Nexans
ELECTRIFY THE FUTURE

ELECTRIFY THE FUTURE

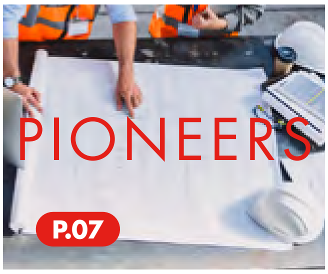
Universal registration document

2022

Including the integrated report and the financial report

CONTENTS

INTEGRATED REPORT



UNIVERSAL REGISTRATION DOCUMENT

PROFILE

Nexans gives everyone the opportunity to electrify the future... with impact

Nexans becomes the benchmark

As a Leader in the design and manufacture of cable systems and services, we are paving the way for the new world of electrification: safer, renewable, decarbonized and accessible to all. By continuing our trajectory to become a pure player in global electrification, we are refocusing our activities on the supply of cables and associated services, throughout the value chain, from energy production to its consumption, to transmission and distribution. In 2022, we generated revenue of 6,745 million euros and EBITDA of 599 million euros.

Nexans makes the difference

Building on our strategy of growth in value rather than volume, we focus on our premium offerings. By continuously improving our high-value-added solutions, which go beyond cable, we simplify the lives of our customers and partners through unwavering expertise, turnkey projects, intelligent cable management systems and comprehensive offers. By placing our powerful E³ performance model - which intrinsically links Economy, Environment and Engagement - at the heart of our Group's management we instill a mindset and define how we want to electrify the world. With impact.

Nexans creates preference

Driven by the collective energy of our nearly 28,000 employees present in 42 countries we bring our three corporate values to life. PIONEERS, we anticipate needs with sustainable solutions that make net zero affordable and achievable for all. DEDICATED, we secure electrification projects by offering reliable solutions for an experience going well beyond the cable and creating value for all our stakeholders. UNITED, we protect people and property by providing reliable solutions and high performance standards and usability throughout daily operations.

* **€6.7bn** of sales
* **28,000** employees
* **Worldwide** sales presence
* Manufacturing sites in **42 countries**

Nexans is listed on Euronext Paris, compartment A.
For more information, please visit: **www.nexans.com**

We are Nexans
We Electrify the Future.

THE GLOBAL COMPACT
NOUS SOUTENONS LE PACTE MONDIAL

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

This Universal Registration Document including the 2022 annual financial report is a reproduction of the official version of the Universal Registration Document including the 2022 annual financial report prepared in XHTML format and is available on the website of the French Financial Markets Authority (Autorité des marchés financiers).

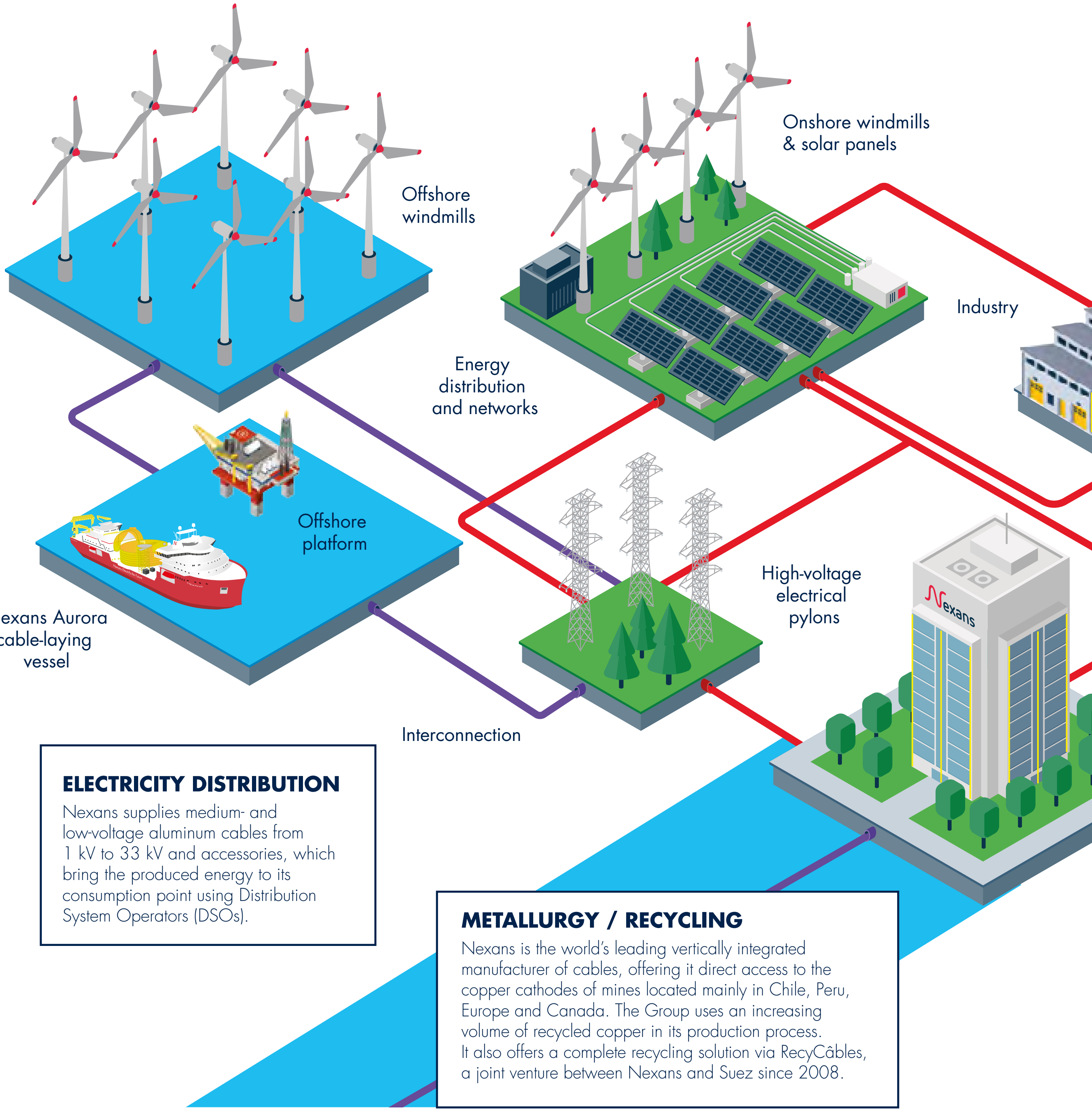
AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The Universal Registration Document was filed on March 17, 2023 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.

EVERYDAY ELECTRIFICATION **BY NEXANS**

GENERATION & TRANSMISSION

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.



ELECTRICITY DISTRIBUTION

Nexans 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).

METALLURGY / RECYCLING

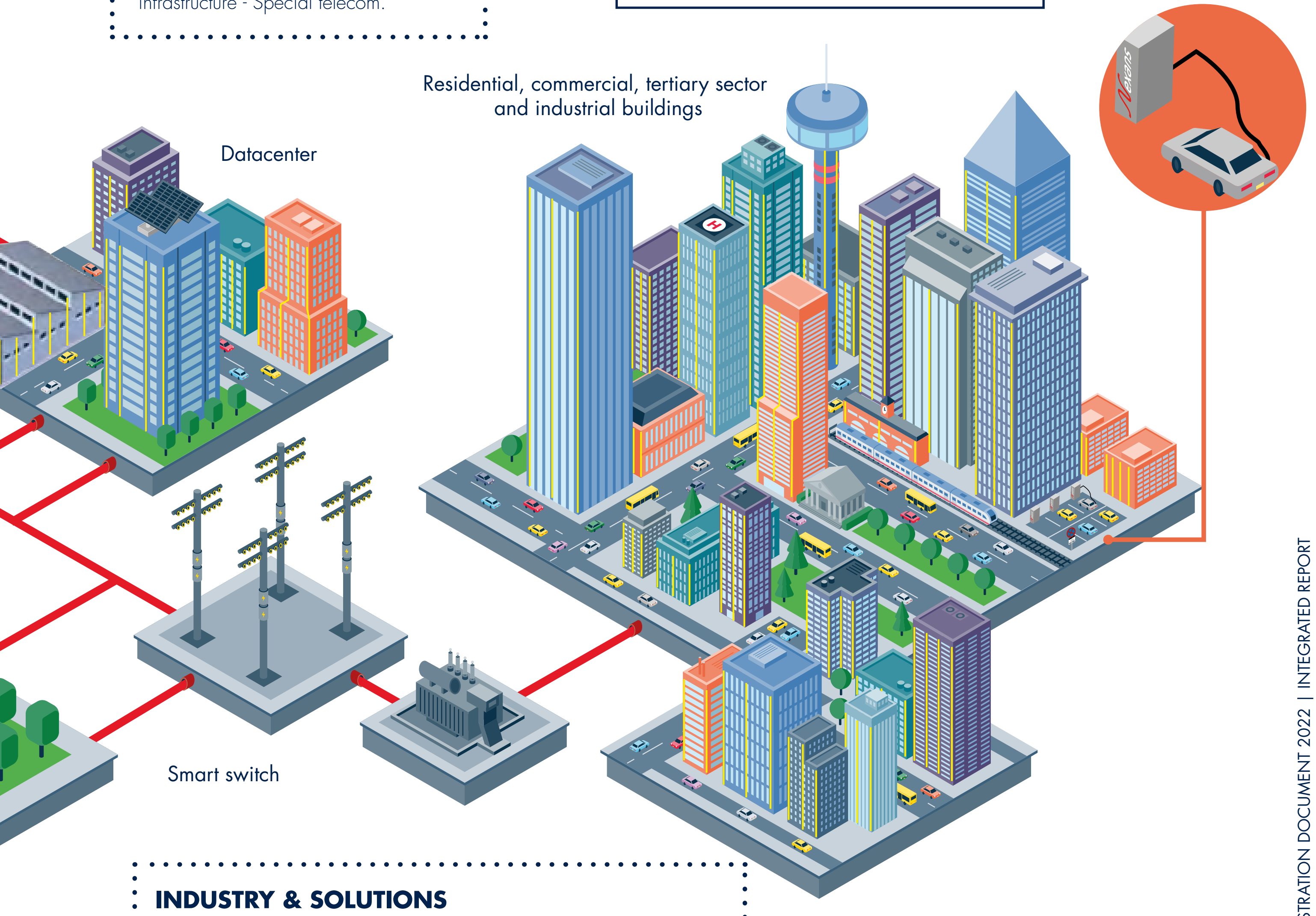
Nexans is the world's leading vertically integrated manufacturer of cables, offering it direct access to the copper cathodes of mines located mainly in Chile, Peru, Europe and Canada. The Group uses an increasing volume of recycled copper in its production process.
It also offers a complete recycling solution via RecyCâbles, a joint venture between Nexans and Suez since 2008.

USAGE

Nexans 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 sector is intended for the use of electricity in the residential, industrial and tertiary sector buildings (including data centers and hospitals), and infrastructures (including electric mobility) end markets.

TELECOM & DATA*

Nexans designs, produces and markets copper and optical fiber network infrastructures through plug-and-play cabling and connection solutions for private networks in three segments: LAN cables and systems - Telecom infrastructure - Special telecom.



INDUSTRY & SOLUTIONS

Nexans offers innovative cable and connectivity solutions that support original equipment manufacturers (OEMs) and engineering, procurement and construction contractors (EPC) in all their energy, data transmission and automation needs. The Group also provides logistics services and services in five sub-segments: Auto-harnesses - Transportation - Industry - Renewables - Resources.

Low voltage power cables and wires
Land transmission
Subsea Interconnections
Electrification businesses
Non-electrification businesses

** On February 6, 2023, Nexans entered into exclusive negotiations with Syntagma Capital to sell its Telecom Systems business.*

INTERVIEW

CHRISTOPHER GUERIN,
CEO

«

OUR "WINDS OF CHANGE" VISION, UNVEILED IN 2021, IS BEING ACTIVELY ROLLED OUT AND DEMONSTRATES, EACH QUARTER, THE EXTENT OF ITS POWER AND POTENTIAL. WE HAVE PAVED THE WAY AND DEMONSTRATED THAT ENERGY EFFICIENCY CAN BE A POWERFUL DRIVER OF PROFITABILITY, SERVING THE SUSTAINABLE DECARBONIZATION OF THE WORLD."

→ How is Nexans performing in a booming electrification market but in a difficult economic and geopolitical environment?

Christopher Guérin: The strength of our vision, coupled with the quality of our deployment, lies in our ability to make the most of our strategic refocusing, while being less impacted by cyclical economic or political difficulties.

I see 2022 as a complete validation of everything we announced in our "Winds of change" project, the key of which is to refocus on the heart of Nexans' business, its raison d'être, and the source of its strength: to once again become the world leader in sustainable electrification.

The electric revolution is underway. It is inevitable and will accelerate due to the economic and geopolitical uncertainties, as the issue of strategic energy independence, linked to sustainable, decarbonized electrification becomes an absolute priority.

In terms of results and figures, this translates into EBITDA, the target of which was raised twice in 2022, reaching 599 million euros, an increase of 29.6%. A record in Nexans' history even greater than the previous one in 2008, at 511 million euros.

I have always said that I prefer growth in value through more innovations and services rather than through simple volume growth, as it improves our profitability while preserving the environment. Our return on invested capital is also at an all-time high, at 20.5%, up by 410 basis points compared to 2021 (of which 29% for the electrification activities).

As regards the commercial level, our focus on strategic customers is delivering its full potential, since at the end of 2022 our order book in the power generation and transmission segment reached an unprecedented level of 3.5 billion euros, up by 51% compared to the end of December 2021.

In general, in keeping with our commitments, I would like to stress that our economic results are not built at the expense of the environment.

In fact, the opposite is the case. In 2022 our CO_2 emissions fell by 28% compared to 2019.

Lastly, foresight places us at the heart of tomorrow's challenges, since the generalized obsolescence of electrical infrastructures and the shift towards renewable energies means that our industry will undergo, over the next 20 years, an electrical revolution, whose scope and scale have no precedent in human history.

We naturally remain vigilant, I should say agile, to ensure our momentum in an ever changing world.

→ What was your strategy in 2022 to support both the energy transition and the next electricity revolution?

CG.: One cannot separate the one from the other as they are interdependent. Separating them from each other would mean failing at both. The energy transition is a priority for the Group and is now at the heart of all our actions.I'm pushing for a new form of growth for large groups, namely growth based on energy efficiency.

We can and must ensure our profits, our profitability, and our development as regards energy efficiency, without forgetting the commitment of our employees, that is to say the collective and individual meaning that we give to their work and mission, and to that of the company.

The key to success is our ability to combine these three factors - Economy / Environment / Engagement without pitting them against, or isolating them from, each other. The implementation of the Group's new steering model, called E^3, makes efficiency the driver of our performance.

THE KEY TO SUCCESS IS OUR ABILITY TO COMBINE THESE THREE FACTORS - ECONOMY / ENVIRONMENT / ENGAGEMENT WITHOUT PITTING THEM AGAINST, OR ISOLATING THEM FROM, EACH OTHER. THE IMPLEMENTATION OF THE GROUP'S NEW STEERING MODEL, CALLED E³, MAKES EFFICIENCY THE DRIVER OF PROFITABILITY."

We must fight preconceived ideas. By performing a detailed analysis in unprecedented detail, we realized that our most profitable projects are those that are the most efficient in terms of the environment and the most meaningful for our teams.

Conversely, almost symmetrically, projects that burn cash without creating value are real energy sieves and present the lowest rate of engagement among our employees.

As a result, we generalized the E³ model in 2022.

For ongoing projects, by focusing all our efforts on those that cover all E³ criteria and by halting the others; but also for all our future projects for which the investment decision is now made on the basis of the E³ assessment.

Structurally, we are reducing our costly complexity, we are refocusing on our business as an ultra specialist in electrification, and, de facto, we are generating profits; profits with a low-carbon energy impact, which makes sense in the eyes of our employees and fills them with a strong sense of pride. The systemic strength of E³ comes from efficiency at the service of performance.

This new corporate performance model embodies a renewal in an ever changing world, which is why Nexans has recently joined forces with HEC to create a chair on E³.

→ What is your approach to averting the risks of raw material shortages?

CG.: We are much better equipped to deal with it than anyone else.

Over the past four years we have made bold choices, which are proving to provide a bulwark today.

By choosing vertical metallurgical integration, Nexans has protected itself from the raw materials crisis, in particular the copper crisis.

At present, against the backdrop of war in Ukraine, the crisis is accelerating, but in reality it is an acceleration of an inevitable phenomenon.

Because the electrical revolution goes hand in hand with a sudden and massive increase in the demand for copper, of which the ore extraction technology, coupled with the number of mines, cannot keep up.

In short, the 23 million metric tons extracted per year will no longer be enough to meet a demand of 26 million metric tons in 2025, and 35 million in 2030, for an expected extraction capacity of 27 million metric tons.

This leads to three key ideas.

First, groups that maintain a metallurgical activity have priority supply rights in the mining industries and will therefore be less impacted than the others.

Nexans is one of them.

Second, I am convinced that the waste of today represents the markets of tomorrow. Our vertical integration, which allows us to significantly increase our recycling capacities, is becoming a strategic priority. We have let our customers know that if they recycle and return their waste to us, they, will be among those first served in times of shortage.

Third, by refocusing on our strategic customers exclusively, we have given ourselves the means to supply fewer customers, and therefore to offer more protection against the scarcity of raw materials.

I would add that we are not naive, and we know that, despite our best efforts, we will be affected by this crisis. However, we will be less impacted than other players who did not anticipate it this certainty.

→ How can ESG criteria help Nexans contribute to carbon neutrality by 2030?

CG.: The ESG criteria do not help to achieve this objective, but they measure our progress towards it. And we are making good headway, because we have decided to go beyond the ESG criteria alone. We are now measuring our return on the carbon employed by unit and by customer, a Nexans innovation that goes beyond the traditional scope of the ESG criteria.

We are naturally vigilant in respecting them, to the point that Nexans is unanimously recognized for its action and performance in terms of Corporate Social Responsibility (CSR).

We were a major player in Climate Group's New York Climate Week, organized at the same time as the UN General Assembly in New York in September.

Our own Climate Day was a great success, as many experts in infrastructure and renewable energies, and numerous influencers and journalists responded to Nexans' call for an open, constructive and committed dialogue.

We partnered with Climate Group to be a sponsor of the Energy Innovation of the Year award, and to be an opening speaker at the RE100 segment at Climate Week, a globally recognized organization for awarding a label to companies committing themselves to use 100% renewable electricity.

Lastly, the Group maintained its ranking in the Carbon Disclosure Project (CDP) list and remains among the top 11% of leading companies in the electricity sector. We are ahead of our roadmap for achieving carbon neutrality by 2030

→ One year from the end of your 2022-2024 roadmap, what is your assessment?

CG.: When I took the reins of the Group with my Executive Committee in the summer of 2018, the Group was going through a rough patch. Our share price was at an all-time low of 22 euros, our liquidity reserves were empty, and we were locked into the commodities market.

Today, four and a half years later, Nexans has regained its place as the world leader in sustainable electrification, in line with its 120-year history of electrifying the world.

The share price is close to 100 euros, our market capitalization has quadrupled, our liquidity has never been higher, we have exited the commodity market trap to reposition ourselves on services and solutions that create value, by abandoning the race for volume in favor of value creation.

Above all, our "Winds of Change" vision, unveiled in 2021, is being actively rolled out and demonstrates, each quarter, the extent of its power and potential.

By refocusing exclusively on high value-added sustainable electrification, we have placed ourselves at the heart of all the challenges of the electricity revolution of the next 30 years.

We have paved the way and demonstrated that energy efficiency can be a powerful driver of profitability, serving the sustainable decarbonization of the world.

Never in its contemporary history has the Group been so solid, ideally positioned to take full advantage of the situation in its markets, strategically aligned with the operational level, structurally built around an operating license, E³, guaranteeing its model.

All Group employees, at all levels, from the field to the Chief Executive Officer, are proud of the work accomplished, and are tremendously confident in our ability to maintain and enhance our global leadership as a specialist in sustainable electrification.

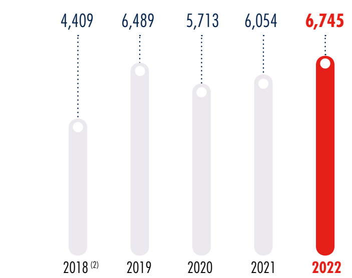
Our roadmap is clear, its effects are significant and amplified compared to the forecasts. Never before have we been in such a favorable situation.

The best is yet to come.

