AND PROCEEDINGS

Certain contracts entered into by the Group as of December 31, 2020 could lead to performance difficulties, but the Group currently considers that those difficulties do not justify the recognition of provisions in the financial statements or specific disclosure as contingent liabilities.

NOTE 30. OFF-BALANCE SHEET COMMITMENTS

The Group's off-balance sheet commitments that were considered material at December 31, 2020 and December 31, 2019 are set out below.

A. COMMITMENTS RELATED TO THE GROUP'S SCOPE OF CONSOLIDATION

Risks relating to mergers and acquisitions and divestments

Group companies may grant sellers' warranties to purchasers of divested businesses, generally without taking out bank guarantees or bonds. When it is probable that the Group will be required to make payments under a warranty, a provision is recorded for the estimated risk (where such an estimate can be made). When such a payment is merely potential rather than probable, it is disclosed as a contingent liability if the amount concerned is sufficiently material (see Note 22 and Note 29).

Conversely, when acquiring other entities, Group companies are sometimes given sellers' warranties.

In 2020, the Group sold Berk-Tek, based in the United States. In the sale contract, sellers' warranties have been granted through an American subsidiary and a Canadian subsidiary, for a maximum amount of 20 million US dollars. The warranties cover a period of six years ending in September 2026.

In late 2017, Nexans acquired 27.8% of the capital of IES, the leading manufacturer of electric vehicle fast-charging solutions. IES is accounted for by the equity method.

The agreement also includes a put option for the seller.

Acquisition of the Quiñenco group's cable business

When Nexans acquired the cables business of the Chile-based group Quiñenco on September 30, 2008, it took over a number of pending or potential disputes. The most significant of these, subject to certain deductibles, are covered by the seller's warranty granted by Invexans SA (formerly Madeco, Chile) under the purchase agreement. A provision was recorded for this business's liabilities and contingent liabilities when the Group completed the initial accounting for the acquisition in accordance with IFRS 3.

A settlement agreement was entered into on November 26, 2012 between the Company, Nexans Brasil and the Quiñenco group concerning the amounts payable by the Quiñenco group to Nexans Brasil in relation to the outcome of civil, employment law and tax proceedings in Brazil.

Under the terms of this agreement, Quiñenco undertook to pay Nexans Brasil a lump sum of around 23.6 million Brazilian reals (approximately 9.4 million euros). In return, the Quiñenco group was released from any obligation to pay compensation with respect to the civil and employment law proceedings in progress that were specified in the settlement agreement, except if the total amount of related losses incurred by the Company exceeds a certain limit. Some of the tax proceedings in Brazil relating to the period prior to the acquisition, or in progress at the time of the acquisition and still ongoing at the date of the settlement agreement, remain governed by the terms of previous agreements entered into between the parties. Settlement agreements were signed between 2014 and 2017 covering part of the amounts involved, in order to enable Nexans to benefit from a tax amnesty in Brazil.

B. COMMITMENTS RELATED TO THE GROUP'S FINANCING

The main off-balance sheet commitments related to the Group's financing are summarized below:

(At December 31, in millions of euros)	Notes	2020	2019
COMMITMENTS GIVEN			
Syndicated credit facility (1)	26.A	660	660
Collateral			-
COMMITMENTS RECEIVED			
Syndicated credit facility – Unused line expiring on December 12, 2023	26.A	600	600
Receivables securitization program – Maximum amount of receivables that may be sold	26.A	-	80

(1) When the Group's syndicated credit facility was set up, Nexans undertook to guarantee the commitments given by Nexans Financial & Trading Services to the banking pool concerned.

The commitments received and related to the Group's financing also include the warranty given by the French Government for the government-backed loan. The warranty is 80% of the nominal.

C. COMMITMENTS RELATED TO THE GROUP'S OPERATING ACTIVITIES

The main off-balance sheet commitments related to the Group's operations are summarized below:

(At December 31, in millions of euros)	Note	2020	2019
COMMITMENTS GIVEN			
Forward purchases of foreign currencies (1)	26	2,409	2,606
Forward purchases of metals	26	372	419
Firm commitments to purchase property, plant and equipment (2)		65	172
Commitments for third-party indemnities	See (a)	3,684	3,319
Take-or-pay copper purchase contracts (in tonnes)	See (b)	119,619	133,766
Other commitments given		-	-
COMMITMENTS RECEIVED			
Forward sales of foreign currencies (1)	26	2,397	2,597
Forward sales of metals	26	176	183
Take-or-pay copper sale contracts (in tonnes)	See (b)	98,366	116,076
Other commitments received		341	369

(1) Including derivatives used to hedge the Group's net debt.
(2) Including, at December 31, 2020, 31 million euro commitment concerning the construction of a new cable laying ship.

(a) Commitments for third-party indemnities

- Group companies generally give customers warranties on the quality of the products sold without taking out bank guarantees or bonds. They have, however, also given commitments to banks and other third parties, in particular financial institutions, which have issued guarantees or performance bonds to customers, and guarantees to secure advances received from customers (663 million euros and 628 million euros at December 31, 2020 and 2019 respectively).
  When it is probable that the Group will be required to make payments under a warranty due to factors such as delivery delays or disputes over contract performance, a provision is recorded for the estimated risk (where such an estimate can be made). When such a payment is merely potential rather than probable, it is disclosed as a contingent liability if the amount concerned is sufficiently material (see Note 22 and Note 29).
- At December 31, 2020 the Group had granted parent company guarantees in an amount of 3,024 million euros (2,691 million euros at December 31, 2019). These mainly correspond to performance bonds given to customers.

(b) Take-or-pay contracts (physically-settled contracts)

The volumes stated in the table above correspond to quantities negotiated as part of copper take-or-pay contracts whose price was set at the year-end, including quantities presented in inventories (see **Note 26.D** for further details).
More generally, the Group enters into firm commitments with certain customers and suppliers under take-or-pay contracts, the largest of which concern copper supplies.

NOTE 31. MAIN CONSOLIDATED COMPANIES

The table below lists the main entities included in the Group's scope of consolidation at December 31, 2020.

Companies by geographic area	% control	% interest	Consolidation method [1]
FRANCE			
Nexans S.A. [2]	100%	100%	Parent company
Nexans Participations	100%	100%	
Lixis	100%	100%	
Nexans France	100%	100%	
Nexans Interface	100%	100%	
Nexans Wires	100%	100%	
Tréfileries and Laminoirs de la Méditerranée S.A.	100%	100%	
Recycables	36.50%	36.50%	Equity method
Nexans Power Accessories France	100%	100%	
IES Energy	27.80%	27.80%	Equity method
Nexans Financial & Trading Services [3]	100%	100%	
BELGIUM			
Nexans Benelux S.A.	100%	100%	
Nexans Network Solutions NV	100%	100%	
Nexans Services	100%	100%	
Opticable S.A. NV	60%	60%	
GERMANY			
Nexans Deutschland GmbH	100%	100%	
Metrofunkkabel Union GmbH	100%	100%	
Nexans Auto Electric GmbH [4]	100%	100%	
Nexans Power Accessories Deutschland GmbH	100%	100%	

Companies by geographic area	% control	% interest	Consolidation method [1]
NORTHERN EUROPE			
Nexans Nederland BV	100%	100%	
Nexans Norway A/S	100%	100%	
Nexans Subsea Operations	100%	100%	
Nexans Skagerrak	100%	100%	
Nexans Suisse S.A.	100%	100%	
Nexans Re [5]	100%	100%	
Nexans Logistics Ltd	100%	100%	
Nexans Sweden AB	100%	100%	
Nexans Industry Solutions [6]	100%	100%	
SOUTHERN AND EASTERN EUROPE			
Nexans Iberia SL	100%	100%	
Nexans Italia SpA	100%	100%	
Nexans Partecipazioni Italia Srl	100%	100%	
Nexans Intercablo SpA	100%	100%	
Nexans Hellas S.A.	100%	100%	
Nexans Power Accessories Czech Republic, spol. s r.o	100%	100%	
Nexans Turkiye Endustri Ve Ticaret AS	100%	100%	
NORTH AMERICA			
Nexans Canada Inc.	100%	100%	
Nexans USA Inc.	100%	100%	
AmerCable Inc.	100%	100%	
Nexans Magnet Wire USA Inc	100%	100%	
Nexans Specialty Holdings USA Inc.	100%	100%	
Nexans Energy USA Inc	100%	100%	
Nexans High Voltage USA Inc.	100%	100%	
SOUTH AMERICA			
Invercable	100%	100%	
Nexans Chile S.A.	100%	100%	
Colada Continua S.A.	41%	41%	Equity method
Nexans Colombie	100%	100%	
Indeco Peru [2]	96.73%	96.73%	
Cobrecon	50%	48.36%	Equity method
Nexans Brasil S.A.	100%	100%	
AFRICA AND MIDDLE EAST			
Liban Câbles SAL	91.15%	91.15%	
Nexans Maroc [2] [7]	86.46%	86.46%	
Qatar International Cable Company	30.33%	30.33%	Equity method
Nexans Kabelmetal Ghana Ltd	59.13%	59.13%	
Nexans Côte d'Ivoire	60%	54.45%	

Companies by geographic area	% control	% interest	Consolidation method [1]
ASIA-PACIFIC			
Nexans Hong Kong Ltd	100%	100%	
Nexans Communications (Shanghai) Cable Co. Ltd	100%	100%	
Nexans Singapore	100%	100%	
Nexans China Wire & Cables Co. Ltd	100%	100%	
Nexans (Yanggu) New Rihui Cables Co. Ltd	100%	100%	
Nexans (Suzhou) Cables Solutions Co., Ltd	100%	100%	
Nexans Korea Ltd	99.51%	99.51%	
Kukdong Electric Wire Co. Ltd	97.90%	97.90%	
Nippon High Voltage Cable Corporation	100%	100%	
OLEX Australia Pty Ltd	100%	100%	
OLEX New Zealand Ltd	100%	100%	

(1) The companies in this list are fully consolidated, unless otherwise specified.
(2) Listed companies.
(3) The entity responsible for the Group's cash management.
(4) Nexans Auto Electric GmbH – a company based in Germany – itself consolidates various sub-subsidiaries, located in the United States, Germany, Romania, Ukraine, the Czech Republic, Slovakia, Tunisia, China, Bulgaria and Mexico.
(5) Nexans Re is the Group's captive reinsurer.
(6) Nexans Industry Solutions prepares consolidated financial statements that include various subsidiaries located mainly in China and Poland.
(7) Nexans Maroc prepares consolidated financial statements that include various subsidiaries located mainly in Morocco and Senegal.

NOTE 32. STATUTORY AUDITORS' FEES

The total fees paid to the Statutory Auditors for all controlled entities in France and recorded in the income statement for 2020 break down as follows:

(in thousands of euros)	Audit of the consolidated financial statements	Audit of the corporate financial statements	Other non audit-related services [1]	Total
Mazars	215	143	262	620
PwC	205	150	15	370
TOTAL	**420**	**294**	**277**	**991**

(1) Other services mainly consist of all the procedures that a reasonable buyer or investor would perform before entering into a transaction.

NOTE 33. SUBSEQUENT EVENTS

No significant event for which disclosure is required has occurred since December 31, 2020.

5.1.7. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

OPINION

In compliance with the engagement entrusted to us by your Shareholder's meeting we have audited the accompanying consolidated financial statements of NEXANS ("the Group") for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Accounts, Audit and Risk Committee

BASIS FOR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory auditors' responsibilities for the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirement rules required by the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for statutory auditors, for the period from January 1st, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

JUSTIFICATION OF ASSESSMENTS — KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Recognition of goods and services contracts

Description of risk

As at December 31, 2020, sales from goods and services contracts, recognized on a percentage-of-completion basis as described in **Notes 1.E.a** and **4** to the consolidated financial statements, amounted to €607 million. These contracts mainly cover the Group's high-voltage cable and umbilical cable activities.

Sales and earnings on these goods and services contracts at the end of an accounting period mainly depend on:
- revenue and margin to completion estimates;
- the percentage of completion determined on the basis of the input method based on cost incurred.

Estimates of the data to completion and the percentage of completion are based on the Group's internal systems and procedures for each contract.

We deemed the recognition of goods and services contracts to be a key audit matter due to (i) the significant impact of these contracts on the Group's consolidated financial statements and (ii) the level of judgment required from management to determine the on the results to completion.

How our audit addressed this risk

As part of our audit of the consolidated financial statements, our work consisted mainly in:

- evaluating the Group's internal systems and procedures relating to estimates of revenue and costs at completion and the measurement of percentage of completion as well as testing the key controls put in place by Management;
- reconciling goods and service contract management data with accounting records;
- selecting contracts based on their financial impact and risk profile and conducting interviews with the business management controllers, the Business Lines and the Finance Department about the progress of these contracts and their assessment of the risks to:
  - corroborate key revenue and cost-to-complete assumptions in relation to costs incurred to date, contract data and correspondence with the customer or its representatives, as appropriate. This work is based in particular on experience gained in previous years on these contracts or comparable contracts;
  - corroborate the percentage of completion of revenue and assess the appropriate accounting treatment;
- assessing the appropriateness of the disclosures set out in Notes 1.E.a and 4 to the consolidated financial statements.

Disputes and antitrust investigations

Description of risk

In the same way as all other industrial players, in view of the Group's wide geographic reach it is required to comply with numerous national and regional laws and regulations, notably concerning commercial, customs and tax matters. In particular, the Group is involved in antitrust investigations or disputes as described in Note 29 to the consolidated financial statements, in particular in section A "Antitrust investigations" thereof, which reports on the antitrust investigations initiated against the Group.

As indicated in Note 1.F.k to the consolidated financial statements, provisions are recognized when the Company has a present obligation resulting from a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

We deemed this issue to be a key audit matter given the significance of disputes and antitrust investigations and the level of judgment required from management to determine provisions in multiple and constantly changing regulatory environments.

How our audit addressed this risk

As part of our audit of the consolidated financial statements, our work consisted mainly in:

- evaluating the procedures implemented by the Group to identify and list all disputes and antitrust investigations;
- carrying out interviews with the Group's legal department in order to obtain an understanding of the risks, as well as the status of antitrust proceedings and investigations;
- assessing the factors used by the Group to determine the risks and provisions recognized at the end of the reporting period to cover the financial consequences (direct and indirect) of these disputes, with particular attention paid to the opinions of the Group's legal advisors;
- verifying that the significant risks and disputes identified during the implementation of these procedures are described appropriately in Note 29 to the consolidated financial statements.

Measurement of goodwill, property, plant and equipment and intangible assets

Description of risk

As at December 31, 2020, the carrying amount of the Group's goodwill, property, plant and equipment and intangible assets totaled €232 million, €1,346 million and €115 million, respectively.

Goodwill is described in section D "Business combinations" of Note 1 "Summary of significant accounting policies" and the allocation by cash-generating unit (CGU) is presented in Note 7 to the consolidated financial statements.

The Group carries out impairment tests on goodwill at each closing date and on property, plant and equipment and intangible assets whenever there is an indication that they may be impaired, as described in section F.c "Impairment tests" of Note 1 "Summary of significant accounting policies" to the consolidated financial statements. The Group considered that the environment shaped by the Covid-19 pandemic represented a global indication of impairment of all of its CGUs and tested them all for impairment as indicated in Note 7 to the consolidated financial statements.

We deemed the measurement of goodwill, property, plant and equipment and intangible assets to be a key audit matter given the significance of these assets in the Group's financial statements and the level of judgment required from management, particularly in terms of determining the recoverable amount of these assets, most often based on discounted cash flow forecasts that require the use of assumptions and estimates.

How our audit addressed this risk

We conducted a critical assessment of the methods implemented by management to determine the recoverable amount of goodwill, property, plant and equipment and intangible assets. We obtained management's latest budgets and strategic plans considering the economic impact of the Covid-19 pandemic and impairment tests for CGUs and property, plant and equipment and intangible assets. On the basis of this information and this specific context, our work mainly consisted in:

- analyzing the impairment tests carried out by the Group;
- assessing the reasonableness of the key assumptions used by management, in particular for the determination of cash flows in relation to the underlying operational data and the long-term growth rate;
- assessing, with the support of our evaluation experts, the relevance of the discount rates used and their components;
- confirming that CGU allocation accurately reflects the Group's structure and the way the CGUs are managed;
- performing our own sensitivity calculations to determine whether a reasonable change in the long-term growth rate and discount rate assumptions could result in the recognition of a significant impairment of the underlying assets;
- assessing the appropriateness of the related disclosures in the Note 1 and 7 of the Group financial statements.

Measurement of deferred tax assets

Description of risk

At December 31, 2020, deferred tax assets recognized in the Group's consolidated balance sheet amounted to €175 million.

The Group recognizes deferred tax assets on the basis of medium-term earnings forecasts, as described in section E.f. "Income taxes" of Note 1 "Summary of significant accounting policies" to the consolidated financial statements and in Note 10 "Income taxes" to the consolidated financial statements.

Deferred tax assets that are not matched by deferred tax liabilities expected to reverse in the same period are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary losses and differences can be utilized, based on medium-term earnings forecasts (generally covering a five-year period) for the company concerned. The Group strives to ensure consistency between forecasts used for this purpose and those used to determine the recoverable amount of assets (in particular goodwill, property, plant and equipment and intangible assets) as described in section F.c. "Impairment tests" of Note 1 "Summary of significant accounting policies" to the consolidated financial statements.

We deemed the measurement of deferred tax assets to be a key audit matter due to the uncertainty of the recoverability of these assets and the level of judgment required from management in this regard. The recoverability of activated tax losses depends in particular on the ability of the tax group to achieve the objectives defined in the medium-term earnings forecasts established by the management of the tax group or the Group.

