Electrify the Future

2021 UNIVERSAL REGISTRATION DOCUMENT

including the integrated report and the financial report

CONTENTS


Integrated Report



Universal Registration Document

For the first time in 2022, Nexans is publishing its 2021 Integrated Report as the opening chapter of the 2021 Universal Registration Document. The objective is to link information even more closely in order to provide a comprehensive and integrated view of the Group's organization.
This expanded report reflects Nexans' ability to create value for the benefit of all its stakeholders. It also presents the highlights of our New Nexans strategy, our business model, the acceleration of our innovation and our CSR policy, particularly our commitment to the climate.
However, the 2021 Integrated Report continues to stand on its own as an ad-hoc report that can be consulted and downloaded from the Nexans website www.nexans.com, in the "News" section.

AMF

The Universal Registration Document was filed on March 25, 2022 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**

For over a century, Nexans has been playing a leading role in electrifying the planet and is now committed to electrifying the future.

Thanks to its 25,000 employees in 42 different countries, the Group is leading the charge towards the new world of electrification - safer, sustainable, renewable, zero carbon and accessible to all. It is therefore committed to contributing to carbon neutrality by 2030. Leader in the design and manufacture of cable systems and services through four main business areas - Building & Territories, High Voltage & Projects, Industry & Solutions, Telecom & Data, Nexans generated 6.1 billion euros in standard sales in 2021.

In 2013, the Group created its Corporate Foundation, a pioneer in its sector, to promote access to energy as a fundamental human right and to put its expertise to work for disadvantaged communities throughout the world.

Nexans. Electrify the future.

Nexans is listed on Euronext Paris, compartment A.

For more information, please visit: **www.nexans.com**

worldwide
salespresence

25,000
employees

6.1
billion euros in sales(1)

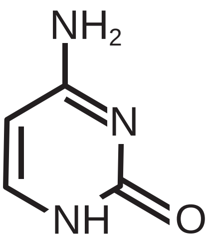
Manufacturing sites in
42 countries

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

THE GLOBAL COMPACT
NOUS SOUTENONS LE PACTE MONDIAL

(1) Standard sales in 2021.

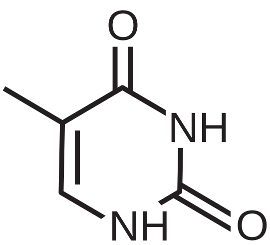
NEXANS' DNA: **SUSTAINABLE ELECTRIFICATION**



OUR HISTORY

ELECTIFYING THE WORLD FOR OVER 120 YEARS

Today, Nexans is at the forefront of the new era of safer, sustainable, renewable and decarbonized electrification that is accessible to everyone.



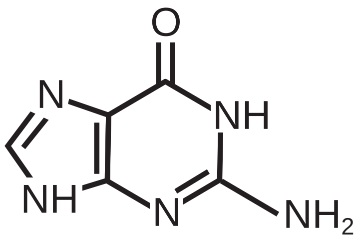
OUR PURPOSE

ELECTRIFY THE FUTURE

Nexans has positioned all of its operations on the electrification value chain, from energy production through to transmission and distribution, right up to the end consumer.

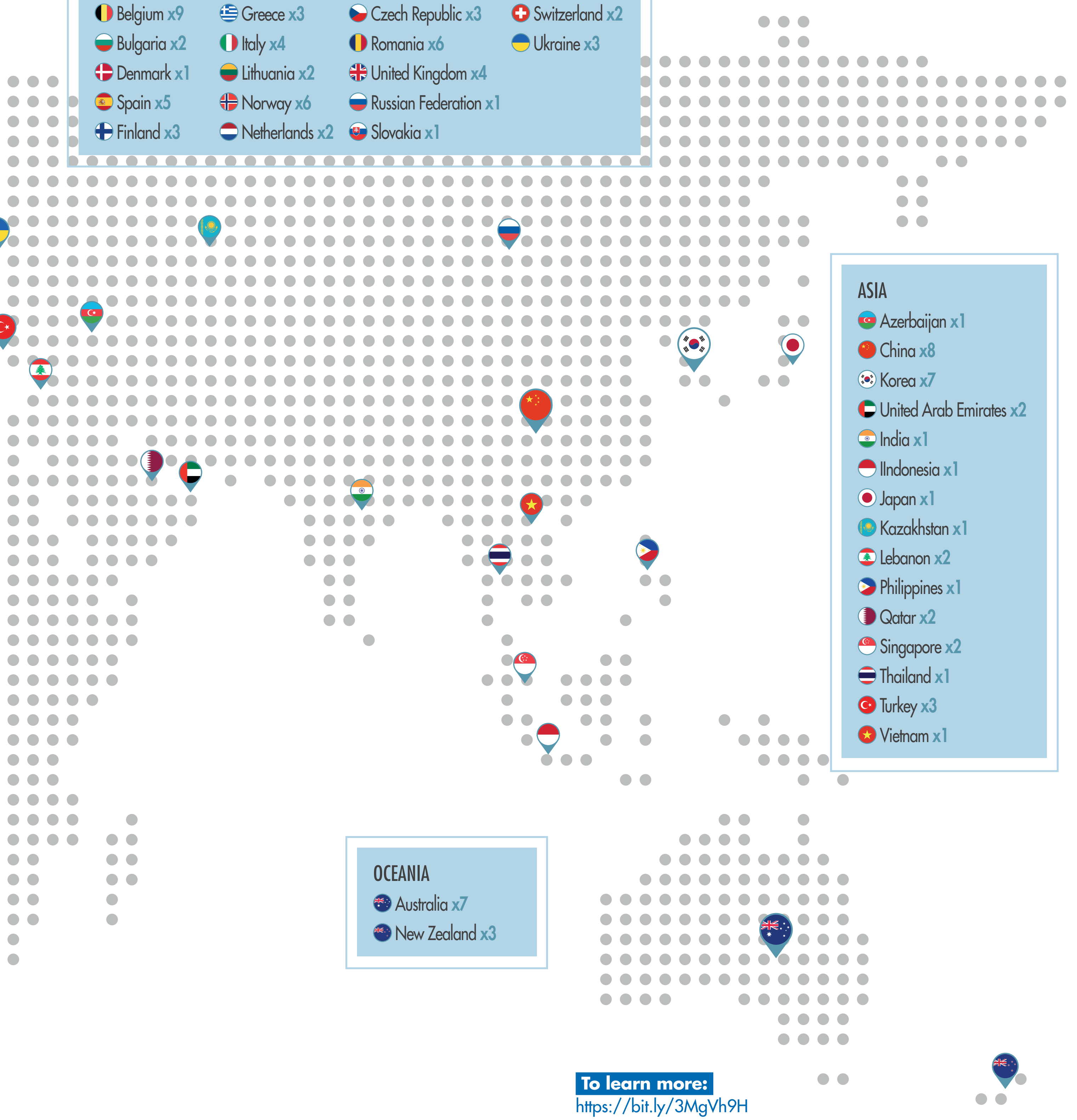
OUR 3 CORPORATE VALUES

PIONEERS	We are PIONEERS of the energy transition.
DEDICATED	We are COMMITTED to providing the highest standards of performance.
UNITED	We are UNITED at all levels of the Group and with our ecosystem of stakeholders.



LEVERAGING OUR DNA TO ACHIEVE OUR AMBITION: ELECTRIFY THE FUTURE

NEXANS **AROUND THE WORLD**



EUROPE

- Germany x8
- Belgium x9
- Bulgaria x2
- Denmark x1
- Spain x5
- Finland x3
- France x20
- Greece x3
- Italy x4
- Lithuania x2
- Norway x6
- Netherlands x2
- Poland x2
- Czech Republic x3
- Romania x6
- United Kingdom x4
- Russian Federation x1
- Slovakia x1
- Sweden x5
- Switzerland x2
- Ukraine x3

ASIA

- Azerbaijan x1
- China x8
- Korea x7
- United Arab Emirates x2
- India x1
- Indonesia x1
- Japan x1
- Kazakhstan x1
- Lebanon x2
- Philippines x1
- Qatar x2
- Singapore x2
- Thailand x1
- Turkey x3
- Vietnam x1

OCEANIA

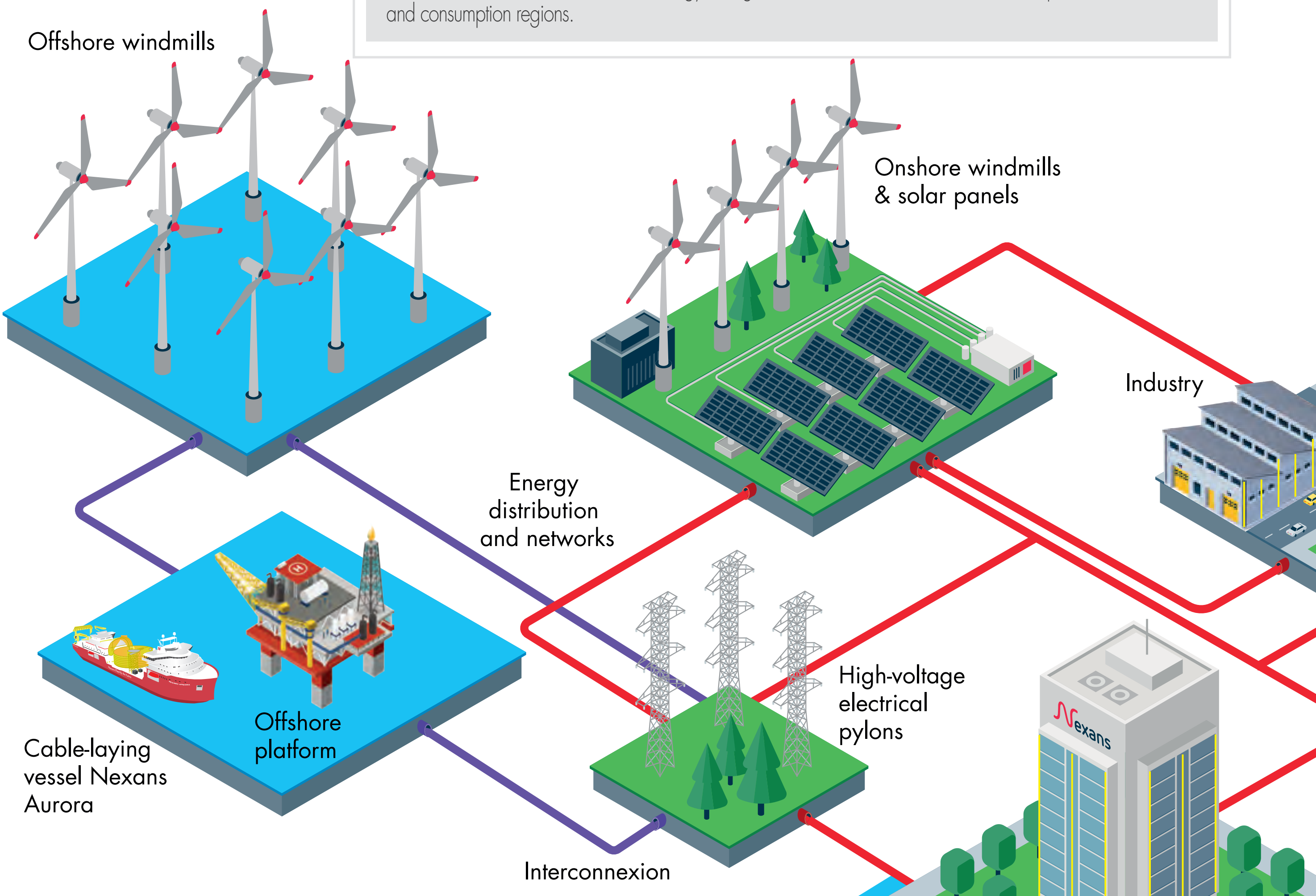
- Australia x7
- New Zealand x3

To learn more:
https://bit.ly/3MgVh9H

EVERYDAY ELECTRIFICATION **BY NEXANS**

HIGH VOLTAGE & PROJECTS

Nexans provides high voltage cables and services from the generation of energy (wind, solar, hydropower or nuclear) to the transmission of that energy through cross-border interconnections between production and consumption regions.



INDUSTRY & SOLUTIONS

Nexans offers innovative cable and connectivity solutions that support original equipment manufacturers and engineering, procurement and construction contractors in all their energy, data transmission and automation needs.

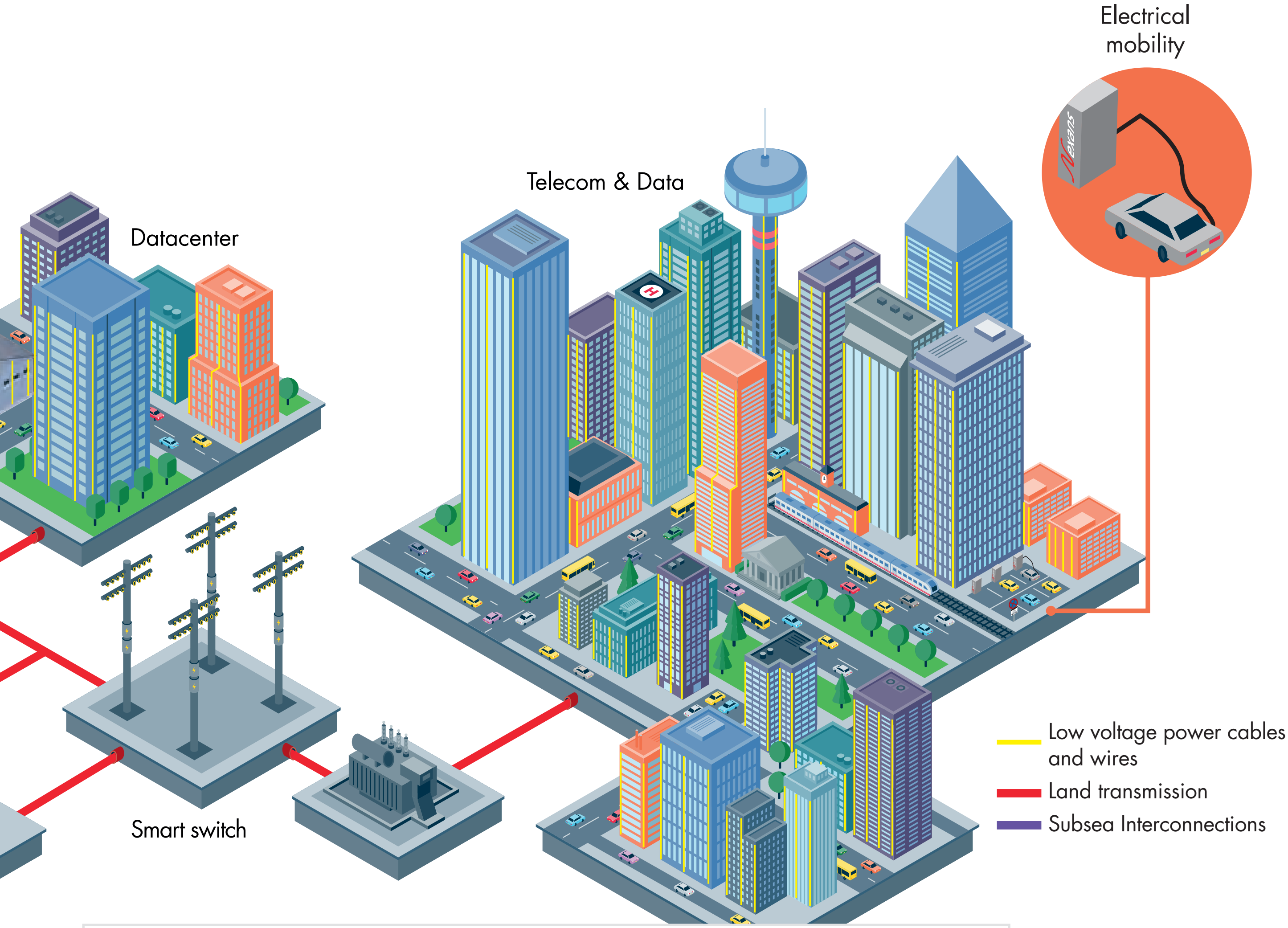
The Group also provides logistics and services in five segments:

- Auto-harnesses
- Transportation
- Industries
- Renewables
- Resources

TELECOM & DATA

Nexans designs, produces and markets copper and optical fiber network infrastructures through plug-and-play cabling and connection solutions for private networks, and data transmission special cables for the telecommunications industry in three segments:

- LAN cables and systems
- Telecom infrastructure
- Special Telecom



BUILDING & TERRITORIES

Nexans' Building segment designs, manufactures and distributes low-voltage (<1 kV) cables and accessories for electrical systems connecting the terminated point of the distribution network to the end-user's power outlet.

Nexans' Territories segment supplies medium and low voltage aluminum cables from 1 kV to 33 kV and accessories, which bring the produced energy to its consumption point using Distribution System Operators (DSOs).

INTERVIEW

CHRISTOPHER GUÉRIN, CEO, AND **JEAN MOUTON,** CHAIRMAN OF THE BOARD OF DIRECTORS

How is Nexans doing after its strategic shift in Spring 2021 to become an electrification pure player?

Christopher Guérin: 2021 has been a good year. The economy is recovering and investment is booming in a sector where we are very well positioned, namely the electrification of the world. We are outperforming analysts' consensus and our own forecasts with respect to all three of the Group's key performance indicators. EBITDA stood at 463 million euros at December 31, 2021, compared to a predicted 430 million to 460 million euros. Return on equity employed (ROCE) reached 16.4% (compared with the 13%-15% forecast), which is double that of 2018, the year of Nexans' management and strategy change. Free cash flow came in at 179 million euros. These are all demonstrations of how perfectly aligned we are with our 10-year industrial vision for the New Nexans, as we start a new chapter in the Group's transformation into an "electrification pure player", with a presence throughout the entire value chain.

Jean Mouton: The in-depth transformation undertaken by Nexans to build a simplified, profitable and more customer-oriented organization is reaching its full potential. In the space of two years, the Group has successfully deployed the "New Nexans" operating model, affording it more leeway. The year 2021 and its Investor Day highlight was when we got back on track. This was illustrated by two major events, both the result of close collaboration between the Board of Directors and the Executive Committee: the inauguration of our cable laying vessel Aurora and the opening of Nexans' first submarine high-voltage cable plant in Charleston, USA. Today, we have confirmation of the analyses carried out in 2020 in terms of energy transition and renewable energy, which give us a very favorable environment.

You have had to adapt the Group's democratic processes in response to the difficult situation since March 2020... What good practices have emerged from this period?

C.G.: Without a doubt, the trend towards leveling playing fields and breaking down ivory towers. Since doing away with two top management levels in 2018, Nexans' Executive Committee has never been so close to grassroots level. Another beneficial practice for industrial groups is the synchronization of economic and environmental performance. To that end, we have strengthened our corporate governance by appointing one of our directors, Marc Grynberg, as Climate Director responsible for monitoring climate and environmental issues at the level of the Strategy and Sustainable Development Committee and the Board of Directors.

J.M.: Two main things: a desacralization of the Board's organization and more transparency. Today, we no longer wait to share information on a fixed schedule; we can respond much more quickly, through brief but frequent exchanges with the Executive Committee. This more continuous exchange within Nexans' governance is more in line with the current economy. It is backed up by an increase in the number of our committee meetings and their attendance rates. Here, I'm thinking in particular of the Strategy and Sustainable Development Committee, which brings together more than just its own members. In addition, the drive for transparency leads to directors receiving more information, which requires them to be more and more involved. We owe this agility, which we're going to keep, above all to the digitalization of our processes. However, we are vigilant and still maintain face-to-face contact as much as possible. For us, that remains the strongest relationship.

Jean MOUTON,
Chairman of the Board of Directors

The Covid crisis has accelerated awareness within governance bodies of a number of subjects. What do you think about this?

C.G.: Today's performance is also based on non-financial commitments that are meaningful to all stakeholders, such as the increase in the number of women in management bodies - with a 24.5% increase - and the increase in the number of our ISO 14001-certified sites that comply with environmental standards. We also need to have a firm social foothold and embrace the emergence of talent and diversity by attracting people from other ecosystems. The challenge is to work as a team and develop skills in support of a larger purpose and *raison d'être*. In this respect, learning plays a fundamental role, regardless of the management level. The manager of tomorrow is a manager who loves to learn. The world of tomorrow will be made up of people who love to learn.

J.M.: In terms of equality, the Board goes even further than the legal requirement and reached 50/50 in 2021. In terms of engagement, we are committed to involving our stakeholders in the strategic choices and life of the Group. Employee share ownership is a good indicator of employee commitment. Every two years, we offer them the opportunity to subscribe to Nexans shares, and it is a success every time. ➡

For example, when the strategic plan was announced in 2021, we wanted to involve more stakeholders, particularly local and national elected officials, by organizing meetings to present our approach in a transparent and informative manner.

The issue of governance and the duality of Chairman and CEO functions is gaining momentum within the SBF120. What lessons do you draw from this, seeing as Nexans abandoned a single-tier governance structure in 2014?

J.M.: The question of the duality of Chairman and CEO functions is becoming more pressing and the trend is irreversible. It's about having checks and balances. The separation of powers requires that everyone remains in their proper role; it is a symbol of maturity. This is part of the general trend in terms of responsible finance and the proportion of sustainable investors in the company, but also extra-financial reporting. Actually, Nexans has started work on a more standardized indicator system, in order to create a common standard for indicators and ratings.

C.G.: The separation of powers works well at Nexans. The Chairman and I are responsible for separate aspects of the Board of Directors' management and for ensuring regular, transparent communication about the strategy developed by the Board and the Executive Committee. What has changed is that Jean Mouton has increased his presence at grassroots level, in the business units. My task in 2022 will be to focus on those that are still experiencing difficulties (value burners), alongside the Executive Committee members responsible for them.

In the aftermath of COP26 in Glasgow, corporate governance is about to play a significant role in accelerating the energy transition. How is Nexans approaching this new situation?

C.G.: In 2021, Nexans celebrated the tenth anniversary of its CSR department and made significant progress regarding its commitments to the energy transition. We are intensifying our efforts to reduce the Group's carbon footprint and contribute to its carbon neutrality by 2030. We have therefore adopted the recommendation of the Task Force on Climate-related Financial Disclosures (TCFD) and conducted an in-depth analysis of the Group's climate-related risks. We support this momentum through the organization of Climate Days, the second of which was held in Stockholm in 2021, as well as through the launch of our first Planet Week for employees. Nexans has also initiated its E3 performance model, a unique and powerful performance measurement tool that intrinsically links the three dimensions of Environment, Economic and Commitment. To manage and strengthen this systematic approach, a new Vice-President Sustainability position was created. Lastly, we are fostering an ever more inclusive work environment, with the We in Nexans (WiN) network combined with a policy of promoting diversity and inclusion within the Group.

J.M.: Companies didn't wait for COP26 to commit to the transition! And that's good news, because it means that there is no mercantilism in the ecological transition... At Board level, our role is developed in the Strategy and Sustainable Development Committee, where we set aside specific time to get into the subject. An example is the decision to develop new products, which were previously difficult to recycle, such as insulating materials. Or to focus investments on the eco-design of sustainable products.

What do you expect from the sustainable transformation of companies, as envisaged by the alliance presented at COP26 to create the company of tomorrow?

J.M.: The drive towards sustainable business is already underway at Nexans, where we place great emphasis on corporate citizenship, in particular, through our partnerships in the field with local elected officials and the roadshows we organize for them. For us, it is essential to build strong socio-economic ties with the regions where our sites are located and to meet frequently with our employees who work there.

How do you feel about 2022?

C.G.: We are at the dawn of a new world that requires a new mindset. Times are changing and there is an urgent need to act. Let's take advantage of this crisis to ensure genuine structural change. It is crucial that we reconsider climate risk and ensure corporate engagement in this respect.

J.M.: This year promises to be a year of acceleration for Nexans' strategy and a full-scale demonstration of its robustness. This acceleration will confirm Nexans' position as a key player in our major international markets.

GOVERNANCE

EXPANDING GOVERNANCE


NEXANS AURORA

AN EXECUTIVE COMMITTEE TAILORED TO OUR INDUSTRIAL AMBITION

Christopher GUÉRIN
Chief Executive Officer

Executive Committee (January 2022)

The Executive Committee is the main decision-making body and is made up of eleven members including the Chief Executive Officer, Christopher Guérin. It is responsible for determining Nexans' strategy, allocation of resources, and organization. The Executive Committee's main duties include enhancing the Group's relationship with the markets and its customers, its capacity to anticipate change and the agility of its organizational structure, executing and internationalizing the Group's management profile. In addition to Christopher Guérin, the Executive Committee comprises:

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

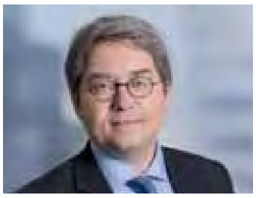
Nino CUSIMANO
Senior Corporate Vice President, General Counsel & Secretary General

Vincent DESSALE
Chief Operations Officer et Senior Executive Vice President, in charge of the B&T Northern Business Group, Harnesses, Industrial Operations and Purchasing

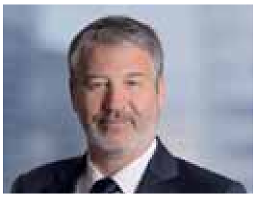
David DRAGONE
Senior Corporate Vice President Human Resources, in charge of Corporate Social Responsibility

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

Jérôme FOURNIER
Corporate Vice President Innovation, Services & Growth



Julien HUEBER
Executive Vice President, Industry Solutions & Projects



Jean-Christophe JUILLARD
Deputy Chief Executive Officer and Chief Financial Officer and Information Systems

Ragnhild KATTELAND
Executive Vice President, Subsea and Land Systems

Vijay MAHADEVAN
Executive Vice President, B&T Southern

Élyette ROUX
Corporate Vice President and Chief Sales & Marketing Communications Officer

A team streamlined for the 2022-2024 strategy

Larger and streamlined, the Executive Committee team reflects the strategic importance of the relationship Nexans enjoys with its customers and markets and embodies its ability to undergo change. It has been formed to achieve Nexans' industrial goal of becoming a sustainable electrification pure player. It is the right team to implement the 2022-2024 strategy and ensure that Nexans becomes a unique and fully-integrated player covering the entire electrification value chain.

The strength of diversity

Many forms of diversity are represented on Nexans' Executive Committee including religion, gender, sexual orientation and cultural pluralism, with five nationalities including the first member from Norway, a country representing the second largest employee base at Nexans. Appointed in January 2020, Ragnhild Katteland is the first woman to lead one of Nexans' four largest businesses, representing 31% of EBITDA and 71% of CAPEX and positioned at the heart of Nexans' strategy. Diversity has also been boosted with the appointment of Élyette Roux in August 2021, bringing the proportion of women on the Executive Committee to an objective of between 18% and 20% has been set for 2023. The current succession plan for the Executive Committee has identified two women internally who, if needed, could succeed two male incumbents.

Ready for post-covid

Nexans' crisis management culture has enabled the Group to take effective measures amid the Covid-19 crisis. In the current macro environment and incorporating no material change in the view of the impact of the Covid-19 crisis, in 2021 the Group accelerated its new strategic move towards sustainable electrification.

3 QUESTIONS FOR VINCENT DESSALE

Chief Operating Officer and Senior Executive Vice President of Building & Territories Europe & North America Business Group

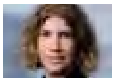
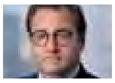
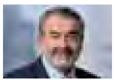
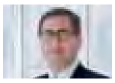
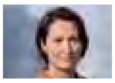
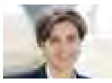
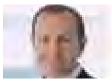
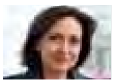
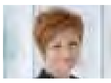
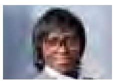
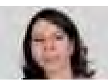
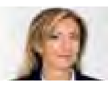
How is Nexans playing a major role in today's electric revolution?
By designing and supplying systems and solutions to meet the challenges of electrification, across the energy production, transmission, distribution and consumption segments. Electrification is a key driver in the transition to sustainable, renewable and carbon-free energy. In addition to our customer offerings, Nexans is also committed to achieving carbon neutrality by 2030.

How can we deliver sustainable, renewable and carbon-free electricity?
Thanks to our technical, industrial and digital teams, which are dedicated to Innovation, and work in Techno Centers & Design Labs to develop innovative solutions for our customers, applications and users. By leveraging this technical know-how, we can offer cabling systems and engineering services, for example, that optimize electricity consumption and reduce heat emissions, thus helping to reduce demand and the impact on the environment.

How will Nexans get ahead and stand out from its competitors on the market?
Our positioning as a "Pure Player" allows us to bring our expertise in electrification to our customers and users. Thanks to our knowledge of users' needs and "irritants", we offer innovative and exclusive solutions and services. Our understanding of the electrification ecosystems and their medium- and long-term challenges helps us to make strong strategic choices, such as the decision to vertically integrate the metallurgy business to guarantee the copper supply chain, or teaming up with upstream and downstream partners to jointly develop the offerings of the future. Nexans will stand out from its competitors on the market by enhancing the user experience.

BOARD OF DIRECTORS

MEETING THE MOST DEMANDING GOVERNANCE STANDARDS

	Personal information						Position on the Board				Participation in a Committee			
	Surname and name, corporate name		Age	Woman/ Man (W/M)	Nationality	Number of shares held	Start of first term of office	End of current term of office	Length of service on the Board (number of years)	Independence	Accounts, Audit and Risk Committee	Appointments and Corporate Governance Committee	Compensation Committee	Strategy and Sustainable Development Committee
Chairman	Mouton Jean		65	M		11,950	05/15/2019	2023 AGM	3	Yes				
Directors proposed by the main shareholders	Bpifrance Participations, represented by Hérelle Anne-Sophie		41	W		3,363,546	05/15/2019	2023 AGM	3	No	✔	✔	✔	✔
	Hasbún Martínez Oscar		52	M		500	05/15/2019	2023 AGM	3	No				C
	Luksic Craig Andrónico		67	M		6,740	05/14/2013	2025 AGM	9	No				
	Pérez Mackenna Francisco		63	M		500	05/31/2011	2025 AGM	11	No	✔	✔	✔	✔
Independent directors	Anne Lebel Lead Independent Director		56	W		500	05/17/2018	2022 AGM	4	Yes		C	C	
	Basson Jane		52	W		500	05/13/2020	2024 AGM	2	Yes		✔	✔	✔
	Marc Grynberg Director responsible for monitoring climate and environmental issues		56	M		2,000	05/11/2017	2025 AGM	5	Yes				✔
	Jéhanno Sylvie		52	W		500	05/13/2020	2024 AGM	2	Yes	✔	✔	✔	
	Porte Hubert		57	M		571	11/10/2011	2023 AGM	11	Yes	✔			
	Wantz-O'Rourke Kathleen		56	W		500	05/12/2016	2024 AGM	6	Yes	C			
Directors: representing employees and employee shareholders	Afanoukoé Angéline		51	W		520	10/11/2017	2025 AGM	5	No			✔	
	Alami Selma		46	W		734	05/12/2021	2025 AGM	1	No				
	Nyborg Bjørn Erik		45	M		0	10/15/2020	2025 AGM	2	No				
Censor	Bernardelli Laura		52	F		0	09/30/2021			Yes				

KEY PLAYERS IN NEXANS' DEMOCRATIC PROCESSES

TYPICAL PROFILE OF A NEXANS DIRECTOR

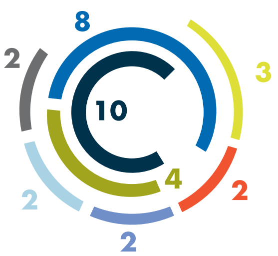
54.3 years
average age

45.5%
are women

57.14%
are binational or foreign nationals

over 63.6%
are independent

AREAS OF EXPERTISE



- **Industry**
- **Senior management functions**
- **Finance**
- **Nexans employees**
- **Human Resources**
- **Services**
- **Communication**
- **Energy**

The Lead Independent Director – A monitoring role

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

Director representing employees - an asset for the Group

In the National Cross-Industry Agreement *(Accord national interprofessionnel)* signed in 2013, employee representative bodies invited the legislator to require large companies to have employee representatives

3 QUESTIONS FOR ANNE LEBEL

Lead Independent Director, Chair of the Appointments and Corporate Governance Committee, Chair of the Compensation Committee

How would you rate good governance practices at Nexans?
It is a constant focal point on which progress is continually being made, which means constantly seeking benchmarks and challenges for our practices. The role of the Group's General Secretary is essential in achieving this. The General Secretary ensures that the Board of Directors is well balanced in terms of experience and independence, a balance that is closely observed, particularly within the committees. Our Chairman is independent, which is unusual in a company with a separate governance structure, and the key position of Lead Independent Director was created in 2019.

What are the tangible results of good governance practices?
First and foremost, they have clarified the respective roles, allowing the Board of Directors to focus on fundamental issues, but also to support management. This creates a safe environment, and coherent rules for exchanges and dialogue. The separation of powers between Chairman and Chief Executive Officer, as adopted by Nexans in 2014, helps to develop the professional dimension of governance and position the role of the Board of Directors at the right level. When everything is clear cut, actions are all the more impactful for the Company.

Do you think that corporate governance plays a role in accelerating ESG strategies?
The recent appointment of a Climate Director reflects the growing importance of ESG issues on the Board of Directors' agenda and in Nexans' strategy. It fosters exchanges of information and builds bridges between the Board and the Executive Committee. The Group has already launched a number of initiatives involving many employees, such as Planet Week, which have been a resounding success. To play their part, directors participate in stakeholder engagement events. All of this forms a bond and gives meaning to the approach adopted by the Board of Directors, which is strongly committed to serving the Company's interests and proud to accompany its growth.

on their Board of Directors – a requirement that only applied to public companies at the time. Within Nexans, their role is important and their opinion valued during discussions, because not only do they offer their point of view on the Group's strategy from an inside perspective, they also share their in-depth knowledge about the Group's businesses, markets, customers, expertise and competitive environment.

Director responsible for monitoring climate issues

On January 20, 2022, the Board of Directors decided to appoint a director to monitor climate issues. Marc Grynberg, who is also a member of the Strategy and Sustainable Development Committee, has agreed to take on this position for the duration of his term of office, i.e., until the end of the 2025 Annual Shareholders' Meeting called to approve the 2024 financial statements. **Among other responsibilities, Marc Grynberg must ensure roadmap and climate action plan progress, and help prepare the information presented at the Annual Shareholders' Meeting. He also participates in meetings with shareholders in collaboration with the Chairman of the Board of Directors and the Chief Executive Officer when discussing issues related to the climate action plan.**

Meeting the most demanding governance standards

In a year dominated by the launch of Nexans' new strategy as an electrification pure player, the Board of Directors and the Executive Committee continued to work closely together in 2021 to consolidate the Group's governance and give it a new style.
The Board of Directors of Nexans, working with Executive Management, maintains regular, constructive dialogue to implement the Strategic Plan in the best interests of the Company and its stakeholders. The Board ensures that Nexans is fully engaged with all its stakeholders, supplying the critical links for economic and social development through innovative and sustainable solutions and services.
The Board owes its success to its independence, diversity and focus on sustainability. Its 15 members are true leaders in their respective fields – fields that are key to Nexans' strategy. This diversity gives Nexans an international dimension and a deeper understanding of the wider market. All members are assessed every year with respect to the independence criteria defined by the recommendations of the AFEP MEDEF Corporate Governance Code.

2021 highlights

The Board met eight times in 2021, with an average attendance rate of 92.9% for the year, and examined numerous issues such as the review of the Equity Story and strategic initiatives, and the review of the compliance, risk management, internal control and the internal audit program. They studied strategic options and divestment and acquisition projects, and in particular gave the green light to borrow 200 million euros from the European Investment Bank **to accelerate Nexans' active participation in the global energy transition and its commitment to help achieve carbon neutrality by 2030.**
In addition, several directors had the opportunity during the year to be involved in major events for the Group. Four members participated in the inauguration of the plant in Charleston, USA. Another highlight was the virtual ESG roadshow to which the Chairman of the Board and the Lead Independent Director were invited and were able to meet with a dozen investors and voting advisory agencies.

More information provided to directors

When taking office, directors take part in an induction program that gives them the opportunity to meet key managers and become familiar with the specific traits of the Group, as well as with its strategy, businesses and business sectors. In addition to receiving all the information necessary to perform their duties, directors make site visits. Since 2019, a Handbook is provided to each director. It comprises documents and information essential to execute their 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.
In 2021, the directors were also given a continuous stream of information at each meeting, particularly relating to the annual report of the High Committee on Corporate Governance, the AMF report on corporate governance and executive compensation, the practice

Preparatory committees playing a major role

The four committees of the Board of Directors are all compliant with the rules concerning their composition, responsibilities and operation as set forth by law and the recommendations of the AFEP-MEDEF Code:
- *Accounts, Audit and Risk Committee*
- *Appointments and Corporate Governance Committee*
- *Compensation Committee*
- *Strategy and Sustainable Development Committee*

of Say on Climate, the holding of shareholders' meetings in the context of the health crisis, directors' liability and the prevention of insider trading.

An in-depth assessment

The Board of Directors' assessment is conducted annually based on a detailed questionnaire sent to each director or via individual interviews held by a specialized consulting firm. The assessment covers the Board of Directors' operating procedures, composition and organization. It evaluates the contribution and involvement of directors and verifies that significant issues are properly prepared, dealt with and discussed at Board meetings.

At the end of 2021, an assessment was carried out based on a detailed online questionnaire and individual interviews. Among the strong points that emerge are the emphasis placed by the directors on constant and visible improvements over the last few years, an excellent appreciation of the role and the investment of the Chairman of the Board, the welcoming of new directors, the quality of the discussions and the culture and dynamics of the Board. Areas for improvement included the time taken to receive documentation, which could systematically include a summary of key points, better management of sustainable development commitments, a return to physical meetings and more meetings with COMEX members and their teams.

The AFEP-MEDEF Code

For corporate governance matters, Nexans refers to the Corporate Governance Code for Listed Companies published by the Association Française des Entreprises Privées (AFEP) *and* Mouvement des Entreprises de France (MEDEF), *as amended in January 2020 (the "AFEP-MEDEF Code"). Thus, in terms of independence, the Board had seven independent directors out of 11 at the end of 2021, i.e., an independence rate of over 63.6%, which exceeds the 50% recommended by the AFEP-MEDEF Code for widely-held companies.*

CRITICAL RISK MANAGEMENT

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

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

Including risks and opportunities

In 2021, Nexans updated its risk map, which identifies the main risks – i.e., strategic, operational, legal & compliance and financial risks – that could have an impact on its business, financial position, outlook, reputation, or on its ability to achieve its objectives (in line with the European "Prospectus 3 Directive").
For each category, the risks are classified by their degree of criticality – weak, moderate, significant or critical – i.e., based on their severity and probability of occurrence, after taking into account the mitigation action plans put in place. In view of the major impacts caused by the unprecedented Covid-19 pandemic, Nexans' risk management system has been further strengthened. The Group had to adapt its business model in order to protect its employees, while taking care to ensure the continuity of its operations so that it could also protect its customers and partners. We therefore took and maintained measures to protect health and safety and ensure the continuity of our manufacturing operations.
In addition, Nexans is integrating emerging risks into its strategy (global warming, risk of blackout in megacities, guaranteeing electrical safety for end-users). The related challenges, risks and opportunities could impact its strategy.

Climate risk

Assessment in process

Nexans has set up a working group to draw up a quantitative and qualitative scoring system for climate risks (physical risks and transition risks), based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) concerning the effect of climate-related risks on companies' businesses. Set up by the G20 at the COP 21 Paris Climate Conference in 2015, the TCFD sets out recommendations concerning companies' climate-related financial disclosures. The TCFD's final report published in June 2017 specifies the four core elements of climate-related financial disclosures that should be included in corporate registration documents: Governance, Strategy, Risk Management, and Metrics and Targets.

CYBER RISK

Like any organization using information technology, Nexans is increasingly exposed to the risk of cyberattacks. These attacks are becoming increasingly sophisticated and can lead to business interruption, theft of know-how or confidential information, fraud attempts or ransomware with extremely high financial and reputational impacts. Cyber risks are exacerbated by increased exposure due to remote working brought on by crisis situations, such as Covid-19. Led by the Chief Information Security Officer, the cyber security team is an integral part of the Risk Management Department and is fully dedicated to cyber risk. It already has a four-pillar program: empower people in Nexans to effectively thwart threats by placing them at the center of its detection and response capabilities; protect key technological assets and in particular industrial activities by controlling access to information and information processing; respond to any threat or cyber incident as soon as possible to limit the adverse impact on the business and industrial operations; control the effectiveness of the security controls implemented, and provide means of continuous improvement.

Impact of the Covid-19 crisis

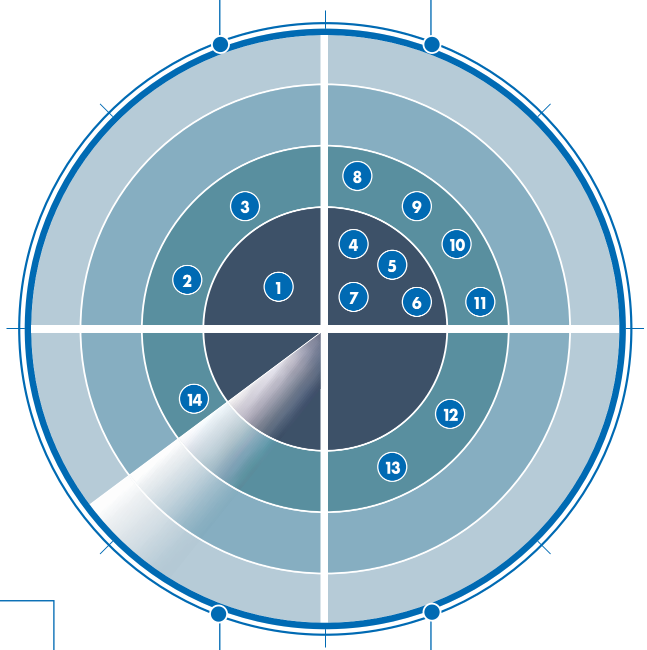
While the Covid-19 crisis has exacerbated Group-specific risks, this is not unique to the Group and is therefore not included in the list of 14 risks identified. Nevertheless, in 2021, the health of its employees and business partners remains the utmost priority for Nexans. While new waves of the pandemic occurred in many countries around the world, the Group maintained an operational organization such that it was ready to manage the consequences.

NEXANS' 14 RISKS BY CATEGORY AND DEGREE OF EXPOSURE

Nexans conducted a risk assessment to identify the risk factors to which it is exposed. The 14 risks identified are those that the Group considers may have a significant negative impact on its business, financial position, outlook, reputation, results of operations or ability to achieve its objectives, should they occur. Only the 14 risks assessed as "material" or "critical" are presented below.

STRATEGIC RISKS

1. Geopolitical, political and social instability risk
   >> Critical
2. Risk related to the competitive environment of the Group's operating subsidiaries
   >> Material
3. Risk related to M&A
   >> Material



OPERATIONAL RISKS

4. Risk related to cyber security, continuity and performance of information systems
   >> Critical
5. Risk related to climate change and natural hazards
   >> Critical
6. Risk related to turnkey projects
   >> Critical
7. Risk related to price fluctuations and availability of raw materials
   >> Critical
8. Industrial and environmental risk
   >> Material
9. Risk related to tensions in the supply chain
   >> Material
10. Risk related to the volatility of energy prices
    >> Material
11. Risk related to contractual liability: product liability
    >> Material

FINANCIAL RISKS

14. Related to the metal price and the hedging of its volatility
    >> Material

LEGAL AND COMPLIANCE RISKS

12. Risk related to non-compliance with antitrust laws
    >> Material
13. Risk of non-compliance with anti-bribery legislation
    >> Material

- Critical
- Material
- Moderate
- Low

Mitigation measures for the most critical risks

1. Strategic risks related to geopolitics, politics and social instability: Continuous monitoring • Contingency plan to secure supplies • Stress test on Nexans' resilience in a global economic recession • Crisis management (Lebanon, Colombia, etc.)

4. Operational risks related to cybersecurity, continuity and performance of information systems: Awareness initiatives (phishing campaign, roadshow, training, etc.) • IS crisis management procedure (annual cyber crisis exercise) • IS approval process for new applications and security assessment

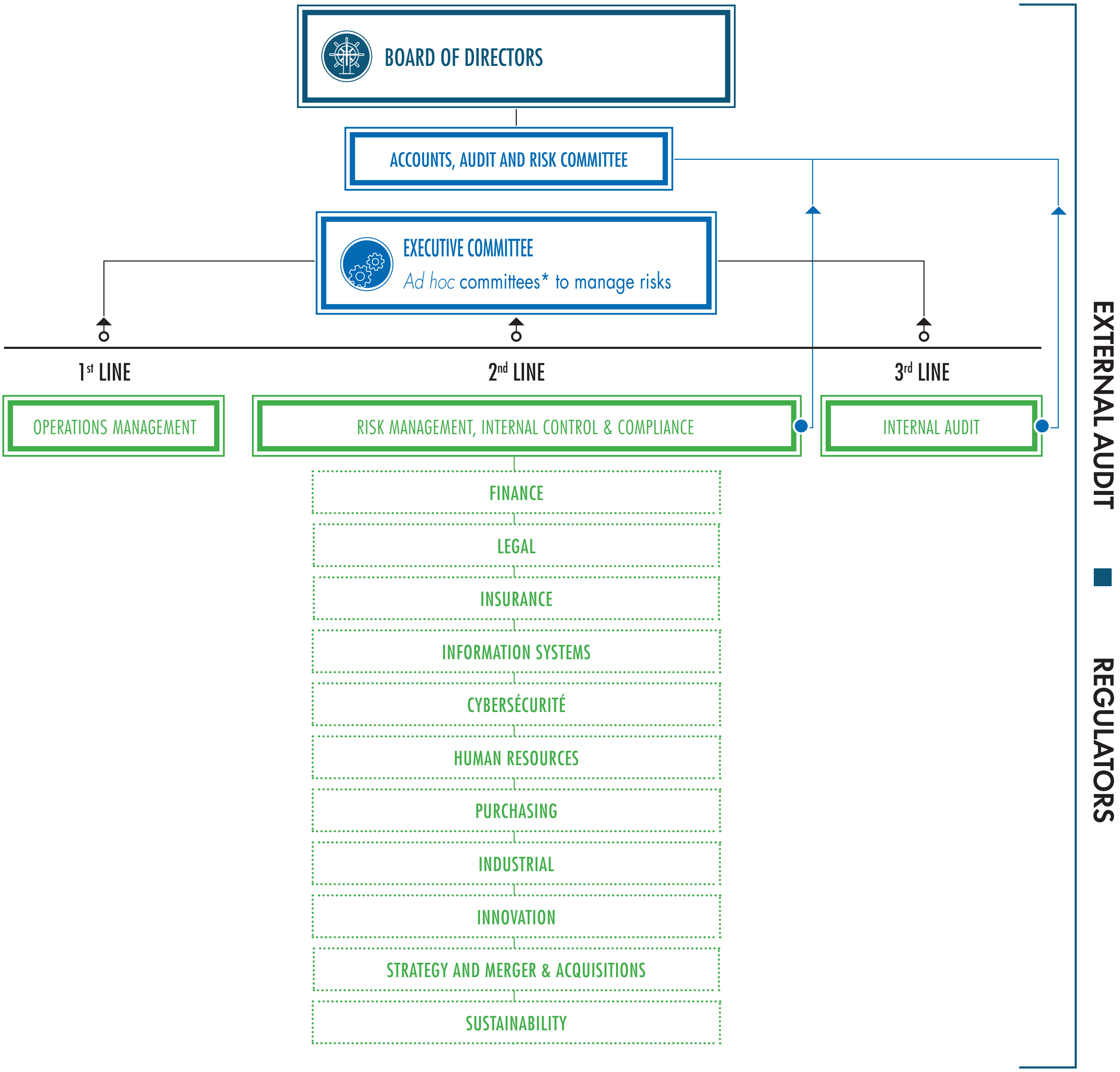
5. Operational risks related to climate change and natural hazards: Monitoring of physical risks with preventive on-site action • Crisis management/BCP in place • TCFD studies on physical and transition risks

6. Operational risks related to turnkey projects: Risk management system • Enhancing industrial performance & quality

7. Operational risks related to price fluctuations and availability of raw materials: For copper: vertical integration of metallurgy into Nexans' activity • Long-term contracts • Development of recycling

NEXANS' EFFECTIVE MANAGEMENT OF RISKS AND INTERNAL CONTROLE

The success of Nexans' strategy and operations depends on its ability to manage risks. Consequently, the Group has set up a dynamic risk management system with the two fold purpose of (i) analyzing the main risks that could affect its ability to achieve its strategic objectives, and (ii) putting in place appropriate measures to ensure that risks are effectively managed and reduced to acceptable levels. This system is structured in the form of internal control processes, based on three risk management lines of defense.



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

*Ad hoc Committees:
- Disclosure committee
- Tender Review Committee
- Purchase Contracts Review Committees
- Mergers & Acquisitions Committees
- Coroprate Social Responsibility (CSR) supported by two expert committees, the Social Committee and the Environment and Products Committee.

To find out more see Chapter 2 of the 2021 URD.

A ROBUST, WELL-ACCEPTED ETHICS AND **COMPLIANCE PROGRAM**

Keenly aware of the central role played by compliance and business ethics in good corporate governance, Nexans is committed to transparency and exemplarity by observing the highest regulations and standards. As they go about their day-to-day work, whether in their dealings with customers, suppliers and subcontractors or with other stakeholders more generally, all Group employees strive to uphold fair practices at all times. The principle of fair practices is also one of the key components of the Group's CSR policy.

From combating corruption and fraud to preventing conflicts of interest and protecting human rights, Nexans has made ethics a cornerstone of the Group's culture and strategy. Its compliance program provides a framework for a dedicated organization, continuous training and numerous tools for employees. Targeted, effective measures are essential to raise awareness about ethics and compliance issues and foster adherence with ethics rules.

Sapin II: more stringent preventive and repressive measures

In France, the compliance mechanisms in force today are mostly derived from the Sapin II legislation that came into force in 2017 and are based on Anglo-Saxon anti-corruption standards. Under the legislation, companies must have in place:

- *A code of conduct*
- *An internal whistleblowing system*
- *Anti-corruption risk mapping*
- *Procedures for assessing customers, tier-one suppliers and intermediaries against the risk maps*
- *Internal and external accounting control procedures*
- *A training program for the managers and employees most exposed to the risks of corruption and influence peddling*
- *A disciplinary system for the measures implemented*
- *An internal monitoring and evaluation system for the measures implemented*

Taking business ethics one step further

Business ethics is a top priority for the Group, requiring a compliant framework and fair business practices. 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 has set a target to have all of its managers take part in the annual compliance awareness program by 2023. At the end of 2021, 98% of managers had completed the program.

Focus on fair practices

Compliance with rules on ethics is one of Nexans' underlying commitments in conducting business. Its Code of Ethics and Business Conduct lays down the rules and values that Group employees must uphold in their work. Nexans' business partners are also expected to comply with the same rules and values. The rules cover competition law, the prevention of fraud, corruption and conflicts of interest, embargo regulations, money laundering, personal data protection, etc.

Responsible tax policy

Nexans has established a responsible tax management policy and takes every step to uphold transparency and comply with laws in the countries where it operates. As such, the Group bases its tax policy on four key

92 % 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.

principles: (i) complying with international tax standards set out by the OECD to ensure that its intercompany transactions are in line with the arm's length principle; (ii) not evading taxes through complex and opaque corporate structures; (iii) not using shell companies or other legal structures that would not be consistent with its operational targets; and (iv) 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.

3 QUESTIONS FOR NINO CUSIMANO

Senior Corporate Vice President, General Counsel & Secretary General

How does Nexans maintain strong corporate governance and practices?

As part of a continuous improvement approach, the Board of Directors assesses its procedures every year, including with the help of an external consultant every three years. After the assessment, an action plan is implemented, including best practices: Lead Independent Director, separation of the positions of Chairman and Chief Executive Officer, executive sessions, meetings of independent directors, etc.

The Legal Department also provides directors with information on regulatory developments applicable to the Group.

How can we reconcile good governance and risk management?

We can do this through a constant exchange between the operational entities (third line of defense) and the Group's management; this exchange is part of a risk management system structured around "three lines of defense".

In this respect, the operational entities (first line of defense) systematically identify their risks and the mitigation actions to be implemented.

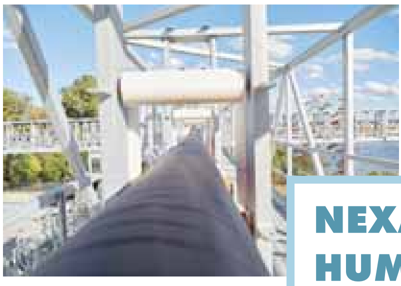
The Risks, Internal Control and Compliance Departments (second line of defense) assist the operational entities in identifying risks and the control measures to be taken or implemented. They report regularly to the Accounts, Audit and Risk Committee of the Board of Directors. The mapping of the Group's critical and material risks is discussed beforehand at the level of the Executive Committee. Internal Audit presents its annual audit plan to the Accounts, Audit and Risk Committee each year, together with the key audit matters, as part of its work to ensure the resilience of its control system.

What is the ethics and compliance culture like at Nexans?

More than ever, ethics and compliance are major concerns for the Group. We have deployed a host of different rules and tools internally and with our suppliers and subcontractors. But beyond that, our customers are now paying more attention to the issues. In fact, a strong ethics and compliance culture can be a competitive advantage. The challenge is clear: we need to facilitate and streamline our procedures so they can be implemented more efficiently, which will notably mean going more digital.







NEXANS HUMAN RIGHTS CHARTER

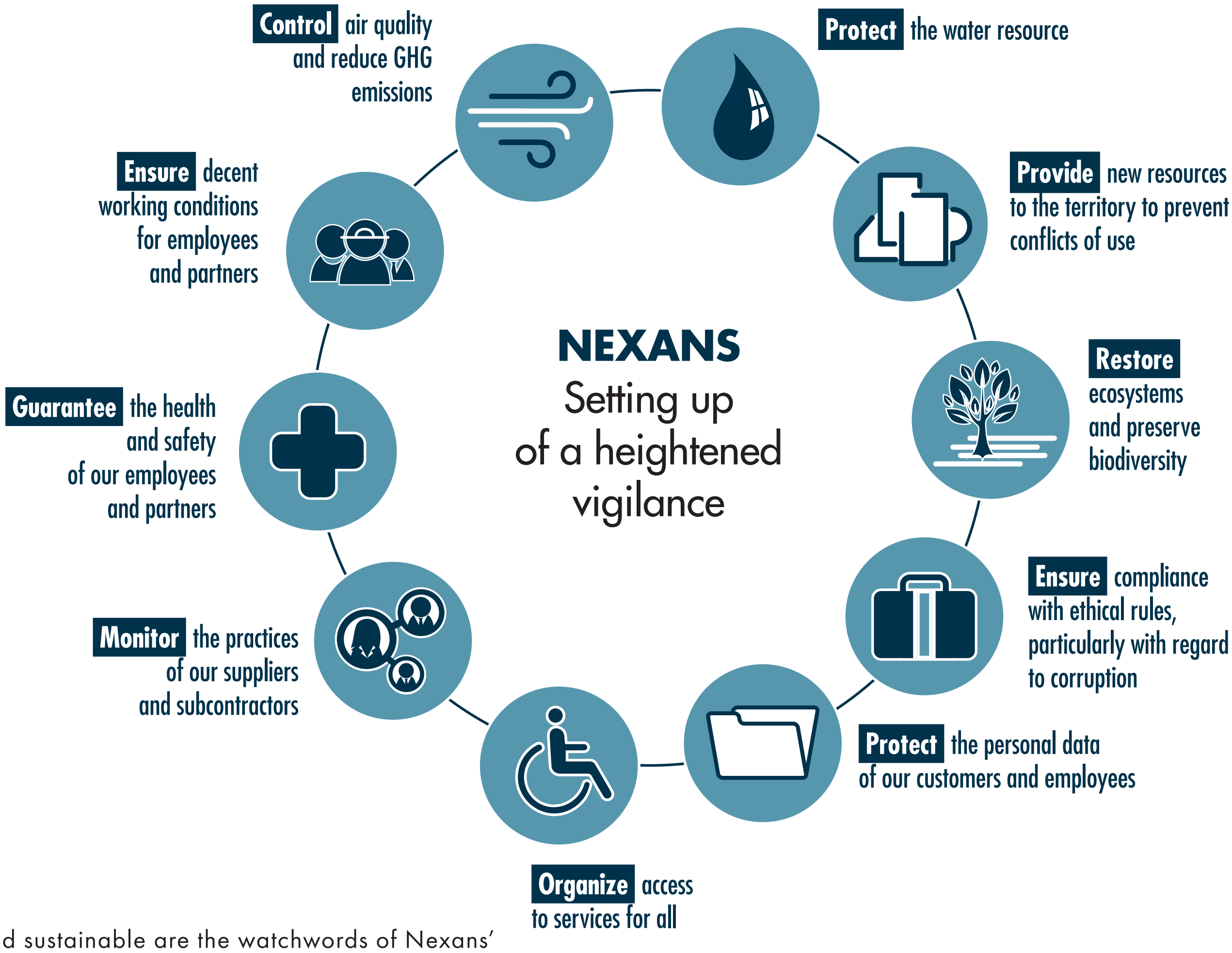
To mark the UN Human Rights Day observed on December 10 every year, in 2021 Nexans reaffirmed its commitment to the values and principles of the 1948 Universal Declaration of Human Rights by adopting a Human Rights Charter, which is an integral part of its Code of Ethics. The Charter was prepared in collaboration with the employee representatives and covers seven major themes, including freedom of association, decent working conditions and data confidentiality. It is now time for it to be adopted by every employee.

Duty of care and human rights

Following the introduction of the French law on corporate duty of care in 2017, which forms a key component of CSR regulations to promote responsible purchasing and optimize environmental protection, corporations are required to draw up and publish a duty of care plan. Under the legislation, corporations in France are subject to a duty of care with respect to safety, human rights and the environment. To that end, Nexans has set up various risk prevention and management procedures and systems. Its duty of care plan now highlights five main risks: (i) accidental pollution (including hazardous waste/materials such as oils, fuels, solvents, etc.); (ii) historical pollution; (iii) workplace safety; (iv) workplace health; and (v) human rights and fundamental freedoms.

A sustainable procurement policy

In order to foster ethically-responsible procurement practices and develop close business relationships with its suppliers, Nexans has defined three major priorities for its suppliers: (i) achieving CSR objectives, in particular complying with the new Nexans Supplier Charter covering their ethical, environmental and social obligations as well as strengthening the joint action plan to reduce their carbon footprint; (ii) differentiating and innovating alongside Nexans, which is essential to ensuring their competitiveness and positioning; and (iii) demonstrating reliability and resilience to crises, a major challenge for which business continuity plans with the suppliers are key to guaranteeing customer service over the long term.
To that end, Nexans works with a base of high-performing and reliable suppliers and subcontractors who can help the Group achieve its business objectives while at the same time respecting export control requirements and environmental, financial, ethical and social obligations, as well as national and international compliance rules. Fair



and sustainable are the watchwords of Nexans' relationships with its suppliers and subcontractors. In 2021, subcontracting represented 3.4% of the Group's purchases, which represents 2.48% of its consolidated sales.

Continuous learning

The objectives of Nexans' training system are threefold, covering all Group subsidiaries and entities: (i) to ensure that employees who may encounter risky situations are sufficiently aware of the rules on business ethics; (ii) to reduce the likelihood of breaches of competition, anti-corruption, anti-money laundering and export control laws; and (iii) to prevent fraud.

To that end, Nexans has developed a training module on the Ethics Charter and the various internal guidelines and procedures (Supplier CSR Charter, anti-corruption policy also relating to gifts and invitations, GDPR, etc.), available in the different languages of the countries in which the Group operates, namely: French, English, Spanish, Italian, Portuguese, German, Norwegian, Swedish, Turkish, Chinese and Korean.

COMPLIANCE

2021 Compliance Week

Due to Covid-19 and so that as many employees as possible could participate, the Compliance Week was fully digital for the second year running. Building on the 2020 edition, the 2021 Compliance Week was based on an 11-part program and included videos, podcasts, presentations and quizzes covering conflicts of interest, harassment, discrimination, corruption risks, competition law, cybersecurity risks, personal data protection and the whistleblowing procedure. Nexans also invited a client to share his anti corruption experience in a video. All parts of the program requiring active participation from employees were available in 11 languages. The Compliance Week was compulsory for Group managers and the program was also available to the non-managers who have access to the online training module. At the end of 2021, 4,766 employees had completed the Compliance Week program. In addition, the 2021 program was completed by 98.3% of Group managers.

MEGATRENDS

TRANSFORMING **MEGATRENDS**

4 GLOBAL **MEGATRENDS**

1. ENERGY REVOLUTION

2. SMART DEVICES AND INFRASTRUCTURE

3. DIGITAL REVOLUTION

4. INTERNATIONAL MOBILITY

THE CHALLENGES OF ELECTRIC SYSTEMS

- Integrating energy storage systems into electricity distribution networks
- Deploying electric mobility and integrating electric vehicles
- Connecting decentralized power systems to main grids
- Developing new power electronics applications
- Dealing with massive volumes of data and heterogeneous data sources
- Developing an approach focused on the end user
- Carrying out transactions in local energies
- Managing major uncertainties about patterns of consumption

Nexans
ELECTRIFY THE FUTURE

1 - EXPANSION OF ELECTRICITY IN ENERGY SYSTEMS AND ECONOMIES

2 - CONTRIBUTION OF ELECTRIFICATION TO THE FIGHT AGAINST CLIMATE CHANGE

3 - ELECTRIFICATION AS A DRIVER FOR DEVELOPING NEW ECONOMIC MODELS

+20%
demand for electricity worldwide by 2030

100%
of the world's population must have access to electricity by 2030

5 Main Drivers
(part of the +2°C trajectory)

3
economic models in the electric ecosystem

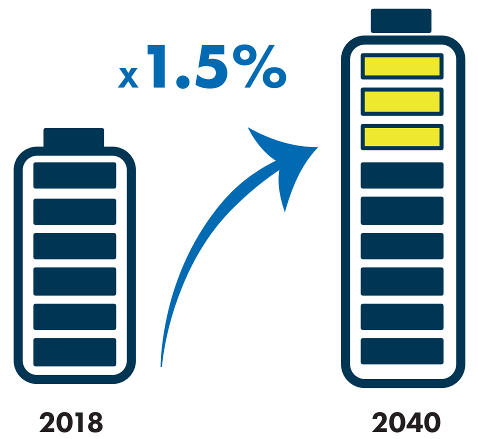
~€23,000bn
invested in new capacities (production + networks) by 2040

~80%
of renewable energy in the additional production capacity to be deployed by 2040

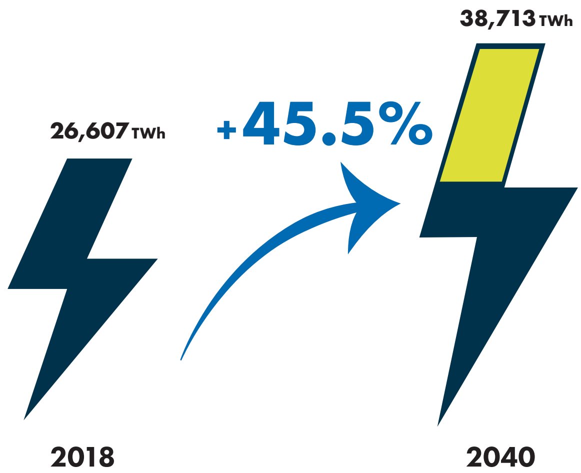
GLOBAL ELECTRICITY CONTRIBUTION BY **2040**

Source : www.iea.org/reports/world-energy-outlook-2019

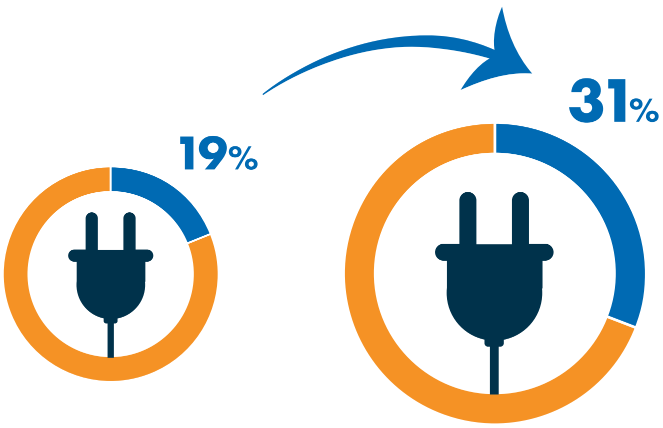
Increase x 1.5% in global demand by 2040



Increase in electricity production capacity (TWh) by 2040 for a +2°C trajectory

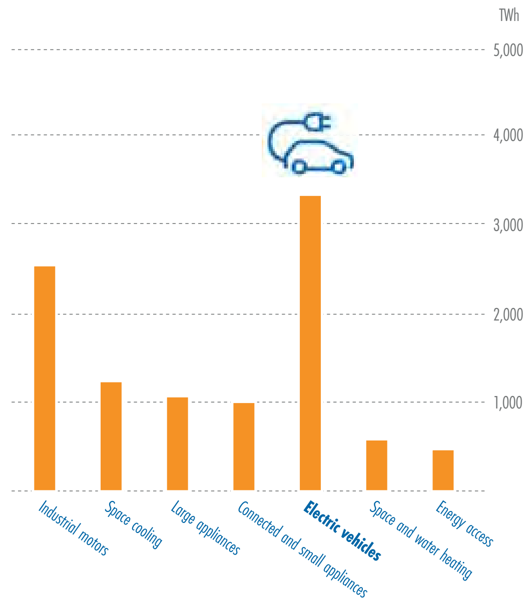


Share of electricity in total final energy consumption



(1) Electricity will reach 31% of final energy consumption in 2040 in the sustainable development scenario. Source : World Energy Outlook 2019 Roland Berger

Share of electric vehicles in electricity demand growth (2040)



The Global Compact offers a simple, universal and proactive framework of commitment, which is based on:

- ten principles relating to respect for human rights, international labor standards, the environment and the fight against corruption,
- The **17 Sustainable Development Goals (SDGs)** are an action plan for peace, humanity, the planet and prosperity. They aim to transform our societies by eradicating poverty and **ensuring a just transition to towards sustainable development by 2030.**

DIRECT CONTRIBUTION OF GLOBAL ELECTRIFICATION TO THE UN'S SDGS

7 AFFORDABLE AND CLEAN ENERGY

1 bn
more people have had access to electricity since 2010

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

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

11 SUSTAINABLE CITIES AND COMMUNITIES

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

13 CLIMATE ACTION

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

NEXANS :

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

WE SUPPORT UN GLOBAL COMPACT

Since 2008, Nexans has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption.

NEXANS, AT THE CENTER OF A MORE ELECTRIC WORLD

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

For Nexans, focusing on electrification means covering four key pillars: (i) energy production (offshore wind farms, solar power plants, etc.), (ii) energy transmission via interconnections between countries, (iii) energy distribution (which requires infrastructure to be upgraded to support future electricity demand), and (iv) the end use of energy wherever there is human activity (construction, public and industrial infrastructure, commercial activity, etc.). Because customer demand is increasingly turning to high value-added systems and products, Nexans' aim is to move from being a broad-based cable player covering 34 sub-sectors to an electrification pure player covering 12 sub-sectors. Our strategic objective is to simplify the number of activities we serve in order to amplify our impact. We are therefore beginning to reorient our portfolio through a number of divestments, as well as targeted transformative transactions and bolt-on acquisitions to round out our electrification offer and enable us to scale up our value proposition. The potential for growth is huge as today the electrification ecosystem represents a market that is currently worth over 100 billion euros and is expected to increase to 154 billion euros by 2030. In order to execute its strategy of focusing on the electricity sector – which currently accounts for 55% of its sales – Nexans will invest between 1.5 billion and 2 billion euros between now and 2024. At the same time, the Group intends to sell its cable manufacturing assets in several sectors, including automotive harnesses and telecoms. Nexans is aiming to achieve standard sales of between 6 billion and 7 billion euros by 2024, with EBITDA of between 10% and 12% of sales, and to generate between 500 million and 600 million euros in cash (before mergers, acquisitions and capital transactions).

THE WORLD IS BECOMING MORE AND MORE ELECTRIC

3 MAJOR TRENDS

1. Demographic growth
2. Demand for electricity
3. Increase in renewables capacity

3 MAJOR RISKS

1. Global warming and biodiversity
2. Blackouts
3. Fire

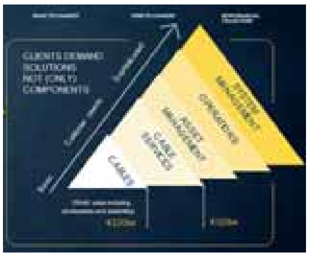
NEXANS
***PURE PLAYER* DE L'ÉLECTRIFICATION**

3 REQUIREMENTS FOR A NEW MODELE

1. Specialization
2. Systems and solutions
3. International expansion

2 PRIORITIES

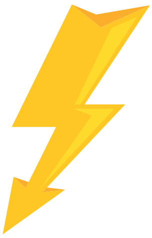
1. Customers - Meeting needs for systems and solutions



2. Innovation - Industry 4.0 + 100% of R&D investment dedicated to electrification

3 REASONS TO STREAMLINE BUSINESS

1. Electrification = 65% of total cable market in 2030
2. Annual growth > other segments
2. A fragmented segment conducive to M&A



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

CREATING VALUE BEYOND CABLES

RESSOURCES

CAPITAL FINANCIER
€1,465m million in equity
€1.8bn in capital employed

INDUSTRIAL CAPITAL
Industrial presence in **42 countries**
91 production sites and logistic centers

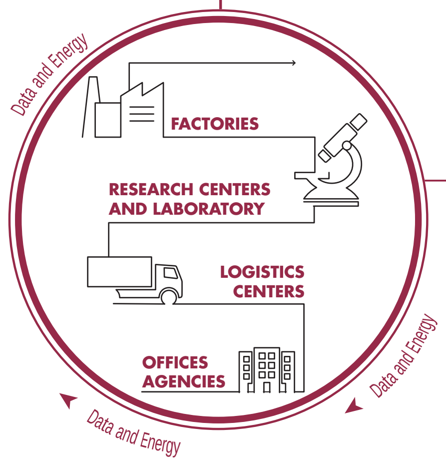
SOCIAL/SOCIETAL CAPITAL
1.81 workplace accident frequency rate
1,800,000 beneficiaries of Nexans Foundation projects since 2013

INTELLECTUAL CAPITAL
1,900 patent families
78 patents filed in 2021

HUMAN CAPITAL
25,000 employees
5,932 new hires

ENVIRONMENTAL CAPITAL
89% 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
41% OF SALES
- Electrical equipment distributors & installers
- Local authorities

HIGH VOLTAGE & PROJECTS
13% OF SALES
- Energy suppliers
- Basic and public infrastructure service operators

INDUSTRIE & SOLUTIONS
23% OF SALES
- Extractive and process industries
- EPC Customers(2)
- OEM Customers(3)
- Cable system manufacturers, integrators and OEMs

TELECOM & DATA
5% OF SALES
- Telecom operators and digital giants
- IT Infrastructure

(1) Net sales at standard metal prices.
(2) EPC: Engineering, Procurement and Construction contractor.
(3) OEM: Original Equipment Manufacturer.
(4) 2021 Internal Opinion Survey. Scope : Cable business excluding Industry & Solutions and Telecom & Data
(5) Offshore wind, interconnection projects, power utilities, smart grids (energy transition), energy efficiency (building), accessories, solar power, wind power, eco-mobility and asset management.

VALUE CREATED

FINANCIAL CAPITAL
3.2% of the share capital is held by employees

INDUSTRIAL CAPITAL
€208.5m invested in infrastructures
more than **€5bn** of purchasing

SOCIAL/SOCIETAL CAPITAL
419,275 hours of employee training
€300,000 dannual budget allocated to the Nexans Foundation

INTELLECTUAL CAPITAL
€100m invested in R&D

HUMAN CAPITAL
€1bn in total compensation paid
74% employee engagement rate[(4)]

ENVIRONMENTAL CAPITAL
92% of recycled production wastes
59% of revenues generated by products and services contributing to to energy transition and efficiency[(5)]

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
- 134 projects supported since 2013

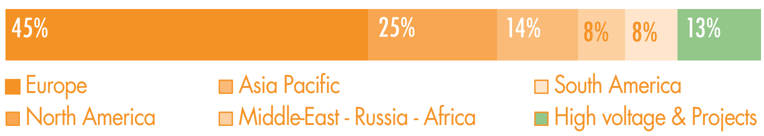
LOCAL AUTHORITIES
- Partnership/training with schools

ÉCOSYSTÈME FINANCIER
- Best financial and CSR performance

2021 SALES [(1)]

€6.1bn

SALES BY SEGMENT



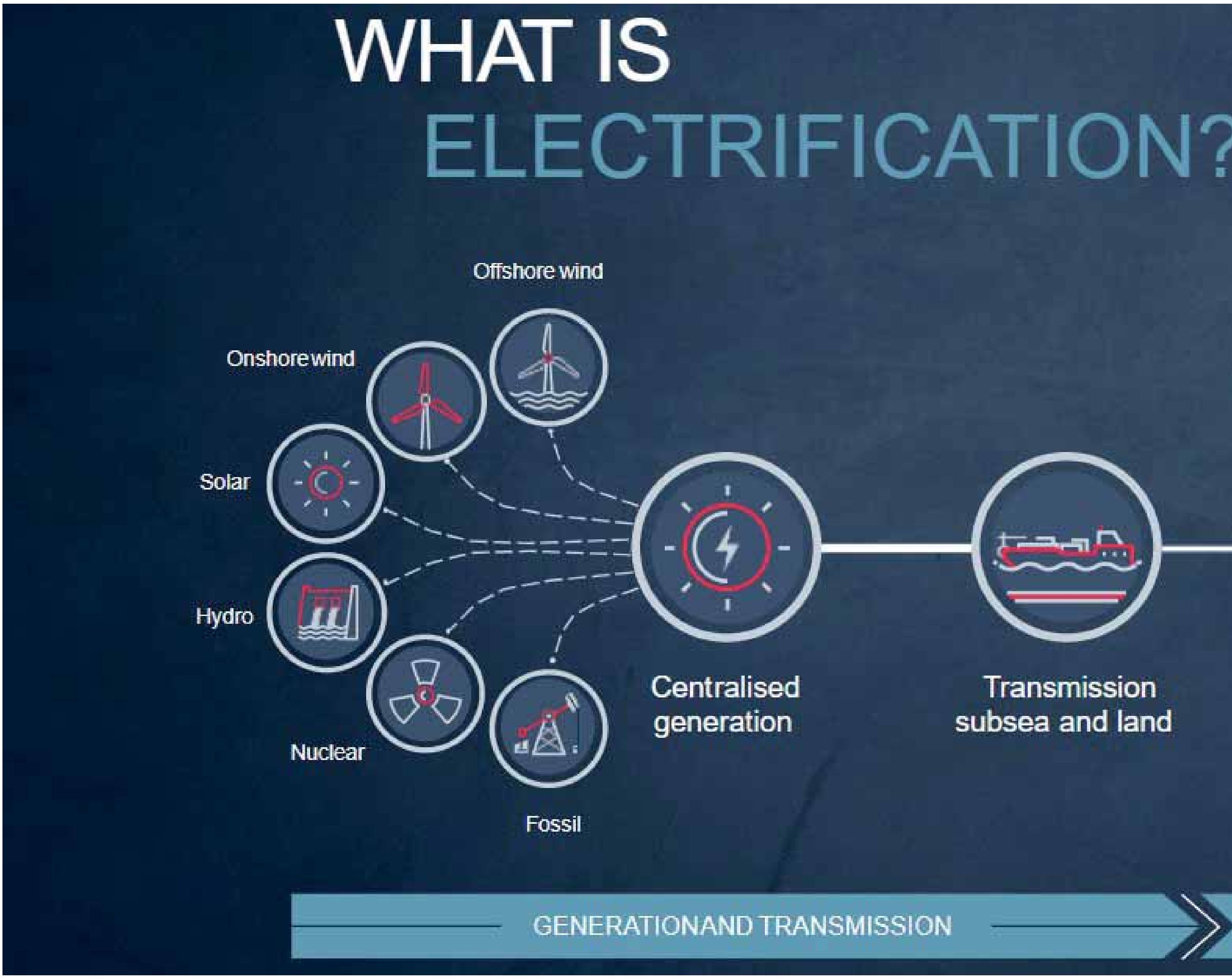
STRATEGY

ACCELERATING **PERFORMANCE**

STRATEGY

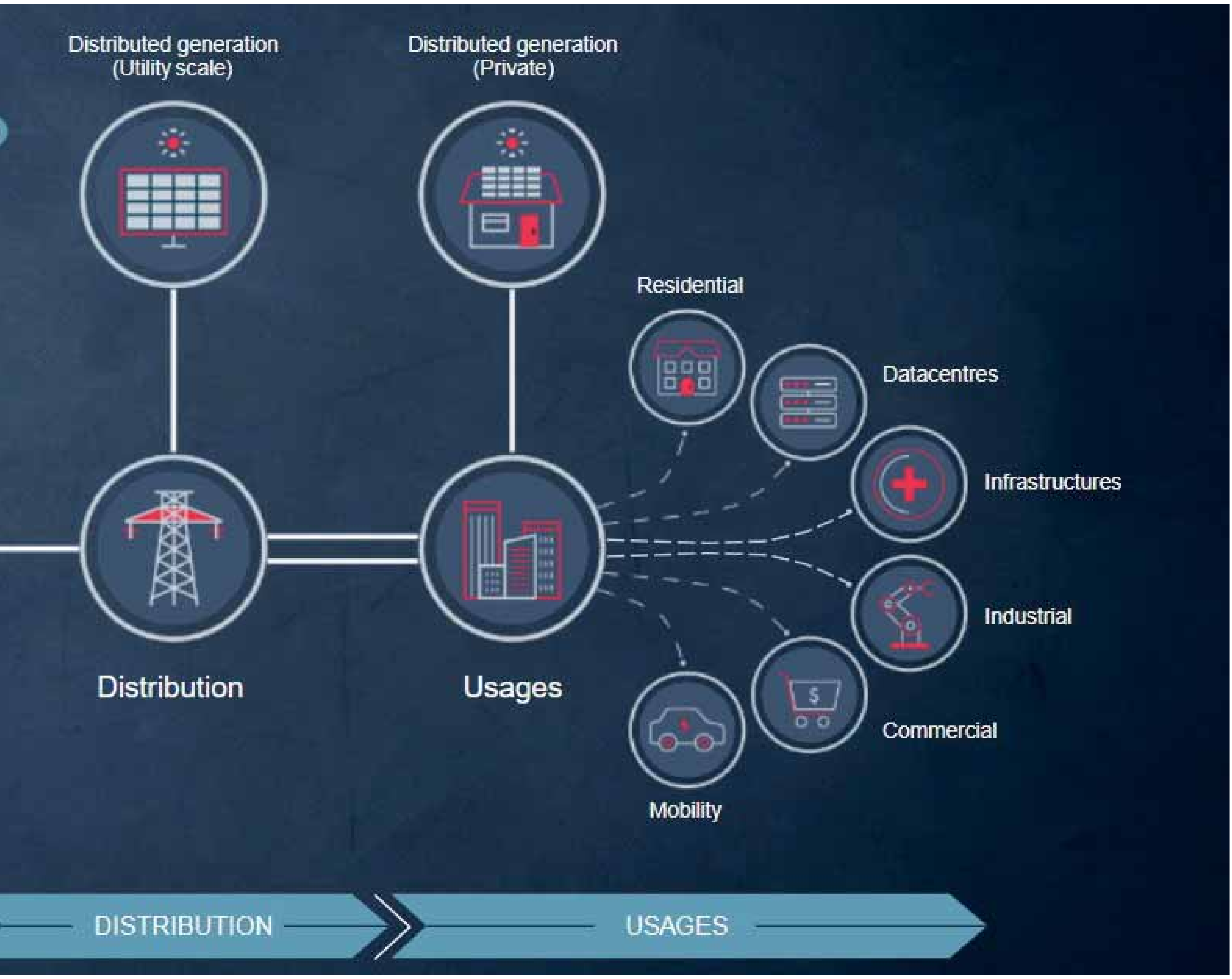
NEXANS,
"AN ELECTRIFICATION PURE PLAYER"

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



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

This gamble has paid off, as Nexans has confirmed its solid growth trajectory and momentum in 2021, supported by new value creation levers around its mission: "Electrify the future". Thanks to the amplification of its solutions, the Group has got started on its 2022-2024 strategic goals and achieved its first successes with an order book that is up year on year and the confirmation of its financial objectives for 2021, which have been revised upwards. The Group has a solid and clear roadmap to become an electrification pure player.



ELECTRICITY PRODUCTION & TRANSMISSION

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

Our business

Nexans' core business encompasses both interconnections and cabling solutions for offshore wind farms. And our business begins with the production and transmission of electricity. Our customers are offshore wind farm developers, national transport network operators and, increasingly, investors in infrastructure. Longer distances, deeper waters and larger projects are requiring ever-higher voltages and ever-increasing quantities of energy. All of these factors are causing energy markets to become more and more technical, which means that market players also need solid risk management skills.

The market

Renewable energy sources – such as offshore wind farms – are key to the transition to sustainable energy. This market will see extraordinary growth in the coming decade, with an estimated annual growth rate of 11.5% and some 200 gigawatts of capacity scheduled to be installed worldwide. The high voltage interconnection market (subsea and land) is set to grow by 14.13% per year. As renewable energy sources are not always located close to where the electricity is used, Nexans connects them to each electricity grid by installing energy highways. While Europe will remain the main market, Asia and the United States are expected to follow closely behind. Offshore wind farms and interconnections represent approximately 11.5% annual growth for Nexans' cable and installations market, i.e. 8 billion euros per year by 2030.

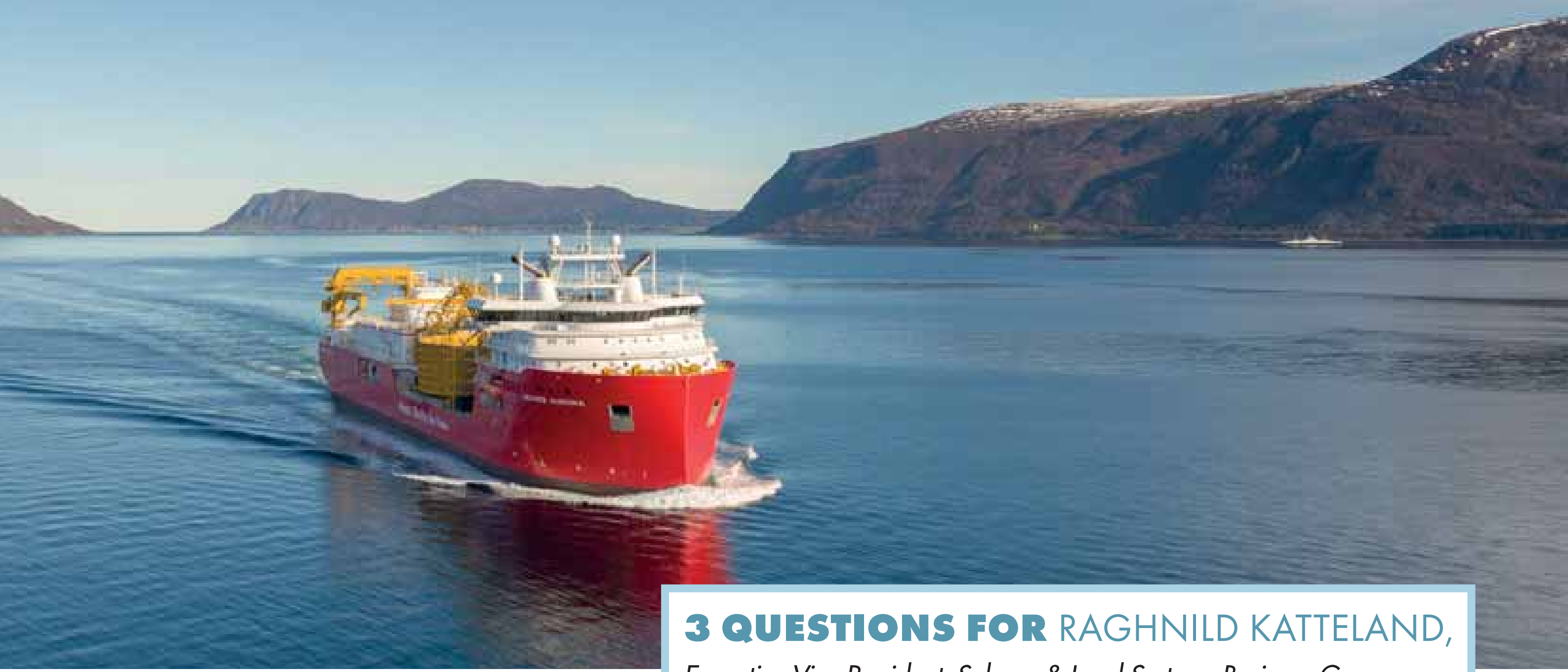
Our portfolio

Armed with unparalleled expertise in subsea cable systems, Nexans is already very well positioned and engaged in the fast-growing offshore wind farm market. The Group's major contracts in this market include the Seagreen 1 project off the coast of Scotland. This joint venture between SSE Renewables and Total will be Scotland's largest source of renewable energy and will supply more than 600,000 Scottish homes. Nexans has also signed an exclusive agreement until 2027 with the world leader in offshore wind power – the Danish company Ørsted – and New England's premier transmission builder – Eversource. In Saudi Arabia, Nexans will supply 180 km of cables for the Marjan incremental development mega-project. Marjan is one of the oldest and biggest offshore oil and gas fields in the Arabian Gulf. Lastly, the Group is also involved in the EuroAsia Interconnector Limited project, designed to link the national grids of three countries: Greece, Cyprus and Israel.

TYRRHENIAN PROJECT

Electric corridor in Italy

Nexans signed a framework agreement worth more than 650 million euros in 2021 to supply an interconnection cabling solution for the Tyrrhenian link project in Italy. By creating a new electrical corridor between Sicily, Sardinia and Campania, the goal is to install the first loop between the two islands and the Italian mainland network. Nexans will supply 500 km of submarine cables, manufactured in its Halden plant in Norway and laid at a depth of more than 2,000m using its new cable ship Aurora.



3 QUESTIONS FOR RAGHNILD KATTELAND,

Executive Vice President, Subsea & Land Systems Business Group

How will offshore wind help to achieve carbon neutrality across the world in the coming years?
Along with the sun, offshore wind is the fastest growing renewable energy source. To achieve its goal of carbon neutrality by 2050, the European Union is planning a 25-fold increase in its offshore wind capacity. Outside Europe, other countries are also moving into offshore wind. Over the next decade, China is planning to build 50 GW of capacity every year, while India and the United States have announced plans to add 30 GW and 20 GW per year respectively.

How will Nexans capture the strong growth in the sector?
Above all, the Group has invested heavily in our new Aurora cable-laying vessel, in the world-class recalibration of our Charleston plant in the United States and in doubling our HVDC cable production capacity in Halden, Norway. We are also investing in skills and knowledge as well as in engineering and maintenance, so that not only can we deliver turnkey projects but also optimized and integrated solutions for safe and efficient cable systems.

What obstacles remain to convince people of the key role of offshore wind in the energy transition?
Offshore wind is one of the cheapest and cleanest renewable energy sources available. But to achieve a carbon-neutral future, efficiency gains and public acceptance are also essential. Today, we are seeing a strong push from the public to connect more renewable energy sources to the grid. Climate change is driving the need for greater electrification, a need that is increasingly embraced by the public. Going forward, we need to find the optimum design for offshore wind farms and take into account local interests at the conceptual stage of a project.

Partnership

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

NEXANS HAS INVESTED OVER
€500m
in energy transition

€360m
already invested between 2018 and 2021

€200m
more will be injected into the Charleston (USA) and Halden (Norway) plants

ELECTRICITY **DISTRIBUTION**

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

Our business

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

The market

Increased demand for electricity and new decentralized production means, coupled with the aging of grids – especially in Europe and the United States – mean that major investments will be needed to upgrade and renew infrastructure. Between 2020 and 2030, 27 billion euros will be spent on distribution with a view to improving grid access and reliability. In addition, forecasts for the cable market alone put the cumulative annual growth rate at 4.2%.

Our portfolio

One of our flagship contracts in this domain is Stockyard Hill – Australia's largest onshore wind farm – which was won thanks to the excellent upfront work of Nexans' engineers, who rethought the farm's electrical architecture and showed the customer how it could cut its initial CAPEX by 9% as well as decreasing its OPEX by several percentage points by reducing electricity losses.
Another major achievement in electricity distribution is our Neogrid® turnkey solution deployed in Côte d'Ivoire. This ready-to-use power distribution infrastructure solution meets the objective of Côte d'Ivoire's National Rural Electrification Program (PRONER), which is to provide electricity to all of the country's rural communities by 2025.
Our portfolio also includes other smart management solutions designed by Nexans, such as Connected Drums, which uses IoT technologies to enable customers to track their cable drums in real time at all of their sites. Another example is Asset Electrical, which provides information on the use of energy networks and helps grid operators/managers make the best investment decisions based on accurate data. In other words, it enables them to put in place a predictive and preventive maintenance system.