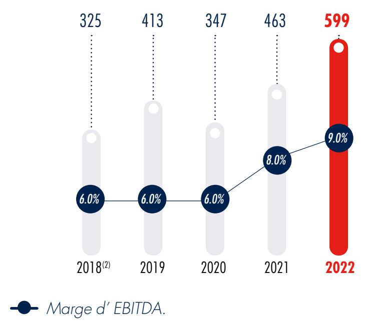
OUR FINANCIAL AND NON-FINANCIAL **PERFORMANCE**

Key financial figures

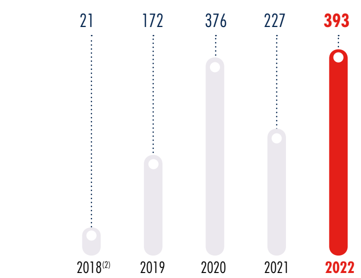
STANDARD SALES[(1)]



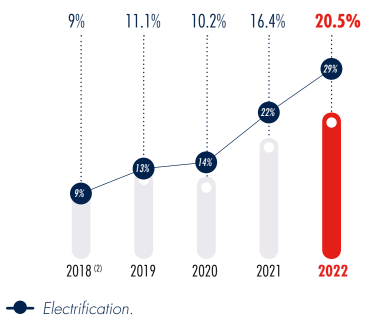
EBITDA (IN MILLIONS OF EUROS AND AS A % OF STANDARD SALES)



NORMALIZED FCF GENERATION (IN MILLIONS OF EUROS)

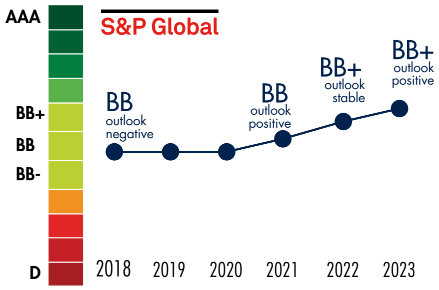


ROCE (IN %)

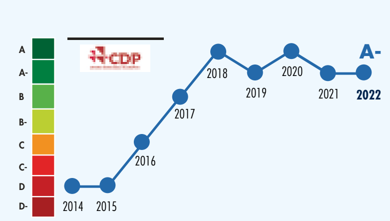


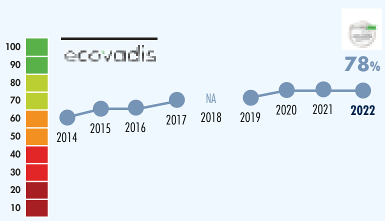
" S&P's decision to upgrade Nexans' credit rating outlook reflects Nexans' largely successful transformation since 2019 and its value growth strategy. It also highlights the Group's resilience and ability to strengthen its balance sheet in line with its ambition to become a pure player in electrification. "

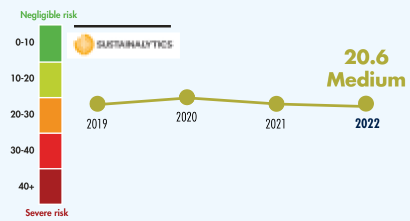
Jean-Christophe Juillard
Group Deputy CEO and Chief Financial Officer

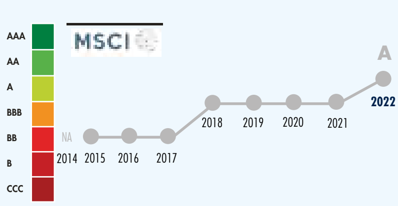


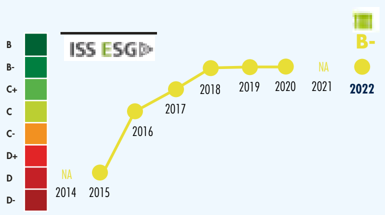
Non-Financial Key Figures











-28%
Reduction in GHG emissions

39%
of employees are women

60%
are sales generated by products and services contributing to energy efficiency

(1) Standard copper price of €5,000/ton.
(2) 2018 data pre IFRS 16 and new copper standard price implementation.

STRATEGY

PIONEERS

Pioneers of the energy transition
to create the standards of tomorrow

MEGATRENDS

THE WORLD IS BECOMING **more and more electric**

5 BUSINESS LEVERS

1. Demographic growth
2. Demand for electricity
3. Growth of renewable energies
4. Home renovation
5. Infrastructure renewal

THE 4 MAJOR TRENDS OF THE WORLD

1. Energy revolution
2. Smart devices and infrastructure
3. Digital revolution
4. International mobility

3 MAJOR RISKS

1. Global warming, loss of biodiversity, scarcity of natural resources
2. Blackouts
3. Fire

3 REQUIREMENTS FOR A NEW MODEL

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

Nexans
ELECTRIFY THE FUTURE

ELECTRIFICATION PURE PLAYER

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

2 PRIORITIES

1. **Customers** - Meeting needs for systems, solutions and services
2. **Innovation** - Industry 4.0 + 100% of R&D investment dedicated to electrification

THE 8 CHALLENGES OF ELECTRIC SYSTEMS

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

3 REASONS TO FOCUS ON ELECTRIFICATION

1. Electrification = 65% of total cable market in 2030
2. Annual growth > other market sectors
3. Fragmented sector conducive to M&A

THE 5 ACTION LEVERS

1. +20% demand for electricity worldwide by 2030
2. 100% of the world's population must have access to electricity by 2040
3. ~€23,000bn invested in new capacities (production + networks) by 2040
4. ~80% of renewable energy in the additional production capacity to be deployed by 2040
5. 3 economic models in the electric ecosystem

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

COPPER: RESPONSIBLE CONSUMPTION

The only organization in the world to operate independently, vertically integrating our business. Nexans is the only manufacturer to have retained copper smelters, an element of strategic sovereignty.

The scarcity of raw materials - copper in particular - is a top priority for Nexans, as the Group is convinced that the metallurgical and mining industry has a central role to play in the energy transition. Maintaining its four metallurgical plants and strengthening its recycling capacities are essential for supporting sustainable growth and a circular economy, as is a commitment to responsible copper production.

Anticipating the scarcity of natural resources

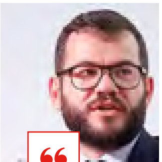
While electrical cables contain up to 70% copper, a very specific and totally unprecedented situation is emerging: the depletion of natural resources and an explosion in international demand. In an already very tight market. Worldwide copper consumption, all sectors combined, was 9 million metric tons in 1995; 25 years later, it reached 21 million for an extraction capacity of 23 million metric tons. Balance has therefore been achieved. However, electricity production will explode: emerging countries will become electrified, and all other regions will not only see their needs grow, thanks to new lifestyles, but will have to renew their aging electricity networks. The consequence? Copper consumption will increase to 32 million metric tons in less than 10 years. However, it takes eight years to open a copper mine, and the producing countries – Peru, Chile and China, essentially – are structurally limited to producing 23 million metric tons over the next five years. Consequently, only recycling can make up for the shortfall.

Focus on recycling

To meet the major challenge of supply and accelerate its transformation towards sustainable electrification, Nexans has made the clear choice to move more towards recycling. Nexans has several major recycling sites, including a plant in Lens (France) and one in Montreal (Canada). Copper taken from the dismantling of old networks, or "waste" from Nexans' customers, is used to supply these plants, as this metal is recyclable to infinity. Today, some Nexans furnaces reuse up to 15% recycled copper.

Achieve the CopperMark™ standard

Committed since 2021 alongside Copper Mark – a system ensuring responsible copper production initiated by the International Copper Association (ICA), designed for and in collaboration with the copper industry – Nexans, as a partner and active member, promotes responsible copper production worldwide. To date, Nexans is the only rolling mill operator in the world to have, as part of a pilot project, applied for the Copper Mark label for its two plants in Lens and Montreal. After a self-assessment, the pilot entered phase 2: the two sites are subject to an assessment of their performance against 32 ESG criteria, conducted by a third-party auditor. The results of this assessment will determine whether or not the Copper Mark label will be granted. By winning it, Nexans will become the symbol of the copper industry's contribution to the UN Sustainable Development Goals and the green transition.



Christophe Allain

GLOBAL PORTFOLIO DIRECTOR, NON-FERROUS METALS - NEXANS

"The active promotion of responsible copper production practices is essential at a time when corporate social responsibility is essential in the metallurgical and mining industry. This is why two of our plants, located in Lens and Montreal, are actively working to obtain the Copper Mark label in the first half of 2023. Nexans would be the first copper wire operator to obtain the label"

NEXANS, ELECTRIFY THE FUTURE
CREATING VALUE BEYOND CABLE

BUSINESS MODEL

RESSOURCES

FINANCIAL CAPITAL
€1,667m in equity
€2bn in capital employed

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

SOCIAL/SOCIETAL CAPITAL
2.1 workplace accident frequency rate
2.2 M beneficiaries of Nexans Foundation projects since 2013

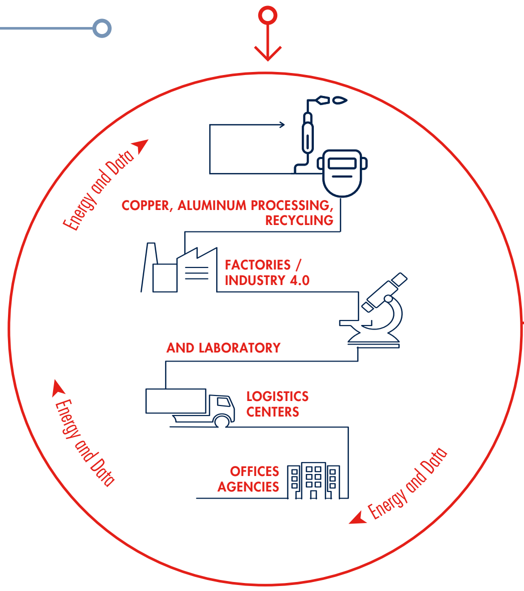
INTELLECTUAL CAPITAL
2,200 patents in the portfolio
75 patents filed in 2022

HUMAN CAPITAL
28,000 employees
8,067 new hires

ENVIRONMENTAL CAPITAL
90% of sites certified ISO 14001
100% of production sites equipped with GHG emissions monitoring(6)

NATURAL CAPITAL
460,292 metric tons of copper processed per year
108,138 metric tons of aluminum processed per year

NEXANS SITES



PRODUCTION

- Cables
- Systems
- Cabling solutions
- Services
- Accessories

MARKET SECTORS AND CUSTOMERS SERVED

METALLURGY
16% OF SALES
- The world's leading vertically integrated manufacturer of cables with direct access to copper supply by mines
- 4 metallurgical plants in Lens (France), Montreal (Canada), Lima (Peru) and Santiago (Chile)
- ~600,000 metric tons of wire rods produced per year

GENERATION & TRANSMISSION
13% OF SALES
- Energy suppliers
- Basic and public infrastructure service operators

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

DISTRIBUTION
16% OF SALES
- Local authorities
- Transmission or distribution network operators

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

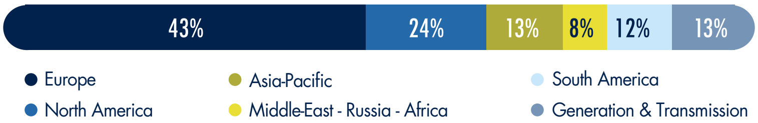
USAGES
27% OF SALES
- Electrical equipment distributors and installers

(1) Standard sales at constant metal prices
(2) EPC: Engineering, Procurement and Construction contractor
(3) OEM: Original Equipment Manufacturer
(4) 2022 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
(6) Excluding sites consolidated during the year

2022 SALES [1]

€6.7bn

SALES BY REGION



VALUE CREATED

FINANCIAL CAPITAL
4.03% of the share capital is held by employees

INDUSTRIAL CAPITAL
€303m in capital expenditure
>€5bn in purchases

SOCIAL/SOCIETAL CAPITAL
530,772 hours of employee training
€300,000 annual budget allocated to the Nexans Foundation

INTELLECTUAL CAPITAL
€85m invested in R&D

HUMAN CAPITAL
€1bn in total compensation paid
77% employee engagement rate[4]

ENVIRONMENTAL CAPITAL
75% of recycled production waste
60% of sales generated by contributing products and services[5]

NATURAL CAPITAL
25,000 metric tons of copper recycled

STAKEHOLDERS

EMPLOYEES
- Nexans Living Voices engagement survey: every voice is heard

CUSTOMERS
- Annual global satisfaction survey of our customers and partners

SHAREHOLDERS
- Proposed dividend of €2.10 per share

SUPPLIERS
- Sustainable purchasing charter

NEXANS FOUNDATION AND PHILANTHROPIC ACTIONS
- Partnerships with local and international NGOs: 143 projects supported by the Nexans Foundation since 2013
- Cultural, scientific, medical research, environmental and sporting partnerships

REGIONAL PARTNERS
- Contribution to the development and dynamics of the regions

FINANCIAL ECOSYSTEM
- Best financial and CSR performance

CHALLENGES

- Growth in global electricity demand
- Energy transition
- Climate change
- Resource scarcity

NEXANS WILL BE A PURE PLAYER IN SUSTAINABLE ELECTRIFICATION…

Nexans' 2024 strategic plan confirms the refocusing of the Group's activities on electrification and its aim of becoming a pure player in electrification – a market representing 65% of the global cable market and expected to increase by 4.3% per year over the coming ten years.

As the nature of customer demand is shifting towards more systems and products with high added value, Nexans has begun a strong transformation, enabling it to move from being a generalist cable company covering 34 sub-sectors to being a pure player in electrification refocused on 12 sub-sectors.

2018-2021: SHIFT Performance, the rise in value

In 2018, the installation of a new management team at the head of Nexans was an opportunity to launch a vast transformation plan in order to deploy the New Nexans model focused on customers and on growth in value rather than in volume.

The proprietary SHIFT Performance methodology has been deployed at nearly 20 of the Group's industrial sites. All industrial production - *i.e.* several thousand products and customers - is scanned and analyzed. The objective is to reduce the complexity of the portfolio and stop the race for volume.

As a result, thanks to greater selectivity, the Group has reduced the number of customers while significantly improving its profitability and reducing its carbon footprint. Nexans can take the next step: growth in value through innovation.

2022-2024: refocusing on electrification

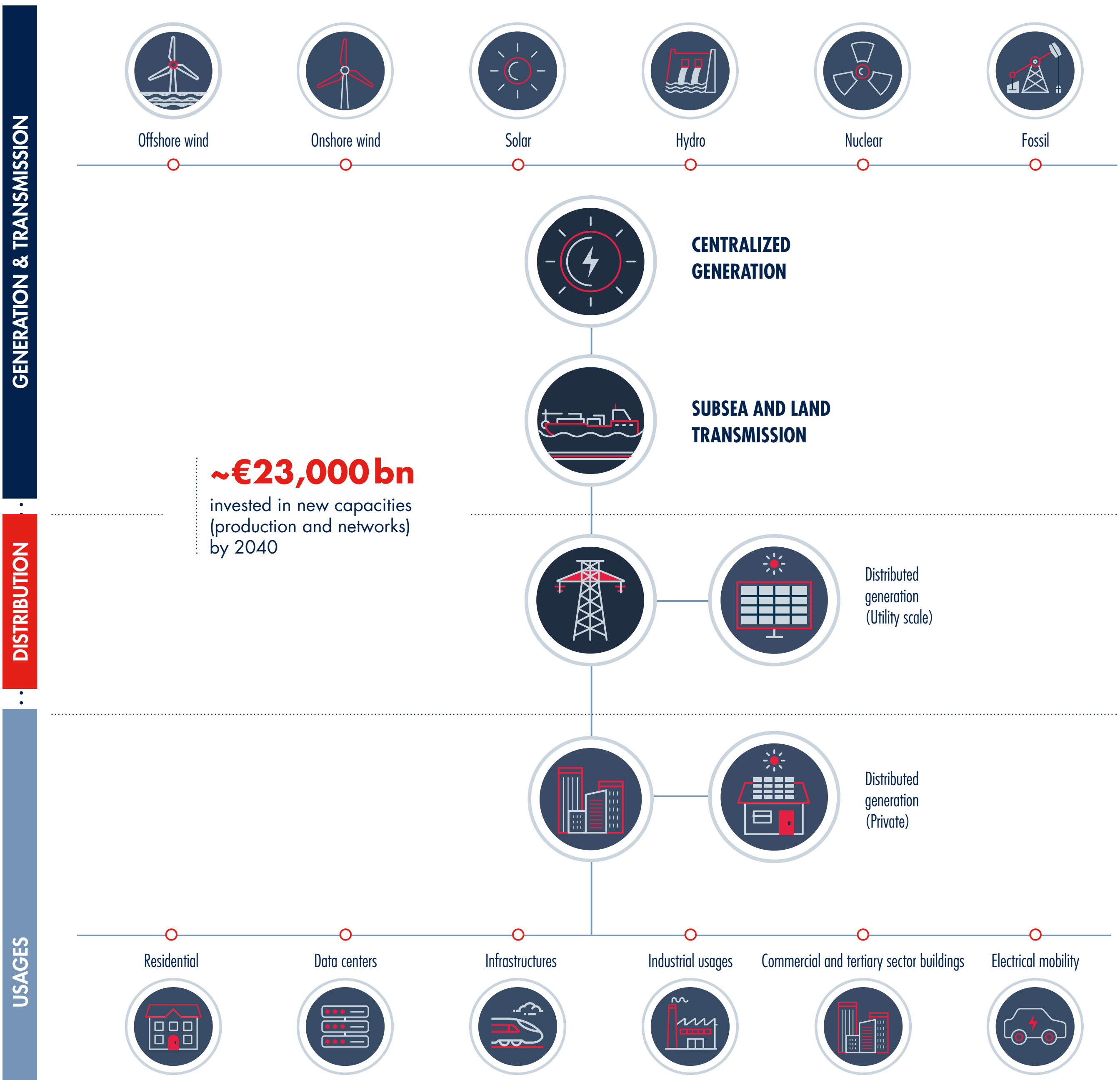
In early 2021, Nexans announced its new strategy. For the Group, focusing on electrification involves covering four major pillars: energy production – offshore wind turbines, solar power plants, etc. – then its transmission via the interconnections of countries and its distribution – which requires the modernization of infrastructure to support the future demand for electricity –, finally until its final use wherever there is human activity: critical buildings such as hospitals and data centers, public and industrial infrastructures, shops and residences, etc.

By basing its development on the many *Green deals* and the transformation of networks currently underway around the world, Nexans is asserting itself as a committed and operational player in the energy transition.

WHAT IS Electrification ?

+ 20%
demand for electricity worldwide by 2030

~ 80%
of renewable energy in the additional generation capacity to be rolled out by 2040



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

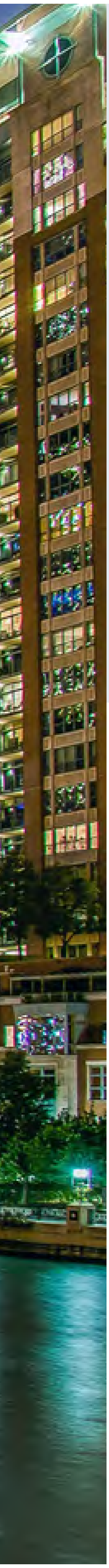
31%
Share of electricity in total final energy consumption by 2040 (19% in 2019)

x 1.5%
Global electricity demand by 2040 (compared to 2018)

Source: World Energy Outlook 2019 Roland Berger

2022: unlocking the full potential towards becoming a pure player

In 2022, Nexans confirmed its trajectory and solid growth momentum, supported by new value creation levers around its mission: "Electrify the Future". Thanks to the expansion of its solutions, the Group launched its 2022-2024 strategic roadmap with a record year. To unleash this full potential, generate remarkable results at scale and become the most profitable company in the industry. The transformation platform is operating at full capacity for all units in the Electrification activities. This transformation platform – SHIFT Performance, SHIFT Prime and Amplify programs - enables Nexans to benefit from sustainable performance and to help equip the units to make them resilient in the event of a recession.



AWARD

Nexans wins Strategic Plan Award

On the occasion of the seventh edition of the *Prix des 100 jours*, held in October 2022 and organized jointly by the global audit and consulting firm KPMG and EIM, the European leader in transition management, Nexans received the Strategic Plan Award. This award recognizes the strategic choices made by Nexans and its Chief Executive Officer, Christopher Guérin, who succeeded, in an unprecedented context, in transforming the Company's business model to a position of pure player and leader in sustainable electrification. Among the criteria that enabled Nexans to stand out in its category were the clarity of the plan, its courage, its resilience within its environment, the solidity of its internal and external communication and, lastly, the consideration of the CSR dimension.

Simplify to amplify impact

Nexans' strategic objective is to simplify the number of activities served in order to amplify its impact. The Group has therefore begun to reorient its portfolio through a number of divestments, as well as targeted transformative transactions and bolt-on acquisitions to round out its electrification offer and enable it to scale up its value proposition. The development potential is significant since the electrification ecosystem today represents over 100 billion euros. A market expected to reach 154 billion euros by 2030.

Portfolio focus on electrification

To focus on the electricity sector – *i.e.* 55% of its current revenue – Nexans will sell the Telecom & Data and Industry & Solutions businesses. The idea is to withdraw from the diversification activities by 2024, at the fair value of assets that are doing very well and are profitable.

At the same time, the Group will replace these activities through acquisitions in the Distribution and Usages sectors. The Group completed the acquisition of Centlesa in Colombia in April 2022 and announced the signing of an agreement to acquire Reka Cables[1] in Finland.

(1) *The closing of the transaction is subject to regulatory approvals and is expected to take place in the first half of 2023.*

IN FIGURES

SALES AT STANDARD METAL PRICES

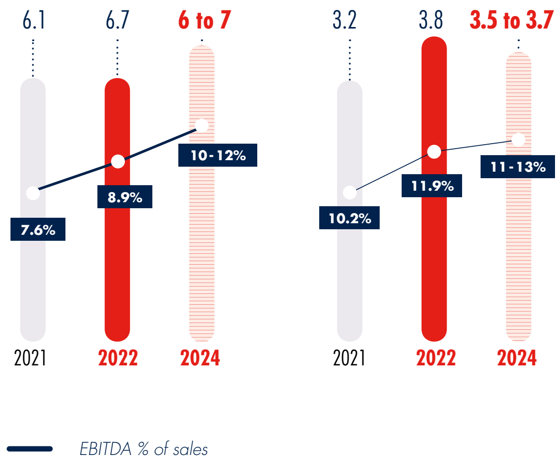
Group scope

(in billions of euros)

SALES AT STANDARD METAL PRICES

Existing Electrification scope (organic, including strategic CAPEX)

(in billions of euros)



CASH GENERATION OVER THE THREE YEARS OF THE PLAN (BEFORE MERGERS AND ACQUISITIONS)

(IN MILLIONS OF EUROS)

€500m to €600m
2022-2024

€280m to €330m
2019-2021

CONTRIBUTION TO CARBON NEUTRALITY BY 2030

Reduction of
46.2%
in absolute value of Scope 1 and 2 greenhouse gas emissions by 2030

Reduction of
24%
in absolute value of Scope 3 emissions

...WHILE **ACCELERATING** INTERNAL AND EXTERNAL GROWTH

The challenge for Nexans is to support the energy transition and the emerging third electric revolution. In 2022, the Group recorded an all-time high for its electrification-related activities and demonstrated growth mainly in terms of value instead of volume. A trend that is expected to continue.