How our audit addressed this risk

As part of our audit of the consolidated financial statements, our work consisted in assessing the data and assumptions underlying the recognition and recoverability of deferred tax assets. Our audit approach consisted mainly in:

- assessing the ability of the subsidiaries concerned to make future taxable profits over the term of management's earnings forecasts and the reasonableness of the key assumptions used, in particular for the determination of cash flows, their long-term growth rate and discount rates considering the specific context of the Covid-19 pandemic;
- checking the consistency of the data and assumptions used against those used for impairment tests on goodwill, property, plant and equipment and intangible assets for the subsidiaries concerned;
- assessing the deferred tax liabilities that exist in the same tax jurisdiction and that could be charged against deferred tax assets for the same period;
- assessing the appropriateness of the related disclosures in the Note 1 and 10 of the Group financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code *(Code de commerce)* is included in the Group's information given in the management report, it being specified that, in accordance with article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the consolidated financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No 2019/815 of 17 December 2018 to years beginning on or after January 1st, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code *(Code monétaire et financier)*.

Appointment of the statutory auditors

We were appointed as statutory auditors of NEXANS by the Shareholders' Meeting held on May 15, 2006 for PricewaterhouseCoopers Audit and on May 5, 2015 for Mazars.

As at December 31, 2020, PricewaterhouseCoopers Audit and Mazars were in the 15th year and 6th year of total uninterrupted engagement respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Accounts, Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt

on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Accounts, Audit and Risk Committee

We submit a report to the Accounts, Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Accounts, Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Accounts, Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(Code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Accounts, Audit and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Courbevoie, February 22, 2021

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Édouard Demarcq	Isabelle Sapet

5.2. Corporate financial statements

5.2.1. INCOME STATEMENT

(in thousands of euros)	Notes	2020	2019
NET SALES	4.1	25,296	27,902
Other operating income	4.3	1,311	78
TOTAL OPERATING INCOME		26,607	27,980
Other purchases and external charges		(46,567)	(43,139)
Taxes other than on income		(1,473)	(1,573)
Payroll expenses	4.2	(9,389)	(17,145)
Net (additions to)/reversals of depreciation, amortization and provisions – Operating items		(2,220)	(1,417)
Other expenses		(680)	(549)
TOTAL OPERATING EXPENSES		(60,329)	(63,823)
NET OPERATING INCOME (LOSS)	4	**(33,722)**	**(35,843)**
Dividend income		67,295	84,856
Net interest expense		(27,312)	(27,240)
Net (additions to)/reversals of depreciation, amortization and provisions – Financial items		(225)	763
Net foreign exchange gains/(losses)		(66)	25
NET FINANCIAL INCOME (LOSS)	5	**39,692**	**58,404**
NET INCOME FROM ORDINARY ACTIVITIES BEFORE TAX		5,970	22,561
NET NON-RECURRING INCOME	6	**7,799**	**409**
Employee profit-sharing		(161)	(215)
Income taxes	7	462	686
NET INCOME FOR THE YEAR		**14,070**	**23,441**

5.2.2. BALANCE SHEET

(in thousands of euros)	Notes	Gross amount	Depreciation, amortization and provisions	Net at December 31, 2020	Net at December 31, 2019
ASSETS					
Intangible assets		19	(19)	-	-
Property, plant and equipement		-	-	-	-
Financial assets	8	2,829,840	-	2,829,840	2,739,844
TOTAL FIXED ASSETS		**2,829,859**	**(19)**	**2,829,840**	**2,739,844**
Prepayments to suppliers		82	-	82	27
Trade receivables	9	8,825	(319)	8,506	9,254
Other receivables	9	250,273	-	250,273	53,794
Marketable securities	10 & 12.3	3,214	-	3,214	5,047
Prepaid expenses		168	-	168	286
TOTAL CURRENT ASSETS		**262,561**	**(319)**	**262,242**	**68,409**
Other assets	11	2,957	-	2,957	3,809
TOTAL ASSETS		**3,095,378**	**(338)**	**3,095,040**	**2,812,062**

(in thousands of euros)	Notes	December 31, 2020	December 31, 2019
EQUITY AND LIABILITIES			
Share capital		43,756	43,606
Additional paid-in capital		1,690,705	1,683,634
Legal reserve		4,411	4,399
Regulated reserves		0	0
Retained earnings		103,826	80,385
NET INCOME FOR THE YEAR		**14,070**	**23,441**
Regulated provisions		5,953	5,953
TOTAL EQUITY	12	**1,862,720**	**1,841,418**
PROVISIONS FOR CONTINGENCIES AND CHARGES	13	**369**	**632**
Convertible bonds		-	-
Other bonds	14 & 15	788,785	788,785
Other borrowings and debt	14 & 15	290,422	30,000
Trade payables	15	28,121	26,633
Other liabilities	15	124,621	124,594
TOTAL LIABILITIES		**1,231,950**	**970,012**
UNREALIZED FOREIGN EXCHANGE GAINS		**1**	**0**
TOTAL EQUITY AND LIABILITIES		**3,095,040**	**2,812,062**

5.2.3. NOTES TO THE CORPORATE FINANCIAL STATEMENTS

The notes below relate to the balance sheet at December 31, 2020, before the appropriation of net income for the year, as well as to the income statement for the year then ended. The fiscal year ran from January 1 to December 31, 2020. The balance sheet total was 3,095,040 thousand euros and the Company ended the year with net income of 14,070 thousand euros.

The tables in these notes are presented in thousands of euros, rounded to the nearest thousand.

NOTE 1. THE COMPANY'S BUSINESS

As Nexans is a holding company, its business corresponds to managing the equity interests it holds in other companies.

Nexans is the consolidating parent company of the Nexans Group.

NOTE 2. SIGNIFICANT EVENTS

The following significant events occurred in 2020:

- In an economic environment thrown into turmoil by the Covid-19 crisis, the French government introduced a series of measures to help companies faced with a drop in business. Nexans took advantage of one such measure in May 2020 – the government-backed loan scheme – to obtain 280 million euros in financing to cover the Group's cash flow needs.
- In addition, the Company acted to strengthen its liquidity position by negotiating short-term credit facilities of 9,180 thousand euros with BPIFrance Financement, secured by the transfer of tax receivables in the amount of 10,758 thousand euros (see **Note 14.2**).
- On November 13, 2020, a total of 490,843 shares with a par value of 1 euro each were issued for delivery under the ACT 2020 employee share ownership plan, corresponding to the 17,481 thousand euros in subscriptions received.
  The participating employees' investments in the plan were topped up by the Company, leading to the issue of 8,778 additional shares that were credited as fully paid and paid up by transferring 8.8 thousand euros from the "Additional paid-in capital" account to the "Share capital" account.
- At its meeting on March 17, 2020, the Board of Directors used the shareholder authorization granted on May 15, 2019 to launch a new share buyback program capped at 500,000 shares. A total of 350,314 shares were bought back by the Company under the program between March 18 and March 30, 2020. The program's objective was to buy back shares for cancellation in order to offset the dilutive impact of shares issued to employees under the ACT 2020 plan. To meet this objective, at its meeting on December 17, 2020, the Board of Directors decided to cancel all of the 350,314 treasury shares and reduce the share capital accordingly (see **Note 12**).
- Following the sale of the Group of its American subsidiary Ber-Tek, the Company received 10,249 thousand euros in proceeds from the sale of its industrial property rights in Ber-Tek.
- A total of 49,330 rights to free shares granted under Plans no. 15, 16 and 18A vested during the year and the shares were allocated to the beneficiaries (see **Note 12.3**).

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL PRINCIPLES

The corporate financial statements have been prepared in accordance with the general conventions prescribed by ANC Regulation no. 2014 03 dated June 5, 2014 for the French chart of accounts and the other regulations applicable on the date the financial statements were drawn up.
The balance sheet at December 31, 2020 and the income statement for the year then ended have been prepared on a going concern basis in accordance with French generally accepted accounting principles, including the principles of prudence, consistent application of accounting policies from one year to the next and segregation of accounting periods.
Assets and liabilities have been measured according to the historical cost convention.
The main accounting policies applied are described below.

INTANGIBLE ASSETS

This item consists mainly of software, which is measured at historical cost and amortized on a straight-line basis over three years.

FINANCIAL ASSETS

Shares in subsidiaries and affiliates

The gross value of these shares recognized in the balance sheet prior to December 31, 2006 corresponds to their purchase price (excluding incidental expenses) or their transfer value.
Shares in subsidiaries and affiliates acquired as from January 1, 2007 are stated at their purchase price plus any directly attributable transaction expenses, in accordance with the option available under CRC standard 2004-06.
An impairment loss is booked when the carrying amount of these interests exceeds their fair value. Fair value is determined on the basis of value in use, which corresponds to the amount that the Company would be prepared to pay for the subsidiary or affiliate in the event of an acquisition. Factors that may be used for estimating value in use are actual and projected earnings, equity, the entity's business outlook, the economic environment, the entity's average share price for the most recent month, etc.

Share acquisition costs

Share acquisition costs incurred subsequent to December 31, 2006 and included in the cost of the shares are deducted for tax purposes through excess tax depreciation recorded over a period of five years (Article 209-VII of the French Tax Code).

TRADE RECEIVABLES

Trade receivables are stated at nominal value. An impairment loss is recorded when it is doubtful that the receivable will be collected.

RECEIVABLES, PAYABLES AND CASH AND CASH EQUIVALENTS DENOMINATED IN FOREIGN CURRENCIES

Receivables and payables denominated in foreign currencies are translated into euros at the exchange rate prevailing at the year-end:

- Hedged foreign currency receivables and payables do not have any impact on the income statement as the gains and losses on the currency hedging instruments are accounted for on a symmetrical basis with the losses or gains on the underlying hedged items (see below). In accordance with the principle of prudence, a provision is recorded for unrealized foreign exchange losses that are not hedged. Unrealized foreign exchange gains have no impact on the income statement.
- Gains and losses arising on the translation of unhedged foreign currency receivables and payables are recorded in the balance sheet under "Unrealized foreign exchange gains" or "Unrealized foreign exchange losses".

Cash and cash equivalents and cash pooling current accounts denominated in foreign currencies are translated into euros at the year-end exchange rate and any resulting foreign exchange gains or losses are recognized in the income statement.

TREASURY STOCK

Nexans buys back its own shares under shareholder authorizations given to the Board of Directors.
The shares are recognized and measured at the year-end based on the purpose for which they are being held:

- Shares that are not allocated to any specific purpose are initially recognized in "Other financial assets" at cost. At the year-end, a provision for impairment is recorded if the shares' carrying amount is greater than their market value as determined based on the average Nexans share price for the month of December.

- Shares held for allocation to certain employees and executive officers of the Group are recognized under "Marketable securities":
  - Shares available for allocation to employees but not reserved for any specific share-based payment plan are initially measured at cost. At the period-end, a provision for impairment is recorded if the shares' carrying amount is greater than their market value as determined based on the average Nexans share price for the month of December.
  - Shares reserved for a specific share-based payment plan are recognized in «Marketable securities» and are measured at cost if they are allocated at the outset to the plan or, if they are allocated to the plan subsequent to their acquisition, at their net book value on the reclassification date. In accordance with CRC Regulation no. 2008-15 dated December 4, 2008, a provision for charges is recorded in liabilities for these shares due to the commitment to allocate them to employees.

FINANCIAL INSTRUMENTS

Nexans manages market risks - primarily arising from changes in exchange rates - by using derivative financial instruments, notably currency swaps. These instruments are used solely for hedging purposes.
Gains and losses on the hedging instruments are accounted for in the income statement on a symmetrical basis with the losses or gains on the underlying hedged items. At the balance sheet date, unrealized gains are recorded in "Other receivables" and unrealized losses are included in "Other liabilities".

ADDITIONAL PAID-IN CAPITAL

Costs incurred on the issue of shares are charged against additional paid-in capital. If the share issue premium is not sufficient to offset all of these costs, the surplus is recorded as an expense in the income statement.

PROVISIONS FOR CONTINGENCIES AND CHARGES

Provisions are recognized when Nexans S.A. has a present legal or constructive obligation resulting from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably measured.

BONDS WITH REDEMPTION PREMIUMS

Ordinary and convertible bonds with redemption premiums are recognized as a liability in the balance sheet at their gross value, including the premium.
This applies even when the premium payment is contingent on the bonds not being converted into shares. The redemption premium is recognized as an asset and is amortized on a straight-line basis over the term of the bonds concerned.

DEBT ISSUANCE COSTS

Debt issuance costs are recorded under deferred charges on the assets side of the balance sheet and amortized over the life of the debt using the straight-line method.

NOTE 4. OPERATING INCOME AND EXPENSES

After taking into account rebillings to subsidiaries, the Company reported a net operating loss of 33,722 thousand euros for 2020, primarily corresponding to headquarters expenses, commissions and brokerage fees, depreciation, amortization and provisions, and various consulting fees.

4.1. NET SALES

Nexans' 2020 net sales came to 25,296 thousand euros, and primarily related to the invoicing of services provided to Group entities.

4.2. PAYROLL EXPENSES

Payroll expenses include employees' gross salaries and related payroll taxes payable by the Company, as well as the net book value of shares allocated to Company employees under free share plans, if any.

4.2.1. Headcount

At December 31, 2020, the Company had a headcount of nine people (including two corporate officers).

4.2.2. Management compensation

The total amount of compensation (including benefits-in-kind) paid to the Chairman of the Board of Directors and the Chief Executive Officer in 2020 was 1,590 thousand euros.
In addition, under Long-Term Compensation Plan no. 18 A and pursuant to the decision of the Board of Directors on July 28, 2020, 1,866 free shares were allocated to Christopher Guérin. The final cost of these share-based payments was 77 thousand euros.

The members of the Board of Directors and the censors received an aggregate 650 thousand euros in compensation for their attendance in meetings and services to the Board in 2020 (gross amount before social security deductions and withholding taxes). This amount was recorded in the "Other expenses" line of the income statement.

4.2.3. Commitments given to employees

- The Company has put in place pension and other post-employment benefit plans for its employees.

  At December 31, 2020, the plans had a surplus of 329 thousand euros (plan assets in excess of the projected benefit obligation), which was recorded off-balance sheet.
  The contributions paid by the Company into these plans are recognized in the "Other purchases and external charges" line of the income statement (3,500 thousand euros in 2020 excluding payroll taxes).

- As compensation for an undertaking not to exercise any business that would compete with any of the Company's businesses for a period of two years from the end of his term of office, the Chief Executive Officer would receive a non-compete indemnity equal to one year of his fixed and variable compensation, i.e., 12 times the amount of his most recent monthly compensation (fixed portion) plus the corresponding percentage of his bonus.
  If he were to be removed from his position as Chief Executive Officer, he would be entitled to payment of a termination indemnity representing two years' worth of his total fixed and variable compensation. This indemnity would be subject to actual performance in relation to the objectives applicable to his target annual variable compensation being at least equal to 60% of said objectives on average over the three years preceding his removal. If his forced departure took place before the end of three full years as from the date he took up his position as Chief Executive Officer, the indemnity would be equal to one year's worth of his total fixed and variable compensation and the performance condition would be assessed based on the number of full years completed (either one or two years).

- Arnaud Poupart-Lafarge whose functions as Chief Executive Officer ended on July 3, 2018, was eligible for a non-compete indemnity of 1,400 thousand euros as compensation for agreeing not to exercise any competing activity for a period of two years from the end date of his position as Chief Executive Officer. This indemnity was paid in twenty-four equal monthly installments. The balance of the indemnity paid by the Company in 2020 amounted to 525 thousand euros.

4.3. OTHER OPERATING INCOME AND EXPENSES

Other operating income primarily reflects the reclassification as deferred charges of arrangement costs for the government-backed loan in the amount of 1,018 thousand euros, which are being recognized over the life of the loan (see Note 11).

NOTE 5. FINANCIAL INCOME AND EXPENSES

The Company recorded net financial income of 39,692 thousand euros in 2020, mainly reflecting:

- Dividends received from Nexans Participations and Invercable SA representing a total amount of 67,295 thousand euros;
- 25,813 thousand euros in interest expenses on the Company's bonds (see **Note 14.1**);
- Interest expense on the government-backed loan is estimated at 1,239 thousand euros.

NOTE 6. NON-RECURRING ITEMS

In 2020, non-recurring items consisted mainly of:

- The 10,249 thousand euros in proceeds from the sale of industrial property rights.
- The loss on free shares allocated to Group employees, for 1,332 thousand euros.
- On completion in 2019 of investigations in Brazil by the General Superintendence of the antitrust authority, the Company was ordered to pay penalties of 1,118 thousand euros to the Brazilian authorities. This amount was settled on May 19, 2020.

NOTE 7. INCOME TAXES

(in thousands of euros)	Net income (loss) from ordinary activities	Non-recurring items and employee profit sharing	Other tax effects	TOTAL
PRE-TAX INCOME	5,970	7,638	-	13,608
Income taxes:				
■ at the standard rate	-	-	861	861
■ gain/(loss) from tax consolidation	(399)	-	-	(399)
INCOME TAXES	**(399)**	**-**	**861**	**462**
NET INCOME	5,571	7,638	861	14,070

7.1. COMMENTS

The 861 thousand euros recorded under "Other tax effects" correspond to research tax credits.

7.2. TAX CONSOLIDATION

Nexans S.A. has entered into a tax consolidation agreement with its French subsidiaries in which it directly or indirectly holds an interest of more than 95%. This agreement, which came into force on January 1, 2002, was signed pursuant to the option taken by Nexans S.A. to opt for French tax consolidation in accordance with Articles 223-A et seq. of the French Tax Code.

This option is automatically renewable every five years. The current option`s expiration date is December 31, 2021. For every taxation period, the contribution of each subsidiary to the corporate income tax payable on the consolidated net income of the tax group corresponds to the corporate income tax and other contributions for which each subsidiary would have been liable if it had been taxed on a stand-alone basis.

In accordance with the provisions of the tax consolidation agreement, the tax savings realized as a result of the tax losses of subsidiaries, which could be passed back to those subsidiaries if they return to profit, are recognized in "Other liabilities" in the balance sheet (see Note 15).

As part of the tax consolidation agreement under which Nexans is liable for the global tax charge, a tax loss was recorded at the year-end. The cumulative tax losses at December 31, 2020 represent an unrecognized tax asset of 297 million euros.

No non tax-deductible expenses, as defined in Article 39-4 of the French Tax Code, were incurred during 2020.