Partnership

Nexans has selected Orange Business Services as a strategic partner to deliver the global IoT connectivity that is crucial for the extension of Nexans' connected products program. Nexans has pledged to connect 25% of its products by 2024. The partnership for the deployment of Nexans' IoT solutions also involves two other players: ffly4u and Sigfox.

SUPERCONDUCTIVITY

Chicago enters the age of resilient electricity

As part of Chicago's Resilient Electric Grid (REG) project, US Superconductor AMSC contracted Nexans to install and commission a high-temperature medium-voltage superconducting cable to be permanently set-up in the city. The REG superconductor cable system has several advantages and helps prevent power outages and blackouts by interconnecting and pooling the surplus energy capacity of neighboring substations. Its compactness makes it ideal for densely populated and congested urban areas. The HTS cable and connectors for the REG system were manufactured at Nexans' German plant in Hanover and the two ends were designed at the Group's site in Calais, France.

BY 2030:

1.8md
people will need access to electricity

Source : Étude Roland Berger - 2020

17%
increase required in energy production

€2.6m
will be the growth factor for renewable energy

Within the digital field more generally, Nexans has teamed up with Microsoft for cloud-based solutions, analytics and artificial intelligence, and with Cosmo Tech – specialized in simulation software for complex systems and digital twin technologies – for the deployment of Asset Electrical.

ELECTRICITY **USE**

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

Our business

Electrical safety is a fundamental requirement in all regions of the world: in mature countries, where new uses will put increasing pressure on aging electrical systems, fire safety will need to be a priority; in emerging countries, counterfeit cables are currently the cause of 80% of fires. That is why Nexans has structured its offering around three main areas: electrical safety for end-users; supporting customers' competitiveness thanks to a fluid supply chain and products that are easy to handle and install; and smart products, integrated into a digital ecosystem.

The market

All human activity needs electricity, whether in residential buildings, offices, infrastructure (transport, etc.), mega datacenters, industrial zones or electric vehicles. This need will generate 3.8% annual growth during the decade in the corresponding cable markets. For example, cables for the building industry is a sector that is booming due to strong demand and is expected to grow by 50% (representing 27 billion euros) in the next ten years. This very sharp growth is the result of various global megatrends, such as population growth, urbanization and the electrification of rural areas, as well as e-mobility and the 30 million electric vehicle charging stations that will be installed in Europe alone by 2030.

Our portfolio

Nexans has developed smart solutions adapted to its customers' different usages, all of which have been designed to make their daily life easier. For example, in a building or rolling stock, Nexans' cables help reinforce fire safety. In many countries we have launched halogen-free flame-retardant (HFFR) cables to replace old PVC models. For electricians installing cables at construction sites, the Mobiway Un'Reel solution, the latest addition to the MOBIWAY®range, will make cable installation safer, more convenient, and more durable, saving customers valuable time and money. Leading the way in e mobility, Nexans has designed the AGICITY® charging station, which offers a range of preventive and on-going maintenance services and uses real-time supervision tools for installation in public spaces, parking lots, etc. Lastly, with the use of INFRABIRD™, telecom service providers can avoid the problem of unauthorized access to their fiber-to-the-home (FTTH) street cabinets.

Partnership

Nexans has teamed up with Shippeo – a European leader in supply chain visibility – to provide real-time visibility for its customer deliveries. The partnership

VIGISHIELD™

The fight against cable theft

Cable theft is not just a costly inconvenience for owners, it also poses a potential threat to energy supply. It generates substantial economic costs for cable owners and significant operational damage as well as serious delays to projects.
To help its customers, and ensure cabling is protected at all times, Nexans has launched the VIGISHIELD™ platform, enabled with connected tracking and geolocation solutions, motion detection and real-time alert systems.
As well as delivering all-round peace of mind, this new offering enables better project and risk management and drives better performance right along the line.

3 QUESTIONS FOR VIJAY MAHADEVAN,

Executive Vice President, B&T Southern Business Group

How is climate change altering our interactions with buildings and what are the implications for Nexans?
Energy transition is not just about finding new ways of producing electricity. It is also generating new needs such as energy savings, security, comfort and efficiency. The future will be both green and connected, which means more smart devices in buildings – fire safety sensors, individual residential solar systems, digital signs, etc.
These key issues represent an opportunity for Nexans to deploy a suite of different products and services, tailored to any type of building. As such, the Group considers the life cycle of its products and takes concrete actions along the value chain to integrate sustainable development. For example, we prioritize internationally recognized "green building" certification systems, as well as promote local suppliers and recycle our cables.

What will the new energy systems for smart buildings look like?
Buildings are going energy positive – meaning more energy efficiency, more connectivity and more residential production. Looking forward, "green" buildings will be a huge source of renewable energy production. As such, I believe that local energy storage − as an alternative to feeding electricity back into the grid − will be a key function of buildings in the future.

What challenges will Nexans have to tackle to drive forward the energy transition process, while protecting consumer safety?
Nexans must be involved at the very beginning of the building construction project, right from the design stage. We cannot wait for the customer to come knocking on our door when the cable installation phase is about to start. Right now, we are the "last mile" of the construction site. We need to change that.

BY 2030:

+3.8%
growth in cable markets

50%
growth in demand for cables in the building sector alone

Source : Étude Roland Berger - 2020

will accelerate Nexans' vision for enhanced customer satisfaction and business development by creating an agile, data-driven supply chain supported by state-of-the-art technology. Digitalization will enable Nexans to deliver value-added services for customers such as real-time tracking, accurate estimated time of arrival (ETA) predictions and incident management of shipments. On a wider level, Nexans is working closely with Suez on a recycling service, with Carbon4 and EcoPassport on projects related to carbon neutrality and with Schneider Electric on the circular economy.

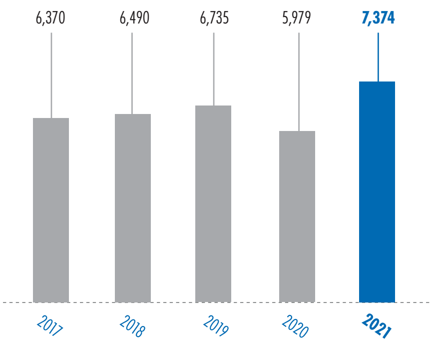
SUSTAINABLE PERFORMANCE

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

KEY FIGURES

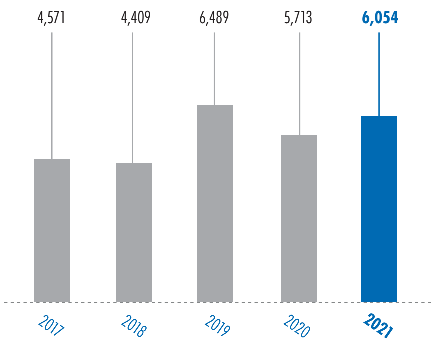
SALES AT CURRENT METAL PRICES

(in €m)

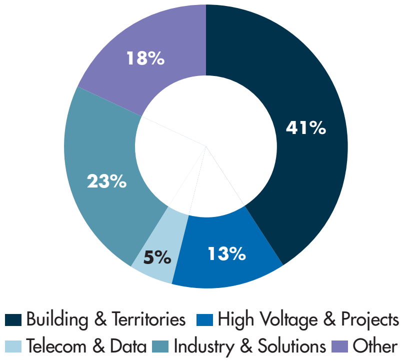


SALES AT CONSTANT METAL PRICES[1]

(in €m)

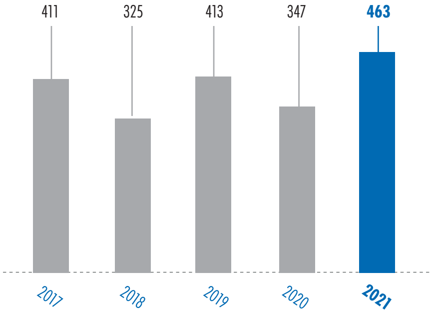


2021 SALES BY BUSINESS AT CURRENT METAL PRICE



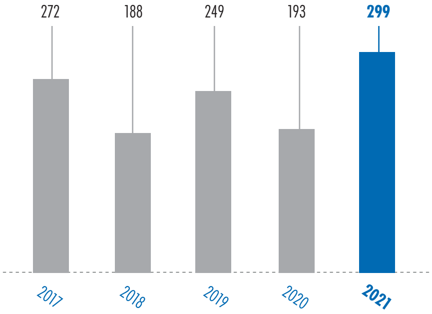
EBITDA[2]

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



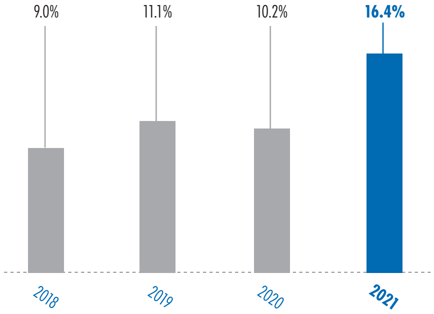
OPERATING MARGIN

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

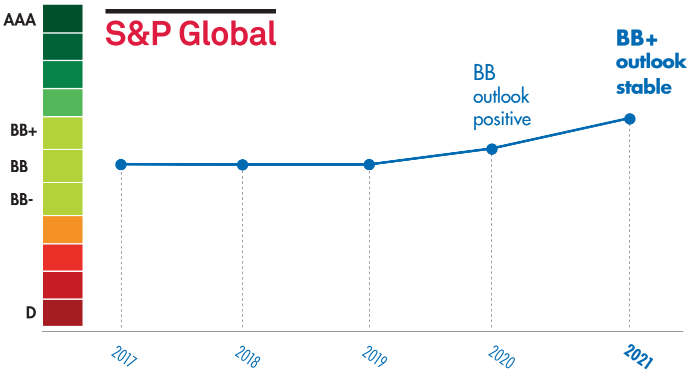


ROCE[3]

(Return on capital employed)



STANDARD & POOR'S RATINGS ON THE GROUP'S LONG-TERM DEBT



"S&Ps rating upgrade evidences the Group's successful transformation strengthening its Balance Sheet since 2019. As Nexans is building its new strategic roadmap to become an Electrification Pure Player, this recognition is key to support our ambition."

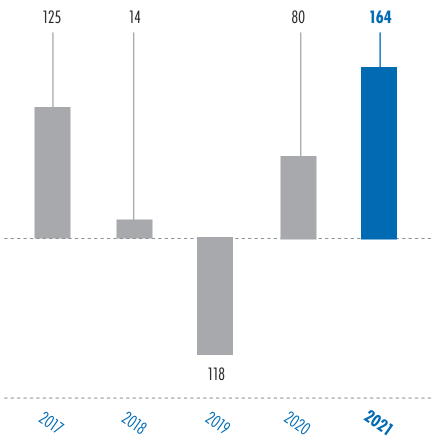
Jean-Christophe Juillard,
Deputy CEO and Chief Financial Officer

EBITDA[2] AND OPERATING MARGIN BY BUSINESS

(in millions of euros and as a % of sales at constant metal prices)	2021			2020		
	EBITDA[2]	Operating Margin	EBITDA %	EBITDA[2]	Operating Margin	EBITDA %
Building & Territories	187	142	7.5%	128	80	5.30%
High Voltage & Projects	143	94	17.9%	105	69	15.10%
Telecom & Data	37	30	11.5%	29	22	7.50%
Industry & Solutions	119	82	8.7%	84	48	6.90%
Other	(22)	(48)	n/a	1	(26)	n/a
	463	**299**	**7.6%**	**347**	**193**	**6.1%**

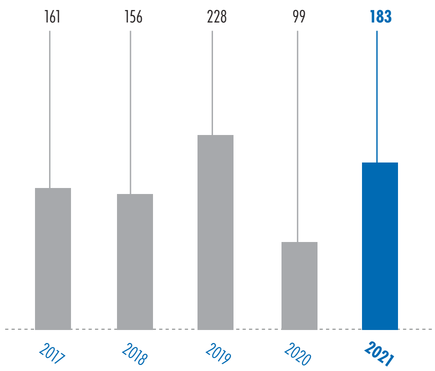
NET INCOME/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT

(in millions of euros)



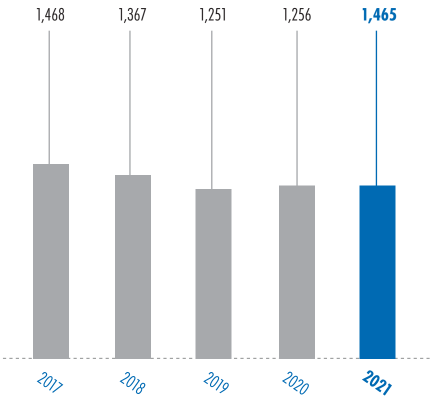
NET CAPITAL EXPENDITURE

(in millions of euros)



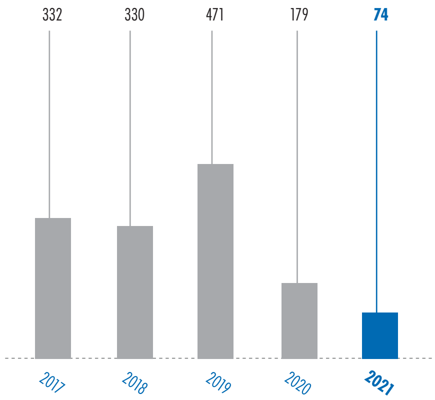
EQUITY

(in millions of euros)



NET DEBT

(in millions of euros)



(1) Sales at constant metal prices for 2021 and 2020 were calculated with the benchmark price of 5,000 euros per tonne for copper and 1,200 euros per tonne for aluminum which are converted into the currency of each unit.

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

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

NON - FINANCIAL **KEY** FIGURES

1.81%

FREQUENCY RATE (VS 1.87 IN 2020)

The accident rate has dropped by 80% since 2010 thanks to the dedicated program.

-5.13%

REDUCTION IN GHG EMISSIONS

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

73%

RENEWABLE OR CARBON-FREE ENERGY

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

38%

OF EMPLOYEES ARE WOMEN

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

59%

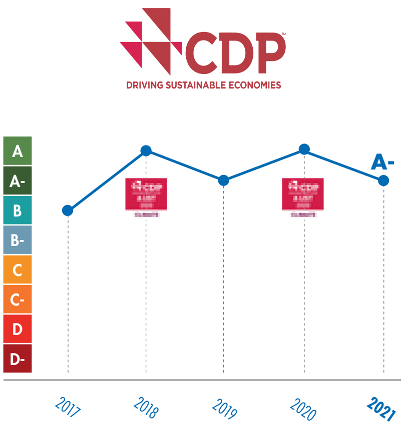
OF REVENUES GENERATED FROM PRODUCTS AND SERVICES CONTRIBUTING TO ENERGY TRANSITION AND ENERGY EFFICIENCY

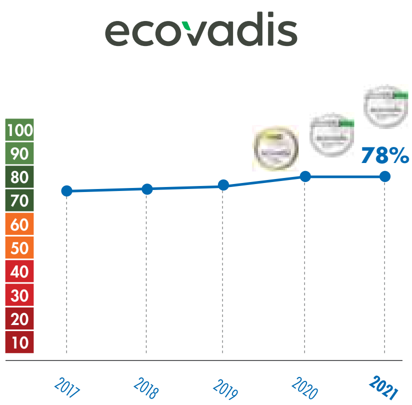
Including offshore wind farms, interconnection projects, electricity utilities, smart grids, low-carbon buildings, accessories, solar and wind power, eco-mobility and asset management.

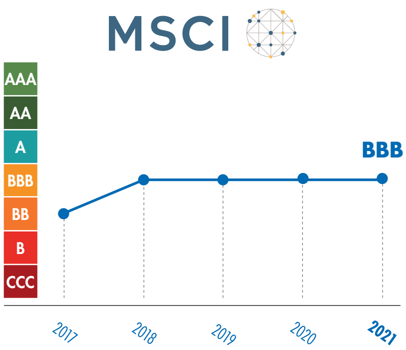
98.3%

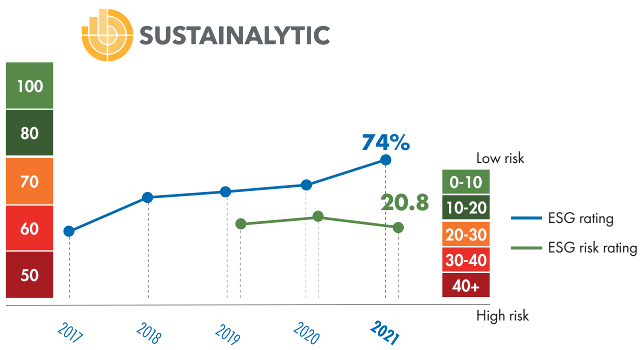
(VS 98% IN 2020) OF MANAGERS INCLUDED IN THE YEARLY COMPLIANCE AWARNESS COURSE

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









A MULTIFACTED PERFORMANCE
3 VISIONS OF NEXANS' PERFORMANCE

The good performance delivered in 2021 anchors the foundations of Nexans' strategic vision to become the "Pure Player" in sustainable electrification. Now well structured, healthy and robust, the Group must maintain its structural capacity to generate value growth while amplifying its impact on the energy transition. This vision is shared by three members of the Executive Committee, in charge of M&A strategy, Finance and Industrial Projects.

"OUR STRUCTURAL CAPACITY TO GENERATE GROWTH IN VALUE"

JUAN IGNACIO EYZAGUIRRE,

Corporate Vice President, Strategy and Mergers & Acquisitions.

What are the drivers that will transform Nexans into an electrification pure player?
There are two key drivers: the first, exiting from ancillary activities; and the second, moving up the electrification value chain. The disposal of non-core assets is a straightforward process, especially if they are performing well and consistently in attractive markets. Moving up the value chain is a different challenge. We need to combine innovation with strong marketing discipline and optimally designed offerings. Like in the United States, we also need to make massive investments in new assets to support the growth of interconnections and offshore wind power – which looks to be a winning strategy, since the US teams are fully booked until 2024.

Can you tell us about the ambitious series of M&A initiated by Nexans?
If they are done at the right time and with the right multiples, M&A transactions can have a positive impact on the Group's organic growth, in terms of scope and speed of execution. We approach M&A opportunities from three angles: (i) geographic expansion in the electrification segment, targeting big players in large markets; (ii) market consolidation, leveraging our strong local presence to make the right choices and ensure seamless integration of targets; and (iii) bolt-on opportunities, where Nexans can add value to the electrification ecosystems covered by the Group.

What about the high value, profitable assets that Nexans is divesting?
Nexans only invests in businesses that have successfully completed their transformation and deliver solid, consistent financial performances. Thus, we only select investors/partners that will guarantee a prosperous future for the assets and protect their value. The very positive feedback from our former Berk Tek team, which is now part of the Leviton group, testifies to this.

JEAN-CHRISTOPHE JUILLARD,

Deputy Chief Executive Officer and Chief Financial Officer and Information Systems

Why is Nexans restructuring its Finance Department?

The department must be ready to support the transformation of the Group, which is aiming to increase its sales and double its EBITDA margin by 2024. In addition to giving more powers to local teams, we are strengthening our performance management system and improving many processes, for example, in the management of our working capital requirement and cash flow generation.

What are the main highlights?

At head office level, the department has created a unit dedicated to the Group's corporate transformation. As a reminder, we are going to sell some €2 billion in non electrified assets and acquire nearly €3 billion in electrified assets. The unit will identify the impacts of the transactions on the organization and find efficiency gains. In addition, we have created a dedicated financial modeling department tasked with developing sensitivity scenarios, in order to simulate with extreme precision the effects of the sale of a given asset on our financial statements or our credit rating, for example.

What are the first steps?

Firstly, we want to strengthen the sense of belonging to the Finance Department. Head office financial managers have started visiting subsidiaries again, albeit less frequently than before – our way to contribute to carbon neutrality by 2030. In addition, I want to retain our most promising employees through annual talent reviews. We want to be more proactive in managing our employees' careers. In short, after several years of cost reduction programs, the Finance Department will be keeping a very close eye on its spending.

JULIEN HUEBER,

Executive Vice President, Industry Solutions & Projects Business Group

What is Nexans' strategy for its non-electricity businesses?

Our telecom and ISP businesses – aeronautics, railways and metallurgy – have good tailwinds, as the telecom and technology megatrends are showing no signs of slowing down. The long-term outlook is good – whether in mobility, Industry 4.0, renewable energy or smart connectivity. Within these markets, our strategy is to select the best customer profiles that are capable of creating and deploying sustainable synergies. We should all be proud of our products and of our ability to build the fastest trains, the largest wind turbines, the most advanced robots and the largest cruise ship in the world. Every member of the ISP & Telecom team should have full confidence in our future.

Which businesses are the most buoyant? In which markets and regions?

Most of our markets are growing, but I would highlight in particular the rise of automation and telemedicine around the world. Nexans' ISP & Telecom Business Unit is present on three continents – Europe, North America and Asia. And in each region, we are seeing a market recovery.

How is the divestment of the businesses from the Nexans Group going?

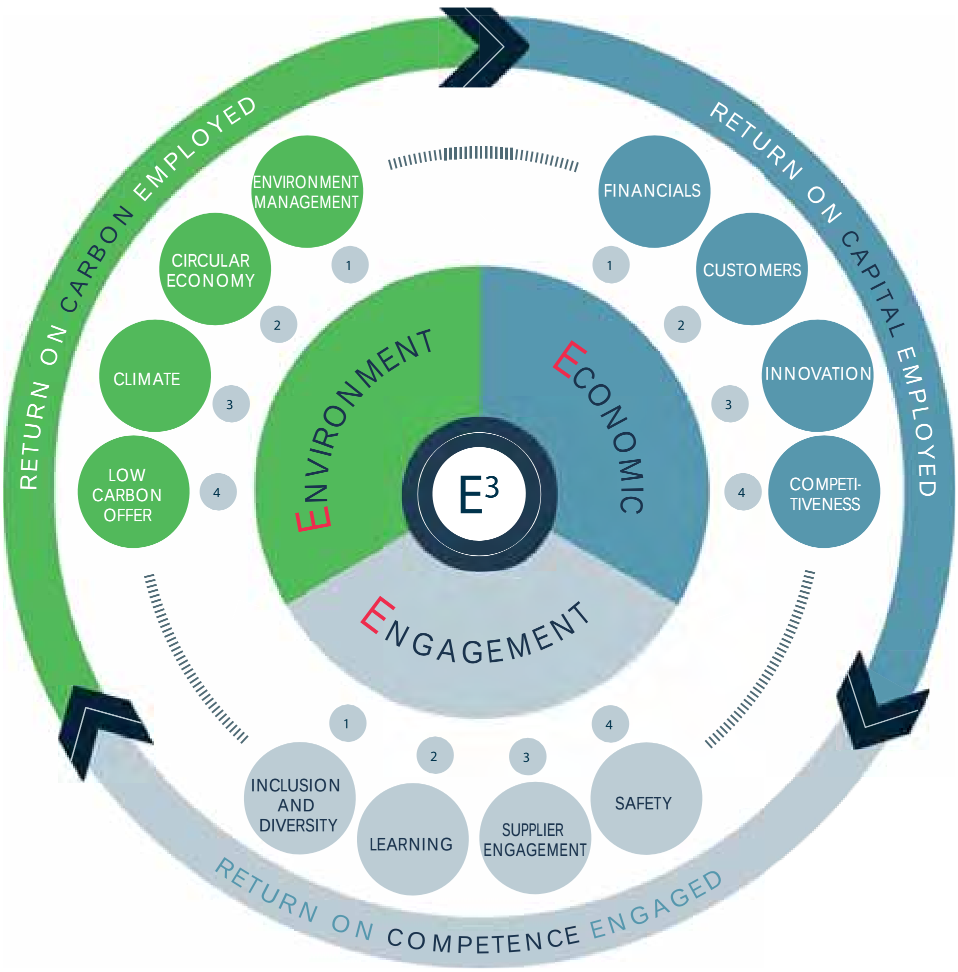
Discussions with potential buyers have not yet started. We are taking our time to prepare the divestments, without putting any pressure on ourselves. We owe that to our customers, most of whom are leaders in their markets and have been loyal to us for 30 to 40 years. We have grown with them, step by step.

THE E3 OPERATING MODEL

This tool, one of the three pillars and also a major driver of Nexans' CSR strategy, addresses the growing pressure from the Group's stakeholders to provide a 360° view of its impact in three areas: economic, environment and engagement. In 2020, we launched a quarterly ranking of each of our Business Units (BUs) (formerly 3Ps and renamed E3) to promote and reward BUs that have performed well in the three areas:

Indicators have been defined for each of these pillars:

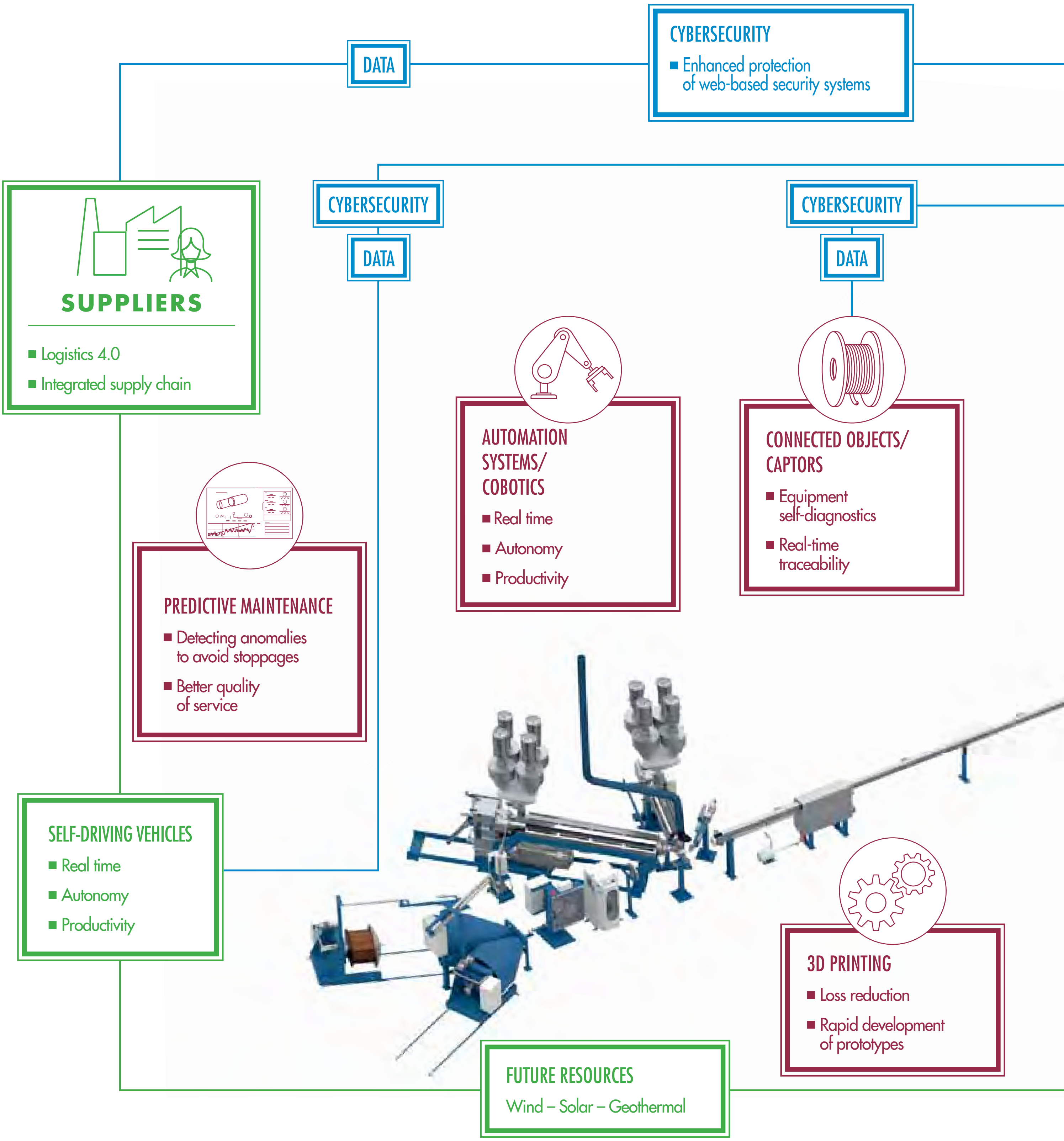
- **Economic:** *improvement in EBITDA and working capital*
- **Environment :** *optimizing energy (fuel, natural gas, electricity) and water consumption, cutting CO_2 emissions and waste management*
- **Engagement :** *absenteeism rate, workplace accident frequency and severity rates, employee engagement, percentage of female managers*



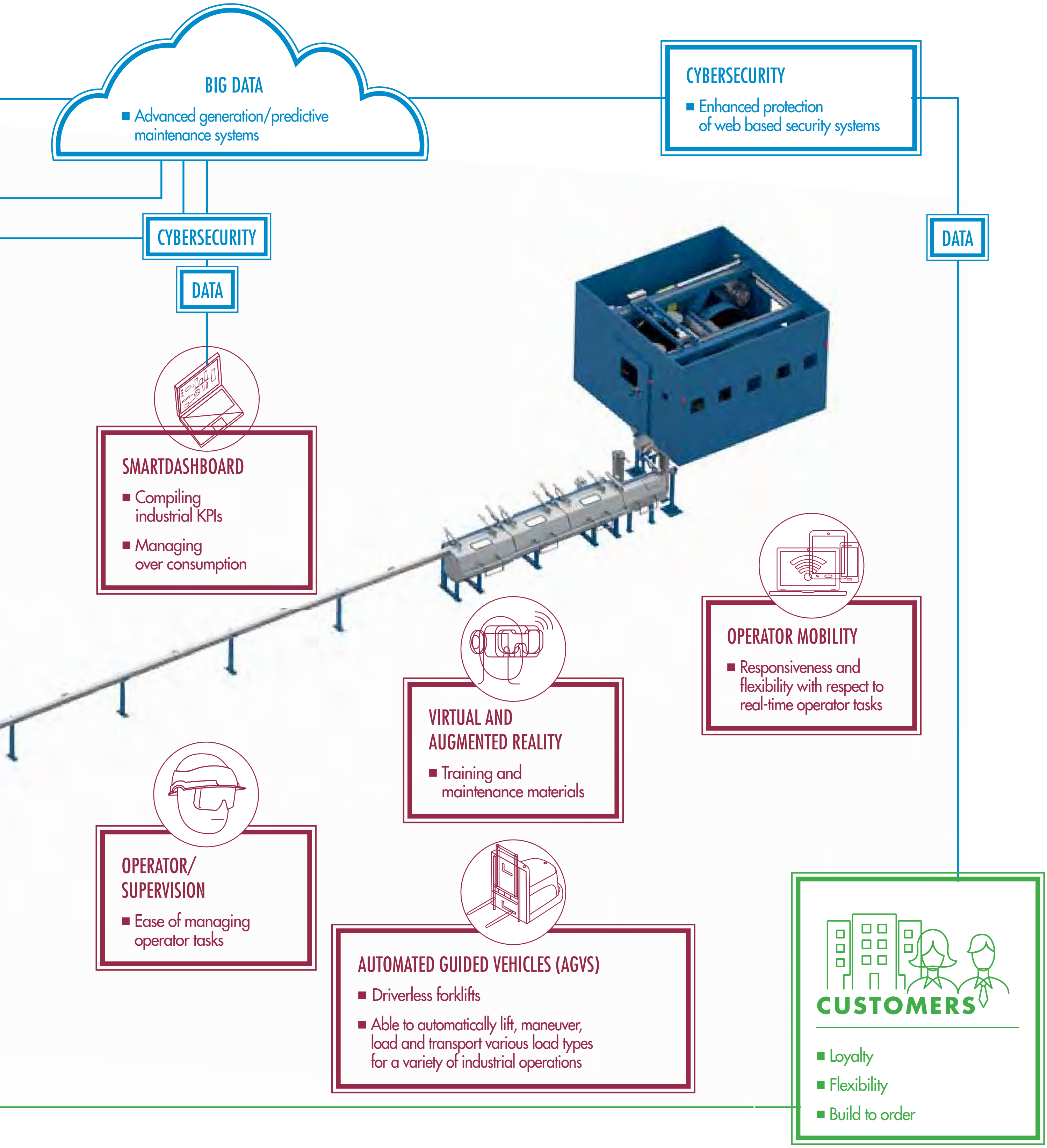
GROWTH

INTEGRATING **GROWTH**

INDUSTRY 4.0


DATA
CYBERSECURITY
Enhanced protection of web-based security systems
CYBERSECURITY
DATA
CYBERSECURITY
DATA
SUPPLIERS
Logistics 4.0
Integrated supply chain
AUTOMATION SYSTEMS/ COBOTICS
Real time
Autonomy
Productivity
CONNECTED OBJECTS/ CAPTORS
Equipment self-diagnostics
Real-time traceability
PREDICTIVE MAINTENANCE
Detecting anomalies to avoid stoppages
Better quality of service
SELF-DRIVING VEHICLES
Real time
Autonomy
Productivity
3D PRINTING
Loss reduction
Rapid development of prototypes
FUTURE RESOURCES
Wind – Solar – Geothermal

To accelerate its transformation into a business driven by clear, rich and actionable data, serving as the foundation for improved performance, security and flexibility, Nexans is taking a new step in its digital transformation journey. The Group is co-developing the digitization of its plants with Schneider Electric in order, to further improve the efficiency of production lines, pave the way for predictive maintenance and reduce carbon emissions. This is an opportunity for Nexans to fulfill its commitment to contribute to carbon neutrality by 2030.



AMPLIFY OUR INVESTMENTS IN R&D

Innovating for the customer is at the heart of everything Nexans does. The Group is constantly looking for new sources of value for its customers, be it advanced cabling systems, digital applications or Internet of Things (IoT) solutions that radically transform performance.

Nexans focuses on three areas to serve its customers in their environmental performance: customer experience, digitalization and sustainable development.

Customer experience

Nexans' ambition is to exceed its customers' expectations and respond to their challenges through smart solutions and long-term services that transform the entire energy system. Our solutions range from superconducting systems that can power cities to supply chain tools that accelerate the deployment of new infrastructure and eliminate risk.

Design Labs

Because customers' needs are changing rapidly, Nexans is responding to their major challenges and their growing demand for new services and solutions beyond cables by creating a network of dedicated Design Labs. Their mission is to manage the design, development and industrialization of innovative services and solutions, based on an in-depth analysis of customer and market expectations, in order to exploit new opportunities in all areas of value creation.

Digitalization

Nexans is leveraging digital technologies, including the Internet of Things (IoT), the cloud and artificial intelligence, to carry out smarter and more resilient operations. Its offering includes solutions for monitoring, controlling and managing assets anywhere in the world. We also provide digital twin technology, with tools to transform grid system management and reduce total cost of ownership. At Nexans, we are leveraging new digital capabilities to revolutionize our industrial processes and achieve our Industry 4.0 objectives.

Sustainable development

Customers rely on Nexans to support their environmental performance. Through its recycling solutions, the Group recovers all types of end-of-life copper and aluminum cables, thus making a positive contribution to the environment. It is also redoubling its own sustainability efforts, ensuring that all its manufacturing operations aim for "net zero emissions" and adopting the principles of the circular economy: minimizing waste and ensuring maximum reuse of materials.

3 QUESTIONS FOR ÉLYETTE ROUX et JÉRÔME FOURNIER,

respectively Corporate Vice President, Sales, Marketing & Communication and Corporate Vice President, Innovation, Services & Growth, explain the approach taken by their teams to strengthen the Group's customer experience by placing it at the center of Nexans' new organization.

How did the idea to co-construct a Premium Innovation/Marketing offer come about?

Élyette Roux : It is based on two observations. On the one hand, the cable market remains very BtoB and the Covid crisis has accentuated the consumerization of uses. On the other hand, our customers are looking for an improved, enhanced and easy customer experience, including the simplified and secure use of our products or offerings, while giving them the ability to create value for their own customers.

Jérôme Fournier : Our initiative is part of Nexans' transformation into an "electrification pure player", which has led to the definition of four areas of innovation – power supply efficiency, reliability, accessibility and sustainability. From the outset, we have been able to rely on our network of Design Labs dedicated to understanding usage, on the Sales & Marketing teams, whose mission is to understand and size the market, and on technical R&D, the Group's historical activity.

What is the scope of your work?

J.F. : We take into account the three inherent limitations of innovation. First of all, customer insights, a marketing field of research. This is an area where Nexans was previously absent, hence the importance of the arrival of Élyette and her team to collect and process this data in a structured way. Secondly, creativity, the role of my team but also of the company as a whole, to transform insights into innovative solutions. Finally, marketing, which is a key step, because you can't sell an innovation solution like you would a commodity product. All Sales & Marketing teams and Business Units must be able to effectively promote and sell our innovative offerings.

E.R : This is a good summary of what Nexans has started to undertake in its transformation and the challenges that lie ahead! For insights, we need to better understand the expectations of our customers and the electrification markets and position ourselves in a way that marks us out from the competition. In terms of our ability to generate ideas that will one day become an innovation we can sell, a major project is being built up around the company's culture, which goes beyond Innovation, Sales & Marketing. It must be supported by all employees, in conjunction with our customers.
Finally, the subject of marketing leads us to think about how to promote our new or long-standing offers, which are still often not branded, on the market, in terms of efficiency, reliability, accessibility or durability. On this point in particular, we need to make progress, and it will be interesting to see how Marketing & Innovation can bring something extra to the value chain of a product or an offer, from its conception to its marketing.

What issues to work on are already emerging from your reflection?

E.R : It's safe to say that brand identity is one. Only 20% of the products sold by Nexans are branded. We must therefore work on the remaining 80%, sold as "generic" by our distributors. It is about creating intangible value, a reputation, a brand perception associated with these products that is synonymous with efficiency, reliability, accessibility and durability. The objective is to streamline our brand portfolio on part of our sales, but also to create an "equity story" of our brand on the rest of the portfolio.

J.F. : I should point out that some of our businesses are already based on value rather than volume, such as subsea high voltage cables, which have an international brand. It's a business known for its exceptional level of quality and reliability, but also because we are not just selling a cable but engineering, installation and a global system composed of accessories and sometimes software. The key to success is to adopt this same approach in the other two segments of power distribution and usage. Another example of an activity, now at a turning point, in which Nexans is a world leader is superconductivity. Until now, we lacked the marketing to develop the offer and sell this solution well.
All the right conditions are now in place to make it a success!

OUR CSR STRATEGY

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

These three priorities cover a set of key performance indicators that are used to measure and report on the Group's progress. The CSR priorities draw on the Sustainable Development Goals set by the United Nations, which the Group adopted in 2008 when it joined the Global Compact. As a member, Nexans is committed to promoting the 10 universally-accepted principles in the areas of human rights, labor, the environment and anti-corruption.

Efforts to achieve the nine CSR ambitions are overseen by a governance system organized around committees and based on the 2020-2023 roadmap, which is structured into key performance indicators and their targets. Ultimately, Nexans' highest decision-making bodies – together with operating and support departments – are closely involved in CSR governance, thereby making CSR a key component of the Group's strategy.

NEXANS SCORECARD **2020-2023**

PEOPLE

Looking after our people and building a diverse
And inclusive workplace for all

1 **Workplace safety:** guarantee health and safety on sites

2 **Human capital:** build people who build business

3 **CSR awareness:** motivate people to act on CSR issues

			2020	2021	Change 2020/2021	Target 2021	Target 2022	Target 2023
PEOPLE	Workplace safety	Workplace accident frequency rate	1.87	1.81	↗	1.5	1	0.9
		Severity rate	0.15	0.15	→	<0.12	<0.11	<0.10
	Human capital	Graded positions staffed internally	47%	43%	↘	50%-55%	55%-57%	60%
		Women in management positions	24%	24.5%	↗	24%	25%	26%
		Women in top management positions	14.7%	17.7%	↗	16%-18%	17%-19%	18%-20%
	CSR awareness	Employees eligible to Long Term Incentive with CSR criteria	100%	100%	→	100%	100%	100%

ENVIRONMENT

Committing to reduce carbon impact On the planet in innovative ways

4 **Environmental management:** maintain a high standard of environmental management

5 **Circular economy:** reduce production waste, generate revenue from products and services that contribute to the energy transition and energy efficiency, increase the share of recyclable and connected cable drums

6 **Climate:** reduce our impact on the climate and improve the share of renewable, decarbonized energy

			2020	2021	Change 2020/2021	Target 2021	Target 2022	Target 2023
ENVIRONMENT	Environmental management	Industrial sites certified ISO 14001	86%	89%	↗	88%	90%	93%
	Circular economy	Total production waste recycled	89%	90%	↗	93%	94%	95%
		Sales generated from products and services that contribute to energy transition & efficiency	57%	59%	↗	60%-70%	60%-70%	70%-80%
		Proportion of Nexans cable drums worldwide connected to digital platforms and recyclable	7%	12%	↗	30%	55%	80%
	Climate	Reduction of GHG emissions (base year 2019) Location based	-12.12%	-5.13%	↘	N/A	N/A	N/A
		Reduction of GHG emissions (base year 2019) Market based	N/A	-17.34%	N/A	-8.4%	-12.6%	-16.8%
		Proportion of renewable or decarbonized electricity	65%	73%	↗	65%	68%	72%

ECOSYSTEM

Sharing our values and the highest ethical standards With all stakeholders

7 **Business ethics:** maintain a compliant framework and fair business practices

8 **Stakeholders:** maintain a sustainable stakeholder relationship

9 **Nexans Foundation:** help underprivileged communities access energy

			2020	2021	Change 2020/2021	Target 2021	Target 2022	Target 2023
ECOSYSTEM	Business ethics	Managers having completed the yearly Compliance Awareness course	98%	98.3%	↗	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%	136	322	↗	230	370	500
		Employee engagement index	NA	72%	N/A	77%	78%	78%
	Nexans Foundation	Amount allocated by the Nexans Foundation	€300,000	€300,000	→	€300,000	€300,000	€300,000

PEOPLE, A CAPITAL VALUE

As a key player in electrification and decarbonization, Nexans is seizing the fantastic opportunity to contribute to the energy transition and mobilize its employees around its purpose, "Electrify the future". One of the priorities for the Group is to give employees the opportunity to be agents of change, to prepare for the Nexans of 2024.

Our human resources activities hinge on three pillars: the annual Nexans Living Voices survey, the E3 performance program and the Inclusion and Diversity policy.

Nexans Living Voices survey

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 engagement. The Group has been conducting its employee engagement survey every two years since 2014. In 2021, we renewed the way we listen to our employees with the launch of a global survey, Nexans Living Voices. The new survey will be conducted on an annual basis. It aims to improve the transformation of employees' expectations for their work life (management, leadership, training, communication, operating efficiency, etc.), by translating these expectations into action plans and change initiatives. We also plan to launch shorter surveys during periods of change, such as the health crisis.

E3, a new license to operate

Replacing the previous 3Ps quarterly BU ranking, E3 aims to promote and reward BUs that have performed well in three areas: Economic, Environment and Engagement. For each of the areas, indicators have been defined: improvement in EBITDA (Economic); change in energy and water consumption, CO_2 emissions and waste management (Environment); and absenteeism, frequency and severity rates and percentage of female managers (Engagement). Faced with increasing pressure from all stakeholders to provide a 360° view of its impact, E3 will be a key driver for the Group in the effective deployment of its new strategy. After analyzing the data, a clear correlation between the three areas emerged, leading Nexans to deploy a holistic management system: a license to operate.

Inclusion and diversity

From employees and workplaces to customers and partners, the entire ecosystem in which the Group operates is intrinsically diverse. Diversity and inclusion bring great value to the organization, as not only do they improve financial performance but also the employee experience. Diversity and inclusion resonate with the new "Electrify the future" strategy and are critical to the E3 license to operate and Nexans' values, especially UNITED. The Group strives to ensure that everyone at Nexans feels comfortable being who they are, because everyone is unique.

No one should be harassed or discriminated against because they are "different". 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 aims to promote a more inclusive culture at all levels of the organization, right down to each Nexans plant and site.

3 QUESTIONS FOR DAVID DRAGONE,

Senior Corporate Vice President & Chief Human Resources Officer, CSR

How is Nexans becoming a more inclusive company?
Nexans promotes a more inclusive culture at all levels of the organization and at every plant and site. We place great importance on eliminating all forms of discrimination in terms of employment and professional activities and pay special attention to gender equality, the employment of seniors, young people and people with disabilities, as well as access to training. In March 2021 for the first time, we defined our Diversity and Inclusion policy, which was distributed to all employees. A special governance system has been created for the policy, consisting of a dedicated and global network called WiN – WE in Nexans.

What are your priorities in terms of diversity?
Given the many forms of diversity, we have decided to focus our efforts first on gender. We believe that a more balanced representation of women will help Nexans to perform even better. When hiring, the Group makes sure that at least one female candidate is selected in the final recruitment process for each position. Women are also encouraged to change positions internally through specific performance assessments. The challenge remains for an industrial group like Nexans to attract women to operator positions. But that challenge has already been met by one of our plants in China!

What lessons can we learn from the 2021 Nexans Living Voices?
Employees overwhelmingly embrace the three Nexans values, which are seen as catalysts for our strategy. And they continue to express their pride in working for a Group with a strong commitment to safety. Their main expectations concern changes in work patterns and a better work/life balance. More than two-thirds of employees believe they have a promising future at the Company, so we have a duty to continue to transform Nexans into a learning organization that will help them to grow and develop.

THE ENVIRONMENT, A COMMON VALUE

Nexans continues its efforts to limit the impact of its business activity on the environment and sell products that contribute to the energy transition and energy efficiency. It aims to maintain a high standard of environmental management at its sites and make the move to a circular economy.

Nexans has set numerous environmental objectives, starting with compliance with regulatory requirements and the rollout of certification programs. The Group is also making significant efforts to conserve resources, through the implementation of a circular economy approach.

Anticipating and exceeding standards

Environmental management at all Group sites is a key priority for the Group, together with compliance with applicable laws and regulations and with its policies on conservation and environmental protection. Today, two complementary environmental performance evaluation and certification processes are deployed concurrently at Group sites, supported by a network of representatives: ISO 14001, an external certification; and EHP (Highly Protected Environment), an internal Nexans label that is a full-fledged environmental risk management system. EHP covers 12 main areas, broken down into 39 criteria that are managed and consolidated using a special system. It constitutes a performance obligation for the sites, making it distinctive from and more demanding than ISO 14001.

2021 RESULTS

Among the production sites, 67 sites were ISO 14001-certified and 68 held the EHP label (representing 86% and 87% of total sites, respectively). To date, five sites have been awarded the EHP2 label. As in 2020, 95% of sites were covered by at least one environmental certification, with the CSR roadmap setting a target for 97% of sites to be ISO 14001-certified by 2023 and 100% by 2030.

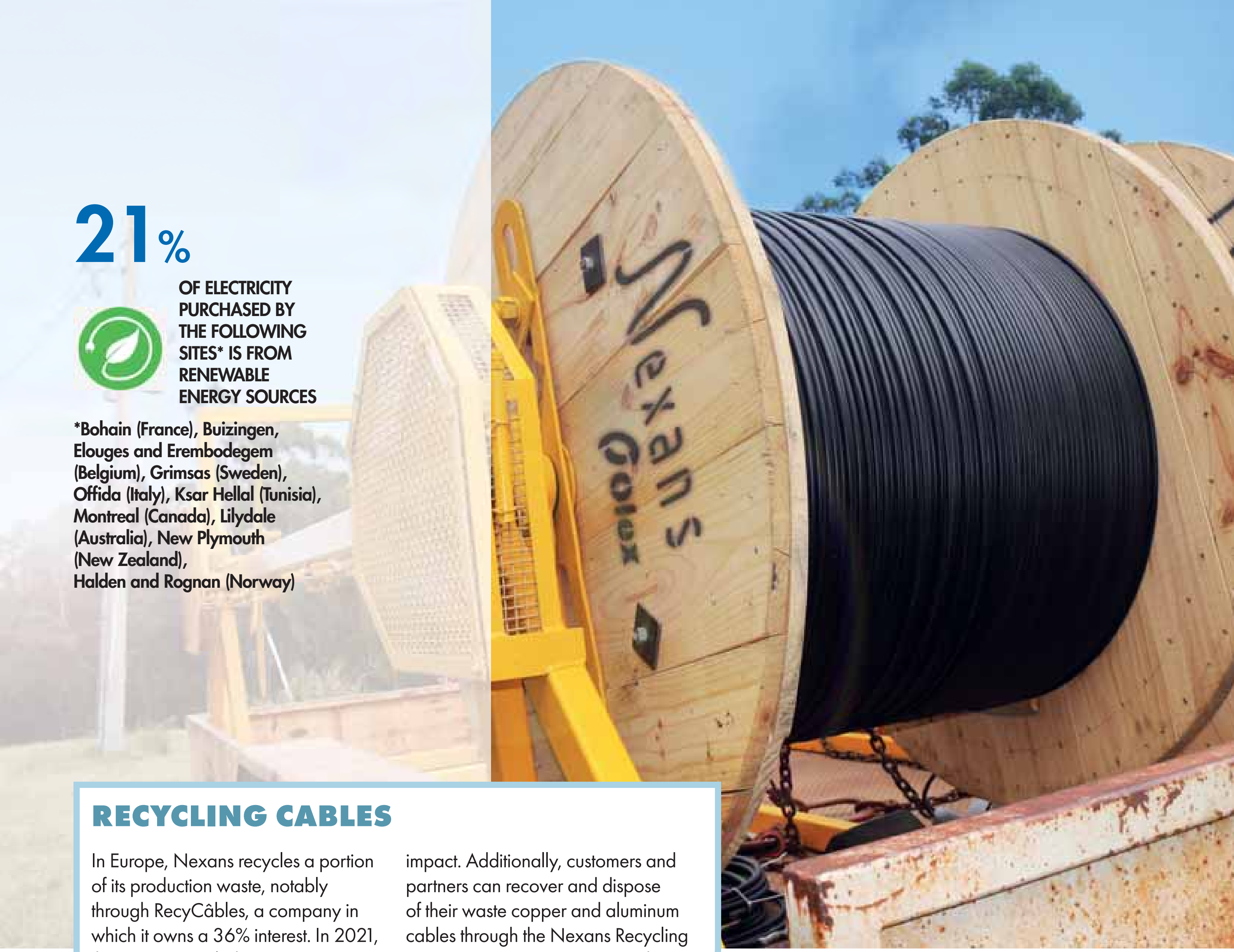
This is all the more true since the creation in 2015 of the EHP2 label, which applies more stringent criteria to aim for excellence.

Accelerating the circular economy

Nexans has adopted a three-stage approach to the circular economy: reducing water and energy consumption; reusing waste, water and packaging; and increasing the use of recycled materials in products.

- **With regard to energy consumption,** the Group has joined the Climate Group's RE100 initiative and pledges to achieve 100% renewable electricity by 2030. Since 2021, energy assessments have formed an integral part of the annual environmental survey. Over 20% of the Group's environment-related investments in 2021 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.

- **With regard to reuse,** Nexans is striving to optimize the cooling water needed for the cable manufacturing process. In order to limit its 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%. The sites with the highest water consumption are individually monitored and subject to specific action plans. In addition to annual tracking, a tool was implemented in 2020 to collect quarterly data and therefore monitor changes on a more regular basis. In



21%

OF ELECTRICITY PURCHASED BY THE FOLLOWING SITES* IS FROM RENEWABLE ENERGY SOURCES

*Bohain (France), Buizingen, Elouges and Erembodegem (Belgium), Grimsas (Sweden), Offida (Italy), Ksar Hellal (Tunisia), Montreal (Canada), Lilydale (Australia), New Plymouth (New Zealand), Halden and Rognan (Norway)

RECYCLING CABLES

In Europe, Nexans recycles a portion of its production waste, notably through RecyCâbles, a company in which it owns a 36% interest. In 2021, the Group recycled 14,800 tonnes of cable waste (17,300 in 2020) using latest-generation industrial tools with minimal environmental impact. Additionally, customers and partners can recover and dispose of their waste copper and aluminum cables through the Nexans Recycling Services range. In 2021, around 200 tonnes of obsolete or waste cable from various worksites was recycled.

2021, work continued on a water management study using leak detectors installed on flow meters.

■ **With regard to recycling,** Nexans 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 2021, around 23,000 tonnes of copper waste (24,000 in 2020) were used in the Group's continuous casting operations in Montreal, Canada and Lens, France, equal to about 5% of Group factory needs. This industrial advantage helps reduce the Group's overall carbon footprint while conserving natural copper resources.

RETURNABLE DRUMS

At end-2021, Nexans had rolled out its connected and recycled drum program to 26 countries. It currently equips 12,000 drums, representing a 70% increase from 2020. However, the Group did not acquire any new tags in 2021, mainly due to electronic component shortages. The percentage of Nexans cable drums that are recyclable and connected to digital platforms therefore remained at 17% for 2021, with a 2023 target of 80% (100% by 2030).

THE ECOSYSTEM, SHARED VALUES

Nexans brings special care to all its stakeholders, with whom the Group strives to act responsibly and build long-term relationships, in order to share its values and the highest ethics standards.

Nexans will 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. In particular, relationships with suppliers are managed under the new sustainable purchasing roadmap. The objective is to work with a base of high performing and reliable suppliers who can help Nexans achieve its 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.

Building strong partnerships

Nexans has updated its Supplier CSR Charter to make it stricter and more tangible, aligning it more with current issues faced by society. This updated version 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), 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.
To ensure that suppliers sign the Charter, Nexans has come up with a global deployment plan. Nearly 5,000 suppliers were contacted in 2020, and the remaining suppliers will be contacted in waves in 2021.

Managing supplier risk

Nexans also pays close attention to suppliers with the highest CSR risk ratings or with which the Group generates an annual business volume of over 2 million euros. These suppliers must have a valid CSR assessment – issued within the past three years by an internationally recognized CSR expert, such as EcoVadis (or equivalent) – with a score of 35% or higher. 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.
Nexans is planning a campaign to reassess its CSR risks, followed by requests for sustainability assessments from EcoVadis (or equivalent), along with possible on-site audits. After reviewing the supplier CSR assessment process, the Group will ask its suppliers to submit a CSR assessment conducted by EcoVadis or an equivalent independent organization.

FIRST-EVER " NEXANS SUPPLIERS DAY "

More than 250 suppliers attended the first-ever Nexans Suppliers Day. It was an opportunity for the Group to present its priorities and ambitions and to illustrate its expectations vis-à-vis its strategic suppliers. Prior to the event, a survey of Nexans' suppliers identified levers for more effective collaboration. Following one-to-one sessions in 2021, a personalized roadmap will be prepared for each supplier. The topics discussed during the Nexans Suppliers Day included (i) Nexans' ambition and transformation, "Electrify the Future"; (ii) online purchasing priorities; (iii) the "new deal" proposed to strategic suppliers; and (iv) the Group's CSR commitments and innovation objectives, which are essential pillars of its supplier partnerships.
The recent supplier survey showed strong motivation among the suppliers to further engage in long term collaboration with the Group and to accompany Nexans on its growth towards sustainable activities.

SHARING VALUE WITH OUR STAKEHOLDERS

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

Employees

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

Customers

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

Industry partners

■ Suppliers, subcontractors, etc.

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

Financial partners

■ Shareholders, banks, rating agencies etc.

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

Local partners

■ Local communities, economic and academic players, etc.

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

Sphere of influence

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

THE CLIMATE, A VALUE TO DEFEND

As a manufacturer of electrical power cables for the industrial and technological sectors, Nexans has developed business and risk management processes in response to the challenges of climate change and in line with carbon neutrality objectives and the highest international standards.

Nexans has developed its climate strategy in line with changes in electrification markets and in response to the challenges of climate change

Capital Market Days
Annual Strategic Guidelines

2030 Climate Pledge
Impact reduction and 1.5C trajectory commitments (SBT ongoing)

Controlling carbon and climate risks
TCFD and CSR risk map

Development of business opportunities
Partnerships developed with key clients

European Taxonomy
In progress according to new European directives and monitoring of historical KPI of revenues generated by energy transition activities, see CSR Roadmap-CSR Scorecard

STRATEGY

Action plans and trajectories by BG
1.5°C trajectory,
Nexans Book of Solutions

Triple Performance Award via E^3 Program
Quarterly award at various sites

ROCE² tool
Decision-making simulation tool for maintaining performance
in line with the E^3 program

Internal awareness and training
CSR@B&T Webinars, Awareness of Nexans' climate strategy via the Fresque du Climat, Internal PLANET Week

External Climate Day
Annual external event with different stakeholders

Low carbon offers
Nexans Playbook in coordination with Design Labs, including ecocalculator, PEP, Low Carbon Aluminum offers, etc.

Green Bonds and EIB, European Investment Bank
Funds for investments
in the energy transition

ACTIONS

SUMMARY OF NEXANS' CLIMATE STRATEGY – IMPLICATIONS IN TERMS OF OBJECTIVES AND MANAGEMENT

Carbon footprint
Reporting and steering, contributing to carbon neutrality by 2030

Internal Carbon Price
Linked to ROCE[2] in the internal decision-making process

Roadshows
Shareholders and stakeholders

E³ program
Environment, Engagement, Economic

Information Systems
BI (business intelligence) overhaul and dedicated tools for carbon reporting in plants

Compensation policy
Follow-up on employees benefiting from a long-term performance plan based on CSR criteria, see CSR Roadmap-CSR Scorecard

STEERING AND MANAGEMENT

Reduction in carbon emissions
1st year of commitment: 4.2% reduction in overall emissions achieved & 4.66% reduction in transport emissions with ADEME's FRET21 program

Increased use of Renewable Electricity, RE100 Program
100% Renewable Electricity by 2030, Increase in the share of renewable electricity in our purchases

Monitoring of CSR Roadmap-CSR Scorecard indicators
KPIs dedicated to climate issues, see Environment Pillar

Carbon trajectories
Monitoring of action plans Indicators integrated into the CSR Roadmap-CSR Scorecard and the 2030 Climate Pledge

CSR performance assessment
2 years CDP A List, EcoVadis Platinum Medal

TARGETS AND RESULTS

RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE

Main opportunities connected with climate change

Strong growth in key markets	Infrastructure investments
Vertical integration	Brand perception and value
Technology	Self-generation of energy

- Development of renewable energies
- Increasing demand for electrification worldwide
- Reconstruction and extension of infrastructures
- Vertical integration ensures access to raw materials
- Focus on high performance end markets (solution provider)
- Stand out from the competition with disruptive innovation
- Limit exposure to energy price fluctuations by generating our own energy

Main risks connected with climate change

Physical risks	Reputation risks
Market risks	Human rights risk
Legal risks	

- Most production sites' risk profiles are unchanged regarding natural disasters
- Adapting measures to be developed for sites located in high-risk areas to avoid or limit repair costs & increased insurance premiums
- Compliance of production processes with regulatory requirements (e.g., carbon intensity)
- Compliance with regulations to avoid fines, third party claims and/or loss of operating licenses
- Products related to the extraction of fossil fuels
- Attracting new talent and skills
- Impact on the shareholding structure and the ability to obtain new financing

Managing risks and opportunities

The management of risks connected with the consequences of climate change is driven by an analysis of financial, operational and non-financial risks. In 2021, Nexans began creating a climate change-related risk and opportunities matrix.

According to the results of a study on physical risk conducted at 11 key Group manufacturing sites, the most threatening climate risks at the four most exposed sites (i.e., Futtsu-Shi, Charleston, Halden and Lens) are limited for Nexans as a whole across all Group sites.

Furthermore, a transition risk analysis corroborates the fact that climate change is an opportunity for Nexans, particularly for its offshore wind and subsea interconnection activities.

SBTis (Science-based targets)

In 2021, Nexans submitted its CO_2 reduction targets to the Science-Based Targets initiative (SBTi). The SBTi scientific committee will assess whether the targets are consistent and aligned with the 1.5°C goal enshrined in the Paris Agreement.

Reducing the impact of the Group's business activity

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. A special team was set up in 2020 to coordinate the implementation of its 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, as well as a Carbon Manager who joined the team in 2021.

Nexans has set a priority target of reducing its total greenhouse gas emissions annually by 4.2% 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). Nexans has devised a series of different measures to meet its target, including using renewable energy via local production or the purchase of

FRESQUE DU CLIMAT®

Based on collective intelligence, the Climate Collage (Fresque du Climat®) raises awareness about climate issues in a fun, interactive and creative format. The initiative aims to reach one million people – both novices and experts – through its educational workshops. During three-hour sessions, participants are invited to learn more about how the climate works and the consequences of climate change. Nexans saw the Fresque du Climat® as an opportunity to communicate its climate strategy. In 2021, several workshops were organized at its Vinci premises, led by employees who have been trained in how to use the tool. In total, 34% of employees (22% of head office staff and 12% of employees at the French sites) took part in 2021.

decarbonized energy for all locations, and devoting 100% of R&D projects to energy transition and energy efficiency as from 2021.

As part of its climate commitment, the Group has joined the Climate Group's RE100 initiative – a global initiative bringing together the world's most powerful businesses – and pledges to achieve 100% renewable electricity by 2030.

Raising awareness about climate issues

In 2021, Nexans organized many awareness and communication actions to present its goals and roadmap to achieve carbon neutrality.

Following the second Climate Day held in Stockholm, a special issue of the in-house newsletter was sent to all employees, centered on the climate. 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. Next, "micro-surveys" were sent to Group employees worldwide, asking about actions they take to protect the planet.

More than 60 sites around the world also took part in the first internal Planet Week organized by Nexans. One of the key objectives of the event was for the Group to announce its objective to reduce its greenhouse gas emissions annually by 4.2%. In addition to a host of local events, employees had the opportunity to put questions to French skipper Fabrice Amedeo – whose sporting endeavors and #Oceancalling project are sponsored by Nexans – during two LiveChats.

SENS

VALUE PROMOTER

PHILANTHROPY, A MEANINGFUL COMMITMENT

Nexans' corporate philanthropy, which chimes with its core businesses and mobilizes its internal skills to address major challenges facing society, gives meaning to initiatives and makes employees proud of their job and their group. As a leader that is fully rooted in community life, the Group has been involved in corporate philanthropy for many years, leveraging its expertise in sustainable electrification to serve the general interest in three areas: climate change, medical research and cultural and industrial heritage.

COMBATING CLIMATE CHANGE

With the GoodPlanet Foundation

The partnership with the GoodPlanet Foundation started in September 2020, during the Nexans Climate Day organized at the Domaine de Longchamp – the first venue dedicated to ecology and solidarity in Paris – under the patronage and in the presence of its founder Yann Arthus-Bertrand. Alongside a host of world-renowned experts who had come to offer their ideas to Nexans' "Call of the planet for sustainable electrification", the famous photographer said: "The

environmental crisis must allow everyone to give meaning to their lives. And indeed companies, too, must give meaning."

Nexans co-finances the film *Legacy, notre héritage*

As a player in the fight against climate change, Nexans shares the same convictions as Yann Arthus Bertrand. As such, the Group was thrilled to join forces with the photographer, filmmaker and environmental activist to make the film Legacy, notre héritage, which was released in January 2021. In the film, the Chairman of the GoodPlanet Foundation vividly portrays the urgency of the climate situation and the pressing need to take action to promote sustainable development and protect biodiversity, and makes a call for collective responsibility. These themes are perfectly aligned with Nexans' commitment to energy transition and sustainable electrification.

OBJECTIVE : VENDÉE GLOBE 2024

PFor his third attempt at the Vendée Globe, Fabrice Amedeo wants to take his eco-citizen commitment further by crossing the oceans without fossil fuels, aboard a boat propelled and powered by wind, water and sun. Normally, around 200 liters of diesel are taken on board by each participant during a Vendée Global race. Through his action, he wants to show above all that sport can lead by example in our society and to convey the message that energy transition can be achieved without sacrificing performance.

On board Fabrice Amedeo's IMOCA

Sharing many of the same values related to environmental protection, the fight against global warming and the preservation of the oceans, Nexans and skipper Fabrice Amedeo are teaming up until the next Vendée Globe race in 2024.

Having already twice competed in the so-called "Everest of the Seas", Fabrice Amedeo has been training and competing in the most prestigious races aboard his IMOCA boat for the past two years thanks to Nexans' support. Aboard his monohull, the skipper has installed oceanographic sensors that collect valuable data about CO_2, temperature, salinity and microplastics. The data are analyzed and made available to the international scientific community to help better understand the impacts of global warming and ocean pollution. During the last Vendée Globe race, solar panels, hydro generators and a wind turbine provided most of the power needed to operate the sensors, as well as all the electronic monitoring and navigation instruments.

ACCELERATING MEDICAL RESEARCH

Alongside Institut Curie

In line with its focus on the health of its employees, customers and partners, Nexans is sponsoring Institut Curie, the first French cancer research center founded in 1909 by Marie Curie. The Institute develops fundamental and applied scientific research in physics, chemistry, biology, radiobiology and medicine with the aim of putting science at the service of people to help them fight cancer and develop existing or future medical breakthroughs. Located over three premises, the Institute includes an innovative research center whose results are published internationally and a state-of-the-art cancer hospital complex.

OUTPACING CANCER

In 2021, Nexans joined the corporate sponsors of the MC21 Campaign led by Institut Curie, by supporting two flagship projects: Chemical Biology and SIREDO (Care, Innovation & Research in Childhood, Adolescent and Young Adult Oncology). The work of the Chemical Biology program, which aims to complement and optimize chemotherapy treatments by developing new molecules capable of blocking cellular plasticity, is key to further advances in the fight against cancer. Once built, the SIREDO center will bring together on the same premises the 60 scientists, 4 research teams and some 50 caregivers who are working to speed up the fight against cancers affecting young patients.

FÊTE DE LA SCIENCE AT THE MUSEUM OF MODERN ART IN PARIS

As part of the Science Festival held on October 9 and 10, 2021, Nexans hosted two workshops for children aged 6 and over (accompanied by their parents), focused around electricity: "Superconductors, the superheroes of electricity" and "Offshore wind farms, or how to transform wind into electricity". Each workshop was led by a Nexans engineer, Frédéric Lesur and Maxime Toulotte. The superconductor workshop included a giant puzzle, for which Nexans employees at the Calais plant provided the 3D components of the superconductor cable that had to be assembled by the children. During the offshore wind workshop, the children were given the challenge of building a model mini wind turbine. Wearing fluorescent vests provided by Nexans, the children left with their certificate to take home.

ENHANCING CULTURAL AND INDUSTRIAL HERITAGE

With the Museum of Modern Art in Paris

Nexans is adding another brick to *La Fée Électricité,* the monumental work by Raoul Dufy, by financing the development of an educational tool that will become an evolving content platform via a dedicated website and a program of thematic podcasts.
One of the largest modern art creations in the world, the 600 sq.m fresco will become a free digital mediation tool. Through the portraits of 108 scientists and thinkers, *La Fée Électricité* represents the history of electricity and its many applications in a fun, original way for museum visitors, including many young people and schoolchildren. For cable industry pioneer Nexans, what better way to raise awareness about the notion of progress through time!

With the Edison Innovation Foundation

Nexans has great ambitions in the United States and is ideally positioned to serve the rapidly growing US offshore wind market. It therefore makes perfect sense for the electrification pure player to consolidate ties with Edison, the American genius with over 1,000 patents – including the incandescent light bulb – and the founder of General Electric.
Since December 2021, Nexans has partnered with the Edison Innovation Foundation, which promotes the Edison legacy. In particular, the organization encourages young people – with a focus on women and minorities – to embrace careers in science, technology, engineering and mathematics and is committed to educating the next generation of great inventors. The partnership is perfectly aligned with many of the issues that guide Nexans and with its living history: innovation and R&D, education and awareness of young generations and excellence. It also feeds into the purpose – "Electrify the future" – and the three values – Pioneers, Dedicated and United – of the Group, which embody its actions to protect the planet and combat climate change.

NEXANS, PARTNER OF THE THOMAS EDISON PITCH CONTEST

From January 2022, Nexans has become a Gold Partner of the Thomas Edison Pitch Contest, created in 2010 by the Edison Innovation Foundation to encourage ingenuity and entrepreneurship among students in grades 4 through 12. Every year, the winners are invited to the Edison Lab, the "invention factory" in West Orange (New Jersey), to pitch to a panel of scientific and industry experts. The Group will be part of the jury responsible for selecting the team that best incorporates alternative energies into its project. Prizes include scientific gifts (equipment, experiment kits, etc.) and the chance to have their photograph taken on Edison's chair in his office, which has been preserved in its original state.

THE NEXANS **FOUNDATION**

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

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

A component of CSR

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

In 2015, the UN took this initiative further by including an energy component in its new Sustainable Development Goals (SDGs) – to ensure access to affordable, reliable, sustainable and modern energy for all (SDG 7) – a priority long recommended by the International Energy Agency (IEA), which advocates universal energy access by 2030. Energy not only provides access to light, it also ensures access to education and promotes learning (SDG 4), improves conditions of access to healthcare (SDG 3), empowers women and girls (SDG 5), promotes employment and contributes to economic growth (SDG 8), and combats climate change (SDGs 12,13 and 15). These are ways of transforming living conditions, economic development and respect for the environment.

Nine years of solidarity through philanthropy

With a five-year budget of 1.5 million euros, the Nexans Foundation has supported 134 projects in 38 countries in partnership with 63 organizations since it was created. These projects have brought, or plan to bring, electricity to over 1.8 million people. Due to the ever growing involvement of the Group's local entities, the Nexans Foundation supports large non-profits that are well known in the area of access to energy, such as Electricians Without Borders, the Group for the Environment, Renewable Energy and Solidarity (GERES) and FONDEM (Fondation Energies pour le Monde) for large scale projects, as well as smaller organizations, such as Shekina, AccesMad and *Lumières Pour Tous*.

It works in all countries, primarily those affected by energy poverty, mainly in sub-Saharan Africa (in 19 countries), North Africa (1), the Middle East (2), Asia (9), South America (4) and the Caribbean (2). It also leads energy access and anti-energy poverty projects in France.

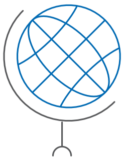
Reacting in an emergency

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

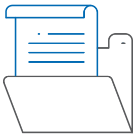
https://fondation.nexans.com

THE NEXANS FOUNDATION - KEY FIGURES

€ 300,000
annual budget

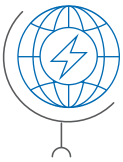


1,860,000
people supported in
38 countries since 2013

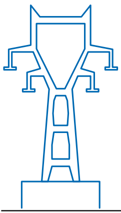


134
projects in partnership with
63
organizations since 2013

ENERGY - KEY FIGURES



759M
people still do not have access to electricity, i.e., 10% of the world's population, and 75% are living in sub-Saharan Africa

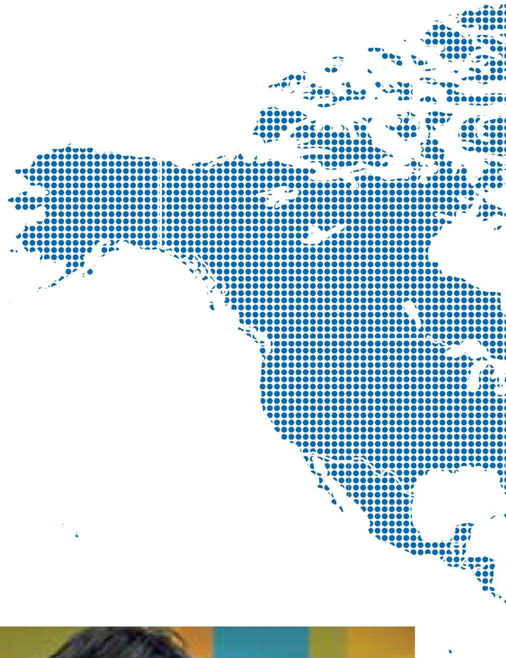


90%
is the global electrification rate, which has increased by 7 points since 2010

151M
more people on average have access to electricity each year

Sources : https://www.iea.org/reports/sdg7-data-and-projections/access-to-electricity
Tracking SDG7 – The Energy Progress 2021 - https://trackingsdg7.esmap.org/data/files/download-documents/2021_tracking_sdg7_report.pdf

THE NEXANS FOUNDATION IN ACTIONS

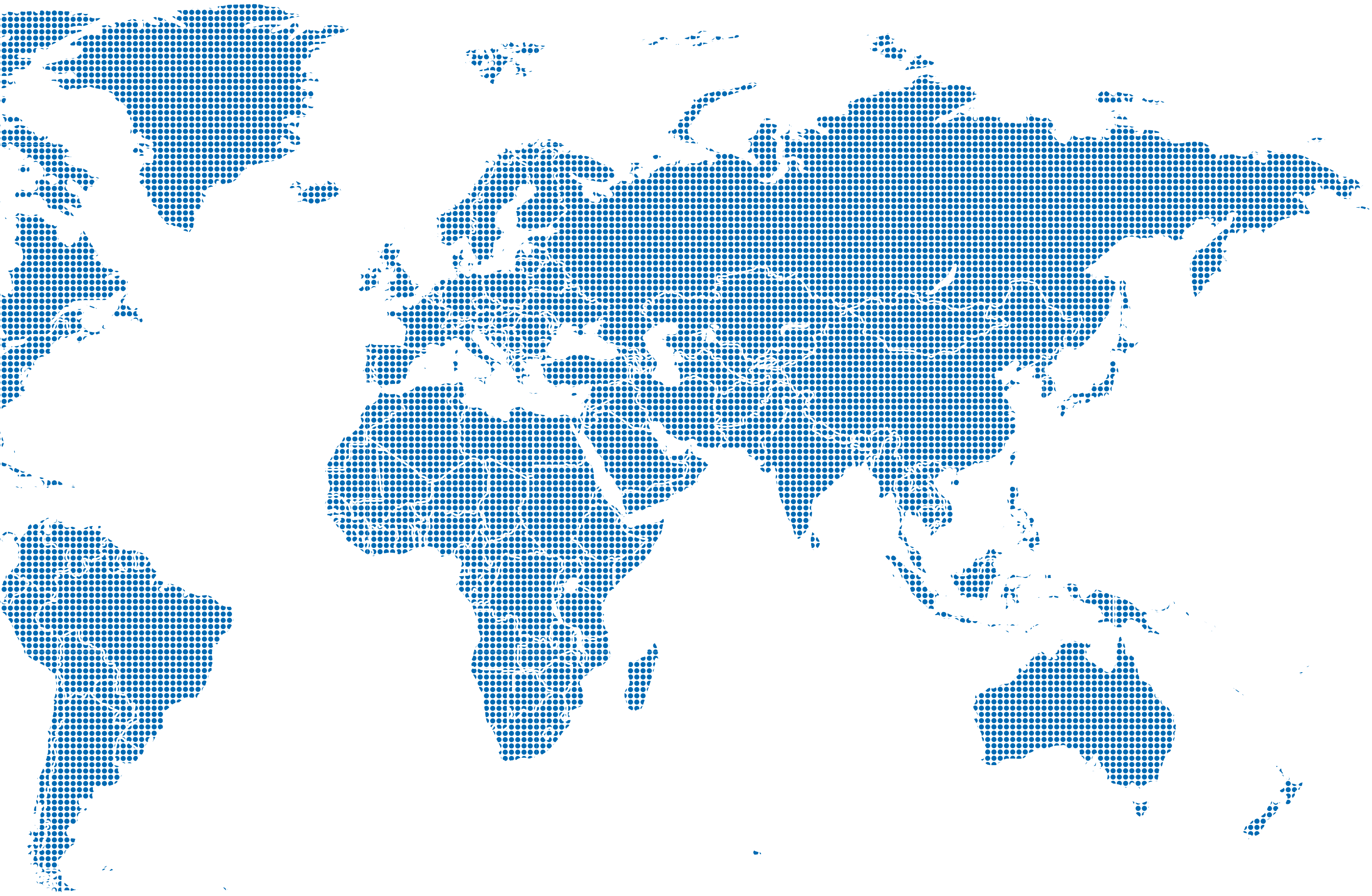


With the Educational Volunteers Foundation of Turkey (TEGV)

From learning units in disadvantaged areas around the country (including in Denizli, which is supported by the project), Turkish non-profit TEGV helps 2,500 children and young people to improve their grades through access to additional educational programs. With its game-based approach to teaching, it created an 80-minute educational workshop on the themes of energy and the environment, as part of efforts in Denizli to encourage 1,500 children to join the brand new unit, which has undergone major work to bring its electrical and energy facilities up to standard. Due to the pandemic, face to face activities have been replaced by online lessons, supported by 30 volunteers. To turn the challenge of the pandemic into an opportunity, TEGV has restructured its educational model. It has implemented an information and learning management system and developed content that is adapted to new educational channels and which can be delivered remotely, both synchronously and asynchronously. The workshop has raised awareness and developed academic skills in science and engineering.

With Un Enfant par la Main in India

In remote rural areas of the Indian subcontinent, many homes do not have light, which effectively cuts the number of productive hours in the day. In four fishing villages in Nagapattinam district, ChildFund India has opened a community center for children and their families, which also serves as a meeting place and library. Educational, awareness and training activities are organized in the centers. After being severely damaged by a cyclone in 2018, the four centers were fully renovated, with the help of Un Enfant par la Main and BEDROC (ChildFund India's local partner). The renovation work included converting the centers to solar power and installing off-grid solar power systems. In addition, 312 solar lamps were distributed to households. And to ensure the equipment is properly maintained, ten young people from the four villages have been trained. Overall, the solar project has increased the time spent by members of the communities on studying and socializing by about 80%. And during the pandemic, it made the evenings more productive.



To learn more:
www.nexansfoundation.com/fr/projects.html

With AccesMad in Madagascar

In Madagascar, where the electrification rate is one of the lowest in Africa, the health crisis has shaken the education sector. But lack of electricity is a major obstacle to the use of information and communication technologies (ICT), a core aspect of AccesMad's project which aims to "improve science education in Madagascar". Since 2018, the Nexans Foundation has been supporting AccessMad with its project to integrate ICT into teaching and improve the conditions for learning science. Some 103 partner high schools (approximately 60,000 students) now have access to electricity, computer equipment, digital educational resources and training for the teachers involved. In addition, AccessMad has provided 11 high schools in remote areas with JYRODESK solar computers through its Sunshine project. It also provides access to educational content on renewable energies, developed with the Nexans Foundation, IECD and Energie d'Apprendre, with the support of the AFD. Designed as a MOOC, the training is available online in the EducMad media library.

	2021	2020	2019
INCOME STATEMENT IN €M			
Sales at current metal prices	**7,374,**	5,979	6,735
SALES AT CONSTANT METAL PRICES	**6,054,**	**5,713**	**6,489**
Margin on variable costs	**1,361,**	1,227	1,419
Margin rate(1)	**22.5%**	21.5%	21.9%
Indirect costs	**(899)**	(881)	(1,007)
EBITDA(2)	**463**	**347**	**413**
EBITDA rate(1)	**7.6%**	6.1%	6.4%
Impairment	**(163)**	(154)	(164)
OPERATING MARGIN	**299**	**193**	**249**
Operating margin rate(1)	**4.9%**	3.4%	3.8%
Restructuring costs	**(58)**	(107)	(251)
Others	**96**	160	(9)
OPERATING MARGIN	**338**	**246**	**(11)**
Cost of debt (net)	**-101**	(54)	(63)
INCOME BEFORE TAX	**237**	**192**	**(73)**
Income tax	**(72)**	(111)	(44)
NET INCOME (LOSS) FROM OPERATIONS	**164**	**80**	**(118)**
ATTRIBUTABLE NET INCOME (LOSS) PER SHARE	**164**	**78**	**(122)**

	2021	2020	2019
FROM OPERATING MARGIN TO OPERATING INCOME IN €M			
Core exposure impact	106	42	(11)
Restructuring costs	(58)	(107)	(251)
Net asset impairment	(15)	(21)	13
Provision for antitrust investigations	(1)	-	(19)
Change in fair value of metal derivatives	(6)	1	1
Proceeds from disposals	15	142	7
Others	(3)	(4)	-
ADJUSTMENTS TO OPERATING MARGIN	**38**	**53**	**(260)**

(1) of sales at constant metal prices.

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

	2021	2020	2019
BALANCE SHEET IN €M			
Long-term fixed assets	**1,942,**	1,827	1,878
- Of which goodwill	**240**	*232*	242
DEFERRED TAX ASSETS	**112**	115	175
NON-CURRENT ASSETS	**2,053**	**1,942**	**2,053**
Working capital	**77**	176	465
TOTAL TO BE FINANCED	**2,130**	**2,118**	**2,518**
Net debt	**74**	179	471
Reserves	**469**	550	671
Of which:			
- restructuring	**44**	87	159
- pension & jubilee	**301**	350	373
Deferred tax liabilities	**117**	133	118
Non-current derivative liabilities	**5**	-	7
Shareholders' equity and minority interests	**1,465**	1,256	1,251
TOTAL FINANCING	**2,130**	**2,118**	**2,518**

	2021	2020	2019	2018
SITE MANAGEMENT				
Number of sites monitored	**80**	78	82	88
Number of ISO 14001 certified sites	**71**	67	65	66
% of ISO 14001 certified sites	**89%**	86%	79%	75%
Number of EHP-certified[1] sites	**68**	68	73	78
% of EHP-certified sites	**85%**	87%	89%	89%
ENERGY				
Energy purchased (MWh)	**1,104,558**	943,779	1,176,992	1,181,197
Energy intensity (MWh/€m)[4]	**150**	165	181	268
■ o/w electricity (MWh)	**211,731**			
■ o/w fuel oil (MWh)	**93,920**	37,210	48,879	58,398
■ o/w gas (MWh)	**403,736**	334,056	434,781	414,642
■ o/w steam (MWh)	**2,737**	2,600	1,302	11,924
WATER				
Water consumption (m^3)	**1,702,391**	1,802,867	2,159,174	2,319,212
Water intensity (m^3/€m)[4]	**231**	316	333	526
RAW MATERIALS & CONSUMABLES				
Copper consumption (tonnes)[2]	**475,000**	460,000	525,000	495,000
Aluminum consumption (tonnes)[2]	**95,000**	100,000	110,000	105,000
Solvent purchased (tonnes)	**347**	313	448	452
WASTE				
Waste tonnage (tonnes)[3]	**70,670**	70,725	105,889	93,507
Waste intensity (tonnes/€m)[4]	**10**	12	16	21
■ o/w hazardous waste (tonnes)	**3,192**	2,805	4,700	5,074
Hazardous waste intensity (tonnes/€m)	**0,43**	0,49	0,72	1,15
GHG EMISSIONS (SCOPES 1-2-3)				
GHG emissions (tonnes CO_2 eq.)	**171,863,509**	200,534,032	240,443,613	228,443,990
GHG emissions intensity (tonnes/€m)[4]	**23,310**	35,101	37,054	51,813
■ o/w Scope 1 (tonnes CO_2 eq.)	**110,799**	94,802	130,017	125,427
■ o/w Scope 2 (location based) (tonnes CO_2 eq.)	**142,200**	137,589	214,364	239,170
■ o/w Scope 2 (market based) (tonnes CO_2 eq.)	**112,419**			
■ o/w Scope 3 (tonnes CO_2 eq.)	**171,610,509**	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 is calculated 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 REPORT

	2021	2020	2019	2018
NEXANS GROUP				
TOTAL HEADCOUNT	**25,129**	**24,248**	**25,945**	**27,058**
Europe	13,557	12,997	14,142	15,448
Asia-Pacific	1,887	1,843	2,317	2,414
North America	2,842	2,611	3,199	3,470
South America	1,344	1,346	1,372	1,369
Middle East, Russia, Africa	5,499	5,451	4,915	4,357
% Female managers (of manager population)	24,5 %	24%	24%	23%

	2021	2020	2019	2018
CABLE BUSINESS				
HEADCOUNT CABLE BUSINESS	**13,483**	**13,612**	**15,454**	**15,930**
% Female employees (of total headcount)	17%	17%	16%	16%
% Female managers (of manager population)	25%	24%	24%	23%
Average age (years)	44.1	44.3	44.2	43.8
Average length of service (years)	12.6	12.7	12.5	12.7
% Temporary employees	6.7%	7.0%	7.3%	7.0%
Disabled employees(1)	291	297	378	314
EMPLOYMENT DATA				
New hires	1,593	1,011	1,418	1,727
Employee turnover rate[2]	10.1%	9.8%	10.4%	10.6%
Part-time contracts	247	245	341	394
% Fixed-term contracts	6.6%	5.5%	5.8%	6.6%
Absenteeism rate	5.3%	5.6%	5.0%	4.8%
SAFETY				
Global workplace accident frequency rate[3]	3.21	2.94	4.06	3.15
Number of sites having zero accidents				
Global workplace accident severity rate[4]	0.28	0.25	0.26	0.23
TRAINING				
Total number of training hours	166,997	135,887	210,625	283,646

	2021	2020	2019	2018
HARNESSES BUSINESS				
HEADCOUNT HARNESSES BUSINESS	**11,646**	**10,636**	**10,491**	**11,128**
% Female employees (of total headcount)	62%	60%	60%	60%
% Female managers (of manager population)	21%	23%	21%	20%
Average age (years)	35.2	34.6	34.8	34.5
SAFETY				
Global workplace accident frequency rate[3]	0.10	0.34	0.74	0.29
Global workplace accident severity rate[4]	0.00	0.01	0.01	0
TRAINING				
Total number of training hours	252,278	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. As of 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) Overtime rate: number of overtime hours worked/total number of hours worked.
(5) The 2019 data has been updated following the correction of erroneous data.
(6) The 2019 data has been updated following the correction of erroneous data.

INTERVIEW

MESSAGE

INTERVIEW CHRISTOPHER GUÉRIN, CHIEF EXECUTIVE OFFICER

How is Nexans doing after its strategic shift in 2021 to become an electrification pure player?

Christopher Guérin : 2021 has been a good year. The economy is recovering and investment is booming in a sector where we are very well positioned, namely the electrification of the world. We are outperforming analysts' consensus and our own forecasts with respect to all three of the Group's key performance indicators. EBITDA stood at 463 million euros at December 31, 2021, compared with a target of between 430 million and 460 million euros. Return on equity employed (ROCE) reached 16.4% (compared with the 13%-15% forecast), which is double that of 2018, the year of Nexans' management and strategy change. Free cash flow came in at 180 million euros. For 2021, we should therefore be able to pay the largest dividend in at least a dozen years. At its next Annual Shareholders' Meeting, Nexans will recommend a payment of 1.2 euros per share, compared to 70 cents for 2020. These are all demonstrations of how perfectly aligned we are with our 10-year industrial vision for the New Nexans, as we start a new chapter in the Group's transformation into an "electrification pure player", with a presence throughout the entire value chain.

Where exactly does Nexans stand on its roadmap to 2024?

C.G. : The group presented a new strategic plan for 2021 that should lead it to become an "electrification pure player" by expanding the scope of its activities in this field, which will represent between 5.5 billion and 6.5 billion euros in revenues by 2024. To carry out this transformation, Nexans will rotate its assets through disposals and acquisitions. A first milestone was reached last September with the announcement of the acquisition of the Colombian company Centelsa for some 200 million euros. This acquisition is expected to be completed in the second quarter of 2022. We should then be announcing a significant divestment to take place before the end of the first half of 2022, followed by another acquisition in late 2022 or early 2023. We are confident and determined. Our 2022-2024 "Winds of Change" strategy is clearly defined and our roadmap well established. We are following it step by step and as rigorously as we have over the last three years. The Group now rests on a solid foundation and is well positioned to seize the momentum of the energy transition and unleash the Company's full potential.

How are you reacting to the raw materials crisis that is shaking the planet?

C.G. : The crisis for certain raw materials, particularly copper, is expected to be long-lasting. The growing interest in electrification, and the strategic nature of copper in the energy transition (electric vehicles, wind farms, etc.) will most likely lead to a shortage of this red gold, essential to so many cables. World consumption was 9 million tonnes in 1995; it's currently 20 million tonnes; and is expected to reach 35 million tonnes in 2030. Moreover, unlike other metals, copper is very difficult to substitute. It takes 80 kg to 170 kg of copper to make an electric car, three to four times more than a combustion vehicle. Copper extraction, which mainly takes place in mines in Chile, Peru and Zambia, has reached its maximum capacity of 22 million tonnes to date. The only solution is recycling. Nexans plans to recover more copper and aluminum – which is recyclable infinitely! – from the cables of old electrical networks. These infrastructures, the majority of which were installed between 1950 and 1970, are real urban mines! The metals will be recovered in our Lens smelter, which currently recycles about 20,000 tonnes of copper with plans to process 30,000 tonnes by 2030. This represents a clear competitive advantage for Nexans as demand for power cables explodes.

In the aftermath of COP26 in Glasgow, corporate governance is about to play a significant role in accelerating the energy transition. How is Nexans approaching this new situation?

C.G. : In 2021, Nexans celebrated the tenth anniversary of its CSR department and made significant progress regarding its commitments to the energy transition. We are intensifying our efforts to reduce the Group's carbon footprint and contribute to its carbon neutrality by 2030. We have therefore adopted the recommendation of the Task Force on Climate-related Financial Disclosures (TCFD) and conducted an in-depth analysis of the Group's climate-related risks. We support this momentum through the organization of Climate Days, the second of which was held in Stockholm in 2021, as well as through the launch of our first Planet Week for employees. Nexans has also initiated its E3 performance model, a unique and powerful performance measurement tool that intrinsically links the three dimensions of Environment, Economic and Commitment. To manage and strengthen this systematic approach, a new position was created and Olivier Chevreau was appointed Vice-President Sustainability. Lastly, we are fostering an ever more inclusive work environment, with the We in Nexans (WiN) network combined with a policy of promoting diversity and inclusion within the Group.

You have had to adapt the Group's democratic processes in response to the difficult situation since 2020... What good practices have emerged from this period?