In 2022, Nexans benefited from a buoyant economic environment, had a solid and clear roadmap and succeeded with its structural transformation to become a pure player in electrification by 2024. The Group achieved new successes, posting a record order book in the Generation & Transmission sector.

External growth

Fully aligned with Nexans' strategic ambition to become a pure player in electrification, two major projects marked the year 2022. First, the acquisition of Centelsa, a manufacturer of high-end cables in Latin America, specializing in electricity Distribution and Usages applications. Its three production plants in Cali (Colombia) and its distribution center in Ecuador strengthen Nexans' presence in Latin America, where the Group already has four industrial sites (Colombia, Peru, Chile and Brazil). Second, the signing of an agreement for the acquisition of Reka Cables [1], a Finnish manufacturer of low- and medium-voltage cables. This acquisition strengthens Nexans' position in the Nordic countries, particularly in the electricity Distribution and Usages businesses. Present in four countries, Reka Cables [1] is one of the leaders in the Finnish market and has an excellent reputation in the Nordic countries. In November 2021, it became one of the first cable manufacturers to contribute to carbon neutrality.

Become a key player in offshore wind power and high-voltage interconnections

The development of offshore wind energy will represent an important market for Nexans, as will the need to ensure the continuity of energy supply with these wind farms thanks to high-voltage interconnections. In 2022, the Group won the contract for the Celtic Interconnector project. This project will be the first submarine line allowing the direct exchange of electricity between France and Ireland. The cables will be produced by the Halden (Norway) and Charleroi (Belgium) sites and the accessories by the Cortaillod site (Switzerland).

In addition, Nexans has been appointed as the preferred supplier for the EuroAsia Interconnector project linking the national electricity grids of Israel, Cyprus and Greece (Crete).

As an energy gateway between Asia and Europe, EuroAsia Interconnector will represent the longest and deepest HVDC subsea cable project ever carried out. Lastly, as part of the BorWin6 project to connect the remaining gigawatt of the BorWin cluster in the German North Sea to the terrestrial network, Nexans will manufacture, install and protect cables for its client TenneT.

Be the premium supplier of our customers

Trillions of euros of infrastructure investments have been announced in Europe, the United States and Asia to support the modernization of aging electricity networks in the northern hemisphere and their construction in the southern hemisphere. A very buoyant market in terms of volume for Nexans. The Group has been awarded a four-year contract to supply medium-voltage power distribution cables and services to RTE - the operator of the distribution network in France. As part of the agreement, Nexans will deploy the "ULTRACKER" solution, its digital supply chain solution based on the Internet of Things, artificial intelligence and cloud services. In France, Nexans also launched a preview of the Distingo Nx'Tag range of cables for the domestic market. This NF- and Câble de France-certified solution, intended to simplify the daily lives of installers, is 100% produced in France: initially by the metallurgy unit in Lens for further processing at the Autun site.

(1) The closing of the transaction is subject to regulatory approvals and is expected to take place in the first half of 2023.

↑

EUROASIA INTERCONNECTOR PROJECT TO CONNECT THE NATIONAL ELECTRICAL NETWORKS OF ISRAEL, CYPRUS AND GREECE

INNOVATION AS A KEY DIFFERENTIATOR

Innovation is the cornerstone of Nexans' new 2024 strategic plan. By refocusing on electrification, the Group wants to put in place solutions and systems that respect the environment.

Nexans wants to strengthen its value proposition by providing its customers with complete solutions and no longer just components. The Group is developing pre-connected cables and digital risk geolocation tools to prevent the obsolescence of electrical networks or blackouts in cities…

Support customers in the energy transition

With its suite of innovative supply chain solutions, Nexans ULTRACKER solutions, the Group streamlines order, delivery and inventory management processes and thus offers a unique offering to meet the supply chain challenges of its customers. Advanced artificial intelligence and cloud software, developed in collaboration with Microsoft, enable continuous monitoring throughout the supply chain.

Thus, as part of a project coordinated by SNCF Réseau, in 2023 Nexans will be laying two direct current superconducting cables near the Montparnasse station in Paris. The result of a revolutionary technology, these energy cables will help to secure the network while rail traffic is constantly growing in large cities. Thanks to their zero resistance, they deploy electricity with low losses and thus contribute to making the world more sustainable.

Lastly, with its new Mobiway range of cable packaging solutions - Mobiway MOB and Mobiway Unreel - Nexans offers electrical installers the opportunity to facilitate their transport, unwinding and installation work; dedicated offers to better transport, move and unwind each specific type of cable. The MOBIWAY range enables installers to work with ease and safety, thus saving them up to half of the installation time.

PROJECTS

Launch of digital offers driven by connected objects and users

As part of its SHIFT Prime program, Nexans is focusing on the growth of its connected objects and users in support of a new recurring revenue model driven by constant innovation and value-added products, services and solutions. The Group now has more than 540,000 connected users and more than 37,000 connected devices worldwide.

540,000
connected users

37,000
connected devices

Amplify innovation through partnerships

Nexans relies on major partnerships to accelerate the development of these solutions, convinced that a company can no longer evolve on its own, but must rely on an ecosystem approach.

→ **With Microsoft**, to develop improved artificial intelligence and cloud solutions to transform the customer experience and ensure just-in-time delivery.

→ **With Schneider Electric**, to accelerate Industry 4.0 in Nexans' plants.

→ **With Shippeo, a supply chain visibility specialist,** to provide real-time visibility of customer deliveries around the world.

→ **With Bureau Veritas**, for the customer risk management dimension, to support the certification of cable installations.

→ **With CosmoTech**, to meet the challenge of reducing GHG emissions without affecting the Group's profitability through the use of the digital twin.

INNOVATE:
LOW-CARBON ELECTRICITY

Opened in June 2022, AmpaCity is the symbol of Nexans' ambition to become a pure player in electricity. This new R&D site of 6,000 m² based in Lyon (France), for which the Group has invested 20 million euros, brings together over 100 engineers, researchers and technicians working on the electricity of the future.

New digital services, network management tools using data, integration of recycled materials: this division brings together ecosystem skills to develop concrete innovations for safer, more sustainable and low-carbon electricity. A fundamental challenge as electricity demand could increase by up to 40% by 2040. Thanks to the know-how of its employees at AmpaCity and its global innovation network, Nexans has set itself the objectives of being able to distribute more electricity by increasing the power delivered and improving the reliability, resilience and security of electricity networks, to accelerate installation projects and guarantee the competitiveness and accessibility of electricity by developing, for example, interconnections between countries or reducing the impact on the environment, notably through the continuous use of new materials.

Concretely, numerous innovations to meet the current and future needs of Nexans' customers.

AMPACITY IN A FEW FIGURES

- **6,000** m²
- **20+** laboratories
- **100+** engineers, researchers and technicians
- **17** doctoral researchers
- **8** nationalities
- **2,200+** patents in the portfolio

10 NEW TECHNOLOGIES **TO ELECTRIFY THE FUTURE**

TEN TECHNOLOGIES **TO ELECTRIFY THE FUTURE**

Nexans has listed the technologies likely to shape the electrification of the world over the next decade:

1.
- NEW ENERGY SOURCES: floating offshore wind, solar trackers and floating solar, mini nuclear power plants.

2.
- TRANSITION FROM ALTERNATING TO DIRECT CURRENT: partial switching of low-, medium- and high-voltage electrical systems to direct current.

3.
- SUPERCONDUCTIVITY: three major successes for Nexans, included in three flagship projects. SCARLET, in Europe, where the Group must demonstrate the high efficiency of the high-temperature superconducting cable (HTS), its compact size and its low environmental impact. SUPERAIL, a world first in which it will provide the first supra cable for a railway application for SNCF. SCADENT, a demonstration study conducted in the United Kingdom on the benefits of replacing conventional cables in existing electrical infrastructures with HTS cables.

4.
- ELECTROMOBILITY: expanded and easier access to charging infrastructure.

5.
- HYDROGEN: green hydrogen, which decarbonizes heavy industry and transport, will be one of the main factors in electricity demand. Nexans contributed to a world first – the HySTRA project – which enabled the LH2 carrier to travel between Australia and Japan.

6.
- CONNECTED PRODUCTS: Internet of Things (IoT) and RFID.

7.
- DIGITAL TWINS: modeling and forecasts using an electronic representation of the real world.

8.
- BIG DATA AND AI: in-depth analysis and optimization of decision-making.

9.
- SMART AND SECURE BUILDINGS: electrical and fire safety in an all-electric future.

10.
- NEUTRAL PLASTICS in carbon: bioplastics, recycled plastics and materials transition.

E³, A **UNIQUE BUSINESS MODEL** INTEGRATED AT ALL LEVELS OF NEXANS

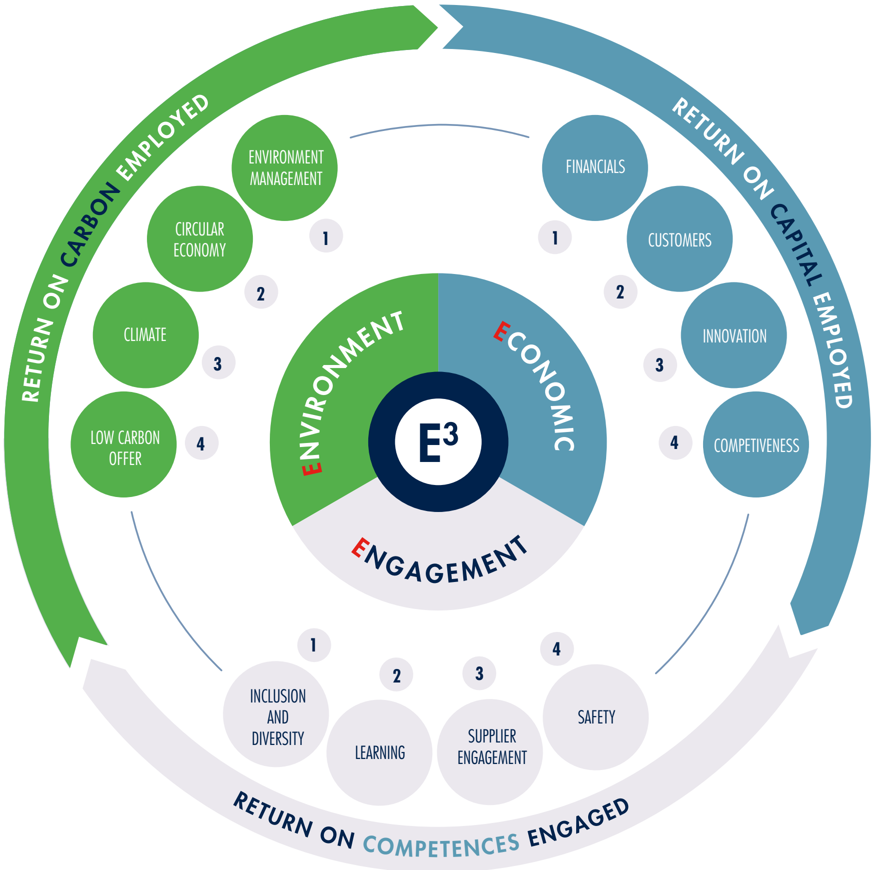
In 2022, Nexans finalized the deployment of E³, its unique performance measurement tool, which optimizes the three dimensions - Economy, Environment and Engagement - in operations and the investment decision-making process.

To successfully deploy E³ all the Group's plants were classified according to their financial performance in three categories of the SHIFT method: profit drivers, "candidates for transformation", and value burners with weaker economic performance. They were then distributed according to their level of greenhouse gas emissions.

E³ Nexans

The combination of the Economic and Environmental segmentation makes it possible to define an order of priority and an action plan adapted to the situation of each plant: a possibility of growth for profitable and low-carbon plants, or a cap on the load, or even a decrease, for value burners with a high carbon footprint.

The E³ concept was therefore established by noting what was already working in practice and was likely to give the best results on the three elements Economy, Environment and Engagement because it combines them and no longer opposes them.



Model to be replicated

Nexans has created a *License to operate*, placing E³ at the heart of management, from the bottom to the top of the scale. Today, investment choices and project launch decisions are made on the basis of the E³, which combines the financial, environmental and commitment assessments. For all of its sites, the Group applies the same qualification approach as that used for its customers.

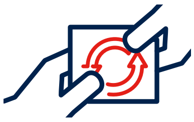
As part of the same strategy of simplifying and transforming the Company, Nexans has also reduced the number of its product references by 40%, thus making savings on all resources: material, human and time.

Tested on activities that show no growth but also in other companies, the E³ model works in the same way. It is now a question of handing over the development of the model to academic and applied research so that it can study it and propose a truly promising model that other industries can appropriate.

RESPONSIBLE

DEDICATED

Committed to providing sustainable electricity and the highest performance standards



NEXANS,
A **RESPONSIBLE COMPANY**

As a leader in electrification, Nexans is a key player in the energy transition and sustainable development of communities. Its performance model, called E³, aims to combine the financial, societal and environmental dimensions, to deliver to customers the most environmentally-friendly products and services at the service of society.

3 CSR PILLARS

Nexans' three CSR pillars for building a sustainable future are grouped into three priorities:

- an ENVIRONMENTAL COMMITMENT focusing on carbon issues, the circular economy, protection of resources and biodiversity;
- an INCLUSIVE WORKING ENVIRONMENT, encouraging the deployment of talent, diversity, social dialogue and promoting health and safety at work;
- an activity that respects BUSINESS ETHICS, involving stakeholders and promoting a positive social impact in communities.

These three priorities cover a set of key performance indicators that are used to measure and report on the Group's progress.

Governance

Nexans' highest decision-making bodies, as well as the various operational departments and support functions, are heavily involved in the development of the CSR policy and the review of the implementation of the roadmap, within a dedicated governance structure. A clear sign that sustainable development is at the source and at the heart of Nexans' strategy.

The Executive Committee implements the sustainable development strategy, integrated with that of the Group. It manages the progress of the roadmap, the E³ performance model, monitors the assessment of results and incorporates new regulations. For its part, the Board of Directors discusses these subjects at its various meetings and within its four committees. Together with the Strategy and Sustainable Development Committee, it reviews Nexans' roadmap and results at least twice a year and determines the Group's strategy in this area. It is from the ranks of its directors that Marc Grynberg, the new "Climate" Director of Nexans, has been appointed, with a specific mission of monitoring climate and environmental issues since the beginning of 2022 (see page 39).

To this system of committees is added the Planet Project team, chaired by the Vice President in charge of Sustainable Development and bringing together the sustainability managers of all the Company's functions – industrial, purchasing, sales, marketing, communication, R&D – which periodically examines the execution of the Group's sustainable development plans.

Plans that are also scrutinized by the operational committees in each functional area – industrial, purchasing, marketing, sales and communication – which for this purpose bring together Business Groups, sustainability leaders and corporate function managers.

ENVIRONMENTAL COMMITMENT

				2021	2022	Change	Target for 2022	Target for 2023
ENVIRONMENT	Focusing on decarbonization	3.2.1	Reduction of GHG emissions (Scopes 1, 2 and 3) (base year 2019) Market based(1)	- 17.3%	- 20.2%	↘	13%	17%
			Share of renewable and zero-carbon energies(2)	73%	72%	↘	68%	72%
	Promoting a circular economy	3.2.2	Total production waste recycled(3)	75%	75%	→	79%	80%
			Percentage of cable drums connected(4)	12%	14%	↗	55%	80%
	Reducing the environmental risks	3.2.3	Industrial sites certified ISO 141001	89%	90%	↗	90%	93%
	Managing the energy transition	3.2.5	Sales generated from products and services that contribute to energy transition and efficiency(5)	59%	60%	↗	60%-70%	70%-80%

(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. This reference year 2019 has been restated to present a scope similar to that of 2022 (taking into account acquisitions and disposals). The Nexans Group carried out its calculations on the basis of location-based (emission factor by country) and market-based (emission factor by contract) methodologies. The SBTi targets are included in the market-based results. See Section 3.2.1 of the Universal Registration Document.
(2) Proportion of renewable electricity produced directly by Nexans locations or through the purchase of decarbonized electricity. The definition is different from that of the RE 100 initiative, because it includes nuclear power. The RE 100 ratios are disclosed in Section 3.2.1 of the Universal Registration Document.
(3) The non-hazardous production waste consists mainly of non-ferrous metal and plastic materials.In 2022, the Group significantly strengthened its compliance with these ratios, considering that the sale or delivery of waste is not sufficient to constitute recycling. The targets have been modified to follow the same methodology. See Section 3.2.2 of the Universal Registration Document.
(4) 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 mentioning the number of tags purchased to equip drums. The rate was 17% in 2020, was stable in 2021, and increased to 23% in 2022.
(5) Offshore wind, interconnection projects, power utilities, smart grids (energy transition), energy efficiency (building), accessories, solar power, wind power, eco-mobility and asset management. See Section 3.2.5 of the Universal Registration Document to find out what differs from the European Taxonomy.

INCLUSIVE WORKING ENVIRONMENT

				2021	2022	Change	Target for 2022	Target for 2023
PEOPLE	Committed to employees' health and safety	3.3.2	Workplace accident frequency rate(1)	1.81	2.31	↗	1	0.9
			Global workplace accident severity rate(2)	0.15	0.12	↘	< 0.11	< 0.10
	Talent and employee development	3.3.3	Employees benefiting from a long-term incentive plan with CSR criteria(3)	100%	100%	→	100%	100%
	Inclusion and diversity	3.3.5	Graded positions staffed internally (4)	43%	47%	↗	55%-57%	60%
			Percentage of women with managerial status	24.5%	27%	↗	25%	26%
			Women in top management positions (5)	17.7%	18.6%	↗	17%-19%	18%-20%

(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) x 1,000. This rate relates to internals workers only.
(3) Among the employees benefiting from a long-term incentive plan validated by the Board of Directors, 100% include a CSR criterion.
(4) 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.
(5) Top management: Category of employees defined by the Group's Executive Committee based on the Nexans Grading system.

BUSINESS ETHICS

				2021	2022	Change	Target for 2022	Target for 2023
ECOSYSTEM	Offering a respectful and ethical company	3.4.1	Managers having completed the yearly compliance awareness course	98.3%	100%	↗	100%	100%
	Duty of care plan	3.4.2	Number of suppliers at high CSR risk(1)	322	443	↗	370	500
	Employee engagement	3.3.4	Employee engagement index(2)	72%	77%	↗	78%	78%
	Nexans Foundation	3.4.6	Amount allocated by the Nexans Foundation	€300,000	€300,000	→	€300,000	€300,000

(1) 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.
(2) Scope: Cable activity, excluding Industry & Solutions and Telecom & Data.

COMMIT
FOR THE CLIMATE

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 the carbon neutrality objectives and the highest international standards.

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

STRATEGY

Capital Market Days
Annual Strategic Guidelines

Climate Pledge 2030
1.5C commitments (SBTi)

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

CSRD
In progress to anticipate effects

ACTIONS

Action plans and trajectories by BG
Nexans Book of Solutions
Energy efficiency audits

Mobilize all employees around E3
Quarterly award at various sites
E3 incentives for all employees

E3 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

Sustainable offers
Sustainable offerings including recycling services, low-carbon aluminum cables, supported by PEPs and the EcoCalculator app

Green Bonds and 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 E3 Tool 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
-28% reduction for scope 1 & 2
-28% for scope 3

Increased use of Renewable Electricity, RE100 Program
38% of RE sourced electricity end of 2022

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
3 years CDP A List, EcoVadis Platinum Medal, A for MSCI

EVENT

Third Nexans Climate Day in New York

At its third annual Climate Day, held on September 21, 2022, as part of the New York Climate Week, Nexans presented its contribution to the future of offshore wind farms and to the energy independence of the United States. It was also an opportunity to discuss major issues in front of journalists, customers and partners thanks to the presence of leading speakers and panelists from the public and private sectors. What role for offshore wind farms in the US energy transition? What will the supply chain for cleaner energy look like in the United States? What innovations for a new vision of electrification? These subjects were covered by complementary points of view. On the sidelines of this event, Nexans organized the Change the current conference in Canada. Several representatives of the Group also discussed with experts and customers the future copper shortage and the challenges of the circular economy, carbon neutrality and renewable energies.