7.3. DEFERRED TAXES

No deferred taxes are recognized in the corporate financial statements. Deferred tax assets arise from (i) expenses that will be deductible for tax purposes in future periods, or (ii) the carryforward of unused tax losses which will reduce the Company's tax base in future periods. Deferred tax liabilities arise from expenses deducted in advance for tax purposes, or from income that will be taxable in future periods and will therefore increase the Company's future tax base.

For the Nexans S.A. taxable entity alone, temporary differences generating deferred tax assets correspond primarily to tax loss carryforwards, which amounted to 605,790 thousand euros at December 31, 2020 (564,200 thousand euros at December 31, 2019).

NOTE 8. FINANCIAL ASSETS

(in thousands of euros)	Gross values				Net values	
	December 31, 2019	Increase	Decrease	December 31, 2020	December 31, 2019	December 31, 2020
Shares in subsidiaries and affiliates	2,739,833	90,000	-	2,829,833	2,739,833	2,829,833
Other financial assets	11	7	(11)	7	11	7
TOTAL FINANCIAL ASSETS	**2,739,844**	**90,007**	**(11)**	**2,829,840**	**2,739,844**	**2,829,840**

8.1. SHARES IN SUBSIDIARIES AND AFFILIATES

A breakdown of the shares held by Nexans S.A. in subsidiaries and affiliates is provided in Note 16.7 (List of subsidiaries and affiliates), and the methods used to calculate any impairment in value of these shares are described in Note 3.

Movements during the year

During the year, the Company underwrote a share issue by its subsidiary Nexans France, for an amount of 90,000 thousand euros.

Impairment tests

In light of the Covid-19 crisis and the decline in sales by certain businesses, the Company's investments in its subsidiaries were tested for impairment. These tests did not reveal any need to recognize additional impairment losses.

NOTE 9. RECEIVABLES BY MATURITY

(At December 31, in thousands of euros)	2020				2019
	Gross amount	O/w accrued income	Due within one year	Due beyond one year	Gross amount
OTHER FINANCIAL ASSETS	**7**	-	**7**	-	**11**
PREPAYMENTS TO SUPPLIERS	**82**	-	**82**	-	**27**
TRADE RECEIVABLES	**8,825**	**4,161**	**8,825**	-	**9,254**
OTHER RECEIVABLES	**250,273**	-	**240,179**	**10,093**	**53,794**
■ Employee-related receivables and prepaid payroll costs	7	-	7	-	414
■ Prepaid and recoverable income taxes	10,404	-	311	10,093	16,821
■ Prepaid and recoverable VAT	7,933	-	7,933	-	5,047
■ Group and associates: tax consolidation	3,711	-	3,711	-	1,479
■ Group and associates: cash pooling current accounts (1)	217,362	-	217,362	-	29,936
■ Other debtors	10,855	-	10,855	-	97
PREPAID EXPENSES	**168**	-	**168**	-	**286**

(1) The cash pooling agreements put in place are open-ended agreements.

- At December 31, 2019 and 2020, "Trade receivables" corresponded solely to intra-group receivables. At December 31, 2020, impairment losses of 319 thousand euros were recorded on these receivables, reducing their carrying amount at that date to 8,506 thousand euros. No impairment losses were recorded on trade receivables at December 31, 2019.
- "Other receivables due beyond one year" correspond to tax credits due to entities in the tax group headed by the Company (see **Note 7**). These consist mainly of CIR research tax credits and CICE tax credits designed to improve French companies' competitiveness. They are considered to be receivable beyond one year because the probability that they will be offset against tax payable by the tax group in 2021 is low.
- "Other debtors" at December 31, 2020 consist mainly of the right to recover the 10,758 thousand euros worth of CIR and CICE tax receivables transferred as collateral for the short-term credit facilities obtained from BPIFrance Financement in July 2020.

NOTE 10. MARKETABLE SECURITIES

At December 31, 2020 and 2019, "Marketable securities" corresponded to Nexans shares acquired under the buyback programs authorized by the Annual Shareholders' Meeting (see **Note 12.3**).

NOTE 11. OTHER ASSETS

(in thousands of euros)	Net at January 1, 2020	Increases	Additions to provisions for impairment	Net at December 31, 2020
Debt issuance costs	3,809	1,049	(1,901)	2,957
Unrealized foreign exchange losses	-	-	-	-
TOTAL	**3,809**	**1,049**	**(1,901)**	**2,957**

Deferred charges recorded in 2020 mainly consist of arrangement costs for the government-backed loan. These costs are being amortized over the life of the loan (12 months); the amortization charge for 2020 amounted to 613 thousand euros.
Other debt issuance costs are amortized on a straight-line basis over the life of the bonds.

NOTE 12. EQUITY

12.1. BREAKDOWN OF SHARE CAPITAL

At December 31, 2020, the Company's share capital comprised 43,755,627 shares, each with a par value of 1 euro. All of these shares are fully paid up, in the same class and carry the same rights.
There are no founder's shares or other rights of participation in profits.

12.2. MOVEMENTS IN EQUITY DURING THE YEAR

(in thousands of euros)	Share capital	Additional paid-in capital	Legal reserve	Retained earnings	Net income for the year	Regulated provisions	TOTAL EQUITY
AT DECEMBER 31, 2019 (BEFORE APPROPRIATION OF NET INCOME)	**43,606**	**1,683,634**	**4,399**	**80,385**	**23,441**	**5,953**	**1,841,418**
Appropriation of 2019 net income	-	-	-	23,441	(23,441)	-	-
Dividends paid	-	-	-	-	-	-	-
Other movements	149	7,071	12	-	-	-	7,232
2020 net income	-	-	-	-	14,070	-	14,070
AT DECEMBER 31, 2020 (BEFORE APPROPRIATION OF NET INCOME)	**43,756**	**1,690,705**	**4,411**	**103,826**	**14,070**	**5,953**	**1,862,720**

Other movements can be analyzed as follows:

- The employee share issue carried out under the ACT 2020 plan led to:
  - Issuance of 490,843 shares with a par value of 1 euro each; the issue proceeds, net of transaction costs, amounted to 16,355 thousand euros.
  - Allocation of 8,778 free shares to participating employees by the Company as a top-up; these shares were paid up by transferring an equivalent amount from the "Additional paid in capital account" to the "Share capital" account.
  - The transfer of 12 thousand euros in share premiums to the legal reserve.
- The 350,314 treasury shares purchased in March 2020 were canceled pursuant to the Board of Directors' decision on December 17, 2020. The difference between the shares' buyback price and their par value, in the amount of 9,264 thousand euros, was charged against "Additional paid-in capital".

Regulated provisions comprise excess tax amortization of share acquisition costs that are included in the cost of the related investments.

12.3. TREASURY STOCK

At December 31, 2020, the Company held 107,155 treasury shares representing 0.24% of the share capital. Consequently, the number of shares outstanding at that date was 43,648,472.

Treasury shares are carried in "Marketable securities" for a gross amount of 3,214 thousand euros.

- A total of 9,928 shares are allocated to Plan no.18A of July 27, 2018, for which the vesting period has not yet expired (see Note 16.1). These shares are valued at 276 thousand euros.
- A total of 97,227 treasury shares are not allocated to a specific plan. These shares are valued at cost, in the amount of 2,938 thousand euros.
  As the average Nexans share price for December 2020 was €55.74, no provision for impairment was recognized at the reporting date.

At December 31, 2019, the Company held 156,485 Nexans shares representing 0.36% of the share capital, carried in "Marketable securities" for a gross amount of 5,047 thousand euros.

- A total of 19,858 shares were allocated to the July 27, 2018 performance share and free share plan, for an amount of 552 thousand euros.
- The 136,627 treasury shares not allocated to a specific plan were valued at cost in the amount of 4,495 thousand euros.

Movements for the year:

In 2020, 49,330 treasury shares were delivered under free share and performance share plans:

- After noting that the vesting period for 15,000 performance shares granted under Plan no.15 had expired, at its meeting on January 22, 2020 the Board of Directors decided to deliver these shares out of treasury stock.
  The net book value of the 15,000 shares delivered to plan beneficiaries was 604 thousand euros.
- After noting that the vesting period for free and performance shares granted under Plan no.16 had expired, at its meeting on May 13, 2020 the Board of Directors decided to deliver the 24,400 vested free shares out of treasury stock.
  The net book value of the 24,400 shares delivered to plan beneficiaries was 728 thousand euros.
- On July 28, 2020, the Board of Directors noted that the vesting period had expired for 25% of the free shares granted under Plan no.18A dated July 27, 2018, resulting in the delivery of 9,930 free shares to the beneficiaries concerned, representing an amount of 276 thousand euros.
  The Board of Directors had decided on July 23, 2019 to allocate Nexans treasury shares to these beneficiaries, purchased under the shareholder-approved buyback plan.

Share buyback programs

At its meeting on March 17, 2020, the Board of Directors used the shareholder authorization granted on May 15, 2019 to launch a new share buyback program:

- The Company was authorized to buy back up to 500,000 Nexans shares on Euronext Paris (compartment A) at a maximum purchase price of 60 euros. The amount that could be invested in the program was capped at 30 million euros.
- The program's objective was to buy back shares for cancellation in order to limit the dilutive impact of the ACT 2020 employee share ownership plan.

Nexans bought back 350,314 shares under the program during the first quarter of 2020, at a total cost of 9,614 thousand euros. In line with the program's objective, these shares were canceled pursuant to a decision of the Board of Directors at its meeting on December 17, 2020.

Nexans S.A. did not buy back any of its own shares in 2019.

12.4. DIVIDEND PAYMENT

At the 2021 Annual Shareholders' Meeting, the Board of Directors will recommend a dividend payment of 0.70 euro per share, representing a total payout of 30,629 thousand euros based on the 43,755,627 shares making up the Company's capital at December 31, 2020.

If the Company holds any treasury shares at the time the dividend is paid, the amount corresponding to unpaid dividends on these shares will be allocated to retained earnings.

The Annual Shareholders' Meeting of May 13, 2020, called to approve the financial statements for the year ended December 31, 2019, approved the Board of Directors' proposal not to pay the recommended dividend of 0.40 euro per share, due to the difficult economic environment resulting from the Covid-19 pandemic, and decided to cancel the 2019 dividend.

NOTE 13. PROVISIONS FOR CONTINGENCIES AND CHARGES

At December 31, 2020, this item consisted in a 369 thousand euro provision for contingencies set aside to cover risks relating to site dismantling and clean-up costs following the sale of the subsidiary, Indelqui S.A. (632 thousand euros at December 31, 2019).

NOTE 14. FINANCIAL BORROWINGS AND DEBT

14.1. BONDS

The Company's borrowings and debt are primarily made up of bonds, which can be analyzed as follows:

	Issue date	Maturity date	Nominal amount (1)	Interest rate	Accrued interest at December 31, 2020 (1)	Total bond debt recognized in the balance sheet at December 31, 2020 (1)	Interest expense for 2020 (1)
CONVERTIBLE BONDS	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ORDINARY BONDS							
Ordinary bonds maturing in 2021	May 26, 2016	May 26, 2021	250,000	3.25%	4,875	254,875	8,125
Ordinary bonds maturing in 2023	Aug. 8, 2018	Aug. 8, 2023	325,000	3.75%	4,842	329,842	12,188
Ordinary bonds maturing in 2024	Apr. 5, 2017	Apr. 5, 2024	200,000	2.75%	4,068	204,068	5,500
TOTAL OTHER BONDS			**775,000**		**13,785**	**788,785**	**25,813**
TOTAL						**788,785**	**25,813**

(1) In thousands of euros.

All of the bonds in the above table are redeemable at face value at maturity.

At December 31, 2020 and 2019, total bond debt amounted to 788,785 thousand euros including accrued interest.

14.2. OTHER BORROWINGS AND DEBT

- On May 25, 2020, Nexans obtained a 280 million euro government-backed loan with a twelve-month maturity which Nexans has the option to extend by up to five years. The French government's guarantee covers 80% of the loan's amount.
  The lending banks are Crédit Agricole CIB (acting as agent), BNP Paribas (acting as coordinator), CIC, Crédit Agricole Ile de France, Natixis and Société Générale.
  Accrued interest on the loan amounted to 1,239 thousand euros at December 31, 2020.

- In July 2020, Nexans obtained new short-term credit facilities totaling 9,180 thousand euros. The facilities are secured by tax receivables (CIR and CICE tax credits) with a face value of 10,758 thousand euros transferred to the lender, BPIFrance Financement, whose lending commitment is for an initial period of 12 months, renewable annually until the transferred receivables are settled.
  Accrued interest on the facilities amounted to 18 thousand euros at December 31, 2020.

14.3. COVENANTS

At December 31, 2020, Nexans and its subsidiaries had access to 600 million euros under a medium-term confirmed credit facility expiring on December 12, 2023. None of this facility had been drawn down at the year-end.
In April 2020, a 200 million euro drawdown was made on this syndicated line of credit by Nexans Financial and Trading Services, the co-borrower. This drawdown was repaid on June 22, 2020.

Under the syndicated loan agreement with standard covenants (negative pledge, cross default, pari passu and change of control clauses), Nexans undertakes to maintain a debt to equity ratio of below 1.20 and a maximum debt to EBITDA ratio of 3.2. These ratios are calculated based on consolidated data (see **Note 27** to the consolidated financial statements).

If any of the facility's covenants were breached, any undrawn credit lines would become unavailable and any drawdowns would be repayable, either immediately or after a cure period of 30 days depending on the nature of the breach.

These ratios were within the specified limits at both December 31, 2020 and at the date the Board of Directors approved the financial statements.

14.4. NEGOTIABLE EUROPEAN COMMERCIAL PAPER (NEU CP)

On December 21, 2018, the Company set up a 400 million euro negotiable European commercial paper (NEU CP) program. No issues had been carried out under this program at December 31, 2020. Outstanding commercial paper at December 31, 2019 amounted to 30 million euros.

NOTE 15. LIABILITIES BY MATURITY

(At December 31, in thousands of euros)	2020					2019
	Amount	O/w accrued expenses	Due within one year	Due between one and five years	Due beyond five years	Amount
OTHER BONDS	788,785	13,785	263,785	525,000	-	788,785
OTHER BORROWINGS AND DEBT	290,422	-	290,422	0	-	30,000
TRADE PAYABLES	28,121	26,655	28,121	-	-	26,633
OTHER LIABILITIES (1)	124,621	5,228	106,963	17,658	-	124,594
■ Employee-related receivables and prepaid payroll costs	5,963	5,055	5,563	400	-	9,257
■ Accrued VAT	1,215	-	1,215	-	-	1,490
■ Other accrued taxes	611	134	611	-	-	597
■ Tax consolidation suspense account (2)	88,974	-	88,974	-	-	81,913
■ Group and associates: tax consolidation	27,816	-	10,558	17,258	-	31,019
■ Other liabilities	43	39	43	-	-	319

(1) Other liabilities due beyond one year comprise amounts payable to members of the tax consolidation group. These amounts correspond to tax credits (notably CIR and CICE tax credits) that have a low probability of being offset against taxes payable in 2021.
(2) Tax losses of subsidiaries in the tax consolidation group that may have to be returned to those subsidiaries in subsequent years.

NOTE 16. MISCELLANEOUS INFORMATION

16.1. FREE SHARES AND PERFORMANCE SHARES

At December 31, 2020, there were 995,298 free share and performance share rights outstanding - each entitling their owner to one share - representing a total of 2.27% of the Company's share capital. At December 31, 2019, there were 996,625 free share and performance share rights outstanding, representing 2.28% of the capital.

In 2020, 340,650 rights to free and performance shares were granted and 49,330 free or performance shares were delivered to the beneficiaries at the end of the vesting periods for Plans no. 15, 16 and 18A (see **Note 12.3**).

The free share and performance share rights outstanding at December 31, 2020 can be analyzed as follows.

Grant date	Number of shares originally granted	Number of shares outstanding at the year-end	End of vesting period
March 14, 2017	225,300	175,870	March 14, 2021
March 13, 2018	211,100	159,500	March 13, 2022
July 27, 2018 (1)	39,717	9,928	50% on July 27, 2019 – 25% on July 27, 2020 – 25% on July 27, 2021
July 27, 2018	14,500	14,500	July 27, 2022
March 19, 2019	319,700	297,300	March 19, 2023
March 17, 2020	340,650	338,200	March 17, 2024
TOTAL SHARE RIGHTS OUTSTANDING		**995,298**	

(1) Free shares allocated without any performance conditions or requirement to still be employed by the Company on the vesting date. The shares were allocated as partial compensation for the loss of rights accrued under the defined benefit pension plan by members of the Management Board who are no longer beneficiaries of the plan.

Movements in outstanding free shares and performance shares

FREE SHARES THAT HAD NOT YET VESTED OR WERE SUBJECT TO A LOCK-UP AT BEGINNING OF YEAR	**996,625**
Shares granted during the year (1)	340,650
Shares vested during the year	(49,330)
Shares canceled during the year	(292,647)
FREE SHARES THAT HAD NOT YET VESTED OR WERE SUBJECT TO A LOCK-UP AT YEAR-END	**995,298**

(1) Free shares and performance shares, assuming performance target is met.

The vesting conditions applicable to the performance shares are based both on Nexans' financial performance and its share performance.

16.2. RELATED PARTIES – RELATED COMPANIES

Related party transactions concern subsidiaries and associates and are carried out on arm's length terms.
The principal information concerning related companies is provided in the list of subsidiaries and affiliates in Note 16.7.

In 2020, no new agreements representing material amounts were entered into on non-arm's length terms with related parties within the meaning of Article 123-198 of the French Commercial Code.

16.3. OFF-BALANCE SHEET COMMITMENTS

Reciprocal commitments

None.

Commitments given

- The Company has granted parent company guarantees covering the contractual obligations of certain subsidiaries, amounting to 1,688 million euros at December 31, 2020 (excluding the commitments described below related to receivables sales and syndicated loans).

- When the Group's syndicated credit facility was set up, Nexans S.A. undertook to guarantee the commitments given by Nexans Financial and Trading Services to the banking pool concerned. This guarantee represented a maximum amount of 660 million euros.