C.G. : Without a doubt, the trend towards leveling playing fields and breaking down ivory towers. Since doing away with two top management levels in 2018, Nexans' Executive Committee has never been so close to grassroots level. Another beneficial practice for industrial groups is the synchronization of economic and environmental performance. To that end, we have strengthened our corporate governance by appointing one of our directors, Marc Grynberg, as Climate Director responsible for monitoring climate and environmental issues at the level of the Strategy and Sustainable Development Committee and the Board of Directors. At the 2022 Annual Shareholders' Meeting, the Board of Directors also recommended that Anne Lebel's term of office as director be renewed and decided to reappoint her as Lead Independent Director and Chair of the Appointments and Corporate Governance Committee and the Compensation Committee.

The Covid crisis has accelerated awareness within governance bodies of a number of CSR subjects. What do you think about this?

C.G. : Today's performance is also based on non-financial commitments that are meaningful to employees, such as the increase in the number of women in management bodies – with a 24.5% increase – and the increase in the number of our ISO 14001-certified sites that comply with environmental standards. We also need to have a firm social foothold and embrace the emergence of talent and diversity by attracting people from other ecosystems. Ivory towers must be broken down. The challenge is to work as a team and develop skills in support of a larger purpose and raison d'être. In this respect, learning plays a fundamental role, regardless of the management level. The manager of tomorrow is a manager who loves to learn. The world of tomorrow will be made up of people who love to learn.

How do you feel about 2022?

C.G. : We are at the dawn of a new world that requires a new mindset. We previously had the time to change, but now we need to act urgently. Let's take advantage of this crisis to ensure genuine structural change. If we just rest on our laurels in 2022, it will mean that we have learnt absolutely nothing. It is crucial that we reconsider climate risk and ensure corporate engagement in this respect.

MESSAGE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Following a comprehensive two-year transformation, Nexans reached its full potential in 2021: the Group has successfully deployed the New Nexans operating model, affording it more leeway to move ahead with changes.

The first major event this year was the Investors' Conference in February 2021, where Executive Management spoke transparently about our ambitions for the Group over the next five years. We owe this transparency to our investors, in order to involve them as much as possible in our roadmap, as well as to all of our employees, who have remained constantly engaged during the difficult period we are going through. Most of our businesses have performed well again this year, with significant growth prospects. Given the broad range of our businesses, we have to make choices, to "simplify to amplify", focusing on Electrification to build strong leadership positions in these areas whilst ensuring the best possible future for the other high-profile businesses we have chosen to divest.

Two other major events illustrate our ambitious new growth series aimed at strengthening our production assets. The first is the inauguration of our cable ship Aurora, an essential tool in the energy transition, capable of releasing significant stores of offshore renewable energy, but also of ensuring the necessary interconnections between major countries. It is also a way for us to offer our customers a more complete service, guaranteeing an even higher quality of overall service. The second is the opening of the US's first high-voltage submarine cable plant in Charleston, the only site with this capacity in North America. These are two strategic decisions that were taken between 2017 and 2019, as a result of close collaboration between the Board of Directors and the Executive Committee, and confirmed by the analyses carried out in 2020 on the energy transition and the development of renewable energies, both of which provide a very favorable context for the Group.

As regards the composition of the Board of Directors, Angeline Afanoukoé's term of office was renewed in accordance with the appointment system provided for in the Company's bylaws, which ensures a high degree of employee representation; she sits alongside Bjørn Erik Nyborg and Selma Alami, the latter of whom represents employee shareholders. Laura Bernardelli joined the Board as a Censor, to succeed Kathleen Wanz O'Rourke, who resigned due to significant new responsibilities elsewhere. Kathleen accompanied us through the most difficult of times for our Group and diligently chaired the Accounts, Audit and Risk Committee over the last three years. Now, with Laura, we have someone with extensive experience in major industrial groups, having held key finance positions over many years. If you agree to give her your vote, she will take over as Chair of the Accounts, Audit and Risk Committee.

The crisis has led to the emergence of good practices within the Board of Directors: more transparency and a desacralization of the Board's organization. Today, we no longer wait to share information on a fixed schedule. We can respond much more quickly, through brief but frequent exchanges with the Executive Committee. This exchange within Nexans' governance – which is more continuous as opposed to occurring solely on a given date – is more in line with the current economy. In this regard, I would like to thank all the Board members for their considerable availability and for being flexible with their schedules. The increase in board activity, the frequency of board meetings and the attendance rate have become a very noticeable phenomenon. Finally, the quantity and quality of the information sent to them, both from the Board and the various committees, requires them to be increasingly involved. We owe this agility, which has firmly taken hold, above all to the digitalization of our processes. This is only an additional tool, however, and we are careful to still maintain face-to-face contact as much as possible. For us, that remains the strongest relationship.

Recently, the Group has further strengthened its corporate governance with the appointment of Marc Grynberg as director responsible for monitoring climate and environmental issues ("Climate Director"). The Climate Director assists the Strategy and Sustainable Development Committee and the Board of Directors in promoting, facilitating and taking into account climate and environmental issues in the implementation of the company's strategy. His responsibilities are described in detail in the Board's Internal Regulations. The Board of Directors also asked the 2022 Annual Shareholders' Meeting to renew Anne Lebel's term of office and decided, subject to her appointment as director by the Annual Shareholders' Meeting, to reappoint her as Lead Independent Director and Chair of the Appointments and Corporate Governance Committee and the Compensation Committee.

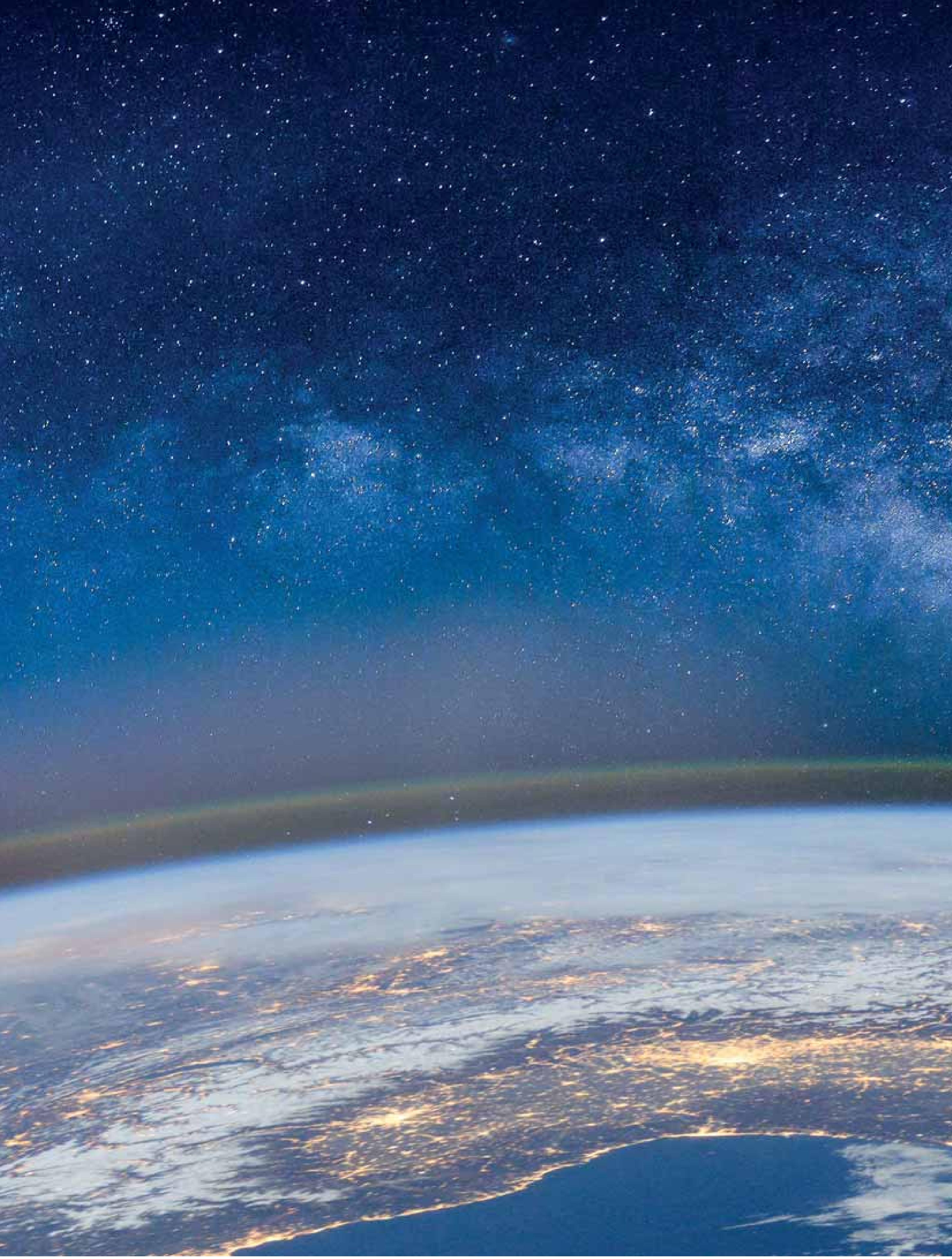
Amid a growing global awareness of issues such as climate change, the environment and diversity, our Board is paying attention to regulatory ramp-ups and stakeholder expectations. We are committed to involving our stakeholders in the strategic choices and life of the Group. We know that employee share ownership is a good indicator of employee commitment. Every two years we offer employees the opportunity to subscribe to Nexans shares, and it is a success every time. Another example is local and national elected officials. When the strategic plan was announced in 2021, we wanted to involve them more by organizing meetings in the various regions to present our approach in a transparent manner. For us, it is essential to build strong socio-economic ties with the regions where our sites are located and to meet frequently with our employees who work there.

Lastly, although COP26 in Glasgow proved disappointing in terms of political measures, companies like Nexans are continuing to target net zero carbon impact. The role of director is particularly important in this respect, especially within the Strategy and Sustainable Development Committee, where specific time is set aside to get into the subject. An example is the decision to develop new products, which were previously difficult to recycle, such as insulating materials, and focus investments on the eco-design of eco-friendly products or ensure that the Group's logistics system is improved.

2022 promises to be a year of acceleration for the Group's strategy and a full-scale demonstration of its robustness! This acceleration will confirm Nexans' position as a key player in the major international markets.

The Company's performance remains strong. The Board is looking to pursue a policy of regular dividends and thus enhance shareholder involvement. At this year's Annual Shareholders' Meeting it will be recommending a dividend payment of €1.20 per share.

Jean Mouton,
Chairman of the Board of Directors



1

PRESENTATION OF THE **GROUP AND ITS ACTIVITIES**

1.1 HISTORY OF THE GROUP

A CABLE PIONEER

1879: Thomas Edison created his first high resistance, incandescent electric light. At the same time, two entrepreneurs, the Swiss engineer François Borel and business man Edouard Berthoud, invented a waterproof electric cable. They formed Berthoud, Borel & Company to develop the system, which consisted of wrapping wire with bituminous paper, which was then sealed with lead. The invention caused a revolution in a number of nascent industries, notably in the telecommunications and electrical power industries.

They created Société d'Exploitation des Cables Electriques (SCE) to build the first cables: Nexans was born.

1881: Société d'Exploitation des Cables Electriques successfully presented its lead sheet at the first International Electricity Exhibition in Paris and was awarded the lighting of the Champs Elysée for the 1900 Paris Exhibition.

1897: Creation of Société Française des Câbles Electriques in Lyon, an affiliate of the Swiss company Berthoud, Borel et Cie, to manufacture cables using the Berthoud and Borel system.

1912: The Compagnie Générale d'Électricité (CGE) took a majority holding in Société d'Exploitation des Câbles Électriques which had already become one of the most prominent companies in France's growing electrical power sector, with operations spanning across both power generation and distribution, and manufacturing.

1917: The cable manufacturing business of CGE was renamed Compagnie Générale des Câbles de Lyon.

1925: Merger of Compagnie Générale des Câbles de Lyon with CGE. Câbles de Lyon became a division of CGE.

1938: CGE acquired Société Industrielle des Téléphones of which cable plants in Bezons and Calais were transferred to CGE-Câbles de Lyon.

1968: CGE-Câbles de Lyon acquired French company Câbles Geoffrey et Delore.

1969: CGE acquired Alcatel, founded in 1879 as Société Alsacienne de Construction Mécanique, and which had become one of the leading manufacturers of telecommunication technologies. The Alcatel acquisition boosted CGE's own telecommunication business, CIT. The two companies merged to form CIT-Alcatel, stepping up Câbles de Lyon's business.

BUILDING SCALE

1979: CGE-Câbles de Lyon added to its French holdings Câbleries de Lens.

1980: CGE-Câbles de Lyon added a subsidiary in Greece with the acquisition of Chandris Cables.

1981: The Company entered the United States, with the purchase of a stake in Chester Cables. By the early 1980s, CGE-Câbles de Lyon already held a leading position in the European cable market.

1982: CGE was nationalized by the French government and pursued its acquisition strategy with Kabel- und- Metallwerke, Germany's fourth largest manufacturer of cables and wires.

1983: The French government transferred another nationalized company, Thomson, to CGE. As a result of that merger, Câbles de Lyon absorbed two Thomson subsidiaries, Kabeltel and Thomson Jeumont Câbles. Câbles de Lyon also took over the cable manufacturer Gorse.

1986: CGE and ITT announced their agreement to merge their telecommunications operations into a new joint venture, Alcatel NV, to be held at 65% by CGE. Under an extension to the original joint venture agreement, CGE agreed to add a 65% stake in Câbles de Lyon, which was then combined with ITT's Valtec fiber optics and other cable operations to create a newly enlarged Câbles de Lyon. The Group continued acquiring scale, adding Tréfilerie et Laminoir de la Méditerranée and Câbleries de Charleroi in Belgium.

1987: Privatization of CGE.

1988: CGE-Câbles de Lyon purchased Thomson Cuivre in France, in a move toward vertical integration, as well as Société Nouvelle de Câblerie Barelec in France, Manouili Hellas Cables in Greece, and Manuli Cavi, the second largest cable maker in Italy.

1989: CGE-Câbles de Lyon raised its European position with the acquisition of Câbleries de Dour in Belgium.

1990: CGE-Câbles de Lyon began the construction of a new fiber optic cable plant in the United States.

1991: CGE-Câbles de Lyon was renamed Alcatel Cable.

The Company bought Canada Wire and Cable, a subsidiary of Noranda and the largest cable and wire manufacturer in the country. The purchase also provided an entry into the South American market. In addition, the Company bought four companies in Germany, Vacha Kabel, Lacroix & Kress, Ehlerskabelwerk and AEG Kabel, a division of Daimler-Benz. These purchases raised Alcatel Cable position to the number two in Germany and to number one worldwide. The Company also amplified operations in Turkey with the acquisition of Erkablo.

1993: Alcatel Cable acquired Berk-Tek Inc. in the United States, adding electronic and fiber optic cable operations.

1994: Acquisition of Cortaillod-Cossonay in Switzerland which was inherited the original Berthoud, Borel & Cie.

1996: Alcatel NV took over the remaining 35% of Alcatel Cable, and the company became a wholly owned subsidiary of the Group.

1998: Alcatel Cable acquired the North American and Portuguese subsidiary of Japan's Optec Dai-Ichi Denko Co., part of the Mitsubishi Group.

2000S: THE BIRTH OF NEXANS

2000: Alcatel NV announced its intention to spin off Alcatel Cable as a separate company, called Nexans.

2001: In June, successful IPO of Nexans on the Paris Stock Exchange and SBF 120. Alcatel kept 15% of Nexans share capital. Nexans took over of Daesung in South Korea as acquisition remained a key part of its strategy.

2002: Nexans acquired Petri, a German manufacturer of power cable accessories, and reached an agreement to acquire another Korean company, Kukdong Electrical Wires Company.

2005: Alcatel exited Nexans' share capital.

2006: Nexans acquired Olex Australia's cable industry leader for about 310 million euros ($A515 million), in line with its strategy to expand in the Asia-Pacific region.

2008: Madeco (now Invexans), leader of cable manufacturing in Latin America, transferred its assets in Chile, Argentina, Peru, Brazil and Colombia to Nexans in exchange for 448 million dollard in cash and 2.5 million Nexans shares.

The same year, Suez and Nexans created a joint-venture in order to collect, process and recover cables.

2009: Fonds Stratégique d'Investissement (FSI - now Bpifrance Participations) acquired a 5% stake in Nexans increased to 7.8% in 2013.

2011: Creation of the CSR department, Corporate Social Responsibility.

2012: Nexans acquired AmerCable in the United States and Shandong Yanggu Cable Group in China. Invexans reached 22.4% of the share ownership of Nexans.

2013: Nexans joined the United Nation's Global Compact and was the first company of its industry to create a Foundation supporting sustainable initiatives bringing access to energy to disadvantaged communities worldwide.

2014: Invexans increased its stake in Nexans to 29.0% of its share capital.

2015: In December, Nexans concluded the divestment of its Argentinean activities.

2017: Nexans launched Nexans Recycling Services to allow the Group's customers and partners to monetize and dispose of their leftover copper and aluminum cables while contributing to the circular economy.

2018: In January, Nexans acquired BE CableCon in Denmark, an expert supplier of cable kits to Europe's most important wind turbine companies.

In July, Christopher Guerin was appointed Chief Executive Officer.

In November, he launched the 2019-2021 "New Nexans" plan to transform Nexans' value delivery model from volume growth to value growth.

In December, Nexans announced a new management team to drive its new strategic roadmap and build future successes.

2019: In February, Jean Mouton was appointed Chairman of the Board.

In December, Nexans, Eversource and Ørsted signed a framework agreement for North American Offshore Wind Farm development with the opportunity to provide up to 1,000 kilometers of export cable for multiple Ørsted projects until 2027 in the United States.

2020: In February, Nexans announced its active commitment to fight global warming and aim to contribute to carbon neutrality by 2030.

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

In September, Nexans completed the sale of Berk-Tek Inc., a US based manufacturer of local area network cables, to Leviton.

In November, the Group strengthened its environmental commitments with the launch of its first Climate day.

2021: In February, the Group presented "Winds of change" its 2022-2024 strategic ambition to become a Pure player in electrification.

During the year, Nexans strengthened its High Voltage & Projects business with the inauguration of its Charleston plant, the only subsea High Voltage cable plant in the United States and its Nexans Aurora, the most advanced cable-laying vessel in the world.

The Group was awarded major contracts for offshore wind and interconnection projects notably for a contract for Moray West offshore windfarm in Scotland, a more than 650 million euros contract for Tyrrhenian Links interconnector between Sardinia and Sicily, and a preferred supplier agreement with Empire Offshore Wind LLC to electrify New York State.

In September, the Group entered into a Share Purchase Agreement with Xignux SA of Mexico to acquire Centelsa, a premium cable maker in Latin America active in the production of cables for Building and Utilities applications.

In November, the European Investment Bank (EIB) has granted a 200 million euros loan facility to Nexans to accelerate its active role in the world's energy transition and commitment to contribute to carbon neutrality by 2030.

1.2 MISSION, BUSINESSES AND MARKETS

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

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

OUR EXPERTISE:

we offer to our clients cables and solutions acting as a link at the heart of the industry. Their high performance is the result of over 120 years of constant innovation.

OUR MISSION:

we play a crucial role in the sustainable electrification of the world. From the production and distribution of energy to its usage, we design tailored solutions to our customers' and end-users needs. Nexans' innovative and connected solutions benefits for all our stakeholders, while bringing progress to people and the planet.

OUR PURPOSE:

because electrification is our DNA and at the heart of our existence, we are now positioning ourselves as a world leader of the energy transition and a "Pure player" in electrification for a better and more sustainable future.

...NEXANS, *ELECTRIFY THE FUTURE**

1.3 DESCRIPTION OF BUSINESS SEGMENTS AND MARKETS

1.3.1. ELECTRIFICATION BUSINESSES

1.3.1.1. HIGH VOLTAGE & PROJECTS

2021 key figures

€769m in sales (13% of Group sales); €143m in EBITDA; 665 people, 4 plants, 2 cable laying vessels

Description of High Voltage & Projects

The High Voltage & Projects segment is at the heart of the energy transition. It provides high voltage cables and services from the generation of energy (wind, solar, hydropower or nuclear, etc.) to the transmission of that energy through cross-border interconnections between production and consumption regions.

Nexans' value proposition relies on three pillars:

- Strong risk and project management skills
- State-of-the art assets
- Cutting edge technologies: mass impregnated (MI), cross-linked polyethylene (XLPE) and dynamic cables

Nexans provides a fully integrated business model from early engagement, design and engineering, manufacturing and installation to business continuity solutions such as inspection, maintenance and repair. The Group has a solid project execution track record, advanced technologies and a unique risk-reward modelling process to optimize assets yield. The wide portfolio of cables technology spreads from 220 kV HVAC to 525 kV HVDC export cables.

Nexans has made several investments over the years in leading energy transition and sustainable electrification. In addition to its subsea high voltage facilities in Halden (Norway) and Futtsu (Japan) as well as its land high voltage facility in Charleroi (Belgium), in 2021, Nexans officially opened in Charleston, South Carolina, the sole US high voltage subsea cable plant, best positioned to supply the American offshore wind market.

The Group announced further investments between 2021 and 2024 to expand the Halden plant by adding two new extrusion lines and upgrading Charleston plant subsea and land HVDC manufacturing capacity.

The Group owns and operates two cable laying vessels: Nexans Aurora, the most technologically advanced cable laying vessel in the industry with over 10,000 tons of cable load capacity launched in 2021, and Nexans Skagerrak, with the longest track record of the industry. Nexans is able to install and repair cables at water depth beyond 2,000m, enabling critical links to be established in deep water environment such as the Mediterranean Sea.

As a long term partner, Nexans has developed long lasting relationships and credentials with major offshore wind developers, such as Ørsted or Equinor, and Transmission Systems Operators (TSO), such as RTE, Terna, ADMIE or TenneT.

Building on its unique position in the United States, the Group has signed a framework agreement with Eversource and Ørsted to supply up to 1,000 km of high voltage export cables for multiple offshore wind farms in North America until 2027. The Group also signed in March 2021 a preferred supplier agreement (PSA) with Empire Offshore Wind LLC to electrify the future of New York State by connecting the Empire Wind offshore projects to the onshore grid.

In Europe, Nexans was awarded in November 2021 a framework contract by Terna, the Italian TSO, to supply the interconnector cabling solution for its Tyrrhenian Link in Italy.

The Group is also leading the charge for new technologies that will enable the future of floating offshore wind, thanks to the deployment of deep water high voltage dynamic cables.

Market trends

The growing need for renewable energy requires local, regional and international interconnection solutions. Exchanging different sources of energy such as hydroelectric, solar or wind country to country requires increasingly effective and resistant technologies. The interconnection cable market is expected to grow at a pace of +14.3% p.a. to reach 5 billion euros by 2030[1] driven by an already strong pipeline of large planned or ongoing projects.

Though the development of offshore wind energy is still in its early stages, it already represents an important market for power cables. This cable market is expected to grow by + 11.5% p.a. to reach 8 billion euros per year by 2030, supported by major competitiveness improvements, strong acceptance and a regulatory push for renewables. Planned and ongoing projects are increasingly larger, deeper and farther from the shore, turning technology and risk management into key differentiators for customers.

(1) Nexans internal analysis

1.3.1.2. BUILDING & TERRITORIES

2021 key figures

€2,491m in sales (41% of Group sales); €187m in EBITDA; ~9,000 people; 37 plants on five continents

Description of Building & Territories

The Nexans Building & Territories segment is our largest business both in terms of scale and global reach. The Group designs, manufactures and installs low and medium voltage cables and related accessories, while also providing logistic and installation services across two segments:

Building: designs, manufactures and distributes low voltage cables (<1kV) and related accessories for electrical systems connecting the terminated point of the energy distribution network to the end user's power outlet. This market addresses the usage of electricity in residential, infrastructures, industrial, commercial, datacenters and e-mobility end-markets. Nexans offer focuses on three axes: end-user electrical safety, support to client competitiveness through seamless supply chain, easy to handle and install products, and smart products integrated in a digital ecosystem.

Main clients include global specialized electrical distributors such as Rexel and Sonepar, international purchasing Groups like Imelco and Fegime, large electrical installers (Vinci, Eiffage, Bouygues Construction, etc.) and retail distribution known as Do-It-Yourself players such as Brico Depôt, Leroy Merlin, Sodimac or Bunnings.

Territories: provides medium and low voltage aluminum cables from 1 kV to 33 kV and related accessories, engineering, digital services and solutions which are key components to the electricity value chain by bringing produced energy to its consumption point via distribution systems operators (DSO). Nexans positions itself as an end-to-end solution provider, dedicating 80 engineers to support these solutions.

Main Territories clients include local Distribution Systems Operators (DSO): ENEL, ENEDIS, E-ON FLUVIUS, UKPN, KAHRAMAA; renewable energy operators like ENEL Green Power, SSE, ERG and in some countries large energy installers such as Engie Energy, Vinci Energy, etc.

The Business & Territories segment operates across Europe, North America, Asia Pacific and Africa and Middle East thanks to a strong local distribution network and industrial footprint.

Nexans pursues a strategy of differentiation through technical performance, particularly in terms of safety, energy efficiency and facilitating installation. The Group also develops sustainable and environmentally friendly products to reduce the environmental impact of its products. This is supported by a wide range of services, including professional training, recycling services, shared inventory management at distributors' premises, and digital services for asset management.

Market trends

The Building cable market is currently estimated at 55 billion euros and is expected to grow at a rate of +3.6% p.a. to reach 81 billion euros by 2030[1]. This dynamic is supported by different drivers depending on the region:

- emerging countries are mainly driven by ongoing urbanization (new buildings), improvement of housing standards in urban areas, and electrification of buildings in rural areas;
- industrialized countries are mainly driven by heavy transformation: energy positive/smart buildings, decreasing energy consumption, transforming the role of buildings including local energy production and storage capacity and electrical charging stations.

Territories cable market is expected to grow at a pace of +4.2% p.a. by 20301 supported by two main drivers:

- the global electrification mega-trend which generates increased demand for electricity and will require increased grid capacity;
- the renovation and modernization of ageing infrastructure to comply both with the integration of renewable energy inputs in the grid (more sophisticated in terms of on-off management), and the climate change effect which will require safer, more resilient and interchangeable grid infrastructures to prevent outages and service disruptions.

1.3.2. NON-ELECTRIFICATION BUSINESSES

1.3.2.1. TELECOM & DATA

2021 key figures

€320m sales (5% of Group sales); €37m EBITDA; 5 plants and 4 workshops

Description of Telecom & Data

Through its Telecom & Data segment, Nexans designs, produces and markets copper and optical fiber network infrastructures through plug-and-play cabling and connecting solutions for private networks and

(1) Source: CRU, Roland Berger study

data transmission special cables for the telecommunications industry in three segments:

LAN cables and Systems offers a full range of copper and optical fiber cabling systems including components, cables, connectivity and automated infrastructure management dedicated to datacenters and private networks.

Telecom infrastructure provides a global Fiber to The (FTTx) offer adapted to local specifications and usage from a central office to customer premises with a complete offer of fiber optic cables, accessories and connectivity solutions. It also offers infrastructure engineering and monitoring services.

Special Telecom manufactures submarine data transmission and internet cables bringing internet between islands or from one country to another. It also provides cables for operation of underwater vehicles (ROVs), as well as permanently installed signal, monitoring and power cables connecting floating vessels to subsea infrastructure or interlinking subsea infrastructures.

The Group's main markets are Europe, but also Africa, Middle East and Asia thanks to plants located in France, Belgium, Sweden, Norway completed by workshops in Germany, Greece, Morocco and China.

Main clients include major European telecom operators, projects contractors and specialized distributors

Nexans pursues a strategy of differentiation thanks to the launch on the market of highly reliable products, easy to install systems and the deployment of smart accessories and digital services supporting the quality and the performance of the installations.

Market trends

Wherever people are in the world, there is now an expectation of full coverage and access to data transmission capacity, both offshore and in areas that previously lacked broadband connections. More cable connections therefore need to be installed to meet these requirements. The telecom cable market is expected to grow by +3.4% p.a. between 2019 and 2030(1) boosted by the digitalization of the economy and of the society.

The major growth drivers for this market are increasing demand for internet connectivity, increasing subscriber base, and growing investment in telecom infrastructure especially in full fiber optic installations (FTTx) all over the world. Today, 98% of international internet traffic is ferried around the world by subsea cables.

Emerging trends, which have a direct impact on the dynamics of the telecom cable industry, include development of 5G broadband networks and generalization of FTTH supporting the wireless technologies.

1.3.2.2. INDUSTRY & SOLUTIONS

2021 key figures

€1,366m sales (23% of Group sales); €119m EBITDA; 18 plants

Description of Industry & Solutions

The Industry & Solutions segment supports Original Equipment Manufacturers (OEMs) and Engineering Procurement and Construction (EPC) players on international projects thanks to innovative cable and connectivity solutions for all their energy, data transmission and automation needs. The Group also provides logistics and services. Nexans is a leader in various markets, and relies on multiyear frame-agreements to serve its customers, leaders in their respective industries in five subsegments:

Auto-harnesses: wiring harnesses and vehicle wiring systems and cabling and safety components for hybrid, thermic, and electric vehicles for global automakers.

Transportation: cables for the world leading players in their industries in aerospace, shipbuilding, railways and rolling stocks.

Industries: leader in automation cables and provider of healthcare micro-cables for medical equipment.

Renewables: tier one supplier of wind turbine cables, accessories and kits for all onshore and offshore wind players as well as solar panel cables.

Resources: special cables for mining, Oil, Gas & chemicals and nuclear industries.

(1) Roland Berger study.

The Group mainly operates in Europe, North America and Asia Pacific.

The Group works in close cooperation with its customers, to serve them with safe, lightweight, high performance and sustainable products and solutions to speed up their installation such as logistic services.

Market trends

Growth in these segments is driven by megatrends, in particular by:

- increasing demand for electricity, especially from renewable sources,
- the global mobility revolution implying an increasing share of hybrid and electric vehicles and railway expansion,
- smart infrastructures.

This cable market was estimated at 28 billion euros in 2019 and is expected to grow by +3.6% p.a between 2019 and 2030[1].

1.3.3. METALLURGY

2021 key figures

4 rod mill plants

Description of Metallurgy

Nexans is the largest vertically integrated cable manufacturer in the world. This is an advantage for Nexans which has direct access to copper cathodes from mines, mainly in Chile, Peru, Europe and Canada. It also strengthens Nexans 'ability to increase the circularity of its business through recycling services and the increasing use of copper scrap in its production process.

Through its four metallurgy plants based in Lens (France), Montreal (Canada), Lima (Peru) and Santiago (Chile), Nexans produces copper wire rod for the manufacturing of cables from copper cathodes and scraps. The Group can produce up to 550,000 tonnes of wire rods per year.

Copper wire rods are used by the Group's Building & Territories, High Voltage & Projects and Industry & Solutions businesses for cable manufacturing and by external cable producers that do not have a similar upstream integration.

To provide a comprehensive recycling solution, Nexans established RecyCâbles, a joint venture with SUEZ, in 2008. It has since become the European leader for cable recycling and recovery. In 2021, this unit treated about 25,000 tonnes of cables scraps, with a part reused at Lens rod mill plant.

Market trends

As the growth pace and shape of the green transition is fast becoming one of the key themes for the global economy, copper is expected to experience a surge in demand from 30 million tons in 2021 to 40 million tons by 2030[1].

Several long-term trends are presently driving growth in copper demand and are expected to continue to in the coming decades. These trends include increased consumer use of electronics, wider uptake of electric vehicles, increased use of renewable energy sources and energy efficiency all requiring significant amounts of copper.

(1) Goldman Sachs and internal estimates
(2) Roland Berger study

1.4 INFORMATION ON THE NEXANS GROUP AND COMPANY

1.4.1. GENERAL INFORMATION ABOUT THE GROUP

1.4.1.1. COMPANY IDENTITY

Name and registered office: Nexans
4, allée de l'Arche, 92400 Courbevoie, France
Phone : + 33 (0)1 78 15 00 00

The Legal Entity Identifier (unique identifier of financial market participants) of Nexans is: 96950015FU78G84UIV14.

1.4.1.2. LEGAL FORM AND APPLICABLE LEGISLATION

Public limited company under French law, subject to all the texts governing commercial companies in France, and in particular to the provisions of the French Commercial Code.

1.4.1.3. TRADE AND COMPANIES REGISTER

The Company is registered in the Nanterre Trade and Companies Register under number 393 525 852. Its APE code is 7112B.

Nexans' Legal Entity Identifier (unique identifier for financial market participants) is: 96950015FU78G84UIV14.

1.4.1.4. DOCUMENTS ACCESSIBLE TO THE PUBLIC

The status of thets of the Company, its annual and consolidated financial statements, the reports presented at its Meetings by the Board of Directors and the Statutory Auditors, and all other company documents that can be consulted by the shareholders in applicationn of the legal and regulatory provisions in force, are available for consultation at the Company's registered office and, where applicable, also on the Nexans website: www.nexans.com where appear, notamment, regulated information published in accordance with Articles 221-1 et seq. of the AMF General Regulation as well as the Rules of Procedure of the Board of Directors and nexans' Code of Ethics and Business Conduct.

1.4.1.5. DATE OF CONSTITUTION AND DURATION

The Company was incorporated on January 5, 1994, under the corporate name "Atalec" (replaced by "Nexans" at the Annual General Meeting of October 17, 2000), for a period of 99 years, until January 7, 2093. Nexans results the consolidation of most of the cable activities of Alcatel, which is no longer a shareholder of Nexans, and was listed on the stock exchange in 2001 (for more information on the history of the Company, see section 1.1 of this Universal Registration Document).

1.4.1.6. CORPORATE PURPOSE (SUMMARY OF ARTICLE 2 OF THE STATUTES)

In all countries, study, manufacture, operation and tradeall apparatus, hardware and software relating to domestic, industrial, civil or military and other applications of electricity, telecommunications, data processing, electronics, space industry, nuclear energyre, metallurgy and, in general, any means of production or transmission of energy or communications (cables, batteries and other components), as well as, in the alternative, all activities relating to operations and services relating tont to the means referred to above. The acquisition of stakes in all companies, whatever their form, associations, French or foreign groups regardless of their corporate purpose and activity; and, in general, all operations industrielles, commercial, financial, movable and immovable relating, directly or indirectly, in whole or in part, to any of the objects indicated in the statutes and to any similar or related objects.

1.4.1.7. FISCAL YEAR

The Company's fiscal year begins on January 1 and ends on December 31.

1.4.2. SIMPLIFIED ORGANIZATIONAL CHART

NEXANS S.A.

— NEXANS PARTICIPATIONS S.A. (FRANCE)

Europe	FRANCE	Nexans Interface, Nexans Power Accessories France, Eurocable, Lixis, Nexans Wires, TLM, Nexans Solar Technologies, Nexans Aerospace France, Nexans Telecom Systems, Nexans Industrial Solutions France, Coveral, Offisys, Nexans Financial and Trading Services(2), Recycables(4), IES Energy(4)
	GERMANY	Nexans Deutschland, Nexans Logistik, Nexans Industrial Solutions, Nexans Advanced Networking Solutions GmbH, Nexans Power Accessories Germany, Nexans Autoelectric, Leitungstechnik Ostbayern (LTO), Elektrokontakt, Metrofunkkabel-Union, Kabeltrommel(4), Kabeltrommel GmbH & Co(4), Logistics Warehousing Systems(4)
	BELGIUM	Nexans Benelux, Nexans Harnesses, Nexans Network Solutions, Opticable, Nexans Services, Nexans Cabling Solutions, Cablebel, Cablinter
	BULGARIA	Makris GPH, Elektrokabel Bulgaria
	DENMARK	Nexans Industry Solutions
	SPAIN	Nexans Iberia, Nexans Industrial Solutions Iberia
	GREECE	Nexans Hellas, Opticable Greece
	ITALY	Nexans Italia, Nexans Intercablo, Nexans Partecipazioni Italia
	LITHUANIA	Gerhardt Petri Vilnius
	LUXEMBOURG	Nexans Re(3)
	NORWAY	Nexans Norway, Nexans Skagerrak, Nexans Subsea Operations
	NETHERLANDS	Nexans Nederland, Nexans Cabling Solutions
	POLAND	Nexans Polska, NPAP, Nexans Industry Solutions
	CZECH REPUBLIC	Elektrometall, Nexans Power Accessories Czech Republic.
	ROMANIA	Nexans Romania, Elektrokontakt
	UNITED KINGDOM	Nexans UK, Nexans Logistics, Nexans Power Accessories UK
	SLOVAKIA	Nexans Slovakia, Elektroconnect
	SWEDEN	Nexans Sweden, Axjo Kabel, Elproman
	SWITZERLAND	Nexans Suisse, Confecta, Voltimum(4)
	UKRAINE	Elektrokontakt Ukraina, Nexans Ukrain
Middle East, Africa	SOUTH AFRICA	Nexans Trade, Isotech Systems
	ANGOLA	Nexans Angola
	IVORY COAST	Nexans Côte d'Ivoire
	UNITED ARAB EMIRATES	Nexans Trade JLT
	GHANA	Nexans Kabelmetal Ghana
	KENYA	Nexans Power Network Kenya

NEXANS S.A.		
— NEXANS PARTICIPATIONS S.A. (FRANCE)		
— Middle East, Africa	MOROCCO	Nexans Maroc, Sirmel, Tourets et Emballages du Maroc, Coprema, Imouka, Nexans Interface Maroc, Nexans Aerospace Maroc
	NIGERIA	Nexans Power Networks Nigeria, Nexans Kabelmetal Nigeria(4), Northern Cable Processing and Manufacturing Company(4)
	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 USA, Nexans High Voltage USA, AmerCable Incorporated, Nexans Specialty Holding, Nexans Industrial Solutions
— 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, Nexans Telecom Systems Pte. Ltd
— INVERCABLE	CHILE	Nexans Chile, Cotelsa, Colada Continua(4), Inversiones Nexans Uno, Centro de Estudios y capacitación Nexans,
— INVERCABLE	PERU	Indeco (Perú), Negocios Inmobiliarios Lima Industrial, Cobrecón(4),
— NEXANS FRANCE SAS	LIBAN	Liban Cables, Liban Cables Contracting, Liban Cables Packing,

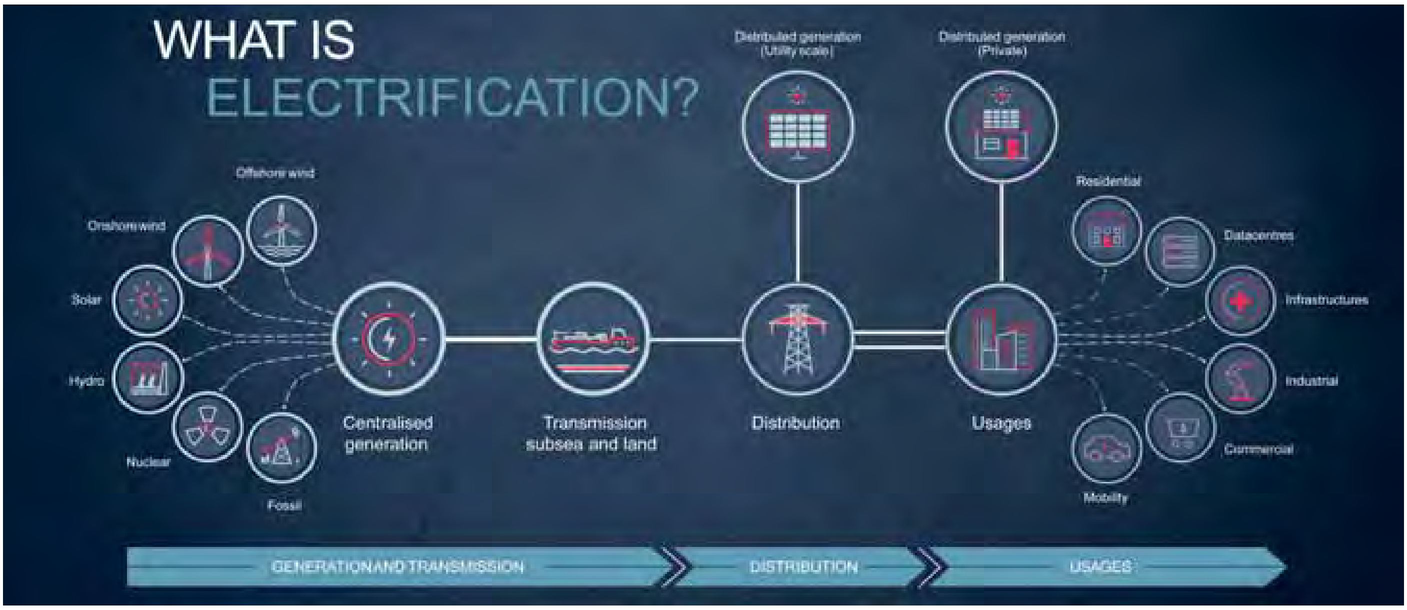
(1) Simplified operational structure at December 31, 2021 Nexans' main direct and indirect subsidiaries are listed in Note 32 to the 2021 consolidated financial statements.
(2) The company responsible for the Group's cash management.
(3) The Group's captive reinsurance company.
(4) Companies in which Nexans holds a minority interest.

1.5 STRATEGY – 2022-2024 SEQUENCE

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

The mega trends converge to the same conclusion:

1) Electrification of the planet will be the main energy challenge in the coming decades.
2) Electrification of the planet requires more and 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 the Nexans Group our DNA and starting 2022, it will amplify its role by becoming an electrification pure player.

Nexans will transform itself in a sustainable way. Guided by its purpose "Electrify the future" and E³ solution, a unique and powerful performance measurement tool, Nexans is leading the charge to the new world of electrification. The Group aims to contribute to carbon neutrality by 2030, promote a safe and inclusive workplace and reduce its environmental impact to help the people and the planet thrive.

Every quarter, all units are required to reach the right performance balance among the three key dimensions: i) economy, ii) environment and iii) engagement. This performance is measured and monitored on the basis of three KPIs, i.e., Return on Capital Employed, Return on Carbon Employed, and Return on Competence Engaged. In order to obtain its "license to operate" each unit will have to adhere to this unique, virtuous and systemic performance model.

1.5.1. 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 towards electrification

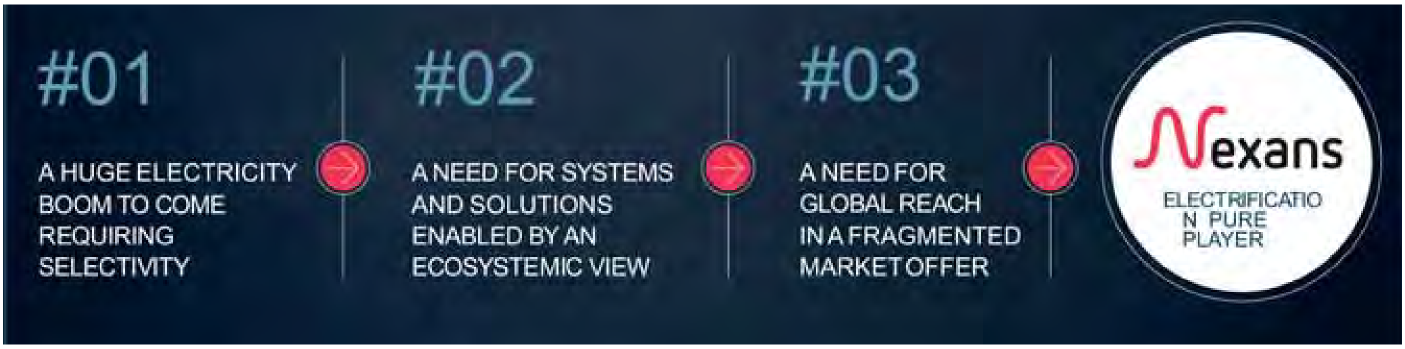
- Fighting global warming and biodiversity attrition with the green new deals
- Avoid blackout in cities by modernizing and upgrading the electrical grid
- Guarantee end-users safety in an increasingly electric world

Our clients face new challenges and hence have new needs

The demand is switching from cables to systems and solutions combining cables with hardware and/or software.

Being a generalist will no longer be a strength as our clients requires a deeper understanding of their ecosystems to design value added cable systems and solutions.

These solutions will imply more focused investments to address these new needs both in terms of volume and technology.

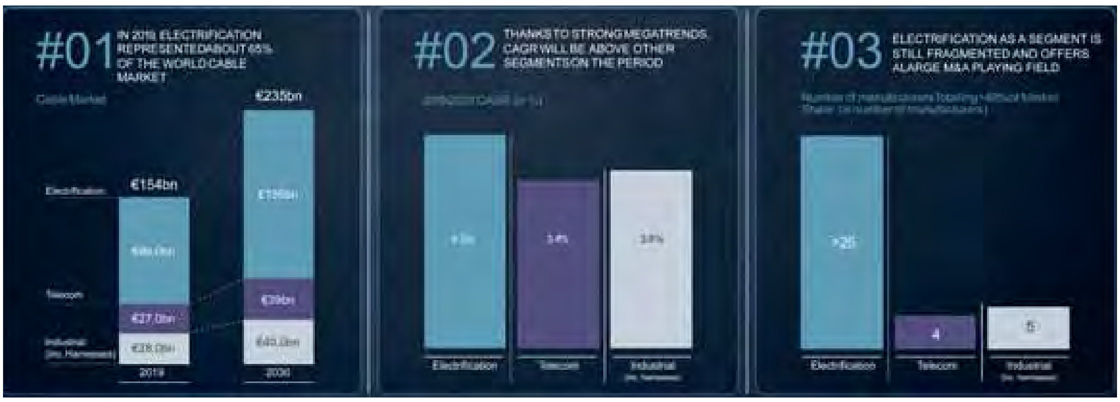


1.5.2. WHAT TO CHANGE - SIMPLIFY OUR BUSINESS, AMPLIFY OUR IMPACT

1.5.2.1. SIMPLIFY OUR BUSINESS – FOCUS ON ELECTRIFICATION

In 2021, Electrification represents 54% of Nexans' sales. Our focus will now be on that market segment as:

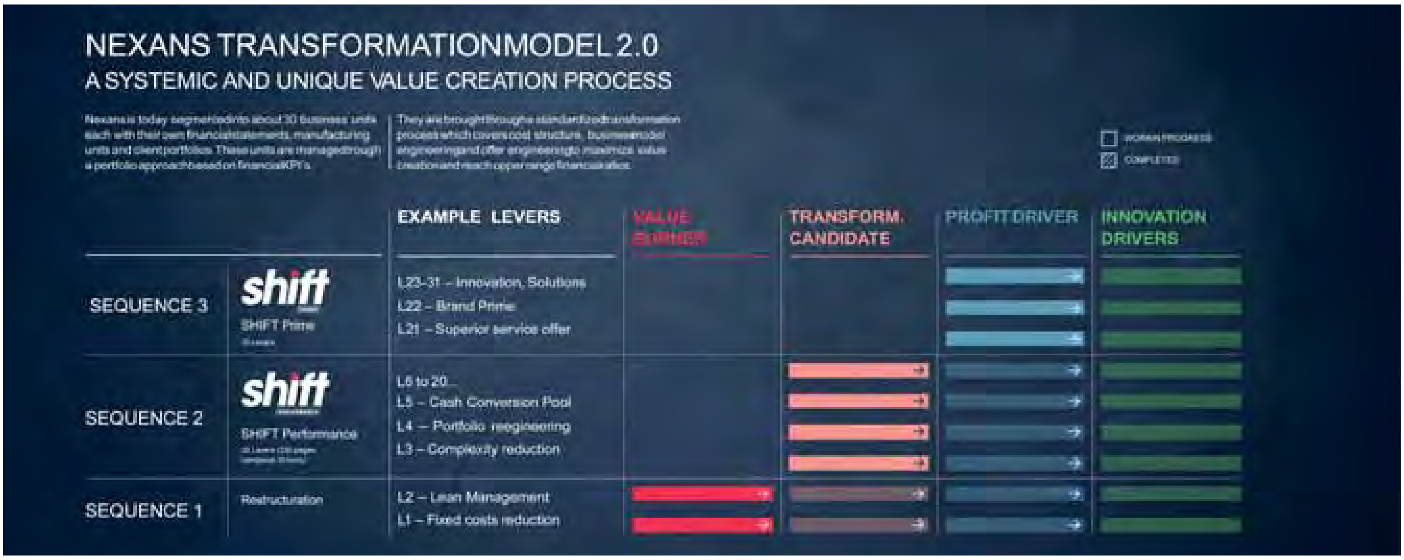
- in 2019, electrification markets represented about 65% of world cable demand
- the growth per annum for electrification is 4.3% for the next 10 years, higher than all others
- the electrification market is still very fragmented, leaving room for M&A consolidation



1.5.2.2. AMPLIFY OUR IMPACT – PURSUE TRANSFORMATION AND VALUE GROWTH

Nexans will articulate its actions around two axes:

First, pursue the transformation program in all segments through three main actions:
- Deploy an updated activity portfolio management method, enabling a stronger focus on cash generation
- Continue the implementation of cost and productivity improvement programs
- Implement the SHIFT Performance program wherever it is still needed



Second, amplify and accelerate growth in ELECTRIFICATION segments through:

I. Mergers and Acquisitions

To achieve 100% of its revenue on electrification market by 2024, Nexans will rotate its portfolio to focus on electrification segments.

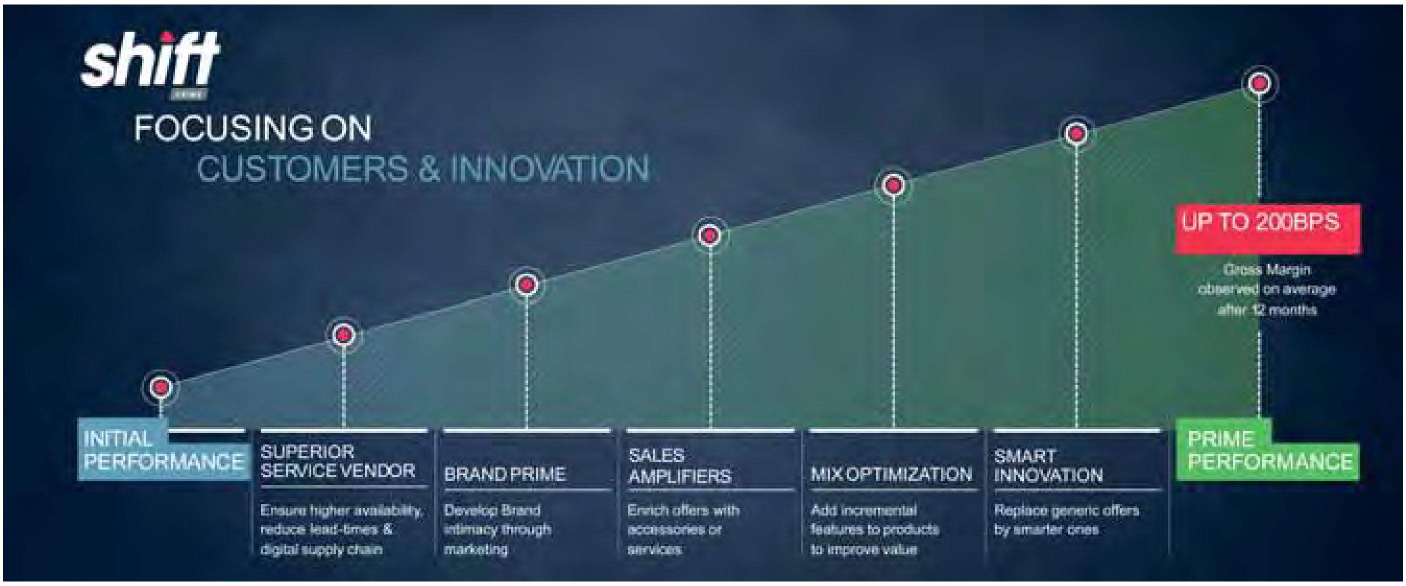
The company will divest Telecom & Data and Industry & Solutions segments and focus its efforts on acquiring companies to enrich its offer in electrification through:
- geographical expansion: targeting sizable players in new markets
- consolidation of existing markets: leveraging Nexans' strong local presence to make the right choices and warrant a seamless integration of the targets
- bolt-on acquisitions: to bring more value inside the electrification ecosystem.

Nexans will rely on its SHIFT methodology to ensure smooth integration and create synergies.

The Group reached a first milestone in 2021 with an agreement with Xignux SA of Mexico to acquire Centelsa. Based in Colombia, Centelsa is fully aligned with the Group's strategic ambition to become a Pure Electrification Player and enhances' Nexans commitment to electrify the world. This world class, iconic South American operation further contributes to Nexans ability to serve renewable projects in the Andean Region and enhances the Group capacity in Building and Energy Distribution activity.

II. SHIFT PRIME program

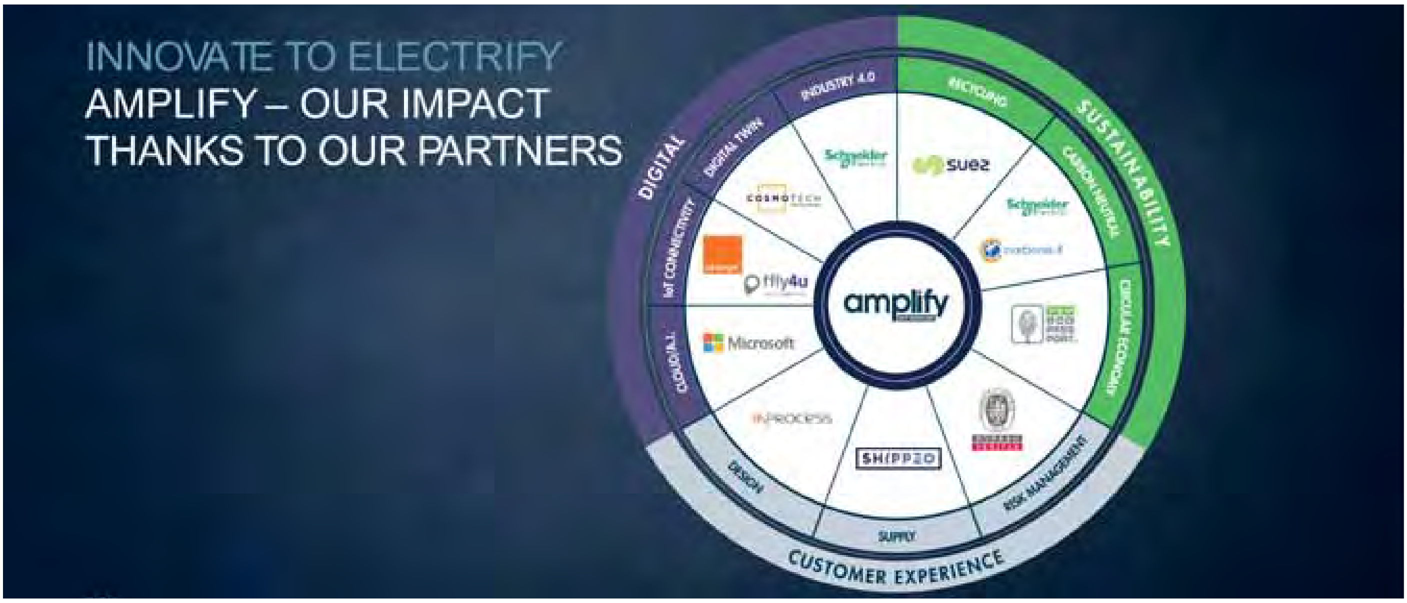
The SHIFT PRIME program is focused on customer and Innovation to duplicate the successful DNA sequence of our most accretive units at an accelerated pace. It focuses on customers value offer engineering and innovation.



III. 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.



1.6 INNOVATION AND TECHNOLOGY (R&D)

Customer-focused innovation is at the heart of everything we do at Nexans. We innovate constantly to unlock value for our customers – from advanced cabling systems to digital apps and Internet of Things (IoT) solutions. Our purpose is to be the driving force of smart solutions for our customers and to deliver a step change in performance.

1.6.1. PUTTING CUSTOMERS FIRST

At Nexans we thrive to be at the cornerstone of our client's success. Our commitment to serve our customers on three areas:

Customer experience – our ambition is to exceed customer expectations and address their pain points. We achieve this with smart solutions and life-long services that transform the entire energy system. Our solutions include everything from superconducting systems capable of powering cities, to supply chain tools speeding up new infrastructure deployments and eliminating risk.

Digitalization – to drive smarter and more resilient operations, Nexans is tapping into digital technologies such as: i) Internet of Things (IoT), ii) cloud, and iii) artificial intelligence. Our offer includes solutions to track, monitor and manage assets anywhere in the world. We also provide "digital twin" technology, with tools to transform electrical network management and reduce the total cost of ownership (TCO). Within Nexans, we are tapping into new digital capabilities to revolutionize our industrial processes and achieve our Industry 4.0 goals.

Sustainability – safeguarding our planet and ensuring that global warming is capped below 1.5°C depends on our engagement towards sustainable electrification. Our customers are driving this transformation and rely on Nexans to support their environmental performance. Nexans' Recycling Services cover all types of copper and aluminum cable waste from customers, positively contributing to the environment. The Group is also doubling down on its own sustainability by ensuring that all of our manufacturing operations are on a net zero trajectory, and embracing the principles of the circular economy – minimizing waste and ensuring maximum re-use of materials.

1.6.2. DRIVING INNOVATION WITH DESIGN LABS

Customer needs are evolving rapidly. To tackle their pain points and satisfy their growing demand for new services and solutions beyond the cable, Nexans has created a network of dedicated Design Labs.

The Labs are responsible for leading the design, development and industrialization of innovative services and solutions based on deep analysis of customer and market requirements to tap into new opportunities across the value spectrum:

Digital Design Lab – dedicated to pro-actively understanding customer needs and expectations to deliver innovative value-added services and solutions using technologies such as cloud, AI and IoT. The Lab is the driving force behind Nexans' ULTRACKER Track & Trace, a new digital service developed with our technology partner Shippeo. This solution meets the need to optimize the supply chain , reduce risk, track assets real-time anywhere in the world, manage incidents and calculate an estimated time of arrival (ETA). ULTRACKER Track & Trace achieves all of this while simultaneously reducing our customers' operating working capital requirements (OWC) and ensuring the on-time planification of resource allocations for offloading the trucks, and inventories cost optimization.

Electrical Grid Engineering Design Lab – helps our customers to optimize the performance of their networks, all the way from the generation to the end user. Our grid sensing solution underlines what can be achieved. This is a complete condition monitoring solution that provides continuous monitoring and rapid fault localization, so operators can maximize the availability of their grids and reduce cable failures tenfold. Grid sensing highlights the way Nexans is tapping into digital technologies, such as cloud and data analytics, to transform decision making and minimize total cost of ownership for customers.

Building Design Lab – focused on the needs of customers, users and installers of cabling systems for buildings. The purpose of the Design Lab is to optimise architecture and cable networks, to improve electrical safety and fire protection, to facilitate the installation of cable systems and to contribute to the ongoing digitalisation of our homes, referred to as Smart Building.

In addition, the Group's new **Innovation Hub** in Lyon symbolizes Nexans' commitment to R&D. Opening in 2022, the Innovation Hub will carry out cutting-edge research in areas that are vital for the energy transition. These include electrical insulation performance (including very high voltage and ageing), development of materials with reduced environmental impact, fire-rated cable systems, cable production processes and digital technology. The Innovation Hub represents an investment of 20 million euros and it will bring together the work of existing centres in South Korea, Germany and former site in Lyon. The centre will employ 100 Nexans engineers and technical experts from countries all around the world.

1.6.3. R&D: KEY FACTS AND FIGURES

Nexans is pushing the boundaries of technology to support customer needs. To do this, we continue to make game changing investments in research and development (R&D).

The Group devoted more than 100 million euros to develop new services, solutions and intellectual property through its R&D programme in 2021. This effort was supported by our dedicated R&D staff comprising more than 800 technical experts. Looking ahead, the Group will allocate 100% of its R&D expenditure to innovations focused on the energy transition.

During the next decade, the increase in electrical demand will be so great that it leads now to an increase in electrical power (e.g. 525 kV) and requires the development of a new generation of material with ever better insulation properties. HVDC and Power boost technologies are at the heart of the R&D strategy. The constant search for greater reliability and safety against electrical risks and fire protection are also a priority. The new challenges are transforming the day-to-day work, linked to the circular economy, recycling of materials, changes in the availability of certain raw materials or the voluntary elimination of chemical substances require highly specialised expertise.

The Group's intellectual property portfolio is expanding, with a total of 78 new patent applications were filed by Nexans in 2021. This brings the number of patents and patent applications to more than 1,900.

1.6.4. INNOVATING BEYOND CABLES

Nexans is leveraging on cloud, AI, IoT and wireless connectivity to deliver data-driven services and solutions while also accelerate the energy transition. Nexans targets 25% of connected products by 2024.

"Digital twins" for grid operators –Asset Electrical, our innovative digital asset management solution for DSOs, addresses the multiple challenges facing grid operators, including ageing assets, the rise of decentralized and intermittent generation, and new sources of demand. It works by creating a "digital twin" of the customer's network – a real-time digital model that includes all grid assets, including cables, transmission lines, pylons, substations and more. Using this model, it is possible to explore different scenarios to optimise medium-term and long-term strategies for maintenance, renewal, investment and modernisation. The result: grid operators can successfully maximise the value of their assets by striking the right balance between network performance, CAPEX and OPEX, as well as effective mitigation of financial, regulatory, security and environmental risks. Asset Electrical helps our customers to achieve savings of more than 10% of total expenditure, with up to 20% higher return on assets.

Tracking drums and combating theft – ULTRACKER Drums enables accurate, real-time geolocalisation of cables with benefits including cables drums logistic, theft detection, shipment follow-up and notifications. Thanks to AI and edge computing, each drum "knows" exactly how much cable remains on the reel and "asks" for collection when it is empty. Geolocalisation is provided by hardware, software, services and engineering expertise. Multi-sensor GPS tracking devices securely connected to drums are monitored using dedicated ERP-ready web software for iOS or Android. Our ULTRACKER Drums solution reduces rotation cycle times by 25%, while theft and loss are cut by 90%. There are currently more than 17,600 connected cable drums in circulation around the world. Customers benefiting from this solution include Enedis, SSE and Alstom.

Connected cabinets – VIGISHIELD Infrabird meets the need for smart keyless access control and asset management for telecom and power grid street cabinets, with an emphasis on security. The solution is delivered using a web platform, with a mobile app that allows maintenance workers to locate and open cabinets using a smartphone as the digital key. The app also provides specific data about each cabinet, ensuring that repair and maintenance work is carried out promptly, and on the right cabinet, using the most up-to-date information. VIGISHIELD Infrabird also provides remote condition monitoring (RCM), with alerts covering temperature, humidity, tampering and when the cabinet was last opened. Existing cabinets are retained and retrofitting the digital locking mechanism can be completed in just a few minutes. The solution offers a potential 25% reduction in street cabinet maintenance costs. With an average annual maintenance cost per cabinet of 1,900 euros, the savings offered by this solution are substantial. VIGISHIELD Infrabird is part of the wider VIGISHIELD security family.

1.6.5. AMPLIFYING INNOVATION WITH PARTNERSHIPS

Nexans has joined forces with several leading companies to develop unique solutions and accelerate the offer of systems that address our customers' pain points. In 2021, the Group launched an important number of new partnerships. These included a partnership agreement with Orange Business Services to deliver the global IoT connectivity crucial to the expansion of Nexans' asset tracking and IoT solutions, a joint program with Schneider Electric to accelerate Industry 4.0 within Nexans, and partnerships with Microsoft Azure to develop enhanced AI and cloud solutions to transform the customer experience and ensure just-in-time delivery. Nexans also partnered with Shippeo, the supply chain visibility specialist, to provide real-time visibility of customer deliveries worldwide.

These most recent examples build on an already significant partnership portfolio, which includes strategic relationships with industry leaders such as Bureau Veritas, Cosmo Tech, Digital Matter, Sigfox and Suez.

1.6.6. KEY INNOVATIONS LAUNCHED IN 2021

Innovation never stops at Nexans. In 2021, the Group accelerated global launches of innovations and reached every aspect of the customer experience:

VIGISHIELD anti-theft milestone – copper prices soared to more than US$10,000/ton in 2021, making copper cables an increasingly attractive target for metal thieves. The quantity of stolen cable may be small but the systems are inoperable. Our response: VIGISHIELD – a family of powerful IoT solutions that provide tracking and lifelong monitoring of critical assets, from cables to cabinets. With VIGISHIELD customers can visualize and track their entire asset portfolio, configure alarms by time and geography, receive automatic or manual alerts on any connected device, and pinpoint the location of alarms. Everything is available 24/7 via a web browser to monitor operational assets. If a cable in the field is moved or cut, an alarm is immediately generated. VIGISHIELD reduces financial losses associated with cable theft and – equally important – it contributes to the resilience of transmission and distribution networks.

Unlocking floating solar technology – Nexans is a major player in renewable energy from wind to solar. Our expertise in this domain has allowed us to develop an innovative solution for a unique project: a 22kW export cable for a floating offshore solar plant near the island of Frøya in Norway. This plant is the first of its kind in the world to be moored in rough offshore waters. Nexans was awarded the cable contract by Equinor. The special challenge was providing a cable capable of handling dynamic loadings, because the floating platform to which the cable is connected pitches up and down in the waves. Utility-scale floating solar power is one of the fastest growing renewable technologies and the Frøya pilot extends the boundaries of what can be achieved with offshore renewable energy.

MOBIWAY Un'Reel: cable genius – Handling cable drums and unwinding cable is never easy and represents potential safety risks. MOBIWAY Un'Reel is a wooden cable drum sandwiched between two slightly larger wooden flanges, which act as wheels. This innovation delivers a number of major benefits including easy and safe manipulation, easy cable installation, and significant savings thanks to single-person handling and installation.

1.7 OPERATIONS DURING 2021

1.7.1. CONSOLIDATED RESULTS OF THE NEXANS GROUP

1.7.1.1. OVERVIEW

Standard sales were up +8.3% organic growth year-on-year at 6,054 million euros in 2021 supported by strong demand, positive mix/price management and High Voltage & Projects year-end ramp up in line with project phasing. Current sales land at 7,374 million euros in 2021, up +26% organically alongside copper price inflation.

EBITDA was 463 million euros in 2021, up +33% compared to 2020. 2021 steady **EBITDA** margin growth across all businesses was driven by solid recovery in demand and operating leverage. EBITDA margin grew by +157 bps against 2020 to reach 7.6% (vs. 6.1%). The outstanding performance demonstrates the Group's successful transformation based on: i) complexity reductions through the SHIFT Performance program; ii) cost reductions over the last three years; iii) effective supply chain management to monitor raw material price inflation and supply; and iv) continued product and client selectivity to drive value growth.

Operating margin totaled 299 million euros, representing 4.9% of sales at standard metal prices (against 3.4% in 2020).

1.7.1.2. ANALYSIS BY SEGMENT

High Voltage & Projects

High Voltage & Projects standard sales stood at 796 million euros in 2021, up +9.3% year-on-year thanks to a strong fourth quarter as expected. Growth was +57.9% in the fourth quarter 2021 compared to fourth quarter 2020 reflecting project phasing, simultaneous operations of Nexans Aurora and Skagerrak cable laying vessels, as well as further ramp up of the transformed high voltage subsea cable plant in Charleston - which was officially opened by the Group in November.

In line with the Group's disciplined project execution, progress was made on the Crete-Attica interconnector project, and on Offshore Wind farm projects Seagreen and Dolwin6. All EPCI contracts combining subsea and land high voltage cables, engineering and installation activities have been managed flawlessly, without execution issues.

Adjusted Subsea backlog[1] was at 2.2 billion euros at the end of December 2021, up +59% compared to December 2020. Tendering activity continued to be strong in both interconnection and offshore wind projects. Benefiting from its EPCI turnkey model positioning, state-of-the art assets and strong technical and execution know-how, the Group was awarded a major contract of more than 650 million euros for the Tyrrhenian Links project to build a new electricity corridor connecting Sicily and Sardinia to Italy's mainland, the supply of export cable solution to the offshore wind farm Moray West off the coast of Scotland and subsea export cables for South Fork Wind Farm, the first delivery of Nexans' framework agreement to supply Ørsted and Eversource with up to 1,000 km of high voltage subsea cables in the US.

EBITDA landed at 143 million euros, up +35.6% compared to 2020, reflecting phasing of projects and the ramp up of Charleston plant and Nexans Aurora vessel at the end of the year.

Building & Territories

Building & Territories segment sales amounted to 2,491 million euros at standard metal prices in 2021, a +3.3% organic growth compared to the same period last year reflecting selectivity and an upturn in most geographies notably in Europe and well oriented end-market.

EBITDA was up +46.1% at 187 million euros compared to 128 million euros in 2020, with solid EBITDA margin of 7.5%. This +222bps margin increase reflects solid pricing monitoring and SHIFT Prime and Performance deployment to focus on selective growth and value-added products and services.

Over the period, the **Building** segment demand recovery was solid across all geographies driven by volume growth while remaining selective to support profitability. The **Territories** (Utilities) tendering activity was strong amidst frame-agreement renewals in Europe and will support the activity in 2022 and beyond. The segment witnessed good dynamics in South America throughout the year, and North America and Middle East and Africa witnessed an upturn in the fourth quarter.

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

The full-year sales trends by geographies were as follows:

Europe activity was up +4.7% in 2021 compared to 2020, boosted by a strong post-Covid-19 demand in the Building business across most countries while demand remained stable in Utilities amidst contract renewals. Performance was supported by continued selectivity, real-time raw material price inflation monitoring and rollout of innovations launched during the year.

South America sales rebounded by +17.5% during the year benefiting from a solid demand in all operating countries. Strong profitability improvement was supported by SHIFT programs successful deployment.

Asia Pacific was stable at -0.4% in 2021 compared to 2020 and up +14.5% in the fourth quarter 2021 compared to last year. New Zealand showed growth throughout the year supported by catch-up in demand while Australia suffered from high comparable sales as the first half 2020 had witnessed strong momentum.

North America declined by -23.2% in 2021 due to the US Chester plant closure in June 2020 following SHIFT program analysis. On a like-for-like basis, sales were up +16.5% year-on-year supported by strong construction demand in Canada reflecting Nexans' solid position.

Middle East and Africa was up +11.3% reflecting by strong performance in Central Asia and North West Africa, more than offsetting the decline in Lebanon, where the geo-political situation remains highly uncertain for the coming months.

Industry & Solutions

Industry & Solutions sales landed at 1,366 million euros at standard metal prices in 2021, up +13.7% organically year-on-year supported by a strong recovery in auto-harnesses and automation businesses throughout the year. EBITDA was up +42.1% at 119 million euros against 84 million euros during the same period last year and EBITDA margin also strongly improved at 8.7% compared to 6.9% in 2020 thanks to enhanced selectivity.

Automation was strongly up (+43.3% year-on-year), boosted by demand in Europe and Asia. **Railway Infrastructure & Rolling Stock** sales were slightly down -4.3% year-on-year in virtue of lower Asian demand. **Aerospace & Defense** witnessed signs of recovery throughout the year (+10.0% year-on-year). **Wind Turbine** activity was down (-22.2% in sales year-on-year).

Automotive harnesses was strongly up by +23.9% in 2021. Sales reached a record high in virtue of a strong first half reflecting growing market shares despite being marginally impacted by customers' semiconductor shortages.

Telecom & Data

Telecom & Data sales amounted to 320 million euros at standard metal prices in 2021, up +6.1% organically (excluding Berk Tek sold in third quarter 2020) compared to 2020 and up +8.0% in fourth quarter 2021 showing a rebound in demand. EBITDA improved by +25.5% and reached 37 million euros in 2021, reflecting continued profitability focus which more than offset unfavorable base effect of the Berk Tek sale. As a result, EBITDA margin improved strongly at 11.5% compared to 7.5% in 2020.

LAN cables and Systems rebounded by +17.3% organically in 2021 compared to 2020 with activity benefitting across the year from the upturn in both Asia and Europe.

Telecom Infrastructure was down -0.2% in 2021 although the segment witnessed sequential improvement across the year. Price pressure was mitigated by competitiveness actions and stronger selectivity of markets.

Special Telecom (Subsea) sales continued to perform well, up +11.9% since the beginning of the year thanks to the execution of segment backlog.

Other Activities

The **Other Activities** segment – corresponding for the most part to copper wire sales and including corporate structural costs that cannot be allocated to other segments, such as the IFRS 16 impact for lease assets not allocated to specific activities – reported sales of 1,081 million euros at standard metal prices in 2021, up +14.0% year-on-year mainly linked to strong copper wire demand in North America, while the Group initiated the reduction of external copper sales in the second half of the year. The segment was down -18.9% in the fourth quarter reflecting Group's continued monitoring and reduction of external copper sales. EBITDA was -22 million euros over the period against 1 million euros in 2020

1.7.2. OTHER ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1.7.2.1. CORE EXPOSURE EFFECT

The core exposure effect represented an income of 106 million euros in 2021 compared with an income of 42 million euros in 2020. The positive impact on consolidated income for 2021 reflects the sharp rise in average copper prices during the period, mostly during the first semester.

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

1.7.2.2. REORGANIZATION COSTS

Reorganization costs came to 58 million euros in 2021 (see breakdown in **Note 22** to the consolidated financial statements), compared with 107 million euros in 2020 :

- In 2021, this amount included a 8 million euros impairment on some unrecoverable fixed assets of the Chester plant in the United States, closed in 2020, as well as costs of 14 million euros for the New Nexans program, mainly related to the reorganization of the Group's activities in Europe announced in January 2019. The other reorganization costs of 35 million euros mainly came from new actions launched during the period and from the on-going transformation of the Charleston's plant in the United States.
- The 2020 figure included 24 million euros in costs under the New Nexans program, already mainly in relation to the project to reorganize the Group's operations in Europe. 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.

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.

1.7.2.3. OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses represented a net expense of 9 million euros in 2021 versus a net income of 120 million euros the previous year. The main year-on-year changes were as follows:

- **Impairment losses** represented a net loss of 15 million euros in 2021 versus a net loss of 21 million euros in 2020.
- In 2021, impairment losses concerned individual items of property, plant and equipment located in Lebanon in relation with the crisis existing in the country. 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.

  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.
- **Gains and losses on asset disposals** represented a net gain of 15 million euros in 2021, mainly related to the sale of Chester real estate following the closure announcement from 2020.

  In 2020, the net gain of 142 million euros was 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.

1.7.2.4. NET FINANCIAL EXPENSE

Net financial expense amounted to 101 million euros in 2021, compared with 54 million euros in 2020.

Cost of net debt decrease to 22 million euros in 2021 from 43 million euros for the previous year, due mainly (i) to the lower interests on bonds following the repayment of the bond 2016-2021 during the first quarter and (ii) to the positive impact of the foreign exchange revaluation of bank accounts (see **Notes 2 and 23** to the consolidated financial statements).

Other financial income and expenses represented a net expense of 79 million euros in 2021 versus a net expense of 11 million euros in 2020, with the year-on-year decrease mostly attributable to some impairments and a less favorable currency effect. The impairments are mainly related to the cash deposits of Lebanon on one side (therefore excluded from cash and cash equivalents), and to non-consolidated entities on the other side (see **Note 9** to the consolidated financial statements).

1.7.2.5. INCOME TAXES

Income tax expense for 2021 amounted to 72 million euros, compared with 111 million euros in 2020. The higher tax expense in 2020 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.

1.7.2.6. CONSOLIDATED BALANCE SHEET

The Group's total consolidated assets increased to 5,587 million euros at December 31, 2021 from 5,230 million euros at December 31, 2020. Changes in the structure of the Group's balance sheet between those two reporting dates were as follows:

- Non-current assets amounted to 2,053 million euros at December 31, 2021, versus 1,942 million euros one year earlier.
- Operating working capital requirement (trade receivables plus inventories less trade payables and accounts related to long-term contracts) remained stable with an increase limited to 4 million euros in 2021.
- Net debt amounted to 74 million euros at December 31, 2021 versus 179 million euros at December 31, 2020.
- Provisions for contingencies and charges – including for pension and other long-term employee benefit obligations – were reduced by 81 million euros over the year to 469 million euros at December 31, 2021. Of this amount, 301 million euros related to pension benefit obligations, compared with 350 million euros at end-2020.
- Total equity stood at 1,465 million euros at December 31, 2021 compared with 1,256 million euros at December 31, 2020.

1.7.2.7. MAIN CASH FLOWS FOR THE PERIOD

Cash flow from operations before gross cost of debt and tax totaled 337 million euros in 2021.

The positive cash impact of the decrease in working capital requirement amounted to 111 million euros, reflecting the continued efforts on inventories volume and positive impact of cash collection in High Voltage and Projects segment – impact of copper price fluctuation being not significant on cash generation.

Net cash used in investing activities amounted to 183 million euros in 2021. The total mainly reflects purchases of property, plant and equipment and intangible assets (including for the construction of the Aurora cable-laying vessel) for 206 million euros.

Net cash used from financing activities totaled 417 million euros, primarily reflecting:

- The repayments of the bond 2016-2021 and the government-backed bank loan for respectively 250 million euros and 280 million euros;
- 41 million euros in interest payments;
- 32 million euros paid in dividends;
- 30 million euros paid for the purchase of some non-controlling interests, mainly in a Belgian entity;
- These items being partly offset by the use of the short-term financing program of commercial papers for 209 million euros.

Overall, taking into account the effect of currency translation differences, net cash and cash equivalents decreased by 165 million euros during the year to 968 million euros at December 31, 2021 (corresponding to 972 million euros in cash and cash equivalents reported in the balance sheet less 5 million euros in short-term bank loans and overdrafts).

1.7.2.8. OTHER SIGNIFICANT EVENTS OF THE YEAR

Delivery of the Nexans Aurora cable-laying vessel

On September 22, 2021, Nexans, a global player in energy transition, held the naming ceremony for its new flagship cable-laying vessel "CLV Nexans Aurora", which was built at the Ulstein Verft shipyard in Norway.

Designed by Skipsteknisk to operate near shore in shallow waters as well as deepsea cable operations with cable laying equipment delivered from Maats Tech, the DP3 Cable Laying Vessel is the most technologically advanced of its kind in the world, and "CLV Nexans Aurora" offers sustainable operational solutions for silent operations, fuel, power generation and use of shore power. At nearly 150m long, and 31m wide, vessel boasts over 10,000 tons of cable load capacity and is fitted with state-of-the-art instruments for cable transport, installation and protection.

"CLV Nexans Aurora" will lay export cables for offshore wind farms and interconnectors around the world such as the Seagreen OWF in Scotland, the Crete-Attica interconnector in Greece and the Empire Offshore Wind project in the United States.

The investment was financed by a bond issue for an initial nominal amount of 1,050 million Norwegian krone (see **Note 23**). This loan is being repaid in euros over its twelve-year life.

Changing situation in Lebanon

The continued deterioration of the political and economic situation in Lebanon has led the Group to review the carrying amount of its local property, plant and equipment and of the cash deposits held in Lebanese banks that are subject to exchange controls.

The consequences of the reassessment are presented in **Notes 7 and 18**.

Proposed acquisition of Centelsa from Xignux

On September 10, 2021, the Group entered into a share purchase agreement with Xignux SA of Mexico to acquire Centelsa, a premium cable maker in Latin America active in the production of cables for Building and Utilities applications.

Centelsa, a Colombian based, iconic world class cable maker, has a total turnover of more than US$250 million and an Enterprise Value of US$225 million.

Closing of the transaction is subject to regulatory approvals and is expected to take place in the first half of 2022.

Early repayment of 280 million euro French State-backed term loan ("PGE") and 250 million euro senior unsecured fixed rate bond due 2021

On February 25, 2021, Nexans repaid in advance the 280 million euro French State-backed term loan. On March 10, 2021, Nexans also redeemed early the 250 million euro 3.25% fixed-rate bonds issued on May 26, 2016 and initially due on May 26, 2021.

As of December 31, 2020, and prior to these early repayments, Nexans' liquidity position stood at 1.7 billion euros, including a 600 million euro undrawn revolving credit facility. The Group's liquidity position stood at 1.5 billion euros as of December 31st, 2021 after repayment of these two loans.

Therefore, Nexans has sufficient liquidity for its operations and foreseen financial commitments.

New 200 million euro loan facility from the European Investment Bank

On October 6, 2021, the European Investment Bank (EIB) granted Nexans a 200 million euro loan facility to support its active participation in the global energy transition and its commitment to help achieve carbon neutrality by 2030.

The facility covers funding for R&D activities and new product development, investments to increase the number of 4.0 plants and improve energy efficiency, and expansion of the Halden site in Norway.

It will enable Nexans to step up its R&D projects aimed at optimizing the performance and design of its cables, improving their fire safety and developing the circular economy through the use of reclaimed materials and recycling. It will also drive innovation within the Group's Cloud Digital Plant and Design Labs divisions in the areas of digital services and connected solutions, for example INFRABIRD™ and VIGISHIELD™ which illustrate Nexans' transformation from a supplier of products to a provider of systems and solutions.

As of December 31, 2021, the loan facility had not been drawn down (see **Note 23**).

1.7.3. ALTERNATIVE PERFORMANCE MEASURES

1.7.3.1. STANDARD SALES

Sales figures based on a standard price for copper and aluminum in order to neutralize the effect of fluctuations in non-ferrous metal prices and therefore measures the underlying sales trend. Starting January 2020, these references are set at 5,000 euros per tonne for copper and 1,200 euros per tonne for aluminum and are then converted into the currencies of each unit.

1.7.3.2. ORGANIC GROWTH

Standard sales growth as a percentage of prior-year standard sales. Organic growth is a measure of growth excluding the impact of changes in the scope of consolidation and changes in exchange rates.

1.7.3.3. OPERATING MARGIN

Operating margin measures the Group's operating performance and comprises gross profit on goods sold based on the order cost of non-ferrous metal valued at the metal price specific to each customer order, as allocated through the hedging mechanism (replacement cost), administrative and selling expenses and research and development costs.

Operating margin is measured before the impact of: (i) revaluing Core exposure ; (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.

Core exposure impact is the temporary price difference between the accounting value of copper used in production and the actual value of this copper as allocated to orders through the hedging mechanism cf. **Note 1.E.c** to the consolidated financial statements for more details.

1.7.3.4. EBITDA

Consolidated EBITDA is an operating performance indicator defined as operating income/loss before depreciation and amortization and before the following non-recurring impacts : (i) revaluing Core exposure ; (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.

1.7.3.5. BACKLOG

Backlog is defined as the cumulative firm order intakes booked to date for which all suspensive conditions are met and for which the related revenue is not yet booked in sales.

1.7.3.6. ADJUSTED SUBSEA HIGH VOLTAGE BACKLOG

Cumulative order intakes for Subsea High Voltage business for which a contract was signed with customer but for which all suspensive conditions are not yet met at the closing date.

1.7.3.7. OPERATING WORKING CAPITAL

Operating working capital is defined as the operating current asset (inventories and work in progress, contract assets, trade receivables) minus operating current liabilities (contract liabilities and trade payables).

1.7.3.8. FREE CASH FLOW (FCF) & NORMALIZED FREE CASH FLOW (NFCF)

Free cash flow is a financial indicator that provides useful information to measure the net cash generated from our operations that is available for merger & acquisition (net of divestments), for debt repayments and for payments to shareholders. Free cash-flow is determined from EBITDA adjusted net for change in provisions including pensions and other post-employment benefits, share-based payments and other non-cash items. It also includes net changes working capital, capital expenditures net of disposal proceeds, other investing cash-in / out but excluding those related to sale/ purchase of shares in a company with change in consolidation method, restructuring cash-out, financial interests paid and income tax paid.

Normalized Free Cash Flow is calculated as Free Cash-Flow excluding Strategic Capex, disposal proceeds of tangible assets, impact of material activity closures and assuming project tax cash-out based on completion rate rather than termination.

Strategic CAPEX relates to investments defined as strategic for the Group in order to pursue its energy transition goal and announced in its equity story on February 17, 2021.

1.7.3.9. NORMALIZED CASH CONVERSION RATIO (NCRR)

Normalized Cash Conversion Ratio is calculated as Normalized Free Cash Flow / EBITDA.

1.7.3.10. NET DEBT

Net debt is defined as (i) the sum of long term debt, short term debt and lease liabilities minus (ii) the sum of cash and cash equivalents.

1.7.3.11. RETURN ON CAPITAL EMPLOYED (ROCE) & ELECTRIFICATION RETURN ON CAPITAL EMPLOYED

Return on Capital Employed is defined as 12 months Operating Margin on end of period Operational Capital Employed, excluding antitrust provision.

Operational Capital employed includes operating and non-operating working capital items, intangible and tangible assets, loans and receivables, deferred taxes, reserves excluding pensions and other employee benefit reserve and restructuring reserve.

Accordingly to its ambition to become a pure electrification player described in the equity story dated February 17, 2021, the Group also follows the Electrification Return on capital employed defined as Return on Capital employed calculated for HV and B&T segments.

1.7.4. THE COMPANY

1.7.4.1. 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, 2021, the Company reported sales of 29 million euros, derived primarily from services billed to Group subsidiaries (25 million euros in 2020).

After taking into account net operating expense of 50 million euros, net financial income of 49 million euros and non-recurring income of 2 million euros, a tax benefit of 21 million euros the Company ended 2021 with a net income of 51 million euros (versus 14 million euros in 2019).

The Company's equity amounted to 1,883 million euros at December 31, 2020, compared with 1,863 million euros one year earlier.

Payment periods of trade payables

In accordance with the requirements of Articles L.441-6-1 and D.441-4 of the French Commercial Code (Code de commerce), it is hereby disclosed that the Company had outstanding trade payables of 2,043,203 euros at December 31, 2020 and 1,465,852 euros at December 31, 2019.

Information on supplier payment periods is set out below :

At December 31, 2021	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)	1,670,332	318,800	-	**1,989,132**
Number of invoices concerned	14	3	-	**17**
Invoices past due by late payment tranche(1)				
Total amount of invoices concerned in euros (including taxes)	9,000	45,071	-	**54,071**
Number of invoices concerned	1	1	-	**2**
Percentage of purchases	0.03%	0.12%	-	**0.15%**
Accrued invoices not received at December 31, 2021				**18,916,703**
Accrued external Supplier invoices (including taxes)				**3,507,503**
Accrued Intra-Group invoices (including taxes)				**15,409,200**

(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.441-4 of the French Commercial Code is not included below as it is deemed irrelevant. Trade receivables totaling 1,803,456 euros (including taxes) at december 31, 2020 break down as follows :

- Trade receivables not past due: 1,484,406 euros ;
- Trade receivables past due: 319,050 euros.

At the year-end, unbilled revenue amounted to 10,214,002 euros (including taxes) and only concerned intra-Group receivables.

1.7.4.2. PROPOSED APPROPRIATION OF 2019 RESULTS AND DIVIDEND PAYMENT

The Annual Shareholders' Meeting to be held in the first half of 2022 will be asked to appropriate the Company's results for 2020 – corresponding to net income of 51,030,183.08 euros as follows ll :

- Retained earnings brought forward from prior years 87,284,520.81 euros
- Net income for the year 51,030,183,08 euros
- Total distributable income 138,314,703.89 euros

At the same May 11, 2022 meeting, the Board of Directors will recommend a dividend payment of 1.20 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:

	2020 (paid in 2021)	2019 (paid in 2020)	2018 (paid in 2019)
Dividend per share	0.70 €	-	0.30 €
Number of shares qualifying for the dividend	43,730,007	-	43,371,996
Total payout	30,611,004.90 €	-	13,011,598.80 €

1.8 TRENDS AND OUTLOOK

1.8.1. 2022 GUIDANCE

Within the context of successful completion of its 2019-2021 Transformation plan, the Group is confident in its ability to maintain and enhance further its performance momentum. Nexans will continue to pursue a strategy focused on value growth over volume, to build-on strong innovation as well as on its investments in the growing High Voltage & Project market and to develop value added systems and solutions for its end-users.

Driven by the agility of its teams, its ambition to electrify the future and its 2022-2024 transformation plan, Nexans enters 2022 with confidence and, sets its targets for 2022 as follow:

- EBITDA between 500 and 540 million euros;
- Normalized Free Cash Flow(1) between 150 and 200 million euros.

1.8.2. 2021-2024 NEW FINANCIAL TRAJECTORY

1.8.2.1. 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 moderately grow from roughly 6 billion euros in 2021 to between 6 to 7 billion euros by 2024. The structure of revenues will drastically change:

- Existing electrification activities, which includes High Voltage & Projects and Building & Territories businesses, will grow organically from 3 to 3.5 billion euros
- Industry & Solution and Telecom & Data businesses will be replaced by about 2 to 3 billion euros of new electrification businesses by 2024
- the Metallurgy business sales will be reduced from 1 billion euros to around 0.5 billion euros by reducing external sales

SCALE-UP IN VALUE - EXISTING ELECTRIFICATION

Nexans will improve its performance on the existing electrification activities, generating an additional 150 million euros EBITDA.

(1) Free cash Flow excluding strategic capex, disposal of tangible assets, impact of material activity closures and assuming project tax cash out based on completion rate.

SCALE-UP IN VALUE - OVERALL GROUP

The rotation of the portfolio towards full electrification will be accretive for Nexans thanks to SHIFT Program and expected synergies. The Group ratios 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%;
- The Group has not committed 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 the balance sheet:

- operating working capital will not exceed 6% of current sales;
- maintenance capex on standard sales will not exceed 2.5%;
- net leverage below 2.5x EBITDA.