In the tracks of the SBT initiative

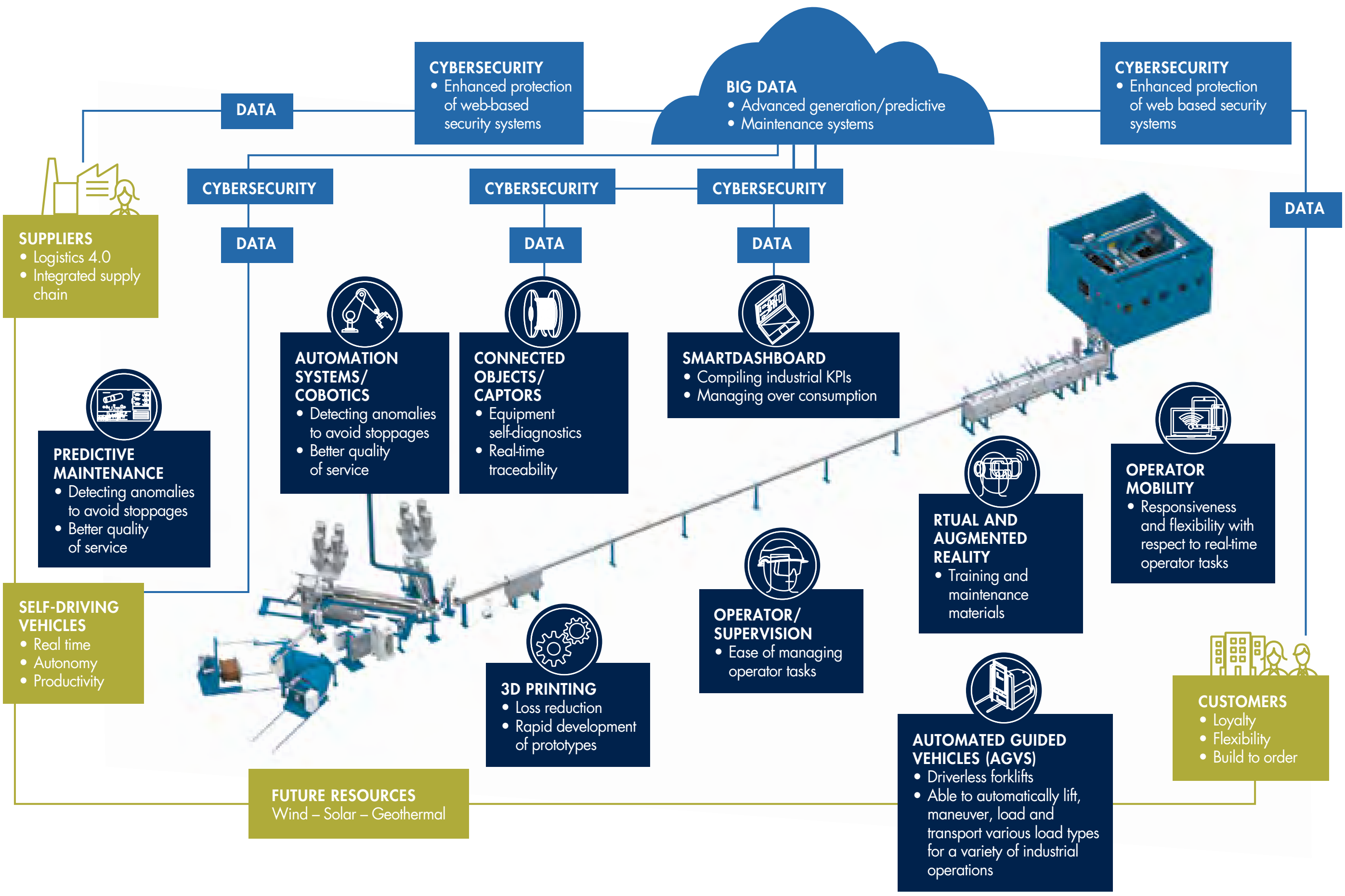
In order to harmonize the neutrality objectives emanating from companies and to lay common foundations, the Science Based Targets initiative – partnership between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) – launched a process to deploy the first global carbon neutrality standard. In April 2022, it validated two Nexans climate commitments: a 46.2% reduction in the absolute value of Scope 1 and 2 greenhouse gas (GHG) emissions by 2030 and a 24% reduction in the absolute value of Scope 3 emissions. At the end of December 2022, Nexans posted results in line with and even ahead of its climate commitments.

Onboarding all employees

To achieve its climate ambitions, Nexans relies on employee training, involvement and awareness. In 2022, the Group launched an e-learning module on CSR in six languages, already followed by a thousand people, and it will launch a climate change awareness course in 2023. In addition, Nexans has been rolling out the Climate Fresco® since 2020 in the form of educational workshops that popularize climate issues and decipher the Group's environmental ambition. The fresco is a success with at least one Climate Fresco organized in each French factory in 2022. In two years, nearly half of French employees have had the opportunity to participate. Its international deployment will be the major focus of 2023. Lastly, the second edition of the internal Planet Week (deployment of electrical terminals, biodiversity campaign, actions to reduce the digital carbon footprint, etc.) was deployed in almost all of the 70 plants and sites around the world.

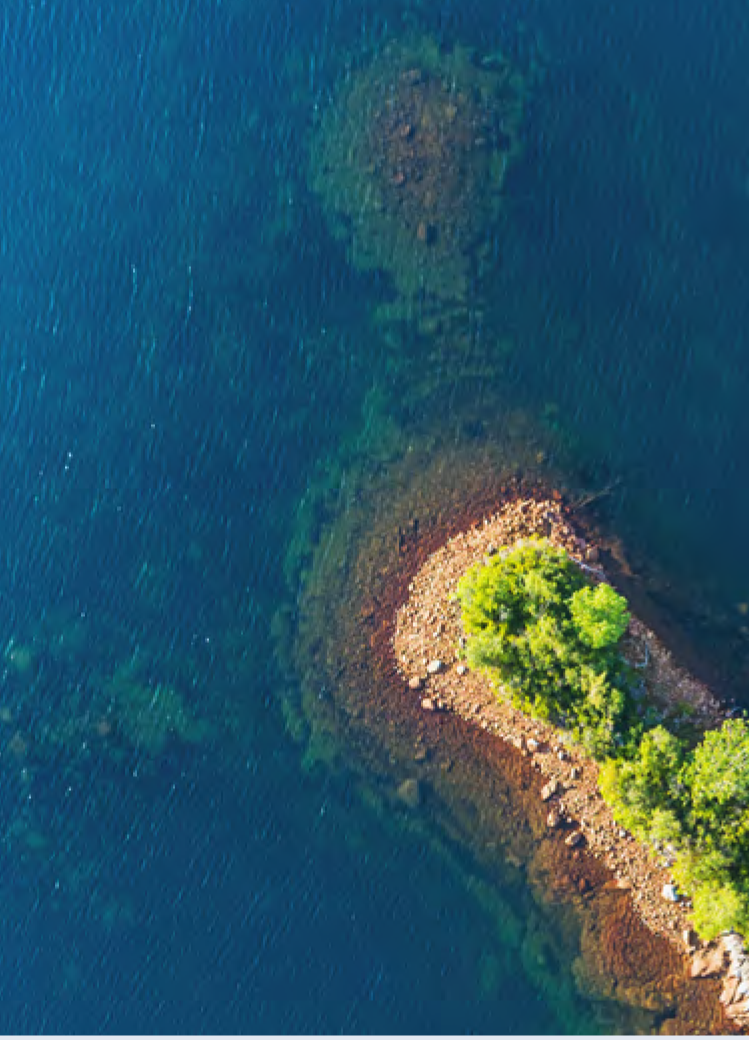
REDUCE ENVIRONMENTAL IMPACT

Nexans continues its efforts to limit the impact of its business activity on the environment and to sell products that contribute to the energy transition and energy efficiency. Among the Group's action levers, its progress in Industry 4.0 and the limitation of its consumption of resources thanks to a closed-loop system for materials in particular.



At Nexans, Industry 4.0 was initiated by a structured program in 2021 - Digital Transformation - thanks to the partnership with Schneider Electric. It consists of two main components: the integration of new technologies into operations, in particular IoT, cloud computing, analysis of production data, artificial intelligence and self-learning equipment; the creation of a collaborative environment to make real-time decisions in order to increase safety, quality, responsiveness and time-to-market.

In its two pilot plants in Autun (France) and Grimsås (Sweden), Nexans is developing industry 4.0 use cases. Performance monitoring, energy consumption monitoring and the control tower will be the drivers of flexibility and agility. After Autun and Grimsås, Nexans' ambition is to deploy the digital transformation in five additional plants in 2023, then ten per year and, from 2025, to fully switch to Industry 4.0.



Unique recycling sites

Nexans places the scarcity of raw materials - particularly strategic metals such as copper and aluminum - at the heart of its concerns. Faced with the scarcity of copper at the same time as electrification projects are ramping up, the Group is taking measures to maximize the share of recycled copper used in its cables, thanks to its vertical integration in metallurgy. An asset that enables it to incorporate a significant proportion of recycled copper into its upstream process. The Group also incorporates into its supply chain the production of RecyCâbles (a joint venture between Suez and Nexans), the European leader in cable recycling and recovery. In 2022, approximately 20,000 metric tons of copper waste were used in the casting facilities in Montreal (Canada) and Lens (France), representing approximately 5% of the Group's needs. The recent acquisition of the Colombian company Centelsa will enable it to strengthen its capacities by acquiring a stake in a casting facility in Lima (Peru). As for the other main non-ferrous metal used in the manufacture of cables, aluminum wire (approximately 85,000 metric tons in 2022), Nexans can recover it in the form of waste from its manufacturing process and cable recycling, which is then resold to aluminum suppliers.

INNOVATION

First recycled aluminum electrical cables

Nexans and the German aluminum producer Trimet will produce aluminum electrical cables containing a substantial proportion of recycled metal, which will reduce their energy consumption and CO_2 emissions. The aim is to develop a new product capable of meeting high technical requirements in terms of mechanical properties and conductivity, while reducing its carbon footprint. Since aluminum is not only low-carbon but also has recycled content for infrastructure cables, this double effect has a significant impact on the carbon content of products. Until now, the recycling of used cables was not circular and was more used to produce beverage cans or window frames, which require lower grades of alloys. For the implementation of the agreement, Nexans will guarantee access to industrial offcuts and to "series 1" recovered aluminum, a pure and traced aluminum, thanks to Recycable (its joint subsidiary with the Suez Group), based near Lens (Pas-de-Calais).

~20 000

Metric tons of copper waste used in 2022 in Nexans' casting furnaces in Canada and France

INCREASE **HUMAN VALUE**

Nexans is seizing the tremendous opportunity to contribute to the energy transition to mobilize its employees around its purpose. One of the priorities is to give them the opportunity to be agents of change, to prepare for the Nexans of 2024.

Through its many actions in terms of human resources, Nexans aims to continuously develop its employees, in a constantly changing environment, and to enrich their capabilities in order to better prepare them to meet Nexans' challenges and ensure their employability.

A strong health and safety culture

The Group has a comprehensive employee health and safety policy. These topics are an absolute priority for Nexans and form a key performance indicator covered by the CSR ambitions. In terms of safety, most of the accidents that occurred in 2022 continued to be caused by risky behaviors, against which the Group is deploying programs and initiatives with particular attention. It has set up an action plan against serious and fatal accidents. Another highlight, the success of "Safety Day" in 2021 led to a 2022 edition on the theme of ergonomics. On this occasion, Nexans launched a new safety standard "Handling and parking of drums", and updated two existing standards.

In terms of health, Nexans' ambition is to provide employees with well-being at work. Numerous strong initiatives have been put in place at the local level. For example, the promotion of physical activity with access to sports equipment and well-being and fitness programs or challenges in Sweden, China and France, as well as Be well programs focused on physical and mental well-being, introduced in Australia and New Zealand. Redesigned in 2021, Nexans' annual performance assessment cycle, the first campaign of which took place in 2022, includes well-being at work as a starting point for any performance and development conversation between managers and employees.

Nexans increasingly inclusive

Diverse, talented and committed teams are a source of value creation and therefore improve not only financial performance but also the employee experience and sense of belonging to the Group. In 2021, Nexans set itself ambitious targets for 2023: 26% of managerial positions held by women and 18% to 20% of women in top management; these objectives were achieved in 2022 and remain a priority for 2023. The other dimensions of diversity, such as disability, are also crucial. In 2022, the agreement signed during the European Week for the Employment of People with Disabilities with all the trade unions representing Nexans in France signaled the launch of an ambitious action plan. It will deploy the necessary resources to achieve direct or indirect "100% inclusion" in terms of recruitment, training, compensation, quality of life at work, and career development and support. Lastly, in France, Nexans is a member of the Collective of companies for a more inclusive economy, alongside the largest groups, to share best practices and a common dynamic.

Commitment at its highest

In recent years, Nexans has launched numerous initiatives to involve all its employees and strengthen their sense of belonging. Among them, since 2021 Nexans has conducted an annual survey of all its employees, to understand their expectations and propose actions for improvement, while being in a process of continuous improvement. With a commitment rate of 77% recorded for the 2022 edition, the Group is preparing to launch additional and more targeted surveys to take the pulse of employees, particularly during periods of change.

Training, a culture of continuous learning

Through its Learning Center of Expertise (CoE), Nexans offers tailor-made digital training courses achieving high levels of participation and satisfaction among learners, demonstrating how quickly they have adopted this new format and integrated it into their daily lives. Thus, its MyLearning platform provides access to internal and external catalogs (MOOCs, e-learning modules, videos, etc.) and its Quick Start in Nexans program for new employees supports them in their integration phase. In addition, Nexans offers a inclusion and diversity program on unconscious bias, a 100% digital Compliance week and e-Academies. In 2022, the Learning CoE was rewarded for Nexans' awareness-raising program on diversity and inclusion at the Learning Technology Congress, and received the Digital HR team award for the successful transformation of the training offer.

EMPLOYEE

Employee value proposition

Scheduled for launch in 2023, Nexans' employee value proposition (EVP) is aligned with the Group's overall brand strategy. An asset that could help Nexans attract the best talent and achieve its growth ambitions.

The EVP is based on three pillars:

- position itself strongly as a leader in the world of electrification by deploying energy that is more sustainable and accessible to all, to achieve the net zero objective;
- value employees in a constantly changing environment, through the commitment to cultivate talent;
- build an environment conducive to inclusion and diversity, a source of fulfillment for our employees and sustainable success.

SUCCESS

Success of the "Act 2022" plan

As part of the tenth employee share ownership plan, "Act 2022", offered to employees in 25 countries around the world, Nexans committed for the first time to invest a minimum of 25% of the funds raised in internal environmental projects. Once again, employees overwhelmingly expressed their confidence in the Group, with the offer being a resounding success. The subscription rate improved by nearly 10 points compared to the last operation and represents the best score for an "Act" operation since 2010.

NEXANS FOUNDATION FOR SUSTAINABLE AND EQUITABLE ELECTRIFICATION

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: financially support sustainable electrification projects aimed at reducing energy insecurity and poverty, promoting training and education for populations and preserving the environment, in line with the challenges of electrification in the world.

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. As it celebrates its tenth anniversary in 2023, its Board of Directors decided to renew its term of office for five years and increase its budget from 300,000 euros to 400,000 euros per year over five years.

A component of CSR

The commitment of Nexans through its foundation 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 strengthened this call by including in its new Sustainable Development Goals (SDGs) an energy component to "Guarantee access for all to reliable, sustainable, modern and affordable energy services" (SDG No. 7). An imperative long advocated by the International Energy Agency (IEA), which advocates universal 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). It is therefore a question of ensuring human, social, environmental and economic development of the most disadvantaged populations.

Ten years of solidarity through philanthropy

With a five-year budget of 1.5 million euros, since its creation the Nexans Foundation has supported 145 projects in 38 countries in partnership with 67 associations. These projects have brought, or plan to bring, electricity to over 2.2 million people. Due to the ever growing involvement of the Group's local entities, the Nexans Foundation supports large projects driven by well-known associations, such as *Électriciens Sans Frontières* (ESF), *Fondation Énergies pour le Monde* (FONDEM), *Groupe Énergies Renouvelables, Environnement et Solidarités* (GERES), TECHO CHILE and TECHO PERU, as well as smaller organizations, such as Shekina, AccesMad and Ecoswell.

It works on all continents, mainly in countries 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.

SINCE 2013:

- **38** countries involved
- **145** active projects
- **67** associations
- **2,220,000** beneficiaries

As part of the call for applications

11 PROJECTS SELECTED IN 2022

4 focus on IMPROVING THE QUALITY OF LIFE OF COMMUNITIES and meet four of the UN Sustainable Development Goals

3 are dedicated to HEALTH AND WELL-BEING

2 focus on EDUCATION AND SOCIO-PROFESSIONAL INTEGRATION

2 on SOCIO-ECONOMIC DEVELOPMENT

They will be rolled out in 9 COUNTRIES (Turkey, Brazil, Chile, Peru, Morocco, Côte d'Ivoire, Togo, the Democratic Republic of the Congo and Madagascar), again with the support of a local partner association.

PATRONAGE EMBODYING NEXANS' VALUES

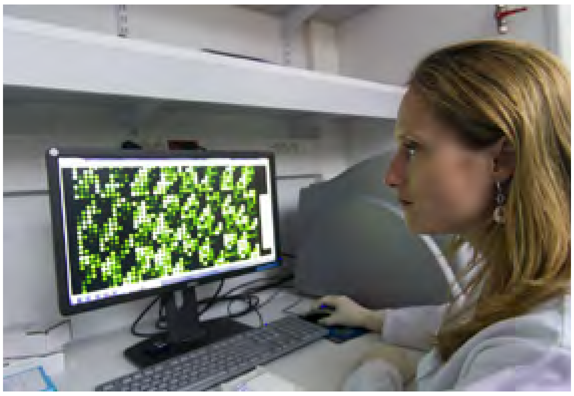
As a leader that is fully rooted in community life, Nexans has been involved in corporate philanthropy for many years, leveraging its expertise in sustainable electrification to serve the general interest in three areas: climate change, medical research and cultural and industrial heritage.

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.

Combating climate change

Since 2021 Nexans has sponsored Fabrice Amedeo's vessel (Imoca Nexans), equipped with sensors to take water samples during the last Vendée Globe. Samples were analyzed by the University of Bordeaux, determining the level of cellulose and microplastics in the ocean. This is a way for the Group to support the work of researchers and universities on marine pollution.

Accelerating medical research



Because it is involved in a universal struggle, Nexans supports the Institut Curie and is one of the corporate sponsors of the institute's MC[21] campaign within the framework of two flagship projects – Chemical Biology and SIREDO – which made significant progress in 2022. 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.

Enhancing cultural and industrial heritage

Sharing Edison's pioneering spirit, the Group joined The Edison Innovation Foundation as a gold partner to promote the Edison legacy and organize competitions for scientific skills, technological innovation and entrepreneurship. As such, it co-sponsors the Thomas Edison Pitch Contest, annual competition open to American students from middle school to the twelfth grade. In 2022, Team Telluric, from the Cabrillo Middle School (California) won both the first place and the first Nexans-Edison award. Thanks to its functional and intelligent prototype powered by alternative energy, the team managed to reduce the need for artificial lighting in vertical agriculture.

Nexans is also involved in the restoration of the Notre-Dame de Paris cathedral. Thanks to a sponsorship agreement signed in February 2023 with the public institution in charge of the conservation and restoration of the building, the Group provides its expertise in cabling to guarantee fire safety. It undertakes to donate nearly 200 kilometers of fire-resistant cables, necessary for the reopening of the cathedral in 2024.

SUCCESS

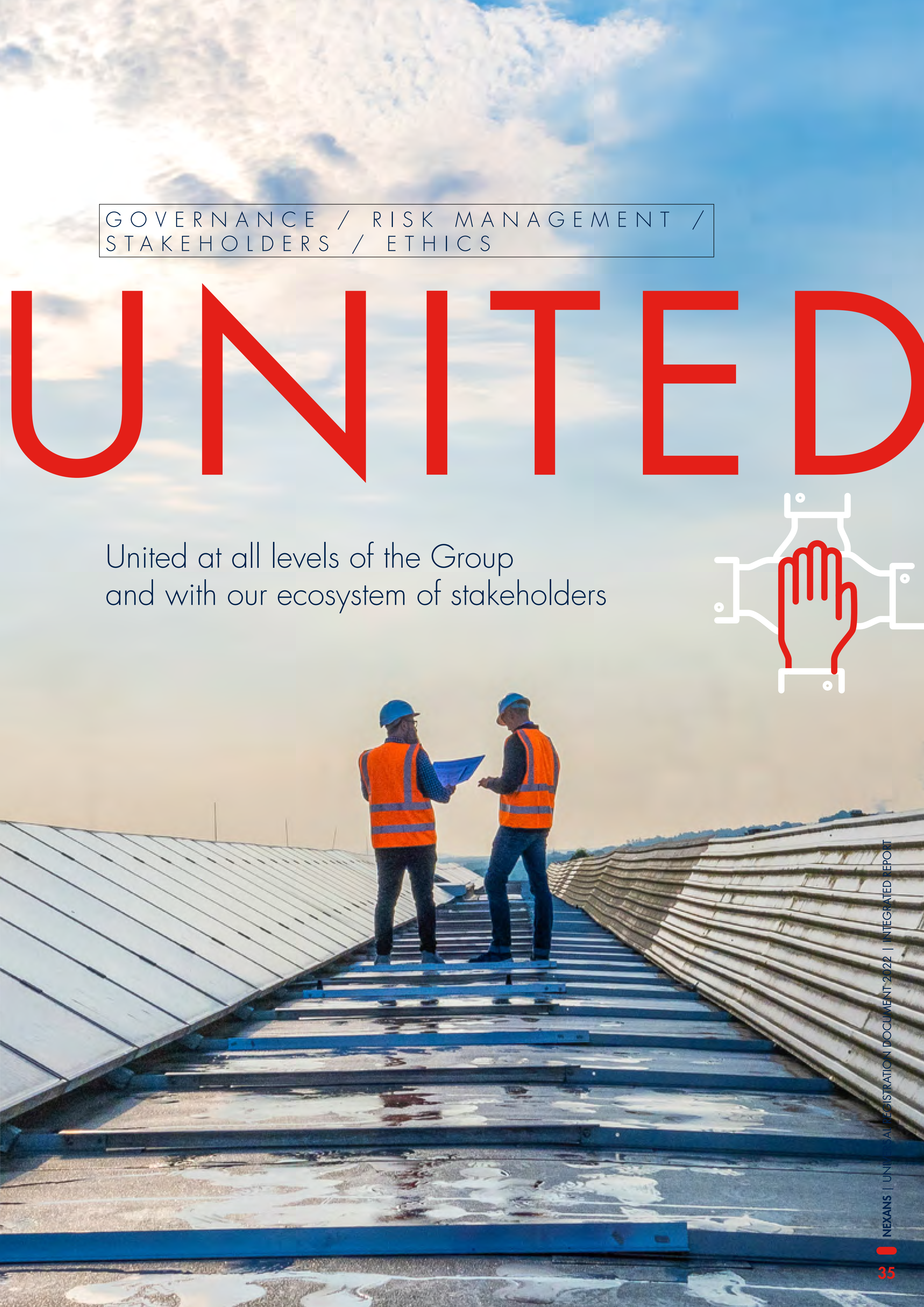
La *Fée Électricité* celebrates Science

Nexans' *Fée Électricité* participated in the thirty-first edition of the Science Fair of the Musée d'Art Moderne de Paris, of which the Company is a sponsor, a flagship event of scientific culture, whose theme in 2022 was "Climate change, mitigation and adaptation". Two workshops were offered to the public: SupraMontparnasse, illustrating the capacities of superconductors, and one on wind turbines at sea, illustrating how wind can be transformed into electricity.