- A securitization plan for euro-denominated trade receivables was set up in the second quarter of 2010 and rolled over for up to five years on March 30, 2015. Following an amendment to the program in May 2017, the joint and several guarantee granted by Nexans S.A. to the arranging bank covers (i) the payment obligations of the Nexans subsidiary selling the receivables under the program and (ii) the consequences that could arise if any of the receivables sales under the program were rendered invalid, notably in the event that insolvency proceedings were initiated against the subsidiary selling the receivables.
  At December 31, 2020, the Group considered the probability of the bank calling on this guarantee to be very low.

  At the year-end, this joint and several guarantee was valued at 24 million euros for the portion covering the subsidiary's payment obligations and 95 million euros for the portion covering invalid receivables sales. It had a minimum residual term of more than 12 months at December 31, 2020 and an actual term that varies depending on the seller and type of obligation concerned.

Commitments received

At December 31, 2020, commitments received corresponded to the Company's 600 million euro unused credit facility expiring on December 12, 2023.

16.4. FEES PAID TO THE STATUTORY AUDITORS

The total fees paid to the Statutory Auditors recorded in the income statement for 2020 break down as follows:

(in thousands of euros)	Audit of the corporate financial statements	Audit of the consolidated financial statements	Other non audit-related services [1]	Total
Mazars 61 rue Henri Regnault, 92075 Paris-La Défense	10	215	262	487
PricewaterhouseCoopers Audit 63 rue de Villiers, 92208 Neuilly-sur-Seine	10	205	32	247
	20	**420**	**294**	**734**

(1) Services primarily linked to the verifications carried out by a potential purchaser or investor before the transaction.

16.5. SUBSEQUENT EVENTS

None.

16.6. OTHER INFORMATION

On April 7, 2014, Nexans France SAS and the Company were notified of the European Commission's decision, which found that Nexans France SAS had participated directly in an infringement of European antitrust legislation in the submarine and underground high-voltage power cable sector. The Company was held jointly and severally liable for the payment of a portion of the fine imposed on Nexans France SAS by the European Commission.

In early July 2014, Nexans France SAS paid the 70.6 million euro fine imposed on it by the European Commission.
Nexans France SAS and the Company appealed the European Commission's decision to the General Court of the European Union. The appeal was dismissed on July 12, 2018. Nexans France SAS and the Company appealed the General Court's judgment before the European Court of Justice; this appeal was rejected on July 16, 2020.

In April 2019, certain Group entities were named in law suits filed by customers with the courts in the United Kingdom, the Netherlands and Italy against Nexans and other defendants.

In the United Kingdom, Scottish and Southern Energy (SSE) lodged a claim against the Company, Nexans France SAS and certain companies of the Prysmian Group. The claim against the Company and Nexans France SAS was stayed in September 2019, without any payment being made to SSE and with each party paying its share of the court costs.

Prysmian is one of the principal defendants in certain damages claims brought by National Grid and Scottish Power in 2015 in the United Kingdom. An application was made by Prysmian for the Company and Nexans France SAS to be joined to the case. Prysmian and the other principal defendants subsequently reached a settlement with National Grid and Scottish Power.

In April 2017, Vattenfall filed suit against Prysmian and NKT before the London High Court, seeking compensation for alleged losses resulting from a breach of competition rules. On June 12, 2020, the Company and Nexans France SAS were notified that Prysmian had filed an application for the two companies to be joined to the case. The two suits are currently pending before the UK Competition Appeal Tribunal, following their transfer from the High Court.

The Italian company Terna S.p.A. has brought a damages claim before the Court of Milan. The claim in Italy has been brought before the Court of Milan by Terna S.p.A. Nexans Italia filed defense pleadings on October 24, 2019 focusing on Nexans Italia's lack of standing to be sued. Following an initial hearing on November 13, 2019, the judge ruled Terna's claim to be invalid for lack of clarity on February 3, 2020. Terna supplemented its claim on May 11, 2020. On January 26, 2021, the judge confirmed that a ruling on the preliminary pleadings would be handed down at the same time as the ruling on the merits of the claim. A final ruling is not expected before 2022.

The damages claim in the Netherlands was filed jointly by the Electricity & Water Authority of Bahrain, the Gulf Cooperation Council Interconnection Authority, the Kuwait Ministry of Electricity and Water and Oman Electricity Transmission Company, against certain companies in the Prysmian Group and its former shareholders, and companies in the Nexans Group and ABB Group. This action has been brought before the Court of Amsterdam. On December 18, 2019, Nexans and the other defendants filed a motion contesting jurisdiction. On November 25, 2020, the Court ruled that it did not have jurisdiction over the claims against defendants registered in countries other than the Netherlands, including certain Group companies. The claimants were ordered to pay the related court costs. The Court's ruling on the merits of the case against the Dutch defendants was delayed until March 3, 2021.

Investigations carried out by the American, Japanese, New Zealand and Canadian authorities in the high-voltage power cable sector were closed without sanctions. The case brought against Nexans by the Australian antitrust authority (ACCC) was dismissed by the Australian courts, which refused to sanction Nexans and its Australian subsidiary in the high-voltage power cable sector in a matter pertaining to the sale of low and medium-voltage cables.

Investigations in Brazil by the General Superintendence of the antitrust authority «CADE» in the high-voltage power cable sector concluded on February 11, 2019. On April 15, the "CADE" administrative court imposed a fine on the Company. Nexans paid the fine – amounting to approximately 1 million euros (converted from Brazilian reals) – and appealed the decision.

Investigations by the antitrust authority in South Korea (KFTC) in the high-voltage power cable sector have not been officially closed but Nexans understands that the statute of limitations should be considered expired.

Nexans' local Korean subsidiaries have cooperated with the KFTC in investigations initiated between 2013 and 2015 in businesses other than high-voltage. In fifteen of the investigations, the KFTC granted total immunity from prosecution to the subsidiaries concerned and did not impose any fines. In two other cases, the fines imposed on Nexans' Korean subsidiaries were reduced by 20%. The reduced fines have been paid for a total of approximately 850,000 euros. All such investigations are now closed, and the risks associated with the majority of claims brought by customers in connection with them are now all closed.

On November 24, 2017 in Spain, Nexans Iberia and the Company (in its capacity as Nexans Iberia's parent company) were notified of a decision by the Spanish competition authority

("CNMC"), which found that Nexans Iberia had participated directly in practices infringing Spanish competition laws in the low- and medium-voltage cable sectors.

The Company was held jointly and severally liable for the payment of part of the fine levied on Nexans Iberia by the CNMC. In early January 2018, Nexans Iberia settled the 1.3 million euro fine levied by the CNMC. Nexans Iberia and the Company have appealed the CNMC's decision. The appeal court's ruling is expected in 2021.

On July 27, 2020, Nexans Iberia was notified of a damages claim lodged by Iberdrola before the Barcelona Commercial Court, based on a ruling by the CNMC that also sanctioned a subsidiary of Iberdrola. The total damages claimed by Iberdrola from the defendants, including Prysmian and several local Spanish producers, amount to 9.4 million euros. Nexans submitted its preliminary defense pleadings on August 11, 2020 and the suit is currently pending.

As consistently communicated by the Company in the past, unfavorable outcomes for antitrust proceedings and/or investigations as well as the associated consequences could have a material adverse effect on the results and thus the financial position of the Group.

16.7. LIST OF SUBSIDIARIES AND AFFILIATES

(At December 31, 2020)

Company name	Share capital *(in thousands of currency units)*	Total equity (excluding share capital) [3] *(in thousands of currency units)*	Ownership *(%)*	Dividends received *(in thousands of euros)*	Gross value of shares held *(in thousands of euros)*	Net value of shares held *(in thousands of euros)*	Net sales [3] *(in thousands of currency units)*	Net income (loss) [3] *(in thousands of currency units)*
A - SUBSIDIARIES AND AFFILIATES WITH A GROSS VALUE IN EXCESS OF 1% OF NEXANS' SHARE CAPITAL								
1) SUBSIDIARIES (OVER 50% OWNED)								
NEXANS FRANCE Paris - France (SIREN : 428 593 230)	130,000	2,682	100	-	567,400	567,400	1,516,540	(10,140)
NEXANS PARTICIPATIONS Paris - France (SIREN : 314 613 431)	418,110	1,336,903	100	59,929	2,048,264	2,048,264	1,380	72,604
INVERCABLE S.A. [1] Santiago - Chili	82,400	133,892	100	7,366	194,948	194,948	-	8,223
2) SUBSIDIARIES (OVER 50% OWNED)								
NEXANS KOREA [2] Chungcheongbuk - Corée	17,125,879	70,396,061	35.53	-	16,940	16,940	196,343,855	(2,679,100)
B - GENERAL INFORMATION ON OTHER SECURITIES								
French subsidiaries (over 50% owned)				-	-	-		
Foreign subsidiaries (over 50% owned)				-	-	-		
French affiliates (10%-50% owned)				-	-	-		
Foreign affiliates (10%-50% owned)				-	-	-		
Other investments				-	2,281	2,281		

(1) Amount in thousands of USD (US dollars): 1 USD = 0.8149 euros at December 31, 2020.
(2) Amount in thousands of KRW (Korean won): 1,000 KRW = 0.7485 euro at December 31, 2020.
(3) Provisional data as these companies' financial statements had not yet been formally approved for issue at the date of the Board of Directors' meeting that approved these corporate financial statements.

Guarantees given by the Company with respect to its subsidiaries are described in the note on off-balance sheet commitments.

5.2.4. COMPANY'S FINANCIAL RESULTS FOR THE LAST 5 FINANCIAL YEARS

	2020	2019	2018	2017	2016
I - SHARE CAPITAL AT THE END OF THE FISCAL YEAR					
a) Share capital *(in thousands of euros)*	43,756	43,606	43,606	43,495	43,411
b) Number of shares issued	43,755,627	43,606,320	43,606,320	43,494,691	43,411,421
II - RESULTS OF OPERATIONS *(in thousands of euros)*					
a) Sales before taxes	25,296	27,902	31,596	27,422	21,917
b) Income before tax, employee profit-sharing, depreciation, amortization and provisions	16,252	21,236	9,749	29,429	(51,461)
c) Income taxes	462	686	944	894	815
d) Employee profit-sharing due for the fiscal year	(161)	(215)	(17)	(113)	(145)
e) Income after tax, employee profit-sharing, depreciation, amortization and provisions	14,070	23,441	6,217	25,333	7,013
f) Dividends	30,629 (1)	-	13,012	30,257	21,605
III - INCOME PER SHARE *(in euros)*					
a) Income after tax and employee profit-sharing but before depreciation, amortization and provisions	0.37	0.50	0.24	0.69	(1.17)
b) Income after tax, employee profit-sharing, depreciation, amortization and provisions	0.32	0.54	0.14	0.58	0.16
c) Dividend per share	0.50	-	0.30	0.70	0.50
IV - PERSONNEL					
a) Average headcount during the year	7	8	6	8	6
b) Total fiscal year payroll *(in thousands of euros)*	6,868	6,098	6,980	4,860	3,945
c) Total amount paid for employee benefits during the fiscal year *(in thousands of euros)*	2,289	2,033	2,327	1,620	1,315

(1) Based on the number of shares at December 31, 2020.

5.2.5. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France

To the Shareholders of Nexans,

OPINION

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Nexans for the year ended December 31st, 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31st, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Accounts, Audit and Risk Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of ethics (*code de déontologie*) for statutory auditors for the period from January 1st, 2020 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of shares in subsidiaries and affiliates

Description of risk

At December 31st, 2020, the carrying amount of the Company's shares in subsidiaries and affiliates amounted to €2,830 million.

The value in use of shares in subsidiaries and affiliates is assessed by the Company's management on the basis of various criteria that may correspond, depending on the situation, to historical or forecast data. As indicated in **Notes 3** and **8** to the financial statements, an impairment loss is booked when the fair value of these shares, which is based on their value in use, falls below their carrying amount. The company performed an impairment test on the investment's shares of its subsidiaries considering the impact of Covid-19 pandemic and the decrease in some activities as indicated in Note 8 to the financial statements

We deemed the valuation of shares in subsidiaries and affiliates to be a key audit matter due to their significance in the Company's financial statements and to the level of judgment required from management to determine and assess the value in use of each share.

How our audit addressed this risk

As part of our audit of the financial statements, our work mainly consisted in:

- examining the valuation undertaken by the Company, the methods used and the underlying assumptions;
- assessing the recoverable amount on the basis of the factors used in the estimate of value in use: actual and projected earnings, equity, the entity's business outlook, the economic environment, considering Covid-19 pandemic, and the entity's average share price for the most recent month;
- assessing the appropriateness of the related disclosures in Notes 3 and 8 of the financial statements.

Antitrust investigations and disputes

Description of risk

In the same way as all other industrial players, in view of the Company's wide geographic reach, it is required to comply with numerous national and regional laws and regulations, notably concerning commercial, customs and tax matters. In particular, the Company is involved in antitrust investigations and disputes as described in Note 16.6 to the financial statements, which notably describes the antitrust investigations initiated against the Company.

As indicated in Note 3 to the financial statements, provisions are recognized when the Company has a present obligation resulting from a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

We deemed this issue to be a key audit matter given the significance of the antitrust investigations and disputes and the level of judgment required from management to determine these provisions in multiple and constantly changing regulatory environments.

How our audit addressed this risk

As part of our audit of the financial statements, our work mainly consisted in:

- evaluating the procedures implemented by the Company to identify and list all antitrust investigations and disputes;
- carrying out interviews with the Company's Legal Department in order to obtain an understanding of the risks, as well as of the status of antitrust proceedings and investigations;
- assessing the factors used by the Company to determine the risks and provisions recognized at the end of the reporting period to cover the financial consequences (direct and indirect) of these disputes, with particular attention paid to the opinions of the Company's legal advisors;
- verifying that the significant risks and disputes identified during the implementation of these procedures are described appropriately in Note 16.6 to the financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors.

In accordance with French law, we report to you that the information relating to payment times referred to in Article D. 441-6 of the French Commercial Code (*Code de commerce*) is fairly presented and consistent with the financial statements.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L. 22-10-10 et L.22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (*Code de commerce*), we have verified their compliance with the source documents communicated to us. Based on these procedures, we have no observation to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of presentation of the financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No 2019/815 of 17 December 2018 to years beginning on or after January 1st, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*).

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Nexans by the Shareholder's meetings held on May 15th, 2006 for PricewaterhouseCoopers Audit and on May 5th, 2015 for Mazars.

As at December 31st, 2020, PricewaterhouseCoopers Audit and Mazars were in the 15th and 6th consecutive year of their engagement, respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Accounts, Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Accounts, Audit and Risk Committee

We submit a report to the Accounts, Audit and Risk Committee, which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Accounts, Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Accounts, Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce)* and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Accounts, Audit and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Courbevoie, March 24, 2021

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Édouard Demarcq	Isabelle Sapet


Nexans
Nexans
Nexans
Nexans
Nexans

6

INFORMATION ABOUT THE SHARE CAPITAL AND OWNERSHIP STRUCTURE

6.1. Nexans share information

NEXANS IS LISTED ON EURONEXT PARIS (COMPARTMENT A)

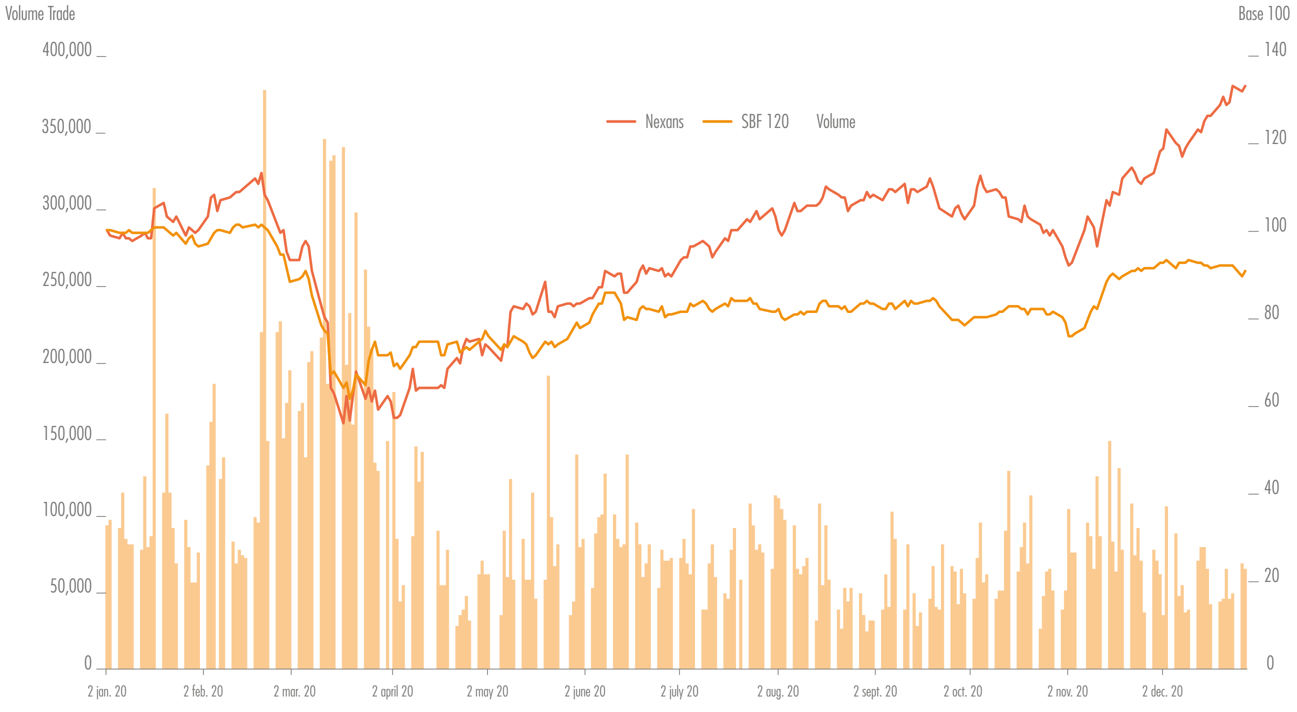
- Deferred settlement service
- ISIN code FR0000044448
- Par value: 1 euro

MARKET CAPITALIZATION AT DECEMBER 31, 2020

2.593 billion euros

SHARE PERFORMANCE

(in euros, from January 1, 2020 to December 31, 2020)



AVERAGE DAILY TRADING VOLUME IN 2020

92,128 shares

INDEX

- SBF 120

PER SHARE DATA

In euros (except ratios)	2020	2019	2018
Net assets[(1)]	27.79	27.73	30.39
Basic earnings/(loss) per share[(2)]	1.80	-2.81	0.32
Diluted earnings/(loss) per share[(3)]	1.76	-2.81	0.32
PER[(4)]	15.44	-9.87	94.95
Net dividend[(5)]	0.70	-	0.30
Dividend yields[(4)]	1.18%	-	1.23%

(1) Equity attributable to owners of the parent divided by the number of shares outstanding at December 31.
(2) Based on the weighted average number of shares outstanding.
(3) Earnings/(loss) per share if all securities carrying rights to the Company's ordinary shares are exercised, thereby increasing the total number of shares outstanding.
(4) Based on the December 31 share price.
(5) At the Annual Shareholders' Meeting of May 12, 2021 the Board of Directors will recommend a dividend payment of 0.70 euros per share for 2020.