Nexans will generate about 500 to 600 million euros of cash over the three years of the plan, before M&A and plan the following **cash flow allocation plan**:

- **Strategic capex investments:** 40 to 50% of the total cash flow, mainly related to the new capacity in the High Voltage & Project Subsea business;
- **Dividends:** 20% to 30% with a minimum and progressive pay-out ratio of 20% each year;
- **Deleveraging:** the remaining part of the cash flow will be used to further reduce the Company's 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 2.5x EBITDA the estimated fire power available for M&A will be up to 2 billion euros. Adding expected cash from divestments, cash available will reach 2.5 to 3 billion euros.

1.8.2.2. 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.

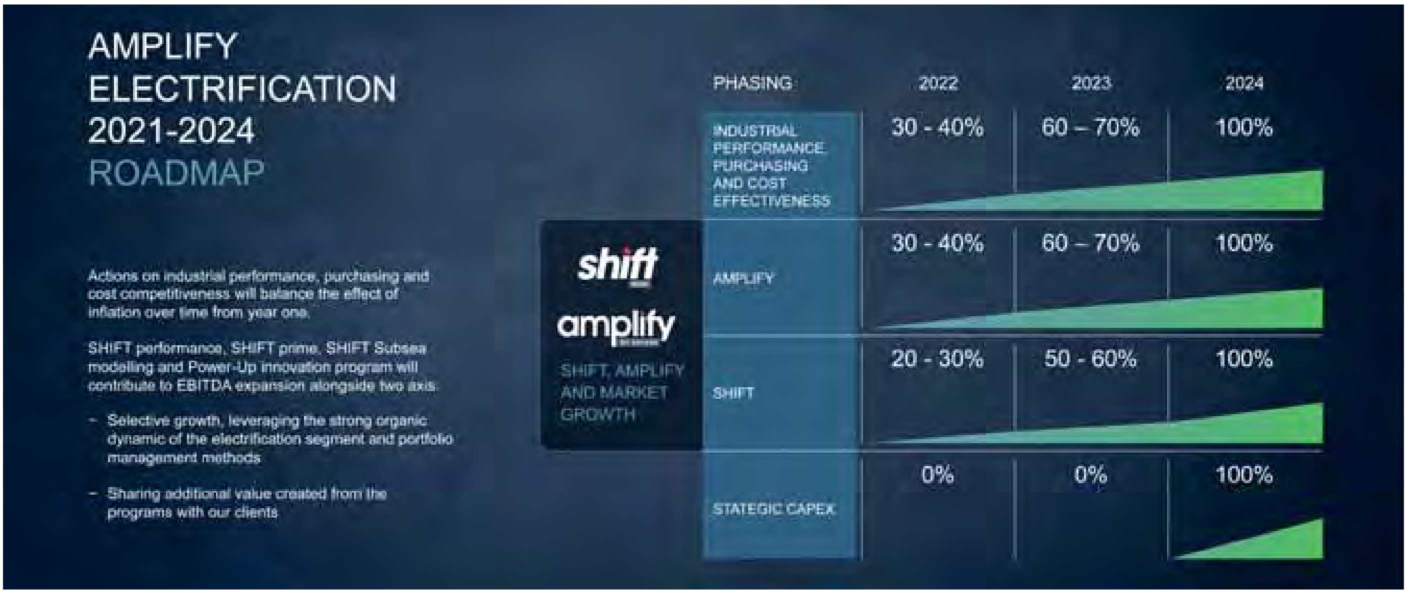
This represents an **EBITDA increase of +150 million euros** over the three years of the plan coming from four levers:

- **Costs & industrial performance:** streamline the cost base and improve industrial performance to cope with inflation – 1**5 million euros expected from these actions**
- **Selective volume growth:** additional volume from the Building and Utilities businesses and the ramp-up of Charleston plant and Nexans Aurora cable laying vessel in Subsea – **50 million euros expected**
- **SHIFT programs:** benefits from pricing improvements through innovation, as well as enhanced customer selectivity and reduced complexity – **40 million euros expected**
- **Strategic capex:** the investments in High Voltage subsea business to increase capacity at Halden plant 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 due to construction timing.



1.9 OTHER RELEVANT INFORMATION ON GROUP ACTIVITIES

1.9.1. INVESTIMENTS

The Nexans Group's tangible and intangible capital expenditure came to 208.5 million euros in 2021 compared to 250 million euros in 2020.

Investments have been concentrated on four areas:

- the acquisition of the new Nexans Aurora cable installation vessel and the expansion of the high voltage cable plants in Halden, Norway and Charleston, USA in the submarine high voltage segment;
- the development of new products;
- making manufacturing processes more reliable;
- strengthening the leading sites in their markets (Leading Plants) or technologies (Techno Leading Plants) in order to achieve operational excellence (World Class manufacturing).

Investments made in the Group's European plants were mainly dedicated to improving industrial facilities and operational efficiency.

Overall, the Group's investments in 2021 were distributed as follows

- 50% mainly concerned submarine high voltage projects ;
- 23% to projects related to Building and Territories activities ;
- 14% to projects related to the Harness market;
- 8% to projects related to the industrial markets.

It should be noted that 12% of investments (all activities combined) are associated with actions to reduce the Group's environmental footprint, aiming in particular to reduce greenhouse gas emissions (compared to only 7% of expenditure in 2020) in line with the Group's commitment to contribute to carbon neutrality by 2030.

At its Investor Day, Nexans announced its ambition to invest an additional 200 million euros between 2022 and 2024 in new production capacity:

- the expansion of the Charleston plant to increase production capacity for submarine and terrestrial HVDC cables;
- the expansion of the Halden plant in Norway, with the addition of two lines for the production of HVDC cables.

In 2022, the Group will continue to invest in High Voltage at both the Halden and Charleston sites, in improving the industrial performance of our reference sites as part of the Group's "World Class Manufacturing" strategy, in digital transformation and Industry 4.0, and in reducing the Group's environmental footprint

1.9.2. MATERIAL CONTRACTS

Apart from contracts entered into in the ordinary course of business, including acquisition, divestment and financing as described in this Universal Registration Document (Multicurrency Revolving Facility Agreement, loan agreements concluded with a view to financing the Aurora cable-laying vessel and with the European Investment Bank described in Note 26 "Financial risks" of the notes to the consolidated financial statements 2021. 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.

1.9.3. 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 2, section 2.1, Risk factors, and (ii) Note 22 Provisions and Note 29 Disputes and contingent liabilities to the 2021 consolidated financial statements.

1.9.4. 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.

1.9.5. SIGNIFICANT EVENTS SINCE THE APPROVAL OF THE 2021 MANAGEMENT REPORT

Nexans is present in Ukraine through its Nexans Autoelectric entity with 3 industrial sites located in western Ukraine and dedicated to the manufacture of harnesses for the automotive industry. The situation is being monitored closely with a focus on employees's security, supply chain and business continuity in Ukraine. The Group exposure to Ukraine and Russia is not significant. The total of its assets located in Ukraine representing less than 1% of its consolidated balance sheet. The revenue generated in 2021 by Nexans in Russia and the Commonwealth of Independent States amounts to less than 0.5% of the consolidated revenue of the Nexans Group. In addition, Nexans is closely monitoring the impacts that this crisis could have, particularly on the markets that the Group addresses as well as on its supply chain, particularly in terms of the supply of raw materials (aluminum and copper) and energy.

On March 21, 2022 – Nexans SA (Euronext Paris: NEX) announced that it has received antitrust clearance from Superintendencia de Industria y Comercio ("SIC") of Colombia, that will permit Nexans SA to proceed with the proposed acquisition, from Xignux SA, of Centelsa.

Christopher Guérin, Nexans CEO commented: "We are very pleased that the SIC has approved this transaction as it demonstrates the Group's firepower to become a Pure Electrification player. This significant step forward in the process that will see Centelsa part of the Nexans Group will generate significant benefits for all stakeholders."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2

MAIN RISK FACTORS AND RISK MANAGEMENT

2.1. 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 financials, its business activities, its reputation or its prospects. Due to Nexans global 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 constantly managed to mitigate both their occurrence and their impact. For that purpose, the Group has developed and continuously improves, its risk management process and organization.

As part of Nexans' risk management process, the Group has conducted a risk assessment to identify the risk factors to which it is primarily exposed. The 14 risks presented in this Chapter are the risks that the Group considers may have a material adverse effect on its financials, its business activities, its reputation or its prospects. These 14 risks are, however, not exhaustive and other risks or uncertainties, whether 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 financials, its business activities, its reputation or its prospects.

Pursuant to the provisions of Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of 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 14 risks are grouped in four categories (Strategic Risks, Operational Risks, Legal and Compliance Risks, and Financial Risks).

As regards the methodology, the 14 identified risks are those which are specific to Nexans and have the greatest net impact. The ranking is based on the assessment of: i) greatest level of criticality (level of the potential impact on the Group if the risks were to occur multiplied by probability of occurrence) and, the ii) consideration, for each given risk, of the risk mitigation measures deployed by the Group to minimize occurrence and impact. Risks are then ranked by order of importance and, within each category, risks with the greatest residual exposure are presented first. The residual exposure of the risks mapped by the Group are ranked on a scale ranging from low, moderate, material to critical.

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

Other risks such as health and safety, human resources, and human risks:

Although these risks relate to issues of primary and vital importance for Nexans, they do not qualify as risks with the highest net impact as: (i) they are not necessarily specific to Nexans, and (ii) preventive measures are constantly 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:

These are risks with medium or long-term trends that may impact Group's strategy and business model as further detailed page 36-37 in the integrated report included in this document.

Other risks such risk of liquidity, counterparty and credit risks, risk on the interest rate market, foreign exchange, tax risks:

These risks are considered "moderate risks" in the current context. In addition, measures are deployed to prevent and/or mitigate their potential impact.

IMPACT OF THE COVID-19 CRISIS

Covid-19 pandemic 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. The health of its employees and business partners remain the utmost priority of the Group. In this context of new waves of pandemic in many countries and the insurgence of a new variant of the virus in countries like South Africa, UK, Germany, Belgium and France, the Group is in full operational readiness to handle the consequences of the pandemic.

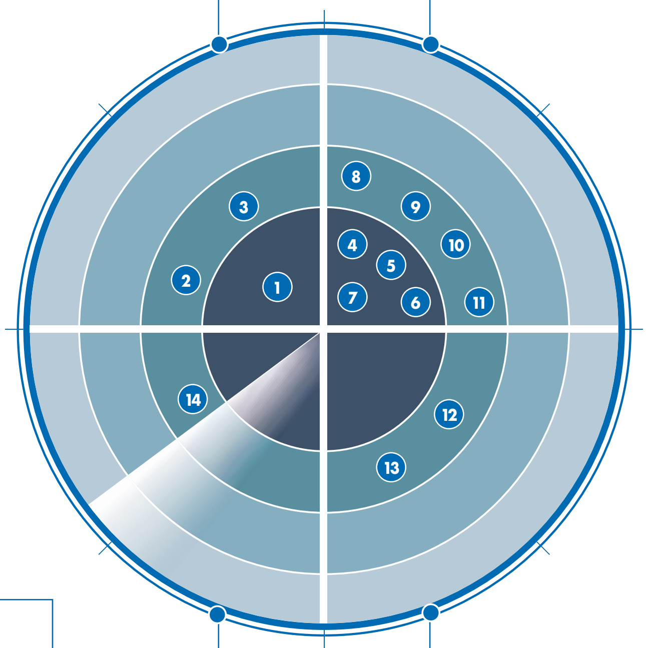
This being said, as the Covid-19 pandemic risk is not specific to the Group it will not be described below but when relevant it will be referenced in the description of certain risks.

OPERATIONAL RISKS

4. Risk related to cyber security, continuity and performance of information systems
   >> Critical
5. Risk related to climate change and natural hazards
   >> Critical
6. Risk related to turnkey projects
   >> Critical
7. Risk related to price fluctuations and availability of raw materials
   >> Critical
8. Industrial and environmental risk
   >> Material
9. Risk related to tensions in the supply chain
   >> Material
10. Risk related to the volatility of energy prices
    >> Material
11. Risk related to contractual liability: product liability
    >> Material

STRATEGIC RISKS

1. Geopolitical, political and social instability risk
   >> Critical
2. Risk related to the competitive environment of the Group's operating subsidiaries
   >> Material
3. Risk related to M&A
   >> Material



FINANCIAL RISKS

14. Related to the metal price and the hedging of its volatility
    >> Material

LEGAL AND COMPLIANCE RISKS

12. Risk related to non-compliance with antitrust laws
    >> Material
13. Risk of non-compliance with anti-bribery legislation
    >> Material

- Critical
- Material
- Moderate
- Low

2.1.1. STRATEGIC RISKS

2.1.1.1. GEOPOLITICAL, POLITICAL AND SOCIAL INSTABILITY RISK

Risk ranking – CRITICAL

Potential effects for the Group

- Decrease in the existing market share
- Impact on the performance of the facilities
- Decrease in sales volumes
- Impact in the assets' integrity and safety of our employees, loss of human resources to other less affected industries

Main correlated Risks

- Risk related to the safety of Nexans employees
- Risk related to the security of Nexans assets
- Risk relating to the selection of M&A
- Counterparty Risks
- Currency risk
- Liquidity risk

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 its business activities also in high-growth regions (such as in South America and Africa) which may be subject to geopolitical, political and social instability. By way of illustration, in 2021 Colombia experienced social and political movements significantly impacting the economic life of the country.

Relations between China and the United States are also factor of risks and uncertainty for the Group's operations. These include in particular future trade policy that may be introduced affecting generally customs protection and export controls regulations.

Similarly, the blockade of Qatar continues to limit export opportunities for our subsidiary (consolidated by equity method) to the Gulf states and caused longer supply lead times. On January 9, 2021, a lift of such blockade has been announced. However, conditions remain uncertain. Since 2020, the political and economic instability in Lebanon has led in particular to a strict foreign exchange control policy by Lebanese banks affecting 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 OCDE 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 2022 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, Colombia, Ivory Coast, Ghana, Lebanon, Libya, Tunisia, Philippines, Nigeria and Turkey.

The systematic and continuous review of the most current geopolitical situation is embedded in the Group's investment decision-making processes, including for M&A initiatives.

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 and ii) is continuously enhancing its Business Continuity Management processes at its industrial sites.

Lastly, the Group has defined procedure to closely manage export control regulations.

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

Risk ranking – MATERIAL

Potential effects for the Group

- Decrease in the existing market share
- Decrease in sales volumes
- Pressure on the selling price
- Difficulty in gaining new market share

Main correlated Risks

- Risks related to M&A operations

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.

2.1.1.3. RISK RELATED TO M&A

Risk ranking – MATERIAL

Potential effects for the Group

- Difficulty in realizing identified synergies
- Difficulty of integration endangering operating performance of the facilities

Main correlated Risks

- Compliance risk
- Risk of liquidity

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 its German Metallurgy Business to German based, equity investors, Mutares.

As announced in February 2021, Nexans intends to pursue an active 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. In this frame, in September 2021, Nexans announced it has entered into a Share Purchase Agreement with Xignux SA of Mexico to acquire Centelsa, a premium cable maker in Latin America active in the production of cables for Building and Utilities application. The closing of the transaction is subject to regulatory approvals.

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.

2.1.2. OPERATIONAL RISKS

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

Risk ranking – CRITICAL

Potential effects on the Group

- Financial impact
- Reputational impact
- Operational impact
- Competitiveness impact (Loss of sales/ contract/customer)

Main correlated risks

- Risk of business interruption/disruption
- Risk of data loss and/or disclosure
- Risk of fraud
- QHSE risk
- Risk of claims and conformity

RISK DESCRIPTION

Nexans' business fully relies on information technology, systems and infrastructure (datacenters, servers and networks). Like any organization using information technology, the Group is more and more exposed to the risk of cyber-attacks. Cyber attacks could originate from within the Group (system obsolescence, configuration errors, lack of infrastructure maintenance, malicious acts) – or from outside Nexans (criminal organizations acting on their own behalf or that of State organizations).

Technically advanced in the world of information systems as well as in industrial systems, benefiting of important means, 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 any crisis, such as the Covid-19 pandemic, is capable of exacerbating the risk of cyber-attacks also due to the widespread policies of remote and home working activities.

Due to the global 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 technologies 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 potentially affect 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 enroll itself in a context of reinforced regulatory requirements related to protection and confidentiality of data.

By way of example, the Group subsidiary Autoelectric suffered a ransomware-type attack in the summer of 2021. The attacked was rapidly contained and the systems restored, with no impact for the subsidiary, its customers or other third parties.

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 cyber security Program 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.

The operating teams of the Information System Department and the cyber security teams are continuously strengthening Group's cyber security processes and tools along the three fundamental axes (i.e. to prevent, to detect and to react against cyber incidents), in close relation with their service providers.

In recent years, cybersecurity governance has been enhanced thanks to the development of a network of correspondents within the Business Groups, who allows the dissemination and application of Nexans General Management Procedure relating to cyber risk management in collaboration with the central cyber team. In addition, cyber securities issues and measures implemented to fight against cyber security are presented on a quarterly basis to the top executive management of Nexans (i.e. Group CEO, CFO and General Counsel).

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
  - Since 2020, to raise awareness, Nexans employees are provided with a mandatory online training, Cyber & Me, developed with other major French companies. More than 70% of Nexans employees having access to the IT system of the Group have followed the training Cyber & Me;
  - The training for cyber security is now part of our standard compliance training during Nexans annual compliance week;
  - All business units and main Corporate Function have participated to a roadshow on cyber security;
  - Phishing campaigns are performed several times per year at the Group level as well as at the country and business group levels. 12 phishing campaigns have been performed in 2021;
  - Our Information and Cyber Risk policy is regularly updated, to be adapted to emerging threats.
- **Protect** key technological assets and among others industrial activities by controlling access to information and their treatments
  - In particular, any industrial such as the one of Schneider for Industry 4.0 transformation 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 an approach of defense, the teams of the Information System Department have deployed security technologies such as web filtering, email analysis, anti-malware on workstations and servers, network segmentation;
  - The Group is deploying access control solutions of last generation. This deployment is accompanied by a project aimed at supporting the change to cover all the businesses for a better management of our access and their control.
- **Respond** to any threat and cyber incident as soon as possible to limit the adverse impact on the business and industrial operations:
  - Threats are constantly monitored and security incidents detected thanks to a Security Operations Center (SOC), including in the industrial environment;
  - Cybersecurity incidents are timely and adequately handled by means of an internal crisis response team integrating internal and external experts in cyber security thanks to specialized probes.
- **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 the main vulnerabilities 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.

2.1.2.2. RISK RELATED TO CLIMATE CHANGE AND NATURAL HAZARDS

Risk ranking – CRITICAL

Potential effects on the Group

- Business impact – Disruption of activity
- Financial impact
- Destruction of physical assets

Main correlated risks

- Safety risk
- Assets physical risk
- Business continuity risk

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. The site is therefore subject to natural disaster risks that were taken fully 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.

Since several years, the Group perform analysis to better assess Nexans risk exposure and implement mitigation measures, if needed. In that frame:

- 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;
- in 2018, by a review to assess the possible impact of global warming on the Group's exposure to drought risk.

These studies are particularly important in a context where it is becoming increasingly difficult to obtain an insurance coverage of the risk for a reasonable price.

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.

**other sites can also be exposed but their level of exposure is not assessed as high.*

As part of a climate-change risks study conducted in 2021 in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), a physical risk assessment on 11 industrial sites of Nexans was led covering the period 2030 to 2100 (see section 3.3.5: The resilience of the Group's buinsess model to the impact of climate change - Chapter 3, page 193 for more details). It showed that under a warming scenario of 3°C:

- There might be an increased intensity damage due to climate change. Peaks are assumed around 2070 to 2080;
- Main climate risks would be flood, sea level rise and tropical cyclone;
- Even if the risks of flood and sea level rise increase significantly, only one site would be exposed to risk of flood;
- Risk of tropical cyclone would remain stable over the period;
- Risks of drought, wildfire, connective storm and heatwave would increase with impacts on the sites analyzed remaining limited.

Lastly, like other international organization, Nexans activities may be exposed to a risk of transition (which arise from the transition to a low-carbon economy).

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 adequately react should natural disaster event take place. Business continuity plans are developed, and crisis management processes are in place to manage exceptional natural events.

With respect to transition risk, the Group has led in 2021 a study (aligned with TCFD guidelines) to assess the risks and opportunities related to climate (see section 3.3.5 : The resilience of the Group's buinsess model to the impact of climate change - Chapter 3, page 193 for more details). From the study, it appears that climate change could lead to business opportunities for Nexans.

2.1.2.3. RISK RELATED TO TURNKEY PROJECTS

Risk ranking – CRITICAL

Potential effects on the Group

- Group reputation
- Financial impact (claims for damages, delayed payments, decrease in sales and GM, metal and currency impacts...)

Main correlated risks

- Risk related to claims and legal proceedings
- Risk related to contractual liability: product liability
- Risk related to the competitive environment of the Group's operating subsidiaries

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 13% 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). The two market segments in which Nexans is mainly engaged are, on the one hand, the interconnection and electrification projects (land and submarine), and on the other hand, the offshore wind projects. Trends in these two markets are i) the increase in the size of projects, and ii) increased technical complexity with increased water depths, bigger size cables and dynamic applications. In this regard, it is to be noted that these trends take place in a context where some customers have increased their requirements as to the level of risk-liability that suppliers must be prepared to assume in order to be awarded the project.

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:

- Interconnection submarine projects

In line with orders recorded in 2015 for two major high-voltage subsea power links, between Norway and Germany (Nordlink) and between Norway and the United Kingdom (NSL) respectively, Nexans was awarded in 2020 the Crete-Attica interconnection project as well as the interconnection project between Sicily and Sardinia on the Italian peninsula. These two megaprojects consist of the supply and installation of high voltage direct current MI 500 kV submarine cables. They represent an aggregate of more than 800 million euros worth of orders for Nexans.

- Offshore wind projects

In addition, the Group continues to carry out ongoing projects such as

- The supply and installation of 320 kV HVDC extruded insulation cables for the DolWin6 offshore wind farm. This is the Group's first contract for extruded DC technology which represent a new technical challenge benefiting our customers and the energy transition process;
- The connection for Saint Brieuc windfarm project which represents an amount of about 120 million euros for the supply and installation of 220kV export cables;
- The connection for the Seagreen windfarm project in Scotland with 220kV export cable for the 1,075MW representing an amount of about 260 million euros;
- The subsea grid connection Marjan Increment project (supply of 220kV 3-core submarine power cables) in the Kingdom of Saudi Arabia.

Cables – which have to comply with a certain number of specifications and international standards – are tested several times: i) before the start of manufacturing and during manufacturing, ii) before delivery subject to factory acceptance tests and iii) after installation and before entry into service.

In view of the increases in transmission voltage and customer requirements, 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 are able to agree with the customer to amend the related contractual provisions, but that company may have to temporarily or permanently carry 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 countries around the world. As of the date of this present Document, Nexans operating entities are constantly monitoring restrictions measures taken by countries 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 few 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-2021, 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 directed by a Project Director who relies on specialized teams tasked with delivering the project within budget, with the right quality and on time. In addition, the teams ensure the proper implementation of the Group's risk management policy. In this context, the teams implement a continuous risk assessment and implementation of actions to identify and mitigate risks which may appear during project execution;
- Quality policy and control procedures are in place to monitor quality in production;
- Production sites are ISO 9001 and ISO14001 certified;
- The development of technology aimed at guaranteeing customers reliable industrial processes as well as high quality and performance of the products;
- The implementation of new installation capacity such as the Aurora, the new cable installation vessel commissioned in 2021. This new capacity will enable a substantial improvement in timely execution of the turnkey projects as well as in the respect of our protection

obligations of the cables which improvements will participate in the competitivity of our offers;

- The Group has subscribed a Construction All Risk (CAR) insurance program specifically designed to address turnkey project risks;
- As part of its continuous improvement process, Nexans has entered into a partnership with Bureau Veritas aimed at certifying Nexans' organization and risk management processes for the execution of turnkey projects. In this context, Bureau Veritas is currently auditing the said processes. This audit process will lead to a certification to be issued in early 2022.

2.1.2.4. INDUSTRIAL AND ENVIRONMENTAL RISK

Risk ranking – MATERIAL

Potential effects for the Group

- Stoppage of the industrial activity
- Group's reputation
- Fines/claims/legal proceedings
- Decrease/Loss of sales

Main correlated Risks

- Risk related to health & safety of the employees
- Risk related M&A (selection of targets)
- Risks related to the competitive environment of the Group's operating subsidiaries

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 also 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, the Group has implemented significant capital expenditure project to support business growth:

- First, it needs a cable-laying vessel capable of performing installation contracts within the required timeframes. The Group has been operating its own cable-laying vessel, the Skagerrak (owned through one of its Norwegian subsidiaries), one of the few ships in specially designed to transport and lay submarine high-voltage cables over long distances and in deep waters. In 2017, Nexans launched the construction of a new cable laying ship (the "Aurora") which came in operation on May 2021 to support its business growth so that the Group could participate in more relevant and complex projects. These vessels are exposed to marine risks (e.g., storms, icebergs and acts of piracy);
- In order to face growing demand in the US market in particular for the wind offshore market, Nexans has made significant capital investments to upgrade the site of Charleston (USA), making it the sole USA based submarine cable manufacturing site.

When implementing capital expenditure projects, the Group is exposed to the risk of failing to achieve its targets in particular should Nexans operating entities fail to fill its increased production and/or installation capacity or lack ability to deliver cables and services under the required technical specificities. 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 investments in its vessels 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-up operations. 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 million euros).

As of December 31, 2021, 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.

For more details, refer to Chapter 3 - section 3.3 The environment : a responsible and sustainable approach.

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 capital expenditure projects and assess return of investment. With the implementation of such capital expenditure projects, the Group defines actions plan to ensure the new assets will be properly used under formalized and detailed industrial processes as well as properly maintained. 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. Planet, 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 to identify and define all potential risks and assess the means of prevention for each. To improve Nexans processes the Group has developed in 2021 a new industrial risks assessment tool. This risk assessment is based on a series of steps, including i) the identification of risks, ii) the assessment of the risks criticality and iii) the definition of potential complementary actions required to reduce the risk. This tool will also permit a better follow-up of the implementation of the defined mitigation actions as well as of the assessment of the results. The above will also participate to the spread of risk culture within the operating entities and in particular to a proactive industrial risk management across the Group.
- 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 develop and keep up to date elimination plans.

2.1.2.5. RISK RELATED TO PRICE FLUCTUATIONS AND AVAILABILITY OF RAW MATERIALS

Risk ranking – CRITICAL

Potential effects for the Group

- Financial impact (liquidated damages for delay, claims for damages, etc.)
- Business interruption
- Sales decline

Main correlated risks

- Metal price risk and hedges of price volatility

RISK DESCRIPTION

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

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 prices and availability. Global shortages, supply interruptions or the inability to obtain raw materials at commercially reasonable prices could have an adverse effect on the Group's earnings. However, should the price of its supplies increase, the Group may not be able to fully pass on the increases to its customers. In addition to price risk, due to its multi-country and multi-zone sourcing policy, 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.

Copper consumption in 2021 amounted to around 480,000 tons (versus 460,000 tons in 2020), excluding the approximately 54,000 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 2021 totaled 95,000 tons (versus 100,000 tons in 2020).

The Group does not rule out the possibility that supply and demand tensions on the copper and aluminum markets could lead to supply shortages and thus have an impact on its activities.

Additional risks can also 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, for some raw materials such as i) silicone or XLPE used in the production of high-voltage DC cables or ii) plastics, in particular of specialty, the number of suppliers is limited. The Group does not rule out that potential market pressures or exposure to industrial risks ((such as the risk of fire or explosions), could lead to supply difficulties that could adversely affect the Group activities. If such a risk were to occur, the business of some of the Group's operating subsidiaries could be significantly impacted.

As an illustration, the sharp increase in demand at the end of 2020 after the first waves of the Covid-19 crisis and the occurrence of natural disasters such as Hurricane Ida in Louisiana and the Texas heat wave in 2021 led to tensions in these markets marked by a significant number of notifications of force majeure.

In order to meet demand, the above-mentioned events led to a postponement of the maintenance of industrial tools in 2021, which could potentially result in renewed tension on the raw materials market in 2022.

Finally, apart from these cyclical events, the tensions on the commodities market are also due to structural factors. These elements are linked to an increasing demand for green energy supply, net zero emissions targets and broader climate issues. They are driving a sharp increase in the consumption of certain raw materials, while also impelling a search for substitute raw materials that are more environmentally friendly.

RISK MANAGEMENT RESPONSE

To reduce risks related to raw materials, the Group has developed various mitigation actions 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.

The Group always covers 100% of its non-ferrous metals requirements under long-term contracts including significant upward and downward flexibility in order to make sure the Group's requirements are always met.

- As a general principle, 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 assesses the financial vulnerability of its most critical suppliers and ensures that they have robust business continuity plans in place. The Group has at least two suppliers for each raw material used in manufacturing its products ("multi-source strategy"). Even if progress still remains to be made, recent years' efforts to reduce situations where the Group is dependent on a sole supplier paid off during the Covid-19 crisis when no breaks in the supply chain were experienced. It should be noted that efforts remain to be made to ensure that no Group operating entity is in a situation where it is dependent on a single supplier for certain raw materials ("mono-source").
- One of the Group's objectives in recent years has been to reduce complexity in its products and supplier portfolios. The aim is also to limit Nexans' dependency on some suppliers, especially through materials substitution across sites and categories (such as for certain plastics).
- As regards copper supply, thanks to its vertical integration in copper production, the Group enjoys a privileged position compared with other players in the sector.
- In the event of exceptional market circumstances resulting in a significant decrease in volumes, the 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 is very rarely active on the spot market. This spot activity is only used in exceptional circumstances.
- 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.

2.1.2.6. RISK RELATED TO TENSIONS IN THE SUPPLY CHAIN

Risk ranking – MATERIAL

Potential effects for the Group

- Financial impact (liquidated damages for delay, claims for damages, etc.)
- Business interruption
- Sales decline

Main correlated risks

- No correlated risks

RISK DESCRIPTION

The Group is exposed to tensions in its supply chain that originate:

- From tensions in the supply chain heightened by the Covid-19 crisis.
  - In the road freight market, especially in Europe and the United States where a shortage of truck drivers has led to an increase in the freight costs.
  - In the maritime shipping market, particularly in Asia and Latin America, following the strong economic recovery in the Asian market (and in particular in China), which is out of step with the economic recovery in other world markets.
    This gap had the effect of (i) breaking the supply chain, with shipping companies unable to unload containers upon arrival at their port of destination, and (ii) driving up freight costs to ensure the delivery of the ordered products.
    In this respect, the Covid-19 crisis added to supply chain complexity throughout the world due to the lack of available ships, containers and trucks. The Covid-19 crisis has also worsened the financial difficulties of some suppliers.
  - From exceptional events, in particular natural disasters, which impact the supply chain of its suppliers

RISK MANAGEMENT RESPONSE

In response to the supply chain risk that the Group had to deal with in 2021, a crisis management unit has been set up in the Purchasing Department to monitor this risk as closely as possible, define action plans and ensure their effective implementation.

In general, the Group verifies that its critical suppliers have a robust business continuity plan in place.

One of the Group's objectives in recent years has been to reduce complexity in its product and supplier portfolios. The aim is also to limit Nexans' dependency on some suppliers by identifying alternative sources of supply and consequently to reduce tensions in the supply chain.

2.1.2.7. RISK RELATED TO THE VOLATILITY OF ENERGY PRICES

Risk ranking – MATERIAL

Potential impacts for the Group

- Financial impact
- Sales decline

Main correlated risks

- No correlated risks

RISK DESCRIPTION

The Group is exposed to strong tensions in the energy market (electricity, gas, etc.), which has seen sharp price hikes in recent years. For example, the price of electricity on the French and Belgian markets has increased by more than 250% between 2020 and 2021. This trend is confirmed for all types of energy (electricity, gas, etc.) and markets where Nexans Group is present. Further significant increases are expected in 2022 and 2023. In addition to these significant increases, Nexans Group faces an additional level of complexity related to the fact that, varying from host country to host country, the energy markets (in particular gas and electricity) may be regulated (e.g. as in Greece, France (for part of our volume), Canada, and certain States in the United States) or unregulated (e.g. as in Norway and Sweden).

As for the reasons for these tensions on the energy market, they can be explained by a strong increase in the demand for energy in the various geographical markets, a decrease in gas reserves linked in part to geopolitical tensions and a renewable energy production that remains limited.

RISK MANAGEMENT RESPONSE

To limit the impact of higher energy prices, the Group has implemented the following measures:

- In the case of countries where the markets are not regulated, in order to avoid significant fluctuations in the price of energy, to meet the energy needs and to be able to anticipate energy costs in commercial offers, Nexans has negotiated contracts with its energy suppliers allowing to lock in electricity and gas prices 1 to 2 years in advance, depending on changes in market prices.

At the same time, Nexans has implemented a continuous improvement program to fight global warming that helps us reduce our energy consumption with programs such as:

- The installation of solar panels at Group manufacturing sites, such as in Lebanon, and in Morocco. Other projects for the installation of solar panels at Nexans' manufacturing sites are currently being currently under study in Australia (Lilydale) and Turkey (Denizli and Tuzla);
- A program to install LED light bulbs at the 27 Group's sites is currently being implemented, leading to energy savings of over 60%.

2.1.2.8. RISK RELATED TO CONTRACTUAL LIABILITY: PRODUCT LIABILITY

Risk ranking – MATERIAL

Potential effects for the Group

- Financial impacts

Main correlated Risks

- Risks related to Claims and litigations
- Risks related to turnkey projects

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, could 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 and Europe (like in France and Italy), 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 bids representing over 5 million euros for businesses other than high-voltage business are submitted to a Group Tender Review Committee. Particular focus is placed on ensuring that the Group's sales and technical teams (i) are able to pinpoint the risks inherent in sales contracts and (ii) 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 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.

2.1.3. LEGAL AND COMPLIANCE RISKS

2.1.3.1. RISK RELATED TO NON-COMPLIANCE WITH ANTITRUST LAWS

Risk Ranking – MATERIAL

Potential effects for the Group

- Group's reputation
- Ban from Clients & Public tenders
- Financial impact (Fines, indemnities...)

Main correlated Risks

- Risk related to M&A
- Risks related to the competitive environment of the Group's operating subsidiaries
- Risks related to Claims and litigations

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 company 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 claimants appealed this ruling and the case on the merits against the Dutch defendants is stayed pending the appeal judgment.

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. The case is ongoing.

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 2022.

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 and the case is pending.

On January 20, 2022 the German Federal Cartel Office (FCO) carried out searches at two of Nexans' sites in Germany. The searches are part of an investigation on cable manufacturers concerning alleged coordination of industry-standard metal surcharges in Germany. The FCO also conducted inspections at the premises of other companies in Germany. The investigation is ongoing.

As of 31 December 2021, and following a reassessment of risks, the Group has a recorded contingency provision of 67.5 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 systems and compliance program 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. 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 includes an antitrust section with test questions based on realistic business cases.

In addition, more in-depth / spot trainings are conducted to most exposed positions (sales & purchasing managers as well as members of a Trade association) 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 3.4.6. Promoting ethical business 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.

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

Risk Ranking – Material

Potential effects for the Group

- Group's reputation
- Ban from Clients & Public tenders
- Financial impact (fines, indemnities...)

Main correlated Risks

- Risk related to M&A
- Risks related to the competitive environment of the group's operating subsidiaries
- Risks related to Claims and litigations

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 conflicts of interests, the Group has issued a number of specific guidelines to support its zero tolerance for any bribery practice:

- 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 **Conflicts of Interests 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.
- The **Charter for Responsible Public Advocacy** issued end of 2021 which lays down the main commitments applicable to all Nexans employees and in particular those in charge of public advocacy activities.

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

As part of its continuous improvement process , the Group is currently further enhancing the Anticorruption risk mapping covering all business activities and corporate functions (finance, purchase, HR, IT, legal, communication).

The most current risk mapping exercise conducted by the Group led to identify sales representatives as an inherent corruption risk. On that basis, a risk ranking of all active sales intermediaries was performed. Specific risk mitigation activities including due diligence and monitoring initiatives have been introduced through a dedicated online platform, enabling the Group to have a centralized tool to manage sales intermediaries compliance.

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. All conflict of interest situations disclosed in 2021 have been managed.

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 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 3.4.8 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 3.4.6 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 3.4.6 Fair practices.

2.1.4. 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 and hedging risk

Risk Ranking – MATERIAL

Potential effects on the Group

- Financial impact on EBITDA and financial results

Main correlated risks

- None

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. For illustration purposes, the price of copper evolved from 4,600 USD/ton in 2020 to 10,500 USD/ton in 2021.

Besides, at the end of 2021, the low liquidity on the futures markets for metals generated high volatility on forward quotations and on the renewal of hedges. This phenomenon is probably linked to an increase in the demand. It is currently difficult to know whether this level of liquidity is a cyclical or structural phenomenon.

In the recent years, numerous banks exited the metal market as it mobilized too many resources compared to the level of risk. In 2021, new players strengthened their capacity to offer commodity hedges allowing the Nexans Group to secure access to the metal derivatives market.

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 market. 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 27.C** and **27.E** to the consolidated financial statements.

2.2 INSURANCE

Nexans Insurance Department is in charge of subscribing, negotiating and deploying insurance programs throughout the Group. It seeks the best coverage possible at an optimum price for its specific exposures with highly reputed insurance companies with strong financial ratings, and negotiating insurance programs based on regular risk assessments.

The Group's insurance policies cover current identified risks while taking into account new acquisitions or disposals that may occur during the year. Working closely with international brokers, the insurance department always seeks to optimize costs while ensuring adequate coverage based among other on the Group's claims experience, advice from brokers with industry benchmarks as well as specific risks and/or actuarial studies, launching regular insurer and broker bids when necessary.

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.

For the past 3 years and in a context of a tough insurance market, the negotiation and placement of all the insurance policies taken out by the Group remain extremely challenging with offer and coverage reduction, increase in premiums even in the absence of claims, higher deductibles, more exclusions and reduced 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 permanently reassessing 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 taken out by the Group to cover its manufacturing and operating activities are as follows:

Property damage – business interruption

Covers Nexans assets worldwide and consequential interruption of business in the case of a loss.

In certain geographic areas, insurers will only provide limited coverage for natural catastrophe risks, much less than the insurance values, making it increasingly difficult to obtain sufficient coverage for a reasonable price.

As part of its risk management process, the Group set up in 2021 a loss prevention governance procedure aimed at helping to prevent industrial losses and based to a large extent on the recommendations of its insurers.

Third-party liability (including Product liability)

Covers the Group for third-party liability claims due to either its operations or products manufactured or services rendered to clients.

The policy also provides some coverage for removal & reinstallation, product recall and accidental pollution.

Transport

Covers the ad valorem values of supplies and deliveries according to incoterms for any transport by any means of conveyance including transfers between sites

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. Coverage depends on the specific nature and characteristics of each project and it is sometimes necessary to set up separate installation -specific policies, notably for very large contracts which exceed the coverage limits in these framework insurance programs.

Coverage for the Group's cable-laying ship Skagerrak & Aurora

The Group's cable-laying ships, Skagerrak and the new vessel Aurora operating since May 2021 are covered by hull & machinery/loss of hire, war risks and protection & indemnity insurance.

Short-term credit risk insurance covering receivables owed by certain domestic and export customers

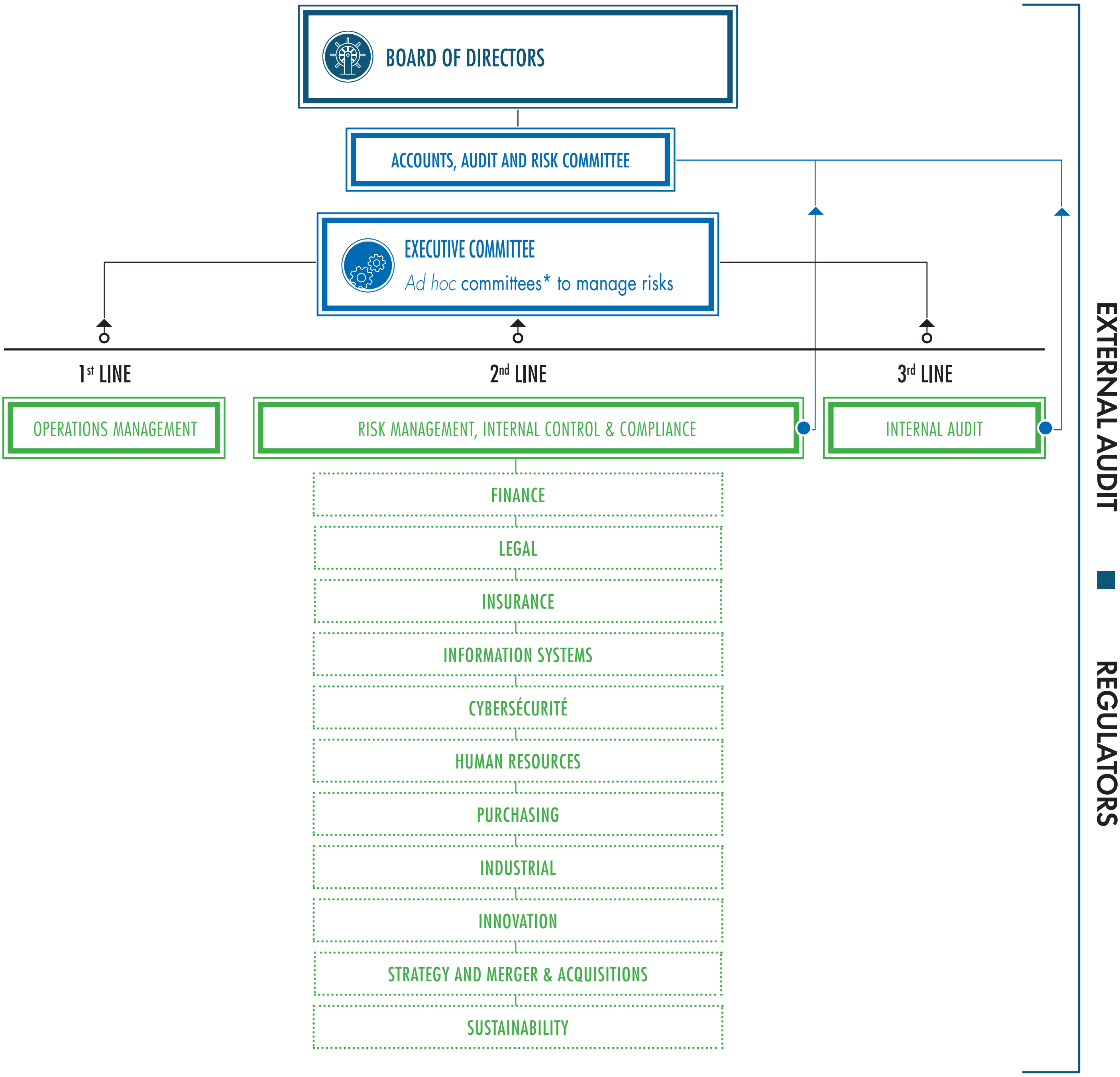
A short-term credit insurance policy is deployed throughout the Group covering most of its subsidiaries Specific insurance is taken out if necessary for long term credit contracts.

Captive reinsurance entity

The Group has a captive reinsurance entity – Nexans Re – aimed at optimizing and managing the Group's risk retention strategy. It currently includes the Property Damage and , Third Party Liability policies.

2.3 RISK MANAGEMENT WITHIN THE GROUP

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.



*Ad hoc Committees:

- Disclosure committee
- Tender Review Committee
- Purchase Contracts Review Committees
- Mergers & Acquisitions Committees
- Coroprate Social Responsibility (CSR) supported by two expert committees, The Governance Social Committee and the Environment and Products Committee.

2.3.1. THREE LINES OF DEFENSE

Internal control and risk management organization in Nexans is structured around three main lines of defense.

First Line of defense – Business Groups and operating entities	The Business Groups and operating 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 areas of responsibility, covering such issues as compliance with applicable laws and regulations and with the Group's Code of Ethics and Business Conduct.
Second Line of Defense – Risk Management, Internal Control and Compliance	Coordinated by the departments of risk management, internal control and compliance direction together with the functional departments in their fields of expertise, the second line of defense aims at designing and piloting a system of control of the Group activities, in particular by: • assisting operating units in the identification and assessment of the main risks within their scope of expertise; • designing Group policies and procedures by area of activity; • contributing, with operating units, in designing adapted controls systems or mechanisms; • raising awareness on risk management, internal control and compliance by communicating on best practices and training operating employees.
Third Line of defense – Internal Audit	Internal Audit Department is to provide Nexans' Board of Directors and Executive Committee with reasonable assurance on the robustness of the system of risk management, internal control and compliance management of the Group in realizing audits of functions and business units on the deployment of risk management, internal control system and compliance management as well as related procedures.

2.3.2. COORDINATED RISK MANAGEMENT SYSTEM

Main responsibilities	Reference framework and/or mechanisms
- Design & deploy risk Management tools & procedures (i.e. For Risk mapping, Business Continuity Plan, Crisis Management...) - Map the main risks of the Group - Follow up of the implementation of action plans as defined during risk mappings - Raise awareness & train employees on risk management	-Group policies and procedures -Annual assessment of Group risk (impact and level of control of risks)

Objectives

Risk management is a dynamic system for the purpose of:

- enabling managers to identify and analyze the main risks regarding the Group's strategic objectives, and
- adopting mitigation actions to keep the risks at an acceptable level.

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 appropriate management level.

Global Nexans Risk management system is designed to meet, in particular, the followingobjectives:

- To ensure the health and safety of Nexans' employees;
- To guarantee the compliance with Nexans Code of Ethics and BusinessConductandthe otherGroupprocessesand procedures;
- To ensure that Nexans meets its strategic objectives;
- To preserve Nexans values as well as business activities, assets and reputation of the Group.

Organization

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 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 and Functional departments including 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. Cyber risk, related to all information systems of the Group and connected industrial machines/assets, is identified as a critical risk for the Group.

2.3.3. COORDINATED INTERNAL CONTROL SYSTEM

Main responsibilities	Reference framework and/or mechanisms
- Define and maintain Group internal control standards - Provide internal control training	- Group policies and procedures (e.g. Nexans Basic Internal Controls manual) - Internal control training material

Objectives

Nexans Basic Internal Controls manual (based on the AMF "Risk management and Internal Control systems" issued in 2010 to adapt the 2007 AMF Reference Framework) 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
- 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.

Organization

The Internal Control Department – which is combined with the Internal Audit Department and works closely with the Compliance Department and Risk 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.

Nexans operational departments and support functional departments are committed to implement internal control systems as defined in Nexans procedures.

In that perspective, Nexans' internal control manual defines 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 Department supports their implementation in the entities.

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.

2.3.4. COORDINATED COMPLIANCE MANAGEMENT SYSTEM

Nexans pays particular attention to compliance issues. For that purpose, Nexans has appointed a compliance officer in charge of a Compliance Department, an ethics correspondent and a group data protection officer. The Compliance Department works very closely with the Risk Department as well as with the Internal Control and Internal Audit Department. They all report at least once a year to the Accounts, Audit and Risk Committee.

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 prospect clients in the framework of tender review committees.

Support functions	Main responsibilities
Compliance Officer	- Designs strategic compliance policy for the Group and defines the Compliance Program for the year - Develops measures and procedures to prevent, detect and handle breaches of ethics laws and regulations, - Supports the functional and operational managers in implementing the Compliance Program and procedures (in particular on anti-corruption, anti-trust, and compliance with International Sanctions) - Facilitate controls of compliance principles and procedures - Updates and strengthens the anticorruption risk mapping for the Group - Reports directly to the General Secretary - Accounts for activities to the Audit, Accounts and Risk Committee
Ethics Correspondent	- Receives, and processes alerts of potential violations of the Group's Code of Ethics and Business Conduct - Reports directly to the General Secretary, with a dotted-line reporting relationship with the Chief Executive Officer
Group Data Protection Officer	- Establishes rules and procedures to ensure that processing of personal data within the Group complies with the applicable legislation by protecting personal data - Animates a network of local data protection correspondents - Controls application of personal date protection regulations with the support of the Information Systems Security Officer - Reports directly to the General Secretary

2.3.5. FUNCTIONAL DEPARTMENTS

Each functional department of the Group is responsible for its area of expertise. The functions contribute to mitigating risks and controlling their activities and notably:

- Defining standards and setting rules and principles applicable in its sector, in conjunction with the other departments concerned;
- Assisting their networks with complex issues or issues common to several Business Units;
- Encouraging the sharing of best practices and developing appropriate training programs where necessary;
- Analyzing failings and the results of audits to improve existing processes.

Functional Departments	Main responsibilities on risk management and internal control
Finance Department	- Implement a financial control framework for transactions and financial operations - Steer the Group's financial performance (implement tools to continuously monitor its performance) - Ensure compliance with prevailing tax regulations and legislation - Oversee financial performance at all operating levels of the organization - Analyze and approve capital expenditure requests made by business areas or other similar investment projects - Define the policy for funding, market risk control and banking relationship for the entire Group - Ensure that reporting of financial information are compliant with regulated obligations
Legal Department	- Provide legal advice (i) safeguard the rights of the Group and its business areas and comply with legal obligations and (ii) contribute to achieving their objectives with appropriate legal solutions - Identify and assess the main legal risks facing the Group and each of its business areas - Control contractual and compliance risks on transactions - Participate to the protection of Group's employees and assets
Insurance Department	- Negotiate and subscribe Global insurance policies to protect against insurance risks (aligned with Group's identified risks). - Deploy the global insurance policies throughout all the entities of the Group as appropriate. - Monitor the loss prevention measures including consideration of the Insurers recommendations to avoid and mitigate risks. - Manage insurance claim
Human Resources Department	- Accompany the Group's by guaranteeing constant improvement in prevention, health and safety - Develop policies to ensure employees have the required skill level for their responsibilities - Put in place checks to ensure the integrity of salary setting and payment processes and supervise the implementation of employment benefits - Monitor compliance with applicable labor laws, regulations and agreements - Develop policies for international mobility and employees travel
Innovation, Services & Growth Department	- Ensure the technological development and scale-up of innovations - Provide operational support to entities and monitor Group performance - Ensure protection of Nexans' industrial and intellectual property rights
Purchasing Department	- Define and deploy purchasing strategies to reduce the Group's costs base - Select suppliers, negotiate contracts - Minimize supplier's dependency - Participate to CSR compliance in Nexans supply chain
Industrial Department	- Support, review and approve material industrial projects - Lead and coordinate the implementation of Nexans industrial program in all operating plants - Lead and coordinate Group standards relating health, safety, environment, and product stewardship - Develop and deploy state of the art quality processes and programs - Identify and assess the main industrial risks within the Group by regularly carrying out risk mapping - Design & follow up KPIs to ensure continuous improvement
Strategy and Merger & Acquisitions	- Identify and evaluate Group-wide strategic, industrial and commercial risks - Identify and assess-with support from relevant internal or external experts- the main potential risks or liabilities associated with acquisitions or disposals of assets or businesses, and factor them into the value and terms and conditions of the proposed transactions - Assist the potential geographic expansion of the Group, with a specific focus on monitoring and controlling risks when opportunities are identified in emerging markets
Information Systems Department	- Define Group policies and best practice for IT systems including security guidelines - Manage Group-wide IT projects, monitor and check IT networks and infrastructure (servers, telecoms, etc.) - Use IT systems to develop standardization, automation and efficiency of certain shared internal control processes in the Group - Accompany digital transformation, while rationalizing IT structures and operations to improve service quality and operating performance and security level within the Group
Cyber Security Department	- Define and implement policies and projects specific to the business cyber security plan - Develop guidelines on the use of information and industrial systems for all employees - Conducting regular security audits and security testing on the Group's key business and industrial assets, with the support of external service providers - Continuously strengthen Group's cyber security processes and tools to meet 3 axes: to prevent, to detect, to react against cyber incidents
Sustainable Development Department	- Define and facilitate the roll-out of Nexans' sustainable development commitments - Report and capitalize on the Group's CSR actions and performance - Contribute to multi-actor dialogue on environmental and societal issues - Coordinate the Group Corporate Social Responsibility program in liaison with the other departments concerned and ensure the Group's overall compliance with its CSR commitments and regulatory reporting requirements related to the program

2.3.6. INTERNAL AUDIT

Main responsibilities	Reference framework and/or mechanisms
- Ensure operating entities comply with the principles and rules defined by the Group - Perform IT system audits - Identify and share best practice in the Group - Investigate incidents of fraud -Monitor the implementation of action plans following audits	- Audit cycle of four to five years - Annual audit plan approved by the Audit, Accounts and Risk Committee-9 internal audits conducted in 2021 - Structured audit methodology - Fraud investigation reports - Anti-fraud training awareness-raising - Dashboard for quarterly follow-up of internal audit recommendations

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 in particular on the Group risk mapping. 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 compliance and corporate governance issues. Following each audit, a report is issued describing main weaknesses or failures in applying and meeting the Group's procedures. The report also contains recommendations for improvements; the most critical being monitored on a quarterly basis by Executive Management.

2.3.7. PROCEDURES RELATING TO THE 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.

2.3.7.1. 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.

2.3.7.2. 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

DPEF - RSE

3.1 SUSTAINABILITY AT THE HEART OF NEXANS' STRATEGY

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 and build a better future.

3.1.1. A LEADER IN THE SUSTAINABLE ELECTRIFICATION OF THE WORLD

Nexans develops, manufactures and provides maintenance for products and services to offer sustainable and reliable energy networks to Group customers. From energy production and distribution to usage, Nexans plays a leading role in advancing the energy transition on a global scale and in building a new electrified world, accessible to everyone, by offering its customers innovative, connected solutions.

The electrification of the planet is key to sustainable, balanced growth that benefits all of humanity. This revolution will bring out new players and new economic models linked to the decentralization and digitalization of electricity systems.

3.1.2. THE GROUP'S CSR COMMITMENTS, A HISTORIC CSR POLICY

In 2021, the Group marked a decade of working responsibly to respond to major climate 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.

The Group's strategy is based on the 2020-2023 CSR roadmap defined in 2020, with ambitious goals set for its three key pillars: people, environment and ecosystem.

3.1.3. CSR STRATEGY AND ROADMAP

The CSR roadmap for 2020-2023 was presented to stakeholders at the Nexans ESG 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.

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 the 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, carbon-free 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.

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.

Nexans has been a member of the United Nations Global Compact since 2008 and is committed to promoting the ten universally-accepted principles in the areas of human rights, labor, the environment and anti-corruption.

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	2021	Change 2020/2021	Target 2021	Target 2022	Target 2023
PEOPLE	Workplace safety	Workplace accident frequency rate[1]	1.87	1.81	↗	1.5	1	0.9
		Severity rate[2]	0.15	0.15	→	<0.12	<0.11	<0.10
	Human capital	Graded positions staffed internally[3]	47%	43%	↘	50%-55%	55%-57%	60%
		Women in management positions	24%	24.5%	↗	24%	25%	26%
		Women in top management positions[4]	14.7%	17.7%	↗	16%-18%	17%-19%	18%-20%
	CSR awareness	Employees eligible to Long Term Incentive with CSR criteria[5]	100%	100%	→	100%	100%	100%

			2020	2021	Change 2020/2021	Target 2021	Target 2022	Target 2023
ENVIRONMENT	Environmental management	Industrial sites certified ISO 14001	86%	89%	↗	88%	90%	93%
	Circular economy	Total production waste recycled[6]	89%	90%	↗	93%	94%	95%
		Sales generated from products and services that contribute to energy transition & efficiency[7]	57%	59%	↗	60%-70%	60%-70%	70%-80%
		Proportion of Nexans cable drums worldwide connected to digital platforms and recyclable[8]	7%	12%	↗	30%	55%	80%
	Climate	Reduction of GHG emissions (base year 2019) Location based[9]	-12.12%	-5.13%	↘	N/A	N/A	N/A
		Reduction of GHG emissions (base year 2019) Market based[9]	N/A	-17.34%	N/A	-8.4%	-12.6%	-16.8%
		Proportion of renewable or decarbonized electricity[10]	65%	73%	↗	65%	68%	72%

			2020	2021	Change 2020/2021	Target 2021	Target 2022	Target 2023
ECOSYSTEM	Business ethics	Managers having completed the yearly Compliance Awareness course[11]	98%	98.3%	↗	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	322	↗	230	370	500
		Employee engagement index[13]	N/A	72%	N/A	77%	78%	78%
	Nexans Foundation	Amount allocated by the Nexans Foundation	€300,000	€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: number of days lost because work accidents/hours worked)*1000. This rate relates to internals workers only.*
(3) Proportion of staff positions filled through internal mobility at position C and above, according to the Nexans Grading system. The 2020 data (58%) has been updated following a modification in the calculation method. The new methodology only considers "job applications leading to a hired candidate" in the reporting year.
(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 waste consists mainly of non-ferrous metal and plastic materials. It is revalorized internally or externally. In the 2020 Universal Registration Document, the waste rate was evaluated at 92% with a different methodology. The 2021 methodology was applied consistently for 2020 and 2021.
(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 the Internet Of Things (IoT) and that are recyclable after several rotations on the customer side. In 2020, the KPI was mentionning the number of tags purchased to equip drums. The rate was 17% in 2020 and is stable in 2021.
(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 for 2019, the base year. The 2019 data has been restated to have a scope identical to that of 2020 (removal of the five sites closed or sold in 2020 from the 2019 data).
(10) Proportion of renewable electricity produced directly by Nexans locations or the purchase of decarbonized electricity.
(11) Categorized in the MyLearning HR tool as "Executive Committee and Board members, other top executives, Managers and employees holding key positions" (notwithstanding Harnesses, where the top four Executives were in the scope), to complete the yearly compliance awareness course covering several topics including anti-corruption, conflict of interest, competition law, harassment and discrimination, and whistleblowing.
(12) Number of suppliers considered to have a high CSR risk and number of main Group suppliers with a valid EcoVadis CSR score ≥ 35% (or equivalent). Suppliers are categorized based on the EcoVadis supplier CSR risk map.
(13) Scope: Cable activity, excluding Industry & Solutions and Telecom & Data.

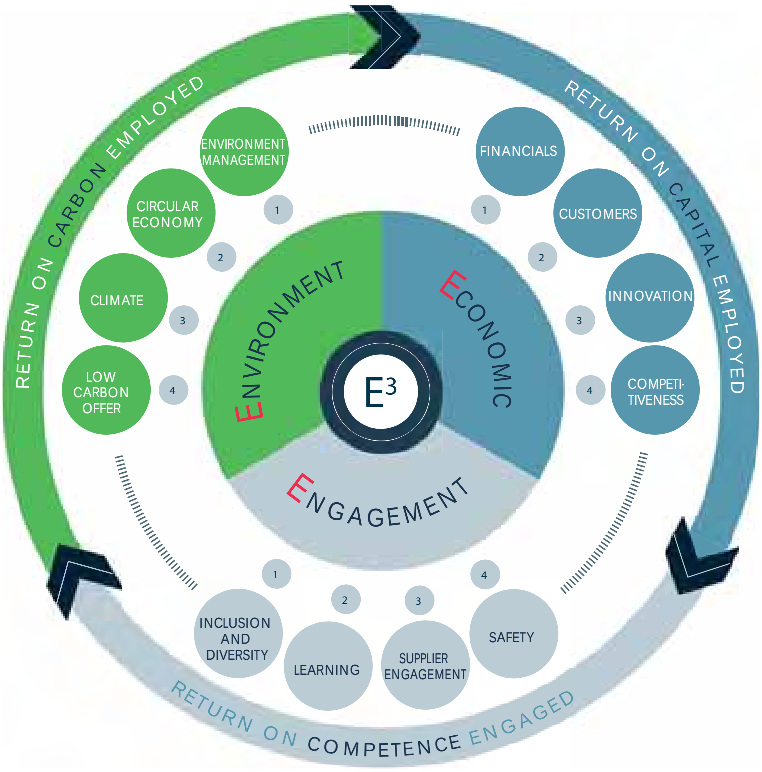
3.1.4. E³: A UNIQUE VALUE CREATION MODEL

To meet the goals of its CSR roadmap and long-term commitments faster, the Group has set up a tool to monitor the progress of its E^3 Program.

Nexans firmly believes that its E^3 Program — Economic, Environment and Engagement — will be a catalyst in driving the implementation of its new strategy. The Group faces increasing pressure from all its stakeholders to provide a 360° view of its impact and performance based on non-financial criteria. Economic, Environment and Engagement: the growing influence of key non-financial performance indicators on investment decisions, monitoring upstream and downstream emissions, the development of carbon tax systems, and finally our exponential exposure as an employer through the media. Leading by example in how we handle our environmental impact and employee well-being is essential to the growth of the new Nexans.

The Group initiated a quarterly E^3 ranking of its businesses to promote and reward those that have performed well in the three areas. Indicators have been defined for each of these pillars:

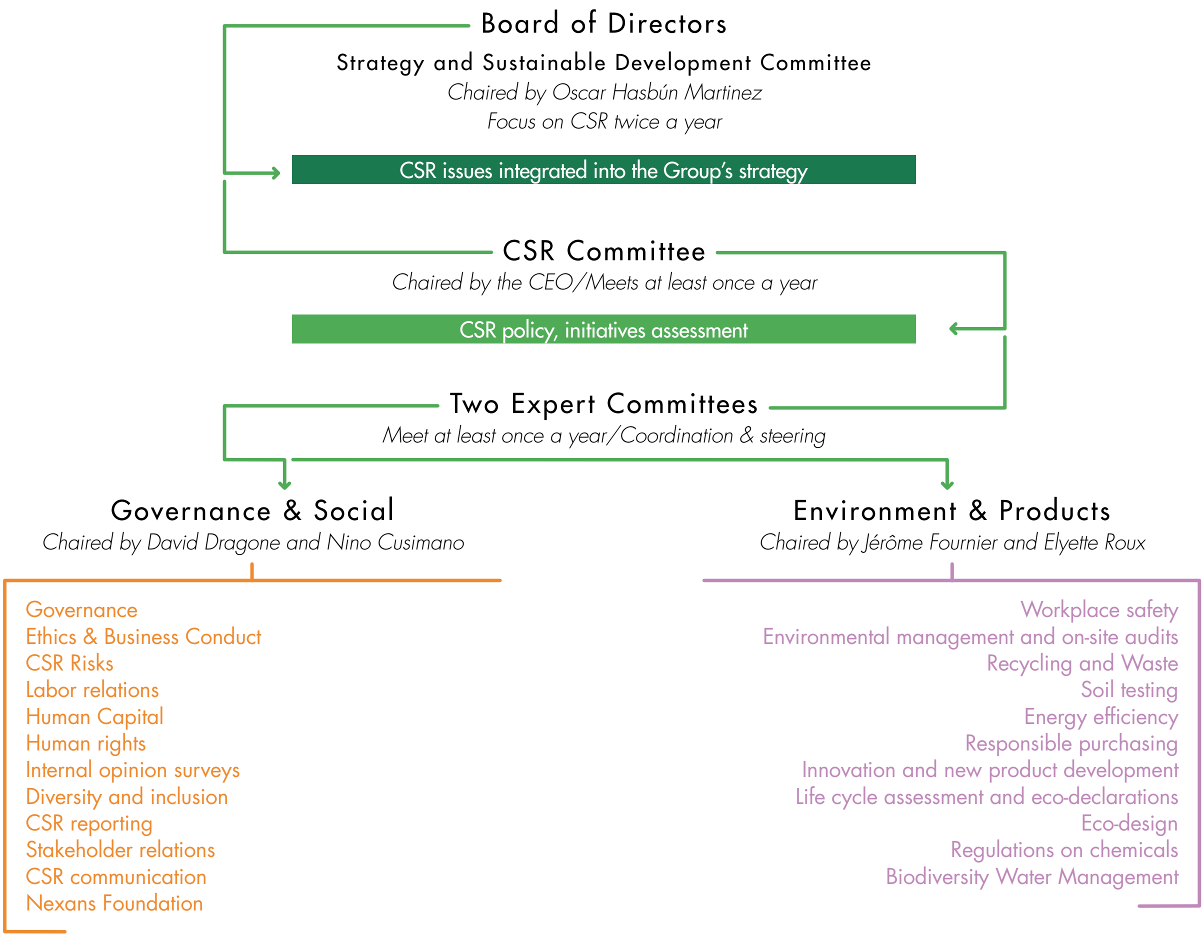
- Economic: improvement in EBITDA and operating working capital
- Environment: change in energy (fuel, natural gas, electricity) and water consumption, CO_2 emissions and waste management
- Engagement: absenteeism rate, accident frequency and severity rates, employee engagement, percentage of female managers



3.1.5. 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 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 Compliance Officer, who report to the Chief Executive Officer and the Board of Directors' Accounts, Audit and Risk Committee.

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.



First and foremost, twice a year, the Strategy and Sustainable Development Committee of the Board of Directors reviews how the Group takes into account sustainable development issues in defining its strategy.

The **CSR Committee**, chaired by the Chief Executive Officer[(1)], 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 to translate the CSR ambitions and other CSR issues into operations:

- **Governance and Social Affairs Committee** which is co-chaired by the Group's Senior Corporate Vice President, Human Resources, in charge of CSR and by the Senior Corporate Vice President, General Counsel & Secretary General, members of the Executive Committee: Governance, ethics and business conduct, CSR risks, labor relations, human capital, human rights, opinion surveys, internal employee engagement surveys, diversity and inclusion, CSR reporting, stakeholder relations, CSR communication, Nexans Foundation.
- **Environment and Products CSR Committee** which is co-chaired by the Corporate Vice President, Innovation, Services & Growth and the Corporate Vice President, Sales, Marketing and Communication, members 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, biodiversity and water management.

(1) CSR goals in the variable portion of the Chief Executive Officer's compensation.

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.

In December 2021, a Vice-President Sustainability was appointed to redefine governance and coordinate all of the Group's E^3 actions. as well as oversee the two expert committees, namely the Governance and Social Affairs Committee and the Environment and Products Committee. In 2021, monthly PLANET Project meetings were held instead of the Environment and Products Committee meetings to better monitor environmental actions.

3.1.6. CSR PERFORMANCE

The CSR performance of the Group is regularly measured and recognized by its stakeholders, in particular non-financial rating agencies (see section 3.4.5. "A policy of dialogue with its employees and stakeholders").

The strength of its CSR performance was affirmed in 2021, as assessed by:

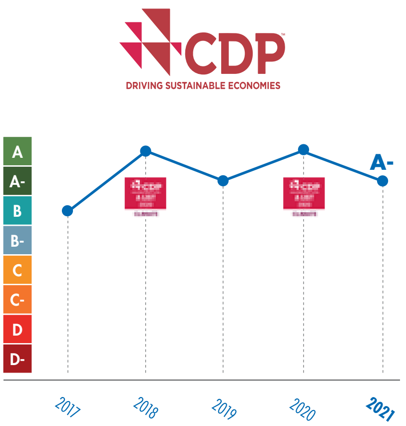
CDP (Carbon Disclosure Project):
A- rating (versus A in 2020 when Nexans was one of 273 companies selected out of the 5,800 that disclosed their data).

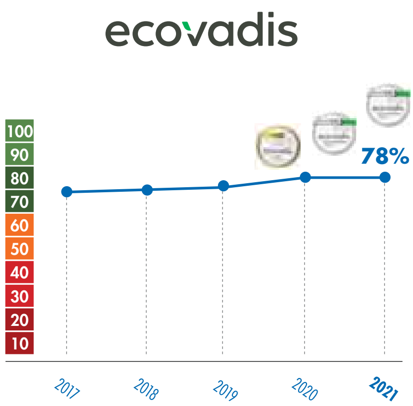
EcoVadis:
Advanced rating upheld with a score of 78% (78% in 2020), enabling the Group to maintain the EcoVadis Platinum level CSR recognition medal. The Group now ranks among the top 1% of companies assessed by EcoVadis.

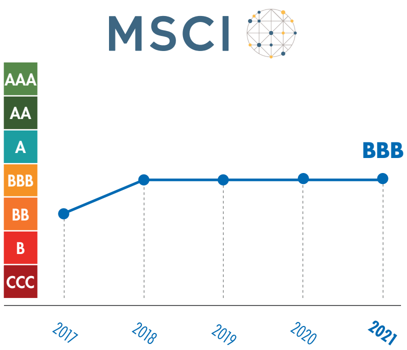
Sustainalytics:
In 2021, the Group's risk rating was 20.8, which represents a medium risk of material financial impacts driven by ESG factors. This rating is based on its average risk exposure and strong management of material ESG issues.

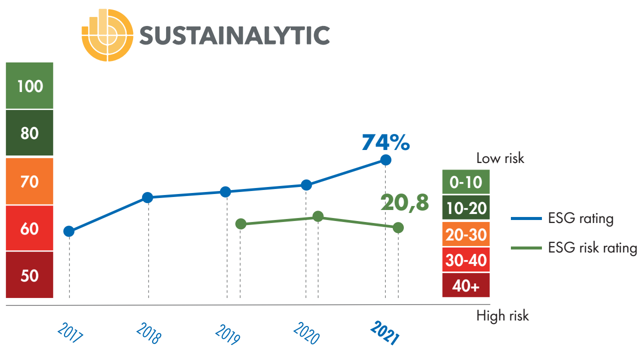
ISS Oekom:
B- rating maintained (the best rating in the industry is B), enabling the Group to keep its "Prime" status.

MSCI:
BBB rating maintained, ranking the Group in the top four in its industry.









3.1.7. THE 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 in 2021.

The analysis was carried out jointly by the Risk Department and the CSR Department in conjunction with the Operations, Purchasing, Innovation and Compliance Departments. It was presented to the Strategy and Sustainable Development Committee.

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. As regards the methodology, the risks are those which are specific to Nexans. This risk assessment is based on the measurement 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 consideration for each risk of the risk mitigation and management measures deployed by the Group to minimize their occurrence and impact.

Its level of exposure to these risks were then assessed based on a scoring system that takes into account both probability and impact. The Group notes that no significant impact of the health crisis on the themes covered by the mapping should be mentioned.

The identified CSR risks that have been classified as critical or material (including the Group's commitments derived from these risks) are as follows:

- 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 for 2023 (see section 3.2.2. "Committed to employees' health and safety policy" and section 3.4.8."Duty of care plan").
- Risks related to developing and retaining talent: check that the Group has, and will maintain, the necessary skills to meet its strategic goals (see section 3.2.3.1. "Talent & people development: appeal and accountability at every level/Description of risks and opportunities").
- Climate-related risks: ensuring that i) the Group's undertakings to fight climate change and the resources to mitigate these risks are in place and that ii) climate change issues are integrated into the Group's risk analysis and definition of strategy.
- 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 3.3.3. "Conserving resources and managing environmental risks" and 3.4.8. "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 3.4.6.1. "A guiding principle: Fair practices").
- 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 3.4.8. "Duty of care plan").

Although other CSR risks (such as those relating to human rights and workplace health) are issues of primary and vital importance for Nexans, they do not qualify as risks with the highest net impact as: (i) they are not necessarily specific to Nexans, and (ii) preventive measures are constantly deployed to avoid their occurrence and minimize their impacts.

The Group has put in place strategies for managing each identified non-financial risk, 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.

The table below provides an overview of the main non-financial risks identified and analyzed by the Group, as well as the opportunities relating to these risks.

Description of the risk and its potential impact	Group policies/ programs to prevent risk or limit its impact	2021 Achievements	Opportunities
HUMAIN			
SECURITY			
Risk: Accidents at work **Impacts:** • Serious/fatal injury/illness of an employee or any other person working at a Nexans site • Productivity loss • Property damage • Impact on the company's image • Legal proceedings/fines	• Security standards: 15 Safety Golden Rules • Tools: Job Safety Analysis (JSA); Safe and Un-Safe Act (SUSA); Settle Quickly Eradicate Control (SQEC) • Alert Management System • Monthly QHSE reports • Group Safety Committee	• 2021 – 92% compliance with golden rules • Frequency rate: 1.81 • Severity rate: 0.15% (2023 target < 0.10)	• Employee well-being • Improved discipline in process execution, including better productivity and cable quality
ATTRACTING AND RETAINING TALENT/SKILLS			
Risk: Difficulty attracting talent in the market and difficulty retaining talent within Nexans **Impacts:** • Costs associated with recruitment and integration issues • Perception of the Nexans brand in the market • Loss of skills	*ATTRACTING TALENT* • Define our Employer Promise linked to the Group's new Equity Story • Application monitoring procedure • Identify key requirements for the Group's transformation • Invest in extensive market knowledge • Roll out a pre-recruitment policy *RETAINING TALENT* • Digital Induction Program • Identify changes in functions based on emerging challenges for Nexans • Carry out internal assessments of new skills required • Individual action plans based on assessments to ensure that employee skills are in line with those required for Nexans' transformation • Promote internal mobility • Comprehensive investment in employee training	• 43.12% of the most experienced management positions filled internally • Continued partnership with AIESEC, the largest student organization worldwide, and collaboration with Business France on developing assignments under the Volunteering for International Experience (VIE) program. • "Employee Profile": a tool designed to make employee profiles more visible (for career development)	• Focus on the Nexans brand • Wider access to the best talent on the market • Increase in the retention rate • Improved integration of new hires
DIVERSITY AND INCLUSION			
Risk: Inability to provide equal opportunities **Impacts:** • Shortage of people from diverse backgrounds (especially women) in the pool of high-value applicants • Failure to comply with regulations • Negative corporate image	• A diversity and inclusion policy communicated to all employees • A dedicated, global WIN (We In Nexans) network • A steering committee led by the Director of Diversity and Inclusion • Training courses: i) a digital training program to raise awareness among employees about unconscious biases, ii) an in-person training program for employees without access to digital formats, iii) the "Women Leadership Program", which aims to train women to take up top management positions	• Targets relating to the proportion of female managers: 26% female managers by 2023. In 2021: 24% • Target relating to the proportion of women in top management: 18%-20% by 2023. In 2021: 17%	By promoting equal opportunities for all: • Focus on branding • Make Nexans more attractive • Greater talent retention
EMPLOYEE ENGAGEMENT			
Risk: Employee disengagement if employees do not develop a sense of belonging to the Group **Impacts:** • Loss of skills/productivity • Decline in financial results	• Changes in Group values (affecting 4,000 employees) • Policy of constantly listening to employees (Nexans Living Voices) • A clear Group strategy (Equity Story)	• Nexans Living Voices: 80% employee-participation • Employee engagement index: 72%	A high level of engagement in the Group means improved productivity
Employee Human rights			
Risk: Violations of human rights and fundamental freedoms **Impacts:** • Impact on health and well-being of Nexans employees • Impact on reputation • Legal impacts – Legal proceedings	• Inclusion of human rights issues in internal and social audits • Summary Q&A to answer questions from suppliers and customers • Specific governance structure dedicated to human rights, made up of 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 twice a year or upon request when issues arise.	• Human Rights Charter, co-developed with employee representative bodies, and incorporated into the Code of Ethics and Business Conduct.	Greater understanding of this issue among employees and of their individual roles, and stronger commitment on their part.

Description of the risk and its potential impact	Group policies/ programs to prevent risk or limit its impact	2021 Achievements	Opportunities
ENVIRONMENT & CLIMATE			
ENVIRONMENT – POLLUTION PREVENTION AND CONTROL			
Risk: Soil, water and air pollution at Nexans sites **Impacts:** • Fines in the event of failure to comply with regulations • Impact on the health of our sites' employees • Damage to the Group's image	• Environmental assessment and certification policy • Reasonable environmental due diligence in the context of mergers and acquisitions	• Implementation of a new system for analyzing industrial environmental risks • ISO 14001 certification: 89% of industrial sites certified in 2021	• Develop an image as a trusted partner • Contribute to cost control
ENVIRONMENT – CHEMICAL SUBSTANCES			
Risk: Tightening and increase in number of national regulations with regard to chemical substances **Impacts:** • Non-compliance of articles placed on the market due to a ban on or restriction of substances used in the cable composition or manufacturing process • Costs associated with the adaptation of various national legislations	• Policy for monitoring substances subject to these regulations, particularly the REACh regulation and the RoHS Directive • Tools for monitoring the substances used in the composition of the raw materials purchased, as well as the compliance of the articles with REACh/RoHS legislations • REACh coordinator supported by a network of local REACh correspondents	• Classification of sites according to the level of compliance risk • Action plan for all sites • Improvement of the monitoring tool, automatic calculation of KPIs for each site • 85% of sites with a minor or moderate risk level, versus 2% in early 2021 • 41 sites covered: all EU sites + sites manufacturing products imported to Europe + four trading sites • Registration of products containing substances to be notified in the European SCIP database • Chemical substitution (R&D program to find alternatives and substitutes for seven hazardous substances)	Market opportunity for premium offers
ENVIRONMENT – TRANSITIONING TOWARDS A CIRCULAR ECONOMY			
Risk: Strengthening of the regulations concerning environmental protection, the fight against global warming and resource preservation **Impacts:** • Increase in costs of raw materials • Break in the supply chain	• Target: all manufacturing sites ISO 14001-certified • Deployment of energy efficiency solutions at all sites • Connected drum program • Closed-loop cooling system investment program • Program for the use of recycled metals and plastics	• Generation of revenue from products and services that contribute to the energy transition and energy efficiency. In 2021: 59% • Percentage of Nexans' cable drums worldwide that are recyclable and connected to digital platforms In 2021: 12% • Of the 55 sites that use water for cooling, 52% have a recycling rate of over 75% • In 2021, 23,000 tons of recycled copper scrap, i.e., 4.6% of the Group's needs • 20% increase in the Group's use of recycled plastics in 2021	• Participation in virtuous value chains • Contributes to the Group's image
Risk: Strengthening of waste regulations: French anti-waste and circular economy law **Impacts:** • Increase in costs and administrative requirements with respect to waste management • Impact on reputation	• Production waste recycling policy Target: 100%	• Target: 100% recycling of production waste In 2021: 93% • In 2021, creation and membership of the Valobat Program 26 major companies, including Nexans, which supply materials to the construction industry, have created Valobat, an eco-organization. This will enable us to meet the new Extended Producer Responsibility (EPR) requirements for manufacturers of building products and materials	• Fits in with our ambition to reduce the complexity of our products and production processes («simplify to amplify») • Recovery/monetization of waste by other industries
CLIMATE - PHYSICAL RISKS RELATED TO CLIMATE CHANGE			
Risk: Increased frequency and severity of extreme weather events **Impacts:** • Damage to property and persons • Supply shortages	• Establishment of business continuity plans • Industrial investment policy based on adapted construction standards • Insurance policies • Policy to ensure that key suppliers have a business continuity plan • Alternative supplier policy	• Investments and preventive measures to secure assets • In 2021, analysis of physical risk conducted at major Group sites in accordance with TCFD recommendations to better apprehend this risk • No supply shortage due to natural disasters in 2021	• No break in our production chain

Description of the risk and its potential impact	Group policies/ programs to prevent risk or limit its impact	2021 Achievements	Opportunities
CLIMATE – TRANSITION RISKS RELATED TO CLIMATE CHANGE			
Risk: Volatility of energy prices due to changes in the energy mix towards a gradual phase out of fossil fuels **Impacts:** • Increased energy costs • Increase in the cost of goods and services purchased	• Group commitment: 100% of Group projects to be dedicated to energy efficiency and energy transition, promoting eco-design and low-carbon offers. • Group commitment: use of renewable energy by means of local production or the purchase of zero-carbon energy	• Deployment of energy efficiency solutions at all sites by 2030. In 2021, we partnered with Schneider Electric in developing an action plan to achieve our objective of contributing to carbon neutrality. • "RE100" 10% renewable electricity in 2019, the base year, 20% in 2020, 35% in 2021 • CO_2 savings plan in transport, plants, (target: 4.2% per year until 2030), contributing to carbon neutrality through the PLANET project	• Growth in market for Nexans energy efficiency offers • Cost reductions • Reduction of environmental impact • Attractiveness of our offers
DUTY OF CARE PLAN			
CORRUPTION			
Risk: Failure to comply with anti-corruption regulations **Impacts:** • Legal impact • Financial impact • Impact on the employer brand	• Code of Ethics and Business Conduct • Gift and Hospitality Policy • Policy with regard to intermediaries (sales agents, distributors, etc.)	• Whistleblowing procedure • Mapping of specific anti-corruption risks • Sales, purchasing and finance employees receive anti-corruption training each year	• Develop an image as a trusted partner • Sustainable sales development
HUMAN RIGHTS AND THE SUPPLY CHAIN			
Risk: Violations of human rights and fundamental freedoms by Nexans' suppliers or subcontractors **Impacts:** • Impact on health and well-being of Nexans employees, its suppliers and subcontractors • Impact on reputation • Legal impacts – Legal proceedings	• Nexans' duty of care plan towards suppliers and subcontractors • Nexans' policy with regard to human rights	• Nexans' CSR Charter signed by suppliers • Supplier CSR assessments (CSR scorecard issued by EcoVadis or equivalent) • On-site supplier CSR audit • CSR continuous improvement plan for suppliers with a score below 35	• Selection of virtuous suppliers and subcontractors • Strengthen collaboration with suppliers to consolidate partnerships
Risk: • Breach of applicable regulations with respect to the supply of conflict minerals and similar sensitive materials suspected of being used to finance armed groups, fuel forced labor and other human rights violations, and support corruption and money laundering. **Impacts:** • Impact on the Company's reputation • Legal impacts – Legal proceedings	• Nexans' conflict minerals plan • Nexans' CSR Charter to be signed by suppliers	• Nexans' CMRT V6.1 ("Conflict Mineral Reporting Template"): 100% compliance after due diligence of certain suppliers	• Strengthen collaboration with suppliers and improve reputation • Building trust with clients to foster business relationships

3.1.8. INDEPENDENT DATA VERIFICATION

This chapter presents the information that must be reported in the Non-financial Performance Statement[1].

An external audit was carried out on the compliance of the Non-financial Performance Statement pursuant to the provisions of Article R. 225-105 of the French Commercial Code *(Code de Commerce)* and the fairness of the information provided pursuant to section 3 of Article R.225-105 I and II of the French Commercial Code mentioned in this report pursuant to Article R.225-105-2 of the same code.

(1) Statement on Non-Financial Performance: articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

3.2 PEOPLE & CULTURE: LOOKING AFTER OUR PEOPLE & BUILDING A DIVERSE AND INCLUSIVE WORKFORCE

3.2.1. CONTEXT AND GOALS

Through their engagement, dedication, talent and diversity, people are part of what makes Nexans' vision a reality.

The Group started its cultural transformation to support its new strategy to become a Pure Player in electrification. Being positioned as a key player of the energy transition represents a fantastic opportunity to mobilize employees around our "purpose": "Nexans, Electrify The Future".

Human Resources thus play a key role in supporting the performance and transformation of Nexans:

- **Take care of the health and safety of each employee.** The Group shares a genuine safety culture, because it concerns everyone, whatever their role and wherever they work.
- **Support the Group's strategic ambition:** designing and implementing a holistic management system based on the E^3 performance model, motivating our people to support our cultural change, enabling them to play an active role as agents of change;
- **Attract and onboard talent** with the right skills to support the Group's future growth;
- **Retain and train people** through transfer of knowledge, continuous learning and internal mobility;
- **Foster diversity and inclusion** as Nexans is firmly convinced that diverse teams and differences are a source of richness and performance, not only for the company but also for all employees;

At the end of 2020 and throughout 2021, we committed to work on our founding principles by redefining our purpose "Electrify the Future", our mission and our values. This has been shared within the whole Group, through various initiatives:

2021 Targets and results

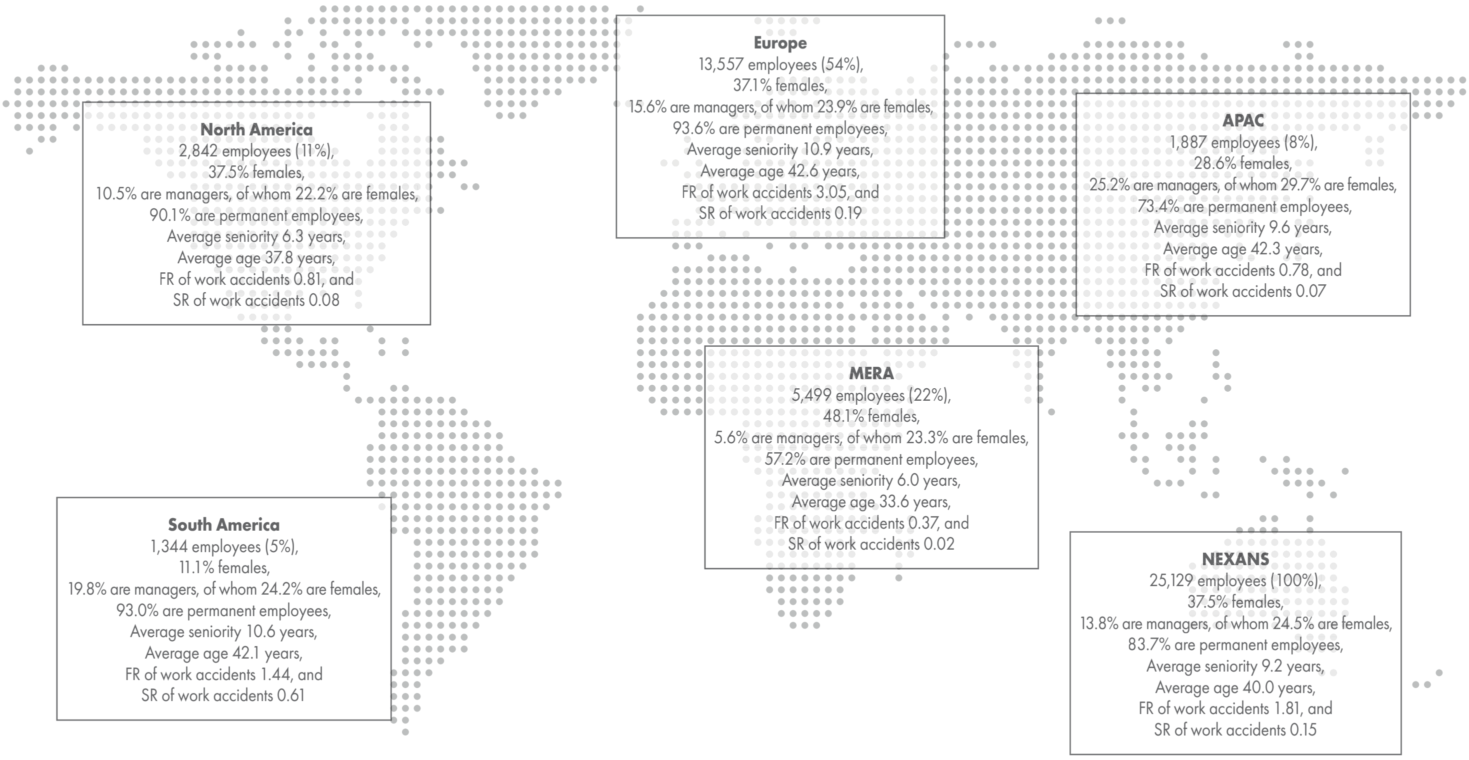
			2020	2021	Change 2020/2021	Target 2021	Target 2022	Target 2023
PEOPLE	Workplace safety	Workplace accident frequency rate[1]	1.87	1.81	↗	1.5	1	0.9
		Severity rate[2]	0.15	0.15	→	<0.12	<0.11	<0.10
	Human capital	Graded positions staffed internally[3]	47%	43%	↘	50%-55%	55%-57%	60%
		Women in management positions	24%	24.5%	↗	24%	25%	26%
		Women in top management positions[4]	14.7%	17.7%	↗	16%-18%	17%-19%	18%-20%
	CSR awareness	Employees eligible to Long Term Incentive with CSR criteria[5]	100%	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: number of days lost because of work accidents/hours worked)*1,000. This rate relates to internals workers only.*
(3) Proportion of staff positions filled through internal mobility at position C and above, according to the Nexans Grading system. The 2020 data (58%) has been updated following a modification in the calculation method. The new methodology only considers "job applications leading to a hired candidate" in the reporting year.
(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.

Nexans' People and Values

At December 31, 2021, Nexans employed 25,129 people (24,248 in 2020) in 42 countries, broken down as follows:

- a strong international presence, with 89.6% of workers outside of France;
- a substantial proportion of headcount (14%) made up of executives and engineers or the equivalent, of which 24.5% are women;
- an increasing share of women within the Group at 38%, up + 2% compared to 2020;
- a high share of full-time employees (98.6%) and of permanent contract employees (84%).



To transform our culture and create a great place to, work for, we launched our new purpose and values in 2020.

Our values are an integral part of our culture and the way we work together and this is how we will keep the promise of leading the charge to the new world of electrification:

We are **PIONEERS** of the energy transition.

We are **DEDICATED** to delivering to the highest standards of performance.

We are **UNITED** in achieving our ambitious goal: Electrify the Future.

The results of our annual employees' survey, Nexans Living Voices (see section 3.2.4.2. "Employee engagement mobilizing for higher performance/Group initiatives") highlighted that we have achieved great results in less than six months: 84% of employees say they understand and believe in Nexans' values.

3.2.2. COMMITTED TO EMPLOYEES' HEALTH AND SAFETY

3.2.2.1. DESCRIPTION OF RISKS AND OPPORTUNITIES

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.

Most of the accidents (76%) that occurred within the Group in 2021 were caused by unsafe behaviors, involving hazards relating to hand injuries, back injuries and movement of drums. To combat these risks, the Group draws on comprehensive programs and initiatives. In addition, each site is able to use an in-depth risk analysis to set its priorities and develop action plans to meet them.

Workplace health and safety is a key performance indicator covered by the CSR ambitions and an integral part of the managerial routines.