GOVERNANCE / RISK MANAGEMENT / STAKEHOLDERS / ETHICS

UNITED

United at all levels of the Group and with our ecosystem of stakeholders



THE **EXECUTIVE COMMITTEE** IS READY TO MAKE AN IMPACT

As the main decision-making body, the Executive Committee comprises 11 members. Its objective: to define Nexans' strategy, resource allocation 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.

Christopher Guérin
CEO

IN ADDITION TO CHRISTOPHER GUÉRIN, THE EXECUTIVE COMMITTEE COMPRISES:

- **4**
  heads of geographic areas and business sectors
- **6**
  heads of operating divisions

Jean-Christophe Juillard
Deputy Chief Executive Officer and Chief Financial Officer

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

Vincent Dessale
Chief Operating Officer and Senior Executive Vice President

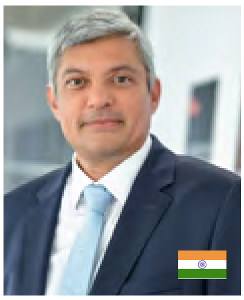
Juan Ignacio Eyzaguirre
Executive Vice President in charge of non-electrification activities

Jérôme Fournier
Corporate Vice President Innovation, Services & Growth

Julien Hueber
Executive Vice President in charge of the Europe and Oceania Distribution & Usages Business Group

Ragnhild Katteland
Executive Vice President in charge of the Generation & Transmission Business Group

Maria Lorente
Senior Corporate Vice President in charge of Human Resources and Corporate Social Responsibility



Vijay Mahadevan
Executive Vice President in charge of the Americas, Middle East and Africa Distribution & Usages Business Group

Élyette Roux
Corporate Vice President in charge of Sales, Marketing and Communications

A team streamlined for the 2022-2024 strategy

The Executive Committee's team is built to support Nexans' ambition. 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. In 2022, as Nexans entered the deployment phase of its strategy at several levels - operational, environmental, customer experience - the organization of the Executive Committee was simplified and aligned with the Nexans' electrification value chain. The objective of this new scope of responsibility: to make the Group even more effective, agile, efficient and resilient to any type of crisis.

The strength of diversity

Diversity is multifaceted within Nexans' Executive Committee: gender but also cultural pluralism with six different nationalities. Diversity also with an acceleration of its feminization, which reached 27% with the appointments of Elyette Roux and Maria Lorente Fraguas, in September 2021 and October 2022, respectively. The target for 2024 (18-20%) has therefore been achieved and exceeded.

CULTURAL PLURALISM

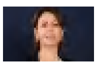
6
nationalities

THE PROPORTION OF WOMEN on the Executive Committee increased from 10% in 2020 to

27% in 2022

THE **BOARD OF DIRECTORS**, RESILIENCE AND RISK REDUCTION

The members of the Board of Directors collectively bring a wide range of skills required by the Group's activities, industry and international markets, many of them up to Executive Management level, to functional areas such as strategy, human resources, compliance, finance and communication.

PERSONAL INFORMATION						POSITION ON THE BOARD					PARTICIPATION IN A COMMITTEE			
	Surname and name, corporate name		Age	Gender	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	Jean Mouton		66	H		12,950	05/15/2019	2023 AGM	4	Yes				
Directors proposed by the main shareholders	Bpifrance, represented by Karine Lenglart		50	F		3,363,546	05/15/2019	2023 AGM	4	No	•	•	•	•
	Oscar Hasbún Martínez		53	H		500	05/15/2019	2023 AGM	4	No				C
	Andrónico Luksic Craig		68	H		6,953	05/14/2013	2025 AGM	10	No				
	Francisco Pérez Mackenna		64	H		500	05/31/2011	2025 AGM	12	No	•	•	•	•
Independent directors	Anne Lebel Lead Independent Director		57	F		500	05/17/2018	2026 AGM	5	Yes		C	C	
	Jane Basson		53	F		500	05/13/2020	2024 AGM	3	Yes		•	•	
	Laura Bernardelli		53	F		510	05/11/2021	2026 AGM	2	Yes	C			
	Marc Grynberg Director responsible for monitoring climate and environmental issues		57	H		2,000	05/11/2017	2025 AGM	6	Yes				•
	Sylvie Jéhanno		53	F		500	05/13/2020	2024 AGM	3	Yes	•	•	•	
	Hubert Porte		59	H		571	11/10/2011	2023 AGM	11	Yes	•			
Director responsible for monitoring climate and environmental issues	Angéline Afanoukoé		52	F		250	10/11/2017	2025 AGM	5	No			•	
	Selma Alami		47	F		734	05/12/2021	2025 AGM	2	No				
	Bjorn Erik Nyborg		46	H		0	10/15/2020	2024 AGM	2	No				

• *Member* **C** *Chairman / Chairwoman*

Directors representing employees and employee shareholders, a plus for the Group

Within Nexans' Board of Directors, the role of the three representatives of employees and employee shareholders is important and their opinions are invaluable during deliberations. Not only do they provide an internal vision of the Group's strategy, but they also share their intimate knowledge of its activities, markets, customers and know-how.

First steps of the Climate Director

Since January 2022, Marc Grynberg, who is also a member of the Strategy and Sustainable Development Committee, is the director responsible for monitoring climate and environmental issues at Nexans (Climate Director). Among other responsibilities, he promotes, facilitates and monitors the Group's climate and environment roadmap and action plan, and helps prepare the information presented at the Annual Shareholders' Meeting. He also participates in meetings with shareholders, during ESG roadshows, in collaboration with the Chairman of the Board of Directors and the Lead Independent Director. In 2022, he examined the Group's carbon strategy and the E^3 performance model and its deployment plan. He also reviewed the recommendations of the Task Force on Climate Related Financial Disclosure (TCFD), the gradual implementation of the European Taxonomy, and the communication plan.

Strategy seminar in Sweden

In September 2022, the directors participated in a two-day seminar in Grimsås (Sweden), to examine the various aspects of Nexans' strategy. Indeed, Nexans' Swedish site is one of two pilot sites where the Group is investing in a Factory 4.0 system and is building a warehouse and a logistics center of 3,000 square meters. This was an opportunity for Board members to gain an overview of the progress of these projects. Lastly, to close this seminar, the Group went to Norway and was able to visit the production facilities of the Halden site and the Nexans Aurora cable-laying vessel.

New provisions of the AFEP-MEDEF Code

To comply with the new version of December 2022 of the AFEP-MEDEF Code on the corporate governance of listed companies, Nexans amended the Internal Regulations of the Board of Directors in February 2023. The latter notably includes the determination of the Group's CSR strategy in the Board's missions and redefines the missions of the committees on ESG subjects. Another major change is the strengthening of the independence of the Audit Committee, which until then was Nexans' only non-compliance with the AFEP-MEDEF Code.

TYPICAL PROFILE OF A NEXANS DIRECTOR

55.5 years
average age

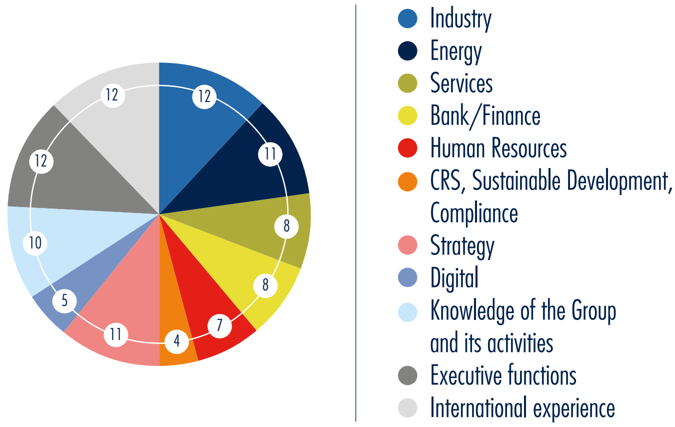
45.5%
feminization rate

57.1%
binational or foreign nationals

+63.6%
independence rate

AREAS OF EXPERTISE OF THE DIRECTORS

The members of the Board of Directors collectively bring a wide range of skills required by the Group's activities, industry and international markets, for many of them, these expertises go up to executive management level, to functional areas such as strategy, human resources, compliance, finance and communication.



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.

Within these committees, ESG is playing an increasingly important role. They all examine the various subjects that make up ESG – environment, climate, social, governance, risks and compliance – and integrate them into their work.

MANAGEMENT OF CRITICAL RISKS AND OPPORTUNITIES

At the heart of the governance mechanism, Nexans' risk management system contributes to the achievement of the Group's strategic objectives and helps to preserve its assets and reputation. It also encourages our teams to work together within a shared risk framework. Nexans has committed to regularly assessing its risks, and to putting in place internal controls and action plans aimed at mitigating them.

In 2022, Nexans closely monitored its industrial and commercial operations and its turnkey projects in countries exposed to geopolitical risks, particularly Ukraine. The systematic and continuous review of the geopolitical situation is integrated into the Group's investment decision-making processes, including for mergers and acquisitions. In order to minimize the potential impacts of the risk of geopolitical, political and social instability, Nexans is developing a supplier diversification and internal sourcing policy and is constantly improving its business continuity management processes at its industrial sites.

Facing the crisis in Ukraine

The Group is present in Ukraine through Nexans Autoelectric (less than 1% of the consolidated balance sheet), which has three plants in the west of the country, near the Polish border, specializing in the manufacture of automotive harnesses. Since the start of the war with Russia in February 2022, Nexans has been monitoring developments very closely, focusing above all on employee protection as well as on supply chain issues and business continuity. Throughout 2022, its plants continued to operate and meet their commitments to customers thanks to the full commitment of Nexans Autoelectric's Ukrainian employees to keeping their production facilities in operation.

To manage this crisis, the Group has implemented several actions, including:

- **crisis monitoring** through daily calls between Business Unit Heads and the Ukrainian management team, followed by calls with the Group's corporate team in Paris;
- **measures to protect Nexans employees** to ensure their safety in the event of bombardment near factories (shelters, making factories less noticeable, organization of a shuttle bus, etc.) and their survival, particularly at the beginning of the war when the supply of basic necessities to the population was not guaranteed. As a sign of solidarity and recognition of their efforts, the German management of Nexans visited them in April 2022;
- **strengthening the relationship with the Group's main customers** following a study commissioned by the latter to verify potential solutions that could ensure business continuity in the event of a risk of further deterioration of the Company's operations in Ukraine;
- **the divestment of Nexans' minority stake** held in the Impex entity based in Russia. A preliminary sale agreement was signed in July 2022 with an effective date of sale set to the end of July 2022;
- **developing the agility of the Nexans supply chain** faced with the impact of the crisis on the Group's markets, in particular by developing alternative sources of supply for raw materials (aluminum and copper) and by securing energy prices for the years 2023 and 2024.

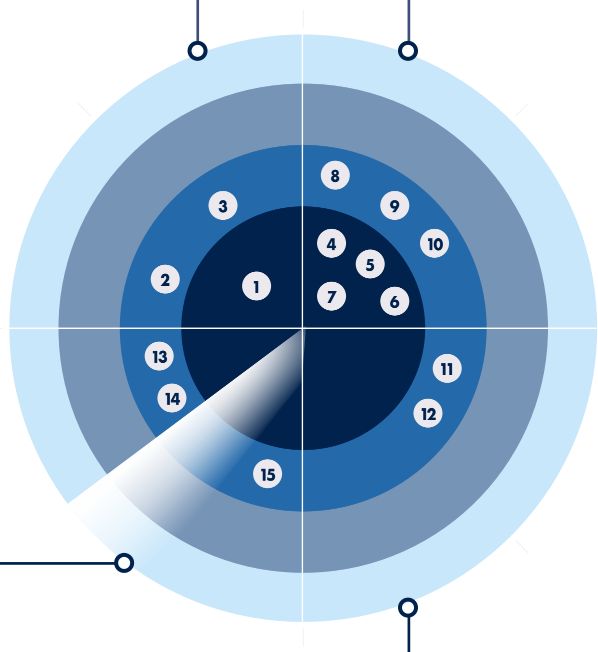
RISKS MAPPING

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 Generation & Transmission 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 the volatility of energy prices
>> Material

10. Risk related to contractual liability: product liability
>> Material

FINANCIAL RISKS

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

14. Related to interest rates
>> Material

15. Related to liquidity
>> Material

LEGAL AND COMPLIANCE RISKS

11. Risk related to non-compliance with antitrust laws
>> Material

12. Risk of non-compliance with anti-bribery legislation
>> Material

● **Critical** ● **Material** ● **Moderate** ● **Low**

Risks and opportunities of the Power Generation & Transmission sector

In 2022, the Group posted a record order book in the Power Generation & Transmission sector, a sector showing real growth potential. The two vertical market segments in which Nexans is mainly engaged - interconnection and electrification projects (onshore and submarine) and offshore wind projects - also require a robust risk management process. This is for two main reasons: the increase in the size of projects on the one hand, and the increasing technical complexity on the other hand, due to the ever greater depths at which these submarine cables must be laid, and to cables of greater size and dynamic applications.

The Group has developed a risk management system for turnkey projects, based in particular on i) a systematic risk assessment procedure for all commercial offers for the Generation & Transmission activities, ii) project execution by a project manager relying on specialized teams responsible for delivering the project within budget, quality and deadlines, and iii) the acquisition of new skills for the management of subcontractors involved in the increasingly large and complex civil engineering work. On January 15, 2022, Nexans obtained certification from Bureau Veritas of Nexans' organization and risk management processes in place for turnkey projects.

THE ECOSYSTEM OF **STAKEHOLDERS**

With a pioneering vision of the economic and environmental transformation, Nexans makes a point of promoting frequent and high-quality dialogue with its stakeholders, always endeavoring to take their expectations into account. This policy is based on a rigorous and proactive ethics and CSR approach.

Contribution to the formulation of the purpose "Electrify the Future" and the Group's values, co-construction of sustainable offers and the preservation of natural resources, total financial transparency, etc. Nexans' stakeholder ecosystem is committed to initiatives that make sense and sustain the Group's development. And to mobilize it in a sustainable manner, Nexans is committed to cultivating and leading a real collective intelligence.

EMPLOYEES

Nexans has set itself a constant objective of improving the commitment rate of its employees. In 2022, it reached 77%.

CUSTOMERS

Through its SHIFT Prime program to strengthen a customer and innovation-oriented culture, Nexans is accelerating the creation of Design Labs and the implementation of life cycle management of the offers from innovation to launch. In 2022, SHIFT Prime was rolled out in 17 countries.

INDUSTRY PARTNERS

Suppliers, subcontractors, etc.

As part of its sustainable purchasing policy, the Group makes all its suppliers aware of the key CSR requirements, for example by having them sign the new Nexans CSR Supplier Charter. The Group also launched, *via* the AMPLIFY program, numerous major partnerships with Orange Business Services, Schneider Electric, Microsoft, etc. to accelerate the digital transformation via Industry 4.0 or the development of improved AI and cloud solutions.

FINANCIAL PARTNERS

Shareholders, banks, rating agencies etc.

As a driving force for quality dialogue with its shareholders and the financial community, Nexans is particularly demanding when it comes to choosing the banks with which it works. The Group is also attentive to the assessments of non-financial rating agencies, which are carried out in an increasingly structured and transparent framework.

LOCAL PARTNERS

Local communities, economic and academic players, etc.

In addition to ensuring that it scrupulously complies with its tax obligations in all countries in which it operates, Nexans also works with local authorities to help boost the labor market and thus contribute to the development and dynamism of the regions. The Group focuses on improving the industrial performance of benchmark sites, such as Autun (France), where Nexans is the second largest employer of the municipality. Its 40-million-euro investment plan will enable Autun to become a pilot site for the creation of new manufacturing processes, for subsequent deployment at the Group's other 40 sites. The objective is to improve the site's competitiveness and improve the technical skills of its employees. New jobs are expected to be created.

Sphere of influence

Subject to strict compliance with the rules of the Code of Ethics and Business Conduct, Nexans carries out its lobbying activities mainly through its membership of professional associations and focus on initiatives related to cables (renewable energy and safety, social, tax and governance).

EVENT

Nexans received several prizes at the 2022 edition of the Institutional Investor awards

For the third consecutive year, Nexans occupied the best places in the ranking following the 2022 Institutional Investor Developed Europe survey on management teams. The Group was the second most honored company in the small- and mid-cap capital goods sector, receiving awards in the Best Chief Executive Officer, Best Chief Financial Officer, Best Investor Relations Program and… Best CSR categories.

SUCCESS

The syndicated credit facility for 800 million euros

In October 2022, Nexans signed a new multi-currency syndicated credit facility agreement, in the amount of 800 million euros, with a pool of banks, replacing the agreement dating from 2018 for 600 million euros. A facility that will strengthen and secure the Group's financial liquidity until 2029. The syndicated credit facility was oversubscribed by more than 100 million euros. This operation, which was a real success, consolidates the ties with the Group's 13 partner banks and supports Nexans' strategic ambition.

Dynamic discussions with our investors

Nexans maintains a regular dialogue with the financial community, particularly with its investors in the context of numerous meetings (roadshows, conferences, etc.) which are all opportunities to constantly meet their expectations in terms of strategy, performance, Group transformation and socially responsible investment (SRI). Nexans is now a leading actor and confirmed this in 2021 by launching its new pure player electrification strategy, combined with the ambition of making an additional investment of over 200 million euros between 2022 and 2024 in new production capacities. Investments continued in 2022 in electricity Generation & Transmission at its Halden (Norway) and Charleston (USA) sites, securing an order book for major projects (the Celtic Interconnector between France and Ireland, the Revolution offshore wind farm and the Empire Wind project in the United States, etc.).

In 2022, Nexans organized a visit to its high-voltage plant in Charleston in the United States. A unique opportunity for investment players to discover the only high-voltage plant in North America and to discuss with the Group's management and experts.

The Group meets its investors at numerous thematic conferences organized by the 13 analysts who regularly monitor the Group and it meets with investors during roadshows.

In order to increase the understanding of its activities, the Group also organized, for its individual shareholders representing X% of the Company's share capital, a visit to its AmpaCity R&D center in Lyon. On this occasion, they had the opportunity to discover four of the laboratories and to discuss with the managers in charge of this work: Fire Safety, Digital Solutions, Materials and Ecodesign, and High-voltage and Superconductivity.

Close partnership with banks

The change of the business model of Nexans, with an increase in long-term framework contracts, positively impacted the Group's relationship with its banking ecosystem. The recent success of the renewal of its syndicated credit line (see box) has thus increased the circle, from 11 to 13 banks. With a shared desire to work hand in hand over the long term, and to move into new strategic regions for Nexans, such as North and Latin America.

In Nexans' selectivity with regard to its circle of banks, several criteria come into play. They must be very well rated - short-term ratings of at least A2 by Standard & Poor's and P2 by Moody's – or majority-owned by their home country – which can only be a Member State of the European Union, Canada or the United States – itself highly rated.

In addition to the banking sector, international organizations such as the European Investment Bank (EIB) play a major role. Like the loan of 200 million euros that it granted in 2021 to promote Nexans' active participation in the global energy transition and its commitment to contribute to achieving carbon neutrality by 2030.

European Investment Bank

It is essential for the Bank to support sectors that act to respond to the climate emergency and such projects with a high social impact, through the preservation of jobs and technical know-how at a key European player, in the cable sector. The extension of the Nexans plant in Halden to serve renewable energy infrastructures, as well as the digital transformation of the production tool, are concrete examples of Nexans' clear roadmap to which the Bank's financing will be allocated.