STOCK MARKET DATA

Share price in euros *(except percentages)*	2020	2019	2018
High	59.85	43.58	52.06
Low	21.55	23.33	22.06
End-of-year close price	59.25	43.49	24.33
Change over the year	+34.63%	+80.46%	-52.46%
Change in the SBF 120 over the year	-7.56%	-12.31%	-11.36%
Change in the CAC 40 over the year	-8.11%	+27.48%	-10.55%
MARKET CAPITALIZATION AT DECEMBER 31[(1)]	**2,593**	**1,896**	**1,061**
Average daily trading volume[(2)]	92,128	125,579	239,893
Number of shares in issue at December 31	43,755,627	43,606,320	43,606,320
SHARE TURNOVER[(3)]	**0.21%**	**0.29%**	**0.55%**

(1) In millions of euros.
(2) In number of shares.
(3) Daily average over the year.

6.2. Share capital

At December 31, 2020, the Company's share capital stood at 43,755,627 euros, fully paid-up and divided into 43,755,627 shares with a par value of one (1) euro each. This amount includes the impact of the employee share issue which led to the creation of 499,621 new shares, and a reduction in capital via the cancellation of 350,314 shares held by the Company in treasury.

Each of the Company's shares carries one voting right.

6.2.1. ESTIMATED BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS AT DECEMBER 31, 2020

6.2.1.1. CHANGES IN THE COMPANY'S SHARE CAPITAL OVER THE LAST FIVE YEARS

Date	Transaction	Number of shares issued/canceled	Nominal amount of the transaction	Total amount of share capital (in euros) and number of shares
January 21, 2015	Share capital increase reserved for employees	499,862	€499,862	42,551,299
November 24, 2015	Capital increase following the vesting of free shares and performance shares	46,419	€46,419	42,597,718
July 27, 2016	Capital increase following the exercise of stock options	70,655	€70,655	42,668,373
July 27, 2016	Capital increase following the vesting of free shares and performance shares	83,450	€83,450	42,751,823
July 28, 2016	Share capital increase reserved for employees	483,612	€483,612	43,235,435
November 23, 2016	Capital increase following the vesting of free shares and performance shares	30,356	€30,356	43,265,791
January 18, 2017	Capital increase following the exercise of stock options	145,630	€145,630	43,411,421
July 26, 2017	Capital increase following the exercise of stock options	24,570	€24,570	43,435,991
January 22, 2018	Capital increase following the exercise of stock options	58,700	€58,700	43,494,691
July 18, 2018	Share capital increase reserved for employees	496,477	€496,477	43,991,168
July 25, 2018	Capital increase following the exercise of stock options	13,734	€13,734	44,004,902
July 25, 2018	Capital increase following the conversion of OCEANE bonds	12	€12	44,004,914
July 25, 2018	Capital reduction via cancellation of shares	400,000	€400,000	43,604,914
January 28, 2019	Capital increase following the conversion of OCEANE bonds	1,406	€1,406	43,606,320
November 13, 2020	Share capital increase reserved for employees	499,621	€499,621	44,105,941
December 17, 2020	Capital reduction via cancellation of shares	350,314	€350,314	43,755,627

6.2.1.2. POTENTIAL SHARE CAPITAL AT DECEMBER 31, 2020

At December 31, 2020, the following securities carried rights to the Company's shares:

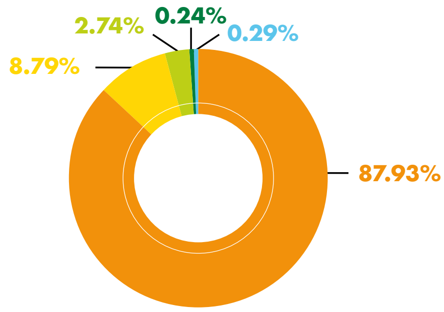
(1) The 830,900 performance shares (based on the achievement of maximum performance targets) granted to employees and corporate officers and not yet fully vested, representing approximately 1.89% of the Company's share capital at December 31, 2020.

(2) The 164,398 performance shares (not subject to performance targets) granted to employees and corporate officers and not yet fully vested, representing approximately 0.37% of the Company's share capital at December 31, 2020.

Except for the above-mentioned instruments, at December 31, 2020 there were no other securities that were convertible, redeemable, exchangeable or otherwise exercisable, directly or indirectly, for the Company's shares.

The Company's potential share capital, namely its existing capital plus any shares to be issued on the exercise of rights to the Company's shares, represented approximately 102.27% of the Company's capital at December 31, 2020.

6.2.1.3. ESTIMATED BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS[(1)] AT DECEMBER 31, 2020



- Institutional investors: 87.93% o/w:
  - Invexans Limited (UK) and Teck Pack (Quiñenco group, Chile): approximately 28.82% (12,610,914 shares)
  - Bpifrance Participations (France): 7.69% (3,363,546 shares)
- Private investors and employees: 8.79% (3,847,972 of shares) o/w:
  - Private investors: 4.69%
  - Employees: 4.10%
- Nominee shareholders: 2.74% (1,199,078 shares)
- Treasury stock: 0.24% (107,155 shares)
- Unidentified shareholders: 0.29% (125,162 shares)

Sources: Euroclear France, Nexans share register, shareholder identification survey and threshold disclosures filed with the AMF.

As the Company's ownership structure changes frequently, the above breakdown is not necessarily representative of the situation at the date this Universal Registration Document was published.

At December 31, 2020, corporate officers owned approximately 7.77%[(2)] of Nexans' share capital.

To the best of the Company's knowledge, no shareholder other than those cited above holds more than 5% of the share capital.

At December 31, 2020, the Company held 107,155 of its own shares in treasury and each member of the Board of Directors held at least the minimum number of shares set out in the Company's bylaws, with the exception of one of the directors representing employees who is exempt from this requirement.

Nexans is not aware of the existence of any individual or legal entity that, directly or indirectly, acting alone or in concert, exercises control over its share capital, nor of any agreement that, if implemented, could trigger a change of control of the Company.

(1) For resolutions in Extraordinary Shareholders' Meetings that relate to major structural transactions (such as mergers and significant capital increases) no single shareholder may exercise voting rights representing more than 20% of the total voting rights of shareholders present or represented at the meeting concerned (see Article 21 of the Company's bylaws).
(2) Including the shares held by Bpifrance Participations, director of Nexans since May 15, 2019.

6.2.2. ESTIMATED OWNERSHIP STRUCTURE BY GEOGRAPHIC AREA

At December 31, 2020, Nexans' estimated ownership structure by geographic area was as follows:

Institutional investors – France	24.91%
Institutional investors – United States	15.51%
Institutional investors – UK and Ireland	8.11%
Institutional investors – Other European countries	10.18%
Institutional investors – Other countries (incl. South America)	29.22%
Private investors	4.69%
Employees	4.10%
Treasury stock	0.24%
Nominee shareholders	2.74%
Unidentified shareholders	0.29%

Sources: Euroclear France, Nexans share register, shareholder identification survey and threshold disclosures filed with the AMF.

6.2.3. LEGAL THRESHOLD DISCLOSURES FILED IN 2020

No threshold disclosures were filed with the AMF in 2020.

6.2.4. CHANGES IN NEXANS' OWNERSHIP STRUCTURE OVER THE LAST THREE YEARS

Shareholders	Estimated situation at December 31, 2018			Estimated situation at December 31, 2019			Estimated situation at December 31, 2020		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
Institutional investors	37,768,909	86.61	86.61	37,283,160	85.50	85.50	38,476,260	87.93	87.93
Employees	2,051,005	4.70	4.70	1,953,445	4.48	4.48	1,794,208	4.10	4.10
Executive directors	27,134	0.06	0.06	3,395,826	7.78	7.78	3,400,849	7.77	7.77
Private investors	3,460,724	7.94	7.94	3,158,086	7.24	7.24	2,053,764	4.69	4.69
Treasury stock	234,324	0.54	0.54	156,485	0.36	0.36	107,155	0.24	0.24
Unidentified shareholders	64,224	0.15	0.15	116,502	0.27	0.27	125,162	0.29	0.29

6.3. Employee shareholding

The proportion of the Company's share capital owned by employees, calculated in accordance with Article L.225-102 of the French Commercial Code *(Code de commerce)*, was 4.10% at December 31, 2020.

6.4. Shareholders' Meetings

6.4.1. MEETINGS

Nexans' shareholders are called to General Meetings and vote in accordance with the applicable legal provisions and the Company's bylaws.

Information on General Shareholders' Meetings and the procedures for exercising voting rights is provided in Articles 20 (Shareholders' Meetings) and 21 (Voting Rights) of Nexans' bylaws, which can be viewed on Nexans' website (www.nexans.com, Corporate Governance section).

At the Shareholders' Meeting held on November 10, 2011, the "one-share-one-vote rule" was adopted to replace the double voting rights attached to shares owned by a single shareholder for more than two years.

At the same meeting, shareholders raised the 8% limit on each shareholder's total voting rights in a Shareholders' Meeting to 20%, applicable only to decisions made at Extraordinary Shareholders' Meetings on major transactions affecting the structure of the Group. This limit prevents any single major shareholder from having a right to veto strategic decisions and is therefore in the interest of all shareholders. At the Annual Shareholders' Meeting held on May 15, 2014, Article 21 of the bylaws was amended to stipulate that the automatic double voting rights provided for by the French law to regulate the real economy, enacted on March 29, 2014, would not apply to Nexans.

6.4.2. 2021 ANNUAL SHAREHOLDERS' MEETING

Nexans' 2021 Annual Shareholders' Meeting will be held on May 12, 2021. The notice for the meeting, containing the agenda, information on how to participate in the meeting, the proposed resolutions and the Board of Directors' report on the resolutions – will be available on Nexans' website www.nexans.com/asm2021.

6.5. Summary of authorizations to increase the Company's share capital and their use during 2020

Resolutions approved at the Annual Shareholders' Meetings of May 15, 2019 and May 13, 2020	Limit for each resolution[1]	Sub-limits applicable to several resolutions[1]	Limits applicable to several resolutions[1]	Use during fiscal 2020
CAPITAL INCREASES WITH AND WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS FOR EXISTING SHAREHOLDERS				
Issuance of ordinary shares or securities (French ORAs, OBSAs, OCEANEs, ABSAs, ABSOs, ABSARs) with preferential subscription rights (R19 - 2019 AGM), with a greenshoe option if over-subscribed (R23 – 2019 AGM)	€14,000,000 or 14,000,000 shares (≈32% of the share capital as of December 31, 2019) Money market securities = €350,000,000	-		-
Issuance of ordinary shares via the capitalization of premiums, reserves or profits, or any other sum, the capitalization of which is authorized (R20 – 2019 AGM)	€14,000,000 or 14,000,000 shares (≈32% of the share capital as of December 31, 2019)	-		-
Issuance of ordinary shares or securities (French ORAs, OBSAs, OCEANEs) without preferential subscription rights via a public offering (R21 – 2019 AGM) with a greenshoe option if over-subscribed (R23 - 2019 AGM) or an issuance of ordinary shares or securities representing debt and granting rights to equity securities (French ORAs, OBSAs, OCEANEs) via a private placement (R22 – 2019 AGM) with a greenshoe option if over-subscribed (R23 – 2019 AGM)	€4,360,000 or 4,360,000 shares (< 10% of the share capital) Money market securities = €350,000,000	€4,360,000 or 4,360,000 shares (< 10% of the share capital)	€14,000,000 or 14,000,000 shares Shares or securities representing debt and granting rights to equity securities = €350,000,000	-
Issuance of ordinary shares and securities granting rights to equity securities in consideration of tendered securities: as a method of payment for acquisitions (R24 – 2019 AGM)	€4,360,000 or 4,360,000 shares (< 10% of the share capital)			-
EMPLOYEE INCENTIVE PLANS				
Issuance of ordinary shares or securities granting rights to equity securities and reserved for employees who are members of company savings plans (R25 – 2019 AGM)	€400,000 i.e. 400,000 shares	-		Issue of 399,996 shares on November 13, 2020
In the event that the above delegation is used, an issuance of ordinary shares or securities granting rights to equity securities for the benefit of a credit institution for the purpose of implementing an SAR (stock appreciation right) type alternative formula, in favor of certain foreign employees (USA, Italy, Chile, China, South Korea, Greece, Sweden) (R26 – 2019 AGM)	€100,000 i.e. 100,000 shares			Issue of 99,625 shares on November 13, 2020
Allocation of performance shares in 2020 (R27 – 2019 AGM)	€300,000 i.e. 300,000 shares	-	-	Allocation of 291,350 performance shares on March 17, 2020
Allocation of free shares in 2020 (R28 – 2019 AGM)	€50,000 i.e. 50,000 shares			Allocation of 50,000 shares without performance conditions on March 17, 2020
Allocation of performance shares in 2021 (R16 – 2020 AGM)	€300,000 i.e. 300,000 shares	-	-	-
Allocation of free shares in 2021 (R17 – 2020 AGM)	€50,000 i.e. 50,000 shares	-	-	-

(1) The maximum number of shares that may be issued corresponds to the maximum nominal amount of the capital increases that could take place as the par value of a Company share is equal to 1 euro.

In the above table, the abbreviation "R... – 2019 AGM" stands for the number of the resolution submitted for approval at the Annual Shareholders' Meeting of May 15, 2019.
In the above table, the abbreviation "R... – 2020 AGM" stands for the number of the resolution submitted for approval at the Annual Shareholders' Meeting of May 13, 2020.

6.6. Share buybacks

6.6.1. SHARE BUYBACKS IN 2020

In 2020, the Company was authorized to implement share buyback programs pursuant to the resolutions to this effect approved at the Annual Shareholders' Meetings of May 15, 2019 and May 13, 2020.

In accordance with Articles L.22-10-62 *et seq.* of the French Commercial Code *(Code de Commerce)*, the Annual Shareholders' Meeting of May 15, 2019 gave the Company an 18-month authorization to buy back its own shares provided that a takeover bid for the Company was not in progress, for the purposes and by the methods specified in the description of the buyback program published on the Company's website. The buyback price was capped at 60 euros per share (or the equivalent on the transaction date in foreign currency) and the number of shares that could be bought back at any time under the program was capped at 10% of the Company's share capital.

At its meeting on March 17, 2020, the Board of Directors decided to use the above-mentioned authorization to launch a 30 million euro share buyback program for a maximum of 500,000 shares that complies with the conditions set out in Article 5 of the EU Market Abuse Regulation (Regulation No 596/2014 dated April 16, 2014).

In 2020, a total of 350,314 shares were bought back for cancellation at a weighted average price of 27.4023 euros per share, representing a total cost of 9.6 million euros. The Company did not use any derivative instruments.

These 350,314 shares were canceled following a decision of the Board of Directors taken on December 17, 2020.

At December 31, 2020, the Company directly held 107,155 shares with a par value of 1 euro, representing approximately 0.24% of the share capital. These shares were bought back at a total cost of 3.9 million euros.

6.6.2. DESCRIPTION OF THE SHARE BUYBACK PROGRAM PRESENTED IN APPLICATION OF ARTICLES 241-1 *ET SEQ.* OF THE GENERAL REGULATIONS OF THE AMF

The following description of the share buyback program to be submitted for approval at the Annual Shareholders' Meeting on May 12, 2021 has been prepared in application of Article 241-2 of the General Regulations of the AMF.

NUMBER OF SHARES AND PERCENTAGE OF THE SHARE CAPITAL HELD BY THE COMPANY

As of December 31, 2020, the Company held 107,155 of its own shares directly or indirectly, representing 0.24% of the share capital.

ALLOCATION OF THE SHARES HELD AS OF DECEMBER 31, 2020 BASED ON THE PURPOSE FOR WHICH THEY WERE ACQUIRED

The 107,155 shares held by the Company in treasury have been allocated to the free share plan for eligible employees and corporate officers governed by Articles L.22-10-59 *et seq.* of the French Commercial Code *(Code de Commerce)*.

The Company canceled 350,314 shares following a decision of the Board of Directors taken on December 17, 2020. None of these shares were re allocated for any other purposes. The Company did not use any derivative instruments and did not hold any open positions.

PURPOSES OF THE SHARE BUYBACK PROGRAM

Subject to approval of the resolution submitted to the Annual Shareholders' Meeting of May 12, 2021, the shares bought back under the authorization will be used to:

- grant free shares to eligible employees and corporate officers in accordance with Articles L.22-10-59 *et seq.* of the French Commercial Code *(Code de Commerce)*; or
- implement stock option plans governed by Articles L.22-10-56 *et seq.* of the French Commercial Code *(Code de Commerce)* or any similar plan; or
- allocate or sell shares to employees under the statutory profit-sharing plan or any company savings plan provided for by law, including Articles L.3332-1 *et seq.* of the French Labor Code *(Code du Travail)* or any other employee stock ownership plan governed notably by foreign laws, and carry out any hedging transactions related to the above free share, stock option and employee stock ownership plans; or
- generally, meet any obligations associated with stock option plans or other plans for the allocation of shares to employees or corporate officers of the Company or a related company; or
- cancel all or some of the bought back shares; or
- permit an investment service provider to make a market in Nexans shares under a liquidity agreement that complies with the AMF-approved ethics charter; or
- deliver shares upon exercise of rights attached to securities redeemable, convertible, exchangeable or exercisable for shares upon presentation of a warrant or otherwise; or
- deliver shares (in exchange, payment or otherwise) in connection with an acquisition, merger, demerger or capital contribution, provided that the number of shares delivered does not represent more than 5% of the share capital.