The Group clearly plans to continue to work on workplace health and safety in the years to come, and targets:

- a frequency rate target of 0.9 by 2023
- a severity rate target of less than 0.10 by 2023.

3.2.2.2. WORKPLACE SAFETY POLICIES

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 Health & Safety representatives.

In addition, Nexans strengthened its safety governance with:

- the launch of a Group Safety Committee that meets monthly to discuss safety results, identify best practices and make decisions on upcoming needs and actions;
- the establishment of Safety Council with a safety leader from each Business Group representing its sites to channel communications and actions throughout the organization and report issues to the Group Safety Committee;
- monthly QHSE reports to share results, site safety rankings for governance, recognitions and best practices.

As part of its improvement efforts, Nexans once again successfully achieved OHSAS 18001/ ISO 45001 certification for its safety management system, which is fully integrated and certified. This certification is in place for over 40% of manufacturing sites.

In 2021, Nexans has established a new Group Safety Policy. The following initiatives were launched or continued throughout 2021 to improve safety performance and awareness:

Annual Safety Day: Since 2014, the Group has held its annual Safety Day event at all its sites.

Due to the Covid-19 pandemic, the 2021 Safety Day was turned into a year-long "Hand Safety" campaign for all employees. Hand safety standards were reviewed and updated, particularly those relating to the use of cutting tools. A competition for employees to come up with a hand safety slogan and a SUSA site competition to identify potential hand hazards were organized throughout Group sites. These actions resulted in a 28% decrease in hand injuries in 2021.

Safety standards: In view of the main risks inherent to the business, the Group has defined a set of basic rules to be applied. In 2021, two training webinars were conducted, covering the key areas of each safety standard. They are now available as e-learning modules. These standards are non-negotiable rules that cover:

- Technical aspects (cutting devices, take-ups, etc.)
- Plants (visitors safety, site safety leaflets, etc.)
- The 10 rules (maintenance, forklifts, etc.)
- Regulations (LOTO procedure, work at height, etc.)
- Tools (risk assessment, accident reporting, etc.) and behaviors described below.

Safety Tools: The Basic Safety Tools used by operation teams with the support of the H&S 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 Acts/Conditions (SUSA) to report safety problems and suggestions; monitoring of potential hazard closure rates;
- Settle Quickly Eradicate Control (SQEEC) to provide a forum for employees to identify any safety concerns at their workplace with daily management reviews and resolution assignments;
- Take 5 program in which employees assess tasks to be performed before performing them to quantify the degree of potential risk and take actions to mitigate them before starting the task.

Nexans Safety Golden Rules: In addition to safety standards, Nexans defined in 2016 a set of 15 Safety Golden Rules, which must be applied at all Group sites. They were defined based on an analysis of the main risks and most serious or common types of accidents. The rules mainly cover drum storage, handling, work at height, traffic flow, wearing required protective equipment, etc.

Overall compliance is measured at all sites every year and is spot audited throughout the year, to ensure full compliance to these non-negotiable rules. When instances of non-compliance are identified sites then define corrective measures to meet the requirements for each golden rule. In 2021, Safety Golden Rules compliance was 86%.

Safety Fundamentals: In 2021, Nexans defined the Safety Fundamentals. These are twenty-two deliverables based within three major categories of Management, Workers, and Tools. Each site completes an annual self-assessment and spot audits are conducted throughout the year. When instances of non-compliance are identified, sites must put in place a corrective action plan. In 2021, Group compliance was 79%.

Alert Management System (AMS): The Group uses the 8D problem solving methodology as the standard for analyzing all incidents involving lost working time (LTI), medical treatment incidents (MTI) and serious first aid or near-miss cases.

These incidents are shared in the Group-wide Alert Management System (AMS), which is used to manage alerts in real-time. Since 2021, incident flash reports for LTIs have been immediately distributed to all managers and site safety personnel throughout the organization.

3.2.2.3. WORKPLACE SAFETY RESULTS AND ACHIEVEMENTS

Nexans has been very successful in the reduction of workplace injuries and illnesses, including those injuries resulting in lost time days. Since 2011, the Group has reduced the frequency of incidents by 73% and the severity of incidents by 59%.

In 2021, 43% of manufacturing sites did not record any occupational accidents involving lost working time in excess of 24 hours.

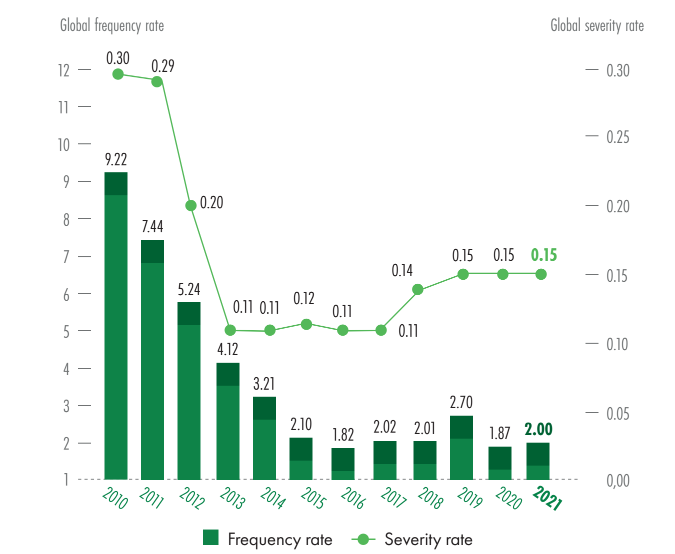
Several sites have stood out as not having any significant lost time accidents for a number of years. For example, the Futtsu site (Japan), with over 5,550 days without any accidents, the AmerCable site (USA) with over 4,200 days without any accidents, Kynsperk (Czech Republic) with over 3,300 days and Nanterre (France) and Casablanca (Morocco) with over 2,400 days.

The workplace accident frequency rate (FR1)[1] was 1.81, a decrease of 3.5% compared to 2020 and breaks down as follows:
- Frequency rate (FR1) for internal employees: 1.54 (with 66 accidents)
- Frequency rate (FR1) for temporary employees: 8.07 (with 15 accidents)

The Total number of workplace accidents and injuries treated frequency rate (FR2)[2], was 5.4 in 2021, experiencing a significant decrease of -17% compared to 2020 (with an FR2 at 4.5).

The Group's severity rate remained stable at 0.15.

In 2021, one fatal accident involving an external truck driver occurred at a Group site. Nexans immediately launched an investigation and reinforced safety measures at the site. The Group requested similar safety checks at all other sites.



The definitions of the frequency rate and severity rate are included in section 3.5. "Environmental and social indicators – CSR concordance tables".

3.2.2.4. WORKPLACE HEALTH POLICY

Nexans' well-being ambition is to create an environment where employees are empowered to manage their life and work optimizing their efforts.

Response to the Covid-19 pandemic

Well-being has been a strategic priority since 2020 and the Covid-19 pandemic. In that respect, Nexans has maintained the health measures (masks, gloves, hand sanitizers...) and has communicated on their importance. Nexans has continuously adapted its working conditions such as its policy of home office or isolation for contact cases in order to comply with local regulations and prevent any uncontrolled spreading of Covid-19.

Ensure a safe work environment

Entities identify and monitor possible **occupational illnesses** according to their local legislation. Given our activity, the following may be identified as occupational illnesses: musculoskeletal disorders, hearing problems and employee exposure 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. For example in the United States, employee safety is monitored through internal audits and through audits of employees' compensation insurance and our ISO certification. Items such as lead exposure, noise exposure, areas of risk in the plant are monitored.

In addition to caring for workplace safety, the Group also strives to ensure that its employees are as safe as possible when **travelling**. Nexans teamed up with International SOS in January 2021 to offer all business travelers, as well as expatriates and their families, in the Group a comprehensive medical and security service.

Bring awareness on health topics

Efforts are made also to bring awareness and engage on health topics such as breast cancer and prostate cancer. Nexans' Diversity & Inclusion network, organizes annual events around the theme of cancer awareness and prevention with Pink October and Movember. In 2021, for Pink October several hundred employees in 20 countries (and over 30 sites) actively participated while, teams were mobilized in 15 countries for Movember.

(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) FR2: 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.

Enhance 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. 2021 has seen more initiatives also focusing on mental health. In particular, the following initiatives should be noted:

- Group HR carried out a benchmark of best practices in all the Business Units and shared the information across the organization to inspire and encourage similar actions;
- Promoting physical activity and exercise by making sports equipment available and proposing well-being and fitness programs or challenges in Sweden, China and France;
- Australia and New Zealand, who had some of the toughest lockdowns in 2021, developed the "Be well" programs with dedicated committees composed of employees, focusing on physical and mental wellbeing, and the GEM resilience program celebrating a resilience month in 2021.

The Group is also proud to have dedicated employees who offer their time and expertise to help others, for example in Australia with a "tools down" virtual workout led by an employee and in France where two employees hold weekly yoga and naturopathy sessions, open to everyone (with participation via Teams from over 8 countries).

3.2.3. TALENT & PEOPLE DEVELOPMENT : APPEAL AND ACCOUNTABILITY AT EVERY LEVEL

3.2.3.1. DESCRIPTION OF RISKS AND OPPORTUNITIES

Attracting and developing talent is crucial to the ongoing transformation of Nexans. The Group constantly strives to provide the environment and motivation for its employees to take control of their own career progression, through access to learning and development and the latest job opportunities, and through readily available resources.

Measures are in place to minimize the impact of employee turnover, performance, and disengagement on Group productivity and performance.

The Group aims at 60% of graded positions staffed internally by 2023.

3.2.3.2. GROUP TALENT MANAGEMENT POLICY

To achieve its transformation goals, Nexans must attract and develop the right talents. Meanwhile, the Group must help the Company's employees adapt to this new environment.

The following factors shape the talent profiles and skills needed:

- the ambition to shift from a pure cable manufacturer to an electrification pure player by 2024;
- the deployment of the E^3 licence to operate, changing the Company's performance model at all levels;
- the acceleration of digitalization, innovation and marketing within the organization.

Accordingly, Nexans' talent management policy focuses on:

- identifying of the key functions impacted by the business transformation and development of a workforce planning program;
- shaping Nexans into a learning organization to prepare managers and employees to take on our new challenges and to give everyone the chance to grow;
- implementing a talent acquisition strategy and developing a new employer brand to position us as an "employer of choice" for new markets.

3.2.3.3. DEVELOP OUR TALENTS

Scale up the main functions driving our transformation

In 2021, the Group initiated a large-scale transformation of the sales, marketing and innovation departments to support its ambition to become an electrification pure player that is more customer, innovation and system driven.

A business planning methodology was deployed to chart out the "shift" in skills required.

We identified changes in functions based on their new challenges and then established a Role Model guide, describing the new mindsets, habits and performance indicators, skills and expertise, to adopt and acquire in order to move from "where we came from" to "where we are going".

We organized assessments of employees and provided managerial and HR monitoring processes to implement a customized action plan for each employee. The cohort-based structure ensures that the new cultural and methodological principles needed for these functions to succeed are aligned at a collective level.

Since the beginning of 2021, more than 60 managers/key leaders from these functions have been evaluated.

Transforming Nexans into a learning organization

The magnitude of our organizational and business challenges requires continuous learning at all Group levels.

Nexans' training policy focuses its actions on:

- Providing an in-depth understanding of the fundamentals of the Group's strategy, mission and values;
- Implementing Group-wide training programs leveraging our transformation : in 2021 programs launched focused on innovation;
- Encouraging the development of technical expertise and skills at all levels, through an extensive digital course catalog available on our MyLearning platform.

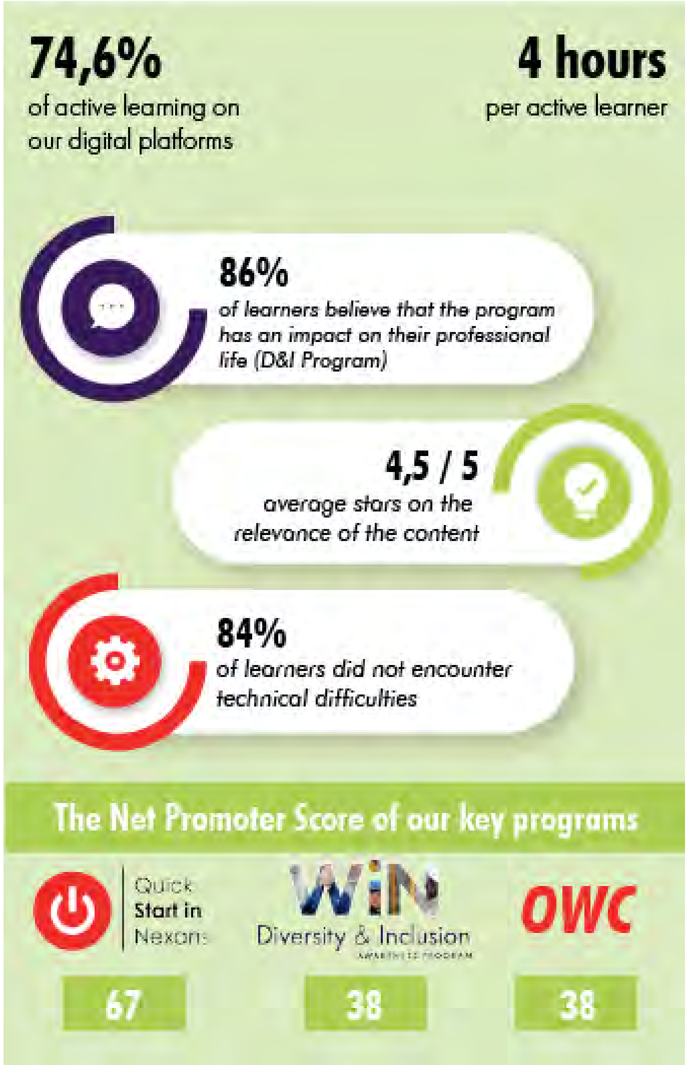
Digital learning: the Group's transformation tool

Because Nexans wants to achieve its business goals and stand out from the competition, it must invest in its people and prepare them for the future with the right set of skills, at the speed of change. The innovations conducted since 2019 in digital learning are solid steps in that direction.

Launched at the end of 2019, the Learning CoE selects, designs and offers built-to-measure digital training courses for the Group. It features:

- Access via the MyLearning platform to our internal and external catalogs, including MOOCs, e-learning modules, videos and open-access resources.
- Group-wide programs to enhance employee performance and to disseminate and foster take up of the Group's principles and methods:
  - the Quick Start in Nexans digital induction program for new employees to support them through their integration phase and maximize their performance as soon as they take up their position;
  - Nexans Business Fundamentals for general management topics;
  - Diversity and Inclusion program to raise awareness and voluntary monitoring (1,600 learners in 2021);
  - A fully digital edition of the Compliance week open to all our learners, regardless of their level (5,000 learners in 2021).
- Our digital e-Academies grouped by function and built in collaboration with our business experts.
- Identification of online university programs, such as at Harvard and MIT, that we offer to key employees as part of our strategic plan.

We currently note high participation and satisfaction rates for our learners on our programs, showing that they have rapidly embraced this new training format and have integrated it into their daily routines.



Digital Induction Program

The "Quick Start in Nexans" digital induction program was designed in 2020 and has been used by to close to 600 new employees since its launch. This program aims to support them through their integration phase and maximize their performance as soon as they take up their position.

The internal survey shows a high satisfaction rate of employees thanks to Nexans' efforts to integrate them during the pandemic. In 2021, the Employee Net Promoter Score (ENPS) for this course was **59 points**, the highest score of any course available.

90% of new Nexans employees think that their integration into the Group has been successful.

Empowering employees to take charge of their professional development

Extensive resources are available for employees. 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.

A strong development program dedicated to business unit leaders

To guarantee the success of our future leaders, the Group has created a development program spanning several weeks. It includes psychometric tests followed by an in-depth professional interview with external consultants. At the end of the program, the consultants provide leaders with a personalized Development Plan.

Total investment in training

In 2021, the total time devoted to training amounted to 419,275 hours; an increase of +4.7% compared to 2020 (the total training hours in 2020 was 400,502). 91% of these hours were delivered to non-managers, and the number of training hours per employee trained averaged 28 hours.

The number of employees who followed one or more training courses during the year was 15,116 (over 59% of the Group's average headcount, versus 48% in 2020). Managers count for 20.4% of the total employees trained.

Over 7,400 employees worldwide have now access to our MyLearning digital platform, and 1,833 employees have attended our functional academies.

In 2021, 74.7% of our digital learner base took at least one digital training course over the course of the year, totaling 22,673 hours or an average of 3 hours per "connected" employee (versus 2.9 hours in 2020).

In 2021, training efforts focused on technical skills – core business, which represented 60.6% of the total training provided. In addition, up to 16.6% of the total training programs were devoted to safety and 14.2% to personal development.

Internal mobility strategy to help our people grow

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 positions) by 2023.

Internal & international mobility

Several initiatives have been taken to promote internal mobility at Group level, such as defining a new internal mobility policy, and launching an internal communication and awareness campaign for employees and team managers. This has made it possible to fill almost half of the most experienced management positions internally both in technical and production-related fields and in support functions.

The HR IT system has undergone significant adjustments to improve the experience of connected employees. The Employee Profile platform encourages information sharing and the creation of Group communities and networks.

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 to our international customers. The Group is particularly effective in anticipating and managing their return to their home country thanks to its career committees.

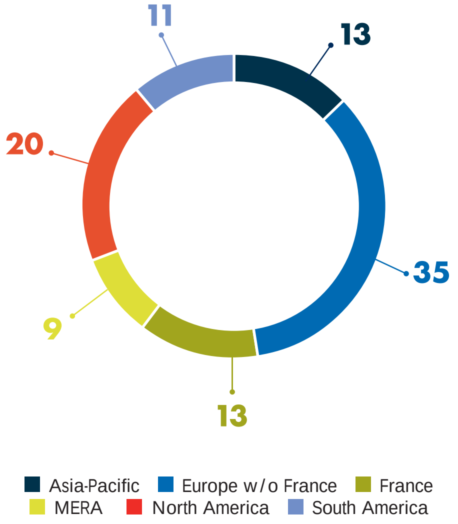
At end-2021, 46 employees were on international mobility assignments (lasting more than one year). They are all covered by four formal policies which ensure equal treatment for all those involved in the international mobility program, along with social and tax protection adapted to their individual situation.

Most of the international mobility positions were in Industry, accounting for 43% of expatriates in 2021, followed by Management with 15%, and Finance with 11%.

The average length of service for expatriates in the Group is 13 years.

Nexans expatriates worldwide - December 2021

(in %)



3.2.3.4. ATTRACT TALENTS

In 2021, the Group hired 5,932 new employees: 57% of them were under 30 (versus 61% in 2020), 25% were between 31 and 40 years, 12% between 41 and 50, and 6% were over 50 years old.

Employer brand and social media

Social media plays a central role in Nexans' employer branding – enabling it to engage extensively with talent to showcase the Group as an employer and how its businesses contribute to the energy transition. In 2021, Nexans was awarded The LinkedIn Talent Award as "Best Talent Acquisition Team in 2021" in the category of companies with 5,000 and 10,000 employees on LinkedIn.

To heighten Nexans' reputation and attractiveness as an employer, in 2021 the Group started to define its employer promise, aligned with the Group's new ambition, and ready to be launched in the first half of 2022.

Pre-recruitment policy

For junior management positions, our strategy is to retain the most talented young people after their initial internship or apprenticeship with the Group.

Despite the pandemic context, in 2021 Nexans pursued its partnership with AIESEC, the largest student organization worldwide. This year, the Group welcomed eight foreign students from the AIESEC network for periods of six to up to 18 months.

Nexans also continued to work with Business France on developing assignments under the Volunteering for International Experience (VIE) program. In 2021, nine young people from the European Union aged 18 to 28 had the opportunity to work at one of our subsidiaries for six to 24 months. About one-third of these workers were recruited at the end of their assignment on either a local contract in the host country or in France.

3.2.3.5. COMPENSATION, BENEFITS AND EMPLOYEE SHARE OWNERSHIP

The main underlying goals of the Group's compensation policy are to strengthen employee engagement, 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 and effectively define salary increases by regularly using compensation surveys and taking into account 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, the 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 changes in payroll is available in the parent company financial statements (wages and salaries) published in the Universal Registration Document (see section: 5.2.4. "Company's 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, which is 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. Regarding the compensation for overtime, this is either paid or compensated by time off, depending on the collective agreements of each company the labor laws applied in the country.

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.

At December 31, 2021, 18.50% of Group Employees owned shares in Nexans, representing 3.22% of the share capital.

Act 2016 reached maturity in 2021

The Act 2016 share ownership plan reached maturity in July 2021 after a five-year holding period.

Employee share owners were given the option of keeping the funds in the Group's Savings Plan, notably in the corporate mutual fund invested in Nexans shares or cashing in on their investment and receiving the realized gains.

In the end, almost 25% of the amounts that could have been taken out by employees remained invested in Group shares.

The excellent performance of Act 2016, which amounted to a minimum of 48.28% in Euros (excluding taxes), once again confirms that the Act share ownership plans represent a significant component of the employee benefits offered by Nexans, and are particularly interesting from a long-term perspective and in a complex economic environment.

Two other plans, Act 2018 and Act 2020, are on going.

3.2.4. EMPLOYEE ENGAGEMENT: MOBILIZING FOR HIGHER PERFORMANCE

3.2.4.1. DESCRIPTION OF RISKS AND OPPORTUNITIES

Employee engagement 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.

3.2.4.2. GROUP INITIATIVES

The Group has launched a number of initiatives over the past years to engage all its employees and reinforce their feeling of belonging.

Staying in touch and "taking the pulse" – Nexans Living Voices

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 engagement.

The Group has been conducting its employee engagement survey every two years since 2014.

We have decided to adapt our employee listening methodology: on the one hand to reflect the digital world in which we live, and on the other hand to improve employees' engagement via more regular listening methods, and therefore more impactful improvement actions because they are implemented more quickly.

We have therefore proposed a more frequent (annual) and shorter survey in 2021, and have adapted the questions asked, particularly those relating to the measurement of engagement. This is Nexans Living Voices.

Nexans' engagement rate reached 72% in 2021.

The targets set for 2021, 2022 and 2023 in the CSR Scorecard published at the end of 2020 took into account the methodology used in 2014, 2016 and 2018 for the employees engagement survey.

This implies that the targets for measuring the engagement rate set with the old methodology no longer have the same relevance; with this new methodology, and in view of the benchmarks available to us, we estimate that our new engagement rate target would have been 73% for 2021 and 2022, and 74% for 2023.

We are not yet at this target in 2021, and every level of the organization is working to propose and implement actions to improve the various points, and in particular our engagement rate.

The aim is to improve the transformation of employees' expectations for their work life (management, leadership, training, communication, operating efficiency, etc.), by translating these expectations into actions and change initiatives, while measuring the effectiveness of these actions. In this way, we hope to prove to each employee that it is essential for them to express themselves about what works well at Nexans and what can be improved.

The Group also plans to launch shorter surveys to measure employee sentiment during periods of change (health crisis, acquisition, transformation within a corporate function, etc.).

Cultural change – Nexans Living Values

To guide the Group's strategic transformation, focus is placed on cultural change, which is what the Group calls its "Culture Story". This means designing a global approach to adapt and change Nexans' culture, (i) to actively contribute to the New Nexans and to guarantee its performance, while taking advantage of what Nexans already has to offer, and (ii) 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.

After reworking Nexans' "purpose" and mission in 2020, in 2021 we moved on to its values, which capture how this cultural change will be embodied by each employee. We asked all employees to choose the three words that best represent Nexans for the future.

And these three words became our three values: PIONEERS – DEDICATED – UNITED

We designated and created "Nexans Living Values" workshops to help employees better grasp our values by asking them to think about how to bring these values to life. These valuable workshops were also a way to build together, strengthen social relationships after a difficult year in 2020 and, more importantly, define the behaviors that we want to see or do not want to see at our Nexans sites.

This is how we brought on board more than 4,000 employees, from all sites, all functions and all organizational levels.

The Nexans Remarkable People Program

The engagement and outstanding contribution of our employees are recognized every year through the Nexans Remarkable People Program, which has handed out awards to more than 486 employees since it began in 2016.

Nexans Remarkable People has several objectives: first, to embrace and embody our values with each nomination that reflects one of them; second, to promote and share best practices with the entire Group; and third, to recognize and thank each employee who has gone beyond what was expected of them in their work.

The program is open to all countries, sites, functions and levels of responsibility for either an individual or a team.

The program was a resounding success, with a record number of applications reflecting employee support for the new values. Its popularity also points to the program's important role within the Group.

The program is supported by all Group managers. Anyone can submit an application, individually or as a team, which moves up the managerial line to the Executive Committee. Its members vote together to determine the winners. This year we were proud to have 32 winning entries from 16 countries, with recognition for 111 employees.

The Executive Committee then announces the good news to the winners in the presence of the manager who submitted the application. These surprise announcements are filmed and shared on the dedicated Remarkable People Yammer network. Thanks to the videos, photos and comments shared on Yammer, everyone can learn about the project and draw inspiration from the achievements of all winners.

3.2.5. DIVERSITY AND INCLUSION: KEY ENABLER TO SUCCEED IN OUR TRANSFORMATION

3.2.5.1. DESCRIPTION OF RISKS AND OPPORTUNITIES

At Nexans, we take careful steps to create a diverse, talented and engaged workforce to help make our goals a reality.

We believe that diversity and inclusion bring great value to the organization, as these factors improve not only financial performance, but also the employee experience. Diversity and inclusion therefore resonate with our new strategy. They are critical to our new E^3 license to operate – as well as with our values, especially UNITED.

Without doubt, our employees, our workplaces, our customers and partners, and the entire ecosystem in which we operate, are intrinsically diverse.

The Group aims to have 26% of women in management positions (graded positions) and 18% to 20% of top management positions held by women by 2023.

3.2.5.2. GROUP POLICIES

We want to make sure that everyone at Nexans feels comfortable being who they are, because everyone is unique. No one should be harassed or discriminated against because they are "different". 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. The Group is also committed to protecting human rights.

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. (see section 3.4.8.4. "Human Rights and fundamental freedoms risks").

A more inclusive culture must be promoted at all levels of the organization and at every Nexans plant and site and the Group's governance structure has a rich cultural diversity (see section 4.3.3. "Diversity policy among governance bodies"). People from nearly 30 nationalities work at the Group's head office.

In March 2021 for the first time, we defined and distributed to all employees our Diversity and Inclusion policy, which sets out our goals to improve diversity and inclusion.

We have set up a special governance system:

- a dedicated global network, WiN - WE in Nexans, made up of men and women from different organizational levels within the Group
- a steering committee led by the Director of Diversity and Inclusion.

The WIN network has accelerated its growth since 2020 by increasing the number of members and implementing a wider range of actions worldwide.

Working with the Training and Learning team, the network sponsored a digital training course to raise awareness about unconscious employee biases. The course was a great success. Due to its immense popularity, we developed a face-to-face version, especially for "unconnected", or offline, employees.

The Group decided to target four priorities: gender diversity, disabilities, socio- economic backgrounds and sexual orientation.

Foster gender diversity

We want to better reflect the society in which we live, so we believe that a more balanced representation of women will help Nexans to perform even better.

The Group has therefore set two targets to improve gender diversity by:

- having 26% of manager posts (graded positions) held by women by 2023 – compared to 24.5% in 2021
- increasing the proportion of women in top management from 18% to 20% by 2023 – this proportion was 15% in 2020, and has already been increased by 2 points to 17% in 2021

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.

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.

In 2021, the Group launched the "Women Leadership Program" designed for women identified as high potential, to foster the emergence of future female leaders.

As diversity is a performance lever, we want to enable these women to develop their technical and managerial skills specific to the Group's activities and to enhance their leadership, professional communication and networking skills. We aim at to enable them to work for themselves, their teams and for Nexans, and take higher top management positions in the Group throughout their career.

Nexans and employment of people with disabilities

In 2021, Nexans France pledged to help people with disabilities by introducing a national assessment performed by AGEFIPH. This assessment will enable us to initiate Group negotiations in France with employee representative bodies with the aim of signing a disability agreement by the first quarter of 2022.

The 2021 European Disability Employment Week was an opportunity for Nexans to reiterate its pledge to support people with disabilities and to announce the first actions taken based on the assessment. The event also serves as an opportunity to educate employees through various on-site actions:

- Continued work with the sheltered sector for landscaping and on-site food services;
- Organization of Duoday, an event that pairs a person with a disability and a volunteer professional;
- Awareness with a video created in partnership with students from Sup'RH, a school specialized in human resources, on the different types of disabilities;
- A testimonial from a person with a disability was produced at the Paillart site and will soon be distributed to all sites during Disability Week;
- An intranet page was created to inform employees about disability issues.

Committed to a more inclusive society

In 2020, the pandemic has increased social vulnerabilities and pushed households into poverty. Children and young people were particularly affected.

In this context, Nexans immediately went into action and contributed to the government's "1 jeune, 1 solution" plan starting in July 2020, so that no young person was left without a solution.

For Nexans France, this has resulted in:

- more than a hundred apprentices recruited throughout the country, a 70% increase on the apprentices recruited in 2020;
- 90 young people under the age of 30 hired on fixed-term and permanent contracts.

Nexans has also signed two partnerships with:

- Association Nos Quartiers ont du Talent, an association working for equal opportunities to promote the professional integration of young graduates, aged under 30, from modest social backgrounds and from rural areas, through a sponsorship system involving our volunteer employees. To date, we have 51 mentors throughout France: 53 young people are being mentored, 37 of which have already found a job or training program following their mentoring.
- The Pôles Association, located in a disadvantaged neighborhood and working in the social and solidarity economy, labelled by the government as a "Grande école du Numérique" (Digital School) for the implementation of digital mediation workshops for our operators.

LGBT+

We used the opportunity of Pride Month in June 2021 as an opportunity to raise employee awareness and start showing that Nexans supports the visibility of LGBT+ individuals. The Chairman of the Board appeared in a special video alongside the Head of Diversity and Inclusion and a Nexans employee advocating LGBT+ issues. The Group will continue to focus on this type of diversity in 2022, particularly during Pride Month.

3.2.6. SOCIAL DIALOGUE, THE SOURCE OF THE GROUP'S COLLECTIVE RESILIENCE

3.2.6.1. GROUP POLICIES

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 agrees 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, relative to work, the modernization of labor relations and job security, the Group continues to look forward to the publication of the decree.

3.2.6.2. 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 very short time span.

The strength of its social dialogue empowered the Group to meet this challenge, enabling the 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 thorough annual collective bargaining process, with 97 collective bargaining agreements signed in 29 countries in 2021.

The agreements signed during the year concerned the following topics.

- workplace health and safety;
- arrangements for implementation and financial compensation for furloughed workers;
- compensation and benefits (salaries, bonuses, profit sharing, etc.);
- organizational issues (skills and performance, job classifications, employment planning, etc.);
- working conditions (working time, training, paid leave, psychosocial risks, strenuous working conditions, equitable treatment, gender equality, etc.);

In 2020 and 2021, 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 since 2020 and maintained in 2021 to improve current systems by taking an adapted, structural approach in line with national regulations

3.2.6.3. A EUROPEAN BODY DEDICATED TO SOCIAL DIALOGUE

Set up in 2003, the Nexans European Works Council (NEWCO) is dedicated to sharing information, exchanging views and opinions, and discussing labor issues at the European level.

It serves as a veritable transnational body, with a role that is separate from but complementary to that of the national representative bodies and with 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 2021, the NEWCO had an exceptional year and met eight times specifically to support the Group's communication about the 2022-2024 strategic roadmap, "Electrify the Future".

This new strategic plan was presented in detail to NEWCO members at an exceptional meeting held on February 18, 2021. It led to an in-depth discussion between employee representatives and Group management. Following this constructive dialogue, a reasoned opinion was issued on the critical points to consider raised by employee representatives regarding the effective implementation of this new strategy. The opinion was submitted on June 9, 2021.

Based on this opinion, a draft outline of the businesses to be sold by the end of 2024 was presented to NEWCO members to prepare the legal procedure for the forthcoming disposals and ensure the continuity of the Group's collective agreements.

After four exceptional meetings, during which management clarified and adjusted the draft outline, an updated reasoned opinion was issued on October 7, 2021 to launch the effective implementation of the planned strategy. National authorities in Germany, Belgium and France were also involved in the information/consultation process, which ended on October 7, 2021.

The ordinary meeting for the second half of 2021 was held on November 18, 2021 in person to bring together all NEWCO members in Paris and close this exceptional year for social dialogue.

Social dialogue in Peru

As a result of constructive dialogue, teamwork and mutual trust between Nexans Indeco unions and Group management, factors which constitute the foundation of the relationship, a two-year agreement running from 2021-2023 has been signed.

This agreement covers:

- Economic conditions (salary increases, allowances and bonuses)
- Working conditions and well-being (work shifts, safety issues, dining rooms, training and development, health plans),
- Union issues.

This process was successfully carried out despite an uncertain national context, with a change of government and legal instability. It was a great opportunity to reaffirm the well-being and safety of the personnel, as well as the sustainability of the company, as a common objectives.

Group management and the unions have agreed on a particular clause that includes the way in which the relationship with the unions has to be managed flawlessly to achieve good results even during the pandemic crisis.

Social Dialogue in Qatar

As the first company to implement the formation of a joint committee in Qatar, QICC has promoted employee rights by partnering with the International Labor Organization (ILO) and Ministry of Administrative Development, Labor and Social Affairs since 2018.

With the aim to promote employee rights through a new communication channel that will be an avenue for management to share information with employees and at the same time enable employees to raise questions, issues or concerns to management, QICC reached out to the International Labor Organization's project office in Qatar to pilot the formation of a joint committee thereby helping to upgrade the standard of working life for employees in 2018.

Since 2018, this joint committee, whose members are every two years bridges the gap between management and employees by facilitating an open communication to solve any work-related issues and enhance the working conditions of employees. Further, the joint committee gives information about the decisions relating to the management and the economic and financial evolution of the company, the organization of working time, the evolution of employment, health and safety, and working conditions.

3.3 THE ENVIRONMENT : A RESPONSIBLE AND SUSTAINABLE APPROACH

3.3.1. CONTEXT AND GOALS

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 2020, the Group announced its goal to contribute to carbon neutrality by 2030. Its environmental strategy is also designed to conserve resources, promote the circular economy and anticipate the potential impact of climate change on its business model.

Climate change is an opportunity to transform Nexans' business model, by accelerating its electrification business, and by developing innovation that can improve the energy and environmental performance of its products.

Targets and results

			2020	2021	Change 2020/2021	Target 2021	Target 2022	Target 2023
ENVIRONMENT	Environmental management	Industrial sites certified ISO 14001	86%	89%	↗	88%	90%	93%
	Circular economy	Total production waste recycled[6]	89%	90%	↗	93%	94%	95%
		Sales generated from products and services that contribute to energy transition & efficiency[7]	57%	59%	↗	60%-70%	60%-70%	70%-80%
		Proportion of Nexans cable drums worldwide connected to digital platforms and recyclable[8]	7%	12%	↗	30%	55%	80%
	Climate	Reduction of GHG emissions (base year 2019) Location based[9]	-12.12%	-5.13%	↘	N/A	N/A	N/A
		Reduction of GHG emissions (base year 2019) Market based[9]	N/A	-17.34%	N/A	-8.4%	-12.6%	-16.8%
		Proportion of renewable or decarbonized electricity[10]	65%	73%	↗	65%	68%	72%

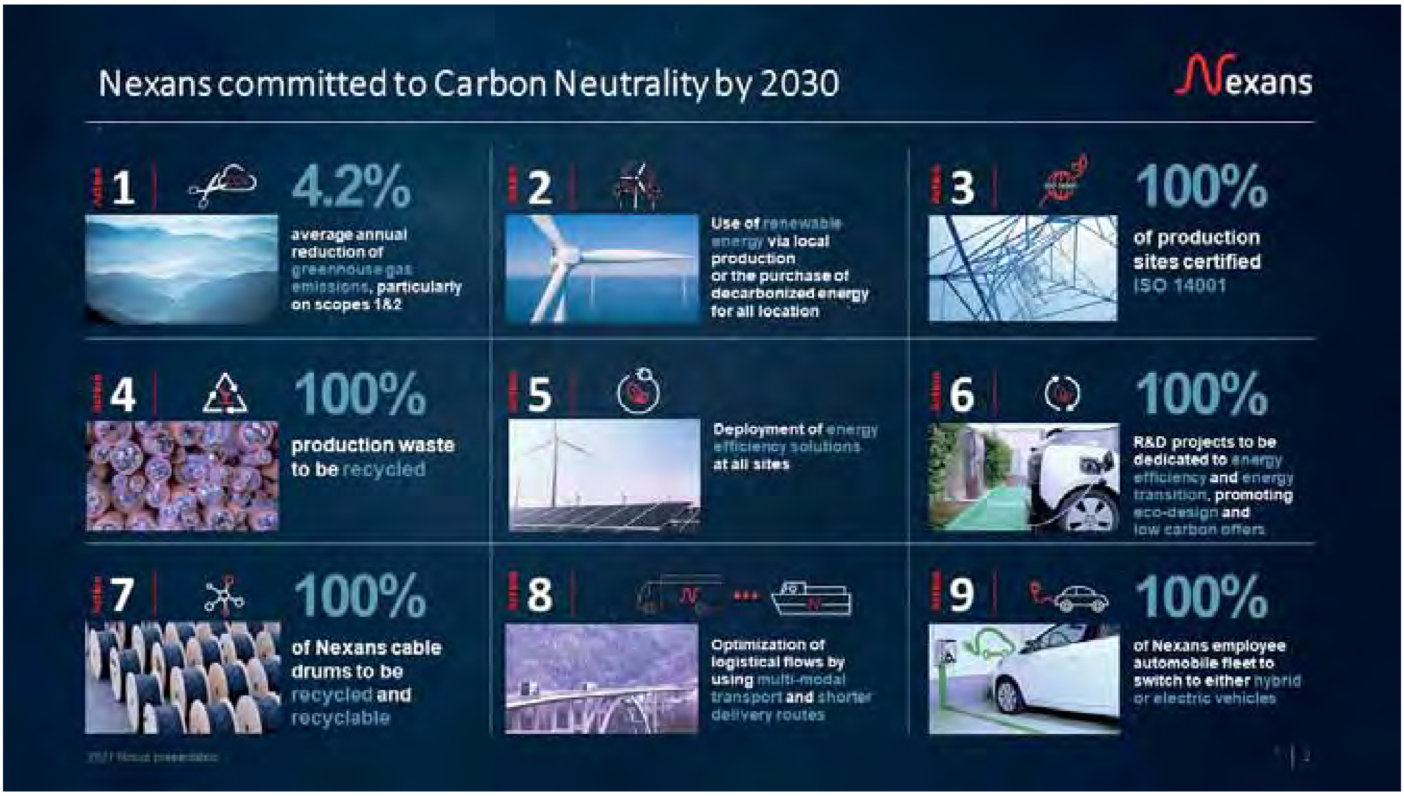
(6) Non-hazardous production waste consists mainly of non-ferrous metal and plastic materials. It is reused internally or externally. In the 2020 Universal Registration Document, the waste rate was evaluated at 92% with a different methodology. The 2021 methodology was applied consistently for 2020 and 2021.
(7) Offshore wind, interconnection projects, utilities, smart grids (energy transition), energy efficiency (buildings), 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 the Internet Of Things (IoT) and that are recyclable after several rotations on the customer side. In 2020, the KPI mentioned the number of tags purchased to equip drums. The rate was 17% in 2020 and is stable in 2021.
(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 for 2019, the base year. The 2019 data has been restated to have a scope identical to that of 2020 (removal of the 5 sites closed or sold in 2020 from the 2019 data).
(10) Proportion of renewable electricity produced directly by Nexans locations or the purchase of decarbonized electricity.

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. A progress report is regularly presented to the Group's Management Committee. The consulting firm Carbone 4 provided its expertise to define the operating method and initial action plans. In 2021, the Group brought in a Carbon Manager to further support its team.

3.3.2. A CLIMATE STRATEGY TO CONTRIBUTE TO CARBON NEUTRALITY

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 by 2030.

3.3.2.1. AN AMBITIOUS ROADMAP



1. Limiting global warming to 1.5°C

- Average annual reduction in greenhouse gas emissions of 4.2%, especially for scopes 1, 2 and part of scope 3[(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.

(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.

Reductions in energy consumption, as well as energy reduction and efficiency actions as described below, have enabled the Group to firmly establish its path going forward 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.

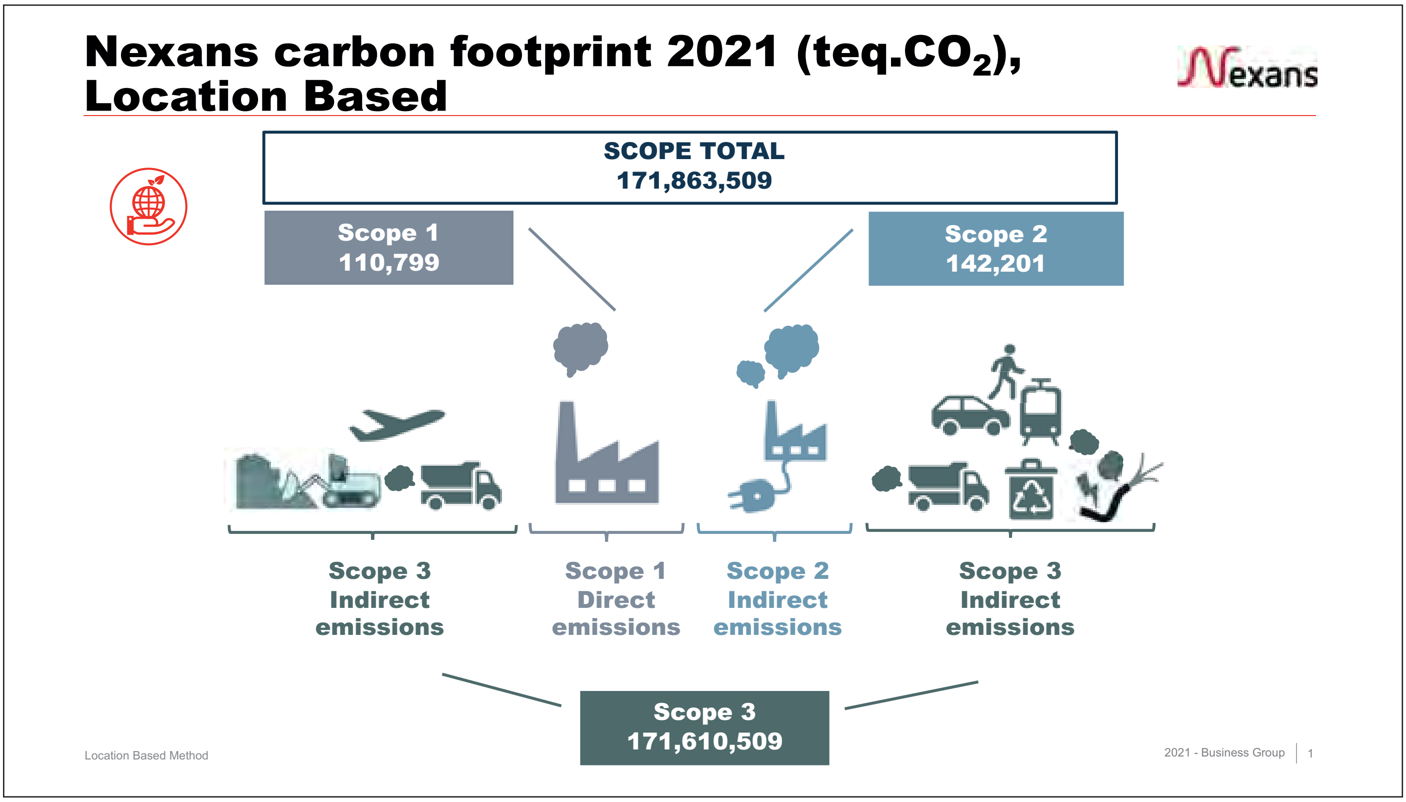
3.3.2.2. THE GROUP'S CARBON FOOTPRINT

Due to the low carbon intensity of its operations, the Group is not subject to European carbon emissions quotas 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;

As emissions from two ships launched in 2021, the Nexans Skagerrak and the Nexans Aurora, are now reported under scope 1 of its carbon footprint, unlike in previous years, the 2019 baseline was also recalculated.

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 and the transportation of goods and people were measured and are not significant sources of emissions given the use made of the products sold.



3.3.2.3. THE GROUP'S CARBON EMISSIONS REDUCTION POLICIES

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).

At the end of 2021, the Group was on track with this target, reducing its total greenhouse gas emissions by 17.68% compared with emissions in 2019, the base year (Market-Based Approach). In 2020, the health crisis played an important role in this decrease, as production was cut back at many sites. However, the rise in production levels in 2021 confirmed the reduction in greenhouse gas emissions, demonstrating the effectiveness of the actions taken.

An environmental performance management tool, ROCE², was developed to measure greenhouse gas emissions by type, origin, site, customer or supplier. This innovative solution can also be used to simulate and monitor both the GHG and the financial impact of any planned investment or expense. As a result, any action to reduce greenhouse gas emissions can be modeled and evaluated. This indicator is based on an internal price per tonne of CO_2 to simulate impacts more accurately.

In 2021, the Group hired a Carbon Manager, who is responsible for measuring CO_2 emissions, to carry out the carbon footprint and evaluate the impact of the actions undertaken.

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.

Reduce emissions from the transportation of our products: In 2019, the Group signed up to the Fret 21 process, supported by ADEME (the French Environmental Agency). The program involves 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 Objectives 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, the Group was on track towards meeting its targets and had reduced its greenhouse gas emissions by 4.66% within the scope of its commitment. This figure should be considered in light of the Group's overarching commitment to contribute to carbon neutrality with a 4.2% reduction every year. For the second year into the commitment, the reduction is estimated at about 3.5%, slightly lower than in 2020 due to the closure of rail lines used for multimodal transport, the main source of GHG emission reductions. At the same time, data management and traceability of our carriers' GHG emissions was improved and can be used to compare GHG emissions between so-called traditional transport and lower-carbon methods that we can offer our customers.

Reduce emissions related to energy consumption: The main source of direct GHG emissions within Nexans is energy consumption. The Group capitalizes on Industry 4.0 levers, i.e. the automation of industrial processes using innovative technologies to help reduce waste and energy consumption.

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. Finally, regarding SF6, a gas used for high voltage cables and accessories, the Group is investing in R&D projects to reduce, substitute or even completely eliminate its use, and to offer its customers new "low-carbon" solutions.

Reduce 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.

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 electric or hybrid 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 is developing an adapted, rational and attainable action plan to meet mobility improvement targets.

3.3.3. CONSERVING RESOURCES AND MANAGING ENVIRONMENTAL RISKS

Risks and opportunities

One of the objectives of the Group's environmental policy is to conserve resources and manage 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.

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 for 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).

Environmental assessment and certification policies

As a key driver in the energy transition, the Group undertook two additional steps in the evaluation and certification of environmental performance:

- 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 2021, among the production sites, 71 sites were ISO 14001-certified and 68 held the EHP label, (representing 89% and 85%, respectively, of the Group's total sites). To date, five sites have been awarded the EHP2 label.

Due to the ongoing coronavirus pandemic in 2021, internal physical and environmental site audits could not be resumed to award EHP labels.

The target set in the CSR roadmap was to have 88% of our production sites certified by 2021. Our goal is for 100% of sites to be ISO 14001 certified by 2030.

The EHP label covers 12 main areas[2], broken down into 39 criteria that are managed and consolidated using a dedicated system. Some 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 with 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

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.

Conditions of use and discharges into the soil

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

(1) HFFR: Halogen-Free Flame Retardant.
(2) The main ones being raw materials, water, air, waste, noise, energy, soil and groundwater, storage of liquids.

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").

Concerning Persistent Organic Pollutants (POPs), a program to replace equipment containing polychlorinated biphenyls (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 nitrogen oxides (NOx), sulfides (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 small 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. Noise 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.

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 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.

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 2021, 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.

Nexans has set up a robust organization with a REACh coordinator at each plant operating in Europe or supplying the European market. The Group REACh manager trains, informs and disseminates information to local representatives of the highly active REACh network.

The REACh network meets once every quarter to discuss future updates to regulations and Group targets, and to share best practices and local actions taken at plant level. Newsletters are also sent regularly to a broader network to keep people informed with in-depth knowledge on these topics.

Compliance is maintained at the level of each business group by monitoring and evaluating every plant.

In addition to meeting legal requirements, Nexans has implemented a process to collect article compliance certificates from each supplier on a regular basis. Any changes in the composition of raw materials used in manufacturing its products are strictly monitored, through frequent contact throughout the supply chain.

All this information is compiled into an internal database. This tool was significantly improved in 2020 to make it easier for sites to identify and trace future substances classified as hazardous by REACh regulations. These improvements have also improved reporting at Group level.

Established under the European Waste Framework Directive, the SCIP database provides information on hazardous substances contained in articles as such or in complex objects (products). Since January 5, 2021, suppliers of articles containing substances on the REACh candidate list in a concentration above 0.1% of the weight of the article on the European market, must submit additional information on these articles to the European Chemicals Agency (ECHA).

Nexans fully supports this new requirement to provide transparency to customers and waste operators for safe handling, and further information for authorities on the substances contained in articles.

Even though some national transpositions are less stringent than European standards, Nexans fully pledges to submit all notifications to the SCIP database. Despite the European Commission's tight deadlines, Nexans submitted all required notifications to the SCIP database by January 5, 2021 and agrees to keep the data for these notifications up to date and submit further required notifications as needed.

Nexans SCIP numbers are disclosed to all our customers upon request, providing them with simplified SCIP notifications for their own products and systems.

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 2021, 10 substances were identified that fall under EU REACh regulations in concentrations above 0.1% in the article and are used at certain sites. Research is in progress for six of these chemicals to develop alternative solutions for Nexans products, or to approve an alternative article for externally sourced products.

Environmental disclosures

European Court of Justice judgment C-106/14 of September 10, 2015 requires notification of REACh Candidate List substances in products for each article incorporated as components of a complex product.

Nexans strictly complies with this ruling. As a member of Europacable, a European association of leading cable manufacturers, the Group has participated in drafting a guide to clarify the methodology for calculating the concentration of substances of very high concern in articles. This guide features concrete examples of cables with various configurations as well as cable accessories.

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. 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).

To further improve communication and transparency for its customers, most of Nexans' REACh declarations appear in order confirmations and invoices, which will soon also include corresponding SCIP numbers.

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.

Natural disasters – As mentioned in Chapter 2 "Main risk factors and risk management", 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 and 2021, special reviews were conducted at Futtsu-shi in Japan and Charleston in the United States, 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 a natural event, evaluate the measures taken to mitigate this risk, and therefore gauge whether the Group has adequate insurance coverage. For example, the Charleston plant in the United States is located close to a river and has access to the sea. This means that the site is subject to natural disaster risks (hurricanes, tornadoes, etc.) that had to be taken into account at the time of its construction. Our property and casualty insurer participated actively in the process. Lastly, although the Group draws up a systematic audit plan of its sites in cooperation with its property and casualty insurer for the purpose of implementing plant integrity risk management processes, 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 3.4.8. "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 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. This tool was used to establish a classification system for our sites in 2021.

Asbestos – The Group's environmental policy provides for continuous monitoring of asbestos at its operational sites and is incorporated into the annual environmental survey questionnaire. 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 2 "Main risk factors and risk management".

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.

(1) ICPE: Installations classified for the protection of the environment.

In 2021, environment-related expenditure amounted to 4.6 million euros (versus 3.7 million euros in 2020) 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 3.5 million euros worth of environment-related investments were approved for 2021 (versus 2.5 million euros in 2020). These investments were used to replace less energy-efficient equipment, remove asbestos from roofs, repair electric machinery, treat emissions of air pollutants, and implement noise reduction and closed loop water filtration systems, replace lighting with LED light bulbs, and more. 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.

Conserving biodiversity

The Group's manufacturing operations have a limited impact on biodiversity. Considering the importance of this issue, in 2022 Nexans will continue to conduct detailed analyses of its initiatives to promote 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. For example, mandatory training sessions designed for very specific environments are provided for employees during installation operations, especially for the high-voltage business. Certain sites have put in place biodiversity conservation initiatives In addition to measures taken to reduce CO_2 emissions, some sites have introduced tree planting programs to offset a portion of their 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.

3.3.4. PROMOTING A CIRCULAR ECONOMY

Due to its unique position in the value chain, circular economy principles are at the heart of Nexans' operating model: from metallurgy to cable recycling.

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 system based on three key steps:

- Reduce consumption of raw materials, water and energy
- Reuse waste, water and packaging
- Recycle by increasing the use of recycled materials in products and providing recycling services to customers.

3.3.4.1. REDUCE

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.

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 Environment pillar of the E^3 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 2021, 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 50% 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 2021 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;
- Nahr Ibrahim (Lebanon) has installed solar panels that have been in operation since June 2017. The green energy they produce covered over 15% of the site's electricity consumption in 2021.

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.

Packaging and drums

The Group has 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.

Renewable resources

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).

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.

3.3.4.2. REUSE

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 2020 using leak detectors installed on flow meters. The study continued in 2021.

As a signatory of the WASH Pledge, Nexans provides its employees with access to safe water, sanitation and hygiene in the workplace.

Lastly, water consumption is one of the indicators monitored on a quarterly basis for the Environment pillar of the E³ Program.

(1) www.there100.org

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-2021, Nexans had rolled out its connected and recycled drum program to 26 countries, with a 70% increase in connected drums from 2020, while its connected drum coverage rate rose from 7% to 12%. However, Nexans did not acquire any new tags in 2021, mainly due to electronic component shortages. Its coverage rate therefore remained at 17% of connected objects at the end of 2021.

3.3.4.3. RECYCLE

Use of recycled 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 23,000 tonnes of copper waste (24,000 in 2020) were used in the Group's continuous casting operations in Montreal, Canada and Lens, France, equal to about 5% of Group factory needs.

This industrial advantage helps reduce the Group's overall carbon footprint while conserving natural copper resources.

Use of recycled plastic

In 2021, the Group continued to roll out the integration of recycled plastic in its products. This use of recycled plastic saw double-digit growth again this year, coming to more than 20%. Progress is supported by R&D from the Group's Research Center and industrial development work with plants. This work began in 2015, and the Group benefited from the support of ADEME (the French Environmental Agency) for its research conducted under the first phase of the ORPLAST program.

The Group uses two types of recycled plastic: post-industrial and post-consumer. The Group's purchasing departments have been working closely with its suppliers for many years to ensure continuity of supply and guarantee growth in the integration of recycled plastic. The Group always prioritizes local suppliers where possible.

The Group works with its customers on the integration of recycled plastic. The Group's Sales and Marketing teams were trained by the teams in charge of development and deployment so that they could better promote this integration to customers and answer their questions.

One of the recycled materials used by the Group is polyethylene (PE). Recycled polyethylene's carbon footprint is four times smaller than that of virgin polyethylene. Some of the industrial low-voltage cables in the wide range of cables produced by the Group in France, Belgium and Italy contain 20% recycled PE. This significantly reduces the environmental impact of the Group's products that integrate this recycled material, especially if they also use "low-carbon" aluminum conductors. The reductions in impact are measured through PEPs (Product Environmental Profiles, see section 3.3.6. "Driving the energy transition and energy efficiency/Communicating via PEPs").

Plastic is used not only in cable systems but also packaging, such as drums made of 100% recycled polypropylene (Mobiway). In addition, the integration of recycled PE in films used to package cable coils is pending approval and will be implemented in France in 2022.

Integrating recycled plastic reduces the Group's carbon footprint and improves resource management. As such, the Group plays a key role in the circular economy while continuously guaranteeing the same product quality. For European products that contain recycled plastic, the carbon footprint was reduced by 6% in 2021.

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.

Aluminium

The other main non-ferrous metal used in cable manufacturing is aluminum (around 100,000 tonnes in 2021). 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 2021, 72% 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.

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.
- 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.

    The CSR roadmap has set a target to recycle 100% of its production waste by 2030.

The production waste recycling and recovery rate is also one of the indicators monitored on a quarterly basis for the Environment pillar of the E^3 Program.

In 2021, the production waste rate per tonne of cable produced was 5.71% (versus 5.96 % in 2020).

Recycling cables

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 2021, the Group recycled 14,800 tonnes of cable waste (17,300 in 2020) 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 2021, around 200 tonnes of obsolete or waste cable from various worksites was recycled.

3.3.5. THE RESILIENCE OF THE GROUP'S BUSINESS MODEL TO THE IMPACT OF CLIMATE CHANGE

As a key player in energy transition, Nexans has developed business and risk management processes in response to the challenges of climate change and in line with objectives of contributing to carbon neutrality and international standards, in particular the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

1. Governance

As a key part of its governance, the Group's strategy and management of related risks include issues connected with climate change, which are led by Nexans' Executive Management and its Board of Directors.

BOARD OF DIRECTORS	Validates the Group's **climate strategy**. Climate is on the agenda of the annual strategy seminar; Validates the **CSR risk** matrix; Validates **external growth** transactions **by integrating climate risk**; Defines the **non-financial performance criteria** incorporated in the Chief Executive Officer's compensation and long-term incentive plans for employees.
EXECUTIVE COMMITTEE	Validates and steers the Group's **climate strategy** and integrates it into the Group's strategy, as well as taking climate issues into account in assessing the performance of the operating entities (3Ps/E3): roadmaps, reduction targets, key performance indicators, investments and emissions reduction schedule; Validates the **CSR risk** matrix, including a **Climate risk** matrix initiated in 2021; **Reports** to regulators, shareholders and the market; organizes a Climate Day.
BUSINESS GROUPS	Provide guidance to the **operating entities** on the implementation of the climate strategy; Execute the **carbon reduction plan** rolled out for each business line and **implement** measures to reduce emissions; Continue the rollout of low-carbon **means of production**.
CSR COMMITTEES	Implement and monitor the Group's **climate strategy**: roadmaps, reduction targets, key performance indicators; **Report** to the Executive Committee.

2. Strategy

Nexans has developed its climate strategy in line with the development of the electrification market and in response to the challenges of climate change.

In addition, Nexans is continuing to adapt its manufacturing facilities to meet carbon footprint requirements and to address the consequences of climate change in terms of potential physical risks.

Summary of Nexans' climate strategy – Implications in terms of objectives and management

STRATEGY

Capital Market Days
Annual Strategic Guidelines

2030 Climate Pledge
Impact reduction and 1.5C trajectory commitments (SBT ongoing)

Controlling carbon and climate risks
TCFD and CSR risk map

Development of business opportunities
Partnerships developed with key clients

European Taxonomy
In progress according to new European directives and monitoring of historical KPI of revenues generated by energy transition activities, see CSR Roadmap-CSR Scorecard

ACTIONS

Action plans and trajectories by BG
1.5°C trajectory, Nexans Book of Solutions

Triple Performance Award via E³ Program
Quarterly award at various sites

ROCE² tool
Decision-making simulation tool for maintaining performance in line with the E³ program

Internal awareness and training
CSR@B&T Webinars, Awareness of Nexans' climate strategy via the Fresque du Climat, Internal PLANET Week

External Climate Day
Annual external event with different stakeholders

Low carbon offers
Nexans Playbook in coordination with Design Labs, including ecocalculator, PEP, Low Carbon Aluminum offers, etc.

Green Bonds and EIB, European Investment Bank
Funds for investments in the energy transition

STEERING AND MANAGEMENT

Carbon footprint
Reporting and steering, contributing to carbon neutrality by 2030

Internal Carbon Price
Linked to ROCE² in the internal decision-making process

Roadshows
Shareholders and stakeholders

E³ program
Environment, Engagement, Economic

Information Systems
BI (business intelligence) overhaul and dedicated tools for carbon reporting in plants

Compensation policy
Follow-up on employees benefiting from a long-term performance plan based on CSR criteria, see CSR Roadmap-CSR Scorecard

TARGETS AND RESULTS

Reduction in carbon emissions
1st year of commitment: 4.2% reduction in overall emissions achieved & 4.66% reduction in transport emissions with ADEME's FRET21 program

Increased use of Renewable Electricity, RE100 Program
100% Renewable Electricity by 2030, Increase in the share of renewable electricity in our purchases

Monitoring of CSR Roadmap-CSR Scorecard indicators
KPIs dedicated to climate issues, see Environment Pillar

Carbon trajectories
Monitoring of action plans Indicators integrated into the CSR Roadmap-CSR Scorecard and the 2030 Climate Pledge

CSR performance assessment
2 years CDP A List, EcoVadis Platinum Medal

3. Risk management

The management of risks connected with the consequences of climate change is driven by an analysis of financial, operational and non-financial risks. The following table presents the risks and opportunities connected with climate change:

Risks and opportunities connected with climate change

Main opportunities connected with climate change	Main risks connected with climate change
Strong growth in key markets; Infrastructure investments; Vertical integration; Brand perception and value; Technology; Self-generation of energy	Physical risks; Reputation risks; Market risks; Human rights risk; Legal risks
Development of renewable energies Increasing demand for electrification worldwide Reconstruction and extension of infrastructures Vertical integration ensures access to raw materials Focus on high performance end markets (solution provider) Stand out from the competition with disruptive innovation Limit exposure to energy price fluctuations by generating our own energy	Most production sites' risk profiles are unchanged regarding natural disasters Adapting measures to be developed for sites located in high-risk areas to avoid or limit repair costs & increased insurance premiums Compliance of production processes with regulatory requirements (e.g., carbon intensity) Compliance with regulations to avoid fines, third party claims and/or loss of operating licenses Products related to the extraction of fossil fuels Attracting new talent and skills Impact on the shareholding structure and the ability to obtain new financing

Nexans also conducted a climate-related risk analysis in 2021. This analysis has two components:

- a physical risk analysis
  A study was conducted at 11 industrial sites that are driving the Group's electrification strategy. It covers the period from 2030 to 2100 with a global warming scenario of 3°C. From this analysis, it appears that physical risk will increase gradually between 2030 and 2100 with a peak between 2070 and 2080. The main risks associated with climate change are flooding, rising sea levels and tropical storms. The study found increased risks of drought, forest fires, storms, and heat waves with limited impacts at the sites analyzed.
  According to the scenario of rising sea levels, only one of our sites (Futtsu in Japan) could eventually on a long-term basis be exposed to flood risk. On a short-term basis, this risk remains limited. The Halden and Charleston sites are significantly less exposed to risks of flooding. Besides, preventive measures have been taken for those sites (Futtsu, Halden and Charleston) and are already in place to mitigate this risk. It is interesting to note that exposure to tropical storm risk remains stable for the Charleston site over the period covered by the analysis knowing that the building standards used for this site already take this risk fully into account.
  This study revealed that of the 11 industrial sites covered, four would have a greater exposure to climate risks. The material damage would remain limited to the Group level.

- a transition risk analysis

  This study was conducted at 18 industrial sites that are at the heart of the Group's electrification strategy:
  - the offshore wind and subsea interconnection activities of our SLS Business Group, and
  - the buildings, photovoltaic and onshore wind activities of our Building & Territories Business Group.

  This study corroborates the fact that climate change (in a 1.8°C scenario in 2050) is an opportunity for Nexans as part of the strategy it has defined:
  - demand for Nexans' products is expected to grow significantly in four of the five end-markets studied, while none of the production sites is expected to face significant increases in energy production costs or in CO_2. The higher demand is particularly significant for offshore wind activities;
  - for the offshore wind and subsea interconnection activities, this opportunity would result in a significant increase in EBITDA;
  - for the building activities, this opportunity would also result in an increase in EBITDA even if less significant than for offshore wind and subsea interconnection activities.

3.3.6. 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.

The Group runs extensive training and information campaigns for its employees to strengthen collective engagement. It improves the environmental performance of its sites and develops products and business models that offer concrete responses to climate change.

Providing training and information to employees on environmental protection

Many awareness and communication actions were taken in 2021 to present the Group's goals.

Following Climate Day held in September 2021, 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 webinar "How to calculate our Scope 1 and 2 carbon emissions" was given to all our site environment managers.

To help employees better understand climate issues and the causes and effects of climate disruption, a Climate Collage (Fresque du Climat®) event was held at the head office. Several employees received training on how to lead Mural workshops, and further events are scheduled at several sites in 2022.

Targeted training courses are 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 3.2.3.3. "Develop our talents/Total investment in training").

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 QSE 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 3.4.2. "Taking action in regional, economic and social issues"). Posts on internal communication platforms, such as Yammer, on local initiatives and best practices, reflect employees' interest and engagement on these issues.

A whistleblowing procedure is available and open to all Group employees and third parties to report any violations of the Code of Ethics and Business Conduct, including environmental issues (see section 3.4.6.1. "A guiding principle: Fair practices").

Regular environmental audits of production sites also raise awareness about the environmental management strategy.

In 2021, the Group has launched for the first time its Internal Planet week. This week had been organized at sites all around the world. The aim was double:

- disseminate the Nexans Climate Strategy, and its commitments to contribute to Carbon Neutrality through the annual 4,2% reduction of carbon emissions to be aligned with Paris Agreement and the 1,5°C commitments.

(1) REACh : Registration Evaluation Authorization of Chemicals:

- to gather data about Employee Commuting through a survey to all employees. A rate of 20% of answers demonstrated the engagement of Nexans employees toward these subjects and the willingness to act for carbon emission reduction and climate.

Many activities were organized, for example, booths were set up at the Headquarters to enable employees to get more information on topics such as the reduction in upstream and downstream transport emissions, the recycled plastic integrated into our cables, the environmental profile of cables and emissions associated with PEP, the customers services of recycling through Nexans Recycling Services, the newly obtained HQE label of the building and so on.

At our sites, we highligthed the investments that were made for energy efficiency such as the replacement of old and high energy consumption boilers with heat pumps, displaying the associated Carbon emissions avoided. This was organized at around 60 sites, through the QHSE managers network in collaboration with local communication and HR contacts. On top of that, the Climate Strategy of Nexans was disseminated through a serious game organized by La Fresque du Climat®.

In 2021, 22% of the Headquarters and 12% of French employees attended. The engagement for this first issue of the internal PLANET week was greater more than expected. And sites which could not organize this event in 2021, are requesting a the second round in 2022.

Calculation of our turnover, capital expenditure and maintenance costs under the EU Taxonomy regulation.

On April 21, 2021, the European Commission adopted a set of measures to redirect the flow of money in Europe towards sustainable activities, including the European Taxonomy, which in its current form sets objectives for climate change mitigation and adaptation. As of 2022, companies and financial institutions will be required to disclose information using Taxonomy indicators according to economic activities covered and screening criteria to assess the sustainability of their activities. This follows on from the publication of the Taxonomy Regulation (EU) 2020/852 in the Official Journal of the European Union in June 2020, which establishes a classification system for turnover, capital expenditure and operating expenditure based on six environmental objectives:

- climate change adaptation, climate change mitigation,
- the sustainable use and protection of water and marine resources,
- the transition to a circular economy,
- pollution prevention and control, and
- the protection and restoration of biodiversity and ecosystems.

The Taxonomy should cover the 2021 reporting year. At the time of writing, only the first two climate change objectives are defined in the regulation. The taxonomy also establishes two stages of classification: first, eligible activities, i.e. the activities that come under the definition of the objectives set out above. The second stage of classification involves determining which activities are aligned with the Taxonomy, i.e. those which contribute substantially to one of the objectives, without harming any of the other objectives, while respecting technical and social criteria.

The Group reviewed the classification of its activities to determine the eligibility of its products. At this stage, this evaluation is incomplete as it is limited to the only two of the climate change objectives defined, at the date of this URD, in the regulation. On this basis, the taxonomy-eligible turnover amounts to 16%, operating expenditure 19% and capital expenditure 47%. This evaluation will evolve when the 4 other climate change objectives have been defined by the regulation.

To determine such amounts, the Group has adopted the methodology described below, applied across all of the Group's companies included in the consolidation scope. Please note that such methodology may evolve in the future based on the analysis of the approach adopted in the market as well as the taking into consideration of the four remaining taxonomy objectives, which will be determined by the regulator in 2022, effective from 2023.

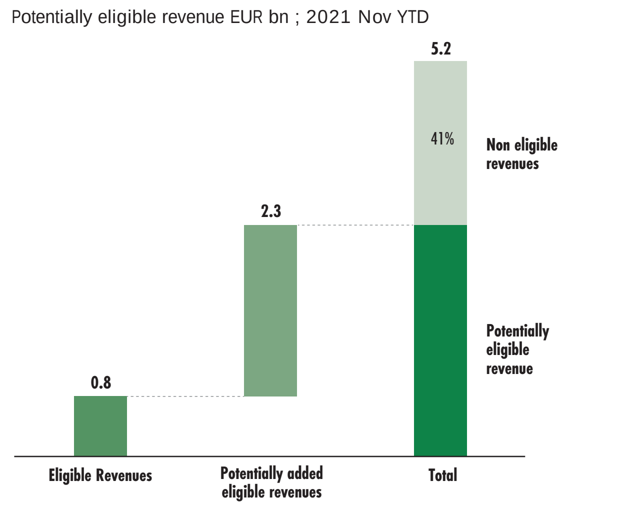
- For the turnover:
  - Analysis of customers and markets segment (top-down approach)
  - Analysis of sold products and destination (bottom-up approach)
  - Identification of customers/ Taxonomy eligible products: especially cables sold to renewable markets (wind and solar farms, dams), and installation of submarine cables related to renewable markets,
  - Determination of a proportion of building cables sold to distributors & wholesalers. This part is calculated based on allocation of distributors & wholesale businesses to renewables and Taxonomy-eligible activities. This allocation information is provided by third-party analysis.
- For the operating and capital expenditure:
  - Identification of the operating and capital expenditure strictly related to the installation of submarine cables, which were classified as eligible in the sales analysis.

Determination of a proportion, of eligible expenses calculated using the ratio of eligible sales to total sales, and applied to current expenditure and investments, excluding previously calculated amounts.

Eligible turnover includes cables produced for renewable energy (wind farms, solar farms and hydroelectric dams), and the production and installation of subsea power cables. Taxonomy rules make a distinction between electrical equipment producers, and installers or operators of the electrical equipment. Consequently, products sold but not installed by a producer may not be eligible for the Taxonomy, even if the way the installer or operator uses them is Taxonomy-eligible.

The Group assessed what Taxonomy eligibility would be if production and use activities were treated the same way. For 2021, turnover would come to an estimated 60%, 16% eligible according to the current rules and 44% from sales of cables and other electrical equipment to operator and distributor customers. Turnover from telecom cables, the oil & gas sector, and automotive harnesses are not eligible in this simulation.

The chart below illustrates this estimation.



Innovative products supporting the energy transition

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 is developing finer, more lightweight cables. The Group contributes to the development of electric mobility with cable solutions that allow the engines 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 fuel consumption. The Group supports large-scale electrification programs in emerging countries through a simple, complete and easy-to-manage offer. In 2021, Nexans Côte d'Ivoire participated in the PRONER national rural electrification program launched by Côte d'Ivoire Energies, to bring electricity to more than 50 rural communities.

Evaluating the impact of our products: life cycle assessment

Life cycle assessments measure the impact of a product or system throughout all stages of its life cycle (covering the extraction of raw materials used in their composition, manufacturing, distribution, installation, use and scrapping or recycling).

The Group has been using Life Cycle Assessment methodology for over 10 years. This allows us to identify areas where products can be improved to reduce their impact.

Communicating via PEPs

To communicate the results of 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 United States 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.

Reducing the impact of products through 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.

Life Cycle Assessment, Product Environmental Profile (PEP) and eco-design methodologies continued to be rolled out in 2021 with the training of 48 employees.

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 3.3.4. "Promoting a circular economy/Waste management".

3.4 ECOSYSTEM: SHARING OUR VALUES AND ETHICS STANDARDS WITH ALL STAKEHOLDERS

3.4.1. CONTEXT AND GOALS

At every level of its value chain, the Group nurtures a position of exemplary leadership in a constant concern to comply with ethics rules by offering its partners sustainable solutions and developing a responsible purchasing approach.

The Group pays special attention to 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 in monitoring the CSR risk of the Group's High spend and High CSR risk suppliers with a CSR score equal to or greater than 35% assigned by EcoVadis (or equivalent CSR expert).

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 (especially through the Nexans Foundation), along with initiatives taken or continued in 2021, is perfectly in line with its CSR priorities and addresses major CSR risks. The objective is to strengthen Nexans' position as a socially conscious, sustainable organization within its ecosystem and its sphere of influence.

These targets are in line with the Sustainable Development Goals set by the United Nations, which the Group adopted in 2015.

2021 targets and results

			2020	2021	Change 2020/2021	Target 2021	Target 2022	Target 2023
ECOSYSTEM	Business ethics	Managers having completed the yearly Compliance Awareness course[11]	98%	98.3%	↗	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	322	↗	230	370	500
		Employee engagement index[13]	NA	72%	N/A	77%	78%	78%
	Nexans Foundation	Amount allocated by the Nexans Foundation	€300,000	€300,000	→	€300,000	€300,000	€300,000

(11) Classified in the HR My Learning tool as "Executive 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: Cable activity, excluding Industry & Solutions and Telecom & Data.

3.4.2. TAKING ACTION IN REGIONAL, ECONOMIC AND SOCIAL ISSUES

3.4.2.1. REGIONAL AND SOCIAL INITIATIVES

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 2021:

- In Chile, the Executive Committee of Nexans Chile participated in the Techo – Nexans Volunteering Day to make a difference in the local community. The initiative was part of the "Luzal Barrio" project, coordinated by the Techo Foundation and the Nexans Foundation. The project consisted of installing five solar panels at Villa Maule II in Renca, and installing 18 lighting points in different communities from Arica to Punta Arenas. The five lighting points in Renca were handed over to the Metropolitan Regions and installed as part of this incredibly heartwarming and uplifting project.
- In Brazil, to strengthen its relationship with the community, Nexans Brazil invited residents down the road from our manufacturing facility to join in renovating the exterior side walls. Edmar, a local artist, guided the neighborhood children through the activity, teaching them how to use paint, brushes and other tools. All materials were provided by Nexans Brazil.
- In Poland, the NIS plant in Szczecin launched a charitable donation campaign in support of orphanages, single mothers and cancer treatment.
- Nexans France is committed to supporting Electricians Without Borders on missions initiated by the French Crisis and Support Center following natural disasters and humanitarian crises, such as in the Caribbean (2017), Indonesia and Mozambique (2019), and more recently in Lebanon. Nexans France pledges to provide financial assistance and supply cables for the implementation of future emergency relief missions.
- At Nexans Chile, as part of the WIN program, 27 women met with company employees to share their personal and professional experience. "Knowing different realities, without a doubt, motivates us and shows us different ways to achieve our goals. But it also generates change within the organization, opening up equal development spaces for all," says Tatiana Droguett, representative of the Women in Nexans program in Chile.
- Nexans France and the organization Our neighborhoods have talent ("Nos quartiers ont des talents") continued their partnership to support the employment of young graduates from disadvantaged backgrounds. Nexans France mobilizes volunteer managers to support and advise participants in the program;
- Nexans chose to sponsor Institut Curie, the first French cancer research center founded in 1909 by Marie Curie. Institut Curie is a leader in developing fundamental and applied scientific research in physics, chemistry, biology, radiobiology and medicine, with the aim of putting science at the service of people to help them fight cancer and develop existing or future medical breakthroughs. Institut Curie combines an internationally renowned research center with a state-of-the-art hospital complex that treats patients with all types of cancer, including the rarest forms of the disease.

The Group took other notable initiatives in 2021 relating to the transfer of knowledge, such as:

- Creation by the Group of a YouTube channel called "What's Watt". The host, Frédéric, is one of the Group's enthusiastic employees. He explains, in a very simple and original way, electrification and the vital role it plays in today's world. As a responsible company, the Group considers it its duty to share this knowledge as much as possible and to promote sustainable and responsible energy consumption. In 2021, What's Watt had over 3,500 subscribers, primarily in the 18-34 age range, and each episode averaged more than 6,000 views. Building on this success, Nexans launched Season 2 in October 2021: Frédéric welcomes new guests such as Fabrice Amedeo, children invited to the Paris Museum of Modern Art or other Nexans experts. The channel was shortlisted as one of five finalists in the Science & Education category at the European Excellence Awards.
- Nexans is partnering with the Paris Museum of Modern Art to develop an educational tool for one of its iconic frescoes: La Fée Électricité by Raoul Dufy. This educational tool is designed to become a scalable content platform, through its dedicated website and a program of themed podcasts.

3.4.3. THE NEXANS FOUNDATION: SOLIDARITY THROUGH ELECTRICAL POWER

Nexans created a Foundation in 2013 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 eradicates extreme poverty (SDG 1), ensures access to education and promotes learning (SDG 4), improves conditions of well-being and 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 63 organizations and helping over 1,860,000 people since 2013

With an annual budget of 300,000 euros, the Nexans Foundation has supported 134 projects in 38 countries in partnership with 63 organizations since it was created. These projects have brought, or plan to bring, electrical power to over 1,860,000 people.

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

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 19 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.

(1) www.iea.org.
(2) www.undp.org.

3.4.4. MEASURES 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 3.3.3. "Conserving resources and managing environmental risks/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.

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) present in its products[1] 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 23 Group sites required to provide these disclosures on their use of substances of very high concern submitted their declarations on products containing SVHCs identified within the Group. The EU made this database publicly available in 2021. 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.

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 19 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.

(1) Substances considered to be of very high concern are those appearing on the REACh candidate list and those that are subject to an authorization or restriction process.

3.4.5. A POLICY OF DIALOGUE WITH ITS EMPLOYEES AND 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 focuses on better taking stakeholder expectations into account.

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 Investor Day Meetings with investors (roadshows, conferences, etc.) and ESG events Governance roadshow Meetings with all shareholders (AGMs, etc.) Information meetings Universal Registration Document Quarterly shareholder newsletters Response to non-financial rating agencies Response to questions from analysts Individual meetings with analysts List of published press releases	Finance, Communications, Legal, Site Management, CSR
SUPPLIERS	Supplier CSR Charter[1] Supplier CSR risk map Supplier audits	Purchasing
EMPLOYEES	Intranet NewsWire, electronic newsletter Annual Engagement Survey Employee forum at European sites Corporate values: Nexans Living Values workshops 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 3.2.4. "Employee engagement: Mobiilizing for higher performance").

Customers

Customer relations remains a priority CSR ambition.

Meetings with customers continued in 2021, 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

As part of its sustainable purchasing policy, the Group has worked with all its suppliers to educate them about key CSR requirements, for instance, by having them sign the new Nexans Supplier CSR Charter and by launching corrective CSR action plans with suppliers that fail to meet CSR performance standards.

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 2021, subcontracting accounted for 4.2% of the Group's purchases, representing 2.71% of its consolidated sales.

For more information on the sustainable purchasing policy, see 3.4.8. "Duty of care plan" and 3.4.8.1. "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.

Financial community

The Group maintains regular dialogue with the financial community, particularly with the 12 French and international financial analysts who regularly publish analysis ratings on the Nexans Group.

In 2021, the Executive Management and Investor Relations team met with over 300 investors at five roadshows in France, North America and the United Kingdom, 24 conferences and a number of individual meetings. Most of the roadshows and conferences were held remotely due to the health crisis, but in person events also took place in France (Paris) and North America (New York).

These meetings offer the opportunity to talk with investors about the Group's strategy, performance, transformation and Socially Responsible Investments (SRIs).

The Group presented its 2022-2024 strategic goals at its virtual Investor Day in February 2021.

In 2021, the Group received top honors from investors and financial market actors in Institutional Investor's annual ranking of European executive teams in the capital goods industry. The executive teams ranked first for Best CEO and Best CFO and second for Best IR Professional in the Small & Mid Cap segment. The Group also received the "Best Investor Event" award from IR Magazine for its Investor Day.

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.

Membership in responsible organizations

Nexans is proud to announce that on July 22, 2021, it joined Copper Mark, an organization that promotes responsible practices and recognizes the contribution of copper industry participants to the United Nations Sustainable Development Goals. This milestone demonstrates Nexans' commitment to promoting responsible copper production practices.

THE COPPER MARK

Copper plays a key role in Nexans' production of advanced cabling solutions for power and data transmission and in the transition to being a pure player in electrification through sustainable energy. As the only vertically integrated company in its category, ensuring responsible copper production with Copper Mark members reinforces Nexans' overall commitment to the UN's Sustainable Development Goals.

3.4.6. PROMOTING ETHICAL BUSINESS PRACTICES

3.4.6.1. A GUIDING PRINCIPLE: FAIR PRACTICES

Compliance with rules on ethics is one of Nexans' 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, seven members of the Executive Committee took part in the Compliance Week through letters, videos and podcasts.

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 2021, alerts were issued on risks relating to cybersecurity, money laundering, fraud, membership of 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 to the fight against corruption and unethical practices.

Dedicated 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 also conducted prior to any mergers and acquisitions, investments, real estate transactions, or collaboration with sales intermediaries, as described below.

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 lawyers 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 whistleblowing 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 whistleblowing 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 2021, more than twenty 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;
- the 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 2021 and goals for 2022

The following actions were taken in 2021:

- A "Compliance Week" was organized in digital format. Composed of nine items, the Compliance Week program included videos, training sessions and quizzes. As part of the Group's continuous improvement approach, some different subjects were covered in the 2021 edition. The subjects covered included conflicts of interest, diversity and inclusion, corruption risks, antitrust law, cybersecurity risks, protection of personal data, the whistleblowing procedure, and the duty of care. All course content was offered in eleven languages (English, French, Chinese, Korean, Spanish, Portuguese, Italian, German, Swedish, Norwegian and Turkish), two more than in the previous edition. 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 2021, 4,766 Group employees had completed the Compliance Week program. The 2021 program was completed by 98.3% of Group managers.
- In addition, 92% 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 Code of Ethics and Business Conduct was updated to include the Human Rights Charter, define a politically exposed person and influence peddling in more detail.
- All Group Human Resources managers have been trained in handling actual and potential conflicts of interest;
- Communication was improved on how to use the whistleblowing procedure, which more than doubled the number of reports received;
- The 2020-2023 Sustainable Purchasing action plan, which includes anti-corruption and supplier integrity checks, was implemented according to schedule (see 3.4.8. "Duty of care plan").

- Concerning personal data protection, the Group continued its measures to standardize processes, with specific training provided on the right of access process. Golden Rules applicable to Human Resources employees were introduced Group-wide.
- There are now a total of 49 local data protection correspondents in 32 countries. Correspondents 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 correspondents.
- The local data protection correspondents' role is to map out and keep a log of their entities' personal data processing operations. In addition, 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 online 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 2021-2022 CSR action plan included the following new initiatives:

- Extensive update to the anti-corruption risk map, covering the Group's businesses and functions. The order in which this map is updated is aligned with the Group's targets announced at Nexans Capital Markets Day, taking into account corruption risks identified by Transparency International and the rigorous management of any risks related to sales agents (see 2.1.3.2. "Risk of non-compliance with anti-bribery legislation");
- More intensive rollout of targeted training programs, especially on antitrust law dedicated exclusively to rules applicable before, during and after meetings of trade associations for all employees identified as attending such organizations.

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. At end 2021, 98.3% of them had taken part, and 92% of them had signed the compliance certificate.

3.4.7. 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.

3.4.8. DUTY OF CARE PLAN

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 2021, 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.

The Duty of care plan resulting from the risk analysis covers the following 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,

with extra emphasis in 2021 on supplier risks, especially with regard to human rights.

The report on the implementation of the Duty of care plan for 2021, 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.

3.4.8.1. DUTY OF CARE PLAN FOR SUPPLIERS

Supplier risk map

Risks are mapped out using the methodology designed by EcoVadis, an expert in assessing sustainable supply chain practices. The EcoVadis methodology assigns an overall CSR risk score to each supplier to help organizations prioritize actions. The risk criteria reviewed using the EcoVadis methodology are:

- Country Risk of the supplier
- Purchase Category Risk

Each Supplier is assigned with a CSR risk rating between 1 and 6, with 6 representing the highest risk. Further details on the CSR assessments conducted by Nexans are set out below.

The Group pays particular attention to suppliers with which it does significant business or which have been assigned a risk rating of 5 or 6. This represents approximately 1,878 of suppliers for the entire Group.

The risk map is assessed to prepare each new CSR roadmap. In 2021, the Group carefully focused on having suppliers sign the Supplier CSR Charter and on drafting and publishing the Human Rights Charter incorporated into the Code of Ethics and Business Conduct.

Strengthened dialogue with suppliers

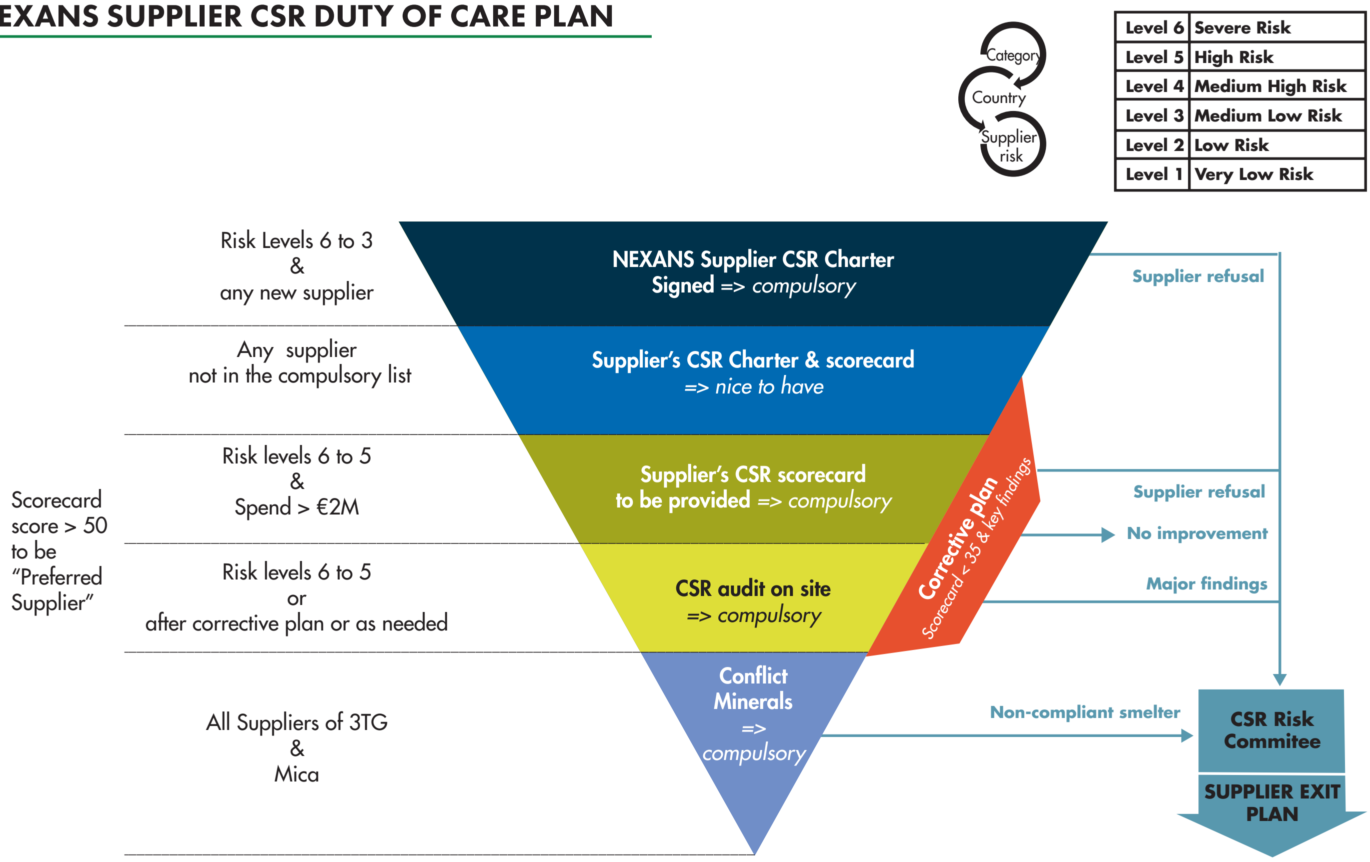
In 2021, Nexans continued to develop its CSR Duty of Care plan with its suppliers.

Its first digital Supplier Day was organized on June 28, 2021 with 300 strategic suppliers. At this event, Nexans' CEO, COO, VP Innovation, VP Purchasing Non Ferrous Metals and VP Purchasing Global portfolios clearly presented what Nexans expects from its suppliers on CSR issues.

From July to September 2021, Nexans organized discussions with 100 of these suppliers to answer any questions they might have on the messages delivered at Nexans Supplier Day and to take further steps in their partnership actions together, especially those relating to CSR (e.g. CSR assessments, plan to reduce carbon emissions from transport, recycled materials).

Below is a summary of the CSR Duty of Care plan and the status of each element in 2021:

NEXANS SUPPLIER CSR DUTY OF CARE PLAN



Nexans' CSR Charter

In late 2020, Nexans significantly enhanced its Supplier CSR Charter to make it stricter and more tangible, aligning it more closely with the issues currently faced by society.

This updated version of the Supplier CSR Charter includes new rules (e.g., reduction of greenhouse gas emissions, protecting personal data), 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, measuring water consumption, etc.), with references to relevant international laws and initiatives.

By signing this Supplier CSR Charter, suppliers agree to apply these CSR principles for their employees and to ensure that their own suppliers adhere to the same principles.

Nexans also reviewed the internal processes around the CSR Charter at the end of 2020, such as the scope, storage of signed versions, and consequences if a supplier refuses to sign.