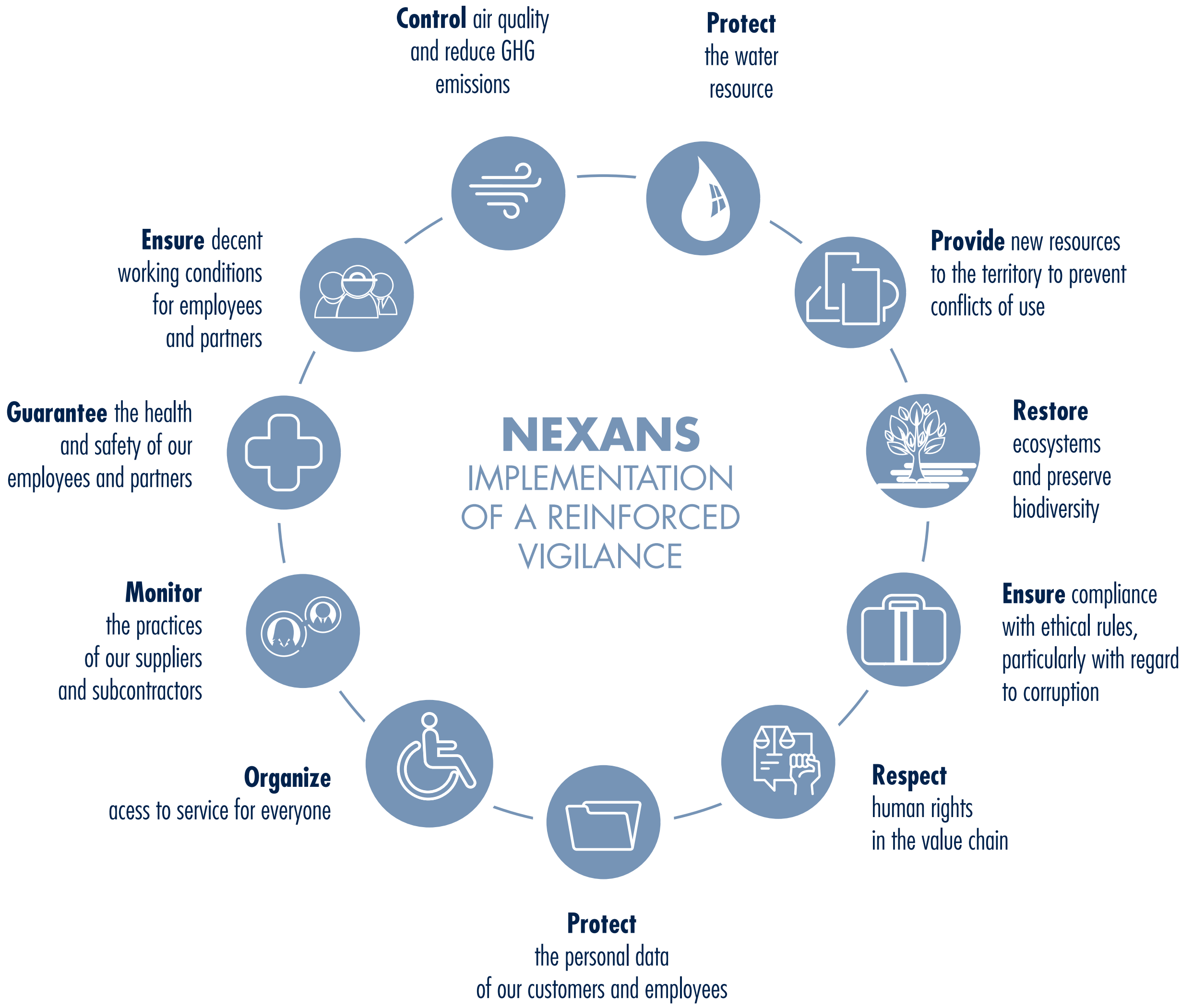
Crédit Agricole CIB

We all have a responsibility, for ourselves and for future generations, in the fight against global warming. This is why our Bank will continue to promote initiatives and commitments to actively contribute to this fight. We act and will continue to act in the interest of our customers, in particular to support their transition. A pioneer in responsible finance and climate transition financing, Crédit Agricole CIB relies on more than 250 experts to support its customers on these topics.

ETHICS AND COMPLIANCE

Aware of the central role played by compliance and business ethics in good corporate governance, Nexans is committed to transparency and exemplarity based on respect for regulations and standards. Whether in its relations with customers, suppliers and subcontractors and more generally with all third parties, this requirement to respect best practices in terms of ethics and compliance guides the daily actions of its employees who act as guarantors. It is one of the key levers of its social responsibility policy.

Nexans makes ethics a crucial element of the Group's culture and strategy. Its compliance system is recalled during continuous training sessions for all Group employees and several tools are made available to them so that the various controls required by the compliance system can be carried out.



Anti-corruption risk mapping

Nexans performs its risk mapping by conducting interviews with managers (in particular the Chief Executive Officers, Finance, Sales and Purchasing Managers) on the potential risks related to corruption, taking into account both the country of business and the commercial activity carried out by Nexans in said country. At the end of these interviews, risk scenarios are created and then assessed. Lastly, they lead to the elaboration of action plans intended to limit or prevent precisely identified risks. In 2023, the Group plans to digitize this exercise and make it a determining and fully assimilated factor in the construction of its Compliance Program.

2022 Nexans Suppliers Day

This second edition, in a face-to-face format, was once again a great success. The objective: amplify the impact of the E^3 performance model from Nexans to the Group's strategic suppliers. As stakeholders in Nexans' ecosystem, these key partners make a significant contribution to securing its supply chain and supporting its ambition for electrification, in a more volatile, uncertain, complex and ambiguous environment. The event was an opportunity for several members of the Executive Committee to present Nexans' priorities and share its vision, with a particular focus on innovation and sustainable development. Round tables were then organized, which were the source of numerous exchanges, followed by face-to-face sessions where the results of each customized E^3 roadmap, defined in 2021, were examined. From an economic standpoint, suppliers not only contribute to competitiveness but also ensure the continuity of the Group's activities and provide innovative solutions. As regards environmental matters, Nexans is raising its ambitions concerning its suppliers, by addressing CO_2 competitiveness on a factual and quantified basis. Some great success stories were shared. This is a reminder that Nexans is seeking value, invests and relies on its key suppliers to support its own commitment to its customers. This works on the basis of mutual preference, 100% reliability, transparency, and E^3 performance. In short, an ecosystem that works together.

SUCCESS

2022 Compliance Week

The Nexans Compliance Week, a 100% digital training program, was held in 2022 via the MyLearning tool. Mandatory for all senior employees, this training is also open to all Group employees. This new edition, translated into 11 languages to be as accessible as possible, focused on the update of the Nexans Code of Ethics and Business Conduct, which now includes a Human Rights Charter. The Group plans to continue to develop and update the training provided to all its employees in terms of ethics. In a decentralized compliance system, the training of employees is a determining factor. This is why the Group strives to train as many of its employees as possible each year by implementing a compliance training program. At the end of 2022, 100% of the Group's managers had followed the Compliance Week program.

About the integrated report

Nexans' integrated report is intended for all Group stakeholders.

This edition, in the form of a single document with the URD, particularly focuses on demonstrating how the project of creating a pure player in electrification is part of a long-term vision, driven by Nexans' strategy and through its E^3 performance commitment.

Inspired by the reference framework proposed by the IIRC, the integrated report is the result of collaborative work involving the Group's various departments.

The integrated report provides a comprehensive overview of Nexans' activity and its value creation strategy. For a more comprehensive approach to the 2022 fiscal year, please refer to the Universal Registration Document.


Nexans

JEAN MOUTON,
CHAIRMAN OF THE BOARD OF DIRECTORS

«

A BOARD OF DIRECTORS PLACED IN 2022 UNDER THE SIGN OF EVEN MORE STRUCTURED WORK, FLUID EXCHANGES, CONSTRUCTIVE DISCUSSIONS, STRATEGIC SEMINARS DESIGNED TO INFORM AND SHED LIGHT.

As the term of office as Chairman of the Board of Directors, entrusted to me in 2019, comes to an end, and I am preparing to request its renewal, I would like to thank Nexans' executive management for this gesture of confidence and express my gratitude to all those who, alongside me, have shared heavy responsibilities over the years, in an unprecedented context of profound crises.

First of all, I am delighted by the quality of the collaboration between Nexans' governance bodies and within the Board of Directors. A Board of Directors placed in 2022 under the sign of even more structured work, fluid exchanges, constructive discussions, strategic seminars designed to inform and shed light, thanks to the contribution of innovative methods and on major themes such as ESG. A Board of Directors that welcomes the redesigned management in terms of sustainable development and the transparency of movements within the Company. A Board of Directors that tries to be ahead of the curve with regard to future problems, to anticipate for better responsiveness, fluidity, agility, etc. Which encourages management to recheck the relevance of the Group's strategy, in a constantly changing context. In this respect, the strategy seminar organized last fall at our flagship site in Grimsås, Sweden, proved to be very informative, demonstrating to the directors the Group's ability to rely on a clearly defined strategy to better reflect on the ecosystems in which it operates and its possible extension to the rest of the value chain.

Through the changes made in 2022 in the composition of the Board of Directors' committees, we are witnessing the rise of major issues such as director independence, in particular feminization and ESG. As proof of this, I refer to the appointment of a Climate Director, Marc Grynberg, from among the ranks of the independent directors, and that of Laura Bernardelli as director and Chairwoman of the Accounts, Audit and Risk Committee. I would also like to highlight the renewal of Anne Lebel as Lead Independent Director, Chairwoman of the Appointments and Corporate Governance Committee and Chairwoman of the Compensation Committee. At present, the Board of Directors has an independence rate of more than 63%, exceeding the proportion of half recommended by the AFEP-MEDEF Code.

2022 WAS A YEAR OF ACCELERATION FOR NEXANS' STRATEGY AND FOR A FULL-SCALE TEST OF ITS STRENGTH!

The year 2022, which opened with the conflict in Ukraine, adds a new responsibility to the social and economic responsibilities of companies: geopolitics. A Crisis Committee, set up within the Group from the start of the conflict, makes it possible to closely monitor the situation of our employees on site. I salute the resilience of the Ukrainian teams, which decided to continue their work, often also entering into resistance, thus winning respect and credibility with our most demanding customers in the German automotive industry. Beyond Ukraine, I pay tribute to all regions of the world impacted by the disrupted geopolitical context, but where the Group has decided, in my view rightly so, to support its teams and to continue its activity with determination.

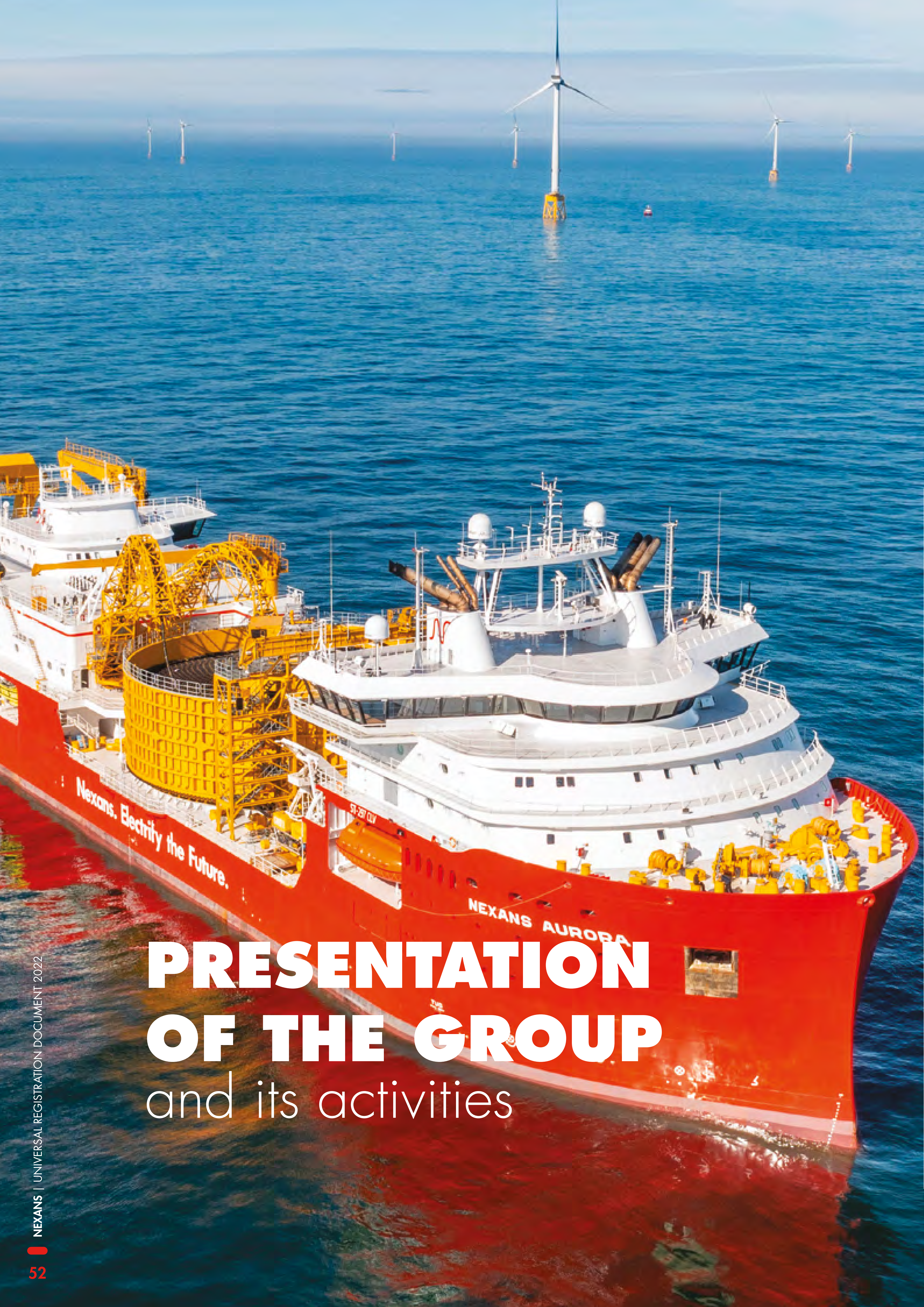
In 2022, Nexans confirmed its strategy of recycling used copper and aluminum cables. In addition to the environmental imperative, giving a second, non-degraded life to these metals is also an economic necessity, as copper will be a scarce resource in the coming years. Recyclable many times with the aim of retaining its physical, electrical or mechanical properties, copper is found in cables but also in batteries and wind turbines. We have made recycling a central issue in our R&D and wish to contribute to structuring a sector around it in all the countries where we are present. In addition to these metals, in September 2022 Nexans also became a member of the Circular Plastics Alliance, as part of its overall climate commitment to reduce the environmental footprint of its operations and value chains. A way to reaffirm the Group's promise to improve the recycling, supply, manufacturing, distribution, use and efficiency of plastics in its products and packaging.

Added to recycling comes the innovative power of Nexans, designer of a revolutionary technology: the superconducting cable. And the Group is particularly proud to deploy it in France in 2023, driven by the contract with SNCF Réseau to equip the Montparnasse train station in Paris. Superconductivity is changing the electrification landscape because it allows the power of three nuclear power plants to pass through a cable with a diameter of 17 cm. Major cities have seized the full potential of this innovation. Indeed, Nexans was chosen for the installation of a link with a superconducting cable to New York in 2008, in Germany in 2017, and to Chicago in 2021.

2022 was a year of acceleration for Nexans' strategy and for a full-scale test of its strength! An acceleration making us essential in major international markets. Starting with the securing of very large contracts in the Power Generation & Transmission business, such as Empire Wind, which will supply New York with renewable energy. The Group is also continuing the modernization of traditional plants, through the 4.0 plant, accompanied by premium partners. As at the Autun site in France, where Nexans is investing 40 million euros to make it the laboratory of an ambitious Industry 4.0 program. In the spring of 2022, Nexans also made its first acquisition in ten years, that of Centelsa in Colombia, a manufacturer specializing in Building and Energy Grid applications. This transaction consolidates our presence in Latin America, where the Group already operates four sites in Colombia, Peru, Chile and Brazil and employs 1,300 people. Lastly, the Group is continuing its asset disposals within the framework announced in early 2021.

In the space of four years, our business has evolved from presenting an industrial challenge to being more "project management" oriented, combining short-time and long-time perspectives. The challenge for Nexans today is to bring together the right human resources and support their development to manage these high value-added activities, its scope of action having widened as projects become more complex. The Group can also count on the strong commitment of its employees, as recently illustrated by the excellent results of the latest Act 2022 employee share ownership operation.

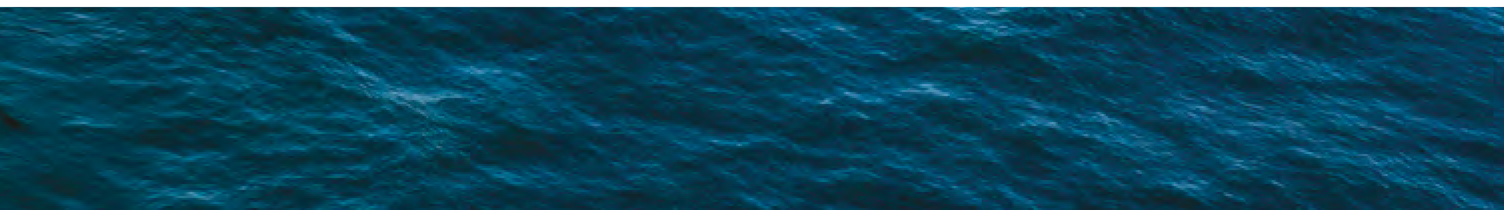
2022 was a record year with unprecedented results, proof of the relevance of Nexans' vision and ambition. The employees and the Executive Committee, supported by the Board of Directors, remain fully committed to the execution of the Group's strategic plan and to contributing to the energy transition. In an ever-changing environment, we are confident in our ability to continue to deliver strong financial performance and to create long-term value for all our stakeholders.



PRESENTATION OF THE GROUP

and its activities


01



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 et Cie 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 Câbles Électriques (SCE) to build the first cables: Nexans was born.

1881: Société d'Exploitation des Câbles Électriques 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 Électriques 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: By the early 1980s, CGE-Câbles de Lyon already held a leading position in the European cable market. The Company entered the United States, with the purchase of a stake in Chester Cables.

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 (515 million Australian dollars), 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 dollars 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 Nations' 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.

The "New Nexans"

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 the development of offshore wind farms in North America. The agreement provides for the supply of up to 1,000 kilometers of energy export cables for Ørsted's projects in the United States until 2027.

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 a sale agreement with Mutares SE & Co. KGaA concerning Nexans Metallurgie Deutschland GmbH (NMD), a Nexans subsidiary specializing in the production of oxygen-free copper rod and drawn wire.

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, bringing together experts from different backgrounds.

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 Generation & Transmission business with the inauguration of its Charleston plant, the only subsea high-voltage cable plant in the United States, and Nexans Aurora, the most advanced cable-laying vessel in the world.

At the same time, the Group won major contracts for offshore wind and interconnection projects, including a contract for the Moray West offshore wind farm in Scotland, and a project worth more than 650 million euros for the Tyrrhenian Links interconnection between Sardinia and Sicily.

In November, the European Investment Bank (EIB) 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.

2022: In February, S&P Global Ratings raised its long-term rating from BB to BB+.

In April, Nexans finalized the acquisition of Centelsa, a manufacturer of high-end cables for Usages & Distribution applications in Latin America, from Xignux SA.

In May, Nexans' ambitious climate targets for 2030 were validated by the SBT (Science Based Targets) initiative, illustrating Nexans' commitment to decarbonization.

In June, Nexans inaugurated AmpaCity, its global research and innovation center in Lyon dedicated to low-carbon electrification.

In November, Nexans signed an agreement with Reka Industrial PLC for the acquisition of Reka Cables in Finland.

On the strength of its position in the United States, the Group won several contracts for American offshore wind farms, in particular a turnkey cable contract for the Empire Wind 1 project of the joint venture between Equinor and BP and the Ørsted and Eversource projects South Fork and Revolution Wind. The Group also achieved major successes in interconnection projects between countries, such as the Celtic Interconnector project, enabling the direct exchange of electricity between France and Ireland. The Group is also a preferred supplier for the EuroAsia Interconnector project between the national electricity grids of Israel, Cyprus and Greece (Crete).

1.2 Description of business segments and markets

With a unique level of integration, from metallurgy to recycling, the Group offers its customers a unique proposition: cutting-edge cabling technologies and services, tailor-made support and solutions for the entire value chain - engineering and design, production, installation and maintenance.

1.2.1 Electrification businesses

1.2.1.1 Power Generation & Transmission

2022 KEY FIGURES

€897m sales (13% of Group sales); €145m EBITDA; 4 plants; 2 cable-laying vessels.

DESCRIPTION OF POWER GENERATION & TRANSMISSION

The Power Generation & Transmission segment (previously High-Voltage & Projects) is at the heart of the energy transition and sustainable electrification. It provides high-voltage cables and services for the connection of offshore wind farms to land, short or long distance, as well as for transnational land or submarine interconnection projects between electricity production and consumption areas.

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's value proposition is based on four pillars:

- solid experience in project execution;
- strong risk management skills through a unique risk-reward modeling process and continuous innovation to detect any failures;
- state-of-the-art production and facility assets;
- cutting edge technologies: mass impregnated (MI), cross-linked polyethylene (XLPE) and dynamic cables.

Nexans has made several major investments in this activity in recent years. 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 only 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 to upgrade the subsea and land HVDC manufacturing capacity of the Charleston plant.

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 metric 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.

MARKET TRENDS

Though the development of offshore wind energy is still in its early stages, it already represents an important market for power cables. More than 200 gigawatts of offshore wind turbines will be installed worldwide by 2030 driven by significant improvements in competitiveness, strong acceptance and regulatory pressure in favor of renewable energies. Planned and ongoing projects are increasingly larger, deeper and farther from the shore, turning technology and risk management into key differentiators for customers. With 250 to 400 million euros of cable per gigawatt installed, the cable market is expected to grow by +11.5% per year to reach 8 billion euros per year by 2030 [(1)].

The sustainable electrification of the world requires the increase in energy production capacities, in particular from renewable sources, but also the increase of interconnections able to transport more energy over longer distances at sea and on land, thus the exchange of energy between countries to fully exploit the potential of renewable energies, which are characterized by intermittent production. By increasing the connectivity between national electricity grids, it is possible to match electricity supply and demand at the transnational level, stabilize the electricity supply of countries, and reduce blackouts, shortages and price fluctuations.

The interconnection cable market is expected to grow at a pace of +14.3% per year to reach 5 billion euros by 2030 [(2)] driven by an already strong pipeline of large planned or ongoing projects.