However, in the event of a takeover bid for the Company, the Board of Directors would not be authorized to implement the buyback program during the offer period, unless specifically authorized to do so by the shareholders in the General Meeting.

MAXIMUM PERCENTAGE OF THE SHARE CAPITAL, MAXIMUM NUMBER AND CHARACTERISTICS OF THE SHARES THAT THE COMPANY PLANS TO ACQUIRE AND MAXIMUM PURCHASE PRICE

Subject to approval of the related resolution submitted to the Annual Shareholders' Meeting of May 12, 2021, the Company will be authorized to buy back Nexans shares (ISIN FR0000044448) traded in compartment A of Euronext Paris at a maximum price of 100 euros per share. The maximum amount that may be invested in the program would be capped at 100 million euros and the buybacks would not result in the Company holding in treasury more than 10% of its share capital. The shares could be purchased, sold, exchanged or transferred at any time within the limits authorized by the laws and regulations in force on the transaction date, by any method, on- or off-market, via multilateral trading systems, transactions with systematic internalizers or over-the-counter transactions, including in the form of block trades (without any limit on the proportion of the program implemented by this method), or through a public buyback or exchange offer.

DURATION OF THE BUYBACK AUTHORIZATION

In accordance with Article L.22-10-62 of the French Commercial Code *(Code de Commerce)* and the resolution to be submitted to the Annual Shareholders' Meeting of May 12, 2021, the authorization to buy back shares is being sought for a period of 18 months as from May 12, 2021.

6.7. Information with a potential impact in the event of a public offer

In addition to the commitments given to Christopher Guérin in his capacity as Chief Executive Officer, as described in Chapter 2, "Compensation policy for directors and executive directors for 2021", certain salaried members of the Company's Executive Committee would be entitled, in the event of termination of their employment contract (for any reason other than gross negligence or serious misconduct), to an indemnity representing one or two years of their total gross compensation.

As of December 31st, 2020, the following commitments contain provisions relating to a change in control of the Company:

(1) The syndicated loan agreement (Multicurrency Revolving Facility Agreement), effective from December 14, 2015, and amended on December 12, 2018, for an amount of 600 million euros and which contains an acceleration clause that would be triggered by a change in control of the Company.

(2) The prospectus for the issuance of the 3.25% OCEANE bonds redeemable in 2021, which provides bondholders with an early redemption option at 101% of the bonds' face value in the event of a change in control of the Company leading to a rating downgrade.

(3) The prospectus for the issuance of the 3.75% ordinary bonds redeemable in 2023, which provides bondholders with an early redemption option at 101% of the bonds' face value in the event of a change in control of the Company leading to a rating downgrade.

(4) The prospectus for the issuance of the 2.75% ordinary bonds redeemable in 2024, which provides bondholders with an early redemption option at 101% of the bonds' face value in the event of a change in control of the Company leading to a rating downgrade.

The multi-year "On Balance Sheet" securitization program set up in April 2010, rolled over for five years in March 2015 and amended in May 2017, under which the amount of receivables that could be sold was capped at 80 million euros, ended in March 2020.

6.8. Shareholder information

Nexans strives to earn the trust of shareholders by engaging openly with them and providing them with transparent information.

DEDICATED COMMUNICATION CHANNELS

Each year the Group publishes several documents for information and transparency purposes:

- a Universal Registration Document;
- a "Shareholder Newsletter", with information of specific interest to shareholders. The newsletters highlight significant events within the Group: financial results, awards, new product launches and customer-focused innovations;
- Nexans also publishes an integrated report that provides information to stakeholders (shareholders, customers and employees) as well as to larger communities on the value created by the Group on a daily basis and how it considers developing and improving this process over the short, medium and long term.

Digitalized communications is an area of key importance to the Group and a section entitled Nexans Insights, is available on the Company's website, Nexans.com, to cater more effectively to stakeholder requirements.

In Nexans Insights, Group experts focus on a specific market trend or development, an innovation or a service provided by the Group. These blogs provide additional insight about what is going in the Company and they are another new feature of an attractive website that provides users with a better navigation experience thanks to a streamlined structure and more responsive user interface compatible with all devices (mobile phones, tablets, PCs). Nexans Insights is a great addition to Nexans.com whose stated purpose is to forge closer links with customers, shareholders, employees and everyone who is serious about the energy and digital transition.

Nexans also uses the web to showcase its innovative mindset.

Since summer 2020, Nexans has been publishing Perspectives, an online magazine in which it voices its opinions on the major issues affecting our common future, namely climate change, electrification and technological innovation. Perspectives is another opportunity for the Group to strengthen ties with its entire ecosystem, capturing as it does the zeitgeist of our times, and providing both the information and the insight to address the future with confidence.

In general, all economic and financial information concerning the Group is available on Nexans' website at www.nexans.com.

All queries may be submitted for swift handling via e mail to investor.relations@nexans.com.

OPEN DIALOGUE

Nexans ensures that its shareholders and investors receive timely and relevant information about its businesses, results, strategy, business model, key CSR related imperatives and long-term outlook. Every year, it organizes a series of roadshows to promote discussion with institutional investors and often participates in conferences organized by analysts that follow the Company on a regular basis.

The 2020 Annual Shareholders' Meeting was held behind closed doors, on first call, on May 13, 2020 at the Company's registered office. It was broadcast live and will be available on Nexans' website at www.nexans.com for a year.

REGISTERED SHARES

When shareholders register their shares directly with Nexans there are no custody fees. Registered shareholders are also sent information directly about the Group, including the notice for the Annual Shareholders' Meetings.

Shareholders wishing to convert their shares to registered form can contact Société Générale Securities Services, at the following address:

Société Générale Service des Titres 32, rue du Champ de Tir – BP 81236 44312 Nantes Cedex 3 – FRANCE

Tel: +33 (0)2 51 85 67 89, then press *122
Fax: +33 (0)2 51 85 53 42


Nexans

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ADDITIONAL INFORMATION

7.1. Information about the Group and the Company

7.1.1. SIMPLIFIED ORGANIZATIONAL STRUCTURE[1]

NEXANS S.A.

NEXANS PARTICIPATIONS S.A. (FRANCE)

Europe	France	Nexans Interface, Nexans Power Accessories France, Eurocable, Recycables[4], Lixis, Linearis, Nexans Wires, TLM, IES Energy[4], Nexans Financial and Trading Services[2], Nexans Solar Technologies
	Germany	Nexans Deutschland, Nexans Logistik, Nexans Superconductors, Nexans Power Accessories Germany, Nexans Autoelectric, Leitungstechnik Ostbayern (LTO), Elektrokontakt, Metrofunkkabel-Union, Kabeltrommel, Kabeltrommel GmbH & Co, Logistics Warehousing Systems GmbH
	Belgium	Nexans Benelux, Nexans Harnesses, Nexans Network Solutions, Opticable, Nexans Services, Cablebel, Cablinter
	Bulgaria	Makris GPH, Elektrokabel Bulgaria
	Denmark	Nexans Industry Solutions
	Spain	Nexans Iberia
	Greece	Nexans Hellas, Opticable Greece
	Itay	Nexans Italia, Nexans Intercablo, Nexans Partecipazioni Italia
	Lituania	Gerhardt Petri Vilnius UAB
	Luxembourg	Nexans Ré[3]
	Norway	Nexans Norway, Nexans Skagerrak, Nexans Subsea Operations
	Netherlands	Nexans Nederland, Nexans Cabling Solutions
	Poland	Nexans Polska, NPAP Sp Zo.o
	Czech Republic	Elektrometall Sro, Elektromodul Sro, GPH Spol
	Romania	Nexans Romania, Elektrokontakt
	United Kingdom	Nexans UK, Nexans Logistics, Nexans Power Accessories UK
	Slovakia	Nexans Slovakia, Elekroconnect Sro
	Sweden	Nexans Sweden, Axjo Kabel, Elproman AB
	Switzerland	Nexans Suisse, Confecta, Voltimum[4]
	Ukraine	Elektrokontakt Ukraina TzOV, TOV Nexans Ukrain
Middle East, Russia, Africa	South Africa	Nexans Trade, Isotech
	Angola	Nexans Angola
	Ivory Coast	Nexans Côte d'Ivoire
	Egypt	ICC
	United Arab Emirates	Nexans Trade JLT
	Ghana	Nexans Kabelmetal Ghana
	Kazakhstan	Nexans Kazakhstan
	Kenya	Nexans Power Network Kenya Limited
	Morocco	Nexans Maroc, Sirmel, Tourets et Emballages du Maroc, Coprema, Imouka, Nexans Interface Maroc
	Nigeria	Nexans Kabelmetal Nigeria[4], Northern Cable Processing and Manufacturing Company[4], Nexans Power Networks Nigeria, Nexans Subsea Energy Nigeria
	Qatar	Qatar International Cable Company[4]
	Russia	Impex Electro[4]
	Senegal	Sirmel Sénégal, Les Câbleries du Sénégal
	Tunisia	Nexans Tunisia, Electrocontact Tunisie
	Turkey	Nexans Turkiye Endustri Ve Ticaret
North America	Canada	Nexans Canada
	United States	Nexans USA, Nexans Energy USA, Nexans Magnet Wire USA, Autoelectric America, Nexans High Voltage USA, AmerCable Incorporated, Nexans Specialty Holding
South America	Brazil	Nexans Brazil
	Colombia	Nexans Colombia
	Mexico	Elektrokontakt S. de R.L de C.V, Mexico
Asia-Pacific	Australia	Olex Australia Pty, Olex Holding Pty, Nexans Australia Holding Pty
	China	Nexans (China) Wires & Cables Co., Nexans Hong Kong, Nexans Communications (Shanghai) Cable Co., Nexans Autoelectric (Tianjin), Nexans Yanggu, New Rihui Cables Co., Nexans (Suzhou), Cables Solution Co., Nexans Cable (Tianjin) Co., Ltd.
	South Korea	Nexans Korea, Kukdong Electric Wire Co., Nexans Daeyoung Cable
	Indonesia	PT Nexans Indonesia
	Japan	Nippon High Voltage Cable Corporation
	New Zealand	Nexans New Zealand
	Singapore	Nexans Singapore Pte

INVERCABLE (CHILE)	Nexans Chile, Cotelsa, Colada Continua[4], Inversiones Nexans Uno, Centro Estudios y capacitation Nexans
INVERCABLE (PERU)	Indeco Peru, Cobrecon[4]
NEXANS FRANCE SAS (FRANCE)	Liban Cables, Liban Cables Contracting, Liban Cables Packing, Cables Technology Invest Holding Company[4]

(1) Simplified operational structure at December 31, 2020 Nexans' main direct and indirect subsidiaries are listed in Note 31 to the 2020 consolidated financial statements.
(2) The company responsible for the Group's cash management.
(3) The Group's captive reinsurance company.
(4) Companies in which Nexans holds a minority interest.

7.1.2. GENERAL INFORMATION

7.1.2.1. COMPANY PROFILE

Corporate name and registered office: Nexans
4 Allée de l'Arche, 92400 Courbevoie, France
Tel: + 33 (0)1 78 15 00 00

7.1.2.2. LEGAL FORM AND GOVERNING LAW

Nexans is a French joint stock corporation *(société anonyme)*, subject to all the laws governing corporations in France, and in particular the provisions of the French Commercial Code.

7.1.2.3. TRADE REGISTER NUMBER

The Company is registered in the Nanterre Trade Register under number 393 525 852. Its APE business identifier code is 7112B.

7.1.2.4. DOCUMENTS AVAILABLE TO THE PUBLIC

Nexans' bylaws, the financial statements of the Company and the Group, reports submitted to the Shareholders' Meetings by the Board of Directors and the Statutory Auditors, and all other corporate documents that may be consulted by shareholders in accordance with the applicable laws and regulations are available at the Company's registered office and, in some cases, on Nexans' website at www.nexans.com. This website also contains the legal and financial information that has to be published in accordance with Articles 221-1 *et seq.* of the General Regulations of the AMF, the Internal Regulations of the Board of Directors, and Nexans' Code of Ethics and Business Conduct.

7.1.2.5. DATE OF INCORPORATION AND TERM

The Company was incorporated on January 5, 1994, under the name «Atalec» (changed to «Nexans» at the Shareholders' Meeting held on October 17, 2000), for a term of 99 years which will expire on January 7, 2093. Nexans was formed from most of the cable activities of Alcatel, which is no longer a Nexans shareholder and was floated on the Paris stock market in 2001.

7.1.2.6. CORPORATE PURPOSE (SUMMARY OF ARTICLE 2 OF THE BYLAWS)

The Company's purposes in all countries are the design, manufacture, operation and sale of any and all equipment, materials and software for domestic, industrial, civilian, military or other applications in the fields of electricity, telecommunications, information technology, electronics, the aerospace industry, nuclear power, and metallurgy, and in general any and all means of production or means of power transmission and communications (cables, batteries and other components), as well as all activities relating to operations and services which are incidental to these purposes. The acquisition of shareholdings in other companies, regardless of their form, associations, French and foreign groups, regardless of their corporate purpose and activity, as well as, in general, any and all industrial, commercial and financial transactions, involving both securities and real estate, related either directly or indirectly, in whole or in part, to any of the purposes of the Company indicated in the bylaws or to any similar or related purposes.

7.1.2.7. FISCAL YEAR

The Company's fiscal year begins on January 1 and ends on December 31.

7.1.3. SPECIFIC PROVISIONS OF THE COMPANY'S BYLAWS

7.1.3.1. FORM OF SHARES, EVIDENCE OF OWNERSHIP AND DISCLOSURE THRESHOLDS (ARTICLE 7 OF THE BYLAWS)

Shares must be held in registered form until they are fully paid up.

Fully paid-up shares may be held in either registered or bearer form, at the shareholder's discretion.

In addition to the legal requirement to inform the Company of holdings exceeding certain fractions of the Company's share capital, any individual or legal entity and/or any existing shareholder whose interest in the Company attains or exceeds 2% of the share capital must notify the Company of the total number of shares held within a period of fifteen days from the time the threshold is crossed; this notification shall be sent by registered letter with return receipt requested. The same disclosure formalities must be carried out each time the threshold of a multiple of 2% of the share capital is crossed. To determine the thresholds, all shares held indirectly shall be taken into account as well as all the forms of shareholding covered by Articles L.233-7 *et seq.* of the French Commercial Code.

In each notification filed as set forth above, the party making the disclosure must certify that it covers all shares held or deemed to be held pursuant to the foregoing paragraph. They must also disclose the relevant acquisition date(s).

In the event of non-compliance with these disclosure obligations and subject to applicable law, the shareholder shall forfeit the voting rights corresponding to any shares that exceed the thresholds which should have been disclosed. Any shareholder whose stake in the share capital falls below any of the above-mentioned thresholds must also notify the Company within fifteen days, in the same manner as described above.

Ownership of shares is evidenced by an entry in the shareholder's name in the share register held by the issuer or by an accredited intermediary. Transfers of registered shares are made by inter account transfer. All share registrations, payments and transfers shall be made in accordance with the applicable law and regulations. Unless the shareholders concerned are exempted by law, the Company may require that the signatures on disclosures or transaction or payment orders be certified in accordance with the prevailing law and regulations.

In accordance with the applicable laws and regulations the Company may request from any accredited intermediary or other body any information on its shareholders or holders of securities carrying immediate or deferred voting rights, including their identity, the number of securities held and any restrictions on the securities.

7.1.3.2. SHAREHOLDERS' MEETINGS (SUMMARY OF ARTICLE 20 OF THE BYLAWS)

Shareholders' meetings are convened and conduct business in accordance with the provisions set forth by law and the Company's bylaws. When the required quorum is reached, the Shareholders' Meeting represents all the shareholders. Its resolutions are binding on all shareholders, including those who were absent or dissenting at the meeting concerned. In addition, if decided by the Board of Directors, shareholders may participate in and vote at meetings by videoconference or any other remote transmission method that enables them to be identified, in accordance with the terms and methods set forth by law.

For shareholders to be eligible to attend General Meetings, cast a postal or electronic vote or be represented by proxy the following conditions must be met:

- registered shares must be recorded in the name of their owner in the share register managed by the Company or by its accredited intermediary;
- holders of bearer shares must provide a certificate evidencing ownership of their shares, in accordance with the law.

Postal votes and proxy documents may be signed electronically by shareholders or their legal or judiciary representative provided that the identification requirements set out in Article 1367 of the French Civil Code are respected. In order for postal votes to be taken into consideration they must be received by the Company at least one business day before the meeting (by 3 p.m. CET at the latest), unless a shorter timeframe is provided for under the applicable laws and regulations.

7.1.3.3. VOTING RIGHTS (ARTICLE 21 OF THE BYLAWS)

Subject to applicable law and the Company's bylaws, each shareholder shall have a number of votes equal to the number of shares that they hold or represent. As an exception to the last paragraph of Article L.22-10-46 of the French Commercial Code, the Company's bylaws do not provide for any double voting rights. Voting rights are exercisable by the beneficial owner at all Ordinary, Extraordinary and Special Shareholders' Meetings.

7.1.3.4. RESTRICTIONS ON VOTING RIGHTS (ARTICLE 21 OF THE BYLAWS)

Regardless of the number of shares held directly and/or indirectly, when voting on the following types of resolution at Extraordinary Shareholders' Meetings, either in person or by proxy, a shareholder may not exercise a number of voting rights representing more than 20% of the voting rights of all shareholders present or represented at the meeting concerned:

(i) Any resolutions relating to any form of reorganization transaction in which the Company is involved and which has an impact on the share capital and/or equity of any participating or resulting entity. Such reorganization transactions notably include partial asset transfers – including those governed by the legal regime applicable to demergers – as well as share for share exchanges, mergers, demergers, partial demergers, reverse mergers or any other similar transactions.