A signed Supplier CSR Charter is considered to be valid for a period of three years, except for suppliers trading minerals from conflict areas, who must sign the Charter every year.

Signed charters are archived on a centralized platform that can be accessed by all Buyers, and each supplier status is communicated to Buyers every month.

Nexans 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 using the EcoVadis methodology;
- main suppliers (annual sales with Nexans of over 1 million euros);
- any new supplier. New suppliers must submit certain documents, including a signed copy of the new Supplier CSR Charter, to be referenced. All new supplier accounts are managed centrally.

Other suppliers are also encouraged to sign and comply with the new Charter.

Cases of suppliers that meet the above criteria but refuse to sign the Charter are reviewed at the weekly meeting of the CSR Risk Purchasing Committee presented below.

In 2021, to ensure that suppliers sign the Charter, Nexans came up with an action plan, which consisted of i) an email circulated to all our active suppliers in 2020 and 2021 in waves of 3,000 to 5,000 suppliers at a time, ii) phone campaigns by a dedicated nine-person team, iii) a special governance structure to handle any questions or comments from suppliers at the level of the Head of Sustainable Purchasing, or for suppliers that refuse to sign the Charter at the level of the CSR Risk Purchasing Committee.

By the end of 2021, Nexans had contacted 100% of its active suppliers in 2020 and 2021, asking them to sign the Nexans CSR Charter, regardless of their CSR risk (according to the CSR risk map) or their sales generated with Nexans.

Of the 23,406 supplier accounts contacted:

- 31% of supplier accounts representing 82% of the Group's total purchases in 2021, have either signed the Nexans Supplier CSR Charter or have been approved by the CSR Risk Purchasing Committee after verification of their compliance with the Supplier CSR Charter;
- For the remaining supplier accounts, in 2022 Nexans will focus on suppliers with the highest CSR risk, until they sign the Charter, are exempted or are delisted. These suppliers are reviewed by the CSR Risk Purchasing Committee. It is worth noting that 28% of suppliers have either a CSR risk of 1 (very low) or 2 (low), or had conducted no further business with Nexans in 2021.

Interestingly, the vast majority of suppliers that did not sign the Nexans Supplier CSR Charter are large groups that have developed their own code of ethics and business conduct and/or CSR assessment (performed by an external CSR auditor, see paragraph below).

Each week, the Head of Sustainable Purchasing and the Group's Compliance Officer, in their role with the CSR Risk Purchasing Committee, checks whether suppliers that did not sign the Nexans Supplier CSR Charter i) published their CSR commitments on their website, ii) include their CSR commitments in their code of ethics and business conduct, or iii) their annual reports are aligned with Nexans' 14 key CSR requirements as listed in the Nexans Supplier CSR Charter.

Of the 209 suppliers reviewed in 2021, 54% (112 suppliers) have CSR commitments aligned with Nexans' CSR commitments.

If suppliers decide not to sign the Nexans Supplier CSR Charter and cannot demonstrate CSR commitments that meet Nexans' requirements, Nexans reserves the right to delist the supplier.

A regular assessment process: CSR scorecards

A CSR scorecard is a tool used to measure the supplier's CSR performance. CSR scorecards are based on an assessment carried out by an independent, internationally recognized CSR expert (EcoVadis or equivalent). For example, EcoVadis measures a supplier's CSR performance via an online questionnaire based on four pillars: (i) the environment, (ii) labor, (iii) ethics and (iv) supply chain, including requirements under the Sapin II Act, the French anti-corruption legislation, and under the Duty of Care Law. EcoVadis reviews the answers and documents provided by the supplier and issues a CSR scorecard, which contains an overall score reflecting the supplier's CSR performance, a specific score for each pillar, the organization's strengths and recommended improvements.

Nexans asks the following suppliers to provide a CSR scorecard issued within the last three years:

- suppliers with which Nexans generates annual sales of over 2 million euros; and
- suppliers with potentially the highest CSR risk rating, i.e., between level 5 (high) and 6 (severe), based on the CSR risk mapping using EcoVadis methodology.

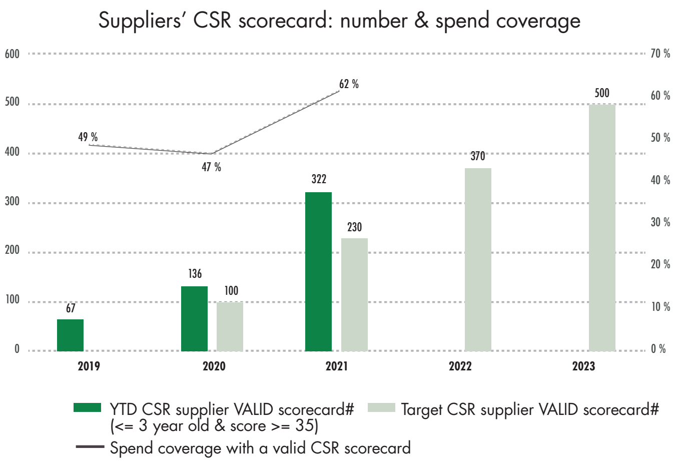
Nexans actually encourages all its suppliers to obtain this type of CSR assessment. A CSR scorecard is a tool used to measure the supplier's CSR performance, which the supplier can share with all its customers.

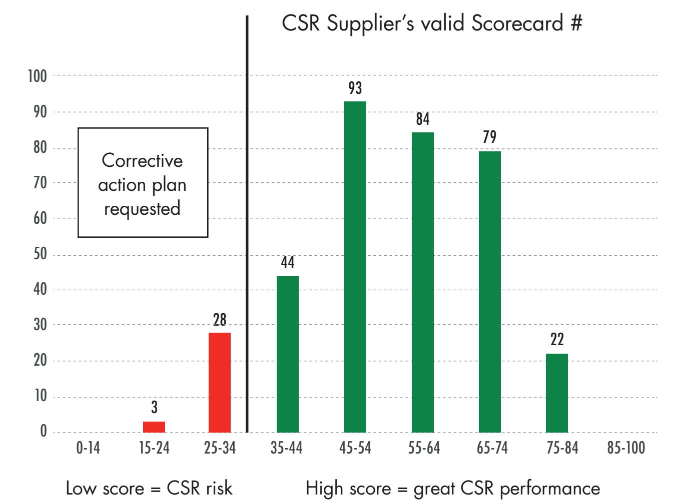
In 2018, Nexans began using the EcoVadis tool to collect CSR scorecards from its main suppliers. Nexans buyers took over the whole process in 2020 to manage CSR risk and get to know the CSR performance of our suppliers, starting with the most critical ones in terms of CSR risk.

The process covers i) training Nexans buyers on CSR issues so that they can convince and support suppliers through the CSR assessment, ii) setting annual targets for each Nexans purchaser, iii) implementing monthly reporting, iv) creating presentations on "how to do the assessment" to help suppliers, and finally v) providing support for suppliers from the Nexans Head of Sustainable Purchasing.

Nexans considers that a score of less than 35% is unacceptable. Suppliers with these scores have six months to devise and implement an improvement plan and are reviewed at the monthly meeting of the CSR Risk Purchasing Committee, as presented below.

As of the end of 2021, Nexans had collected CSR assessments from 322 suppliers (up from 136 in 2019), with a score of 35 or higher and covering 62% of total purchases made in 2021 (compared to 49% in 2019). The average score of these CSR assessments was 57.9/100 in 2021 (compared to the average EcoVadis score of 43.8/100 for all clients). Only 17 of these suppliers have a CSR assessment with a score of less than 35. A corrective action plan is currently being implemented for these organizations as described below.





On-site CSR audit

Nexans started on-site CSR audits in 2020, conducting three audits of mica tape suppliers, as this product has a CSR risk rating of 6.

Audits are performed by independent, internationally recognized audit firms (Bureau Veritas or Intertek), using the WCA (Working Condition Assessment) or SMETA (Sedex Members Ethical Trade Audit) methodology.

Despite the challenging environment due to the pandemic, in 2021 Nexans conducted 11 on-site CSR audits at suppliers classified with a CSR risk rating of 5 or 6 for mica tape, plastic and aluminum and copper wire. These audits revealed compliance irregularities. These points of non-compliance concern i) hours worked above standard (e.g., between 72 and 91 hours/week), ii) working conditions (e.g., inadequate or insufficient number of fire extinguishers, hazardous electrical wiring), and/or iii) anti-corruption policies (no written policy or policy that has not been disseminated to all employees, no anonymous whistleblowing system). The deficiencies identified will be the subject of corrective action plans that will be monitored in 2022. Further audits will be conducted in 2022.

Defining and monitoring CSR corrective actions

Nexans systematically requires a CSR corrective action plan when:
- The supplier's CSR audit reveals one or more major deficiencies, or
- The supplier's CSR scorecard gives in a score of less than 35.

In 2021, corrective action plans were initiated for 15 suppliers that had a score of less than 35. After verification, most suppliers confirmed that they had responded to the CSR questionnaire without providing documentation to support their answers (which penalized their score). To correct this issue, each supplier is required to share these documents with the auditor (EcoVadis or equivalent).

Nexans identified two other suppliers with scores of 26 and 34 on CSR scorecards that had been issued more than three years ago and were therefore no longer considered valid by Nexans. They were asked to provide a new CSR scorecard.

Special focus – Conflict Minerals

As Nexans 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 in 2021 (buys much smaller volumes of tin, but continues to respect the minimum of 1,500 kg of tin ores provided for in EU Regulation 2017/821 on conflict minerals.

Even so, Nexans takes the rules governing conflict minerals seriously, in line with its CSR commitments, especially to the United Nations Global Compact, and is committed to complying with these rules. Nexans confirms that it will continue to apply its duty of care policy to conflict minerals in the future, notwithstanding the amount purchased, address this issue within its own supply chain, and respond to its customers' inquiries.

Of the four minerals covered by the applicable regulations (gold, tin, tungsten and tantalum), Nexans only purchases tin from qualified suppliers. Not even one-off purchases of minerals from non-qualified suppliers are authorized since the Group's Non-Ferrous Purchasing Department must approve the creation of a new tin supplier account. Every year, the Group checks with its suppliers that the tin purchased originates from conflict-free zones and exercises its duty of care until it obtains completed CMRTs (Conflict Minerals Request Templates) from 100% of its suppliers).

The CMRT is a free and standardized reporting template created by the Responsible Minerals Initiative (RMI). RMI has grown into one of the most utilized and respected resources for companies from a range of industries addressing responsible mineral sourcing issues in their supply chains. The CMRT was designed for downstream companies to disclose information about their supply chains up to, but not including, the smelter. The CMRT facilitates the transfer of information through the supply chain regarding mineral country of origin and SORs (Smelters or Refiners) being utilized and supports compliance with legislation. The CMRT also facilitates the identification of new smelters and refiners to potentially undergo an audit via the RMAP (Responsible Minerals Assurance Process), which is managed by the RMI (Responsible Minerals Initiative).

In 2021, Nexans bought pure tin to manufacture its own tinned wires from one supplier. The Group has also bought tinned copper wires from 29 suppliers. These wires do not fall within the scope of EU Regulation 2017/821 on conflict minerals. Our investigations with these suppliers have confirmed that supplies come from "conflict-free" sources, as defined by the Dodd-Frank Act.

Nexans exercises its duty of care and should it transpire 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 Responsible Purchasing policy specifically defines the following four actions to strengthen our vigilance on the conflict minerals suppliers:

- Suppliers of conflict minerals must sign the Nexans CSR Charter every year;
- Suppliers of "conflict minerals" must provide a CSR scorecard every three years;
- The CSR audit must be conducted on suppliers of conflict minerals as a priority; and
- The CSR Risk Purchasing Committee reviews the suppliers of conflict minerals as a priority.

Adapted governance – 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, define corrective measures and monitor these actions. If there is no satisfactory improvement to CSR performance within six months, the Group reserves the right to delist a supplier. The suppliers reviewed during these CSR Risk Purchasing Committee meetings are:

- Suppliers who refuse to sign the Nexans CSR Charter;
- Suppliers with a CSR risk rating from 3 (low to medium) to 6 (severe) using EcoVadis methodology;
- Suppliers who do not show a significant improvement within the agreed timeframe (maximum of six months) after a CSR corrective action plan has been communicated to them.

The Committee is made up of the Group Executive Vice President for Purchasing, Head of Sustainable Purchasing, Group Head of Risk and the Group Compliance Officer. It reports to the CSR Committee every year on the progress of the actions undertaken.

See also sections 3.4.8. "Duty of care plan" and 2.1.2.5. "Risks related to raw materials and supplies".

3.4.8.2. 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 3.3. "The environment: a responsible and sustainable approach". The main risks identified by the Group are described in Chapter 2 "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 3.4.8.1. "Duty of care plan for suppliers" above and section 3.4.8.3. "Duty of care plan"). The Group is working to better monitor these risks and develop systems to reduce them.

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 which require the protection of all tanks containing liquids or products 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-2021.

Governance:

This indicator is monitored twice a year at the CSR Committee meeting in order to decide on measures and the yearly investment needed to fit all tanks with a protection (see section 3.3.3. "Conserving resources and managing environmental risks").

Risk of 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 in 2021.

Governance :

The indicator is measured twice a year at the CSR Committee meeting to decide if any sites should move into phase 2 or update this review (see section 3.3.3. "Conserving resources and managing environmental risks/Land use and discharges into the soil").

3.4.8.3. HEALTH AND SAFETY

Identification and assessment of health and safety risks

In addition to the Group's existing procedures and actions described in Section 3.2.2. "Committed to employees' health and safety policy", the Group continues to use analysis of health and safety risks for all its sites and for suppliers and subcontractors that work at its sites. This analysis is updated every year. The insights gained through this process are used to adapt measures taken to prevent and manage these health and safety risks to the local context.

Main safety risks identified

Most of the accidents (76%) that occurred within the Group in 2021 were caused by unsafe behaviors.

To combat these risks, the Group draws on the proactive programs and initiatives developed across the organization, which are described in section 3.2.2.2. "Workplace safety policies". 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 Safety Golden Rules. This compliance rate was 86% at end-2021. The Group's compliance rate with the Safety Fundamentals was 79% in 2021.

To improve our monitoring of safety risks and based on concrete examples of safety incidents which took place in the preceding years, it has been decided that the following new monitoring indicators will be used to better monitor this risk:

- Hand cutting equipment risk assessments: All sites created an inventory list of potential cutting hazard equipment in accordance with the new Razor Blade and Cutter standard. Compliance rate based upon the safety fundamental (W5) results will continue to be monitored.
- Back injuries: 2022 has been identified as Safety Year with a focus on ergonomics. All employees will be introduced to ergonomics via an introductory video; quarterly events will take place in order to focus on ergonomic such as ergonomic SUSA submissions.
- A new drum handling and parking standard will be launched in the first quarter of 2022. Compliance to the standard will be monitored.

Governance :

These safety indicators are monitored monthly in the framework of the Group Security Committee to decide on how to improve them and they are submitted to the CSR Committee.

The workplace accident frequency rate is monitored monthly for each production site. Those facing difficulties in that regard are subject to a dedicated improvement program followed up by 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 3.2.2.4. "Workplace health policy"). 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 Health indicator is monitored by the Governance and Social Affairs Committee.

3.4.8.4. HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

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 3.4.6.1. "A guiding principle: 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 3.4.8. "Duty of care plan"). 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.

Due to the critical nature of this issue, we have strengthened the Group's approach to managing human rights risks.

This is reflected in the following actions:

- Les Social and internal audits will be stricter with points added specifically to check compliance with human rights.
- 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 twice a year or upon request when issues arise.
  A Human Rights Charter has been defined, co-developed with employee representative bodies, and incorporated into the Code of Ethics and Business Conduct. An action plan was defined to promote the distribution of the Charter and encourage each Group employee to adopt it. This process will take place in several stages:

Step I – Awareness

Take advantage of International Human Rights Day to distribute and promote the new version of the Code of Ethics, focusing on the Human Rights Charter – updated in December 2021

Integrate the new version of the Code of Ethics and Business Conduct into the "Quick Start in Nexans" induction program – Scheduled for the first quarter of 2022

Step II – Systematization

Integrate the new version of the Code of Ethics and Business Conduct into Compliance Week 2022, focusing on a Human Rights issue – Scheduled for September 2022

Step III – Coming full circle

We plan to create an interactive course to help each employee better understand the implications of the Nexans Code of Ethics and Business Conduct in their daily lives – Deployment scheduled for 2023

Monitoring indicator:

Any issues raised with the Group's Ethics Correspondent concerning human rights and fundamental freedoms is dealt with within three months.

Governance :

These indicators are monitored by the Governance and Social Affairs Committee, and more regularly by the Human Rights governance team.

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 3.4.6.1. "A guiding principle: Fair practices".

WHISTLEBLOWING MECHANISMS

The whistleblowing system described in section 3.4.6.1. "A guiding principle: 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.

MONITORING PLAN – AREAS FOR IMPROVEMENT

Monitoring indicators selected for each of the risks listed above are reviewed at the CSR Committee meeting to confirm their relevance and measure progress towards the target set for these indicators for the year.

Reporting on the progress of the 2022 Duty of care plan will be included in the next Universal Registration Document.

3.5 ENVIRONMENTAL AND SOCIAL INDICATORS CSR CONCORDANCE TABLES

ENVIRONMENTAL INDICATORS

	Change 2020/2021	2021	2020	2019	2018
SITES MANAGEMENT					
Number of sites monitored	↗	80	78	82	88
Number of ISO 14001 certified sites	↗	71	67	65	66
% of ISO 14001 certified sites	↗	89%	86%	79%	75%
Number of EHP(1) certified sites	→	68	68	73	78
% of EHP certified sites	↘	85%	87%	89%	89%
ENERGY					
Energy purchased (MWh)	↗	1,104,558	943,779	1,176,992	1,181,197
Energy intensity (MWh/M€)(4)	↘	150	165	181	268
■ o/w grid electricity (MWh)	↘	392,435	569,913	692,029	696,232
■ o/w renewable electricity (purchased or produced) (MWh)		211,731			
■ o/w fuel oil (MWh)	↗	93,920	37,210	48,879	58,398
■ o/w gas (MWh)	↗	403,736	334,056	434,781	414,642
■ o/w steam (MWh)	↗	2,737	2,600	1,302	11,924
WATER					
Water consumption (m^3)	↘	1,702,391	1,802,867	2,159,174	2,319,212
Water intensity (m^3/M€)(4)	↘	231	316	333	526
RAW MATERIALS & CONSUMABLES					
Copper consumption (tonnes)(2)	↗	475,000	460,000	525,000	495,000
Aluminum consumption (tonnes)(2)	↘	95,000	100,000	110,000	105,000
Solvent purchased (tonnes)	↗	347	313	448	452
WASTE					
Total waste generated (tonnes)(3)	↘	70,670	70,725	105,889	93,507
Waste intensity (tonnes/M€)(4)	↘	10	12	16	21
■ o/w hazardous wastes (tonnes)	↗	3,192	2,805	4,700	5,074
Hazardous wastes intensity (tonnes/M€)	↘	0.43	0.49	0.72	1.15
GHG EMISSIONS (SCOPES 1-2-3)					
GHG emissions Location Based (tonnes CO_2 eq)	↘	171,863,509	200,534,032	240,443,613	228,443,990
GHG emissions intensity (tonnes/M€)(4)	↘	23,310	35,101	37,054	51,813
■ o/w scope 1 (tonnes CO_2 eq.)	↗	110,799	94,802	130,017	125,427
■ o/w scope 2 (location based) (tonnes CO_2 eq.)	↗	142,200	137,589	214,364	239,170
■ o/w scope 2 (market based) (tonnes CO_2 eq.)		112,419			
■ o/w scope 3 (tonnes CO_2 eq.)	↘	171,610,509	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 external Group 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.

CO_2 emissions were calculated using GHG Protocol methodology, which categorizes emissions into three scopes (1, 2 and 3).

Type	Description	Indicators included to date
Scope 1	= Direct emissions from mobile and stationary sources	Energy: natural gas, fuel oil, refrigerant gases
Scope 2	= Indirect emissions from purchased electricity = Indirect emissions from purchased steam/heating/cooling	Energy: electricity, steam, heating and cooling
Scope 3	= Other indirect emissions associated with other stages of the life cycle: manufacturing, transport, end of life	Transportation and distribution, energy, raw material purchases, product use and end-of-life, employee commuting and business travel, purchased goods and waste services

The unit of measurement is tonnes of CO_2 equivalent.

The emission factors used to calculate CO_2 emissions are mainly those recommended by ADEME (the French Environmental Agency) in its Base Carbone (latest available values). The emission factors for location-based electricity are calculated by the IEA and DEFRA, while for market-based electricity, emission factors are calculated by AIB.

SOCIAL INDICATORS

NEXANS GROUP

	Change 2020/2021	2021	2020	2019	2018
NEXANS GROUP					
TOTAL HEADCOUNT	↗	**25,129**	24,248	25,945	27,058
Europe	↗	**13,557**	12,997	14,142	15,448
Asia-Pacific	↗	**1,887**	1,843	2,317	2,414
North America	↗	**2,842**	2,611	3,199	3,470
South America	↘	**1,344**	1,346	1,372	1,369
Middle East, Russia, Africa	↗	**5,499**	5,451	4,915	4,357
% Female managers (of manager population)	↗	**24.5%**	24%	24%	23%
EMPLOYMENT DATA					
Absenteeism rate	↗	**7.1%**	6.7%	5.5%	5.2%
SAFETY					
Global workplace accident frequency rate[(1)]	↘	**1.81**	1.87	2.7	2.01
Global workplace accident severity rate[(2)]	→	**0.15**	0.15	0.15	0.14
TRAINING					
Total number of training hours[(3)]	↗	**419,275**	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

	Change 2020/2021	2021	2020	2019	2018
CABLE BUSINESS					
HEADCOUNT CABLE BUSINESS	↘	**13,483**	13,612	15,454	15,930
% Female overall employees	→	**17%**	17%	16%	16%
% Female managers (of manager population)	↗	**25%**	24%	24%	23%
Average age (years)	↘	**44.1**	44.3	44.2	43.8
Average length of service (years)	↘	**12.6**	12.7	12.5	12.7
% Temporary employees	↘	**6.7%**	7.0%	7.3%	7.0%
Disabled employees(3)	↘	**291**	297	378	314
EMPLOYMENT DATA					
Natural departures	↗	**1,410**	-1,433	-1,605	-1,705
Restructuring	↗	**273**	-744	-309	-215
New hires	↗	**1,593**	1,011	1,418	1,727
Impact of changes in Group structure	↗	**515**	-623	0	32
Mobility (net variation)	↘	**6**	8	1	-20
Employee turnover rate(4)	↗	**10.1%**	9.8%	10.4%	10.6%
Overtime rate(5)	↘	**1.4%**	4.8%	5.5%	6.0%
Part-time contracts	↗	**247**	245	341	394
% Fixed-term contracts	↗	**6.6%**	5.5%	5.8%	6.6%
Absenteeism rate	↘	**5.3%**	5.6%	5.0%	4.8%
SAFETY					
Global workplace accident frequency rate(1)	↗	**3.21**	2.94	4.06	3.15
Global workplace accident severity rate(2)	↗	**0.28**	0.25	0.26	0.23
TRAINING					
Total number of training hours(6)	↗	**166,997**	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

	Change 2020/2021	2021	2020	2019	2018
HARNESSES BUSINESS					
HEADCOUNT HARNESSES BUSINESS	↗	**11,646**	10,636	10,491	11,128
Europe	↗	**5,558**	4,864	5,098	6,054
Asia-Pacific	↗	**286**	192	509	389
North America	↗	**1,882**	1,748	1,694	1,985
Middle East, Russia, Africa	↗	**3,920**	3,832	3,190	2,700
% Female overall employees	↗	**62%**	60%	60%	60%
% Female managers (of manager population)	↘	**21%**	23%	21%	20%
Average age (years)	↗	**35.2**	34.6	34.8	34.5
Average length of service (years)	↗	**5.3**	5.2	5.0	4.8
EMPLOYMENT DATA					
Natural departures	↗	**3,262**	-2,937	-4,808	-4,642
Restructuring	↗	**66**	-310	-150	-209
New hires	↗	**4,339**	3,394	4,369	5,781
Impact of changes in Group structure	→	**0**	0	0	0
Mobility (net variation)	↘	**-1**	0	-1	1
Employee turnover rate(4)	↗	**28.2%**	28.0%	43.9%	42.4%
Absenteeism rate	↗	**10.0%**	8.3%	6.2%	5.7%
SAFETY					
Global workplace accident frequency rate(1)	↘	**0.10**	0.34	0.74	0.29
Global workplace accident severity rate(2)	↘	**0.00**	0.01	0.01	0
TRAINING					
Total number of training hours(6)	↘	**252,278**	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) 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.
(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.

CSR CONCORDANCE TABLES

The CSR concordance tables are available in section 8.5.

These tables include the following components:

- Concordances between Articles R.225-104 et *seq.* of the French Commercial Code and the GRI-G4 indicators;
- Concordances with the principles of the Global Compact;
- Concordances with the TCFD guidelines;
- The *Sustainability Accounting Standard* (SASB) concordance table.

3.6 DATA COMPILATION METHODOLOGY FOR CSR INDICATORS

3.6.1. DATA COMPILATION METHODOLOGY FOR ENVIRONMENTAL INDICATORS

The environmental indicators are presented in section 3.5. “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 3.3. “The environment: a responsible and sustainable approach” 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 made during the year rather than actual consumption.
- **Raw materials** – Solvents consumption corresponds to purchases made during the year rather than actual consumption.
- **Waste production** – Waste sent by one Nexans production 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.

3.6.2. DATA COMPILATION METHODOLOGY FOR SOCIAL INDICATORS

Social indicators are presented in section 3.5. "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 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 social data covers companies directly and indirectly owned by the Group in accordance with financial consolidation rules.

Colada Continua (Chile), held at 41% by the Group, and Cobrecon (Peru), held at 48.36% by the Group, joined the social reporting scope for the first year, on a pro rata basis, in 2020.

Eurocable (France) was deconsolidated from the scope of consolidation in 2020 but remains in the Group.

Nexans Metallurgie Deutschland GmbH (Germany) and BerkTek LLC (USA) left the Group in 2020.

Nexans Cable Tianjin (China), Nexans Industrial Solutions (Germany) and Nexans Advanced Networking Solutions (Germany) are included in the reporting scope for the first year in 2021.

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 Temporary Workers. Outsourced personnel are tracked separately and are excluded from the Frequency Rate.
- **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 3.5. "Environmental and social indicators – CSR concordance tables".

3.6.3. 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 or equivalents, the Group Purchasing Department consolidates them. The proportion of suppliers with a CSR performances evaluation (EcoVadis questionnaire or equivalents) 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.

Beforehand, internal purchases and 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, and responsible, fair and sustainable food. These issues are not monitored as the Group is not directly concerned by them.

3.7 REPORT OF THE INDEPENDENT THIRD-PARTY ON THE VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL STATEMENT INCLUDED IN THE GROUP MANAGEMENT REPORT

For the year ended December 31, 2021

This is a free translation into English of the Independent Third-Party's report 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 standards applicable in France..

To the Shareholders,

In our capacity as an Independent Third Party, member of Mazars Group, statutory auditors of Nexans and accredited by COFRAC Inspection under number 3-1058 (scope of accreditation available on www.cofrac.fr), we carried out work aimed at formulating a reasoned opinion that expresses a limited level of assurance on the historical information (observed and extrapolated) of the consolidated extra-financial performance statement, for the financial year ended December 31, 2021 (hereinafter respectively the "Information" and the "Statement"), presented in the management report of the group in application of the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the Commercial Code.

Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" and the evidence we collected, 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.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to base the evaluation and measurement of the Information permits the use of different, but acceptable, measurement techniques which may affect comparability between entities and within the time.

Consequently, the Information must be read and understood with reference to the entity's procedures (hereinafter the "Guidelines"), the significant elements of which are presented in the Statement.

Limits inherent in the preparation of the Information

The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of the external data used. Some information is sensitive to the methodological choices, assumptions and/or estimates used for their preparation and presented in the Statement..

The entity's responsibility

The Board of Directors is responsible for:

- selecting or setting appropriate criteria for the preparation of the Information;
- preparing the Statement with reference to legal and regulatory requirements, 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 and also, the Information required by Article 8 of Regulation (EU) 2020/852 (EU Taxonomy);
- and implementing internal control procedures deemed necessary to the preparation of information, free from material misstatements, whether due to fraud or error.

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 Information (observed or extrapolated) 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").

This is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory requirements (in particular with regard to the Information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the due diligence plan and the fight against corruption and tax evasion);
- the compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional standards

The work described below was performed with reference to 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.

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 the professional doctrine of the French National Association of Auditors.

Means and resources

Our work was carried out by a team of 9 people between October 2021 and February 2022 and for 7 weeks.

We conducted interviews with the people responsible for the preparation of the Statement, representing in particular the CSR Environment, Human Resources, Purchasing and Compliance departments.

Nature and scope of our work

We planned and performed our work considering the risks of significant misstatement of the Information.

We are convinced that the procedures we have carried out in the exercise of our professional judgment enable us to provide a limited assurance conclusion:

- 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, when appropriate;
- 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 human rights and 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 the entity's activity all the consolidated entities' activities, including when 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 presented in Appendix; concerning the risk related to « Fight against pollution and global warming », 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 (see Appendix);
- 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 implemented by the entity 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 presented in Appendix, 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.

The procedures performed for a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the French Institute of Statutory Auditors ("CNCC"). Indeed, the procedures performed for reasonable assurance required more comprehensive verification work.

The Independent Third-Party

MAZARS SAS

Paris La Défense, February 23, 2022

Juliette DECOUX-GUILLEMOT

Partner

Edwige Rey

Sustainable Development Partner

APPENDIX 1 : INFORMATION CONSIDERED AS MOST SIGNIFICANT AND SELECTED ENTITIES TESTED IN DETAIL

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:

- Responsible purchasing and Conflict minerals;
- Workplace safety;
- Talent Development and Retention;
- Climate;
- Environmental pollution;
- Compliance.

The key performance indicators and other quantitative results that we considered the most important:

Themes	Audited indicators	Entities / Departments audited
HUMAN	Headcount at 31/12 Rate of female managers Frequency rate of accidents at work Severity rate of accidents at work Turnover rate External recruitment Training hours Absenteeism rate (including sickness absence)	AUTO Germany AUTO Romania BR01-Nexans Brazil S/A CH01-Nexans Suisse SA CL01-Nexans Chili S.A CL04-Cotelsa CN01-Nexans (Chine) Wires & Cables C. Ltd. CN08-Nexans (Yanggu) New Rihui Cables Co., Ltd. CN09-Nexans (Suzhou) Cable Solutions Co. Ltd. CO01-Nexans Colombia S.A MA01-Nexans Maroc MA02-Sirmel PE01-Indeco S.A US37-Amercable Incorporated
ENVIRONMENT	Share of waste recycled Energy consumption Water consumption Quantity of solvents purchased	Elouges (Belgium) Noyelles (France) Erembodegem (Belgium) Charleroi (Belgium) Rio (Brazil) Lamia (Greece - electricity only) Lima (Peru - electricity only) Nahr Ibrahim (Lebanon - fuel only) Montreal (Canada - water only)
	Reduction of GHG emissions (n vs n-1) Share of Nexans cable drums worldwide that are recyclable and connected to digital platforms	Corporate Industrial Department Digital Department
	Share of renewable or decarbonized energy	Environmental Department
ECOSYSTEM	Amount allocated by the Nexans Foundation Employee engagement index Percentage of managers who have completed the Compliance Week training course	CSR Group Department Legal Department
	Number of the Group's main suppliers and suppliers "at CSR risk", with a valid CSR assessment ≥35% delivered by EcoVadis	Purchasing Department

4

CORPORATE GOVERNANCE

The Board of Directors' report on corporate governance was reviewed by the Appointments and Corporate Governance Committee and the Compensation Committee on February 9, 2022. It was approved by the Board of Directors at its meeting of February 15, 2022, as required by Article L.225-37 of the French Commercial Code (Code de commerce), and is included in this section.

4.1 CORPORATE GOVERNANCE CODE

For corporate governance matters, Nexans refers to the corporate governance Code for listed companies published by the Association Française des Entreprises Privées (AFEP) and Mouvement des Entreprises de France (MEDEF), as amended in January 2020 (the "AFEP-MEDEF Code"). The AFEP-MEDEF Code 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 2021 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's 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."

4.2 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.

4.3 MANAGEMENT BODIES

4.3.1. CHIEF EXECUTIVE OFFICER

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

Number of shares held: 20,351

Number of corporate mutual fund units invested in Nexans shares: 842

49 years old, French nationality

Address: 4 Allée de l'Arche, 92400 Courbevoie, France

Expertise/Experience

Christopher Guérin has served as Senior Executive Vice President, Europe and Telecom/Datacom, Power Accessories Business Groups since 2014. Prior to this, he 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 other positions held during 2021 (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 S.A.*
- 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

(*) Positions held in foreign companies or institutions.

4.3.2. 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, 57, 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, 55, is Chief Operations Officer and Senior Executive Vice President in charge of the B&T Northern Business Group, Harness activities, Industrial Operations and Purchasing. 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 High Voltage Business since 2012, was appointed Executive Vice President Subsea in 2014, then Subsea and Land Systems in February 2018, before being appointed to his current position in December 2019.

David Dragone, 45, 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, 38, 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, 52, 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. As VP Innovation he is responsible for the group's R&D, Design Labs teams, innovation partnerships and internal start-ups called Accelerating Units.

Ragnhild Katteland, 53, 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, 51, 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, 54, 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, 55, is Executive Vice President in charge of the B&T Southern Business Group. He has Indian nationality and is based in Paris. Before joining Nexans in December 2017, Vijay 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.

Elyette Roux, 41, Chief Sales, Marketing & Communications Officer. Elyette joined Nexans in 2021. She has French nationality and is based in Paris.
Elyette Roux started her career as Project Business Manager at Dassault Aviation in 2004 before joining Schneider Electric In 2007 where she held various key roles in Business Development for West African countries and then for the market segment of Building, Infrastructure & Security in Europe, Middle East and South America region. In 2010, Elyette Roux became global Strategic Account Manager responsible for Saint-Gobain before being promoted to Vice President, Industry, Norway based in Oslo. In 2016, Elyette Roux was appointed as Vice President, Strategy, Business Development and Operations before becoming Vice President, Customer Experience & Digital Innovation for Schneider Electric France. Prior to joining Nexans, she was the Head of Customer experience CX – South Europe / France Digital Acceleration Leader in CISCO.

4.3.3. 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 to head up one of Nexans' four Business Groups, representing 31% of EBITDA and 71% of CAPEX and at the heart of the Group's strategy. In August 2021, Nexans appointed a second woman as Chief Sales & Marketing, Communications Officer.

This is an early achievement of the commitment made in 2021, to add one woman more to the Executive Committee by the end of the Equity Story, in 2024. As a result, female representation on the Executive Committee increased from 10% in 2020 to 18% in 2021.

The Group also has the right team in place to ensure delivery of the 2022/2024 strategy. The current succession plan for the Executive Committee has identified two women internally who, if needed, could be two male incumbents' successors.

The Group is also working on increasing the representation of women in its workforce in general, and in top management positions in particular.

Women held 13% of executive roles in 2018, 15% in 2020, and 17% in 2021. Our objective is to reach between 18% and 20% by 2023.

As Diversity and Inclusion is one of the pillars of our 2022/2024 strategy, and one of the elements of our new "E^3" holistic management system, a roadmap setting out our trajectory and our priorities in terms of Diversity and Inclusion will be drawn up during the first six months of 2022. It will, of course, include a Gender Diversity focus.

The aim is to define the milestones that the Group must follow.

This roadmap will also include the areas already identified for continued efforts on gender diversity:

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

In addition, various actions are already underway to support our efforts to promote diversity and opportunities for women:

- Training and personal development:
  - The Women leadership program was launched in May 2021 to develop and prepare participants for top management positions. The aim is that at the end of this program, the participants will have a clear career path, which they have helped to delineate and to which the Group has committed, enabling them to take up a management position within the next five years.
  - In June 2021, the launch of specific training to raise awareness about unconscious bias was a great success. This ad hoc training focused specifically on combating stereotypes. Though the Executive Committee members were the first to take part, it is gradually being rolled out to the entire workforce (in digital and face-to-face formats).
  - Training sessions for key players in the recruitment process will be launched during Q1 2022, to raise awareness about gender bias.
- Enhance Group guidelines and policies regarding female retention and hiring:
  - Every final shortlist of candidates must contain at least one female profile.
  - The target is for one out of every two management and engineering hires to be a woman.
  - There is a dedicated talent review for women in order to define a career development plan enabling them to advance within the organization.
- Monitoring KPI's relating to recruitment, internal mobility and career development with a focus on gender diversity.

4.4 ADMINISTRATIVE BODY

4.4.1. BOARD OF DIRECTORS' COMPOSITION AND DIVERSITY POLICY

4.4.1.1. BOARD AND COMMITTEE 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, 2021, the Board of Directors comprised 14 directors and one Censor.

In accordance with Recommendation 6.2 of the AFEP-MEDEF Code, at its meeting of February 15, 2022, 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.

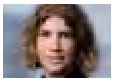
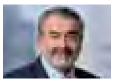
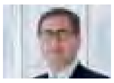
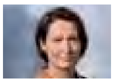
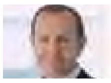
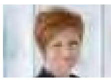
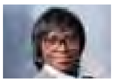
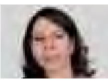
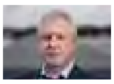
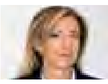
Pursuant to Article L.22 -10 -10 of the French Commercial Code, the following table sets out the diversity policy applied by the Board and stipulates the criteria used, the objectives set down by the Board, the implementation procedures and the results obtained over the period ended December 31, 2021.

Criteria	Objectives	Procedures implemented and results obtained in 2021
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 2021 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, 2021, the average age of the directors was 54.3. 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[a] on the Board at December 31, 2021 was 45.5%.
Nationalities	Over 25% of directors are foreign nationals.	Six directors are foreign nationals and one director has dual nationality. As such, 57.1% of directors were foreign nationals at December 31, 2021. The Censor is also a foreign national.
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%[b] at December 31,2021. Concerning the characterization of directors' independence, see section 4.4.1.3. of this Universal Registration Document.
Expertises/expériences	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 work within the Nexans Group; ■ 11 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.

(a) Proportion of women on the Board calculated without counting the directors representing employees and employee shareholders, in accordance with paragraph 2 of Article L22 -10 -6 of the French Commercial Code.
(b) Independence rate calculated without counting the directors representing employees and employee shareholders, in accordance with Recommendation 9.3 of the AFEP-MEDEF Code.

SUMMARY TABLE OF THE COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The following table summarizes the composition of the Board of Directors and its Committees at January 20, 2022.

	Personal information						Position on the Board				Participation in a Committee			
	Surname and name, corporate name		Age	Woman/Man (W/M)	Nationality	Number of shares held	Start of first term of office	End of current term of office	Length of service on the Board (number of years)	Independence	Accounts, Audit and Risk Committee	Appointments and Corporate Governance Committee	Compensation Committee	Strategy and Sustainable Development Committee
Chairman	Mouton Jean		65	M		11,950	05/15/2019	2023 AGM	3	Yes				
Directors proposed by the main shareholders	Bpifrance Participations, represented by Hérelle Anne-Sophie		41	W		3,363,546	05/15/2019	2023 AGM	3	No	✔	✔	✔	✔
	Hasbún Martínez Oscar		52	M		500	05/15/2019	2023 AGM	3	No				C
	Luksic Craig Andrónico		67	M		6,740	05/14/2013	2025 AGM	9	No				
	Pérez Mackenna Francisco		63	M		500	05/31/2011	2025 AGM	11	No	✔	✔	✔	✔
Independent directors	Anne Lebel Lead Independent Director		56	W		500	05/17/2018	2022 AGM	4	Yes		C	C	
	Basson Jane		52	W	 	500	05/13/2020	2024 AGM	2	Yes		✔	✔	✔
	Marc Grynberg Director responsible for monitoring climate and environmental issues		56	M		2,000	05/11/2017	2025 AGM	5	Yes				✔
	Jéhanno Sylvie		52	W		500	05/13/2020	2024 AGM	2	Yes	✔	✔	✔	
	Porte Hubert		57	M		571	11/10/2011	2023 AGM	11	Yes	✔			
	Wantz-O'Rourke Kathleen		56	W	 	500	05/12/2016	2024 AGM	6	Yes	C			
Directors representing employees and employee shareholders	Afanoukoé Angéline		51	W		520	10/11/2017	2025 AGM	5	No			✔	
	Alami Selma		46	W		734	05/12/2021	2025 AGM	1	No				
	Nyborg Bjørn Erik		45	M		0	10/15/2020	2025 AGM	2	No				
Censor	Bernardelli Laura		52	W		0	09/30/2021			Yes				

45.5% Women

54.3 years Average Age

63.6% Independent Directors

4.5 years Average Seniority

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	HR Communication	ESG, Sust. Dev, Compliance	Strategy	Group's and Group's businesses knowledge	Executive functions	International experience
Jean Mouton	✔	✔	✔		✔	✔	✔	✔	✔	✔
Angéline Afanoukoé	✔	✔			✔	✔		✔		
Selma Alami	✔	✔	✔				✔	✔	✔	✔
Jane Basson	✔				✔	✔	✔		✔	✔
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	✔	✔	✔	✔		✔	✔	✔	✔	✔
Laura Bernardelli	✔	✔	✔	✔			✔		✔	✔

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, 2021, the terms of office of directors appointed by the Annual Shareholders' Meeting expire as follows:

2022 AGM	Anne Lebel
2023 AGM	Jean Mouton, Hubert Porte, Bpifrance Participations (represented by Anne-Sophie Hérelle), Oscar Hasbún Martinez[(a)]
2024 AGM	Jane Basson, Sylvie Jéhanno, Kathleen Wantz-O'Rourke
2025 AGM	Selma Alami[(b)], Marc Grynberg, Francisco Pérez Mackenna(a), Andrónico Luksic Craig[(a)]

(a) Directors proposed by the main shareholder Invexans Limited (UK) (Quiñenco group)
(b) Director representing employee shareholders

CHANGES THAT OCCURED IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES DURING 2021

The summary table below lists the changes that occurred in the composition of the Board of Directors and its Committees during fiscal 2021:

Date of event	Person concerned	Change
May 12, 2021	Marie-Cécile de Fougières	End of term of office as Director representing employee shareholders
May 12, 2021	Selma Alami	Appointed as a Director representing employee shareholders
September 30, 2021	Laura Bernardelli	Appointed as a Censor with a view to proposing her candidacy as a Director at the 2022 Annual Shareholders' Meeting

On January 20, 2022, the Board of Directors decided to appoint a Director to monitor climate and environmental issues. Marc Grynberg, already a member of the Strategy and Sustainable Development Committee, has agreed to assume this position for the duration of his term of office, i.e., until the end of the 2025 Annual Shareholders' Meeting called to approve the 2024 financial statements (see paragraph 4.4.2.3. for more information).

IDENTIFICATION AND SELECTION PROCESS FOR NEW INDEPENDENT DIRECTORS

As part of the process of identifying and selecting new independent directors, the Appointments and Corporate Governance Committee uses one or more independent firms to help it select the candidates to be presented to the Board of Directors. This selection is based on criteria drawn up by the Board of Directors at the proposal of the Appointments and Corporate Governance Committee, in line with the Board's diversity policy and the results of its previous annual assessments.

The Chairwoman of the Appointments and Corporate Governance Committee and the Chairman of the Board of Directors meet with the candidates shortlisted by the Committee and present the various applications to the Committee. The Committee then makes its recommendation to the Board of Directors, which makes the final decision.

The Internal Regulations of the Board of Directors – which can be viewed in full on the Company's website – also include a specific procedure for designating a permanent representative of a legal entity.

Creation of the required profile	Candidate for proposals	Analysis of applications / Interviews	Recommendation to the Board from the Appointments and Corporate Governance Committee	Proposal for appointment to the Shareholders' Meeting and integration
By the Board of Directors, on recommendation of the Appointments and Corporate Governance Committee	With the help of one or two external consultant(s) selected by the Board of Directors	With the Chairwoman of the Appointments and Corporate Governance Committee, and the Chairman of the Board of Directors, and then with members of the Appointments and Corporate Governance Committee		Since 2016, after having been selected, the candidates for Independent Directors are appointed Censor by the Board before the vote of the Annuel Shareholders' Meeting, in order to facilitate their integration

4.4.1.2. MEMBERS OF THE BOARD OF DIRECTORS

At December 31, 2021, 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: 11,950
- 65 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); he is also Chairman of Stelmax SAS. Jean Mouton is also a member of the Board of Egis since February 2nd, 2022, an international player in consulting, construction engineering and mobility services. Jean is a graduate engineer from the École Supérieure des Travaux Publics and holds an MBA from the University of Chicago.

Directorships and other positions held during 2021 (and still in force at the year-end)

- Member of the Supervisory Board of the Hermione Academy Foundation and of ACA (Aéroports de la Côte d'Azur)
- Chairman of Stelmax SAS

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)
- Member of the Audit Committee of the ARC Foundation

Angéline Afanoukoé, Director representing employees

- Nexans Head of Institution Relations
- First elected as a director: October 11, 2017
- Expiration of current term: 2025 AGM
- Member of the Compensation Committee
- Number of shares held: 520
- Number of corporate mutual fund units invested in Nexans shares: 1,052
- 51 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 other positions held during 2021 (and still in force at the year-end)

- None

Directorships that have expired in the last five years

- None

Selma Alami, Director representing employee shareholders

- General Manager of North West Africa Business Unit
- First elected as a director: May 12, 2021
- Expiration of current term: 2025 AGM
- Number of shares held: 734
- Number of corporate mutual fund units invested in Nexans shares: 97
- 46 years old, Moroccan nationality
- Address: Route de Tit-Mellil - Ain Sebaa - Boulevard Ahl Loghlam – Casablanca 20250 – Morocco

Expertise/Experience

Selma Alami started her career in 2000 in information systems at a software company (SSII) specialized in ERP integration in the medical sector. Attracted by the industrial sector, in 2001 she joined a Moroccan holding company that produced and distributed consumer products to support its mergers and acquisitions projects with regard to IT, processes and internal control. In 2003, she joined Sirmel, the distribution subsidiary of Nexans in Morocco, where she was in charge of upgrading and deploying infrastructures and information systems based on group standards. She then held the position of CIO Morocco and later CIO MERA, before taking over the general management of the distribution subsidiary in Morocco in 2018.

After leading Sirmel in its transformation and implementation of strategic projects for its profitable growth plan through 2020, she was Deputy General Manager of the North West Africa Business Unit in charge of operations and support functions from March 2020 and became General Manager on January 31, 2022. Selma is an IS engineer and has completed a Master's degree in Audit and Management of Information Systems at the University of Lille, France.

Directorships and other positions held during 2021 (and still in force at the year-end)

- Positions held within the Nexans Group: Director of Sirmel Morocco*, Sirmel Senegal*, and Nexans Côte d'Ivoire*

Directorships that have expired in the last five years

- None

Jane Basson, independent Director

- Head of Transformation, Corporate Secretary and member of the Executive Committee of Airbus Defence and Space
- 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
- 52 years old, French nationality
- Address: Willy-Messerschmitt-Str. 1, 82024 Taufkirchen, Germany

Expertise/Experience

Jane Basson has been Head of Transformation, Corporate Secretary and member of the Executive Committee of Airbus Defence and Space since October 1, 2021. She was previously Chief of Staff to the Chief Operating Officer and Head of People Empowerment in Operations at Airbus and, prior to that, Chief of Staff to the CEO (2016-2019).

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 moved to 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. She also chairs Balance for Business, a 10,000 strong employee-led inclusion and diversity platform at Airbus.

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

Directorships and other positions held during 2021 (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
- 41 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 other positions held during 2021 (and still in force at the year-end)

- Bpifrance's representative on the boards of Total Eren, Galileo Global Education and Point Vision
- Member of the Board of Cerba Healthcare
- Censor on the Board of CMA CGM

Directorships that have expired in the last five years

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

Marc Grynberg, independent Director, responsible for monitoring climate and environmental issues

- First elected as a director: May 11, 2017
- Expiration of current term: 2025 AGM
- Member of the Strategy and Sustainable Development Committee
- Number of shares held: 2,000
- 56 years old, Belgian nationality
- Address: 4 Allée de l'Arche, 92400 Courbevoie, France

Expertise/Experience

Marc Grynberg was Chief Executive Officer of Umicore from November 2008 to October 2021. 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 other positions held during 2021 (and still in force at the year-end)

- None

Directorships that have expired in the last five years

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

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
- Number of shares held: 500
- 52 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 of Chile.

Directorships and other positions held during 2021 (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 that invests in ports, tug boats and logistics in America
  - Director of various subsidiaries of **SM SAAM***: 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.*
  - Director of **Invexans SA***, which owns 100% of Invexans UK Ltd (Nexans' main shareholder)
- 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: 500
- 52 years old, French nationality
- Address: Tour Europe, 33 place des Corolles, 92400 Courbevoie, France

Expertise/Experience

Sylvie Jéhanno was first appointed Chief Executive Officer of Dalkia in January 2017, and then 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 École Polytechnique and École des Mines de Paris. She is Vice Chairwoman of the National Strategic Committee for the "New Energy Systems" industries.

Directorships and other positions held during 2021 (and still in force at the year-end)

- Chairwoman and Chief Executive Officer of Dalkia
- Chairwoman of Dalkia EN (SAS, a wholly-owned Dalkia subsidiary)
- Member of the Supervisory Board of Dalkia Electrotechnics (SAS, 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 Dalkia Wastenergy, a wholly-owned Dalkia subsidiary
- Chairwoman of CRAM (a Dalkia subsidiary) and Dalkia Wastenergy (a wholly-owned 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
- Chairwoman of the Appointments and Corporate Governance Committee
- Chairwoman of the Compensation Committee
- Number of shares held: 500
- 56 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' Executive Board. 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 other positions held during 2021 (and still in force at the year-end)

- Member of the Supervisory Board of Capgemini Gouvieux SAS
- Director of Altran Engineering Solutions Incorporated*, Altran UK Limited*, Altran Switzerland A.G.*, Altran Portugal SA*, Altran (Singapore) Pte. Ltd.*, Altran Engineering Solutions Japan Limited*

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: 2025 Annual Shareholders' Meeting
- Number of shares held: 6,740
- 67 years old, Chilean nationality
- Address: Enrique Foster Sur 20, piso 16, 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 Compañía Cervecerías Unidas (CCU), Vice Chairman of the Board of Directors of Compañía 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 is 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, the Americas Society, 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 educational foundations 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 other positions held during 2021 (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* (Compañía Sudamericana de Vapores S.A.)**
  - Chairman of the Board of Directors of LQ Inversiones Financieras* and CCU* (Compañía Cervecerías Unidas S.A.) (and its wholly-owned subsidiaries CCU Chile*, CCU Argentina*, ECUSA*, La Barra*, 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 Inicial 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***
  - Director of the Luksic Foundation*
- Member of the International Business Leaders' Advisory Council of the municipality of Shanghai*
- Member of 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*)
- Member of the International Advisory Board of **Barrick Gold***

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
- 45 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 other positions held during 2021 (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: 2025 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
- 63 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.

Directorships and other positions held during 2021 (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.)**
- Member of the Supervisory Board of **Hapag-Lloyd AG***, a Quiñenco group company

Directorships that have expired in the last five years

- Director of Hidrosur* (subsidiary of **Quiñenco**)

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
- 57 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. Hubert Porte is a director of the Chilean company AMA Time. 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 other positions held during 2021 (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)
  - 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*
  - Director of Loginsa S.A. Chile*

Kathleen Wantz-O'Rourke, independent Director

- Executive Vice-President, Group Chief Financial Officer & Chief Information Officer and member of the Plastic Omnium Executive Committee
- First elected as a director: May 12, 2016
- Expiration of current term: 2024 Annual Shareholders' Meeting
- Chairwoman of the Accounts, Audit and Risk Committee
- Number of shares held: 500
- 56 years old, French and Australian nationalities
- Address: 1 allée Pierre Burelle, 92593 Levallois-Perret, France

Expertise/Experience

Kathleen Wantz-O'Rourke joined the Compagnie Plastic Omnium group on June 1, 2021 and has been Executive Vice-President, Group Chief Financial Officer & Chief Information Officer and a member of the Executive Committee since August 1, 2021. She was previously Executive Director Finance & Legal of Keolis Group (since 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. She began her career at Siemens in 1984. Between 1984 and 2012, she held various positions within the Siemens group, in finance, business development and general management in large regional companies. She joined Engie in 2012, as Group Action Plan and Performance Director, and then joined the Akka-Technologies group in 2016, as Group Senior Vice-President Operations & Performance.

Directorships and other positions held during 2021 (and still in force at the year-end)

- Member of the Board of Directors of the Trust Management Institute (TMI)*
- Member of the Board of Directors of AEIHFI, an association for students and past students of France's Institut de Haute Finance
- Member of the Board of Directors of Yanfeng Plastic Omnium Automotive Exterior Systems Co, Ltd*
- Member of the Board of Directors of the Cercle Turgot

Directorships that have expired in the last five years

- Chairwoman of the Management Board of Keolis Group SAS
- Chairwoman and Chief Executive Officer of Keolis SA
- Member of the Board of Directors of Storengy (Engie group), Keolis SA, and various subsidiaries of the Keolis Group (Transpole, Keolis Downer Pty Ltd*, KDR Gold Coast Pty Ltd*, and KDR Victoria Pty*)
- Member of the Supervisory Board of Compagnie Nationale du Rhône
- Censor of **Nexans** (from November 24, 2015 to May 12, 2016)

Laura Bernardelli, Censor

- Chief Financial Officer of the Datalogic group
- First appointed as a Censor: September 30, 2021
- Number of shares held: 0
- 52 years old, Italian nationality
- Address: Via Candini, 2 40012 Lippo di Calderara di Reno (BO) - Italy

Expertise/Experience

Laura Bernardelli had been CFO of the Datalogic group from July 2019 to March 2022 and has been in charge of investor relations since November 2020. Datalogic is a global technology leader in the automatic data capture and process automation markets, listed on the Borsa Italiana. Prior to joining Datalogic, Laura was Senior Vice President Group Controlling, Reporting and Digital Finance at Schneider Electric, from 2017. She joined Schneider Electric in 2014 as Senior Vice President, Finance Building & IT Business.

Prior to joining Schneider Electric, Laura was Vice President, Corporate Strategy and Business Development at Xylem from 2011, when the company was formed from the spin-off of the water business of ITT Corporation. She was subsequently appointed Vice President, Finance and CFO of EMEAI. Laura joined ITT Corporation in 2007 as CFO for Italy. Laura previously held positions of increasing responsibility in the finance function at Fiat, General Electric and Eridania Béghin-Say.

Directorships and other positions held during 2021 (and still in force at the year-end)

- Member of the Board of Directors of **Datalogic S.r.l.**(*)
- Member of the Board of Directors of Datalogic IP Tech S.r.l.*

Directorships that have expired in the last five years

- None

4.4.1.3. 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 January 20, 2022, 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, 2021:

- The following directors are independent: (1) Jean Mouton, (2) Jane Basson, (3) Marc Grynberg, (4) Sylvie Jéhanno, (5) Anne Lebel, (6) Hubert Porte et (7) Kathleen Wantz-O'Rourke
  - The Board of Directors deemed **Jean Mouton** independent given the absence of any business relationship between Nexans and the companies and foundations in which he held directorships in 2021.
  - **Jane Basson** is Head of Transformation, Corporate Secretary and member of the Executive Committee of Airbus Defence and Space, an Airbus group company, which is one of the Nexans Group's customers. The Board of Directors has examined the significant business relationships between Nexans and Airbus, using both quantitative and qualitative criteria.

    In 2021, 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 Head of Transformation, Corporate Secretary and member of the Executive Committee of Airbus Defence and Space. 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.
  - The Board of Directors deemed **Marc Grynberg** independent given the absence of any business relationship between Nexans and Umicore in 2021.
  - **Sylvie Jéhanno** is Chairwoman and Chief Executive Officer of Dalkia, a Nexans Group supplier. The Board of Directors has assessed whether there were any significant business relationships between Nexans and Dalkia using both quantitative and qualitative criteria. In 2021, Dalkia's revenue from its business with Nexans accounted for less than 0.01% 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' standard sales in 2021. 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.
  - **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 significant business relationships between Capgemini and Nexans, using both quantitative and qualitative criteria.

    In 2021, 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 is 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.

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.

- **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, Nexans' 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 fulfills 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 Group Financial Officer & Chief Information Officer of Plastic Omnium group. The Board of Directors deemed her independent given the absence of any business relationship between Nexans and Plastic Omnium in 2021.

At December 31, 2021, 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.

On January 20, 2022, the Board of Directors also examined the status of the Censor in light of the same independence criteria. **Laura Bernardelli** is CFO of Datalogic group. The Board of Directors has examined the significant business relationships between Nexans and Datalogic using both quantitative and qualitative criteria.

In 2021, Datalogic's revenue from its business with Nexans accounted for less than 0.01% of its total revenue. The relationship between Nexans and Datalogic is not significant for Datalogic.

Datalogic is one of the suppliers Nexans works with regularly, it is 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 Laura Bernardelli's appointment as Censor.

Lastly, to maintain her character of independence, Laura Bernardelli has undertaken not to participate in (i) the preparation or solicitation of offers of Datalogic's services for Nexans or any Nexans Group company and (ii) the work performed by Datalogic under a contract or project with Nexans or any Nexans Group company.

- The following directors do not qualify as independent: (1) Oscar Hasbún Martínez, (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 7.69% of Nexans' share capital and voting rights; and (5) Angéline Afanoukoé, (6) Selma Alami, and (7) Bjørn Erik Nyborg, as employees of the Group.

(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 and the Censor with regard to the independence criteria set out in Recommendation 9 of the AFEP-MEDEF Code, as of December 31, 2021:

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	✔						
Selma Alami	✔						
Jane Basson							
Bpifrance Participations							✔
Marc Grynberg							
Oscar Hasbún Martinez							✔
Sylvié Jéhanno							
Anne Lebel							
Andrónico Luksic Craig							✔
Bjørn Erik Nyborg	✔						
Francisco Pérez Mackenna							✔
Hubert Porte							
Kathleen Wantz-O'Rourke							
Laura Bernadelli[a]							

(a) Censor since September 30, 2021

4.4.2. OPERATION AND WORK OF THE BOARD OF DIRECTORS

4.4.2.1. BOARD MEETINGS IN 2021

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

The Board of Directors met eight times in 2021, with an average annual attendance rate of 92.9%. The number of meetings attended by each Board member in 2021 is indicated in the table below:

Director/Censor	Number of meetings attended[a]
Jean Mouton	8
Angéline Afanoukoé	7[b]
Selma Alami	5[c]
Jane Basson	8
Laura Bernardelli	1[d]
Marie-Cécile de Fougières	2[e]
Marc Grynberg	8
Oscar Hasbún Martinez	8
Anne-Sophie Hérelle (Bpifrance Participations)	8
Sylvie Jéhanno	7[b]
Anne Lebel	7[b]
Andrónico Luksic Craig	5[f]
Bjørn Erik Nyborg	8
Francisco Pérez Mackenna	8
Hubert Porte	7[b]
Kathleen Wantz-O'Rourke	8

(a) Out of eight meetings, of which seven meetings were scheduled in advance and one special meeting on a specific topic.
(b) i.e., 87.5% of meetings.
(c) i.e., 100% of meetings held during the director's term of office.
(d) i.e., 100% of meetings held during the Censor's term of office.
(e) i.e., 66.7% of meetings held during the director's term of office.
(f) i.e., 62.5% of meetings.

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.

At the initiative of the Chairman of the Board of Directors, two executive sessions were organized in January 2021 and July 2021, before the Board meetings and without the presence of the Chief Executive Officer and the members of management, at which all Directors were present. The purpose of these meetings, which were chaired by the Lead Independent Director, was to allow open discussions between Directors, improve the operating procedures of the Board of Directors and support management on key issues.

On July 27, 2021, 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.

Four members of the Board of Directors also took part in the inauguration of the Charleston plant in the United States.

Lastly, the Chairman of the Board of Directors and the Lead Independent Director took part in a virtual ESG roadshow organized throughout March and April 2021, with the Group General Counsel and Secretary General, and the Company's Investor Relations, Corporate Social Responsibility and Legal Departments. During this roadshow they met around ten investors and proxy advisors

The main topics discussed by the Board during its meetings in 2021 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 strategic investments
	▪ Review of business performance and industrial and financial Scorecard
	▪ Group's ESG policy, including priorities, actions, performance and risks in the areas of Corporate Social Responsibility; CSR scorecard; Non-Financial Performance Statement; Duty of Care Plan; activities of Nexans Foundation
The Group's financial position, cash position and commitments	▪ 2021 and 2022 budgets
	▪ Approval of the parent company and consolidated financial statements for the year ended December 31, 2020 and the six months ended June 30, 2021
	▪ Adoption of the management report on the operations and results of the Nexans Group and its parent company and adoption of the 2021 interim report
	▪ Review of quarterly earnings and interim and annual outlook
	▪ Review of press releases on such topics as the annual and interim consolidated financial statements
	▪ Financing approvals: in order to issue green bonds up to a maximum principal amount of 500 million euros; to take out a loan from the European Investment Bank up to a maximum amount of 220 million euros; in order to the maximum amount of the unsecured short-term negotiable European commercial paper (NEU CP) to 600 million euros
	▪ 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, whistle-blowing procedures, personal data protection and the Group's 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 and authorization of a parent company guarantee
	▪ Review of related-party agreements and commitments
	▪ Continued information on the legislative and regulatory environment
Management compensation	▪ Compensation policy for directors and executive officers for 2021; setting of 2021 compensation for the Chairman and the Chief Executive Officer
	▪ Review of the performance and the variable compensation of the Chief Executive Officer for 2020
	▪ Directors' compensation for 2022
	▪ Issuance of performance share and free share plans for 2021
	▪ 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	▪ Succession plans for corporate officers
	▪ Self-assessment in 2020 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-2021) of an annual assessment of the Board and the Committees with the assistance of an external consultant
	▪ 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 2021 Annual Shareholders' Meeting
	▪ Selection of a new independent director to be submitted for approval by the 2022 Annual Shareholders' Meeting and proposal for the appointment of a Censor
	▪ Membership of Committees
	▪ Characterization of the independence of members of the Board of Directors
	▪ Review of press releases concerning changes in governance
	▪ Scheduling of meetings and adoption of a projected work program for the Board and its Committees for 2022
Market transactions	▪ Implementation of a share buyback program and a liquidity contract
	▪ Capital increase reserved to employees carried out under the ACT 2022 international employee share ownership plan

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 2021, the Directors attended a two-day strategy seminar in France, physically at Nexans headquarters and remotely.

4.4.2.2. THE BOARD COMMITTEES

To carry out its missions, the Board has set up four specialized Committees:

Accounts, Audit and Risk Committee	Appointments and Corporate governance Committee	Compensation Committee	Strategy and Sustainable Development Committee
Chair: Kathleen Wantz-O'Rourke	Chair: Anne Lebel	Chair: Anne Lebel	Chair: Oscar Hasbún
5 members* 60% independent 60% women 4 meetings 95% participation	5 members 60% independent 80% women 7 meetings 100% participation	6 members 60% independent 80% women 1 employee representative 6 meetings 100% participation	5 members 40% independent 40% women 6 meetings 100% participation

*Since her appointment as Censor in September 30, 2021 Laura Bernardelli attends the Accounts, Audit and Risk Committee meetings.

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, 2021, 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

Since September 30, 2021, Laura Bernardelli, Censor, has also attended meetings of the Accounts, Audit and Risk Committee.

The independence rate of this Committee, as assessed on the basis of the annual review of director independence conducted in early 2022, was 60%, taking into account the characterization of Francisco Pérez Mackenna and Bpifrance Participations as non-independent Directors (see sections 4.1 on the enforcement of the AFEP-MEDEF Code and 4.4.1.3. on directors' independence). The Accounts, Audit and Risk Committee is chaired by an independentDdirector.

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, Keolis and Plastic Omnium;
- **Anne-Sophie Hérelle,** in view of the range of 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.

Laura Bernardelli also has financial, accounting and auditing skills through her training and professional experience, given her various financial responsibilities at Xylem, ITT, Schneider Electric and Datalogic.

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 Corporate Vice President Internal Audit and Internal Control acts as Committee Secretary.

The Accounts, Audit and Risk Committee met four times in 2021. 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. He also met with the Head of Risk Management, the Compliance Officer, the Ethics Correspondent, the Chief Information Security Officer and the Group Data Protection Officer.

The total average attendance rate of the members was 95%, as shown in the following table:

Director	Number of meetings attended
Kathleen Wantz-O'Rourke	4
Bpifrance Participations represented by Anne-Sophie Hérelle	3
Sylvie Jéhanno	4
Francisco Pérez Mackenna	4
Hubert Porte	4
Laura Bernardelli	1[a]

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

In 2021, the issues discussed by the Committee included:

Financial information	■ Review of annual and interim consolidated financial statements
	■ Press releases on annual and interim results
	■ Dividend policy
	■ Review and monitoring of financing projects: green bonds; European Investment Bank loan; unsecured short-term negotiable European commercial paper (NEU CP)
	■ Monitoring the Group's liquidity and loan repayments
	■ Review of the financial population, talent and succession plans
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 2020 Management Report
	■ Review of the "Risks and uncertainties" section of the 2021 interim activity report
	■ Presentation and review of 2021 risk management program; cybersecurity; insurance
	■ Review and monitoring of the compliance program; update on data protection
	■ 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 - Authorization of non-audit services - Modification of the thresholds of the relevant procedure

The Chairpersons of the other Committees are invited to attend Accounts, Audit and Risk Committee meetings when the Committee reviews the risk management programme and monitors the compliance programme. The Chair of the Appointments and Corporate Governance Committee and the Compensation Committee attended two meetings of the Accounts, Audit and Risk Committee in January and November 2021. The Chairman of the Strategy and Sustainable Development Committee attended one meeting in November 2021.

Appointments and Corporate Governance Committee

At the end of 2021, 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 January 2022, 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.

The Group General Counsel and Secretary General acted as Committee Secretary.

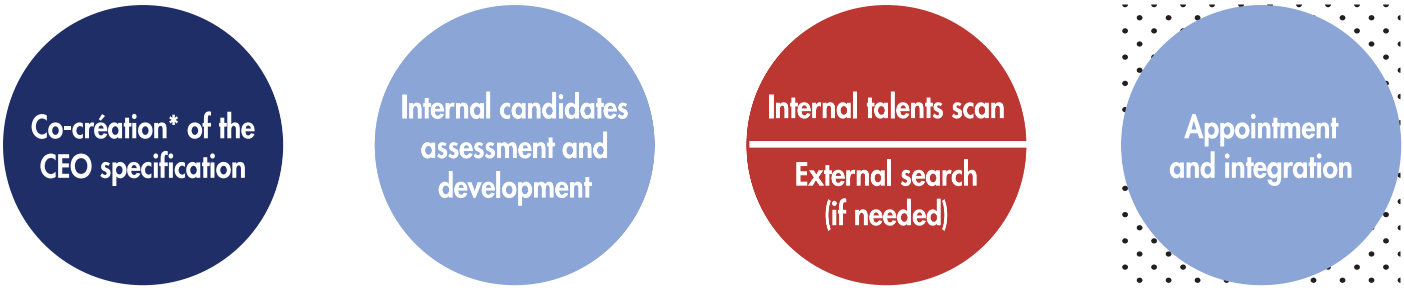
During 2021, the Appointments and Corporate Governance Committee met seven times with a total average attendance rate of 100%, as shown in the following table:

Director	Number of meetings attended
Anne Lebel	7
Bpifrance Participations represented by Anne-Sophie Hérelle	7
Jane Basson	7
Sylvie Jéhanno	7
Francisco Pérez Mackenna	7

During 2021, the Committee particularly focused on the following matters:

Appointments	▪ Review of terms of office expiring at the Annual Shareholders' Meeting; Board succession plan; Recruitment process and timetable for the new independent member; Proposed appointment of a Censor
	▪ Work on the composition of the Board Committees
	▪ 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 2020 and action plan to be implemented following this assessment
	▪ Launch of an assessment of the Board for 2021 with the help of an external consultant
	▪ Review of the Report of the Board of Directors on Corporate Governance
	▪ Review of the Committee's 2022 work program

Succession plans for executive officers



**By the Appointments and Corporate Governance Commitee and the Chairman of the Board of Directors*

Succession plans for executive officers and other members of the Executive Committee are examined and reviewed regularly by the Appointments and Corporate Governance Committee and the Board of Directors. These plans consist of an ongoing, in-depth thought process, with various responses proposed in accordance with the relevant time horizon (short or medium term), in order to prepare for the future by developing various options.

Within the framework of these plans, the Committee proposes internal and external succession solutions to the board, based on studies by independent, third-party consultants. The internal solutions promote leadership development plans within the Group, with those by third-party consultants being useful in the event of an unforeseen vacancy (following a resignation, incapacity, death or potential failure, for example). The Chief Executive Officer and the Group's Senior Corporate Vice President Human Resources join the Committee in assessing internal candidates and reviewing their development plans. The Chairman of the Appointments and Corporate Governance Committee and the Chairman of the Board of Directors examine the lists of candidates to succeed the Chief Executive Officer before submitting proposals to the Committee.

The succession plan for the Chief Executive Officer was reviewed by the Appointments and Corporate Governance Committee and the Board of Directors in January 2022; that for the other members of the Executive Committee was reviewed by the Committee and the Board of Directors in January 2021.

Compensation Committee

At the end of 2021 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 January 2022, 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.

The Group's Senior Corporate Vice President & Chief Human Resources Officer acted as Committee Secretary.

During 2021, the Compensation Committee met six times with a total average attendance rate of 100%:

Director	Number of meetings attended
Anne Lebel	6
Angéline Afanoukoé	6
Bpifrance Participations, represented by Anne-Sophie Hérelle	6
Jane Basson	6
Sylvie Jéhanno	6
Francisco Pérez Mackenna	6

(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 2021, the Committee particularly focused on the following matters:

Compensation	■ Compensation policy for Directors and executive directors for 2021
	■ Variable portion of the Chief Executive Officer's compensation for 2020
	■ 2021 compensation of the Chairman of the Board of Directors and the Chief Executive Officer
	■ 2021 Long-Term Compensation Plans
	■ Review of publicly available information about the compensation of executive corporate officers and the Board's report on Corporate Governance
	■ Draft report on the resolutions submitted to the 2021 Annual Shareholders' Meeting ("Say-on-pay")
	■ International employee share ownership plan ("Act 2022")
	■ Directors' compensation for 2022

Strategy and Sustainable Development Committee

At the end of 2021, 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 2022, 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. The Committee is chaired by a non-independent director who has been chosen for his particular skills and experience in the fields of strategy, business transformation and mergers and acquisitions.

During 2021, the Strategy and Sustainable Development Committee met six times with an attendance rate of 100%.

Administrateur	Nombre de séances
Oscar Hasbún Martinez	6
Jane Basson	6
Marc Grynberg	6
Bpifrance Participations represented by Anne-Sophie Hérelle	6
Francisco Pérez Mackenna	6

The Committee focused in particular on reviewing the strategic plan and its implementation timeline; business portfolio management; several strategic options and acquisition projects; and several strategic investments such as the Aurora cable-laying vessel and the Charleston and Halden plants. The Committee also reviewed the ESG policy, including priorities, actions, risks and performance; the RSE scorecard; the Non-financial Performance Statement and the Duty of care plan. Lastly, the Committee was informed of 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.

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

Internal Regulations - Balance of power

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).

In order to ensure the balance of power, the Internal Regulations determine the distribution of roles and powers between the Chairman of the Board, the Chief Executive Officer and the Lead Independent Director. Since February 15, 2022, the Internal Regulations also provide for the missions of the Director responsible for monitoring climate and environmental issues.

In addition, the members of the Board of Directors meet twice a year without the presence of the executive officers, and a meeting of the independent Directors is also organized each year by the Lead Independent Director (for more about these meetings, see paragraph 4.4.2.1. above).

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:

- 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).
- Opening the capital of a subsidiary through a joint venture or initial public offering amounting to an inflow of more than 25 million euros.
- 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 of the Board represents the Board of Directors and, save in exceptional circumstances, is solely entitled to act and speak on behalf of the Board of Directors.

The Chairman organizes and oversees the work of the Board of Directors and makes sure of the efficient operation of corporate bodies in compliance with good corporate governance principles. He coordinates the work of the Board of Directors with the work of the Board's Committees.

The Chairman makes sure that the directors can effectively fulfill their mission and in particular, that all information necessary is made available to them.

The Secretary of the Board of Directors, reports to the Chairman of the Board. He assists the Chairman of the Board in the organization of the meetings of the Board of Directors and of shareholders, as well as in other tasks relating to corporate governance rules applicable to the Company as a French company.

The Chairman is regularly kept informed by the Chief Executive Officer of significant events and situations affecting the Group, in particular with respect to strategy, organization, major investment and divestment projects and important financial transactions. He can ask the Chief Executive Officer information to inform the Board and its Committees on any matter relevant to their mission.

The Chairman may question the statutory auditors in connection with the preparation of the Board's work. He sees to the efficiency of internal audit in connection with the Accounts, Audit and Risk Committee and has access to the work of internal audit. He may, on behalf of the Board and after having informed the Chief Executive Officer and the Chairman of the Accounts, Audit and Risk Committee, request specific studies from the internal audit department, in which case he will report thereone to the Committee. He also follows, in connection with the Accounts, Audit and Risk Committee, the financing of the Group and the risk management process. He follows with the Strategy and Sustainable Development Committee, the good progress of annual update and execution of strategic plans and that the short, middle and long terms objectives of the different stakeholders are being taken into account.

The Chairman also takes part in some of the Appointments and Corporate Governance Committee's work. In particular, he takes part in the Board of directors' evaluation 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, to 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 general management of the Company. The Chief Executive Officer has the widest powers to act in all circumstances in the Company's name, subject to the powers that law assigns to the Board and to the general shareholders meeting, as well as the Company's specific rules of corporate governance.

He represents the Company, and can take commitments in its name, vis-à-vis third parties.

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

He informs the Board, and in particular its Chairman, of the meaningful events affecting the Group.

Role and powers of the Lead Independent Director

The Board of Directors may appoint, upon 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 missions 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 if the Chairman is not an independent director;
- Be the contact point for independent directors;
- In conjunction with the Chairman, review Board meetings agenda and may propose additional items;
- May, at any time, request the Chairman to convene a meeting of the Board on a predetermined agenda and chair meetings in his absence;

- Shall 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 Meeting of Shareholders.

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

In 2021, the Lead Independent Director held a meeting of the independent Directors on the operating procedures of the Board of Directors and opportunities for developing Nexans' governance. He also chaired two executive sessions attended by all members of the Board of Directors, without the presence of the Chief Executive Officer and Company Management. The purpose of these sessions was to enable open discussions between Directors, improve the operating procedures of the Board and support management on key issues.

The Lead Independent Director regularly held individual meetings with certain Directors. The Lead Independent Director also took part in a virtual ESG roadshow organized throughout March and April 2021, with the Group General Counsel and Secretary General, and the Company's Investor Relations, Corporate Social Responsibility and Legal Departments.

Role and assignments of the Director responsible for monitoring climate and environmental

On January 20, 2022, the Board of Directors decided to appoint a Director responsible for monitoring climate and environmental issues ("Climate Director").

The Climate Director assists the Strategy and Sustainable Development Committee and the Board of Directors, in promoting, facilitating and stewarding the pursuit of climate and environmental considerations in the implementation of the Company strategy.

The Climate Director, in the exercise of duties, promotes, facilitates and stewards:

1) the consideration by the Board of the climate and environmental implications of its decision-making process;
2) the climate and environmental roadmap and action plan as defined by the Group's management;
3) the Company communication strategy on climate and environmental related subjects;
4) the engagement with the Company shareholders and other stakeholders on climate and environmental related subjects.

The Climate Director may:

1) propose additional climate and environmental related items to the Chairman of the Board for its inclusion in the Board of Directors meeting agenda.
2) be entrusted with additional climate and environmental related missions, as the Board of Directors may decide, from time to time.
3) in the exercise of his duties, benefit from the services of the Secretary of the Board, and, after informing the Chief Executive Officer, contact the relevant managers of the Company on climate and environmental related subjects.

The Climate Director reports to the General Meeting of Shareholders on the office activities and action.

The Climate Director is appointed for the duration of his or her term of office as Director. The Board of Directors may terminate this assignment at any time.

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' Code of Ethics, including a procedure for preventing conflicts of interest.

A Director must disclose, to the Board, any conflict of interest in which he or she may be directly or indirectly implicated regarding the topics presented for discussion.. He or she must abstain from attending the debate and voting on all topics for which he or she could be in a position of conflict of interest.

The Appointments and Corporate Governance Committee instructs all issues raised in relation to the application of the Directors' Charter and in particular situations dealing with a Director's potential conflict of interest, except if the Director concerned is a member of the Committee, in which case the matter will be reviewed by the Accounts, Audit and Risk Committee.

Nexans has also adopted a Group-wide insider trading policy whereby executives or any person with access to privileged 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.

4.4.2.4. DIRECTORS' TRAINING

A Director receives all information necessary to complete his or her missions upon taking office and may request any documents he or she deems useful. He or she meet the main representatives from the functional departments or Business Groups and can visit the Group's manufacturing sites. In 2021, Laura Bernardelli met with several members of the Executive Committee. During the Board's assessment at the end of 2021, the directors indicated that the induction program is 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' missions, 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.

Moreover, whenever the Board meets, a review of continued information is proposed to the directors by the Secretary of the Board with regard to developments in legal and regulatory provisions and case law applicable to the Company. For example, in 2021, the directors notably received information on the annual report of the Haut Comité de Gouvernement d'Entreprise, the AMF's report on corporate governance and executive compensation, the Say on Climate initiative, the holding of shareholders' meetings in the context of the health crisis, director liability and the prevention of insider trading.

4.4.2.5. 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.

In late 2021, an annual assessment of the Board was conducted with the assistance of an external consultant, on the basis of an online questionnaire and individual interviews.

Among the strengths that emerge from the findings of this assessment, the members of the Board of Directors emphasized the constant and visible improvement over recent years, an excellent appreciation of the role and investment of the Chairman of the Board of Directors, the welcoming of new Directors, and the quality of the Board's debates, culture and dynamics.

Areas for improvement included the timeframes for transmitting documentation, which could also systematically contain a summary of key points, better monitoring of commitments in terms of sustainable development, a return to physical meetings, and more meetings with members of the Executive Committee and their teams.

In order to promote continuous improvement, the external consultant performed an assessment of each director's individual contribution.

4.4.3. 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 main 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.

4.4.3.1. SPECIFIC PROVISIONS OF THE COMPANY'S BYLAWS

FORM OF SHARES, EVIDENCE OF OWNERSHIP AND DISCLOSURE THRESHOLDS (ARTICLE 7 OF THE BYLAWS)

Shares are registered form until they are fully paid up. Fully paid up shares may be registered or bearer at the option of the shareholder.

In addition to the legal obligation to inform the company when certain fractions of the share capital are held, any natural or legal person and/or shareholder owning a number of shares in the company equal to or greater than 2% of the share capital or voting rights must notify the company of the total number of shares held, within a period of fifteen days from the time the threshold is crossed, by registered letter with acknowledgement of receipt. A further notification must be sent, in accordance with the conditions hereof, each time that a multiple of 2% is reached.

To determine the thresholds fixed the above, any shares held indirectly and any shares considered as being shares held pursuant to article L233-7 and subsequent articles of the Commercial Code, shall be taken into account.

In each notification or report filed as referred to above, the person making the notification or sending the report must certify that all shares held or indirectly considered as being held according to the previous paragraph, have been included, as well as the acquisition date. In the event of non-compliance with above, subject to applicable law, the shareholder shall lose the voting rights corresponding to any shares which exceed the thresholds and which should have been declared. Any shareholder whose holding in the share capital falls below one of the thresholds as provided for above, must also notify the company within a fifteen day time period and in the same manner as described above.

Shares are represented by inscription in the name of the owner, in share accounts maintained by the Company or by an accredited financial intermediary.

Transfer of shares registered in an account will be made by transfer from account to account. All account entries, payments and transfers shall be made in accordance with applicable law. Unless exempted by the laws and regulations in force, the company may require that the signatures on the declarations, transaction or payment orders be certified in accordance with the law and regulations in force.

The company may, in accordance with legal and regulatory provisions in force, require that information be communicated to it by any accredited intermediary or organism relating to its shareholders or to holders of securities which convey immediate or future voting rights, including their identity, the number of shares they hold and an indication, where appropriate, of any restrictions on the shares or securities held.

SHAREHOLDERS' MEETINGS (SUMMARY OF ARTICLE 20 OF THE BYLAWS)

Shareholders' meetings shall be convened and shall deliberate in accordance with the conditions laid down by law. Shareholders' meetings, if convened in accordance with applicable law, shall represent all the shareholders.Its decisions shall be binding on everyone, including absent or dissenting parties.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.

The right to participate in, to a postal vote or to be represented at Shareholders' Meetings is subject to compliance with the following conditions:

- the shares of owners of shares held in registered form must be registered in the name of the registered owner in the share accounts held by the Company or by the financial intermediary appointed by the Company;
- the owners of bearer shares must have obtained a participation declaration in accordance with applicable 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. For postal votes of shareholders to be valid, they must be received at the latest one business day before the Meeting is held (by 15H00 Paris time at the latest), save where applicable law permits a shorter time period.

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 he possesses or represents. 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.

RESTRICTIONS ON VOTING RIGHTS (ARTICLE 21 OF THE BYLAWS)

Regardless of the number of shares which he/she possesses directly and/or indirectly, a shareholder may not, when voting on the following resolutions at any extraordinary shareholders' meeting on its own behalf or as agent, exercise more than 20% of the voting rights attached to the shares of all shareholders present or represented at such Extraordinary Shareholders' Meeting:

(i) any resolution relating to any reorganization transaction to which the Company is a party that has an impact on the share capital and/or equity of any participating or resulting entity, including without limitation in the forms of contribution of assets (apport partiel d'actif), hive-down (apport partiel d'actif soumis au régime des scissions), contribution in kind (apport en nature), merger (fusion), absorption (fusion-absorption), demerger, spin-off (scission partielle), split-up (scission), split-off, reverse merger or other similar reorganization transaction;

(ii) any resolution relating to any public offer – takeover bid, exchange offer, alternative or mixed - initiated by or with respect to the company, including resolutions relating to public offer defences;

(iii) any resolution other than in connection with a transaction referred to in (i) or (ii) above, relating to the increase in the company's share capital through the issuance of ordinary shares of the company resulting in an increase of the share capital of more than 10% of the ordinary shares as at the date of the relevant extraordinary shareholders' meeting, and/or securities giving access to the company's share capital (valeurs mobilières donnant accès au capital) within the meaning of articles L.228-91 et seq. of the French commercial Code that may result in an increase of more than 10% of the share capital of the company as at the date of the relevant extraordinary shareholders' meeting;

(iv) any resolution relating to equal distribution in kind (distribution en nature) between shareholders;

(v) any resolution relating to voting rights except for resolutions relating to (a) the creation of double voting rights, (b) the lowering of the 20% voting rights limit or (c) the extension of the list of resolutions subject to the 20 % voting rights limit); and

(vi) any resolution relating to any delegation of powers and authority (délégations de pouvoirs ou de compétence) to the Board of Directors in connection with any of the transactions referred to in paragraphs (i) to (v) immediately above.

Shares which are held indirectly and those which are assimilated as being shares held pursuant to articles L233-7 and subsequent articles of the French Commercial Code shall be taken into account when determining this limitation.

The limitation determined in the above paragraph shall become automatically null and void as soon as an individual or a legal entity holds at least 66.66% of the total number of shares in the Company as a result of a takeover bid by way of purchase or exchange of shares for all the Company's shares.

APPROPRIATION OF INCOME (ARTICLE 23 OF THE BYLAWS)

The difference between revenue and expenses for the financial year, after provisions, constitutes the profit or loss for the financial year as recorded in the profit and loss account. 5%of the profit, reduced as the case may be by previous losses, shall be paid to a legal reserve. This payment can be stopped once the legal reserve reaches one tenth of the share capital.

It shall be resumed if, for any reason whatsoever, the reserve falls below this fraction.

The allocation of the distributable profit, which consists of the profit for the financial year reduced by previous losses and the payment referred to above and increased by any profits carried forward, shall be decided upon by the general shareholders' meeting who on the recommendation of the Board of Directors, may retain it in whole or in part, allocate it to general or special reserve funds or distribute it to the shareholders as a dividend. In addition, the general shareholders' meeting may decide to distribute amounts taken from the discretionary reserves either to create or supplement a dividend or as an extraordinary distribution.

In this case, the decision shall indicate specifically the reserves from which the payments are made. However, dividends will be paid in priority from the distributable profit for the financial year.

The Ordinary General Shareholders' Meeting may grant each shareholder the option of choosing between the payment of the dividend or the provision of interim dividends in cash or in shares for all or a proportion of the dividend distributed.

4.5 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 2021 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)
Dessale Vincent Chief Operating Officer and Senior Executive VP B&T Northern	03/14/2021	Purchase	Shares	1,250	€0.00[a]
Guérin Christopher Chief Executive Officer	03/14/2021	Purchase	Shares	3,750	€0.00[a]
Jéhanno Sylvie Director	04/08/2021	Purchase	Shares	5	€381.50
Dessale Vincent Chief Operating Officer and Senior Executive VP B&T Northern	04/12/2021	Sale	Shares	2,589	€197,160.00
Mouton Jean Chairman of the Board of Directors	04/30/2021	Purchase	Shares	1,400	€97,510.00
Grynberg Marc Director	05/06/2021	Purchase	Shares	1,500	€104,775.00
Guérin Christopher Chief Executive Officer	07/27/2021	Purchase	Shares	1,864	€0.00[b]

(a) Shares vested under Compensation Plan No. 17 of March 14, 2017 with an underlying share value of €66.40 (see paragraph 4.6.6. for more information on the conditions of this plan).
(b) Shares vested under Compensation Plan No. 18A of July 27, 2018 with an underlying share value of €79.45 (see paragraph 4.6.6. for more information on the conditions of this plan).

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.

4.6 COMPENSATION AND BENEFITS

4.6.1. COMPENSATION POLICY FOR DIRECTORS AND EXECUTIVE DIRECTORS FOR 2022

The compensation policy for corporate officers for 2022 was decided by the Board of Directors at its meeting of February 15, 2022, 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 2022 Annual Shareholders' Meeting.

4.6.1.1. DIRECTORS' COMPENSATION POLICY

At December 31, 2021, the Company's Board of Directors comprised 14 members and one Censor. 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, It has remained unchanged since that date.

On the recommendation of the Compensation Committee, the Board of Directors decided at its September 30, 2021 meeting to propose to the 2022 Annual Shareholders' Meeting that the Board members' total annual compensation be increased to 750,000 euros as from January 1, 2022.

The Board of Directors based its decision on a comparative study according to which the amount of compensation paid to Nexans Board members is lower than the average and median compensation paid to Board members of a benchmark panel, and noted the significant increase in the number of Board and Committee meetings in recent years.

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.

The rules for the allocation of Directors' compensation are as follows as of January 1, 2022, subject to the 2022 Shareholders' Meeting's approval of the increase in the Board members' total annual compensation to 750,000 euros.

Each director will receive:

- fixed compensation of 13,000 euros per year;
- compensation of 3,500 euros for each Board meeting attended, capped at an aggregate 26,000 euros per year;
- if they are a member of a Board Committee, compensation of 3,500 euros per Committee meeting attended, capped at an aggregate 21,000 euros per year;
- If they are the Chairman of a Board Committee, a fee 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 4.6.1.2. below.

Directors representing employees and employee shareholders do not receive any compensation as Directors or Committee members. Neither the Lead Independent Director nor the Director responsible for monitoring climate issues receive any compensation for the missions entrusted to them.

Censors receive the same amount of compensation as Board members.

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.

4.6.1.2. 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 2022 was examined by the Compensation Committee during three meetings between November 2021 and February 2022, before being proposed to and approved by the Board of Directors.

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 relies 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-in-kind. 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 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's "Insider dealing" 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, 25% 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 4.6.4.4. 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-competition 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 twelve-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.

4.6.1.3. APPENDIX TO THE COMPENSATION POLICY FOR EXECUTIVE DIRECTORS: COMPONENTS SET FOR 2022

Compensation of the Chairman of the Board of Directors

Pursuant to the Board of Directors' decision on January 20, 2022, the fixed annual compensation of Jean Mouton as Chairman of the Board of Directors for 2022 has been set at 320,000 euros. It had been set at 250,000 euros as of his appointment as Chairman of the Board of Directors on May 15, 2019. This amount has remained unchanged since that date.