(1) Roland Berger study

(2) Roland Berger study

1.2.1.2 Power distribution

2022 KEY FIGURES

€1,081m sales (16% of Group sales); €89m EBITDA

DESCRIPTION OF POWER DISTRIBUTION

Cables and electrical accessories are key elements of the electricity value chain to transport the energy produced to its point of consumption. Distribution system operators (DSO) provide distribution *via* overhead cables and underground cables.

Nexans designs and manufactures medium- and low-voltage aluminum cables from 1 kV to 33 kV. The Group offers fully integrated turnkey solutions to operators to gradually modernize their networks: these solutions range from cables and accessories (transformers, switches, splices and cable ends) to the most advanced services for the operation, optimization and maintenance of networks.

Nexans excels in this area, at the heart of its DNA, thanks to:

- long-term framework agreements with major energy distribution networks;
- turnkey solutions for electrification and bundled offers including cables and accessories; and
- a revolutionary technology: superconductivity.

In addition, the Group has developed innovative digital solutions: Asset Electrical, an asset management solution from Nexans specially designed to help network operators obtain maximum returns on their electricity network; or Ultracker Drums, a unique solution using IoT technologies to locate drums in real time, in order to optimize their management, logistics and turnaround times while avoiding the loss and theft of cables and reels.

The Group has a long-term relationship with its local DSO customers - ENEL, ENEDIS, E-ON FLUVIUS, UKPN, KAHRAMAA; renewable energy operators such as ENEL Green Power, SSE, ERG; and, in some countries, major energy installers such as Engie Energy, Vinci Energy, etc.

The Distribution segment operates in Europe, North America, Asia-Pacific, Africa and the Middle East, with a local industrial presence.

MARKET TRENDS

Massive investments of around 4.4 trillion euros by 2030 will be made for the development of networks, mainly due to global electrification and the development of renewable energies. All over the world, DSOs are facing an increase in investments to develop and replace electricity networks.

The expected investments in renewable energies should generate new connection needs, while the increasing electrification of emerging countries is leading to the development of new electricity grids to cover isolated areas.

In industrialized countries, massive investments will be necessary to modernize aging infrastructures and ensure the security and reliability of networks, particularly in Europe and North America.

In this context, the Distribution cable market is expected to grow by +4.2% per year by 2030 [1].

1.2.1.3 Usages

2022 KEY FIGURES

€1,837m sales (27% of Group sales); €221m EBITDA

DESCRIPTION OF USAGES

The Group 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 focuses its offer on three areas:

- the electrical safety of end users;
- products that are easy to handle and install;
- smart products integrated into a digital ecosystem.

Nexans pursues a strategy of differentiation through technical performance and its ability to offer its customers solutions and systems beyond cable to support them in their projects before, during and after. The Group also develops sustainable and environmentally-friendly products in order to reduce their environmental impact, in particular by integrating recycled products into its cables or offering recycling solutions to its customers.

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.

The Group's main customers are 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 distributors such as Brico Depôt, Leroy Merlin, Sodimac and Bunnings.

The segment operates in Europe, North America, Asia-Pacific, Africa and the Middle East, thanks to its strong distribution network and a local presence to reduce transport-related CO_2 emissions.

MARKET TRENDS

In an increasingly electric world, electricity consumption is expected to grow by +20% by 2023. In this context, the Uses cable market is currently estimated at 55 billion euros and is expected to grow at a rate of +3.6% per year to reach 81 billion euros by 2030 [2]. This dynamic is supported by different drivers depending on the region:

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

(1) *Roland Berger study*

(2) *CRU, Roland Berger study*

1.2.2 Non-electrification businesses

1.2.2.1 Telecom & Data

2022 KEY FIGURES

€321m sales (5% of Group sales); €35m EBITDA

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 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 usages 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.

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.

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

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. At the heart of this revolution in our lifestyles, cable connections play a crucial role. The Telecom cable market is expected to grow by +3.4% per year between 2019 and 2030 [(1)] boosted by the digitalization of the economy and 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.

The 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 wireless technologies.

1.2.2.2 Industry & Solutions

2022 KEY FIGURES

€1,559m sales (23% of Group sales); €135m EBITDA

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 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.

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 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, chemical and nuclear industries.

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

(1) Roland Berger study

MARKET TRENDS

Growth in these segments is driven by market trends, 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% per year between 2019 and 2030 [(1)].

1.2.3 Metallurgy

2022 KEY FIGURES

€1,049m sales (16% of Group sales); 4 copper rod mills

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 approximately 600,000 metric tons of wire rod per year and has solid know-how in copper and aluminum hedging.

Copper wire rods are used by the Group's cable companies, and by other cable producers that do not benefit from such vertical integration.

Committed to responsible copper production, Nexans is the first wire rod manufacturer in the world to have applied, as part of a pilot project, for the Copper Mark label for its two plants in Lens (France) and Montreal (Canada).

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 2022, this unit treated about 25,000 metric tons of cable scrap, some of which was reused at the Lens metallurgical plant.

MARKET TRENDS

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.

Copper is therefore expected to experience a surge in demand from 29 million metric tons in 2020 to 40 million metric tons by 2030 [(2)]. In this context, the challenges of access to copper, its collection and its recycling are major issues.

1.3 Innovation and technology

With a unique vision on the market, fully dedicated to electrification, Nexans makes a point of offering all its customers the highest level of services and innovation.

This is not only a differentiating marker of the Company, but also plays a key role in the Group's financial and non-financial performance: it contributes to Nexans' growth in value through the development and marketing of new offers, while meeting the new challenges of its customers. The Group is positioned at the heart of promising markets thanks to its solutions for the energy transition, the climate and the protection of people and infrastructure.

The Group's spending on innovation amounted to around 87 million euros in 2022. This amount illustrates the Group's commitment to developing and maintaining a portfolio of innovations, often co-developed with a solid ecosystem of partners, to serve its operational excellence.

More than 800 experts and engineers work in dedicated entities or contribute to innovation through the development and marketing of new offers and products. Lastly, patented inventions contribute to the Group's competitiveness and the differentiation of its offers, and illustrate its capacity for technological innovation. With 75 new inventions protected under first patent applications in 2022 in various regions, Nexans is the top patent applicant in its industry. Nexans' global portfolio comprises more than 2,200 patents.

(1) Roland Berger study

(2) Goldman Sachs and Nexans estimates

1.3.1 Innovate with ecosystems

Nexans relies on its Design Labs, Technocenters and AmpaCity, its new global innovation center, inaugurated in Lyon (France) in 2022, to federate its innovation ecosystems.

To meet and anticipate the challenges of its customers, Nexans has created a network of Design Labs responsible for managing the design, development and industrialization of new offers, based on an in-depth analysis of customer and market expectations:

- the **Digital Design Lab** is dedicated to the development of digital services and solutions based on technologies such as cloud, artificial intelligence (AI) and the Internet of Things (IoT);
- the **Electrical Grid Design Lab** helps network operators optimize the performance and reliability of their electrical infrastructure, from generation to distribution to the end user;
- the **Building Design Lab** focuses on the needs of customers, users and installers of cabling systems for buildings. It aims to facilitate the installation of cable networks, improve electrical safety and fire protection, and contribute to Smart Buildings.

The Group's new **Innovation Center** in Lyon embodies its commitment to dedicate all of its research to sustainable electrification. The research covers electrical insulation performance (including very high voltage and aging), the ability to anticipate and detect failures, the development of materials with reduced environmental impact, fire-rated cable systems, cable production processes and digital technology. The Innovation Center represents an investment of 20 million euros and employs 100 Nexans engineers and technical experts from different countries.

In order to accelerate the development of unique solutions, Nexans has **partnered with leading industrial and technological players**. In particular, Nexans has signed a partnership agreement with Orange Business Services for the provision of IoT connectivity and has set up partnerships with Microsoft Azure to develop enhanced artificial intelligence 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. Nexans has partnered with CosmoTech for the development of digital twins, which make it possible to reproduce the network and its management system, simulate the risks and consequences of decisions, and thus make the best investment choices. The Group has signed strategic partnerships with leaders in its ecosystem such as Bureau Veritas, Digital Matter, Sigfox, Suez and Schneider Electric for a joint program to accelerate its digital transformation.

Nexans is also involved in **collaborations with universities and research centers** (CEA, SuperGrid, EnergyVille, universities, CNRS laboratories) for technology development projects, in particular on cable aging and the behavior of insulation under very high voltage, the development of recycling solutions, and new DC electrical architectures.

1.3.2 Innovation at the service of customers

The Group's commitment to serving its customers is based on three pillars:

Customer experience – Nexans supports its customers before, during and after their most demanding projects. The Group's offers go beyond the supply of cables as it also provides dedicated systems and services (in logistics, connected users, Internet of Things, etc.) meeting its customers' challenges while helping them optimize their capex and opex.

Digital – Digital technology is now part of all the Group's new offerings: while offering a better customer experience, it makes it possible to make better decisions and create differentiating solutions. Nexans is leveraging digital technologies, including the Internet of Things (IoT), the cloud and artificial intelligence. The ULTRACKER solution enables customers to track, monitor and manage assets anywhere in the world.

Sustainability – Nexans' capacity for innovation and its integrated model make it possible to offer cleaner and more sustainable solutions to reduce its customers' emissions and contribute to the Group's objective of achieving carbon neutrality by 2030. The Group offers services for the collection and recycling of end-of-life cables and multimodal transport.

1.3.3 Innovation for the energy transition

Nexans is developing concrete innovations for the electrification of tomorrow. All R&D is dedicated to low-carbon electrification, around four major areas:

- supply the world with energy;
- guarantee the reliability of the network and prevent the risk of blackouts;
- strengthen the digitization of electrical infrastructures and better monitor and anticipate risks; and
- minimize the impact on the environment.

Low-carbon electricity and innovation will play a critical role in the energy transition and the fight against global warming over the next decade. The Group is working on the ten major technologies that will shape the electrification of the world over the next ten years:

- transition from alternating current (AC) to direct current (DC): partial transition to direct current of low-, medium- and high-voltage electrical systems;
- new sources of renewable energy: development of floating offshore wind, solar trackers and floating solar;
- superconductivity: high transport capacity, without loss and with minimal impact;
- circular plastic: bioplastics, recycled plastics and materials recycling;
- hydrogen: green hydrogen, used to decarbonize heavy industry and transport, will be one of the main factors in electricity demand;
- electromobility: expanded and easier access to charging infrastructures;
- connected products: Internet of Things (IoT) and RFID;
- digital twins: modeling and forecasts using an electronic representation of the real world;
- Big Data and artificial intelligence: in-depth analysis and optimization of decision-making;
- smart and secure buildings: electrical and fire safety in an all-electric future.

1.3.4 Main innovations in 2022

During the year, Nexans innovated in each of its business lines to meet the challenges of sustainable electrification:

Generation & Transmission

- Increasing electrical power: the Group achieved a world first with the qualification of a 525kV cable at a depth of 3,000 meters;
- Reducing the carbon impact: the Group achieved a world first with the replacement of SF6 gas by g3 gas in the accessories of a less polluting 320kV cable system, in partnership with General Electric.

Distribution

- Ensuring the resilience of networks: thanks to maximum transmission capacities and energy losses close to zero, compact superconducting cables transform urban energy networks. The Group achieved a first with the conclusion of an agreement for the supply of the world's first superconducting cable system integrated into a rail network for Gare Montparnasse in France.

Usages

- The Group is focusing on the growth of its connected objects and users in support of a new model of recurrence driven by constant innovation and value-added products and solutions. The Group now has more than 545,000 users and connected devices worldwide.

1.4 Strategy – 2022-2024 sequence

1.4.1 Pure player strategy for sustainable electrification

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

The mega trends converge to the same conclusion:

- electrification of the planet will be the main energy challenge in the coming decades;
- electrification of the planet requires more and more renewables energies;
- electrification will require electrical grid network modernization and protection;
- electrification of the planet poses a considerable technological challenge.

Nexans has always played a major role in the history of electricity, from its discovery by Thomas Edison and Benjamin Franklin to this new electrified world, and will amplify its role by becoming a pure player in this field across the whole of the value chain from the production of electricity to its transmission, its distribution to its use.

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.

Every quarter, all of the Group's sites 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.

The electrification market: tremendous growth potential

In 2022, Electrification represented 57% of Nexans' sales. The Group wants to focus its efforts on this market segment because:

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

Continued transformation and value creation

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; and
- implement the SHIFT Performance program wherever it is still needed.

Second, amplify and accelerate growth in the electrification segments through:

1) MERGERS, ACQUISITIONS AND DISPOSALS

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

The Group will divest the 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 ensure 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 achieved a first step in 2022 with the acquisition of Centelsa, a manufacturer of high-end cables in Latin America, specializing in Distribution and Usages applications, from Xignux SA.

2) STRATEGIC INVESTMENTS IN THE POWER GENERATION & TRANSMISSION SEGMENT

Nexans has invested more than 500 million euros in state-of-the-art production and installation assets in the field of high voltage, strengthening its leading position in cabling solutions for offshore projects (offshore wind farms, interconnections, etc.).

In addition, Nexans will invest over 200 million euros between 2022 and 2024 in new production capacities:

- 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.

3) SHIFT PRIME PROGRAM

Focused on customers and innovation, the SHIFT Prime program aims to accelerate marketing initiatives that allow the premiumization of offers through value-creating innovations, and as close as possible to the uses of Nexans' customers. This program focuses on strengthening the brand and developing innovations and value-added offers beyond cable in terms of service.

4) AMPLIFY PROGRAM

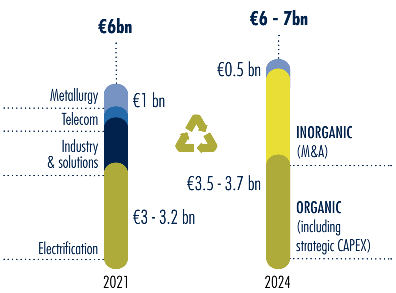
Nexans focuses all its R&D and innovation resources on the electrification segments in order to better meet current and future customer needs throughout the sector's value chain.

This initiative is supported by a strong network of partners, bringing differentiating know how and assets to Nexans value proposition.

1.4.2 The Group's financial ambitions for 2021-2024

OUR COMMITMENTS

AMPLIFY AND SCALE-UP WITH DISCIPLINE



SCALE-UP IN VALUE

	EXISTING ELECTRIFICATION (Organic, including strategic CAPEX)		OVERALL GROUP (Including M&A, Divestments)	
	2021	2024	2021	2024
REVENUES Sales standard metal price	€3 - 3.2bn	€3.5 - 3.7bn	~€6bn	€6 - 7bn
EBITDA % Sales	8 - 10%	11 - 13%	6 - 8%	10 - 12%
NCCR [1]	≥ 30%	≥ 40%	≥ 20%	≥ 40%
ROCE [2]	≥ 15%	≥ 20%	12.5 - 14.5%	NC

(1) NCCR (Normalized Cash Conversion Ratio) defined as Normalized Free Cash Flow / EBITDA – NFCF excludes strategic capex, PP&E divestment, one off-change in working capital and material restructuring plans cash out. Segment NCCR computed after allocation of Group mutualized costs
(2) Excluding potential goodwill and PPA assets arising from M&A / Assuming Nexans cumulated depreciation ratios for acquired fixed assets

SUSTAINABLE & SOUND BALANCE SHEET

OWC % [3]	≤ 6%
CAPEX % [4]	≤ 2.5%
Leverage Ratio [5]	≤ 2.5x

(3) OWC% as Closing / (Previous Quarter Actual Sales x 4)
(4) CAPEX% as Recurring CAPEX / 12 months Standard Sales
(5) Leverage Ratio: Average of last two published net debt on Last Twelve Months EBITDA

Shifting revenue towards electrification

Nexans' **standard sales** are expected to reach around 6 to 7 billion euros in 2024 with a radically different structure:

- the existing electrification activities are expected to grow organically from 3 to 3.5 billion euros;
- the Industry & Solutions and Telecom & Data businesses will be replaced by about 2 to 3 billion euros of new electrification businesses;
- the Metallurgy business sales will be reduced from 1 billion euros to around 0.5 billion euros by reducing external sales.

Improved profitability

On the existing **electrification activities**, the EBITDA margin will increase by 300 basis points 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 – 15 million euros expected from these actions;
- selective volume growth: additional volume from Distribution and Usages activities, and the ramp-up of the Charleston plant and the Nexans Aurora cable ship in the Generation & Transmission segment – 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 the Generation & Transmission business to increase the capacity of the 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.

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

- the Group's EBITDA margin will expand to a range between 10% to 12% by 2024;
- the normalized cash conversion rate will double and exceed 40% [1];
- the Group has not committed on its return on capital employed in 2024 as this will depend on acquisition multiples.

Keep a sustainable and sound balance sheet

Nexans will maintain several strict ratios to protect its balance sheet:

- the operating working capital will not exceed 6% of current sales;
- the 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 mergers and acquisitions. The cash allocation plan is as follows:

- the strategic investments will represent approximately 40% to 50% of the total cash generated by the Group. They mainly concern the additional capacities of the Generation & Transmission business;
- the dividends paid will represent 20% to 30% with a minimum and progressive pay-out ratio of 20% each year;
- 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.

1.5 2023 trends and outlook

The energy transition is no longer a question, but an answer to the challenges facing the world. Nexans will play a key role, because the response will be based on a sustainable electrification of the planet that will be safer, more decarbonized and accessible to all.

Nexans is capable of facing an uncertain macroeconomic environment. The Group, which has acquired the ability to be agile, to anticipate and adapt quickly to unprecedented circumstances, is now reaping the benefits of several years of transformation while maintaining room for improvement. Nexans will continue its strategy of growth in value rather than pure volume, in order to continue to benefit from its unique transformation platform, to transform cyclical growth into structural growth, as well as from its investments in the growing Generation & Transmission markets. The Group is still at the beginning of its shift towards premiumization through the development of systems and solutions that bring added value for its end users. In this context, excluding unfinished acquisitions and disposals, Nexans expects to achieve in 2023:

- EBITDA between 570 and 630 million euros;
- Normalized Free Cash Flow between 150 and 250 million euros.

(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.*

1.6 Group operations during 2022

1.6.1 Consolidated results of the Group

1.6.1.1 Overview

The **standard sales** amounted to 6,745 million euros in 2022, an organic increase of 6.3% compared to 2021, with the electrification activities growing organically by 12.9% and a continued reduction in the Metallurgy activity in line with the Group's strategy.

The **EBITDA** increased by 29.6% compared to 2021 to 599.5 million euros, at the high end of the guidance. The EBITDA margin increased by 130 basis points compared to 2021 to reach 8.9% (vs. 7.6%), despite an inflationary environment, supported by the SHIFT Prime and Amplify programs in electrification.

The **normalized free cash flow** reached 393 million euros, above the guidance, driven by down payments on projects in the Generation & Transmission segment.

A **ROCE** among the best, up by 410 basis points compared to 2021, to 20.5%, and up to 28.5% in the electrification activities.

1.6.1.2 Detailed analysis by segment

POWER GENERATION & TRANSMISSION

The standard sales of the **Generation & Transmission** segment amounted to 897 million euros in 2022, up by 12.1% compared to 2021. This performance reflects the contribution of the Charleston site, the only manufacturing plant of submarine high-voltage cables in the United States, and its two cable-laying ships Nexans Aurora and Nexans Skagerrak. The EBITDA was stable at 145 million euros, compared to 143 million euros in 2021, due to a change in the project mix in 2022.

During the fiscal year, the Seagreen and Crete-Attica turnkey projects, as well as the South Fork cable supply contract, were the main contributors.

The adjusted backlog [(1)] reached an unprecedented level of 3.5 billion euros at the end of December 2022 (up by 51% compared to the end of December 2021), with high visibility and the plants in Halden and Charleston at 90% capacity until 2025. In addition, throughout the period, progress was made in the construction of the extension of the Halden plant in Norway, another important milestone in Nexans' commitment to the energy transition.

The offshore wind and interconnection market remains dynamic, as it is at the very heart of the energy transition. The tendering activity remained strong, both for interconnection and offshore wind projects. Benefiting from the positioning of its turnkey EPCI model and its solid technical and execution know-how, Nexans was recently selected for the Celtic Interconnector project between France and Ireland, as well as for BorWin6, an offshore network connection project, reflecting the Group's leadership and state-of-the-art assets.

DISTRIBUTION

The sales of the **Distribution** segment amounted to 1,081 million euros at standard metal prices in 2022, of which 62 million euros attributable to Centelsa. The EBITDA amounted to 89 million euros, up by 51.3% compared to 2021, i.e. a margin of 8.2%. The segment's organic growth of 12.7% was mainly driven by value due mainly to increased investments in electricity grids in all geographies. The Group's portfolio of offers, in particular ULTRACKER services and digital accessories, has been well oriented as network operators are stepping up their investments in Distribution to ensure the stability, resilience and digitization of networks.

The annual trends [(2)] by geographic area are as follows:

- **Europe** increased by 12.2%, thanks to the launch of new contracts, particularly in Greece, and to the maintenance of demand, driven by the renewal and strengthening of networks;
- **South America** recorded an increase of 6.9% in 2022 compared to 2021, reflecting the expansion of sustainable electrification projects in Colombia and Peru;
- **Asia-Pacific** progressed by 10.1% this year. Australia and New Zealand are benefited from solid growth, thanks to a catch-up in demand, while China remained affected by localized lockdowns;
- **North America** recorded a strong increase of 42.8%, reflecting the continued dynamism of the North American market and Nexans' solid positioning;
- **Middle East** and **Africa** decreased by 1.2% due to a decline in demand in Morocco, partially offset by the strong recovery in Lebanon.