(ii) Any resolutions relating to a public tender offer, public exchange offer, alternative public offer or combined public offer, initiated by or with respect to the Company, including resolutions on how to defend against a takeover bid.

(iii) Any resolutions – other than those related to the transactions referred to in points (i) and (ii) above – that concern capital increases carried out through the issuance of either (a) ordinary shares representing over 10% of the Company's total outstanding ordinary shares at the date of the Extraordinary Shareholders' Meeting concerned and/or (b) securities carrying rights to shares in the Company within the meaning of Articles L.228-91 *et seq.* of the French Commercial Code, when the exercise of such rights could result in a capital increase representing over 10% of the Company's total outstanding ordinary shares at the date of the relevant Extraordinary Shareholders' Meeting.

(iv) Any resolutions relating to a distribution in kind carried out equally for all shareholders.

(v) Any resolutions concerning voting rights, except for resolutions relating to (a) creating double voting rights, (b) lowering the limit on voting rights to below 20%, or (c) extending the list of resolutions subject to the 20% voting rights limit.

(vi) Any resolutions concerning delegating powers to the Board of Directors in connection with any of the transactions referred to in points (i) to (v) above.

For the purpose of applying this voting rights limit, all shares held indirectly shall be taken into account, as well as all the forms of shareholding covered by Articles L.233-7 *et seq.* of the French Commercial Code.

The above-described limit shall automatically become null and void if an individual or legal entity (acting alone or in concert with one or more other persons or legal entities) holds at least 66.66% of the total number of shares in the Company, following a public tender or exchange offer for all of Nexans' shares.

7.1.3.5. APPROPRIATION OF INCOME (ARTICLE 23 OF THE BYLAWS)

The difference between revenue and expenses for the year, net of any provisions, constitutes the net income or loss for the year as recorded in the income statement. Five percent of the net income, less any losses brought forward from prior years, is transferred to the legal reserve until such time as the legal reserve represents one tenth of the share capital. Further transfers are made on the same basis if the legal reserve falls below one tenth of the share capital, whatever the reason. Further transfers are made on the same basis if the legal reserve falls below one tenth of the share capital, whatever the reason.

Income available for distribution consists of net income for the year less any losses brought forward from prior years and any transfer made to the legal reserve as explained above, plus retained earnings brought forward from prior years. On the recommendation of the Board of Directors, shareholders in a general meeting may appropriate all or part of said income to retained earnings or to general or special reserves, or decide to pay all or part of the amount to shareholders in the form of a dividend. In addition, the shareholders may resolve to distribute amounts taken from discretionary reserves either to pay all or part of a dividend or as an exceptional dividend. In this case, the resolution shall indicate specifically the reserve account from which the payments are to be made. However, dividends will first be paid out of distributable income for the year.

Shareholders at an Ordinary General Meeting may decide to offer each separate shareholder the option of receiving all or part of the final dividend or any interim dividend in the form of shares instead of cash.

In the event of interim dividends, the Shareholders' Meeting or the Board of Directors shall determine the date on which the dividend is to be paid.

7.1.4. MATERIAL CONTRACTS

Apart from contracts entered into in the ordinary course of business, including acquisition, divestment and financing contracts relating to current bond debt and the multicurrency revolving facility agreement, as described in this Universal Registration Document in **Note 26** Financial risks to the 2020 consolidated financial statements and the receivables securitization program described in **Note 26.A** Liquidity risks to the 2020 consolidated financial statements, no other material contracts were entered into by the Company and/or any other member of the Group in the two years immediately preceding the publication of this Universal Registration Document which contain provisions under which any member of the Group has an obligation or entitlement that could have a material impact on the Group's operations, financial position or cash flow.

7.1.5. INVESTMENTS

Nexans' capital expenditure came to 250 million euros in 2020 (versus 238 million euros in 2020).

Capital expenditure during the year was mainly focused on four segments: the acquisition of a new cable-laying vessel and the transformation of the Charleston plant to serve the high voltage submarine cables market, the development of new products, improving the reliability of the manufacturing processes and strengthening sites that play a leading role on their markets.

The investments made in the Group's European plants were mainly dedicated to making the production lines more reliable and reducing production costs.

The Group's overall capital expenditure in 2020 was distributed as follows: 23% for projects relating to the harness market, 23% for plant maintenance, 19% for expansion projects, 15% for cost reduction projects, 10% for IT improvements and 7% for environmental and safety improvements, including reducing greenhouse gas emissions, thereby contributing to the Group's environmental policy which aims, in particular, to combat global warming.

In 2021, the Group intends to pursue its capital expenditure programs for energy infrastructure cables, particularly in North America, as well as for automotive harnesses and the digitalization of its reference sites.

7.1.6. PROPERTY, PLANT AND EQUIPMENT

The Group's plants and facilities are located in 43 countries around the world, and they represent a wide range of sizes and types of business.
Most of the Group's property, plant or equipment do not individually represent a material amount for the Group as a whole (i.e., an amount exceeding 5% of the Group's total gross property, plant, and equipment – replacement value). Only two sites exceed this 5% proportion: Halden in Norway (approximately 7%) and Cortaillod in Switzerland (just over 6%).

As an industrial group, Nexans does not own significant non-operating real estate assets.

7.1.7. LEGAL AND ARBITRATION PROCEEDINGS

To the best of the Company's knowledge, other than the cases referred to in this Universal Registration Document, there are no governmental, administrative, legal or arbitration proceedings (including any such proceedings that are pending or threatened) which may have, or have had in the past twelve months, a material impact on the financial position or profitability of the Company and/or the Group, taking into account provisions already recognized, insurance coverage in place and the possibility of recourse against third parties, and based on Management's assessment of the probability of a material impact occurring in view of these factors. The cases referred to in this Universal Registration Document are described in (i) Chapter 3, section 3.1., Risk factors, and (ii) Note 22 Provisions and Note 29 Disputes and contingent liabilities to the 2020 consolidated financial statements.

7.2. List of related-party agreements

7.2.1. AGREEMENTS REMAINING IN FORCE IN 2020

In accordance with Article L.225-40-1 of the French Commercial Code, at its meeting on February 16, 2021 the Board of Directors reviewed the agreements entered into in prior years which remained in force during 2020.

7.2.1.1. CORPORATE OFFICER INVOLVED: ANNE LEBEL, NEXANS BOARD MEMBER AND NATIXIS CHIEF HUMAN RESOURCES AND CORPORATE CULTURE OFFICER AND A MEMBER OF NATIXIS EXECUTIVE MANAGEMENT UNTIL JULY 20, 2020

The agreements referred to below were entered into while Anne Lebel, Nexans Board Member, was Natixis Chief Human Resources and Corporate Culture Officer and a member of Natixis Executive Management. She stepped down from her duties at Natixis on July 20, 2020. Therefore, since this date, these agreements are no longer considered related party agreements.

Addendum to the multi-currency revolving credit facility of December 14, 2015

On November 7, 2018, the Board of Directors authorized the execution of a related-party agreement corresponding to an addendum to the December 14, 2015 syndicated loan agreement entered into between (i) the Company and Nexans Services and (ii) a pool of 11 French and foreign banks, and concerning a 600 million euro confirmed credit facility. The Board also authorized the signature by the Company of a new first-demand guarantee for the lenders' benefit. Nexans wished to open a swingline facility for a maximum amount of 200 million euros, without increasing the total amount of the contract in principal, replacing Nexans Services as borrower with Nexans Financial and Trading Services, and extending the maturity by five years, i.e., through December 2023.

Anne Lebel, a Nexans Board member, was Natixis Chief Human Resources Officer and a member of Natixis Executive Management until July 20, 2020. In its capacity as a lender under the syndicated loan agreement, Natixis has received the same commitment fee as the ten other lenders.

The objective, nature and terms and conditions of the agreement were reviewed by the Board of Directors without Anne Lebel being present. The Board acknowledged that it was in the Company's interests to sign the addendum to the syndicated loan agreement with Natixis before authorizing it.

In 2020, the Company paid Natixis a fee for the non use of the syndicated loan totaling 113,318.08 euros.

Placement agent agreement for a Negotiable EUropean Commercial Paper (NEU CP) program

Nexans has set up a money market securities program (NEU CP) for a maximum amount of 400 million euros. The program is not listed on a regulated market, nor is it underwritten and it does not have an agency rating. Most of the notes issued are placed by a number of banks acting as placement agents. NEU CP are domiciled with a domiciliary agent.

Anne Lebel, a Nexans Board member, was also Natixis Chief Human Resources Officer and a member of Natixis Executive Management until July 20, 2020. At its meeting of November 7, 2018, the Board of Directors authorized the signature by the Company of a placement agent agreement with Natixis. The objective, nature and terms and conditions of the agreement were reviewed by the Board of Directors without Anne Lebel being present. The Board acknowledged that it was in the Company's interests to sign the placement agent agreement with Natixis before authorizing it.

In 2020, the Company did not pay Natixis any amounts under this agreement.

7.2.1.2. AGREEMENT EXECUTED WITH A SHAREHOLDER HOLDING MORE THAN 10% OF THE COMPANY'S CAPITAL AND VOTING RIGHTS AND CORPORATE OFFICERS INVOLVED: ANDRÓNICO LUKSIC CRAIG (NEXANS AND INVEXANS BOARD MEMBER), FRANCISCO PÉREZ MACKENNA (NEXANS BOARD MEMBER AND VICE-CHAIRMAN OF THE BOARD OF DIRECTORS OF INVEXANS) AND OSCAR HASBÚN MARTINEZ (NEXANS AND INVEXANS BOARD MEMBER)

Invexans (Quiñenco group) engagement letter of May 22, 2014

On May 22, 2014, the Board of Directors accepted Invexans' long term commitment under the terms and conditions of which Invexans will not request representation on the Board in excess of three non independent members on a Board of 14 members, or if the Board were to be enlarged, in excess of a number of directors proportionate to its shareholding.

This commitment entered into force on May 22, 2014 and will expire on November 26, 2022 or before this date should one of the following events transpire:

(1) The filing of a public offer for Nexans' entire share capital and voting rights including, to avoid any ambiguity, by Invexans.

(2) A third party not acting in concert, within the meaning of Article L.233-10 of the French Commercial Code, with Invexans, holds a share in the Company that exceeds the lower of the following thresholds: (i) 15% of the share capital or voting rights or (ii) the percentage of the share capital or voting rights held by Invexans at that time.

(3) The percentage of the share capital held by Invexans in Nexans falls below 10%.

(4) Invexans holds 30% or more of the share capital or voting rights in Nexans following a transaction approved by Nexans' shareholders and has obtained an exemption from the obligation to file a takeover bid from the French financial markets authority (*Autorité des marchés financiers* – AMF).

7.2.2. AGREEMENTS EXECUTED IN 2020

7.2.2.1. CORPORATE OFFICER INVOLVED: BPIFRANCE PARTICIPATIONS REPRESENTED BY ANNE-SOPHIE HÉRELLE, NEXANS BOARD MEMBER

Sale of the Company's CIR research and CICE tax credit receivables to Bpifrance Financement

On April 23, 2020, the Board of Directors authorized Nexans to transfer 2018 and 2019 tax receivables (research tax credits and CICE tax credits) to Bpifrance Financement for an amount of up to 15 million euros at a very low cost.

Bpifrance Financement is a subsidiary of Bpifrance SA. Bpifrance Participations, which holds a 7.71% interest in Nexans and is a member of the Company's Board of Directors, is a wholly-owned subsidiary of Bpifrance SA. Accordingly, pursuant to Articles L.225-38 *et seq.* of the French Commercial Code, this transaction was subject to prior approval by the Board of Directors. The objective, nature and terms and conditions of the agreement were reviewed by the Board of Directors without Anne-Sophie Hérelle being present. The Board acknowledged that it was in the Company's interests to sign the agreement for the sale of receivables with Bpifrance Financement before authorizing it.

In 2020, the Company paid Bpifrance Financement an amount of 52,618 euros in respect of this agreement.

In accordance with Article R.225-30 of the French Commercial Code, the aforementioned agreement was sent to Nexans' statutory auditors within the legally prescribed timeframe and was published on the Company's website as soon as it was signed. It will be submitted for approval to the Annual Shareholders' Meeting of May 12, 2021.

7.2.2.2. CORPORATE OFFICER INVOLVED: ANNE LEBEL, NEXANS BOARD MEMBER AND NATIXIS CHIEF HUMAN RESOURCES AND CORPORATE CULTURE OFFICER AND A MEMBER OF NATIXIS EXECUTIVE MANAGEMENT UNTIL JULY 20, 2020

Government-backed loan taken out with a pool of banks that includes Natixis

The agreement referred to below was entered into while Anne Lebel, a Nexans Board member, was Natixis Chief Human Resources and Corporate Culture Officer and a member of Natixis Executive Management. She stepped down from her duties at Natixis on July 20, 2020. Therefore, since this date, these agreements are no longer considered related-party agreements.

On March 31, and May 13, 2020, the Board of Directors authorized the Company to take out a 280 million euro loan from Crédit Agricole CIB, BNP Paribas, CIC, Crédit Agricole Ile de France, Natixis and Société Générale. The loan, 80% of which is guaranteed by the French government, has a twelve-month maturity, which Nexans has the option to extend by up to five years.

The objective, nature and terms and conditions of the agreement were reviewed by the Board of Directors without Anne Lebel being present. The Board acknowledged that it was in the Company's interests to enter into the loan guaranteed by the French government, notably due to the financial conditions that it offers the Company, before authorizing it.

In 2020, the Company paid Natixis fees of 197,761.91 euros. Accrued interest payable to Natixis in respect of this agreement amounted to 265,416.64 euros at December 31, 2020.

In accordance with Article R.225-30 of the French Commercial Code, the aforementioned agreement was sent to Nexans' statutory auditors within the legally prescribed timeframe and was published on the Company's website as soon as it was signed.

7.2.3. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of the Statutory Auditors' special report on related party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of Nexans,

In our capacity as Statutory Auditors of Nexans, we hereby report to you on related-party agreements.

It is our responsibility to report to you, based on the information provided to us, on the main terms and conditions of the agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R.225-31 of the French Commercial Code *(Code de commerce)*, it your responsibility to determine whether the agreements are appropriate and should be approved.

Where applicable it is also our responsibility to provide you with the information required by Article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements authorized and entered into during the year

In accordance with Article L.225-40 of the French Commercial Code, we were informed of the following agreements entered into during the year and authorized in advance by the Board of Directors.

1. Sale of the Company's CIR research and CICE tax credit receivables to Bpifrance Financement

Corporate officer involved: Bpifrance Participations represented by Anne-Sophie Hérelle, Nexans Board member.

On April 23, 2020, the Board of Directors authorized Nexans to transfer 2018 and 2019 tax receivables (research tax credits and CICE tax credits) to Bpifrance Financement for an amount of up to 15 million euros at a very low cost.

Bpifrance Financement is a subsidiary of Bpifrance SA. Bpifrance Participations, which holds a 7.71% interest in Nexans and is a member of the Company's Board of Directors, is a wholly-owned subsidiary of Bpifrance SA. Accordingly, pursuant to Articles L.225-38 *et seq.* of the French Commercial Code, this transaction was subject to prior approval by the Board of Directors. The objective, nature and terms and conditions of the agreement were reviewed by the Board of Directors without Anne Sophie Hérelle being present. The Board acknowledged that it was in the Company's interests to sign the agreement for the sale of receivables with Bpifrance Financement before authorizing it.

In 2020, the Company paid Bpifrance Financement an amount of 52,618 euros in respect of this agreement.

2. Government-backed loan taken out with a pool of banks that includes Natixis

Corporate officer involved: Anne Lebel, Nexans Board member and Natixis Chief Human Resources and Corporate Culture Officer and a member of Natixis Executive Management until July 20, 2020

On March 31, and May 13, 2020, the Board of Directors authorized the Company to take out a 280 million euro loan from Crédit Agricole CIB, BNP Paribas, CIC, Crédit Agricole Ile de France, Natixis and Société Générale. The loan, 80% of which is guaranteed by the French government, has a twelve-month maturity, which Nexans has the option to extend by up to five years.

The objective, nature and terms and conditions of the agreement were reviewed by the Board of Directors without Anne Lebel being present. The Board acknowledged that it was in the Company's interests to enter into the loan guaranteed by the French government, notably due to the financial conditions that it offers the Company, before authorizing it.

In 2020, the Company paid Natixis fees of 197,761.91 euros. Accrued interest payable to Natixis in respect of this agreement amounted to 265,416.64 euros at December 31, 2020. On February 25, 2021, the Company prepaid the loan in full.

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements approved in previous years

a. that were implemented during the year

In accordance with Article R.225-30 of the French Commercial Code, we were informed of the following agreements, approved by the Shareholders' Meeting in previous years, which were implemented during the year.

1. Invexans (Quiñenco Group) Letter of Commitment of May 22, 2014 – shareholder holding more than 10% of the Company's capital and voting rights

Corporate officers involved: Andrónico Luksic Craig, Nexans and Invexans Board member, Francisco Pérez Mackenna, Nexans Board member and Vice-Chairman of the Board of Directors of Invexans, and Oscar Hasbún Martinez, Nexans and Invexans Board member.

On May 22, 2014, the Board of Directors accepted Invexans' long term commitment under the terms and conditions of which Invexans will not request representation on the Board of Nexans in excess of three non independent members on a Board of 14 members, or if the Board were to be enlarged, in excess of a number of directors proportionate to its shareholding.