The Board of Directors recently conducted a comprehensive review of the level of compensation of the Chairman of the Board with the assistance of external consultants. This review resulted in the following conclusions:

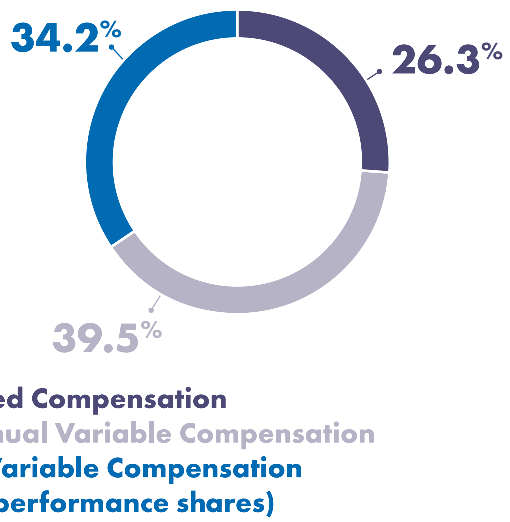
Jean Mouton's commitment to the excellent operation of the Board of Directors, for the benefit of the Group's governance, is an important asset for Nexans;

- The number of Board and Committee meetings has increased significantly over recent years;
- In addition to his steady supervision of the Board's operations, Jean Mouton duly participates in all Committee meetings, bi-annual executive sessions, and independent directors' meetings, as well as in the ESG roadshows with the Company's management;
- The assessment of the Board conducted in early 2022 shows that "the role of the Chairman is praised by the Directors and his personal investment in the Board is considered very positive";
- A study conducted by independent consultancy Willis Towers on the compensation of non-executive chairmen for comparable companies in the SBF 120 indicates that the Chairman's fixed compensation is, to date, below the median of 300,000 euros. An additional benchmarking study performed by independent consulting firm Korn Ferry is consistent with these findings;
- The fixed compensation of the Chairman of Nexans' Board of Directors has not changed since 2016.

Compensation of the Chief Executive Officer

Structure of the 2022 compensation of the chief executive officer

The weighting in the CEO's total compensation of the fixed, annual variable and long-term variable components (excluding exceptional compensation), assuming that the maximum rate of annual variable compensation is reached and that the Board of Directors grants the maximum number of performance shares is as follows:



FIXED COMPENSATION

At its meeting held on February 15, 2022, the Board of Directors decided that the Chief Executive Officer, Christopher Guérin, would receive a fixed annual compensation of 750,000 euros for 2022. This compensation was reviewed on February 16, 2021 and approved by the Annual Shareholders' Meeting of May 12, 2021. It is only reviewed every three years, in compliance with the compensation policy for executive directors.

Variable compensation

at its meeting of February 15, 2022, the Board of Directors set the objectives of Christopher Guérin's variable compensation for 2022. 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 2022 budget.

Collective objectives for 2022

The collective objectives and their respective weighting for 2022 are as follows:

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

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 2022

The individual objectives and their respective weighting for 2022 are as follows:

1. Strategy deployment : 25%:

- From an organic point of view: deployment of SLS Capex, implementation of the new R&D and Marketing organization, award of SLS contracts (interconnections and offshore wind)
- From an inorganic point of view: rotation of assets (transfers and acquisitions)
- Achieve a net income of €190 million in 2022 (adjusted from COREX effect)

2. Operational Efficiency: 25%

- Deployment of the Group's industrial strategy as well as the IS/IT and R&D organization following the announcements of the new 2022-24 strategic plan and the refocusing on the electrification ecosystem.
- Analysis of the value chain ecosystems, and determine possible new partnerships to improve the impact of Nexans' offer in a Systems and Solutions logic. Presentation to the Board in S1 2022.
- Integration of acquisitions

3. Culture and Engagement : 25%

- Deployment and fixation of the new culture (behaviors, role model). Implementation of a workforce planning and build the new skills grid resulting from the new strategic plan.
- Succession plan of the Executive Committee. Strategic talent management (TOP40 emerging talents with associated training plan).

4. Deployment of ESG Policy : 25%

- Continued deployment of the ESG scorecard with achievement of the 2022 objective.
- Implementation of the associated extra-financial communication around E^3 (Economics, Environment, Engagement) and new performance management tools such as ROCE2.
- Diversity policy (continuity of Woman in Nexans plan and mentoring of recently appointed managers)

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 20, 2022.

Payment of annual variable compensation will be subject to approval at the 2023 Annual Shareholders' Meeting of the resolution related to the total compensation and benefits-in-kind paid in 2022 or granted to the Chief Executive Officer for 2021 under Article L.225-100 of the French Commercial Code.

Long-term compensation

At its meeting of February 15, 2022, the Board of Directors 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 2022 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 9 following 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 2022 will be subject to a financial performance condition based on the amount of Free Cash Flow at end of 2024. 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 2022 will be subject to a performance condition linked to the Group's CSR profile as set out in the roadmap for 2021-2023.

For 2022, the shares that may be granted to the Chief Executive Officer are capped by the resolution adopted by the Annual Shareholders' Meeting of May 12, 2021 at no more than 12% of the aggregate number of performance shares granted (i.e., 36,000 shares), corresponding to around 0.08% of the Company's share capital at December 31, 2021 (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.

4.6.2. DIRECTORS' COMPENSATION FOR 2021

The total compensation and benefits-in-kind paid or allocated to directors and the Censor for offices held during 2021 was 628,312 euros. The table below shows the allocation between the individual directors and the Censor for 2021 in comparison with 2020 (in euros).

Board members	Compensation due for and paid in 2020 (in euros)	Compensation due for and paid in 2021 (in euros)
Jean Mouton	-	-
Angéline Afanoukoé[(a)]	-	-
Selma Alami[(b)]	-	-
Jane Basson	54,372	70,000
Bpifrance Participations (Anne-Sophie Hérelle)	69,731	79,000
Marie-Cécile de Fougières[(c)]	-	-
Marc Grynberg	47,711	52,000
Oscar Hasbún Martinez	64,226	70,000
Sylvie Jéhanno	45,593	64,000
Anne Lebel	75,236	70,000
Fanny Letier[(d)]	31,860	-
Colette Lewiner[(e)]	45,655	-
Andrónico Luksic Craig	28,443	28,000
Bjorn Erik Nyborg[(a)]	-	-
Francisco Pérez Mackenna	83,494	82,000
Hubert Porte	44,958	46,000
Kathleen Wantz-O'Rourke	58,721	58,000
Laura Bernardelli[(f)]	-	9,312
TOTAL	**650,000**	**628,312**

(a) Director representing employees
(b) Director representing employee shareholders
(c) Director representing employee shareholders whose term of office expired on May 12, 2021
(d) Director who resigned from the Board on May 12, 2020
(e) Director whose term of office expired on May 13, 2020
(f) Censor appointed on September 30, 2021

In 2021, 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.

4.6.3. COMPENSATION PAYABLE FOR 2021 TO JEAN MOUTON, CHAIRMAN OF THE BOARD OF DIRECTORS

At its meeting of January 27, 2021, 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.

Summary of Jean Mouton's compensation and benefits

	2020	2021
Compensation due for the year as Chairman of the Board of Directors	€237,500	€250,000

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

Breakdown of Jean Mouton's compensation and benefits

	Amounts due for 2020	Amounts paid in 2020	Amounts due for 2021	Amounts paid in 2021
Fixed compensation	€237,500	€237,500	€250,000	€250,000
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' compensation	-	-	-	-
Benefits-in-kind	-	-	-	-
TOTAL	**€237,500**	**€237,500**	**€250,000**	**€250,000**

4.6.4. COMPENSATION PAYABLE FOR 2021 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. As a sign of solidarity and social cohesion, Nexans' Chief Executive Officer committed to reducing his compensation by 30% in April and May 2020.

Summary of compensation payable to Christopher Guérin, Chief Executive Officer

	2020	2021
Compensation due for the year as Chief Executive Officer	€1,458,164	€1,803,812
Valuation of performance shares granted during the year as Chief Executive Officer[(a)]	€299,800	€1,034,080
Valuation of performance shares vested during the year to the Chief Executive Officer under the specific plan related to the 2021-2024 Strategic Plan[(a)]		€693,382
Valuation of performance shares vested during the year	€84,231	€333,141

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

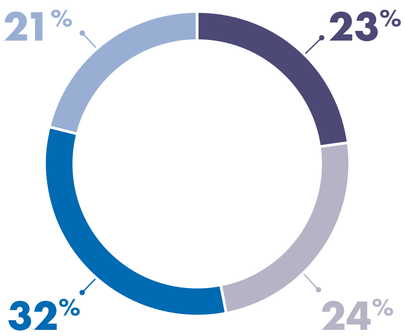
As a sign of solidarity and social cohesion, Nexans' Chief Executive Officer committed to reducing his compensation by 30% in April and May 2020.

Breakdown of compensation payable to Christopher Guérin, Chief Executive Officer

	2020	2020	2021	2021
	Amounts due for 2020	Amounts paid in 2020	Amounts due for 2021	Amounts paid in 2021
Fixed compensation	€570,000	€570,000	€750,000	€750,000
Variable compensation	€882,360	€776,400	€1,048,050	€882,360
Exceptional compensation	-	-	-	-
Directors' fees[(a)]	-	-	-	-
Benefits-in-kind[(b)]	€5,804	€5,804	€5,762	€5,762
TOTAL	**€1,458,164**	**€1,352,204**	**€1,803,812**	**€1,638,122**

(a) Christopher Guérin is not a director of Nexans
(b) Company vehicle

2021 CEO'S COMPESATION STRUCTURE



- **Fixed compensation**
- **Variable compensation**
- **Valorisation action de performence**
- **Valorisation of performance shares veste during the year to the Chief Executive Officer under specific to the 2021-2024 Strategic Plan**

4.6.4.1. FIXED COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

On the recommendation of the Compensation Committee, the Board decided to increase the Chief Executive Officer's fixed compensation from 600,000 euros to 750,000 euros for 2021. This fixed compensation was reviewed after a three-year period.

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 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 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 to 750,000 euros to represent 94% of the panel's median (median of 800,000 euros).

4.6.4.2. VARIABLE COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

As decided by the Board of Directors at its meeting on February 16, 2021, the targeted percentage of Christopher Guérin's variable annual compensation for 2021 represents 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 2021 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 OFCF (25%).

On February 15, 2022, the Board of Directors voted on the determination of the amount of Christopher Guérin's variable compensation for 2021 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 2021 (ROCE 25%, EBITDA 50% and OFCF 25%).
- The achievement rate for the ROCE objective was 100% of the maximum, reflecting a significant increase in this indicator compared to budget.
- The achievement rate for the EBITDA objective was 94% of the maximum, this indicator has also improved compared to budget.
- The achievement rate for the OFCF objective was 93.6% of the maximum, reflecting a significant increase in this indicator compared to budget.

Based on these figures, the Board of Directors noted that the portion of variable compensation contingent on group-based objectives amounted to 643,050 euros (representing 95.26% of the maximum potential amount of 675,000 euros).

For the portion contingent on specific, pre-defined individual objectives, the Board assessed the achievement level of the objectives for 2021. After assessing their degree of achievement, the Board of Directors defined them as follows:

- The achievement rate of "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: EUR 85 Million" is 93.3%

of the maximum amount. The Capital Markets Day was a real success, share price evolved positively, the perception survey was very positive considering the shift to Electrification as a bold and ambitious move. Acquisition of Centelsa, SHIFT Prime and SHIFT SLS have been launched. The net income for 2021 reached EUR 164 M.

- The achievement rate of "Deployment and supervision of projects aimed at improving operational efficiency, monitoring and control of related costs (overhaul of the industrial strategy with regard to the new strategic chapter, launch of the Industry 4.0 program, overhaul of the IT organization)" is 80% of the maximum amount. The complete World Class manufacturing for Electrification was redesigned with 20 competitiveness factors. An ambitious Industrial footprint project will follow in 2022. Diagnosis & deployment on Industry 4.0 was done with 2 pilot sites ready for 2022. A complete workstream on IT roadmap was realized from October to December 2021 and the deployment of the new architecture is ongoing.
- The achievement rate of "Rollout of the new corporate purpose (Electify the Future), implementation and role modelling of new values and behaviors, strategic talent agenda, and diversity policy" is 100% of the maximum amount. The Group rolled out the new corporate purpose (Electrify the Future), implemented and modelled role of new values and behaviors with a strategic talent agenda, and a diversity and inclusion policy. The new purpose and mission has been disclosed and appropriated through the Business Unit Ambitions stories, shared with all employees in each Business Unit. The values are very well spread throughout the Group and appropriated less than 6 months after their disclosing. New role models have been defined and implemented, starting with 2 strategic functions, R&D and Sales & Marketing. A dedicated program has been designed and launched for 15 emerging women talents, for them to grow as Top Executives, and same will be done for 40 "Equity story influencers" in 2022. The women representation on the Executive Committee has increased from 10% in 2020 to 18% in 2021.
- The achievement rate of "Deployment of the new CSR scorecard. Related Investors relations management." is 86.7% of the maximum amount given Nexans ranked 6th most responsible company in France across all sectors, and No. 1 in the Capital Goods category. The Board noted few examples of the ESG Scorecard deployment :
  - From a safety day to a safety year with a dedicated theme on hand safety;
  - Implementation of a diversity and inclusion training;
  - Deployment of the Nexans Climate Strategy via the Fresque Climate;
  - Internal PLANET week organized on 60 sites worldwide;
  - Share of renewable or carbon-free energy with the integration to the RE100 program and an objective of 100% of renewable electricity by 2030.

Based on these figures, the Board of Directors noted that the portion of the variable compensation contingent on individual objectives amounted to 405,000 euros (representing 90% of the maximum potential amount of 450,000 euros).

The total amount of variable compensation as determined by the Board for 2021 was thus 1,048,050 euros or 93.16% of the maximum amount.

Payment of the Chief Executive Officer's variable compensation is subject to approval by the 2022 Annual Shareholders' Meeting.

4.6.4.3. 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 2021. Since 2010, the Company no longer grants any stock options.

Shares granted to Christopher Guérin in 2021

	Plan no. 21 of March 18, 2021	Plan no. 21A of September 30,, 2021
Number of shares granted in 2021	Between 0 and 20,000	Between 0 and 11,000
Value of shares based on the method used in the consolidated financial statements[a]	€1,034,080	€693,382
% capital represented by shares granted	0.05%	0.02%
Vesting date	03/18/2025	03/17/2025
End of lock-up period	03/18/2025	03/17/2025
Performance conditions	Yes	Yes

a) 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 13, 2020, on March 18, 2021 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. 21). 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:

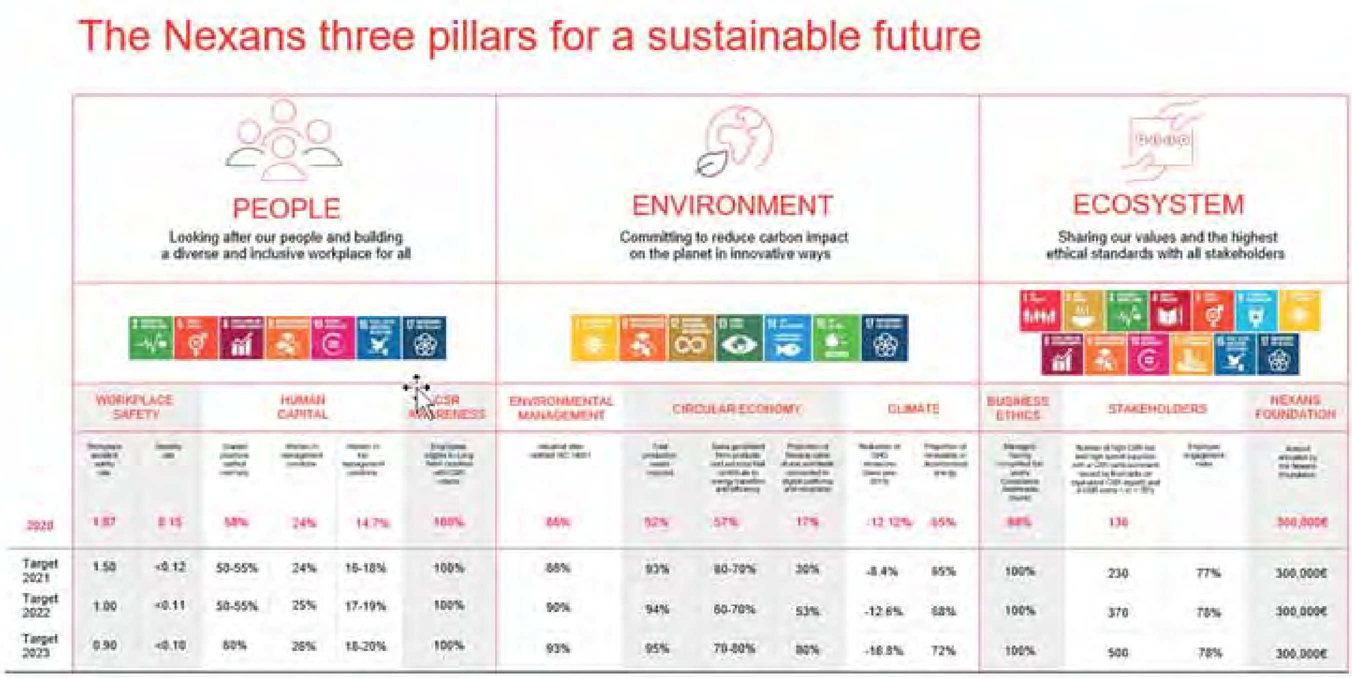
(1) a share performance condition, which applies to 40% of the shares granted and is based on Nexans' TSR (total shareholder return) as compared with that of a benchmark panel made up of the following nine companies: Belden, Legrand, Prysmian, Rexel, ABB, Schneider Electric, Leoni, NKT Cables, and ZTT. 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 2023

(3) a CSR performance condition will be applied to 20% of he shares granted, which consists of measuring the achievement of the Group CSR profile as set out in the roadmap for 2021-2023:



	Workplace Safety	Workplace Safety	Human Capital	Human Capital	Human Capital	CSR Awareness	Environmental Management	Circular Economy	Circular Economy	Circular Economy	Climate	Climate	Business Ethics	Stakeholders	Stakeholders	Nexans Foundation
2020	1.87	0.15	58%	24%	14.7%	100%	86%	92%	57%	17%	-12.12%	65%	88%	136		300,000€
Target 2021	1.50	<0.12	50-55%	24%	16-18%	100%	88%	93%	60-70%	30%	-8.4%	65%	100%	230	77%	300,000€
Target 2022	1.00	<0.11	50-55%	25%	17-19%	100%	90%	94%	60-70%	53%	-12.6%	68%	100%	370	78%	300,000€
Target 2023	0.90	<0.10	60%	26%	18-20%	100%	93%	95%	70-80%	80%	-16.8%	72%	100%	500	78%	300,000€

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 18, 2025 may range between a minimum of 0 and a maximum of 20,000 depending on the attainment of the following applicable performance targets.

Rank achieved by Nexans	Percentage of definitively vested shares with respect to this stock market performance condition
1st or 2nd in the ranking	100%
3rd in the ranking	90%
4th in the ranking	80%
5th in the ranking	60%
6th in the ranking	40%
Below 6th in the ranking	0%

Group Free Cash Flow Level du Groupe by the end of year 2023	Percentage of definitively vested shares with respect to this condition
≥ EUR 200 M	100%
≥ EUR 190 M et < EUR 200 M	90%
≥ EUR 180 M et < EUR 190 M	80%
≥ EUR 170 M et < EUR 180 M	70%
≥ EUR 160 M et < EUR 170 M	60%
≥ EUR 150 M et < EUR 160 M	50%
< EUR 150 M	0%

CSR index achieved at end-2023	% of shares vested based on this condition
≥ 90%	100%
≥ 70% and < 90%	70%
< 70%	0%

In addition, Nexans presented its new Equity Story in mid-February 2021 at the Capital Markets Day (CMD). This plan is ambitious and foresees a significant rotation of the portfolio. In order to motivate and retain the members of the Executive Committee and certain key persons to carry out this ambitious plan until its completion by the end of 2024, the Board of Directors during its meeting held on September 30, 2021, adopted a long-term compensation plan n°21A in the form of a performance share allocation plan, in accordance with the authorization given by the 29th resolution of the Annual Shareholders' Meeting of May 12, 2021.

The main features of this plan were presented to shareholders in the notice of the Annual Shareholders General Meeting of May 12, 2021, within the limit of 100,000 performance shares intended for the Group's corporate officers and key managers. The final vesting of the shares granted is conditional on the achievement of the following performance conditions:

(1) A vesting condition applied to 20% of the shares allocated and based on the relative evolution of the Total Shareholder Return (TSR) as compared with that of a benchmark panel made up of the 9 following 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.

Rank achieved by Nexans compared to panel TSR	Percentage of definitively vested shares with respect to this stock market performance condition
1st or 2nd in the ranking	100%
3rd in the ranking	90%
4th in the ranking	80%
5th in the ranking	60%
Below 6th in the ranking	0%

(2) An electrification rate condition as a percentage of consolidated revenue, applied to 20% of the number of shares allocated.

The "Electrification" activity represents all of the Group's sites attached on January 1, 2021 to the Subsea and Land Systems and Building & Territories (excluding Metallurgy) Business Groups.

If the turnover at the standard rate of the Group is greater than or equal to 6 billion euros, the Electrification rate, defined as the quotient of the standard sales linked to the "Electrification" activity by the standard consolidated sales of the Group (excluding metallurgy) will be measured and the number of definitively vested shares will be determined on the basis of the following scale:

Level of Electrification as % of consolidated turnover at year-end 2024	Percentage of definitively vested shares with respect to this stock market performance condition
≥ 100%	100%
≥ 95% and < 100%	90%
≥ 90% and < 95%	80%
≥ 85% and < 90%	70%
≥ 80% and < 85%	60%
≥ 75% and < 80%	50%
< 75%	0%

(3) An economic performance condition applied to 60% of the number of shares allocated and consisting of measuring the level of achievement at the end of 2024 of three indicators: the Group's consolidated EBITDA applied to 15% of the shares granted, the EBITDA of the "Electrification" activity applied to 15% of the shares granted and the NCCR (Normalized Cash Conversion Ratio) applied to 30% of the shares granted.

Consolidated EBITDA is defined as operational margin before amortizations in percentage, as indicated in the financial statements for 2024 published in 2025.

The number of definitively vested shares under the consolidated EBITDA condition (in % of Standard sales) will be determined based on the following scale:

Levels of the Group's EBITDA in % at year-end 2024	Performance level / Percentage of the number of Granted Shares that have vested
≥12%	150%
≥11.8% and <12%	140%
≥11.6% and <11.8%	130%
≥11.4% and <11.6%	120%
≥11.2% and <11.4%	110%
≥11.0% and <11.2%	100%
≥10.8% and <11.0%	90%
≥10.6% and <10.8%	80%
≥10.4% and <10.6%	70%
≥10.2% and <10.4%	60%
≥10% and <10.2%	50%
<10%	0%

EBITDA for "Electrification" activity is defined as consolidated operational margin before amortizations, for all sites belonging on January 1, 2021 to Subsea and Land Systems and Building & Territories Business Groups (excluding Metallurgy). Other Business Groups are excluded.

The number of definitively vested shares will be determined based on the following scale:

Levels of the Group's EBITDA for Electrification activity at year-end 2024	Performance level / Percentage of the number of Granted Shares that have vested
≥470M€	150%
≥466M€ and <470M€	140%
≥462M€ and <466M€	130%
≥458 M€ and <462M€	120%
≥454 M€ and <458M€	110%
≥450 M€ and <454M€	100%
≥446 M€ and <450M€	90%
≥442 M€ and <446M€	80%
≥438 M€ and <442M€	70%
≥434 M€ and <438M€	60%
≥430M€ and <434M€	50%
<430M€	0%

NCCR is defined as the quotient of the normalized Free Cash Flow (or NFCF, which excludes strategic capex, disposals of tangibles fixed assets and the impacts of site or activity closures) by EBITDA, as shown in the 2024 year-end financial statements and published in 2025. Figures will be restated with LCE 2021 exchange rates.

The number of definitively vested shares will be determined based on the following scale:

Levels of NCCR at year-end 2024	Performance level / Percentage of the number of Granted Shares that have vested
≥40%	100%
≥38% and <40%	90%
≥36% and <38%	80%
≥34% and <36%	70%
≥32% and <34%	60%
≥30% and <32%	50%
<30%	0%

Shares vested in 2021

	Plan no. 17 of 03/14/2017	Plan no.18 A of 07/25/2018
Number of shares granted in 2021	3,750	1,864
Value of shares based on the method used in the consolidated financial statements[a]	€249,000	148,095
Vesting date	03/14/2021	07/27/2021
End of lock-up period	03/14/2021	07/27/2021
Performance conditions	Yes	No

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

The Compensation Committee noted the partial fulfillment of the performance conditions to be satisfied for the definitive vesting of the shares granted to Christopher Guérin as an employee at the time of the grant, prior to his appointment as Chief Executive Officer, under the long-term compensation plan n° 17 of March 14, 2017.

The final vesting of the performance shares under the March 14, 2017 Plan No. 17 was subject to the performance conditions described below.

Depending on the level of performance recognized at the end of the vesting period on March 14, 2021, the number of shares vested tor the Chief Executive Officer varies between 0 and a maximum of 7,500 according to the following scales

Rank achieved by Nexans compared to panel TSR	Percentage of definitively vested shares with respect to this stock market performance condition
1st or 2nd in the ranking	100%
3rd in the ranking	90%
4th in the ranking	80%
5th in the ranking	70%
6th in the ranking	60%
7th in the ranking	50%
Below 7th in the ranking	0

Level of Simplied Economic Value Added (EVA) at year-end 2020	Percentage of definitively vested shares with respect to this stock market performance condition
≥ 100 M€	100%
≥ 90 M€ et < 100 M€	90%
≥ 80 M€ et < 90 M€	80%
≥ 70 M€ et < 80 M€	70%
≥ 60 M€ et < 70 M€	60%
≥ 50 M€ et < 60 M€	50%
< 50 M€	0

Nexans' TSR performance is above the 4th decile and below the 5th decile. Under these conditions, the level reached is such that 50% of the shares allocated under this condition are definitively vested.

Regarding the EVA condition, the level reached is such that 50% of the shares granted under this condition are definitively vested.

Following the determination by the Compensation Committee that the performance conditions have been met, 50% of the shares granted under performance share plan no. 17 of March 14, 2017 are definitely vested to Christopher Guérin.

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's 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 condition to Christopher Guérin as compensation for the rights he had accumulated 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, 2021, i.e., 1,864 shares.

4.6.4.4. 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% on average 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.

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 4.6.2. 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 24.4 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 300,000 euros in 2021.

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 2021.

4.6.5. 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 fixed and variable compensation paid during the financial years mentioned, as well as bonus and performance shares acquired during the same periods and valued at their fair value. The scope of this information includes the employees of Nexans and Nexans France.

The choice of this scope was made in order to have intelligible ratios and to exclude the problems of exchange rates, inflation and salary regimes (different legal constraints) of the various countries in which the Nexans Group has employees. In addition, in order to maintain a constant scope, employees with employment contracts other than permanent or fixed-term contracts are excluded from this population.

(in millions €)	2016	2017	2018	2019	2020	2021
CEO						
Average	39	30	31	23	24	35
Median	55	42	44	40	34	52
Compensation (inc vested)	1,957,050	1,572,830	1,658,139	1,200,000	1,352,204	1,969,263
BOARD CHAIRMAN						
Average	7	5	5	6	4	4
Median	10	7	7	8	6	7
EMPLOYEES						
Average	50,484	50,907	53,477	52,151	56,593	55,792
Median comp	35,881	36,624	38,012	30,251	39,655	37,704
Compensation (inc vested)	131,006,460	115,980,797	123,357,895	120,728,843	129,824,737	133,790,381
Vested	1,422,756	533,909	539,174	0	0	4,333,264

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

Ratio in %	2021	2020	2019	2018	2017
Sales	0.03	0.02	0.02	0.03	0.02
EBITDA	0.44	0.35	0.31	0.51	0.38

Nexans France employees did not benefit from profit-sharing in 2020. The calculation was based on the target variable compensation of the Chief Executive Officer.

For 2019, the data on the compensation of the Chief Executive Officers do not include the free shares granted nor the additional compensation paid in cash, as partial compensation for the rights accrued under his previous defined benefit pension plan.

4.6.6. STOCK OPTIONS AND PERFORMANCE SHARES

4.6.6.1. 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 2021 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 2021 at 12% of the aggregate number of performance shares granted, or 0.08% of the Company's share capital at December 31, 2021 (made up of 43,755,627 shares).

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 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.

4.6.6.2. 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, 2021. Shares purchased in 2021 following the exercise of stock options by the ten employees exercising the most options (excluding corporate officers)

None.

4.6.6.3. PERFORMANCE SHARES AND RESTRICTED (FREE) SHARES

History of free share plans and performance share plans

At its meeting on March 18, 2021, the Board of Directors noted that the performance conditions for Plan no. 17 of March 14, 2017 had partially been met, with the result that 50% of the total performance shares originally granted under the plan had vested. Therefore 74,500 shares definitively vested under Plan no.17. 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. 17	Plan no. 18	Plan no. 18A	Plan no. 18B	Plan no. 19	Plan no. 20	Plan no. 21	Plan no. 21A	Plan no. 21B
Date of Annual Shareholders' Meeting	05/12/16	05/11/17	05/11/17	05/11/17	05/17/18	05/15/19	05/13/2020	05/12/2021	05/13/2020
Grant date	03/14/2017	03/13/2018	07/27/2018	07/27/2018	03/19/2019	03/17/2020	03/18/2021	09/30/2021	11/08/2021
Number of performance shares granted (based on maximum performance)	195,300	166,900	-	14,500	269,850	291,350	283,665	100,000	2,750
o/w to the Chief Executive Officer (based on maximum performance)	19,800	-	16,800	14,500	28,000	20,000	20,000	11,000	-
o/w to the ten employees receiving the most shares	73,800	53,300	39,717	14,500	123,100	70,000	66,000	58,000	2,750
Number of free shares granted	30,000	44,200	39,717	-	49,850	49,300	49,480	-	-
Vesting date	03/14/2021	03/13/2022	07/27/2019 for 50% 07/27/2020 for 25% 07/27/2021 for 25%	07/27/2022	03/19/2023	03/17/2024	03/18/2025	03/17/2025	11/08/2025
End of lock-up period	03/14/2021	03/13/2022	07/27/2020 for 75% 07/27/2021 for 25%	07/27/2022	03/19/2023	03/17/2024	03/18/2025	03/17/2025	11/08/2025
Total number of beneficiaries	216	246	4	1	297	545	506	43	2
Number of shares vested	96,440	-	39,717	-	-	-	-	-	-
Number of performance share rights canceled	128,860	55,200	-	-	28,500	9,000	1,380	-	-

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 performance conditions applicable for the performance shares granted under Plans no. 21 and 21B of March 18, 2021 and November 8, 2021 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 2023 financial statements; and, lastly (3) a CSR performance condition, which consists of measuring the achievement of the Group CSR goals as set out in the roadmap for 2021-2023, by end-2023.

The performance conditions applicable for the performance shares granted under Plans no. 21A of September 30, 2021 are as follows: (1) A stock market performance condition based on Nexans' TSR (total shareholder return) as compared with that of a benchmark panel; (2) an Electrification rate condition measured as a percentage of the Nexans' Group consolidated sales; and, lastly (3) a financial performance condition based on the achievement rate at end-2024 of three indicators, namely (i) Consolidated Group EBITDA; (ii) EBITDA for the electrification activity; and (iii) NCCR (Normalized Cash Conversion Ratio).

More details about all of these performance conditions are provided in the governance section of Nexans' website, in the section dedicated to the Board of Directors' decisions on the compensation of executive directors.

The potential dilutive impact of the performance shares and free shares granted under Plans no. 21, 21A and 21B was approximately 0.92% of the capital at end-2021 (made up of 43,755,627 shares).

Free shares granted during 2021

In accordance with Article L.225-197-4 of the French Commercial Code, the following section details share grants made during 2021 pursuant to Articles L.225-197-1 to L.225-197-3 of the French Commercial Code.

At December 31, 2021, Nexans holding company comprised a Chairman of the Board of Directors, Jean Mouton, a Chief Executive Officer, Christopher Guérin, and six employees.

Pursuant to the authorizations granted by the Combined Shareholders' Meetings of May 13, 2020 and May 12, 2021, the Board of Directors adopted three long-term incentive plans in 2021 with the following main features:

	Plan no. 21	Plan no. 21A	Plan no. 21B
Date of Annual Shareholders' Meeting	05/13/2020	05/12/2021	05/13/2020
Grant date	03/17/2020	09/30/2021	11/08/2021
Number of performance shares granted	283,665	100,000	2,750
Number of free shares granted	49,480	-	-
o/w to the Chief Executive Officer	20,000	11,000	-
o/w to the ten employees receiving the most shares	66,000	58,000	2,750
Vesting date	03/18/2025	03/17/2025	08/11/2025
End of lock-up period	03/18/2025	03/17/2025	08/11/2025
Total number of beneficiaries	506	43	2
Number of shares vested	-	-	-
Number of performance share rights canceled	-	-	-

Vesting of free share plan no. 21 is contingent on continued employment in the Company. Vesting of performance share plans 21, 21A and 21B 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 4.6.6.1. above.

Number and value of 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[a]	Number of shares granted in 2021	Valuation of shares[b]	Vesting date	End of lock-up period
Plan no. 21	Chief Executive Officer	20,000	€1,034,080	03/18/2025	03/18/2025
Plan no. 21A	Chief Executive Officer	11,000	€693,382	03/17/2025	03/17/2025

(a) Position held at the grant date.
(b) Method used for the consolidated financial statements.

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[(a)]	Number of performance shares granted	Value of shares granted[(b)]
Member of the Executive Committee	14,000	€873,040
Member of the Executive Committee	10,000	€623,600
Member of the Executive Committee	10,000	€623,600
Member of the Executive Committee	10,000	€623,600
Member of the Executive Committee	10,000	€623,600
Member of the Executive Committee	10,000	€623,600
Member of the Executive Committee	10,000	€623,600

(a) Position held at the grant date.
(b) Method used for the consolidated financial statements.

Number and value of free shares granted to all beneficiary employees and 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[(b)]
Chief Executive Officer[(a)]	1	31,000	1,727,502
Members of the Executive Committee	9	99,000	5,720,266
Other employees	318	256,415	13,697,207
TOTAL	328	386,415	21,144,975

(a) Position held at the grant date.
(b) Valued at the grant date under the method used for the consolidated financial statements.

Free shares not subject to performance conditions

	Number of beneficiaries	Number of free shares granted	Value of shares granted[(b)]
Employees who are not members of the Executive Committee[(a)]	210	49,480	€2,977,113
TOTAL	210	49,480	€2,977,113

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

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 4.6.1.2. 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.

4.7. LIST OF RELATED-PARTY AGREEMENTS AND COMMITMENTS

4.7.1. AGREEMENTS AND COMMITMENTS REMAINING IN FORCE IN 2021

In accordance with Article L.225-40-1 of the French Commercial Code, at its meeting on February 15, 2022 the Board of Directors reviewed the agreements and commitments entered into in prior years which remained in force during 2021.

AGREEMENT EXECUTED WITH A SHAREHOLDER HOLDING MORE THAN 10% OF THE COMPANY'S CAPITAL AND VOTING RIGHTS AND CORPORATE OFFICERS INVOLVED: ANDRONICO 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 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 has obtained an exemption from the obligation to file a takeover bid from the French financial markets authority *(Autorité des marchés financiers – AMF).*

CORPORATE OFFICER INVOLVED: BPIFRANCE PARTICIPATIONS REPRESENTED BY ANNE-SOPHIE HERELLE, 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 7.69% 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 2021, the Company paid Bpifrance Financement 41,729 euros in fees and 40,771 euros in interest in respect of this agreement.

4.7.2. AGREEMENTS AND COMMITMENTS REMAINING IN FORCE IN 2021

None

4.7.3. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS

For the year ended December 31st, 2021

This is a free translation into English of the statutory auditors' special report on related party agreements issued in French and it is provided solely for the convenience of English speaking users. 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 is 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 (*Code de commerce*) 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

In accordance with Article L.225-38 of the French Commercial Code (*Code de commerce*), we informed you that no signed over the year ended December the 31st 2021 and authorized agreement is to be submitted for the approval of the shareholders' meeting.

Agreements already approved by the shareholders' meeting

In accordance with Article R.225-30 of the French Commercial Code (*Code de commerce*), we were informed that the following agreements, approved by the Shareholders' Meeting in previous years, remained in force during the year.

Invexans (Quiñenco group) engagement letter of May 22, 2014 – Agreement entered into with a shareholder holding more than 10% of the Company's capital and voting rights

Corporate officers involved: Andronico 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).

Procedures: 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 Directors in excess of three nonindependent 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 (*Code de commerce*), 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).

Sale of the Company's CIR research and CICE tax credit receivables to Bpifrance Financement

Corporate officers involved: Bpifrance Participation represented by Anne-Sophie Hérelle, Nexans board member.

Procedures: 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 15 million euros at a very low cost.

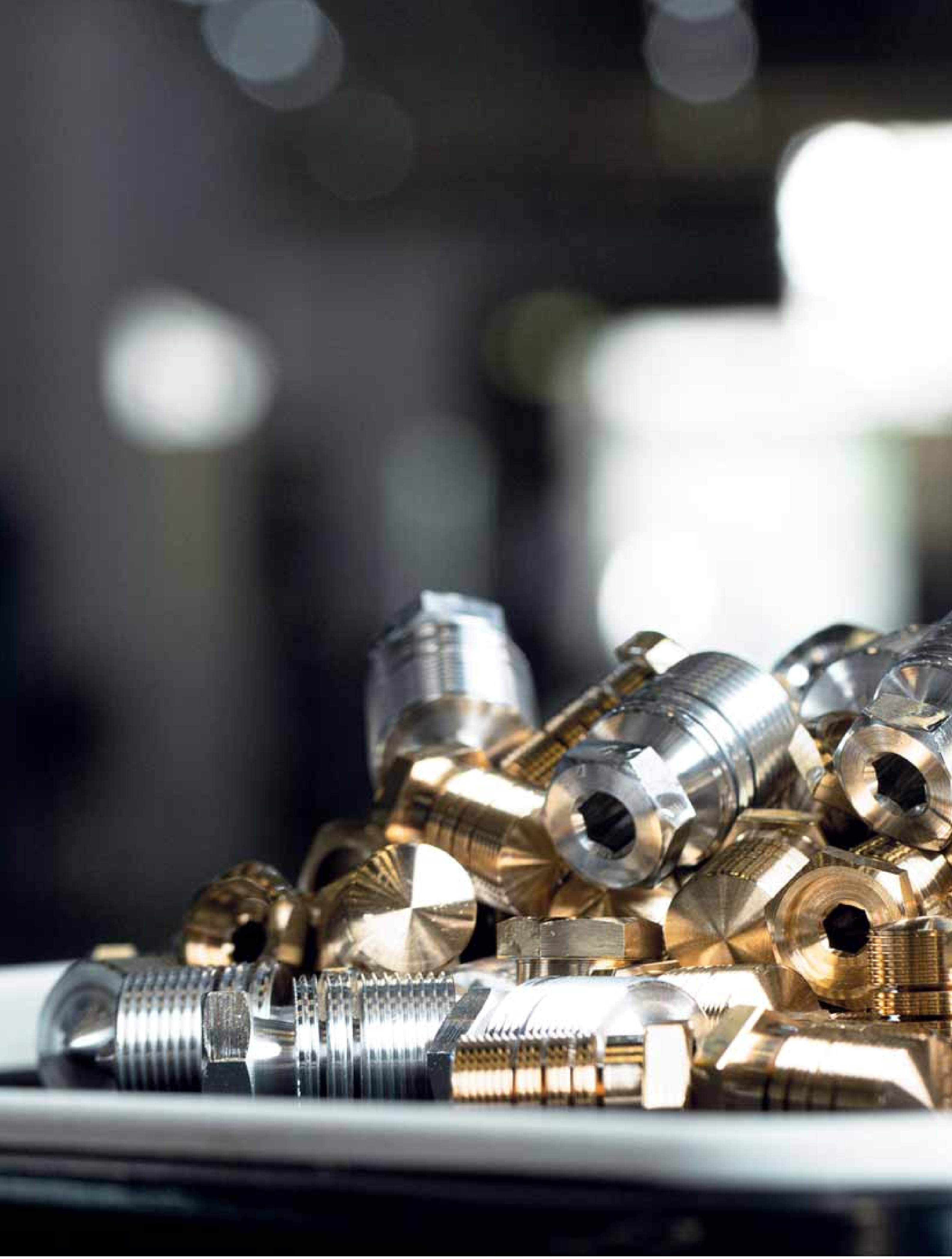
Bpifrance Financement is a subsidiary of Bpifrance SA. Bpifrance Participations, which holds a 7.71% interest in Nexans and is a member of the Company's Board of Directors, is a wholly-owned subsidiary of Bpifrance SA. Accordingly, pursuant to Articles L.225-38 et seq. of the French Commercial Code, 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 2021, the Company paid Bpifrance Financement an amount of 41,729 euros of bank charges and 40,771 euros of interests in respect of this agreement.

The Statutory Auditors,

Mazars
Paris-La Défense, March 24, 2022
Juliette Decoux-Guillemot
Partner

PricewaterhouseCoopers
Neuilly-sur-Seine, March 24, 2022
Édouard Demarcq
Partner



5

FINANCIAL STATEMENTS
NEXANS 2021

5.1 CONSOLIDATED FINANCIAL STATEMENTS

5.1.1. CONSOLIDATED INCOME STATEMENT

(in millions of euros)	Notes	2021	2020
NET SALES[(a)]	1.E.a, 3 and 4	**7,374**	**5,979**
Cost of sales		(6,593)	(5,324)
GROSS PROFIT		**781**	**654**
Administrative and selling expenses		(401)	(385)
R&D costs		(80)	(77)
OPERATING MARGIN[(b)]	1.E.b and 3	**299**	**193**
Core exposure effectl[(c)]	1.E.c	106	42
Reorganization costs	22.B	(58)	(107)
Other operating income and expenses[(d)]	6, 7 and 8	(9)	120
Share in net income of associates		(1)	(2)
OPERATING INCOME (LOSS)	1.E.d	**338**	**246**
Cost of debt (net)[(e)]	1.E.e	(22)	(43)
Other financial income and expenses	1.E.e and 9	(79)	(11)
INCOME BEFORE TAXES		**237**	**192**
Income taxes	1.E.f and 10	(72)	(111)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**164**	**80**
Net income from discontinued operations		-	-
NET INCOME (LOSS)		**164**	**80**
■ attributable to owners of the parent		164	78
■ attributable to non-controlling interests		0	2
ATTRIBUTABLE NET INCOME (LOSS) PER SHARE (IN EUROS)	11		
■ basic earnings (loss) per share		3.76	1.80
■ diluted earnings (loss) per share		3.66	1.76

*(a) Sales at constant metal prices are presented in the segment information provided in **Note 3** and are used in the activity report in **Section 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. The reference prices are described in **Note 3**.*
*(b) Operating margin is one of the business management indicators used to assess the Group's operating performance, see **Note 1.E.b.***
(c) Effect relating to the revaluation of Core exposure at its weighted average cost.
*(d) As explained in **Notes 6, 7 and 8**, in 2021, "Other operating income and expenses" included some 15 million euros in net disposal gains and -15 million euros in net asset impairment.*
(e) Financial income amounted to 2 million euros in 2021 versus 3 million euros in 2020.

5.1.2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	Notes	2021	2020
NET INCOME (LOSS)		**164**	**80**
Recyclable components of comprehensive income (loss)		**57**	**(80)**
▪ currency translation differences		67	(105)
▪ cash flow hedges	25	(9)	25
Tax impacts on recyclable components of comprehensive income (loss)	10.C	**6**	**(8)**
Non-recyclable components of comprehensive income (loss)		**63**	**6**
▪ actuarial gains and losses on pensions and other long-term employee benefit obligations	21.B	67	6
▪ financial assets at fair value through other comprehensive income		(3)	-
Tax impact on non-recyclable components of comprehensive income (loss)	10.C	(16)	(0)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		**111**	**(82)**
TOTAL COMPREHENSIVE INCOME (LOSS)		**275**	**(1)**
▪ attributable to owners of the parent		274	(2)
▪ attributable to non-controlling interests		1	1

5.1.3. CONSOLIDATED BALANCE SHEET

(At December 31, in millions of euros)	Notes	2021	2020
ASSETS			
Goodwill	7	240	232
Intangible assets	12	110	115
Property, plant and equipment	13	1,442	1,346
Investments in associates	14	31	32
Deferred tax assets	10.D	112	115
Other non-current assets	15	118	102
NON-CURRENT ASSETS		**2,053**	**1,942**
Inventories and work in progress	16	1,316	937
Contract assets	4.B	42	94
Trade receivables	17	947	829
Current derivative assets	25	66	86
Other current assets	18	190	201
Cash and cash equivalents	23.A	972	1,142
Assets and groups of assets held for sale		0	0
CURRENT ASSETS		**3,534**	**3,288**
TOTAL ASSETS		**5,587**	**5,230**

(At December 31, in millions of euros)	Notes	2021	2020
EQUITY AND LIABILITIES			
Capital stock, additional paid-in capital, retained earnings and other reserves		1,426	1,258
Other components of equity		21	(42)
Equity attributable to owners of the parent		**1,447**	**1,216**
Non-controlling interests		17	40
TOTAL EQUITY	20	**1,465**	**1,256**
Pensions and other long-term employee benefit obligations	21	301	350
Non-current provisions	22	76	78
Long-term debt	23	736	684
Non-current derivative liabilities	25	5	0
Deferred tax liabilities	10.D	117	133
NON-CURRENT LIABILITIES		**1,235**	**1,246**
Current provisions	22	92	122
Short-term debt	23	311	636
Contract liabilities	4.B	395	364
Current derivative liabilities	25	47	46
Trade payables	24	1,622	1,213
Other current liabilities	24	422	349
Liabilities related to groups of assets held for sale		-	0
CURRENT LIABILITIES		**2,887**	**2,729**
TOTAL EQUITY AND LIABILITIES		**5,587**	**5,230**

5.1.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in millions of euros)	Number of shares outstanding[(a)]	Capital stock	Additional paid-in capital	Treasury stock
JANUARY 1, 2020	**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[(b)]	-	-	-	-
■ Proceeds from share issues[(c)]	499,621	0	16	-
Other	-	-	-	-
DECEMBER 31, 2020	**43,648,472**	**44**	**1,614**	**(3)**
2021 IFRIC Application[(d)]	-	-	-	-
JANUARY 1, 2021	**43,648,472**	**44**	**1,614**	**(3)**
Net income for the year	-	-	-	-
Other comprehensive income (loss)	-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	**-**	**-**	**-**	**-**
Dividends paid	-	-	-	-
Share buyback program	(90,000)	-	-	(8)
(Purchases)/sales of treasury stock[(e)]	78,417	-	-	1
Employee share-based plans :				
■ Service cost	-	-	-	-
Transactions with owners not resulting in a change of control[(f)]	-	-	-	-
Other	-	-	-	-
DECEMBER 31, 2021	**43,636,889**	**44**	**1,614**	**(10)**

(a) The number of shares outstanding at December 31, 2021 corresponds to 43,755,627 issued shares less 118,738 shares held in treasury.
(b) Including a 1 million euro expense related to the ACT 2020 plan.
(c) Including the impact of the ACT 2020 plan following the share settlement-delivery that took place on November 13, 2020.
(d) This line includes the effects of the clarifications provided by the IFRIC in 2021 on the allocation of certain post-employment benefit costs and the recognition of configuration or customization costs in a cloud computing arrangement.
*(e) In addition to the allocation of 106,368 treasury shares under free share and performance share plans, this line includes the net impact of transactions under the liquidity contract set up in 2021, resulting in a 2 million euro reduction in equity in 2021, see **Note 20**.*
(f) The impact on equity corresponds to the buyout of non-controlling interests in Opticable for 25 million euros and in Nexans Maroc for 5 million euros.

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
(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)	-	-	(5)	-	(5)
(402)	**15**	**(56)**	**1,211**	40	1,251
164	-	-	164	0	164
47	(3)	66	110	1	111
211	**(3)**	**66**	**274**	**1**	**275**
(31)	-	-	(31)	(2)	(33)
-	-	-	(8)	-	(8)
(3)	-	-	(2)	-	(2)
8	-	-	8	-	8
(8)	-	-	(8)	(22)	(30)
(2)	4	(0)	3	0	3
(226)	**16**	**9**	**1,447**	**17**	**1,465**

5.1.5. CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Notes	2021	2020
Net income		164	80
Depreciation, amortization and impairment of assets (including goodwill)	7, 12 and 13	176	175
Cost of debt (gross)		24	46
Core exposure effect[(a)]		(106)	(42)
Current and deferred income tax charge (benefit)	10	72	111
Net (gains) losses on asset disposals	8	(15)	(142)
Other restatements[(b)]		20	(94)
CASH FLOWS FROM OPERATIONS BEFORE GROSS COST OF DEBT AND TAX[(c)]		**337**	**136**
Decrease (increase) in working capital	19	117	362
Impairment of current assets and accrued contract costs		(5)	4
Income taxes paid		(47)	(46)
NET CHANGE IN CURRENT ASSETS AND LIABILITIES		**65**	**320**
NET CASH GENERATED FROM OPERATING ACTIVITIES		**401**	**456**
Proceeds from disposals of property, plant and equipment and intangible assets		14	16
Capital expenditure	12, 13	(206)	(225)
Decrease (increase) in loans granted and short-term financial assets[(d)]		5	(42)
Purchase of shares in consolidated companies, net of cash acquired		(5)	(2)
Proceeds from sale of shares in consolidated companies, net of cash transferred		8	155
NET CASH USED IN INVESTING ACTIVITIES		**(183)**	**(99)**
NET CHANGE IN CASH AND CASH EQUIVALENTS AFTER INVESTING ACTIVITIES		**219**	**356**
Proceeds from (repayments of) long-term and short-term borrowings	**23**	(305)	218
■ of which repayment of bonds 2016-2021		(250)	-
■ of which proceeds from (repayment of) the government-backed loan		(280)	279
Cash capital increases (reductions)	**20**	(10)	7
Interest paid		(41)	(45)
Transactions with owners not resulting in a change of control		(30)	(7)
Dividends paid		(32)	(4)
NET CASH USED IN FINANCING ACTIVITIES		**(417)**	**169**
Net effect of currency translation differences		33	(19)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(165)**	**507**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**23.A**	1,133	**626**
CASH AND CASH EQUIVALENTS AT YEAR-END	**23.A**	968	**1,133**
■ of which cash and cash equivalents recorded under assets		972	1,142
■ of which short-term bank loans and overdrafts recorded under liabilities		(5)	(9)

*(a) Effect relating to the revaluation of Core exposure at its weighted average cost, which has no cash impact (see **Note 1.E.c**).*

*(b) "Other restatements" in 2021 primarily include (i) a negative adjustment of 59 million euros (2020: negative adjustment of 98 million euros) to cancel the net change in operating provisions (including provisions for pensions, reorganization costs and antitrust proceedings), (ii) a 51 million euro positive adjustment to cancel impairment losses recognized on financial assets (see **Note 9**), (iii) a 12 million euro positive adjustment (2020: 7 million euro negative adjustment) related to the cash impact of hedges and (iv) an 8 million euro positive adjustment (2020: 3 million euro positive adjustment) to cancel the cost of share-based payments.*

(c) The Group also uses the "operating cash flow" concept, which is mainly calculated after adding back cash outflows relating to reorganizations (99 million euros and 170 million euros in 2021 and 2020 respectively), and deducting income tax paid.

(d) 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 15, 2022 and will become final after approval at the Annual Shareholders' Meeting, which will take place on May 11, 2022 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, 2021.

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, 2021, and which were as follows:

- Amendments to IAS 39, IFRS 7, IFRS 9 and IFRS 16, "Interest rate benchmark reform – Phase II";
- Amendment to IFRS 16: Covid-19-related rent concessions beyond June 30, 2021;
- IFRIC decision on how to allocate the cost of certain length-of-service-based post employment benefits that are capped beyond a certain number of years of service and are payable subject to the beneficiary›s continuing employment at the retirement date (IAS 19);
- IFRIC decision on configuration or customization costs in a cloud computing arrangement.

These interpretations did not have a material impact on the Group's consolidated financial statements (see consolidated statement of changes in equity) and no restatement of comparative information was necessary.

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:

- Amendments to IAS 1 "Classification of liabilities as current or non-current";
- Amendments to IAS 1, "Disclosure of Accounting Policies";
- Amendments to IAS 8, "Definition of Accounting Estimates";
- 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 2021 and 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 ivn 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".

Any 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 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 **Note 9** and **Note 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
BBUILDINGS 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 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 consolidated 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 expenxses (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, where appropriate, 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. DELIVERY OF THE NEXANS AURORA CABLE-LAYING VESSEL

On September 22, 2021, Nexans, a global player in energy transition, held the naming ceremony for its new flagship cable-laying vessel "CLV Nexans Aurora", which was built at the Ulstein Verft shipyard in Norway.

Designed by Skipsteknisk to operate near shore in shallow waters as well as deepsea cable operations with cable laying equipment delivered from Maats Tech, the DP3 Cable Laying Vessel is the most technologically advanced of its kind in the world, and "CLV Nexans Aurora" offers sustainable operational solutions for silent operations, fuel, power generation and use of shore power. At nearly 150m long, and 31m wide, vessel boasts over 10,000 tons of cable load capacity and is fitted with state-of-the-art instruments for cable transport, installation and protection.

"CLV Nexans Aurora" will lay export cables for offshore wind farms and interconnectors around the world such as the Seagreen OWF in Scotland, the Crete-Attica interconnector in Greece and the Empire Offshore Wind project in the United States.

The investment was financed by a bond issue for an initial nominal amount of 1,050 million Norwegian krone (see **Note 23**). This loan is being repaid in euros over its twelve-year life.

B. CHANGING SITUATION IN LEBANON

The continued deterioration of the political and economic situation in Lebanon has led the Group to review the carrying amount of its local property, plant and equipment and of the cash deposits held in Lebanese banks that are subject to exchange controls.

The consequences of the reassessment are presented in **Notes 7 and 18**.

C. PROPOSED ACQUISITION OF CENTELSA FROM XIGNUX

On September 10, 2021, the Group entered into a share purchase agreement with Xignux SA of Mexico to acquire Centelsa, a premium cable maker in Latin America active in the production of cables for Building and Utilities applications.

Centelsa, a Colombian based, iconic world class cable maker, has a total turnover of more than 250 million US dollars and an Enterprise Value of 225 million US dollars.

Closing of the transaction is subject to regulatory approvals and is expected to take place in the first half of 2022.

D. EARLY REPAYMENT OF 280 MILLION EURO FRENCH STATE-BACKED TERM LOAN ("PGE") AND 250 MILLION EURO SENIOR UNSECURED FIXED RATE BOND DUE 2021

On February 25, 2021, Nexans repaid in advance the 280 million euro French State-backed term loan. On March 10, 2021, Nexans also redeemed early the 250 million euro 3.25% fixed-rate bonds issued on May 26, 2016 and initially due on May 26, 2021.

As of December 31, 2020, and prior to these early repayments, Nexans' liquidity position stood at 1.7 billion euros, including a 600 million euro undrawn revolving credit facility. The Group's liquidity position stood at 1.8 billion euros as of December 31, 2021 after repayment of these two loans.

Therefore, Nexans has sufficient liquidity for its operations and foreseen financial commitments.

E. NEW 200 MILLION EURO LOAN FACILITY FROM THE EUROPEAN INVESTMENT BANK

On October 6, 2021, the European Investment Bank (EIB) granted Nexans a 200 million euro loan facility to support its active participation in the global energy transition and its commitment to help achieve carbon neutrality by 2030.

The facility covers funding for R&D activities and new product development, investments to increase the number of 4.0 plants and improve energy efficiency, and expansion of the Halden site in Norway.

It will enable Nexans to step up its R&D projects aimed at optimizing the performance and design of its cables, improving their fire safety and developing the circular economy through the use of reclaimed materials and recycling. It will also drive innovation within the Group's Cloud Digital Plant and Design Labs divisions in the areas of digital services and connected solutions, for example INFRABIRD™ and VIGISHIELD™ which illustrate Nexans' transformation from a supplier of products to a provider of systems and solutions.

As of December 31, 2021, the loan facility had not been drawn down (see **Note 23**).

F. NEW LIQUIDITY CONTRACT

During the second quarter of 2021, the Group appointed Oddo BHF SCA and Natixis to implement a liquidity contract. The contract is for a one year term and is automatically renewable.

The resources allocated to the liquidity account amount to 6 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 being powered and meet their 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 Activitie**s" column, the following should be noted:

- In 2021, 98% of the sales at constant metal prices recorded under "Other Activities" were generated by the Group's Electrical Wires business (compared with 99% in 2020).
- Operating margin for "Other Activities" was a negative 48 million euros in 2021, 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.

Sales at constant metal prices for 2021 and 2020 have been calculated using the reference prices of 5,000 euros per tonne for copper and 1,200 euros per tonne for aluminum, and are then converted into the currencies of each unit.

A. INFORMATION BY REPORTABLE SEGMENT

2021 *(in millions of euros)*	Building & Territories[a]	High Voltage & Projects[a]	Telecom & Data	Industry & Solutions	Other Activities	TOTAL GROUP
Net sales at current metal prices	3,141	804	330	1,473	1,626	**7,374**
Net sales at constant metal prices	2,491	796	320	1,366	1,081	**6,054**
EBITDA	187	143	37	119	(22)	**463**
Depreciation and amortization	(45)	(49)	(7)	(36)	(26)	**(163)**
Operating margin	142	94	30	82	(48)	**299**
Net impairment of non-current assets (including goodwill) (see Note 7)	(15)	-	-	-	-	**(15)**

(a) Buildings & Territories and "High Voltage & Projects" segments are the development lines on which the Electrification strategy announced by the Group is based.

2020 *(in millions of euros)*	Building & Territories[a]	High Voltage & Projects[a]	Telecom & Data	Industry & Solutions	Other Activities	TOTAL GROUP
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**
Net sales at constant metal prices and 2021 exchange rates	2,403	728	394	1,210	1,010	**5,746**
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)**

(a) Buildings & Territories and "High Voltage & Projects" segments are the development lines on which the Electrification strategy announced by the Group is based.

The segments presented in the segment information correspond to product families that are similar in nature, customer type, distribution methods and manufacturing processes.

B. INFORMATION BY MAJOR GEOGRAPHIC AREA

2021 *(in millions of euros)*	Canada	France	Norway	Germany	Other[b]	TOTAL GROUP
Net sales at current metal prices[a]	1,515	1,202	826	798	3,033	7,374
Net sales at constant metal prices[a]	1,045	949	804	783	2,474	6,054
Non-current assets IFRS 8 (at December 31)[a]	38	189	371	175	1,050	1,824

(a) Based on the location of the assets of the Group's subsidiaries.
(b) Countries that do not individually account for more than 10% of the Group's net sales at constant metal prices.

2020 *(in millions of euros)*	Canada	France	Norway	Germany	Other[b]	TOTAL GROUP
Net sales at current metal prices[a]	931	917	691	741	2,699	5,979
Net sales at constant metal prices[a]	856	874	680	740	2,562	5,713
Net sales at constant metal prices and 2021 exchange rates[a]	883	874	717	740	2,531	5,746
Non-current assets IFRS 8 (at December 31)[a]	34	199	302	164	1,025	1,725

(a) Based on the location of the assets of the Group's subsidiaries.
(b) 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 2021 or 2020.

NOTE 4. REVENUE FROM CONTRACTS WITH CUSTOMERS

A. CONSOLIDATED SALES

Consolidated sales can be analyzed as follows:

2021 *Sales (in millions of euros)*	Building & Territories[a]	High Voltage & Projects[a]	Telecom & Data	Industry & Solutions	Other Activities	TOTAL GROUP
Performance obligations satisfied at a point in time	3,141	68	330	1,473	1,626	6,639
Performance obligations satisfied over time	-	735	-	-	-	735
NET SALES	**3,141**	**804**	**330**	**1,473**	**1,626**	**7,374**

2021 *Sales (in millions of euros)*	Building & Territories[a]	High Voltage & Projects[a]	Telecom & Data	Industry & Solutions	Other Activities	TOTAL GROUP
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**

B. CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract assets and contract liabilities can be analyzed as follows:

(in millions of euros)	December 31, 2021		December 31, 2020	
	Sales of goods	Goods and services contracts	Sales of goods	Goods and services contracts
Contract assets	-	42	-	94
Contract liabilities	(132)	(262)	(91)	(273)
TOTAL	**(132)**	**(221)**	**(91)**	**(178)**

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, 2020 are included in 2021 sales.

Goods and services contracts

Among the contract assets and liabilities for goods and services contracts, the 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 liabilities relate to customer advance payments yet to be recognized in sales as the related performance obligation is satisfied.

The 42 million euro negative change in contract assets and liabilities reflects:

- 180 million euro positive change corresponding to outstanding contract liabilities at December 31, 2020 that were recognized in revenue in 2021;
- 120 million euro negative effect of timing differences between 2021 billings and revenues recognized using the percentage of completion method;
- 60 million euro negative change corresponding to outstanding contract assets at December 31, 2020 that were billed in 2021;
- 40 million euro net increase in advances received.

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. Unsatisfied performance obligations for these activities amount to 1,479 million euros, of which more than 70% should be satisfied over the next two years.

NOTE 5. PAYROLL COSTS AND HEADCOUNT

		2021	2020
Payroll costs (including payroll taxes)	(in millions of euros)	**976**	981
Average staff of consolidated companies	(in number of employees)	**24,962**	25,047

Payroll costs in the above table include share-based payments within the meaning of IFRS 2. These payments totaled 11 million euros in 2021 (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	2021	2020
Net asset impairment	7	(15)	(21)
Changes in fair value of non-ferrous metal derivatives		(6)	1
Net gains (losses) on asset disposals	8	15	142
Acquisition-related costs (completed and planned acquisitions)		(3)	(2)
Expenses and provisions for antitrust investigations		(1)	0
OTHER OPERATING INCOME AND EXPENSES		**(9)**	**120**

NOTE 7. NET ASSET IMPAIRMENT

(in millions of euros)	2021	2020
Impairment losses – non-current assets	(15)	(21)
Reversals of impairment losses – non-current assets	-	-
Impairment losses – goodwill	-	-
Impairment losses – assets and groups of assets held for sale	-	-
NET ASSET IMPAIRMENT	**(15)**	**(21)**

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 Cash Generating Units (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 2021

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.

After considering the challenges associated with the consequences of climate change and its net-zero objectives, the Group has not identified any item that would have a material impact on its impairment tests. Monitoring of this issue has been strengthened with the creation of a Sustainable Development Department, which is in the process of structuring the approach to achieve the Group's net-zero carbon objectives.

The impairment tests carried out in 2021 led to the recognition of 15 million euros of impairment losses on the property, plant and equipment of the Group's operations in Lebanon due to the crisis situation in the country.

No impairment losses were recognized in 2021 in respect of the Group's CGUs following the review of their values.

The tests carried out in 2020 led to the recognition of impairment losses in the amount of 21 million euros. These impairment losses mainly concerned the property, plant and equipment of certain operations in South America; they also included asset write-downs recognized in connection with the disposal of the German metallurgy business that was in progress at the year-end.

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 31,2020	**66**	**60**	**31**	**26**	**49**	**232**
Business combinations	-	-	-	-	-	-
Disposals/acquisitions	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Exchange differences and other movements	3	1	0	2	2	8
DECEMBER 31,2021	**70**	**61**	**31**	**28**	**51**	**240**

No impairment loss on goodwill was recognized by the Group in 2021 or 2020.

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	
	2021	2020	2021	2020
Europe (Euro Zone)	6.5%	6.5%	1.5%	1.5%
Chile	8.0%	8.0%	2.5%	2.5%
United States of America	8.0%	8.0%	1.7%	1.8%
Brazil	10.0%	10.0%	2.1%	2.2%
China	9.5%	9.5%	4.9%	5.5%
Peru	10.0%	10.0%	3.2%	3.8%
Norway	7.5%	7.5%	1.4%	1.8%
Australia	8.0%	8.0%	2.6%	2.5%
Lebanon	25.0%	22.5%	2.7%	2.7%

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 2022 Budget and the Strategic Plan). These estimates take into account the consequences of the health crisis. 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) under normal circumstances compared to the assumptions used. Since 2020, the assumed decrease has been doubled to 100 basis points, to take into account the economic impact of the Covid-19 crisis.

The 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)	2021	2020
Net gains (losses) on disposals of fixed assets	10	9
Net gains (losses) on disposals of investments	5	133
Other	-	-
NET GAINS (LOSSES) ON ASSET DISPOSALS	**15**	**142**

In 2021, the Group recognized disposal gains of 15 million euros, corresponding mainly to the disposal of real estate at the Chester plant in the United States which was shut down in 2020.

In 2020, net disposal gains of 142 million euros were recognized, mainly resulting from the sale of Berk-Tek to Leviton. They 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 agreement was completed on September 30, 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 2020. This entity was included in the operating segment "Other activities".

NOTE 9. OTHER FINANCIAL INCOME AND EXPENSES

(in millions of euros)	2021	2020
Dividends received from non-consolidated companies	5	4
Provisions	(51)	(3)
Net foreign exchange gain (loss)	(27)	(3)
Net interest expense on pensions and other long-term employee benefit obligations[a]	(2)	(2)
Other	(4)	(6)
OTHER FINANCIAL INCOME AND EXPENSES	**(79)**	**(11)**

*(a) See **Note 21.B**.*

In 2021, other financial income and expenses include provision charges of 51 million euros:

- In order to take into account the growing risk of bankruptcy of Lebanese banks and the risk of losses on the Group's deposits due to the currency black market and the country's exchange controls, the deposits were written down by a further 34 million euros during the year. As of December 31, 2021, total impairment losses recognized on Lebanese bank deposits amounted to 39 million euros (4 million euros as of December 31, 2020). As a result of these impairment losses, in accordance with IAS 7, the net balance of 4 million euros has been classified in other receivables, net, and not in cash and cash equivalents (see **Note 18**).
- The other provisions recorded during the year for a total of 17 million euros concern investments in non-consolidated companies and result from assessments of the investees' outlook and net worth.

Foreign exchange gains and losses (net) correspond to realized or unrealized foreign exchange gains and losses on commercial transactions, recorded in the balance sheet or in the backlog. These exchange gains and losses may vary significantly from one year to the next. In 2021, they include unrealized foreign exchange losses in countries whose currencies have depreciated significantly.

NOTE 10. INCOME TAXES

A. ANALYSIS OF THE INCOME TAX CHARGE

(in millions of euros)	2021	2020
Current income tax charge	(102)	(40)
Deferred income tax (charge) benefit, net	29	(71)
INCOME TAX CHARGE	**(72)**	**(111)**

Nexans heads up a tax group in France that comprised 11 companies in 2021. 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:

TAX PROOF *(in millions of euros)*	2021	2020
Income before taxes	237	192
- of which share in net income of associates	(1)	(2)
INCOME BEFORE TAXES AND SHARE IN NET INCOME OF ASSOCIATES	**238**	**194**
Standard tax rate applicable in France (in %)[a]	28.41%	32.02%
THEORETICAL INCOME TAX CHARGE	**(68)**	**(62)**
Effect of:		
- Difference between foreign and French tax rates	4	27
- Change in tax rates for the period	(0)	0
- Unrecognized deferred tax assets	(3)	(68)
- Taxes calculated on a basis different from "Income before taxes"	(7)	(9)
- Other permanent differences	2	0
ACTUAL INCOME TAX CHARGE	**(72)**	**(111)**
EFFECTIVE TAX RATE (IN %)	**30.42%**	**57.36%**

(a) 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 difference between the effective tax rate and the standard tax rate applicable in France for 2021 fiscal year mainly concerns taxes assessed on a basis other than pre-tax income.

C. TAXES RECOGNIZED DIRECTLY IN OTHER COMPREHENSIVE INCOME

Taxes recognized directly in other comprehensive income in 2021 can be analyzed as follows:

(in millions of euros)	December 31, 2020	Gains (losses) generated during the year[(a)]	Amounts recycled to the income statement[(a)]	Total other comprehensive income (loss)	December 31, 2021
Currency translation differences	**(8)**	0	-	0	**(8)**
Cash flow hedges	**(7)**	(11)	17	6	**(1)**
TAX IMPACTS ON RECYCLABLE COMPONENTS OF COMPREHENSIVE INCOME[(b)]	**(16)**	(11)	17	6	**(10)**
Financial assets at fair value through other comprehensive income	**(0)**	0	N/A	0	**0**
Actuarial gains and losses on pensions and other long-term employee benefit obligations	**58**	(16)	N/A	(16)	**42**
TAX IMPACTS ON NON-RECYCLABLE COMPONENTS OF COMPREHENSIVE INCOME	**58**	(16)	-	(16)	**42**

(a) The tax effects relating to cash flow hedges 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.
*(b) 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, 2020	Impact on income	Change in consolidation scope	Impact on equity	Exchange differences and other	December 31, 2021
Fixed assets	**(43)**	6	0	-	1	**(36)**
Other assets	**(100)**	17	(0)	-	(4)	**(87)**
Employee benefit obligations	**59**	2	0	(16)	(0)	**45**
Provisions for contingencies and charges	**6**	(1)	-	-	0	**6**
Other liabilities	**2**	9	(0)	6	0	**18**
Unused tax losses	**633**	(4)	-	-	5	**634**
DEFERRED TAX ASSETS (GROSS) AND DEFERRED TAX LIABILITIES	**557**	**30**	**0**	**(10)**	**3**	**579**
Unrecognized deferred tax assets	**(575)**	(0)	-	0	(9)	**(584)**
NET DEFERRED TAXES	**(18)**	**29**	**0**	**(10)**	**(6)**	**(5)**
- of which recognized deferred tax assets	115					112
- of which deferred tax liabilities	133					117

At December 31, 2021 and 2020, deferred tax assets in the respective amounts of 584 million euros and 575 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 634 million euros at December 31, 2021 (633 million euros at December 31, 2020). The main entities to which these tax losses related at those dates were as follows:

- French subsidiaries, in an amount of 246 million euros (243 million euros at December 31, 2020), of which 8 million euros were recognized in deferred tax assets at December 31, 2021 (11 million euros at December 31, 2020).
- German subsidiaries, in an amount of 220 million euros (208 million euros at December 31, 2020), of which 22 million euros were recognized in deferred tax assets at December 31, 2021 (20 million euros at December 31, 2020).

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)	2021	2020
Year Y+1	2	6
Years Y+2 to Y+4	16	7
Year Y+5 and subsequent years[(a)]	616	620
TOTAL	**634**	**633**

(a) 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:

	2021	2020
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT [(a)]	**164**	**78**
Average number of shares outstanding	43,694,611	43,279,093
Average number of dilutive instruments[(b)]	1,133,302	1,090,562
Average number of diluted shares	44,827,913	44,369,655
ATTRIBUTABLE NET INCOME PER SHARE		
- Basic earnings per share[(c)]	3.76	1.80
- Diluted earnings per share[(c)]	3.66	1.76

(a) In millions of euros. In 2021 and 2020, attributable net income corresponded to adjusted net income attributable to owners of the parent.
(b) Dilutive instruments in 2021 and 2020 correspond to free share and performance share rights.
(c) In euros.

NOTE 12. INTANGIBLE ASSETS

(in millions of euros)	Trademarks	Customer relationships	Software	Intangible assets in progress	Other	TOTAL
Gross value	53	187	116	7	67	**429**
Accumulated amortization and impairment	(24)	(174)	(92)	-	(24)	**(314)**
NET AT JANUARY 1, 2021	**29**	**12**	**24**	**7**	**42**	**115**
Acquisitions and capitalizations	-	-	1	11	0	**12**
Disposals	-	-	(1)	-	-	**(1)**
Amortization expense for the year	-	(2)	(7)	-	(3)	**(12)**
Impairment losses, net of reversals[(a)]	-	-	-	-	-	**-**
Changes in Group structure	-	-	-	-	-	**-**
Exchange differences and other[(b)]	2	1	(1)	(5)	1	**(3)**
NET AT DECEMBER 31, 2021	**31**	**11**	**16**	**13**	**40**	**110**
Gross value	56	194	112	13	66	**440**
Accumulated amortization and impairment	(26)	(183)	(96)	-	(26)	**(330)**

*(a) See **Note 7**.*
(b) The line "Translation differences and other" includes in particular the effects of the IFRIC clarification on the treatment of upfront costs associated with cloud computing arrangements.

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	898	2,112	136	307	167	**3,620**
Accumulated amortization and impairment	(546)	(1,547)	(35)	(1)	(144)	**(2,273)**
NET AT JANUARY 1, 2021	**351**	**565**	**101**	**306**	**23**	**1,346**
Acquisitions and capitalizations	4	33	35	154	3	**230**
Disposals	(2)	(14)	(2)	(0)	(0)	**(18)**
Amortization expense for the year	(25)	(88)	(26)	-	(11)	**(150)**
Impairment losses, net of reversals[(a)]	(6)	(9)	-	-	-	**(15)**
Changes in Group structure	(0)	(0)	-	-	(0)	**(0)**
Exchange differences and other	67	179	3	(349)	149	**49**
NET AT DECEMBER 31, 2021	**390**	**666**	**111**	**110**	**165**	**1,442**
Gross value	979	2,296	156	112	314	**3,857**
Accumulated amortization and impairment	(589)	(1,630)	(46)	(1)	(149)	**(2,415)**

*(a) See **Note 7**.*

Right-of-use assets primarily concern real estate leases for 98 million euros at December 31, 2021 (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	2021	2020
Qatar International Cable Company	30.33%	12	12
Cobrecon/Colada Continua	50% / 41.00%	9	9
Recyclables	36.50%	3	3
IES Energy	27.80%	8	9
TOTAL		**32**	**32**

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)	2021	2020
Property, plant and equipment and intangible assets	103	107
Current assets	177	105
TOTAL CAPITAL EMPLOYED	**281**	**212**
Equity	100	99
Net financial debt	36	22
Other liabilities	145	91
TOTAL FINANCING	**281**	**212**

Condensed income statement

(in millions of euros)	2021	2020
Sales at current metal prices	371	237
Operating income	(1)	(5)
Net income	(4)	(8)

NOTE 15. OTHER NON-CURRENT ASSETS

(At December 31, in millions of euros, net of impairment)	2021	2020
Long-term loans and receivables	20	41
Shares in non-consolidated companies	22	33
Pension plan assets	53	15
Derivative instruments	10	5
Other	13	9
TOTAL	**118**	**102**

The maturity schedule for non-current assets at December 31, 2021 is presented below, excluding (i) shares in non-consolidated companies, and (ii) 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	20	17	3
Derivative instruments	10	10	-
Other	13	3	10
TOTAL	**44**	**30**	**13**

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, 2020	**4**	**3**
Additions	11	-
Disposals/reversals	-	-
Other[(a)]	0	(3)
AT DECEMBER 31, 2021	**15**	**(0)**

(a) The "Other" line corresponds to reclassifications that had no income statement impact and changes in Group structure.

NOTE 16. INVENTORIES AND WORK IN PROGRESS

(At December 31, in millions of euros)	2021	2020
Raw materials and supplies	624	402
Industrial work in progress	350	261
Finished products	385	323
GROSS VALUE	**1,359**	**986**
Impairment	(43)	(49)
NET VALUE	**1,316**	**937**

NOTE 17. TRADE RECEIVABLES

(At December 31, in millions of euros)	2021	2020
Gross value	973	866
Impairment	(26)	(36)
NET VALUE	**947**	**829**

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
2021	**36**	**0**	**(6)**	**(5)**	**(0)**	**26**
2020	41	4	(0)	(6)	(2)	36

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, 2021	**9**	**6**
AT DECEMBER 31, 2020	11	20

At December 31, 2021 and 2020, 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)	2021	2020
Prepaid and recoverable income taxes	34	16
Other tax receivables	71	66
Cash deposits paid	12	8
Prepaid expenses	20	21
Other receivables, net	54	90
NET VALUE	**190**	**201**

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 7 million euros at December 31, 2021 (4 million euros at December 31, 2020).

Since December 31, 2020, other receivables, net include cash deposits placed by the Group's entity in Lebanon with local banks due to the crisis situation in the country. These deposits amounted to 4 million euros as of December 31, 2021. Refer to **Note 9** for details of changes in impairment losses recognized in 2021.

NOTE 19. CHANGE IN WORKING CAPITAL REQUIREMENT

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)	2021	2020
Inventories and work in progress	(265)	149
Trade receivables and other receivables	(64)	89
Trade payables and other debts	446	125
DECREASE (INCREASE) IN WORKING CAPITAL	**117**	**362**

In 2020, the Group had 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, 2021, Nexans S.A.'s capital stock comprised 43,755,627 fully paid-up shares, each with a par value of 1 euro and a single voting right (43,755,627 shares at December 31, 2020).

B. DIVIDEND PAYMENT

At the Annual Shareholders' Meeting, shareholders will be invited to approve the payment of a dividend of 1,20 euro per share, representing an aggregate payout of 53 million euros based on the 43,755,627 shares making up the Company's capital stock at December 31, 2021.

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, 2022 and the date on which the Annual Shareholders' Meeting is called to approve the dividend payment.

At the Annual Shareholders' Meeting held on May 12, 2021 to approve the financial statements for the year ended December 31, 2020, the Company's shareholders authorized payment of a dividend of 0.70 euros per share, representing an aggregate 31 million euros based on the 43,370,407 ordinary shares making up the Company's capital stock on the May 21, 2021 dividend payment date (excluding shares held in treasury).

C. TREASURY STOCK

Movements in treasury stock in 2020 and 2021 are presented below:

	Notes	Number of treasury stock
AS OF DECEMBER 31, 2019		**156,485**
Share buyback program[(a)]		350,314
Cancelation of treasury stock[(a)]		(350,314)
Grant to employees	20.D	(49,330)
AS OF DECEMBER 31, 2020		**107,155**
Share buyback program[(b)]		90,000
Grant to employees	20.D	(106,368)
Liquidity contract (purchases)/sales		27,951
AS OF DECEMBER 31, 2021		**118,738**

(a) Corresponding to share purchases under the buyback program approved by the Board of Directors on March 17, 2020. These shares were canceled on December 17, 2020.
(b) Corresponding to share purchases under the buyback program approved by the Board of Directors on July 27, 2021.

During the first quarter of 2021, the Company entered into a liquidity contract for its ordinary shares. Between May 3 and December 31, 2021, a total of 215,403 shares were bought back under this contract for 17 million euros and a total of 187,452 shares were resold for 15 million euros, representing a net decrease in equity of 2 million euros.

D. FREE SHARES AND PERFORMANCE SHARES

The Group allocated an aggregate 435,895 free shares and performance shares in 2021 and 340,650 in 2020.

At December 31, 2021, there were 1,227,765 free shares and performance shares outstanding, each entitling their owner to one share on vesting, representing a total of 2.8% of the Company's capital stock (995,298 shares at December 31, 2020 representing 2.3% of the Company's capital stock).

The free shares and performance shares outstanding at December 31, 2021 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
March 14, 2017	225,300	0	March 14, 2021
March 13, 2018	211,100	155,900	March 13, 2022
July 27, 2018	39,717	0	July 27, 2021
July 27, 2018	14,500	14,500	July 27, 2022
March 19, 2019	319,700	291,200	March 19, 2023
March 17, 2020	340,650	331,650	March 17, 2024
March 18, 2021	333,145	331,765	March 18, 2025
September 30, 2021	100,000	100,000	March 17, 2023
November 8, 2021	2,750	2,750	November 8, 2025
TOTAL	**1,586,862**	**1,227,765**	

b. Movements in outstanding free shares and performance shares

	Number of shares
SHARES OUTSTANDING AT BEGINNING OF YEAR	**995,298**
Shares granted during the year	435,895
Shares canceled during the year	(97,060)
Shares vested during the year[a]	(106,368)
SHARES OUTSTANDING AT THE YEAR-END	**1,227,765**

(a) Including 106,368 shares allocated from treasury stock.

c. Valuation of free shares and performance shares

The assumptions applied to value the shares impacting income for 2021 and 2020 were as follows:

Grant date	March 14, 2017	March 13, 2018	July 27, 2018	March 19, 2019	March 17, 2020	March 18, 2021	September 30, 2021	November 8, 2021
Share price at grant date (in euros)	48.31	44.64	29.28	28.22	24.77	70.85	79.6	87.2
Vesting period	4 years	4 years	3-4 years	4 years	4 years	4 years	3-4 years	4 years
Volatility (%)[a]	38%	35%	42%	35%	38%	44%	41%	41%
Risk-free interest rate (%)	0.06%	0.02%	0.00%	-0.22%	-0.32%	-0.55%	-0.58%	-0.58%
Dividend rate (%)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Fair value of each share (in euros)	23,48 - 44,59	21,14 - 41,21	12,53 - 28,70	10,90 - 26,05	7,11 - 22,87	42,40 - 65,40	45,46 - 74,28	51,70 - 80,50

(a) 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 8 million euros in 2021 (3 million euros in 2020).

E. PUT OPTIONS GRANTED TO NON-CONTROLLING INTERESTS

At December 31, 2021, there were no longer any outstanding put options on non-controlling interests.

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. 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 97% of the Group's pension obligations at December 31, 2021).

	Discount rate 2021	Estimated future salary increases 2021	Discount rate 2020	Estimated future salary increases 2020
France	0.90%	1,80 % - 2,30 %	0.60%	1,80% - 2,30%
Germany	0,90% - 1,00%	3.00%	0.60%	3.00%
Norway	2.05%	N/A	1.55%	N/A
Switzerland	0.25%	1.00%	0.10%	1.00%
Canada	2.90%	3.50%	2.35%	3.50%
United States	2.85%	N/A	2.40%	N/A
South Korea	3.10%	3.00%	2.55%	3.00%
Australia	1.65%	2.00%	1.30%	2.00%

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)*	2021	2020
Service cost	(12)	(13)
Net interest expense	(2)	(2)
Actuarial gains (losses) (on jubilee benefits)	(0)	(0)
Past service cost	1	1
Effect of curtailments and settlements	-	0
Impact of asset ceiling	-	-
NET COST FOR THE YEAR	**(13)**	**(15)**
- of which operating cost	(11)	(13)
- of which finance cost	(2)	(2)

VALUATION OF DEFINED BENEFIT OBLIGATION *(in millions of euros)*	2021	2020
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AT JANUARY 1	**794**	**825**
Service cost	12	13
Interest expense	7	8
Employee contributions	2	2
Plan amendments	0	(1)
Business acquisitions and disposals	-	(3)
Plan curtailments and settlements	(0)	(3)
Benefits paid	(56)	(47)
Actuarial (gains) losses	(42)	15
Exchange differences and other	22	(15)
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AT DECEMBER 31	**739**	**794**

PLAN ASSETS *(in millions of euros)*	2021	2020
FAIR VALUE OF PLAN ASSETS AT JANUARY 1	**459**	**459**
Interest income	5	5
Actuarial gains (losses)	25	21
Employer contributions	11	12
Employee contributions	2	2
Business acquisitions and disposals	-	-
Plan curtailments and settlements	-	(3)
Benefits paid	(37)	(27)
Exchange differences and other	26	(11)
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	**490**	**459**

FUNDED STATUS *(in millions of euros)*	2021	2020
Present value of wholly or partially funded benefit obligations	(498)	(522)
Fair value of plan assets	490	459
FUNDED STATUS OF BENEFIT OBLIGATION	**(8)**	**(63)**
Present value of unfunded benefit obligation	(240)	(272)
BENEFIT OBLIGATION NET OF PLAN ASSETS	**(249)**	**(335)**
Unrecognized surplus (due to asset ceiling)	-	-
NET PROVISION RECOGNIZED AT DECEMBER 31	**(249)**	**(335)**
- of which pension assets	53	15

CHANGE IN NET PROVISION *(in millions of euros)*	2021	2020
NET PROVISION RECOGNIZED AT JANUARY 1	**335**	**365**
Expense (income) recognized in the income statement	13	15
Expense (income) recognized in other comprehensive income	(67)	(6)
Utilization	(30)	(32)
Other impacts (exchange differences, acquisitions/disposals, etc.)	(2)	(7)
NET PROVISION RECOGNIZED AT DECEMBER 31	**249**	**335**
- of which pension assets	53	15

C. SIGNIFICANT EVENTS OF THE YEAR

Actuarial gains recognized in 2021 were mainly due to (i) the higher discount rates applied, and (ii) the return on plan assets (excluding amounts included in net interest for the year on the net defined benefit obligation).

The Group's employer contributions relating to defined benefit plans are estimated at 6 million euros for 2022.

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 91 million euros in 2021 (92 million euros in 2020).

Actuarial gains recognized in 2020 were mainly due to (i) the return on plan assets (excluding amounts included in 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.

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:

	2021		2020	
	in millions of euros	% of DBO	in millions of euros	% of DBO
Discount rate	(30)	-4%	23	3%
Salary increases	-	0%	-	0%
Mortality	(3)	0%	(11)	1%
Staff turnover	1	0%	-	0%
Other changes in assumptions	(3)	0%	-	0%
(GAINS) / LOSSES FROM CHANGES IN ASSUMPTIONS	**(35)**	**-5%**	**12**	**2%**
(GAINS) / LOSSES FROM PLAN AMENDMENTS	**-**	**0%**	**-**	**0%**
(GAINS) / LOSSES FROM EXPERIENCE ADJUSTMENTS	**(7)**	**-1%**	**3**	**0%**
OTHER	**-**	**0%**	**-**	**0%**
TOTAL (GAINS) / LOSSES ARISING DURING THE YEAR	**(42)**	**-6%**	**15**	**2%**

E. BREAKDOWN OF PLAN ASSETS BY CATEGORY

The Group's portfolio of plan assets breaks down as follows:

(Au 31 décembre)	2021		2020	
	in millions of euros	% of DBO	in millions of euros	% of DBO
Equities[(a)]	165	34%	147	32%
Bonds and other fixed income products[(a)]	187	38%	169	37%
Real estate	93	19%	87	19%
Cash and cash equivalents	8	2%	7	2%
Other	38	8%	49	11%
FAIR VALUE OF PLAN ASSETS	**490**	**100%**	**459**	**100%**

(a) 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:

(At December 31)	2021		
	Actual DBO in millions of euros	Adjusted DBO in millions of euros	% change
Europe	524	556	6.13%
North America	183	194	6.23%
Asia	19	20	4.26%
Other countries	13	14	4.37%
TOTAL	**739**	**784**	**6.08%**

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):

(At December 31)	2021		
	Actual DBO in millions of euros	Adjusted DBO in millions of euros	% change
Europe	524	539	2.88%
North America	183	183	0.00%
Asia	19	19	0.00%
Other countries	13	13	1.68%
TOTAL	**739**	**754**	**2.07%**

G. CHARACTERISTICS OF THE MAIN DEFINED BENEFIT PLANS AND ASSOCIATED RISKS

The Group's main defined benefit plans are in Switzerland (33% of total benefit obligations as of December 31, 2021) and Germany (26% of total benefit obligations as of December 31, 2021).

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 longevity risks 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 former employees currently receiving benefits under the plan (and plan members who have not yet retired), pension benefits are calculated based on their vested rights as of 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.

Nexans Deutschland GmbH is also exposed to longevity risks and benefit indexation clauses concerning the plan as more than 80% of the defined benefit obligation concerns employees who have already retired.

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)	2021	2020
Accrued contract costs	45	38
Provisions for reorganization costs	44	87
Other provisions	79	75
TOTAL	**168**	**200**

Movements in these provisions were as follows during 2021 and 2020:

(in millions of euros)	TOTAL	Accrued contract costs	Provisions for reorganization	Other provisions
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**
Additions	43	23	12	8
Reversals (utilized provisions)	(57)	(8)	(46)	(3)
Reversals (surplus provisions)	(21)	(10)	(9)	(2)
Business combinations	-	-	-	-
Exchange differences and other	3	3	(0)	1
AT DECEMBER 31, 2021	**168**	**45**	**44**	**79**

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 67 million euros at December 31, 2021 and 70 million euros at December 31, 2020 (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 58 million euros in 2021, breaking down as follows:

(in millions of euros)	Redundancy costs	Asset impairment and retirements[(a)]	Other monetary costs	TOTAL
Charges to provisions, net of reversals of surplus provisions	2	7	1	**10**
Other costs for the year	16	-	32	**48**
TOTAL REORGANIZATION COSTS	**18**	**7**	**33**	**58**

(a) Presented as a deduction from the corresponding assets in the consolidated balance sheet.

Costs in 2021 also include costs related to:

- plans launched in 2021 for 7 million euros;
- plans launched in 2020, notably in North America and Norway, for 11 million euros, and corresponding mainly to asset write-downs at the Chester (New York) plant which the Group has decided to close in order to reorganize its North American structure;
- the project to reorganize the Group's operations in Europe announced on January 24, 2019, for 9 million euros. This amount mainly corresponded to costs for which no provisions could be recorded in accordance with IFRS (notably in Germany, France and Belgium). In 2020, costs for this project amounted to 31 million euros.

As was the case in previous years, wherever possible the reorganization plans implemented by the Group in 2021 included assistance measures negotiated with employee representative bodies as well as measures aimed at limiting lay-offs and facilitating redeployment.

In 2021, the other costs also included:

- costs directly related to the transformation program announced by the Group on November 9, 2018 and February 17, 2021 (19 million euros in 2021 versus 24 million euros in 2020);
- costs of 5 million euros related to the simplification of the operating model and the plan to become an electrification pure player, as announced by the Group in February 2021.

NOTE 23. NET DEBT

At December 31, 2021, the Group's long-term debt was rated BB by Standard & Poor's. In February 2021, the rating outlook was upgraded from negative to positive.

A. ANALYSIS BY NATURE

(At December 31, in millions of euros)	Notes	2021	2020
Long-term – ordinary bonds[a]	23.C	524	523
Other long-term borrowings[a]	23.D	121	80
TOTAL LONG-TERM DEBT[b]		**645**	**603**
Short-term – ordinary bonds[a]	23.C	-	250
Short-term borrowings and short-term accrued interest not yet due[b]	23.D	281	353
Short-term bank loans and overdrafts		5	9
TOTAL SHORT-TERM DEBT[b]		**285**	**611**
GROSS DEBT[b]		**930**	**1,215**
Cash		(917)	(1,120)
Cash equivalents		(56)	(21)
NET DEBT (CASH) EXCLUDING LEASE LIABILITIES		**(42)**	**73**
Lease liabilities[c]		116	105
NET DEBT		**74**	**179**

(a) Excluding short-term accrued interest not yet due and lease liabilities.
(b) Excluding lease liabilities.
(c) Out of the total lease liabilities recognized, 90 million euros corresponded to non-current liabilities and the balance to current liabilities. The related interest expense amounted to 4 million euros in 2021. This line includes the potential tax benefits derived from unused tax losses that may be carried forward indefinitely.

As of December 31, 2021, the consequences of the situation in Lebanon were taken into account by the Group, leading to the reclassification of bank deposits in Lebanese banks out of cash and cash equivalents (see **Note 18**).

B. CHANGE IN GROSS DEBT

(in millions of euros)	December 31, 2020	New borrowings/ repayments	Change in consolidation scope	Change in accrued interest	Transfers from long-term to short-term	Other [a]	December 31, 2021
Long-term – ordinary bonds	523	-	-	-	-	1	524
Other long-term borrowings	80	44	-	-	(7)	4	121
Short-term – ordinary bonds	250	(250)	-	-	-	0	-
Other short-term borrowings	336	(74)	-	-	7	1	271
Lease liabilities	105	(25)	-	(0)	-	36	116
Short-term accrued interest not yet due	17	N/A	-	(4)	-	(3)	10
GROSS DEBT EXCLUDING SHORT-TERM BANK LOANS AND OVERDRAFTS	**1,311**	**(304)**	**-**	**(4)**	**(0)**	**39**	**1,042**

(a) Including the non-cash impacts of new leases signed during the year.

C. BONDS

(in millions of euros)	Carrying amount at end-2021	Face value at issue date	Maturity date	Nominal interest rate
Ordinary bonds redeemable in 2023	329	325	August 8, 2023	3.75%
Ordinary bonds redeemable in 2024	204	200	April 5, 2024	2.75%
TOTAL ORDINARY BONDS[(a)]	**533**	**525**		

(a) Including 9 million euros in short-term accrued interest.

On August 8, 2018, Nexans issued 325 million euros worth of bonds maturing on August 8, 2023. The bonds were issued at par.

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% of the bonds' face value.

On March 10, 2021, Nexans redeemed in advance the 250 million euros worth of bonds issued on May 26, 2016 and with a maturity date of May 26, 2021. The issue price was 100% of the bonds' face value and the interest rate was 3.25%. This loan was recorded under "Short-term – ordinary bonds" at December 31, 2020.

D. OTHER BORROWINGS

On February 25, 2021, Nexans redeemed in advance the 280 million euro French State-backed bank loan. The loan was taken out by Nexans on June 17, 2020. It had a twelve-month maturity which Nexans had 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.

The amount recognized under "Other long-term borrowings" at December 31, 2021 includes the 99 million euros drawn down on the loan to finance the construction of the Nexans Aurora cable-laying vessel.

The loan was originally denominated in Norwegian krone and was drawn down in tranches as work advanced on the vessel's construction. In early June 2021, the repayment currency was the euro, in line with the option included in the loan agreement. Following this change, the variable interest rate on the loan is now indexed to the 3-month Euribor. The loan is repayable over twelve years as from the vessel's delivery date in equal annual installments, with the final installment due in June 2033.

The portion due beyond one year, in the amount of 90 million euros, is reported under "Other long-term borrowings" and the balance due within one year is reported under "Short-term borrowings and short-term accrued interest not yet due". See **Note 23.E** below for further details.

Short-term debt also includes 209 million euros in commercial paper with an average maturity of three months and a low interest rate.

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[(a)] (%)		in millions of euros	
	2021	2020	2021	2020
Ordinary bonds redeemable in 2023	3.89%	3.89%	324	324
Ordinary bonds redeemable in 2024	2.87%	2.87%	199	199
Other	2.85%	3.70%	121	80
TOTAL LONG-TERM DEBT[(b)]	**3.38%**	**3.53%**	**645**	**603**

(a) Effective interest rate.
(b) Excluding lease liabilities.

The majority of Nexans' medium-and long-term debt is at fixed rates.

Long-term debt in euros consists of the loan taken out by Nexans Norway to finance the construction of the Aurora cable-laying vessel (see **Note 23.D**), and a lease liability in France relating to a sale and leaseback project that did not meet the criteria for classification as a disposal under IFRS 15.

Long-term debt denominated in currencies other than the euro includes, notably, loans granted to Nexans Côte d'Ivoire.

Short-term debt

(At December 31)	Weighted average EIR[(a)] (%)		in millions of euros	
	2021	2020	2021	2020
Ordinary bonds redeemable in 2021	N/A	3.40%	N/A	250
Government-backed loan	N/A	0.75%	N/A	280
Euro (excluding ordinary bonds)	0.58%	2.19%	238	15
US dollar	4.16%	4.34%	7	3
Other	4.94%	3.08%	30	47
TOTAL SHORT-TERM DEBT EXCLUDING ACCRUED INTEREST[(b)]	**1.15%**	**2.10%**	**275**	**595**
Accrued interest (including short-term accrued interest on long-term debt)	N/A	N/A	10	17
TOTAL SHORT-TERM DEBT[(b)]	**1.15%**	**2.10%**	**285**	**611**

(a) Effective interest rate.
(b) Excluding lease liabilities.

At December 31, 2021, short-term debt in euros consists mainly of the outstanding commercial paper mentioned in **Note 23.D**, whose average interest rate is close to zero.

US dollar-denominated debt primarily concerns the Brazilian subsidiary.

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.

Excluding bonds, the vast majority of the Group's short-term debt is at fixed 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, 2021

(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 2023	-	12	325	7	-	-	**325**	**20**
Ordinary bonds redeemable in 2024	-	6	200	7	-	-	**200**	**12**
Other long-term borrowings	-	3	53	8	68	5	**121**	**15**
Government-backed loan	-	-	-	-	-	-	**-**	**-**
Short-term bank loans and overdrafts	275	2	-	-	-	-	**275**	**2**
Lease liabilities	25	3	64	8	27	3	**116**	**14**
TOTAL	**300**	**26**	**643**	**30**	**95**	**7**	**1,037**	**63**

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, 2021.
- 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 2022.
- The interest cost has been calculated based on contractual interest rates for fixed-rate borrowings and on weighted average interest rates at December 31, 2021 for variable-rate borrowings (see **Note 23.D** above).

NOTE 24. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

(AT DECEMBER 31, *in millions of euros*)	2021	2020
TRADE PAYABLES	**1,622**	**1,213**
Social liabilities	215	207
Current income tax payables	102	40
Other tax payables	33	37
Deferred income	1	0
Other payables	72	64
OTHER CURRENT LIABILITIES	**422**	**349**

At December 31, 2021, trade payables included approximately 370 million euros (154 million euros at December 31, 2020) 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, 2021 (1 million euros at December 31, 2020).

NOTE 25. DERIVATIVE INSTRUMENTS

(in millions of euros)	December 31, 2021							December 31, 2020		
	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						**33**	**24**		40	29
Forward sales	602	940	904	184	**2,630**			1,789		
Forward purchases	495	1,339	632	173	**2,639**			1,802		
FOREIGN EXCHANGE DERIVATIVES - ECONOMIC HEDGES						**16**	**16**		12	10
Forward sales	355	60	176	624	**1,216**			608		
Forward purchases	391	42	377	395	**1,205**			607		
METAL DERIVATIVES	Copper	Aluminum	Lead	Other	TOTAL	Assets	Liabilities	Notional amounts	Assets	Liabilities
METAL DERIVATIVES CASH FLOW HEDGES						**27**	**12**		39	6
Forward sales	251	17	3	-	**270**			176		
Forward purchases	502	47	36	-	**584**			372		
METAL DERIVATIVES - ECONOMIC HEDGES						**-**	**-**		-	-
Forward sales	-	-	-	-	**-**			-		
Forward purchases	-	-	-	-	**-**			-		
TOTAL FOREIGN EXCHANGE AND METAL DERIVATIVES						**75**	**52**		90	46

Foreign exchange derivatives

In 2021, 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 2021, a 9 million euro net gain on cash flow hedges was recognized in the consolidated statement of comprehensive income and a net loss of 1 million euros was recycled to the income statement.

Metal derivatives

In 2021, 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 49 million euro net gain was recognized in the consolidated statement of comprehensive income for metal derivatives designated as cash flow hedges and a 66 million euro loss was recycled to the income statement.

NOTE 26. FINANCIAL RISKS

The Treasury, Financing and Metals Department defines the financial risk management policy, covering:

- Liquidity, foreign exchange, interest rate, credit and banking counterparty risks.
- Risks relating to changes in non-ferrous metal prices, as well as the credit and financial counterparty risks of entities that trade in non ferrous metals markets.

The department is 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.

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, 2021 are located in Morocco, Lebanon, China, South Korea, Peru, Brazil, Chile 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.

Non-ferrous metal risk management policy is also defined and controlled centrally for the entire Group by the Treasury, Financing and Metals Department, which takes centralized positions on the market based on requests from subsidiaries. At December 31, 2021, 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, Financing and Metals Department monitors changes in the treasury and liquidity positions of the Group on a weekly basis (encompassing both holding companies and operating entities). As 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 "Financing Committee" 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, 2021, 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.

As an exception to the above and due to the crisis in Lebanon, bank deposits in Lebanese banks have been excluded from cash and cash equivalents (see **Note 18**).

Main sources of financing

Over the past several years the Group has implemented a strategy of diversifying its sources of financing, through:

- Issues of ordinary bonds maturing in 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 loan facility granted by the European Investment Bank (EIB) for an amount of 200 million euros.
- As of December 31, 2021, Nexans France SAS had sold 25 million euros worth of receivables under a new securitization program set up in the second half of the year (as in 2020).
  The other main receivables securitization and factoring programs in 2021 concern Norway and Sweden.

In Norway, receivables sold under the factoring program totaled 26 million euros at December 31, 2021 (28 million euros at December 31, 2020).

In Sweden, receivables sold under the factoring program totaled 27 million euros at December 31, 2021 (18 million euros at December 31, 2020).

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 as backing for a commercial paper program. This program was signed on December 21, 2018 for a maximum amount of 400 million euros, and was increased to 600 million euros on November 15, 2021. Commercial paper outstanding under the program amounted to 209 million euros as of December 31, 2021. No commercial paper had been issued as of December 31, 2020.

On October 6, 2021, Nexans obtained a 200 million euro loan facility from the European Investment Bank (EIB). The facility can be drawn down during the next 18 months and borrowings are repayable within 10 years from the drawdown date.

The amended syndicated credit facility and the EIB loan facility are subject to the following two hard covenants:

- 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, 2021 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 EIB loan facility 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 krones in May 2019. This financing, which was drawn down in full in May 2021, will be repaid in euros on a straight-line basis over the next twelve years. 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, 2021.

The Group's ratios as of June 30, 2021 were well within the covenant limits applicable to the financing for the cable-laying vessel.

The Group is not subject to any other financial ratio covenants.

This syndicated loan agreement contains 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, 2021, the bulk of this debt corresponded to the ordinary bonds redeemable in 2023 and 2024.
- The Group's short-term debt includes commercial paper at fixed rates of interest that is due within twelve months at the reporting date. All of the Group's other short-term debt is at variable rates based on money market indices (EONIA, EURIBOR, LIBOR or their replacements). 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 rolled over) or at variable rates (based on EONIA, LIBOR or their replacements, 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 812 million euros as of December 31, 2021 and 1,076 million euros as of December 31, 2020.

The first phases of the LIBOR reform do not have a material impact on the Group, which will monitor the next changes planned in 2022 and 2023 until the USD LIBOR is withdrawn in 2023.

The Group did not have any interest rate hedges in place at either December 31, 2021 or December 31, 2020.

Consolidated net debt breaks down as follows between variable and fixed interest rates:

(At December 31, in millions of euros)	2021			2020		
	Non-current	Total	Current	Non-current	Total	Total
VARIABLE RATE						
Financial liabilities[a]	67	94	161	65	0	66
Cash and cash equivalents	(972)	-	(972)	(1,142)	-	(1,142)
NET VARIABLE RATE POSITION	**(906)**	**94**	**(812)**	**(1,076)**	**0**	**(1,076)**
FIXED RATE						
Financial liabilities[a]	244	641	885	570	684	1,254
Cash and cash equivalents	-	-	-	-	-	-
NET FIXED RATE POSITION	**244**	**641**	**885**	**570**	**684**	**1,254**
NET DEBT	**(662)**	**735**	**74**	**(506)**	**684**	**179**

(a) 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).

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 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 term, and they are overseen by the Treasury, Financing and Metals Department.

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.

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 Treasury, Financing and Metals 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 Treasury, Financing and Metals 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 Treasury, Financing and Metals Department. Other subsidiaries enter into forward currency transactions with their local banks. The objective is to reduce flows in the subsidiary's functional currency and/or to avoid open positions in a given currency for a given maturity.

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 Treasury, Financing 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 Treasury, Financing and Metals Department.

In addition, the Treasury, Financing and Metals 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 the 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, 2021, no single customer in any country 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. A portion of trade receivables is not covered by this Group insurance program. The difficult market environment created by recent economic and political crises around the world, was made 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. As a result, and in view of the current relatively favorable situation of the policy, the credit insurer has confirmed its support and its willingness to support Nexans' future growth strategy.

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, subsidiaries are asked to set up derivatives involving counterparty risk only with branches or subsidiaries of banking groups whose parent company satisfies the above risk criteria.

Based on a breakdown by maturity of notional amounts at December 31, 2021 (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)	2021		2020	
	Notional amounts Buyer positions	Notional amounts Seller positions	Notional amounts Buyer positions	Notional amounts Seller positions
Within 1 year	3,359	3,348	2,178	2,171
Between 1 and 2 years	353	352	229	224
Between 2 and 3 years	23	22	2	2
Between 3 and 4 years	120	111	-	-
Beyond 4 years	-	-	-	-
TOTAL	**3,857**	**3,833**	**2,409**	**2,397**

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 Treasury, Financing and Metals Department performs metal derivatives transactions on behalf of substantially all of the Group's subsidiaries apart from – at December 31, 2021 – 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 Treasury, Financing and Metals 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 20 million US dollars for counterparties rated BBB+, BBB or 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 for the most part 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 29 million euros at December 31, 2021 (49 million euros at December 31, 2020).

The notional amounts of metal derivatives (sum of the absolute values of buy and sell positions) at December 31, 2021 are analyzed by maturity in the table below:

(At December 31, in millions of euros)	2021		2020	
	Notional amounts Buyer positions	Notional amounts Seller positions	Notional amounts Buyer positions	Notional amounts Seller positions
Within 1 year	519	267	353	176
Between 1 and 2 years	61	3	19	-
Between 2 and 3 years	5	-	0	-
Between 3 and 4 years	-	-	-	-
Beyond 4 years	-	-	-	-
TOTAL	**584**	**270**	**372**	**176**

Cash deposited to meet margin calls on copper forward purchases whose fair value was negative at the year-end (see **Note 18**) amounted to 7 million euros at December 31, 2021 (4 million euros at December 31, 2020).

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

Deposits and investments with banks of Nexans Financial Trading Services' and Nexans Canada's surplus cash amounted to 662 million euros as of December 31, 2021, representing approximately 68% of the Group's total cash and cash equivalents. All of these deposits and investments are with counterparties rated as investment grade by Standard & Poor's, with ratings of between A and AA-.

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);
- An upward remeasurement 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).

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, 2021 and 2020 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.
- 38,000 tonnes and 25,000 tonnes of copper included in working capital at December 31, 2021 and December 31, 2020 respectively.
- Short-term interest rate (3-month Euribor) of -0.57% in 2021 and -0.55% in 2020. 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 as of December 31, 2021 (47,275 tonnes as of December 31, 2020).
- A theoretical income tax rate of 28.41% for 2021 and 32.02% for 2020.

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)	2021	2020
Impact on operating income	38	28
Impact on net financial expense	0	0
NET IMPACT ON INCOME (AFTER TAX)	**27**	**19**
IMPACT ON EQUITY(A) (AFTER TAX)	**19**	**12**

(a) Excluding net income (loss) for the period.

Sensitivity to the US dollar (USD) and Norwegian krone (NOK) exchange rates

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. The impact on income is offset by the revaluation of underlying US dollar positions included 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.

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, 2021 and December 31, 2020, e.g., using US dollar/euro exchange rates of 1.25 and 1.35 respectively, without any changes in the forward points curve.

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 11.0 and 11.5 at December 31, 2021 and 2020 respectively, without any changes in the forward points curve.

Foreign currency translation impacts have likewise not been taken into account in the following calculations.

SENSITIVITY -10%	2021		2020	
NET IMPACT ON THE GROUP	Net impact on income (after tax)[a]	Impact on equity (after tax)[b]	Net impact on income (after tax)[a]	Impact on equity (after tax)[b]
NET POSITION – UNDERLYINGS[c]	(8)	-	(10)	-
NET POSITION – DERIVATIVES	(3)	(8)	0	8
USD - NET IMPACT ON THE GROUP	**(11)**	**(8)**	**(10)**	**8**
NET POSITION – UNDERLYINGS[d]	22	-	7	-
NET POSITION – DERIVATIVES	(0)	(16)	(3)	(22)
NOK - NET IMPACT ON THE GROUP	**21**	**(16)**	**4**	**(22)**

(a) Using a theoretical income tax rate of 28.41% in 2021 (32.02% in 2020).
(b) Excluding net income for the period, the theoretical income tax rate is 28.41% in 2021 (32.02% in 2020).
(c) Impact primarily due to net open positions in countries whose currencies are very closely correlated to the US dollar.
(d) Impact primarily due to net open positions in countries whose currencies are very closely correlated to the Norwegian krone.

NOTE 27. ADDITIONAL DISCLOSURES CONCERNING FINANCIAL INSTRUMENTS

The main types of financial assets and liabilities are divided into the following categories:

(At December 31, in millions of euros)	IFRS 9 category	Fair value hierarchy level	2021 Carrying amount	2021 Fair value	2020 Carrying amount	2020 Fair value
ASSETS						
Shares in non-consolidated companies	Financial assets at fair value through profit or loss		19	19	26	26
	Financial assets at fair value through other comprehensive income		3	3	7	7
Other non-current financial assets	Loans and receivables		34	34	50	50
Commercial receivables						
▪ Contract assets	Loans and receivables		42	42	94	94
▪ Trade receivables	Loans and receivables		947	947	829	829
Derivative instruments[a]	Financial assets at fair value through profit or loss	Foreign exchange: 2	50	50	52	52
		Metal: 1	27	27	39	39
Other current financial assets	Loans and receivables		136	136	163	163
Cash and cash equivalents	Financial assets at fair value through profit or loss	Term deposits: 2	56	972	21	1,142
		Other: 1	917		1,120	
LIABILITIES						
Gross debt						
▪ Ordinary bonds[b]	Financial liabilities at amortized cost		533	557	787	822
▪ Other financial liabilities	Financial liabilities at amortized cost		398	398	428	428
Commercial payables						
▪ Contract liabilities	Financial liabilities at amortized cost		395	395	364	364
▪ Trade payables	Financial liabilities at amortized cost		1,622	1,622	1,213	1,213
Derivative instruments[a]	Financial liabilities at fair value through profit or loss	Foreign exchange: 2	40	40	39	39
		Metal: 1	12	12	6	6
Other current financial liabilities	Financial liabilities at amortized cost		319	319	308	308

(a) 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.
(b) Including short-term accrued interest (see ***Note 23.C****).*

The Group's fixed rate debt mainly comprised its ordinary bonds redeemable in 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.

The fair value of the 2023 and 2024 ordinary bonds was calculated based on a bank valuation provided at December 31, 2021 and included interest accrued at the year-end. The same method was used at December 31, 2020.

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)	2021	2020
REVENUE		
▪ Non-consolidated companies	61	44
▪ Associates	2	3
COST OF SALES		
▪ Non-consolidated companies	(16)	(10)
▪ Associates	(6)	(6)

Consolidated balance sheet

The main items in the balance sheet affected by related party transactions in 2021 and 2020 were as follows:

(At December 31, in millions of euros)	2021	2020
ASSETS		
▪ Non-consolidated companies	12	7
▪ Associates	1	1
FINANCIAL LIABILITIES/(RECEIVABLES)		
▪ Non-consolidated companies	(6)	(17)
▪ Associates	-	-
OTHER LIABILITIES		
▪ Non-consolidated companies	2	1
▪ Associates	1	1

B. RELATIONS WITH THE QUIÑENCO GROUP

At December 31, 2021, 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, 2021, 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 2021 as in 2020, 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)	2021	2020
Compensation for corporate officer positions[a]	1.9	1.6
Compensation under employment contracts and benefits in kind[a]	8.7	9.4
Performance shares[b]	2.4	1.8
Termination benefits[a]	0.6	-
Long-term incentive plan[b]	0.1	0.0
Accruals for pensions and other retirement benefit obligations[c]	1.0	2.3
TOTAL COMPENSATION	**14.8**	**15.2**

(a) Amounts paid during the year, including payroll taxes.
(b) Amounts expensed in the income statement during the year.
(c) For defined benefit plans, this item includes the service cost and interest expense for the year.

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 2021 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., 300,000 euros in 2021.

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 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 claims from customers filed before the courts in the United-Kingdom, the Netherlands and Italy against Nexans and other defendants.

In the United-Kingdom, Scottish and Southern Energy lodged a claim against Nexans France SAS, the Company and certain companies of the Prysmian Group. However, in September 2019, the claim against Nexans France SAS and the Company was discontinued, with no payment to Scottish and Southern Energy 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 United-KingdomK 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 company Terna S.p.A. launched an antitrust damages claim before the Court of Milan. Nexans Italia filed a defense on October 24, 2019 focusing on Nexans Italia's lack of standing to be sued. On February 3, 2020 the judge ruled Terna's claim to be null for lack of clarity. Terna has since supplemented its claim and the case is ongoing. 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 the non-Dutch subsidiaries of the Company. The court also ordered the claimants to pay the costs of the proceedings. The claimants appealed this ruling and the case on the merits against the Dutch entities is stayed pending the appeal judgment.

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.

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. The Company has paid the 1 million euro (BRL equivalent) fine and has appealed the decision. The case is ongoing.

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 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 the high-voltage. As a result, full leniency (zero fine) has been granted by KFTC in 15 cases, and for two other cases the Korean subsidiaries were granted a 20% reduction of fines 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 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 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 to take place in 2022.

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 all the defendants, including Prysmian and several local Spanish producers. Nexans Iberia has filed defense arguments and the case is pending.

On January 20, 2022 the German Federal Cartel Office (FCO) carried out searches at two of Nexans' sites in Germany. The searches are part of an investigation on cable manufacturers concerning alleged coordination of industry-standard metal surcharges in Germany. (The FCO also conducted inspections at the premises of other companies in Germany.) The investigation is ongoing.

As of 31 December 2021, the Group has a recorded contingency provision of 67,5 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, 2021 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, 2021 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, 2021 and December 31, 2020 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	2021	2020
COMMITMENTS GIVEN			
Syndicated credit facility[a]	26.A	**660**	660
COMMITMENTS RECEIVED			
Syndicated credit facility – Unused line expiring on December 12, 2023	26.A	**600**	600
European Investment Bank financing line – Unused line expiring on April 6, 2023	26.A	**200**	-

(a) 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.

At December 31, the Group had a financing line granted by the European Investment Bank for 200 million euros. This line is not used at end of December 2021.

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)	Notes	2021	2020
COMMITMENTS GIVEN			
Derivatives - Purchases of foreign currencies[a]	26	**3,857**	2,409
Forward purchases of metals	26	**584**	372
Firm commitments to purchase property, plant and equipment		**75**	65
Commitments for third-party indemnities	See (1)	**4,290**	3,684
Take-or-pay copper purchase contracts (in tonnes)	See (2)	**124,368**	119,619
Other commitments given		**-**	-
COMMITMENTS RECEIVED			
Forward sales of foreign currencies[a]	26	**3,833**	2,397
Forward sales of metals	26	**270**	176
Take-or-pay copper sale contracts (in tonnes)	See (2)	**102,219**	98,366
Other commitments received		**384**	341

(a) Including derivatives used to hedge the Group's net debt.

(1) 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 (778 million euros and 663 million euros at December 31, 2021 and 2020 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, 2021 the Group had granted parent company guarantees in an amount of 3,502 million euros (3,024 million euros at December 31, 2020). These mainly correspond to performance bonds given to customers.

(2) 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, 2021.

Companies by geographic area	% control	% interest	Consolidation method [a]
FRANCE			
Nexans S.A.[b]	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[c]	100%	100%	
BELGIUM			
Nexans Benelux S.A.	100%	100%	
Nexans Network Solutions NV	100%	100%	
Nexans Services	100%	100%	
Opticable S.A. NV	100%	100%	
GERMANY			
Nexans Deutschland GmbH	100%	100%	
Metrofunkkabel Union GmbH	100%	100%	
Nexans Auto Electric GmbH[d]	100%	100%	
Nexans Power Accessories Deutschland GmbH	100%	100%	
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[e]	100%	100%	
Nexans Logistics Ltd	100%	100%	
Nexans Sweden AB	100%	100%	
Nexans Industry Solutions[f]	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%	

Companies by geographic area	% control	% interest	Consolidation method[a]
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[b]	96.73%	96.73%	
Cobrecon	50%	48.36%	Equity method
Nexans Brasil S.A.	100%	100%	
AFRICA AND MIDDLE EAST			
Liban Câbles s.a.l	91.15%	91.15%	
Nexans Maroc[g]	97.47%	97.47%	
Qatar International Cable Company	30.33%	30.33%	Equity method
Nexans Kabelmetal Ghana Ltd	59.13%	59.13%	
Nexans Côte d'Ivoire	60%	58.96%	
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%	

(a) The companies in this list are fully consolidated, unless otherwise specified.
(b) Listed companies.
(c) The entity responsible for the Group's cash management.
(d) 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.
(e) Nexans Re is the Group's captive reinsurer.
(f) Nexans Industry Solutions prepares consolidated financial statements that include various subsidiaries located mainly in China and Poland.
(g) 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 2021 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[(a)]	Total
Mazars	215	137	80	431
PwC	206	167	140	512
TOTAL	**420**	**304**	**220**	**944**

(a) 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, 2021.

5.1.7. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(For the year ended December 31, 2021)

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.

A. 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, 2021.

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, 2021 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 dans Risk Committee.

B. 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 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, 2021 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 or in the French Code of ethics (code de déontologie) for statutory auditors.

C. 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, 2021, sales from goods and services contracts, recognized on a percentage-of-completion basis as described in Notes 1.E.a, 3 and 4 to the consolidated financial statements, amounted to €735 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, 3 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, 2021, the carrying amount of the Group's goodwill, property, plant and equipment and intangible assets totaled €240 million, €1,442 million and €110 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.

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 global health crisis 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, 2021, deferred tax assets recognized in the Group's consolidated balance sheet amounted to €112 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.D "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 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 as described in in section F.c "Impairment tests" of Note 1(see Note 1.F.c) "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 effects of global health crisis ;
- 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.

D. SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the management report of the Board of Director.

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 management report (or 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.

E. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that 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), prepared under the responsibility of Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of NEXANS by the Shareholder's Meeting held on May 15, 2006 for PricewaterhouseCoopers Audit and on May 5, 2015 for Mazars.

As at December 31, 2021, PricewaterhouseCoopers Audit and Mazars were in the 16th year and 7th 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.

F. 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 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 23, 2022

The statutory auditors

PricewaterhouseCoopers Audit	MAZARS
Édouard Demarcq	**Juliette Decoux-Guillemot**

5.2 CORPORATE FINANCIAL STATEMENTS

5.2.1. INCOME STATEMENT

(in thousands of euros)	Notes	2021	2020
NET SALES	4.1	**28,637**	**25,296**
Other operating income		32,	1,311
TOTAL OPERATING INCOME		**28,96**	**26,607**
Other purchases and external charges		(35,389)	(46,567)
Taxes other than on income		(1,597)	(1,473)
Payroll expenses	4.2	(11,171)	(9,389)
Net (additions to)/reversals of depreciation, amortization and provisions – Operating items		(1,407)	(2,220)
Other expenses		(628)	(680)
TOTAL OPERATING EXPENSES		**(50,192)**	**(60,329)**
NET OPERATING INCOME (LOSS)	4	**(21,231)**	**(33,722)**
Dividend income		70,717	67,295
Net interest expense		(21,796)	(27,312)
Net (additions to)/reversals of depreciation, amortization and provisions – Financial items		(101)	(225)
Net foreign exchange gains/(losses)		(129)	(66)
NET FINANCIAL INCOME (LOSS)	5	**48,691**	**39,692**
NET INCOME FROM ORDINARY ACTIVITIES BEFORE TAX		**27,460**	**5,970**
NET NON-RECURRING INCOME	6	**1,887**	**7,799**
Employee profit-sharing		(81)	(161)
Income taxes	7	21,764	462
NET INCOME FOR THE YEAR		**51,030**	**14,070**

5.2.2. BALANCE SHEET

(in thousands of euros)	Notes	Gross amount	Depreciation, amortization and provisions	**Net at December 31, 2021**	Net at December 31, 2020
ASSETS					
Intangible assets		19	(19)	-	-
Financial assets	8	2,836,130	-	2,836,130	2,829,840
TOTAL FIXED ASSETS		**2,836,149**	**(19)**	**2,836,130**	**2,829,840**
Prepayments to suppliers		41	-	41	82
Trade receivables	9	12,017	(319)	11,698	8,506
Other receivables	9	33,865	-	33,865	250,273
Marketable securities	10 & 12.3	7,692	(101)	7,591	3,214
Prepaid expenses		315	-	315	168
TOTAL CURRENT ASSETS		**53,930**	**(420)**	**53,511**	**262,242**
Other assets	11	1,585	-	1,585	2,957
TOTAL ASSETS		**2,891,664**	**(439)**	**2,891,225**	**3,095,040**

(in thousands of euros)	Notes	**December 31, 2020**	December 31, 2019
EQUITY AND LIABILITIES			
Share capital		43,756	43,756
Additional paid-in capital		1,690,664	1,690,705
Legal reserve		4,411	4,411
Regulated reserves		0	0
Retained earnings		87,285	103,826
NET INCOME FOR THE YEAR		**51,030**	**14,070**
Regulated provisions		5,953	5,953
TOTAL EQUITY	12	**1,883,098**	**1,862,720**
PROVISIONS FOR CONTINGENCIES AND CHARGES	13	**80**	**369**
Convertible bonds		-	-
Other bonds	14 & 15	533,910	788,785
Other borrowings and debt	14 & 15	350,197	290,422
Trade payables	15	20,960	28,121
Other liabilities	15	102,979	124,621
TOTAL LIABILITIES		**1,008,046**	**1,231,950**
Unrealized foreign exchange gains		1	1
TOTAL EQUITY AND LIABILITIES		**2,891,225**	**3,095,040**

5.2.3. NOTES TO THE CORPORATE FINANCIAL STATEMENTS

The notes below relate to the balance sheet at December 31, 2021, 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, 2021. The balance sheet total was 2,891,225 thousand euros and the Company ended the year with net income of 51,030 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 2021:

- On February 25, 2021, Nexans repaid in advance the 280 million euro the government-backed loan ("PGE").
- On March 10, 2021, the Company also redeemed early the 250 million euro 3.25% fixed-rate bonds.
- On April 6, 2021, Nexans appointed Natixis and ODDO BHF SCA to implement a liquidity contract for its ordinary shares.
  This contract came into effect on April 21, 2021, for a renewable period of one year. The resources allocated to its implementation amount to 6,000 thousand euros (see Note 8.2).
- On October 6, 2021, the European Investment Bank (EIB) granted Nexans a 200 million euro loan facility to support its active participation in the global energy transition and its commitment to help achieve carbon neutrality by 2030.
  As of December 31, 2021, the loan facility had not been drawn down.
- At its meeting on July 27, 2021, the Board of Directors used the shareholder authorization granted on May 12, 2021 to launch a new share buyback program. A total of 90,000 shares were bought back under the program between September 15 and September 30, 2021 (see Note 12.3).
- A total of 106,368 rights to free shares granted under Plans no. 17 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, 2021 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 21,231 thousand euros for 2021, primarily corresponding to headquarters expenses, commissions and brokerage fees, depreciation, amortization and provisions, and various consulting fees.

1. NET SALES

Nexans' 2021 net sales came to 28,637 thousand euros, and primarily related to the invoicing of services provided to Group entities.

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.

a. Headcount

At December 31, 2021, the Company had a headcount of 8 people (including two corporate officers).

b. 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 2021 was 1,888 thousand euros.

In addition, under Long-Term Compensation Plans 5,614 free shares were allocated to Christopher Guérin. The final cost of these share-based payments was 165 thousand euros.

The members of the Board of Directors and the censors received an aggregate 628 thousand euros in compensation for their attendance in meetings and services to the Board in 2021 (gross amount before social security deductions and withholding taxes). This amount was recorded in the "Other expenses" line of the income statement.

c. Commitments given to employees

- The Company has put in place pension and other post- employment benefit plans for its employees.
  At December 31, 2021, the present value of its obligation under these plans, net of plan assets, was 459 thousand euros, 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 (2,850 thousand euros in 2021 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).

NOTE 5. FINANCIAL INCOME AND EXPENSES

The Company recorded net financial income of 48,691 thousand euros in 2021, mainly reflecting:

- Dividends received from Nexans Participations and Invercable SA representing a total amount of 70,717 thousand euros;
- 19,224 thousand euros in interest expenses on the Company's bonds (see Note 14.1);
- 1,673 thousand euros in interest expenses on advances received from Central Treasury Department;
- Interest expense on the government-backed loan is estimated at 653 thousand euros.

NOTE 6. NON-RECURRING ITEMS

In 2021, non-recurring items consisted mainly of:

- The 3,694 thousand euros in proceeds from the sale of an indirect interest in Egypt.
- The loss on free shares allocated to Group employees, for 2,044 thousand euros.
- The net gain from liquidity contract transactions for 289 thousand euros (see Note 8.2).

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	**27,460**	**1,806**	**-**	**29,266**
Income taxes				
- at the standard rate	-	-	944	944
- gain/(loss) from tax consolidation	-	-	20,820	20,820
INCOME TAXES	**-**	**-**	**21,764**	**21,764**
NET INCOME	**27,460**	**1,806**	**21,764**	**51,030**

1. COMMENTS

The tax benefit recorded in 2021 consisted mainly of group relief in the amount of 20,820 thousand euros that is retained by the Company as the parent company of the tax group.

The 944 thousand euros recorded under "Other tax effects" correspond to research tax credits recognized separately for the Company.

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. As the current taxation period expires on 31 December 2021, the option is tacitly renewed until 31 December 2026. 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, 2021 represent an unrecognized tax asset of 245,834 thousand euros.

No non tax-deductible expenses, as defined in Article 39-4 of the French Tax Code, were incurred during 2021.

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 637,263 thousand euros at December 31, 2021 (605,790 thousand euros at December 31, 2020).

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	2,829,833	-	-	2,829,833	2,829,833	2,829,833
Other financial assets						
- Treasury stock	-	17,221	(14,904)	2,317	-	2,317
- Other non-current receivables	-	3,973	-	3,973	-	3,973
- Security deposits	7	-	-	7	7	7
TOTAL FINANCIAL ASSETS	**2,829,840**	**21,194**	**(14,904)**	**2,836,130**	**2,829,840**	**2,836,130**

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

In 2021, the Company did not purchase or sell any shares in subsidiaries or affiliates.

Impairment tests

Shares in subsidiaries and affiliates were tested for impairment at December 31, 2021. These tests did not reveal any need to recognize additional impairment losses.

2. OTHER FINANCIAL ASSETS

The Company has signed a liquidity contract with an investment service provider, ODDO BHF SCA, which is tasked with carrying out daily share purchase and sale transactions in order to create a liquid market in Nexans shares and stabilize the share price or avoid price fluctuations that are out of step with the market.

The resources allocated to the liquidity account amount to 6,000 thousand euros.

Transactions carried out by the investment service provider on behalf of the Company are recorded under "Other financial assets":
- shares are recorded under "Treasury stock" at their acquisition cost; they are written down when the average share price for the month of December is lower than their book value;
- the balance of the cash account is recorded in "Other non-current receivables".

During 2021, transactions under the liquidity contract consisted of cumulative acquisitions of 215,403 shares and cumulative sales of 187,452 shares, generating a net gain on treasury shares of 289 thousand euros (see Note 6).

At December 31, 2021, Nexans held 27,951 treasury shares under the liquidity contract, acquired at a total cost of 2,317 thousand euros. The average price of Nexans shares at December 31, 2021 was 83.62 euros.

At December 31, cash held in the ODDO BHF SCA account totaled 3,973 thousand euros.

NOTE 9. RECEIVABLES BY MATURITY

(At December 31, in thousands of euros)	2021				2020
	Gross amount	O/w accrued income	Due within one year	Due beyond one year	Gross amount
OTHER FINANCIAL ASSETS	**3,980**	**-**	**3,980**	**-**	**7**
PREPAYMENTS TO SUPPLIERS	**41**	**-**	**41**	**-**	**82**
TRADE RECEIVABLES	**12,017**	**10,214**	**12,017**	**-**	**8,825**
OTHER RECEIVABLES	**33,865**	**-**	**19,478**	**14,387**	**250,273**
- Employee-related receivables and prepaid payroll costs	-	-	-	-	7
- Prepaid and recoverable income taxes	14,697	-	310	14,387	10,404
- Prepaid and recoverable VAT	6,479	-	6,479	-	7,933
- Group and associates: tax consolidation	1,217	-	1,217	-	3,711
- Group and associates: cash pooling current accounts(1)	617	-	617	-	217,362
- Other debtors	10,855	-	10,855	-	10,855
PREPAID EXPENSES	**315**	**-**	**315**	**-**	**168**

(1) The cash pooling agreements put in place are open-ended agreements.

- Detail of "Other Financial Assets" is provided in Note 8-2 above.
- At December 31, 2021 and 2021, "Trade receivables" corresponded solely to intra-group receivables. At December 31, 2021, impairment losses of 319 thousand euros were recorded on these receivables, reducing their carrying amount at that date to 11,698 thousand euros. At the end of the previous fiscal year the net book value of "Trade receivables" amounted to 8,506 thousand euros.
- "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 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 2022 is low.
- "Other debtors" at December 31, 2021 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, 2021 and 2020, "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, 2021	Increases	Additions to provisions for impairment	Net at December 31, 2021
Debt issuance costs	2,957	35	(1,407)	1,585
Unrealized foreign exchange losses	-	-	-	-
TOTAL	**2,957**	**35**	**(1,407)**	**1,585**

Debt issuance costs are amortized on a straight-line basis over the life of the debt. The amortization expense for 2021 amounted to 807 thousand euros.

The costs of setting up the government-backed loan ("PGE") obtained in May 2020 were deferred over the life of the loan (twelve months) and had been fully amortized as of the repayment date. Amortization expense recognized in 2021 amounted to 404 thousand euros

NOTE 12. EQUITY

1. BREAKDOWN OF SHARE CAPITAL

At December 31, 2021, 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.

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, 2020 (BEFORE APPROPRIATION OF NET INCOME)	**43,756**	**1,690,705**	**4,411**	**103,826**	**14,070**	**5,953**	**1,862,720**
Appropriation of 2020 net income	-	-	-	14,070	(14,070)	-	-
Dividends paid	-	-	-	(30,611)	-	-	(30,611)
Other movements	-	(41)	-	-	-	-	(41)
2020 net income	-	-	-	-	51,030	-	51,030
AT DECEMBER 31, 2021 (BEFORE APPROPRIATION OF NET INCOME)	**43,756**	**1,690,664**	**4,411**	**87,285**	**51,030**	**5,953**	**1,883,098**

Regulated provisions comprise excess tax amortization of share acquisition costs that are included in the cost of the related investments.

3. TREASURY STOCK

At December 31, 2021, the Company held 118,788 treasury shares (0.27% of the share capital) including 27,951 shares purchased under the liquidity contract. Consequently, the number of shares outstanding at that date was 43,636,889.

a. Liquidity contract

At December 31, 2021, Nexans held 27,951 treasury shares under the liquidity contract, recorded under "Other financial assets" at their acquisition cost of 2,317 thousand euros (see Note 8).

During 2021, transactions under the liquidity contract consisted of cumulative acquisitions of 215,403 shares and cumulative sales of 187,452 shares, generating a net gain on treasury shares of 289 thousand euros.

b. Free share plan

As of December 31, 2021, the Company held 90,787 treasury shares intended for allocation under its free share plans but not earmarked for specific plans. These shares are recorded under "Marketable securities" at cost, for 7,692 thousand euros.

Nexans' average share price in December 2021 was 83.62 euros. A 101 thousand euro impairment loss was therefore recorded on the treasury shares at December 31, 2021, reducing their carrying amount to 7,591 thousand euros.

At December 31, 2020, the Company held 107,155 Nexans shares representing 0.24% of the share capital, carried in "Marketable securities" for a gross amount of 3,214 thousand euros.

- A total of 9,928 shares were allocated to the July 27, 2018 performance share and free share plan, for an amount of 276 thousand euros.
- The 97,227 treasury shares not allocated to a specific plan were valued at cost in the amount of 2,938 thousand euros.

Movements for the year

In 2021, 106,368 treasury shares were delivered under free share and performance share plans:

- After noting that the vesting period for free and performance shares granted under Plan no.17 had expired, at its meeting on March 18, 2021 the Board of Directors decided to deliver the 96,440 vested free shares out of treasury stock.
  The net book value of the 96,440 shares delivered to plan beneficiaries was 2,914 thousand euros.
- On July 27, 2021, 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 9,928 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 July 27, 2021, the Board of Directors used the shareholder authorization granted on May 12, 2021 to launch a new share buyback program. The purposes of the program are twofold:

- To buy back up to 90,000 shares to be used to fulfill the obligations arising from the free share and performance share plans for employees and corporate officers; and
- To buy back up to 500,000 shares for cancellation in order to offset the shares that will be issued in connection with the employee rights issue to be carried out under the Act 2022 plan.

90,000 shares were bought back under the program in September 2021, at a total cost of 7,668 thousand euros.

Previously, 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 main features of the program were as follows:

- 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 in December 2020 pursuant to a decision of the Board of Directors at its meeting on December 17, 2020.

DIVIDEND PAYMENT

At the 2022 Annual Shareholders' Meeting, the Board of Directors will recommend a dividend payment of 1.20 euro per share, representing a total payout of 52,507 thousand euros based on the 43,755,627 shares making up the Company's capital at December 31, 2021.

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 12, 2021, called to approve the financial statements for the year ended December 31, 2020, authorized the payment of a dividend of 0.70 euro per share - representing a total of 30,611 thousand euros - which was paid out on May 21, 2021.

NOTE 13. PROVISIONS FOR CONTINGENCIES AND CHARGES

At December 31, 2021, this item consisted in a 80 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. (369 thousand euros at December 31, 2020).

NOTE 14. FINANCIAL BORROWINGS AND DEBT

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, 2021(1)	Total bond debt recognized in the balance sheet at December 31, 2021(1)	Interest expense for 2021(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%	-	-	1,536
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 ORDINARY BONDS					**8,910**	**533,910**	**19,224**

(1) In thousands of euros.

All of the bonds in the above table are redeemable at face value at maturity.

On March 10, 2021, the Company redeemed its 2016-2021 bonds for 256,412 thousand euros, including accrued interest for 6,412 thousand euros.

At December 31, 2021, bond debt amounted to 533,910 thousand euros, including accrued interest (788,785 thousand euros at December 31, 2020).

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 had the option to extend by up to five years. The French government's guarantee covered 80% of the loan's amount.
- The lending banks were Crédit Agricole CIB (acting as agent), BNP Paribas (acting as coordinator), CIC, Crédit Agricole Ile de France, Natixis and Société Générale.
- The loan was repaid in advance on February 25, 2021 for 281,892 thousand euros including interest.
- 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.
- The facilities were granted for an initial period of 12 months and have been rolled over until October 31, 2022.
- In 2021, interest paid on the facilities amounted to 41 thousand euros.
- At December 31, 2021, the outstanding short-term advances in euros granted by Nexans Financial & Trading Services amounted to 132,513 thousand euros including accrued interest.
- **Negotiable European Commercial Paper**
  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, 2021 amounted to 208,500 thousand euros.

3. COVENANTS

At December 31, 2021, 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.

On October 6, 2021, Nexans obtained a 200 million euro loan facility from the European Investment Bank (EIB). Drawdowns can be made over a period of 18 months and are repayable within 10 years from the drawdown date.

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).

The facilities are subject to the standard soft covenants (negative pledge, cross default, pari passu and change of control clauses) and 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 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, 2021 and at the date the Board of Directors approved the financial statements.

NOTE 15. LIABILITIES BY MATURITY

(At December 31, in thousands of euros)	2021					2020
	Amount	O/w accrued expenses	Due within one year	Due between one and five years	Due beyond five years	Amount
OTHER BONDS	**533,910**	**8,910**	**8,910**	**525,000**	**-**	**788,785**
OTHER BORROWINGS AND DEBT	**350,197**	**17**	**350,197**	**-**	**-**	**290,422**
TRADE PAYABLES	**20,960**	**18,917**	**20,960**	**-**	**-**	**28,121**
OTHER LIABILITIES(1)	**102,979**	**4,107**	**91,607**	**11,372**	**-**	**124,621**
- Employee-related receivables and prepaid payroll costs	5,244	3,941	5,244	-	-	5,963
- Accrued VAT	1,619	-	1,619	-	-	1,215
- Other accrued taxes	528	127	528	-	-	611
- Tax consolidation suspense account(2)	72,758	-	72,758	-	-	88,974
- Group and associates: tax consolidation	22,786	-	11,414	11,372	-	27,816
- Other liabilities	43	39	43	-	-	43

(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 2022.
(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

1. FREE SHARES AND PERFORMANCE SHARES

At December 31, 2021, there were 1,227,765 free share and performance share rights outstanding - each entitling their owner to one share - representing a total of 2.8% of the Company's share capital. At December 31, 2020, there were 995,298 free share and performance share rights outstanding, representing 2.27% of the capital.

In 2021, 435,895 rights to free and performance shares were granted and 106,368 free or performance shares were delivered to the beneficiaries at the end of the vesting periods for Plans no. 17 and 18A (see Note 12.3).

The free share and performance share rights outstanding at December 31, 2021 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 13, 2018	211,000	155,900	March 13, 2022
July 27, 2018	14,500	14,500	July 27, 2022
March 19, 2019	319,700	291,200	March 19, 2023
March 17, 2020	340,650	331,650	March 17, 2024
March 18, 2021	333,145	331,765	March 18, 2025
September 30, 2021	100,000	100,000	March 17, 2025
November 8, 2021	2,750	2,750	November 8, 2025
TOTAL SHARE RIGHTS OUTSTANDING		**1,227,765**	

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	**995,298**
Shares granted during the year(1)	435,895
Shares vested during the year	(106,368)
Shares canceled during the year	(97,060)
FREE SHARES THAT HAD NOT YET VESTED OR WERE SUBJECT TO A LOCK-UP AT YEAR-END	**1,227,765**

(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.

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 2021, 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.

3. OFF-BALANCE SHEET COMMITMENTS2021

Reciprocal commitments

None.

Commitments given

- The Company has granted parent company guarantees covering the contractual obligations of certain subsidiaries, amounting to 1,768 million euros at December 31, 2021 (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.

Commitments received

- At December 31, 2021, commitments received corresponded to the Company's 600 million euro unused credit facility expiring on December 12, 2023.
- European Investment Bank financing: 200 million euros.

4. FEES PAID TO THE STATUTORY AUDITORS

The total fees paid to the Statutory Auditors recorded in the income statement for 2021 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	Total
Mazars - 61, rue Henri Regnault 92075 Paris La Défense	11	215	64	290
PricewaterhouseCoopers Audit - 63, rue de Villiers 92208 Neuilly sur Seine	10	206	64	280
	21	**421**	**128**	**570**

(1) Services primarily linked to the verifications carried out by a potential purchaser or investor before the transaction.

5. SUBSEQUENT EVENTS

None.

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 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 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 claims from customers filed before 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 Nexans France SAS, the Company and certain companies of the Prysmian Group. However, in September 2019, the claim against Nexans France SAS and the Company 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 United Kingdom 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 company Terna S.p.A. launched an antitrust damages claim before the Court of Milan. Nexans Italia filed a defense on October 24, 2019 focusing on Nexans Italia's lack of standing to be sued. On February 3, 2020 the judge ruled Terna's claim to be null for lack of clarity. Terna has since supplemented its claim and the case is ongoing. 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 Nexans France SAS, Nexans Participations and the Company. The court also ordered the claimants to pay the costs of the proceedings. The claimants appealed this ruling and the case on the merits against the Dutch entities is stayed pending the appeal judgment.

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.

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. The Company has paid the 1 million euro (BRL equivalent) fine and has appealed the decision. The case is ongoing.

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 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 the high-voltage. As a result, full leniency (zero fine) has been granted by KFTC in 15 cases, and for two other cases the Korean subsidiaries were granted a 20% reduction of fines 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 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 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 to take place in 2022.

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 all the defendants, including Prysmian and several local Spanish producers. Nexans Iberia has filed defense arguments and the case is pending.

On January 20, 2022 the German Federal Cartel Office (FCO) carried out searches at two of Nexans' sites in Germany. The searches are part of an investigation on cable manufacturers concerning alleged coordination of industry-standard metal surcharges in Germany. (The FCO also conducted inspections at the premises of other companies in Germany.) The investigation is ongoing.

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.

7. LIST OF SUBSIDIARIES AND AFFILIATES

(At December 31, 2021)

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	6,944	100	-	567,400	567,400	1,894,504	5,119
NEXANS PARTICIPATIONS Paris - France (SIREN : 314 613 431)	418,110	1,468,223	100	62,716	2,048,264	2,048,264	1,513	193,969
INVERCABLE S.A.[1] Santiago - Chili	82,400	135,818	100	7,908	194,948	194,948	-	11,555
2) SUBSIDIARIES (OVER 50% OWNED)								
NEXANS KOREA[2] Chungcheongbuk - Corée	17,125,879	64,452,511	35,53	92	16,940	16,940	219,943,436	(4,570,182)
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 = 0.8829 euros at December 31, 2021.
(2) Amount in thousands of KRW (Korean won): 1,000 KRW = 0.7427 euro at December 31, 2021.
(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

	2021	2020	2019	2018	2017
I - SHARE CAPITAL AT THE END OF THE FISCAL YEAR					
a) Share capital (in thousands of euros)	43,756	43,756	43,606	43,606	43,495
b) Number of shares issued	43,755,627	43,755,627	43,606,320	43,606,320	43,494,691
II - RESULTS OF OPERATIONS (IN THOUSANDS OF EUROS)					
a) Sales before taxes	28,637,	25,296,	27,902,	31,596,	27,422,
b) Income before tax, employee profit-sharing, depreciation, amortization and provisions	52,249,	16,252,	21,236,	9,749,	29,429,
c) Income taxes credit	21,764,	462,	686,	944,	894,
d) Employee profit-sharing due for the fiscal year	(81)	(161)	(215)	(17)	(113)
e) Income after tax, employee profit-sharing, depreciation, amortization and provisions	51,030,	14,070,	23,441,	6,217,	25,333,
f) Dividends	52 507[1]	30,611,	-	13,012,	30,257,
III - INCOME PER SHARE (IN EUROS)					
a) Income after tax and employee profit-sharing but before depreciation, amortization and provisions	1.19	0.37	0.50	0.24	0.69,
b) Income after tax, employee profit-sharing, depreciation, amortization and provisions	1.17	0.32	0.54	0.14	0.58
c) Dividend per share	1.00	0.70,	-	0.30	0.70
IV - PERSONNEL					
a) Average headcount during the year	6,	7	8	6	8
b) Total fiscal year payroll (in thousands of euros)	5,364,	6,868	6,098	6,980	4,860
c) Total amount paid for employee benefits during the fiscal year (in thousands of euros)	2,146,	2,289	2,033	2,327	1,620

(1) Sur la base du nombre d'actions constituant le capital social au 31 décembre 2021.

5.2.5. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(For the year ended December 31st, 2021)

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,

1. 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, 2021.

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, 2021 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.

2. 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, 2021 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.

3. 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, 2021, 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, 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.

4. 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.

5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of presentation of the financial statements included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements 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)*, prepared under the responsibility of the Chief Executive, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

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, 2021, PricewaterhouseCoopers Audit and Mazars were in the 16th and 7th consecutive year of their engagement, respectively.

6. 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.

7. STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

8. 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.

9. 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, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	MAZARS
Édouard Demarcq	**Juliette Decoux-Guillemot**

5.3 STATUTORY AUDITORS

STATUTORY AUDITORS

Mazars

(Member of the Compagnie Régionale des Commissaires aux Comptes de Paris)

Tour Exaltis, 61, rue Henri Régnault, 92075 Paris-La Défense Cedex

Represented by Juliette Decoux-Guillemot

Appointed on: May 12, 2021

Term expires at the 2027 Annual Shareholders' Meeting

PricewaterhouseCoopers Audit

(Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles)

63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex

Represented by Édouard Demarcq

Appointed on: May 17, 2018

Term expires at the 2024 Annual Shareholders' Meeting

SUBSTITUTE AUDITORS

Cabinet CBA

Tour Exaltis, 61, rue Henri Regnault 92075 Paris-La Défense Cédex

Appointed on: May 12, 2021

Term expires at the 2027 Annual Shareholders' Meeting

Patrice Morot

63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex

Appointed on: May 17, 2018

Term expires at the 2024 Annual Shareholders' Meeting

FEES PAID BY NEXANS TO THE STATUTORY AUDITORS IN 2021

	MAZARS				PRICEWATERHOUSECOOPERS AUDIT			
	AMOUNT (EXCL. TAXES)		POURCENTAGE		AMOUNT (EXCL. TAXES)		POURCENTAGE	
(in thousands of euros)	2021	2020	2021	2020	2021	2020	2021	2020
Audit services - Statutory and contractual audits								
Parent company	226	225	13%	12%	216	215	13%	16%
Fully consolidated companies	1,346	1,398	80%	73%	1,257	976	73%	73%
SUB-TOTAL	1,572	1,623	93%	84%	1,473	1,191	85%	89%
Other non audit-related services								
Parent company	52	262	3%	14%	64	32	4%	2%
Fully consolidated companies	59	41	4%	2%	189	119	11%	9%
SUB-TOTAL	111	302	7%	16%	253	151	15%	11%
TOTAL	**1,683**	**1,926**	**100%**	**100%**	**1,725**	**1,342**	**100%**	**100%**

6

INFORMATIONS ABOUT THE SHARE CAPITAL AND OWNERSHIP STRUCTURE

6.1 NEXANS SHARE INFORMATION

NEXANS IS LISTED ON EURONEXT PARIS (COMPARTMENT A)

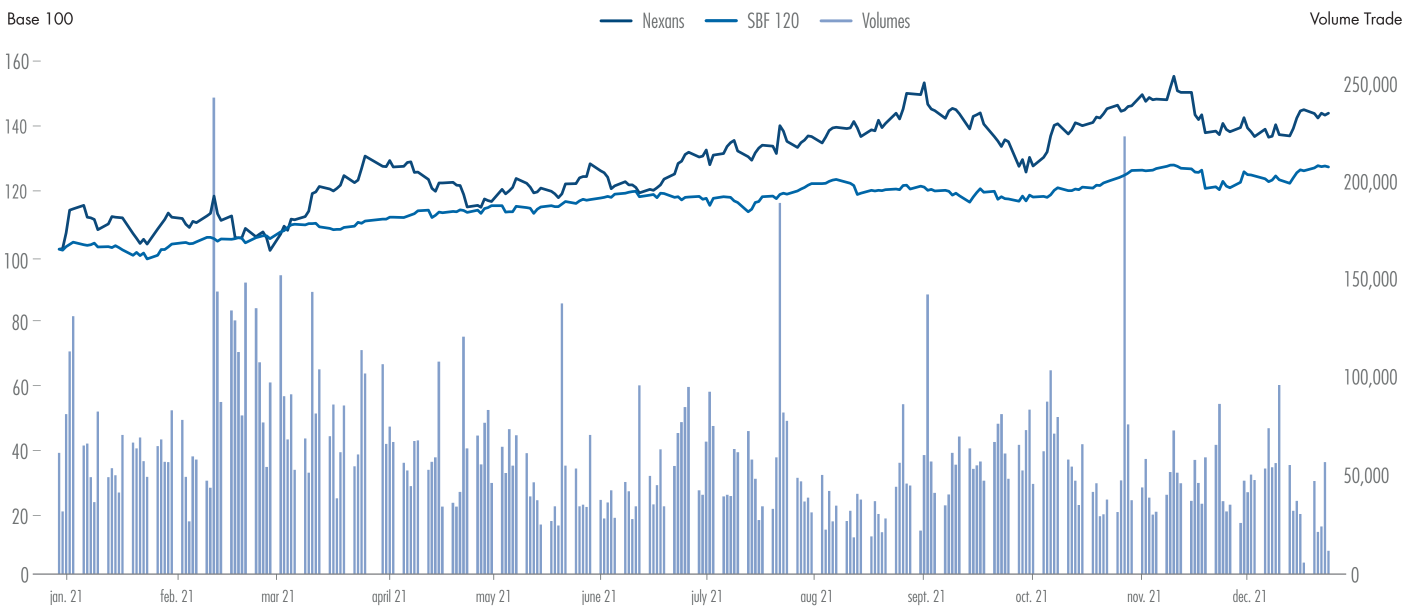
- Deferred settlement service
- ISIN code FR0000044448
- Par value: 1 euro

MARKET CAPITALIZATION AT DECEMBER 31, 2021

3.756 billion euros

SHARE PERFORMANCE

(in euros, from January 1, 2021 to December 31, 2021)



INDEX

SBF 120, NEXT 150, CAC MID & SMALL, CAC MID 60, CAC INDUSTRIALS

PER SHARE DATA

In euros (except ratios)	2021	2020	2019
Net assets[(a)]	33.07	27.79	27.73
Basic earnings/(loss) per share[(b)]	3.76	1.80	-2.81
Diluted earnings/(loss) per share[(c)]	3.66	1.76	-2.81
PER[(d)]	8.80	15.44	-9.87
Net dividend[(e)]	1.2	0.70	-
Dividend yields[(d)]	1.16%	1.18%	-

(a) Equity attributable to owners of the parent divided by the number of shares outstanding at December 31.
(b) Based on the weighted average number of shares outstanding.
(c) 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.
(d) Based on the December 31 share price.
(e) At the Annual Shareholders' Meeting of May 11, 2022, the Board of Directors will recommend a dividend payment of 1.2 euro per share for 2021.

STOCK MARKET DATA

Share price in euros (except percentages)	2021	2020	2019
High	92.70	59.85	43.58
Low	59.40	21.55	23.33
End-of-year closing price	85.85	59.25	43.49
Change over the year	44.89%	34.63%	80.46%
Change in the SBF 120 over the year	24.78%	-7.56%	-12.31%
Change in the CAC 40 over the year	27.41%	-8.11%	27.48%
MARKET CAPITALIZATION AT DECEMBER 31[(a)]	**3,756**	**2,593**	**1,896**
Average daily trading volume[(b)]	60,377	92,128	125,579
Number of shares in issue at December 31	43,755,627	43,755,627	43,606,320
SHARE TURNOVER[(c)]	**0.14%**	**0.21%**	**0.29%**

(a) In millions of euros.
(b) In number of shares.
(c) Daily average over the year

6.2 SHARE CAPITAL

At December 31, 2021, 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. The amount of the share capital did not change during the year.

Each of the Company's shares carries one voting right.

6.2.1. ESTIMATED BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS AT DECEMBER 31, 2021

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
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**
July 18, 2018	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, 2021

At December 31, 2021, the following securities carried rights to the Company's shares:

(1) The 1,052,715 performance shares (based on the achievement of maximum performance targets) granted to employees and corporate officers and not yet fully vested, representing approximately 2.41% of the Company's share capital at December 31, 2021.

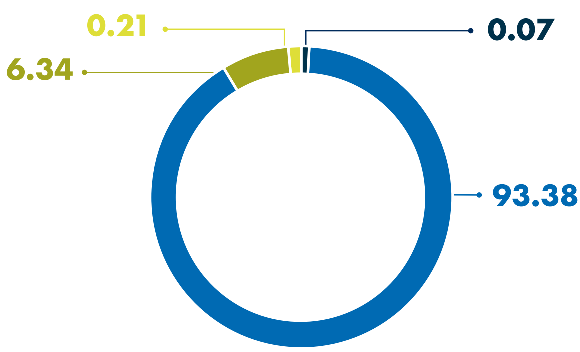
(2) The 175,050 performance shares (not subject to performance targets) granted to employees and corporate officers and not yet fully vested, representing approximately 0.40% of the Company's share capital at December 31, 2021.

Except for the above-mentioned instruments, at December 31, 2021 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 102.81% of the Company's share capital at December 31, 2021.

6.2.1.3. ESTIMATED BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS(1) AT DECEMBER 31, 2021

(in %)



- Institutional investors: 93.38% 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: 6.34% (2,775,187 of shares) o/w:
  - Private investors: 3.12%
  - Employees: 3.22%
- Treasury stock: 0.21% (90,821 shares)
- Unidentified shareholders: 0.07% (32,659 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, 2021, corporate officers owned approximately 7.79%(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. On February 18, 2022, Baillie Gifford & Co. declared that it crossed the 5% threshold of of the Company's capital and voting rights. On that date, Baillie Gifford & Co. declared that it held 2,207,201 shares in the Company representing the same number of voting rights, i.e 5.04% of the share capital.

At December 31, 2021, the Company held 118,738 of its own shares in treasury (representing 0.27% of the share capital), among them 27,951 are held the frame of a liquidity contract.

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) Includes the shares held by Bpifrance Participations.

6.2.2. ESTIMATED OWNERSHIP STRUCTURE BY GEOGRAPHIC AREA

At December 31, 2021, Nexans' estimated ownership structure by geographic area was as follows:

Institutional investors – France	25.58%
Institutional investors – United States	15.82%
Institutional investors – UK and Ireland	10.72%
Institutional investors – Other European countries	7.68%
Institutional investors – Other countries (incl. South America)	33.58%
Private investors	3.12%
Employee shareholders	3.22%
Treasury stock	0.21%
Others	0.07%

Sources: Euroclear France, Nexans share register, shareholder identification survey and threshold disclosures filed with the AMF.

6.2.3. LEGAL THRESHOLD DISCLOSURES FILED IN 2021

No threshold disclosures were filed with the AMF in 2021.

6.2.4. CHANGES IN NEXANS' OWNERSHIP STRUCTURE OVER THE LAST THREE YEARS

Shareholders	Estimated situation at December 31, 2019			Estimated situation at December 31, 2020			Estimated situation at December 31, 2021		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
Institutional investors	37,283,160	85.50%	85.50%	38,476,260	87.93%	87.93%	**40,856,960**	**93.38%**	**93.38%**
Employees	1,953,445	4.48%	4.48%	1,794,208	4.10%	4.10%	**1,409,929**	**3.22%**	**3.22%**
Private investors	3,158,086	7.24%	7.24%	2,053,764	4.69%	4.69%	**1,365,258**	**3.12%**	**3.12%**
Treasury stock	156,485	0.36%	0.36%	107,155	0.24%	0.24%	**90,821**	**0.21%**	**0.21%**
Others	1,055,144	2.42%	2.42%	1,324,240	3.03%	3.03%	**32,659**	**0.07%**	**0.07%**

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 3.22% at December 31, 2021.

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) and is set out in section 4.4.3.1 of this Document.

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. 2022 ANNUAL SHAREHOLDERS MEETING

Nexans' 2022 Annual Shareholders' Meeting will be held on May 11, 2022. 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), under Finance and then Shareholders' Information – Shareholders' Meetings – 2022 Annual Shareholders' Meeting.

6.5 SUMMARY OF AUTHORIZATIONS TO INCREASE THE COMPANY'S SHARE CAPITAL AND THEIR USE DURING 2021

Resolutions approved at the Annual Shareholders' Meetings of May 13, 2020 and May 12, 2021	Limit for each resolution[(a)]	Sub-limits applicable to several resolutions[(a)]	Limits applicable to several resolutions[(a)]	Use during fiscal 2021
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 – 2021 AGM), with a greenshoe option if over-subscribed (R23 – 2021 AGM)	€14,000,000 or 14,000,000 shares (<32% of the share capital at December 31, 2021) 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 – 2021 AGM)	€14,000,000 or 14,000,000 shares (<32% of the share capital at December 31, 2021)			-
Issuance of ordinary shares or securities (French ORAs, OBSAs, OCEANEs, etc.) without preferential subscription rights via a public offering other than an offering governed by Article L.411-2, 1° of the French Monetary and Financial Code (Code monétaire et financier) (R21 – 2021 AGM), with a greenshoe option if over-subscribed (R23 – 2021 AGM), or an issuance of ordinary shares or securities representing debt and granting rights to equity securities (French ORAs, OBSAs, OCEANEs, etc.) via a public offering governed by Article L.411-2, 1° of the French Monetary and Financial Code (private placement) (R22 – 2021 AGM), with a greenshoe option if over-subscribed (R23 – 2021 AGM)	€4,375,000 or 4,375,000 shares (<10% of the share capital) Money market securities = €350,000,000	€4,375,000 or 4,375,000 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 – 2021 AGM)	€4,375,000 or 4,375,000 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 – 2021 AGM)	€400,000 i.e. 400,000 shares	-		-
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 – 2021 AGM)	€100,000 i.e. 100,000 shares			-
Allocation of performance shares in 2021 (R16 – 2020 AGM)	€300,000 i.e. 300,000 shares			Allocation of 283,665 performance shares on March 18, 2021 Allocation of 2,750 performance shares on November 8, 2021
Allocation of free shares in 2021 (R17 – 2020 AGM)	50,000 euros i.e. 50,000 shares			Allocation of 49,480 shares without performance conditions on March 18, 2021
Allocation of performance shares in 2022 (R27 – 2021 AGM)	300,000 euros i.e. 300,000 shares	-	-	-
Allocation of free shares in 2022 (R28 – 2021 AGM)	€50,000 i.e. 50,000 shares	-	-	-
Allocation of performance shares in 2021 (R29 – 2021 AGM)	100,000 euros i.e. 100,000 shares			Allocation of 100,000 performance shares on September 30, 2021

(a) 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... – 2020 AGM" stands for the number of the resolution submitted for approval at the Annual Shareholders' Meeting of May 13, 2020.

In the above table, the abbreviation "R... – 2021 AGM" stands for the number of the resolution submitted for approval at the Annual Shareholders' Meeting of May 12, 2021.

6.6 SHARE BUYBACKS AND LIQUIDITY CONTRACT

6.6.1. SHARE BUYBACKS IN 2021 EXCLUDING THE LIQUIDITY CONTRACT

In 2021, the Company was authorized to implement share buyback programs pursuant to the resolutions to this effect approved at the Annual Shareholders' Meetings of May 13, 2020 and May 12, 2021.

At December 31, 2021, the Company held 118,738 Nexans shares representing 0.27% of the share capital, of which 27,951 under a liquidity contract.

In accordance with Articles L.22-10-62 *et seq.* of the French Commercial Code (*Code de commerce*), the Annual Shareholders' Meeting of May 12, 2021 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 100 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 July 27, 2021, the Board of Directors decided to use the above-mentioned authorization to launch a share buyback program that complies with the conditions set out in Article 5 of the EU Market Abuse Regulation (Regulation no. 596/2014 of April 16, 2014), for a maximum of 590,000 shares,.

The first objective of the share buyback program is to meet the obligations under free share and performance share plans for employees and corporate officers, for which the maximum number of shares that may be bought back may not exceed 90,000.

The second objective of the share buyback program is to reduce the share capital in order to offset the number of shares created by the capital increase reserved for employees (ACT 2022 plan), for which the maximum number of shares that may be bought back may not exceed 500,000.

The maximum amount that may be invested in the program is capped at 59 million euros.

In 2021, a total of 90,000 shares were bought back at a weighted average price of 85.201 euros per share, representing a total investment of 7.7 million euros. All of the shares were allocated to meeting the Company's obligations under free share and performance share plans for employees and executive directors.

6.6.2. TRANSACTIONS CARRIED OUT IN 2021 UNDER THE LIQUIDITY CONTRACT

Since May 3, 2021, the Company has entrusted ODDO BHF SCA with the management of its shares under a liquidity and market surveillance contract.

The implementation of the liquidity contract complies with AMF regulations, in particular AMF decision no. 2021-01 of June 22, 2021.

Between the date of its implementation on May 3, 2021 and December 31, 2021, the Company carried out the following transactions under the liquidity contract:

- 1,909 purchases, totaling 215,403 shares at an average price of 73.95 euros, for a total amount of 17,220,578 euros; and
- 1,737 sales, totaling 187,452 shares at an average price of 81.05 euros, for a total amount of 15,193,422.75 euros.

SUMMARY OF THE TRANSACTIONS CARRIED OUT UNDER THE LIQUIDITY CONTRACT ENTRUSTED BY NEXANS TO ODDO BHF SCA AND NATIXIS

Beginning of period	End of period	Amount of cash in the securities account		Number of shares		Number of transactions over the period		Average share price per transaction		Volume traded (shares)		Total volume traded	
		Beginning of period	End of period	Beginning of period	End of period	Purchase	Sale	Purchase	Sale	Purchase	Sale	Purchase	Sale
May 3, 2021	June 30, 2021	€6m	€4.95m	0	15,188	434	366	€71.48	€72.55	48,640	33,452	€3.48m	€2.43m
July 1, 2021	December 31, 2021	€4.95m	€3.97m	15,188	27,951	1,475	1,371	€82.41	€82.90	166,763	154,000	€13.74m	€12.77m
TOTAL 2021						**1,909**	**1,737**	**€73.95**	**€81.05**	**215,403**	**187,452**	**€17,220,578.95**	**€15,193,422.75**

6.6.3. 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 of May 11, 2022 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

At December 31, 2021, the Company held 118,738 of its own shares directly or indirectly, representing (0.27% of the share capital), among them 27,951 were held in the frame of a liquidity agreement.

ALLOCATION OF THE SHARES HELD AT DECEMBER 31, 2021 BASED ON THE PURPOSE FOR WHICH THEY WERE ACQUIRED

The 90,787 shares held by the Company in treasury have been allocated to free share plans for eligible employees and corporate officers governed by Articles L.22-10-59 *et seq.* of the French Commercial Code (*Code de commerce*).

During 2021:

- by decision of the Board of Directors on March 18, 2021, 96,440 shares were transferred to beneficiaries of free shares and performance shares, pursuant to Long-Term Compensation Plan no. 17 of March 14, 2017;
- by decision of the Board of Directors on July 27, 2021, 9,928 shares were transferred to beneficiaries of free shares, pursuant to Long-Term Compensation Plan no. 18 A of July 27, 2018.

In addition, none of the shares held in treasury were canceled during the year or 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 11, 2022, 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 under the conditions 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 contract 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 11, 2022, the Company will be authorized to buy back Nexans shares (ISIN FR0000044448) traded in compartment A of Euronext Paris at a maximum price of 140 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.

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 4.6, "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 year of their total gross compensation.

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 loan agreement to finance the Aurora cable-laying vessel, effective from May 10, 2019, for an amount of NOK 1,050 million, repayable in equal installments in euros from May 2021 until May 2033, and which contains an acceleration clause that would be triggered by a change in control of the Company.

(3) The loan agreement with the European Investment Bank (EIB) to support its active participation in the global energy transition and its commitment to help achieve carbon neutrality by 2030, effective from November 25, 2021, for an amount of 200 million euros, and which contains an acceleration clause that would be triggered by a change in control of the Company.

(4) 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.

(5) 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.

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 "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;
- a Universal Registration Document;
- an integrated report that provides information to stakeholders (shareholders, customers and employees) and to larger communities on the value created by the Group on a daily basis and how it considers developing and improving the value creation 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.

On November 23, 2021, Nexans met with private investors at the Investir Day trade show at Palais Brongniart in Paris. Many shareholders visited Nexans' stand and the Group hosted a live master class. After giving a presentation describing the New Nexans and its ambitions, Marie Letailleux (CSR) and Aurélia Baudey-Vignaud (Investor Relations) took part in a Q&A session.

In general, all economic, financial and regulatory information concerning the Group is available on Nexans' website, in the Investors section.

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 the 13 sell-side analysts that follow the Company on a regular basis. In 2021, the Group's Investor Relations department met with over 300 institutional investors.

Nexans held its virtual Capital Market Day on February 17, 2021 to present its 2022-2024 strategic ambition. The Group was awarded the "Best Investor Event (Small to Mid-Cap)" prize by IR Magazine Awards-Europe. The IR Magazine Awards are an international recognition of excellence in the practice of investor relations.

The 2020 Annual Shareholders' Meeting was held behind closed doors, on first call, on May 13, 2021 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

Tel: +33 (0) 2 51 85 67 89, then press * 122
Fax: +33 (0)2 51 85 53 42

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ADDITIONAL INFORMATION

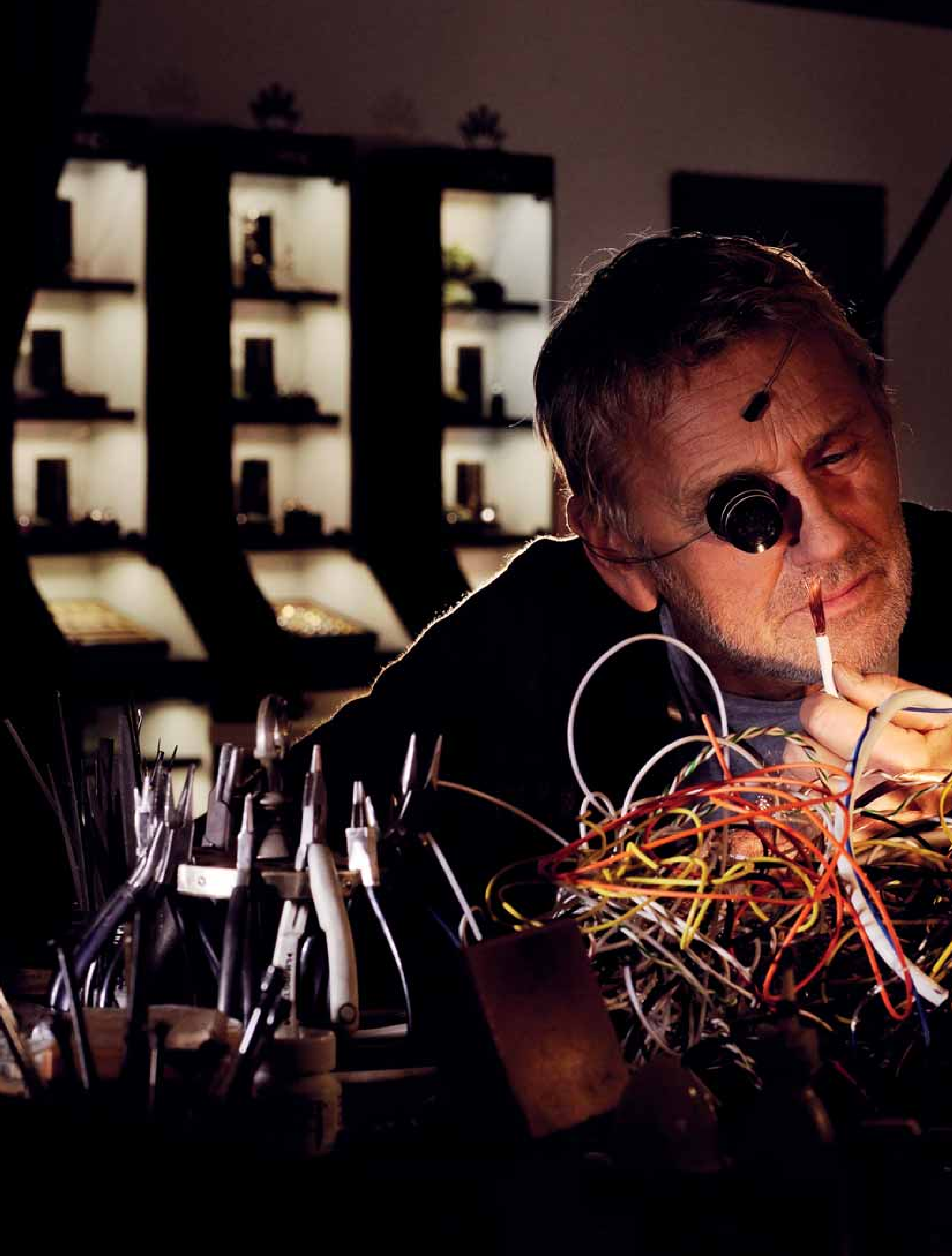
7.1 STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT CONTAINING AN ANNUAL FINANCIAL REPORT

Paris, March 24, 2022

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, 2020: the Group's consolidated financial statements and the corresponding Statutory Auditors'report for the year ended December 31, 2020 the parent company financial statements and the corresponding Statutory Auditors'report, and the financial information contained in the Management Report presented in the Universal Registration Document filed with the French financial markets authority (Autorité des marchés financiers – AMF) on March 26, 2021 under n° D.21-0209.
- 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 Universal Registration Document filed with the French financial markets authority (Autorité des marchés financiers – AMF) on March 27, 2020 under n° D.20-0210;

The sections of the 2019 Universal Registration Document et 2020 Universal Registration Document not included are either not applicable for investors or are covered by another section in this 2021 Universal Registration Document.

The page numbers in the table below refer to this Universal Registration Document.

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18.3. Auditing of historical annual financial information	353-358, 374-377
18.4. Pro-forma financial information	N/A
18.5. Dividend policy	88, 119-120, 323, 367
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18.7. Significant changes in the issuer's financial or trading position	105-109, 121-124
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19.1. Share capital	383-385
19.2. Memorandum and Articles of Association	263-264
20. MATERIAL CONTRACTS	125
21.DOCUMENTS AVAILABLE	102, 390-391

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.

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Parent company financial statements of Nexans	358-373
Consolidated financial statements of the Nexans Group	290-352
Management Report	48-49, 105-126, 130-154, 158-226, 346-352, 370-373, 383-391
The Board of Directors' report on corporate governance	230-286
Statement by the person responsible for the annual financial report	396
Statutory Auditors' report on the parent company financial statements	374-377
Statutory Auditors' report on the consolidated financial statements	353-357
Statutory Auditors' fees	378

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.22-10-34, 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.

Information in the Management Report Pages	Pages
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1. Company's position and activity during the year	113-120
2. Results of the Company, its subsidiaries and the companies it controls	113-120
3. Key financial performance indicators	48-49, 117-118
4. Objective and exhaustive analysis of business trends, results and financial position, notably on debt, in light of the volume and complexity of business	113-120
5. Subsequent events	126, 352, 371
6. Developments and outlook	105-109, 121-124
7. Research and development activities	110-112
8. Payment periods of trade payables and receivables	119-120
9. Description of the main risks and uncertainties	130-146
10. Financial risks associated with climate change and low-carbon strategy	131, 135-136
11. Internal control and risk management procedures	148-154
12. Information on the use of financial instruments	N/A
13. Investments over the past two years	116, 125, 138
14. Material acquisitions of equity interests in companies headquartered in France	N/A
NON-FINANCIAL PERFORMANCE STATEMENT	
15. Non-financial Performance Statement	158-223
16. Key non-financial performance indicators	50, 227
17. Report by the appointed independent third party on the Non-financial Performance Statement	224-225
OWNERSHIP AND SHARE CAPITAL	
18. Ownership structure and changes during the year	385-386
19. Employee share ownership	387
20. Purchase and sale by the Company of its own shares	389
21. Description of the share buyback program	389
22. Names of and stakes held in controlled companies	103-104, 350-351, 372
23. Disposals of shares to adjust for cross-shareholdings	N/A
24. Dividends and other distributed income paid over the previous three years	119-120
25. Disallowed expenses	N/A
26. Five-year financial summary	373
27. Injunctions or fines for anticompetitive practices	346-347

8.4 CONCORDANCE TABLE FOR THE REPORT ON CORPORATE GOVERNANCE

Concordance table of the report on corporate governance provided for in Articles L.225-37 et seq. of the French Commercial Code.

The page numbers in the table below refer to this Universal Registration Document.

Information on the Report on Corporate Governance Pages	Pages
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2. Composition, preparation conditions and organization of the Board of Directors' work	235-262
3. Board of Directors' diversity policy	234-235
4. Application of the principle of balanced representation of men and women	234-236
5. List of all the directorships and positions held by each of the directors during the year	231, 239-250
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7. Transactions involving the Company's shares carried out by executives and persons closely related to them	265
8. Agreements entered into between an executive officer or shareholder holding more than 10% of the voting rights and a subsidiary	286-287
9. Summary table of authorizations in force to increase the share capital and use of such authorizations during the year	387
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11. Factors likely to have an impact in the event of a takeover bid	390
12. Shareholders' participation at general meetings	386
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13. Principles and criteria for the determination, distribution and allocation of the components of the total compensation and benefits of all kinds of Nexans executive directors	266-271
14. Fixed, variable and extraordinary components of compensation and benefits of all kinds due or granted for the previous financial year	271-279
15. Commitments of any kind benefiting the executives	268-269, 279-280
16. Terms and conditions for the transfer of free shares allocated to executives during their terms of office	267-268, 274-279
17. Information on stock option plans for executive directors and employees	274-279, 282-285
18. Free shares granted to executive directors and employees	282-285

8.5 CONCORDANCE TABLE 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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Actions to prevent food waste and insecurity	G4-EN23 to G4-EN25, G4-EN28, G4-EN1 to G4-EN10	155 ; 185
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Collective bargaining agreements and their impact on financial performance and employees' working conditions	G4-11, G4-LA4, G4-LA8	143
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Prevention of discrimination	G4-LA5, G4-LA6	132-135 ; 166-169
Promoting diversity	G4-LA3, G4-LA12, G4-LA13, G4-HR3 to G4-HR6, G4-HR11	132-135 ; 166-169
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DUTY OF CARE PLAN		170-177
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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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Absenteeism	G4-LA6	181-183
c) Labor relations		
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Collective bargaining agreements	G4-11, G4-LA8	143
d) Health and safety		
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Workplace accidents and occupational illnesses	G4-LA6, G4-LA7	128 ; 135-138 ; 174-175 ; 181-183
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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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a) General environmental policy		
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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		
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Actions to prevent food waste	N/A	155 ; 185
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Energy consumption, measures to improve energy efficiency and the use of renewable energy sources G4-EN3, G4-EN4,	G4-EN3, G4-EN4, G4-EN6, G4-EN7	126-131 ;146-160 ; 180
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a) Regional, economic and social impact of the activity		
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CONCORDANCE TABLE

OBLIGATIONS UNDER ARTICLES R.225-104 ET SEQ. OF THE FRENCH COMMERCIAL CODE GLOBAL REPORTING	Index GRI-G4	Pages of the Universal Registration Document
b) Stakeholders		
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c) Subcontracting and suppliers		
Integration of social and environmental issues within purchasing policy	G4-LA15, G4-EN33, G4-HR5, G4-HR9, G4-HR11	128 ; 164-165 ; 166 ; 170-177
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
d) Fair practices		
Measures taken to protect consumers' health and safety	G4-EN27, G4-PR1 to G4-PR4, G4-PR6 to G4-PR9	177-178
Actions taken to prevent corruption	G4-56, G4-57, G4-58, G4-SO3 to G4-SO5	166-169
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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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f) Other actions promoting human rights		
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
HUMAN RIGHTS	
1. Support and respect the protection of internationally proclaimed human rights	126-131 ; 161-179
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
STRATÉGY		
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 TABLES FOR 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 programs for the development of alternative or substitutive solutions are under way, among the regulated substances that have been identified and used by the sites involved.	159-160
Risks related to workplace safety	Workplace safety	Workplace accident frequency rate	128 ; 133 ; 135-137 ; 181-183
Risks related to attracting and retaining talent	Human Resources	Managers with an IDP (Individual Development Plan) Women in management positions	128 ; 132-135 ; 138-142 ; 181-183
Risks related to environmental pollution	Pollution and climate change	% of EHP/ISO14001-certified sites	128 ; 146-148 ; 180
Fair practices	Compliance Program	Managers having signed the Compliance Certificate	128 ; 166-169

8.6 GLOSSARY

Terms	Definitions
ADJUSTED SUBSEA HIGH VOLTAGE BACKLOG	See definition in section 1.7.3 p.118.
AFEP-MEDEF CODE	A set of recommendations grouped together in a corporate governance code for listed companies drawn up by the Association française des entreprises privées (AFEP) and the Mouvement des entreprises de France (MEDEF), after consulting the various players in the marketplace. It may be designated by issuers as their reference code pursuant to Article L. 22-10-10, 4° of the French Commercial Code. The AFEP-MEDEF Code is revised and updated on a regular basis.
AMF	Autorité des Marchés Financiers - Independent public authority whose role is to ensure that savings invested in financial instruments are protected, investors are properly informed and markets function efficiently.
BACKLOG	See definition in section 1.7.3 p.118.
CORPORATE GOVERNANCE	Refers to all laws, regulations, best practices, institutions and processes that govern the way the Company is managed, administered and controlled.
DIVIDEND	The dividend is the portion of net income or reserves that is available for distribution to shareholders. The amount of the dividend is proposed by the Board of Directors and then voted on by the Annual Shareholders' Meeting after the approval of the financial statements for the previous year.
EBITDA	See definition in section 1.7.3 p.118.
ELECTRIFICATION	The electrification of an area is the connection of that place to an electricity supply. For Nexans, the electrification value chain covers the connection of energy generation, distribution, transmission and usage.
EPCI	An EPCI project covers the Engineering, Procurement, Construction, and Installation scope of work to be provided by a contractor.
FREE CASH FLOW	See definition in section 1.7.3 p.118.
FREE SHARE GRANT	Operation whereby the Company grants free shares to certain employees, without any performance conditions. To vest, free shares are subject to a condition of continued employment.
LEVERAGE RATIO	Average of last two published net debt to Last Twelve Months EBITDA ratios
NET DEBT	See definition in section 1.7.3 p.118.
NORMATIVE CASH CONVERSION RATIO (NCRR)	See definition in section 1.7.3 p.118.
NORMATIVE FREE CASH FLOW (NFCF)	See definition in section 1.7.3 p.118.
OPERATING MARGIN	See definition in section 1.7.3 p.118.
OPERATING WORKING CAPITAL REQUIREMENT	See definition in section 1.7.3 p.118.
ORGANIC GROWTH	See definition in section 1.7.3 p.118.
PERFORMANCE SHARE GRANT	Operation whereby the Company grants free shares to certain employees and executive directors, subject to continued employment and financial performance conditions set by the Board of Directors, on the recommendation of the Compensation Committee.
PRE-M&A CASH FLOW	Before M&A and equity operations as published in the financial statements
RETURN ON CAPITAL EMPLOYED (ROCE)	See definition in section 1.7.3 p.118.
RETURN ON CAPITAL EMPLOYED FROM ELECTRIFICATION	See definition in section 1.7.3 p.118.
SALES AT CONSTANT/STANDARD METAL PRICES	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.
SEVERITY (OF AN IMPACT)	The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to counteract or make good the resulting harm). Source: Organisation for Economic Co-operation and Development (OECD), OECD Due Diligence Guidance for Responsible Business Conduct, 2018; modified United Nations (UN), The Corporate Responsibility to Respect Human Rights: An Interpretive Guide, 2012; modified Note: See section 1 in GRI 3: Material Topics 2021 for more information on 'severity'
SHARE BUYBACK PROGRAM	A program launched by the Company, on the decision of the Board of Directors, to buy back its own shares, up to a maximum number of shares not exceeding 10% of the total number of shares comprising the Company's share capital on the date the program is launched. The terms of the program are decided by the Shareholders' Meeting.
SHARE CAPITAL	Total amount of property or securities contributed to the Company by the shareholders. At December 31, 2021, the Company's share capital stood at 43,755,627 euros, divided into 43,755,627 shares with a par value of one (1) euro each, all fully paid up.

Terms	Definitions
SHIFT PERFORMANCE	SHIFT Performance is an analytics management method designed by Nexans to improve the product-customer fit and margin profile of the Company.
STAKEHOLDER	Individual or group that has an interest that is affected or could be affected by the organization's activities Source: Organisation for Economic Co-operation and Development (OECD), OECD Due Diligence Guidance for Responsible Business Conduct, 2018; modified Examples: business partners, civil society organizations, consumers, customers, employees and other workers, governments, local communities, non-governmental organizations, shareholders and other investors, suppliers, trade unions, vulnerable groups Note: See section 2.4 in GRI 1: Foundation 2021 for more information on 'stakeholder'.
STANDARD NET SALES	See definition in section 1.7.3. p 117.
SUSTAINABLE DEVELOPMENT/ SUSTAINABILITY	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs Source: World Commission on Environment and Development, Our Common Future, 1987 Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.
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 internal and temporary workers
WORKPLACE ACCIDENT SEVERITY RATE	Number of lost work days due to accidents at work/total number of hours worked x 1,000. This rate only relates to internal workers.

FOR FURTHER INFORMATION

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Nexans
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