This commitment entered into force on May 22, 2014 and will expire on November 26, 2022 or before this date should one of the following events transpire

(1) The filing of a public offer for Nexans' entire share capital and voting rights including, to avoid any ambiguity, by Invexans.
(2) A third party not acting in concert, within the meaning of Article L.233-10 of the French Commercial Code, with Invexans, holds a share in the Company that exceeds the lower of the following thresholds: (i) 15% of the share capital or voting rights or (ii) the percentage of the share capital or voting rights held by Invexans at that time.
(3) The percentage of the share capital held by Invexans in Nexans falls below 10%.
(4) Invexans holds 30% or more of the share capital or voting rights in Nexans following a transaction approved by Nexans' shareholders and benefitting from an exemption from the obligation to file a takeover bid from the French financial markets authority (*Autorité des marchés financiers* – AMF).

2. Addendum to the multi-currency revolving credit facility of December 14, 2015

Corporate officer involved: Anne Lebel, Nexans Board member and Natixis Chief Human Resources and Corporate Culture Officer and a member of Natixis Executive Management until July 20, 2020.

On November 7, 2018, the Board of Directors authorized the execution of an addendum to the December 14, 2015 syndicated loan agreement entered into between (i) the Company and Nexans Services and (ii) a pool of 11 French and foreign banks, and concerning a 600 million euro confirmed credit facility. Nexans wished to open a swingline facility for a maximum amount of 200 million euros, without increasing the total amount of the contract in principal, replacing Nexans Services as borrower with Nexans Financial and Trading Services, and extending the maturity by five years, i.e., through December 2023.

The Board also authorized the signature by the Company of a new first-demand guarantee granted by Nexans Financial and Trading Services for the lenders' benefit.

Anne Lebel, a Nexans Board member, was Natixis Chief Human Resources Officer and a member of Natixis Executive Management until July 20, 2020. As lender, Natixis receives the same fee for its services as the ten other lenders in the syndicated agreement.

In 2020, the Company paid Natixis a fee for the non-use of the syndicated loan totaling 113,318.08 euros.

3. Placement agent agreement for a Negotiable EUropean Commercial Paper (NEU CP) program

Corporate officer involved: Anne Lebel, Nexans Board member and Natixis Chief Human Resources and Corporate Culture Officer and a member of Natixis Executive Management until July 20, 2020

Nexans has set up a money market securities program (NEU CP) for a maximum amount of 400 million euros. The program is not listed on a regulated market, nor is it underwritten and it does not have an agency rating. Most of the notes issued are placed by a number of banks acting as placement agents. NEU CP are domiciled with a domiciliary agent.

Anne Lebel, a Nexans Board member, was Natixis Chief Human Resources Officer and a member of Natixis Executive

Management until July 20, 2020. The Board of Directors' meeting of November 7, 2018 authorized the signature by the Company of a placement agent agreement with Natixis.

In 2020, the Company did not pay Natixis any amounts under this agreement.

b. that were not implemented during the year

None.

Neuilly-sur-Seine and Courbevoie, March 24, 2021

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Édouard Demarcq	Isabelle Sapet

7.3. Statutory auditors

STATUTORY AUDITORS

Mazars
(member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre*)
Tour Exaltis, 61, rue Henri Régnault, 92075 Paris-La Défense Cedex, France, represented by Juliette Decoux-Guillemot
Appointed on May 5, 2015
Term expires at the 2021 Annual Shareholders' Meeting

PricewaterhouseCoopers Audit
(member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre*)
63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France, represented by Edouard Demarcq Appointed on: May 17, 2018
Term expires at the 2024 Annual Shareholders' Meeting

SUBSTITUTE AUDITORS

Gilles Rainaut
61, rue Henri Régnault, 92075 Paris-La Défense Cedex, France
Appointed on May 5, 2015
Term expires at the 2021 Annual Shareholders' Meeting

Patrice Morot
63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France
Appointed on May 17, 2018
Term expires at the 2024 Annual Shareholders' Meeting

FEES PAID BY NEXANS TO THE STATUTORY AUDITORS IN 2020

	Mazars				PricewaterhouseCoopers Audit			
	Amount (excl. taxes)		%		Amount (excl. taxes)		%	
(in thousands of euros)	2020	2019	2020	2019	2020	2019	2020	2019
Audit services – Statutory and contractual audits								
▪ Parent company	225	224	12%	12%	215	214	16%	15%
▪ Fully consolidated companies	1,398	1,456	73%	80%	976	1,002	73%	71%
SUB-TOTAL	1,623	1,680	84%	92%	1,191	1,216	89%	86%
Other non audit-related services								
▪ Parent company	262	88	14%	5%	32	68	2%	5%
▪ Fully consolidated companies	41	62	2%	3%	119	137	9%	10%
SUB-TOTAL	303	150	16%	8%	151	205	11%	14%
TOTAL	1,926	1,831	100%	100%	1,342	1,422	100%	100%

7.4. Statement by the person responsible for the Universal Registration Document containing an annual financial report

Paris, March 26, 2021

I hereby declare that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that to the best of my knowledge, (i) the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of operations of the Company and its subsidiaries, and (ii) the Management Report provides a fair review of the business, results of operations and financial position of the Company and its subsidiaries, as well as a description of the principal risks and uncertainties to which they are exposed.

Christopher Guérin,
Chief Executive Officer

8

CONCORDANCE TABLE

8.1. Concordance table of the Universal Registration Document

To make it easier to read this document, the following concordance tables help to identify:

- the main sections in Annex 1 and 2 of the Delegated Regulation (EU) 2019/980 of March 14, 2019 supplementing Regulation (EU) 2017/1129 of June 14, 2017;
- the information included in the annual financial report and referred to in Article L.451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF's General Regulations;
- the information included in the Management Report presented by the Board of Directors in accordance with the French Commercial Code;
- the information that must be reported in the Non-financial Performance Statement in accordance with the French Commercial Code.

Pursuant to Article 19 of European Regulation 2017/1129 of June 14, 2017, the following information is incorporated by reference in this Universal Registration Document:

- for the year ended December 31, 2019: the Group's consolidated financial statements and the corresponding Statutory Auditors' report for the year ended December 31,2019 and the financial information contained in the Management Report presented in the Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on March 27, 2020 under n° D.20-0210;
- for the year ended December 31, 2018: the Group's consolidated financial statements and the corresponding Statutory Auditors' report for the year ended December 31, 2018 the parent company financial statements and the corresponding Statutory Auditors' report, and the financial information contained in the Management Report presented in the Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on March 28, 2019 under n° D.19-0218.

The sections of the 2018 Registration Document et 2019 Universal Registration Document not included are either not applicable for investors or are covered by another section in this 2020 Universal Registration Document.

The page numbers in the table below refer to this Universal Registration Document

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8.2. Concordance table of the annual financial report

This Universal Registration Document contains all the information included in the annual financial report and referred to in Article L.451-1-2 of the French Monetary and Financial Code *(Code monétaire et financier)* and Article 222-3 of the AMF's General Regulations.

The page numbers in the table below refer to this Universal Registration Document.

Information in the annual financial report	Pages
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Consolidated financial statements of the Nexans Group	192-261
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8.3. Concordance table of the Management Report

This Universal Registration Document contains all the information included in the Board of Directors' Management Report, within the meaning of Articles L.225-100, L.232-1, II and R.225-102 *et seq.* of the French Commercial Code.

The page numbers in the table below refer to this Universal Registration Document.

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17. Report by the appointed independent third party on the Non-financial Performance Statement	186-187
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8.4. Concordance table of the Report on Corporate Governance

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The page numbers in the table below refer to this Universal Registration Document.

Information on the Report on Corporate Governance	Pages
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7. Transactions involving the Company's shares carried out by executives and persons closely related to them	75
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8.5. Concordance tables for the Non Financial Performance Statement and Corporate Social Responsibility

CONCORDANCE BETWEEN ARTICLES R.225-104 *ET SEQ.* OF THE FRENCH COMMERCIAL CODE AND THE GRI-G4 INDICATORS

This Universal Registration Document contains all the information referred to in Articles R.225-104 *et seq.* of the French Commercial Code.

Obligations under articles R.225-104 *et seq.* of the French Commercial Code	Global reporting Index GRI-G4	Pages of the Universal Registration Document
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■ Main risks and policies	G4-1, G4-2, G4-15, G4-34, G4-36, G4-37 à 42, G4-48, G4-EN30, G4-EN31	97-123 ; 130-131 ; 170-177
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■ Societal commitments to sustainable development	G4-1, G4-2, G4-15, G4-34, G4-36, G4-37 à 42, G4-48	126-131 ; 161-179
■ Circular economy	G4-EN23 à G4-EN25, G4-EN28, G4-EN1 à G4-EN10	128 ; 153-155
■ Actions to prevent food waste and insecurity		155 ; 185
■ Respect for animal welfare		185
■ Responsible and sustainable food production and fair food trade		185
■ Collective bargaining agreements and their impact on financial performance and employees' working conditions	G4-11, G4-LA4, G4-LA8	143
■ Respect of human rights	G4-LA3 et G4-LA13, G4-56 à G4-59, G4-SO3 à G4-SO5, G4-HR3 à G4-HR6, G4-HR11	132-135 ; 166-169
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■ Fighting tax evasion		169
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■ DUTY OF CARE PLAN		170-177

Obligations under articles R.225-104 *et seq.* of the French Commercial Code	Global reporting Index GRI-G4	Pages of the Universal Registration Document
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■ Total workforce	G4-9	133 ; 181-183
■ Breakdown of employees by gender, age and geographical location	G4-10, G4-LA12	133 ; 181-183
■ New employee hires and layoffs	G4-LA1	133 ; 181-183
■ Employee compensation and salary progression	G4-51 à 55, G4-EC1, G4-EC5	141-142
b) Work organization		
■ Working hours	G4-10	133 ; 181-183
■ Absenteeism	G4-LA6	181-183
c) Labor relations		
■ Organization of social dialogue	G4-11, G4-LA4	143-144
■ Collective bargaining agreements	G4-11, G4-LA8	143
d) Health and safety		
■ Health and safety conditions	G4-LA5, G4-LA6	135-138 ; 174-175 ; 177-178
■ Agreements signed	G4-LA8	143
■ Workplace accidents and occupational illnesses	G4-LA6, G4-LA7	128 ; 135-138 ; 174-175 ; 181-183
e) Training		
■ Training policies	G4-LA10, G4-LA11, G4-43	138-141
■ Total number of training hours	G4-LA9, G4-HR2	140-141 ; 181-183
f) Equal treatment		
■ Gender equality	G4-LA3, G4-LA12, G4-LA13	128 ; 132-135 ; 181-183
■ Employment and integration of disabled people	G4-LA12	135 ; 181-183
■ Prevention of discrimination	G4-LA12, G4-HR3	132-135 ; 166-169
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■ Company organization to take environmental issues into account	G4-1	126-131 ; 146-161 ; 173-174 ; 180
■ Employee training and information actions	G4-43	138-141 ; 148-149 ; 170-177 ; 181-183
■ Resources devoted to preventing environmental risks and pollution	G4-EN30, G4-EN31	146-157 ; 173-174
■ Amount of provisions and guarantees for environmental risks	G4-EC2	149-150
b) Pollution		
■ Measures to prevent, reduce, or compensate for air, water, and soil emissions severely affecting the environment	G4-EN10, G4-EN20, G4-EN21, G4- EN22, G4-EN24	151-160 ; 173-174
■ Measures to take account of noise and other sources of pollution specific to an activity	G4-EN24	151-152
c) Circular economy **Waste prevention and management**		
■ Measures to prevent, recycle, reuse, recover and dispose of waste	G4-EN23 à G4-EN25, G4-EN28	126-128 ; 146-160 ; 173-174 ; 180
■ Actions to prevent food waste	N/A	155 ; 185
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■ Water consumption and water supply according to local constraints	G4-EN8 à G4-EN10	146-148 ; 151-155 ; 180
■ Consumption of raw materials and measures to improve their efficient use	G4-EN1 à G4-EN10	146-160 ; 180

Obligations under articles R.225-104 *et seq.* of the French Commercial Code	Global reporting Index GRI-G4	Pages of the Universal Registration Document
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■ Land use	G4-EN11	151-152 ; 173-174
d) Climate change		
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■ Adaptation to the impacts of climate change	G4-EC2	126-128 ; 146-160 ; 180
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■ Impact on local and neighboring communities	G4-EC7, G4-HR8	151-152 ; 161-164 ; 178-179
b) Stakeholders		
■ Conditions of dialogue with stakeholders	G4-24, G4-26, G4-37, G4-EC6 à G4-EC9, G4-HR8, G4-SO1, G4-SO2	161-179
■ Philanthropic actions and community involvement	G4-SO1, G4-EC7	161-165 ; 178-179
c) Subcontracting and suppliers		
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■ Importance of subcontracting and integration of CSR in the relationships with suppliers and subcontractors	G4-LA14, G4-LA15, G4-12, G4-EN32, G4-EN33, G4-HR5, G4-HR9, G4-HR11, G4-SO9, G4-SO10	128 ; 164-165 ; 166 ; 170-177
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■ Measures taken to protect consumers' health and safety	G4-EN27, G4-PR1 à G4-PR4, G4-PR6 à G4-PR9	177-178
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■ Respect for the right to organize and collective bargaining	G4-HR4	143 ; 166-177
■ Elimination of discrimination in respect of employment and occupation	G4-HR3	132-145 ; 166-177
■ Abolition of forced or compulsory labor	G4-HR6	132-145 ; 166-177
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■ Other actions promoting human rights	G4-HR11	132-145 ; 166-177

CONCORDANCE TABLE OF THE GLOBAL COMPACT PRINCIPLES

This Universal Registration Document contains all the information related to the ten principles of the Global Compact, which are presented below:

Global Compact principles	Pages of the Universal Registration Document
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2. Make sure that they are not complicit in human rights abuses	126-131 ; 161-179
LABOR	
3. Uphold freedom of association and respect for the right to collective bargaining	143 ; 166-177
4. Contribute to the abolition of all forms of forced and compulsory labor	132-145 ; 166-177
5. Contribute to the abolition of child labor	132-145 ; 166-177
6. Contribute to the elimination of discrimination in respect of employment and occupation	132-145 ; 166-177
ENVIRONMENT	
7. Undertake a precautionary approach to environmental challenges	146-160 ; 173-174
8. Undertake initiatives to promote greater environmental responsibility	146-160 ; 173-174
9. Encourage the development and diffusion of environmentally friendly technologies	146-160
ANTI-CORRUPTION	
10. Work against corruption in all its forms, including extortion and bribery	166-169

TCFD CONCORDANCE TABLE

The following concordance table serves as a reference for the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. The TCFD is a group focused on climate-related financial disclosures, created in line with the Financial Stability Board of the G20 during the COP21. This working group built its recommendations around four themes representing the fundamental aspects of companies' functioning, including governance, strategy, risk management and measuring targets.

Theme	TCFD recommendation	Pages of the Universal Registration Document
GOVERNANCE		
Describe the organization's governance regarding climate-related risks and opportunities	a) Describe the Board of Directors' supervision of climate-related risks and opportunities b) Describe management's role in the assessment and management of climate-related risks and opportunities	67-69 ; 71-72 ; 97-99 ; 103-104 ; 130-131 ; 170-177
STRATEGY		
Describe the existing and potential impacts of climate-related risks and opportunities on the organization's activities, its strategy and financial planning where relevant	a) Describe the climate-related risks and opportunities the organization has identified in the short, medium and long-term b) Describe the climate-related risks and opportunities on the organization's activities, strategy and financial planning c) Describe the organization's resilience, taking various climate-related scenarios into account, including a scenario of 2°C or less	99 ; 103-104 ; 126-128 ; 130-131 ; 146-160 ; 170-177
RISK MANAGEMENT		
Describe the manner in which the organization identifies, assesses and manages climate-related risks	a) Describe the organization's processes for identifying and assessing climate-related risks b) Describe the organization's processes for managing climate-related risks c) Describe the manner in which the processes for identifying, assessing and managing climate-related risks are integrated in the organization's risk management	99 ; 103-104 ; 126-128 ; 130-131 ; 146-160 ; 170-177
INDICATORS & GOALS		
Describe the indicators and goals used to assess and manage climate-related risks and opportunities where relevant	a) Describe the indicators used by the organization to assess climate-related risks and opportunities in relation to its strategy and risk management process b) Publish Scope 1 and 2 greenhouse gas emissions (GHGs) and, if relevant Scope 3 and the related risks c) Describe the goals used by the organization to manage climate-related risks and opportunities and its performance on these goals	99 ; 103-104 ; 126-128 ; 130-131 ; 146-160 ; 170-177 ; 180

CONCORDANCE TABLE WITH THE NON FINANCIAL PERFORMANCE STATEMENT

Type of risk	Policy	Performance indicators	Pages of the Universal Registration Document
■ Risks related to sustainable purchasing and conflict minerals	Sustainable purchasing	% of suppliers with a score greater than 35/100	128 ; 166 ; 170-172
■ Risks related to compliance with regulations governing substances	Substances	Number of substances for which development programs for alternative or substitution solutions are underway, among the regulated substances that have been identified and used by the sites concerned	159-160
■ Risks related to workplace safety	Workplace safety	Workplace accident frequency rate Workplace accident severity rate	128 ; 133 ; 135-137 ; 181-183
■ Risks related to attracting and retaining talent	Human Resources	Management positions filled internally Rate of women in management Rate of women in top management positions	128 ; 132-135 ; 138-142 ; 181-183
■ Risks related to environmental pollution	Pollution and climate change	% de sites certifiés EHP / ISO14001	128 ; 146-148 ; 180
■ Fair practices	Compliance Program	Managers who have completed the annual compliance awareness module	128 ; 166-169

FOR FURTHER INFORMATION

Nexans' corporate and financial publications may be accessed directly at www.nexans.com or may be requested from:

Communication Department

Nexans
4, allée de l'Arche
92400 Courbevoie, France

- Tel.: +33 (0)1 78 15 00 00
- E-mail: communication.direction@nexans.com
- Website: www.nexans.com
- Foundation: www.fondationnexans.com
- Nexans social media sites:

CONTACT INVESTORS

Finance Department

Nexans
4, allée de l'Arche
92400 Courbevoie, France

- Tel.: +33 (0)1 78 15 05 41
- E-mail: investor.relations@nexans.com
- Website: www.nexans.com/finance

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ELECTRIFY THE FUTURE