ELECTRICITY USAGES

The sales of the **Usages** segment amounted to 1,837 million euros at standard metal prices in 2022, of which 120 million euros attributable to Centelsa. The segment recorded organic growth of 13.5% mainly driven by value across all geographic areas due to the underlying trends in urbanization and renovation. The EBITDA reached 221 million euros, with a record EBITDA margin of 12.0%, reflecting the continued pricing momentum in North America, the success of the transformation and the deployment of solutions. The Group continued to accelerate the deployment of value-added solutions for customers. In 2022, Nexans had more than 540,000 connected users on its digital platforms and the ULTRACKER digital services recorded more than 37,000 connected devices.

The trends by geographic area are as follows:

- **Europe** grew by 4.4% compared to 2021, driven by robust demand, product launches and solution amplification, as well as tight price controls across the region;
- **South America** recorded an increase of 3.4% in 2022, marked by significant volumes and adequate price adjustments;
- **Asia-Pacific** increased by 4.7% compared to 2021, with a catch-up in the second half of the year in all geographic areas;
- **North America** posted strong growth of 37.9%, reflecting the sustained growth of the residential market and the continuation of the price momentum.
- **Middle East** and **Africa** increased by 39.5%, thanks to continued good performance in West Africa and recovery in Lebanon and Turkey.

(1) Backlog adjusted for secured but not yet implemented contracts.

(2) Organic growth compared to 2021.

INDUSTRY & SOLUTIONS

The sales of the **Industry & Solutions** segment amounted to 1,559 million euros at standard metal prices in 2022, up by 12.3% organically compared to 2021, driven by (i) exceptional performance thanks to the awarding of new contracts and strong business continuity measures in the area of automotive harnesses; (ii) continued growth in the Industrial Automation business; and (iii) robust recovery in the Mobility business. The EBITDA increased by 13.5% and amounted to 135 million euros in 2022, corresponding to an EBITDA margin of 8.6%, stable compared to 2021.

The **Industrial Automation** activity increased by 17.8% compared to 2021, after a robust 2022 with a very good second half, thanks to the continuation of demand in Southern Europe and Asia, combined with the encouraging results at the end of the launch of the SHIFT program. The sales of the **Mobility** activity increased by 6.9% compared to 2021 thanks to the robust recovery in the Aerospace activity, which offset the fact that the railway equipment activity remained affected by the lockdowns in China. The **Wind Turbine** activity increased by 7.8%.

The **Automotive Harnesses** activity posted strong organic growth of 22.5% in 2022. The robust sales were driven by an exceptional performance driven by new contract awards and robust business continuity measures. The long-term prospects of this activity were strengthened by a major new contract for electric vehicle cabling platforms.

TELECOM & DATA

The sales of the **Telecom & Data** activity amounted to 321 million euros at standard metal prices in 2022, in line with 2021. The EBITDA decreased slightly to 35 million euros in 2022, reflecting the sector mix. The EBITDA margin was stable at 11.0%, compared to 11.5% in 2021.

The **LAN Cables & Systems** segment experienced good momentum in North Africa, whereas the lockdown measures weighed on Asia. 2022 was a strong year for LAN products thanks to the improved mix, which offset the supply chain difficulties.

The **Telecom Infrastructure** segment was stable compared to 2021, with activity in Europe driven by sustained demand in the United Kingdom and Germany, offsetting the slowdown in the French market.

The sales of the **Special Telecom (subsea)** activity remained stable compared to 2021. Its contribution was lower in the second half of the year due to the completion of contracts and because the Group allocated most of its production capacity to subsea and land projects. In addition, a solid order book was rebuilt in the second half, improving the visibility of the activity.

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 1,049 million euros at standard metal prices in 2022, reflecting the decision taken by the Group to scale down external copper sales. EBITDA was -25 million euros over the period.

1.6.2 Other items in the consolidated financial statements

1.6.2.1 Core exposure effect

The core exposure effect represented an expense of 30 million euros in 2022 compared with an income of 106 million euros at December 31, 2021. The negative impact on the Group's 2022 results reflects the lower average copper prices over the period.

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

1.6.2.2 Reorganization costs

Reorganization costs came to 39 million euros in 2022 (see breakdown in **Note 23** to the consolidated financial statements), compared with 58 million euros in 2021:

- In 2022, they covered several projects launched during the year throughout the Group, as well as the continued transformation of the Charleston plant in the United States. The New Nexans program had a limited impact of 10 million euros over the year;
- In 2021, this amount included an 8 million euro 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 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.

1.6.2.3 Other operating income and expenses

Other operating income and expenses represented a net income of 46 million euros in 2022 versus a net expense of 9 million euros the previous year. The main year-on-year changes were as follows:

- **Impairment losses** represented a net expense close to 0 million euros in 2022 versus a net expense of 15 million euros in 2021.
- In 2022, the impairment of net assets included an impairment of 14 million euros on property, plant and equipment in Ukraine; this impairment mainly resulted from the update of the discount rate used. It was offset by two reversals in Brazil and in the US entity Amercable for 7 million euros each;
- As a reminder, in 2021, impairment losses were recorded relative to tangible assets in Lebanon. 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.
- **Gains and losses on asset disposals** amounted to 54 million euros in 2022, mainly related to the sale of the industrial site in Hanover Germany, with a net impact of 55 million euros. They 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.

1.6.2.4 Net financial expense

The net financial expense amounted to 57 million euros in 2022, compared with 101 million euros in 2021.

The cost of net financial debt amounted to 35 million euros in 2022 compared to 22 million euros in 2021 mainly due to the negative effect of exchange rate fluctuations on bank accounts and to higher interest expenses on local loans and the commercial paper program.

Other financial income and expenses represented a net expense of 22 million euros in 2022 versus a net expense of 79 million euros in 2021. This improvement was mostly attributable to impairments booked in 2021. They mainly related to the cash deposits in Lebanon (therefore excluded from cash and cash equivalents), on the one hand, and to assets related to non-consolidated entities, on the other hand (see **Note 9** to the consolidated financial statements).

1.6.2.5 Income taxes

The income tax expense for 2022 amounted to 90 million euros, compared with 72 million euros in 2021. The increase in the income tax expense is mainly due to the improvement in pre-tax income.

1.6.2.6 Consolidated balance sheet

The Group's total consolidated assets increased to 6,402 million euros at December 31, 2022 from 5,587 million euros at December 31, 2021. Changes in the structure of the Group's balance sheet between those two reporting dates were as follows:

- Non-current assets amounted to 2,393 million euros at December 31, 2022, versus 2,053 million euros one year earlier.
- Operating working capital requirement (trade receivables plus inventories less trade payables and accounts related to long-term contracts) improved by 47 million euros in 2022.
- Net debt amounted to 182 million euros at December 31, 2022 versus 74 million euros at December 31, 2021.
- Provisions for contingencies and charges – including for pension and other long-term employee benefit obligations – were reduced by 61 million euros over the year to 408 million euros at December 31, 2022. Of this amount, 232 million euros related to pension benefit obligations, compared with 301 million euros in 2021.
- Total equity stood at 1,667 million euros at December 31, 2022 compared with 1,465 million euros at December 31, 2021.

1.6.2.7 Main cash flows for the period

Cash flow from operations before gross cost of debt and tax totaled 506 million euros in 2022.

The positive cash impact of the decrease in working capital requirement amounted to 152 million euros, reflecting the positive impact of cash collection in the Generation & Transmission segment – the impact of copper price fluctuation being not significant on cash generation.

The cash flows related to the investment corresponded to a cash outflow of 429 million euros in 2022, corresponding to tangible investments of 298 million euros (mainly related to investments in Norway for the Generation & Transmission business) and to the acquisition of the Centelsa Group for 205 million euros (net of cash acquired).

The cash flows related to financing were positive for 70 million euros, mainly due to the underwriting of the European Investment Bank loan for 200 million euros, partly offset by the following items:

- 43 million euros in interest payments;
- 54 million euros paid in dividends;
- 32 million euros net cash-out related to the net payment on treasury shares' transactions for 65 M€, reduced by the positive impact of the capital increase for employees of 33 M€.

Overall, taking into account the effect of currency translation differences, net cash and cash equivalents increased by 162 million euros during the year to 1,129 million euros at December 31, 2022 (corresponding to 1,134 million euros in cash and cash equivalents reported in the balance sheet less 5 million euros in short-term bank loans and overdrafts).

1.6.2.8 Other significant events of the year

CHANGES IN SCOPE

Acquisition of Centelsa

On April 1, 2022, Nexans completed the acquisition of 100% of Centelsa, a manufacturer of high-end cables in Latin America, specializing in usages and energy network applications, from Xignux SA (headquartered in Mexico).

This transaction enables the Group to take a new step in its strategy to become a "pure player" in electrification, by focusing on the entire value chain, from production to transmission, including distribution and use of sustainable energy.

Its three production plants in Cali, Colombia, as well as its distribution center in Ecuador, will strengthen Nexans' presence in Latin America. The Group already has four industrial sites in the region (Colombia, Peru, Chile and Brazil) and employs 1,300 people.

The details and conditions of this transaction as well as the provisional goodwill are presented in **Note 12** to the consolidated financial statements.

The Centelsa entities have been fully consolidated since April 1, 2022. Their activities contributed to the Group's consolidated financial statements for the 2022 fiscal year with revenue at current metal prices of 246 million euros and an operating margin of 16 million euros.

On a twelve-month basis, considering that the Centelsa Group was acquired on January 1, 2022, the contribution to recurring revenue and operating margin can be estimated at 328 million euros and 21 million euros respectively.

Acquisition of Reka Cables

In November 2022, Nexans entered into an agreement with Reka Industrial Plc (NASDAQ OMX Helsinki: REKA) to acquire Reka Cables (the "Transaction"). This acquisition will enable the Group to strengthen its position in the Nordic countries, particularly in the electricity Usages & Distribution businesses.

Founded in 1961, Reka Cables specializes in the manufacture of low- and medium-voltage cables for Usages & Distribution activities. With a headcount of 270 employees and estimated revenue of more than 160 million euros in 2022, this company, present in four countries, is one of the leaders in the Finnish market and enjoys an excellent reputation in the Nordic countries. In November 2021, it became one of the first cable manufacturers to achieve carbon neutrality (Scopes 1 and 2).

Nexans will acquire Reka Cables for a price of 53 million euros, including a net financial debt of 6.5 million euros at the end of September 2022. The closing of the Transaction is subject to regulatory approvals and is expected to take place in the first half of 2023.

FINANCING

Signature of a syndicated loan agreement for 800 million euros

On October 25, 2022, Nexans signed a new multi-currency syndicated loan agreement for 800 million euros with a pool of 13 banks to replace the existing undrawn agreement signed on December 12, 2018 for an amount of 600 million euros.

This facility makes it possible to strengthen Nexans' financial liquidity for a period of five years with two extension options of one year each (see **Notes 27 and 31** to the consolidated financial statements).

Drawdown of the financing signed with 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.

In April 2022, the Group drew down this financing for an amount of 200 million euros. The repayment will be made in fine in April 2027 (see **Note 24** to the consolidated financial statements for the characteristics of this loan).

CAPITAL TRANSACTIONS

Employee share ownership plan

On November 8, 2021, the Board of Directors, on the basis of the authorizations granted by the Shareholders' Meeting of May 12, 2021, decided on the principle of an employee share ownership operation, to be carried out in 2022, by means of a capital increase issuing a maximum of 500,000 new shares.

This is the tenth employee share ownership operation conducted by the Group on an international scale.

Employees were offered the possibility of subscribing to a structured formula called "leveraged" similar to the formula offered during the 2010 to 2020 transactions allowing employees to subscribe, through the intermediary of a corporate mutual fund (Fonds Communs de Placements d'Entreprise - FCPE) or directly, at a discounted preferential price while offering a guarantee of the amount invested as well as a multiple of the share's performance. The shares or units of the corporate mutual fund will be unavailable for five years, except in limited cases of early release. In certain countries where the offer of leveraged corporate mutual fund shares raised legal or tax difficulties, an alternative formula was proposed involving the allocation of Stock Appreciation Rights. Employees outside France who took part in the offer received a matching contribution from the Group.

The reservation period ran between May 9 and 24, 2022, with a withdrawal period from June 23 to 28, 2022.

The subscription price was set on June 22, 2022 at 62.25 euros in France and 71.14 euros outside France (i.e. discounts of 30% and 20% respectively compared to the average price recorded during the 20 trading days preceding said date).

The settlement-delivery of the shares took place on July 26, 2022 (see **Note 21** to the consolidated financial statements).

CHANGES IN THE SITUATION IN UKRAINE

Nexans is present in Ukraine through its Nexans Autoelectric entity with three 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' security, supply chain and business continuity in Ukraine.

The total value of its assets located in Ukraine represents less than 1% of the Group's consolidated balance sheet. Although the sites are located in western Ukraine, the risk on the assets held and the uncertainties about the future activity have led the Group to review the valuation of its Ukrainian assets and, more generally, the value of the assets of its Harnesses Cash Generating Unit (see **Note 7** to the consolidated financial statements).

In addition, in July 2022 the Group sold its minority stake in the non-consolidated Impex entity based in Russia. The disposal led the Group to recognize a net gain on disposal of 10 million euros in other comprehensive income.

1.6.3 Alternative performance measures

1.6.3.1 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 on January 1, 2020, these references are set at 5,000 euros per metric ton for copper and 1,200 euros per metric ton for aluminum and are then converted into the currencies of each unit.

1.6.3.2 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.

1.6.3.3 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.

The operating margin is assessed before the impact of: (i) the revaluation of the core exposure; (ii) impairment of property, plant and equipment, intangible assets and goodwill resulting from impairment tests; (iii) the change in fair value of non-ferrous metal financial instruments; (iv) capital gains and losses on asset disposals; (v) related acquisition costs for completed acquisitions and costs and fees related to planned acquisitions; (vi) expenses and provisions for antitrust investigations; (vii) reorganization costs; (viii) share in net income of associates; (ix) net financial income; (x) taxes; and (xi) net income 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).

1.6.3.4 EBITDA

Consolidated EBITDA is a key indicator for measuring operating performance, defined as operating income restated for depreciation and amortization on fixed assets and measured before the following non-recurring effects: (i) revaluation of the core exposure; (ii) impairment of property, plant and equipment, intangible assets or goodwill resulting from impairment tests;

(iii) change in fair value of non-ferrous metal financial instruments; (iv) capital gains and losses on asset disposals; (v) related costs on acquisitions for completed acquisitions and costs and fees related to planned acquisitions; (vi) expenses and provisions for antitrust investigations; (vii) reorganization costs; (viii) share in net income of associates; (ix) net financial income; (x) taxes; and (xi) net income from discontinued operations.

1.6.3.5 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.

1.6.3.6 Adjusted Generation & Transmission backlog

Cumulative order intakes for the Generation & Transmission business for which contracts have been signed but for which all suspensive conditions have not been met at the closing date.

1.6.3.7 Operating working capital requirement

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).

1.6.3.8 Free Cash Flow & 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.

The strategic capex correspond to the investments in the Halden and Charleston plants, in Norway and the United States respectively, in the Power Generation & Transmission segment, announced at the Investor Day on February 17, 2021.

1.6.3.9 Normalized cash conversion ratio

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

1.6.3.10 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.

1.6.3.11 Return on capital employed (ROCE) and return on capital employed for electrification

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.

In line with its ambition to become a pure electrification player, as announced during the Investor Day of February 17, 2021, the Group also monitors the return on capital employed for the electrification activity corresponding to the Generation & Transmission, Usages and Distribution operating segments.

1.6.3.12 Normative net income

The normative net income corresponds to the sum of the operating margin, the cost of financial debt (net), the other financial income and expenses (excluding impairment of financial assets where applicable), and the corporate income tax.

This normative income tax is calculated by restating the tax on published profits for the normative tax impacts of all items excluded from the aggregate normative net income, i.e. (i) items recognized between operating margin and operating income, (ii) impairment of financial assets and (iii) changes in net deferred tax assets, the level of recognition of which is limited where applicable.

1.6.4 The Company

1.6.4.1 Activity 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, 2022, the Company reported sales of 40 million euros, derived primarily from services billed to Group subsidiaries (29 million euros in 2021).

After taking into account net operating expense of 62 million euros, net financial income of 113 million euros, net exceptional charges of 20 million euros, and a net tax integration boni of 1 million euros, the net income stands at a profit of 73 million euros (versus 51 million euros in 2021).

Total equity amounted to 1,895 million euros at December 31, 2022, compared with 1,883 million euros one year earlier.

PAYMENT PERIODS OF TRADE PAYABLES

In accordance with 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 510,564 euros at December 31, 2022 and 2,043,833 euros at December 31, 2021.

At December 31, 2022	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)	508,244	-	-	508,244
Number of invoices concerned	7	-	-	7
Invoices past due by late payment tranche [a]				
Total amount of invoices concerned in euros (including taxes)	499	1,821	-	2,320
Number of invoices concerned	1	3	-	4
Percentage of purchases	0.00%	0.00%	-	0.00%
Accrued invoices not received at December 31, 2021				16,522,345
Accrued external Supplier invoices (including taxes)				3,099,145
Accrued Intra-Group invoices (including taxes)				13,423,200

(a) Reference payment terms used to calculate late payment are the contractual terms (usually 30 days or 15 days from date of invoice).

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 2,956,935 euros (including taxes) at December 31, 2022 (1,803,456 euros at December 31, 2021) break down as follows:

- Trade receivables not past due: 1,746,973 euros;
- Trade receivables past due: 1,209,962 euros.

At the year-end, unbilled revenue amounted to 17,337,429 euros (including taxes) and only concerned intra-Group receivables.

1.6.4.2 Proposed appropriation of 2022 results and dividend payment

The Annual Shareholders' Meeting to be held in the first half of 2023 will be asked to appropriate the Company's results for the year – corresponding to net income of 73,068,003 euros as follows:

- Retained earnings brought forward from prior years: 86,310,215 euros;
- Net income for the year: 73,068,003 euros;
- Total distributable income: 159,378,218 euros.

At the Annual Shareholders' Meeting of May 11, 2023, the Board of Directors will recommend a dividend payment of 2.10 euros 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 General 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:

	2021	2020	2019
	(paid in 2022)	(paid in 2021)	(paid in 2020)
Dividend per share	€1.20	€0.70	-
Number of shares qualifying for the dividend	43,337,074	43,730,007	-
Total payout	€52,004,488.80	€30,611,004.90	-

1.7 Other relevant information on Group activities

1.7.1 Investments

The Nexans Group's tangible and intangible capital expenditure came to 303 million euros in 2022 compared to 208.5 million euros in 2021.

Investments have been concentrated on four areas:

- strategic investments in the Generation & Transmission segment with the expansion of the Halden high-voltage cable plant in Norway and the addition of additional capacity at the Charleston plant in the United States;
- 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 2022 were distributed as follows:

- 60% mainly concerned Power Generation & Transmission projects;
- 9% concerned projects related to Distribution and Usages activities;
- 8% concerned projects related to the Harness market;
- 6% concerned projects related to the industrial markets.

In 2022, 22 million euros (all activities combined) were associated with actions to reduce the Group's environmental footprint, aimed in particular at reducing the greenhouse gas emissions in line with the Group's commitment to contribute to carbon neutrality by 2030.

Nexans announced its ambition to invest more than 200 million euros between 2022 and 2024 in new strategic production capacities in the Generation & Transmission segment:

- 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 2023, the Group's investments will continue to improve the industrial performance of the reference sites as part of the Group's "World Class Manufacturing" strategy, notably with the decision to invest 40 million euros in Autun (France), the digital transformation and Industry 4.0 as well as the reduction of the Group's environmental footprint.

1.7.2 Material contracts

Apart from the contracts entered into in the ordinary course of business, including those pertaining to acquisition, divestment and financing transactions, or in respect of the financing mentioned in this Universal Registration Document (outstanding bonds, Multicurrency Revolving Facility Agreement confirmed credit line and loan agreements concluded with a view to financing the Nexans Aurora cable-laying vessel, on the one hand, and with the European Investment Bank, on the other hand, described in **Note 27** "Financial risks" of the notes to the consolidated financial statements 2022.

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.

1.7.3 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 23** Provisions and **Note 30** Disputes and contingent liabilities to the 2022 consolidated financial statements.

1.7.4 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.

1.7.5 Significant events since the approval of the 2022 management report

None.

1.8 Information on the Nexans Group and company

1.8.1 General information about the Group

1.8.1.1 Company identity

Name and registered office: Nexans

4, allée de l'Arche, 92400 Courbevoie, France

Phone: +33 (0)1 78 15 00 00

The Company is registered in the Nanterre Trade and Companies Register under number 393 525 852. Its APE code is 7010Z.

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

1.8.1.2 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.

1.8.1.3 Documents accessible to the public

The Company's Bylaws, its parent company and consolidated financial statements, the reports presented to its Meetings by the Board of Directors and the Statutory Auditors, as well as the Internal Regulations of the Board of Directors and the Code of Ethics and Business Conduct and all other corporate documents may be consulted by shareholders in accordance with the legal and regulatory provisions in force. They are available for consultation at the Company's registered office and on the website: www.nexans.com, which contains regulated information published in accordance with Articles 221-1 *et seq.* of the General Regulations of the AMF.

1.8.1.4 Date of incorporation and term

The Company was incorporated on January 5, 1994, under the corporate name "Atalec" (replaced by "Nexans" at the Shareholders' 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).

1.8.1.5 Corporate purpose (summary of Article 2 of the Bylaws)

In all countries, study, manufacture, operation and trade all apparatus, hardware and software relating to domestic, industrial, civil or military and other applications of electricity, telecommunications, data processing, electronics, space industry, nuclear energy, 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 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 industrial, 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.

1.8.1.6 Fiscal year

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

1.8.2 Simplified organizational chart [a]

NEXANS S.A.

— NEXANS PARTICIPATIONS S.A. (FRANCE)

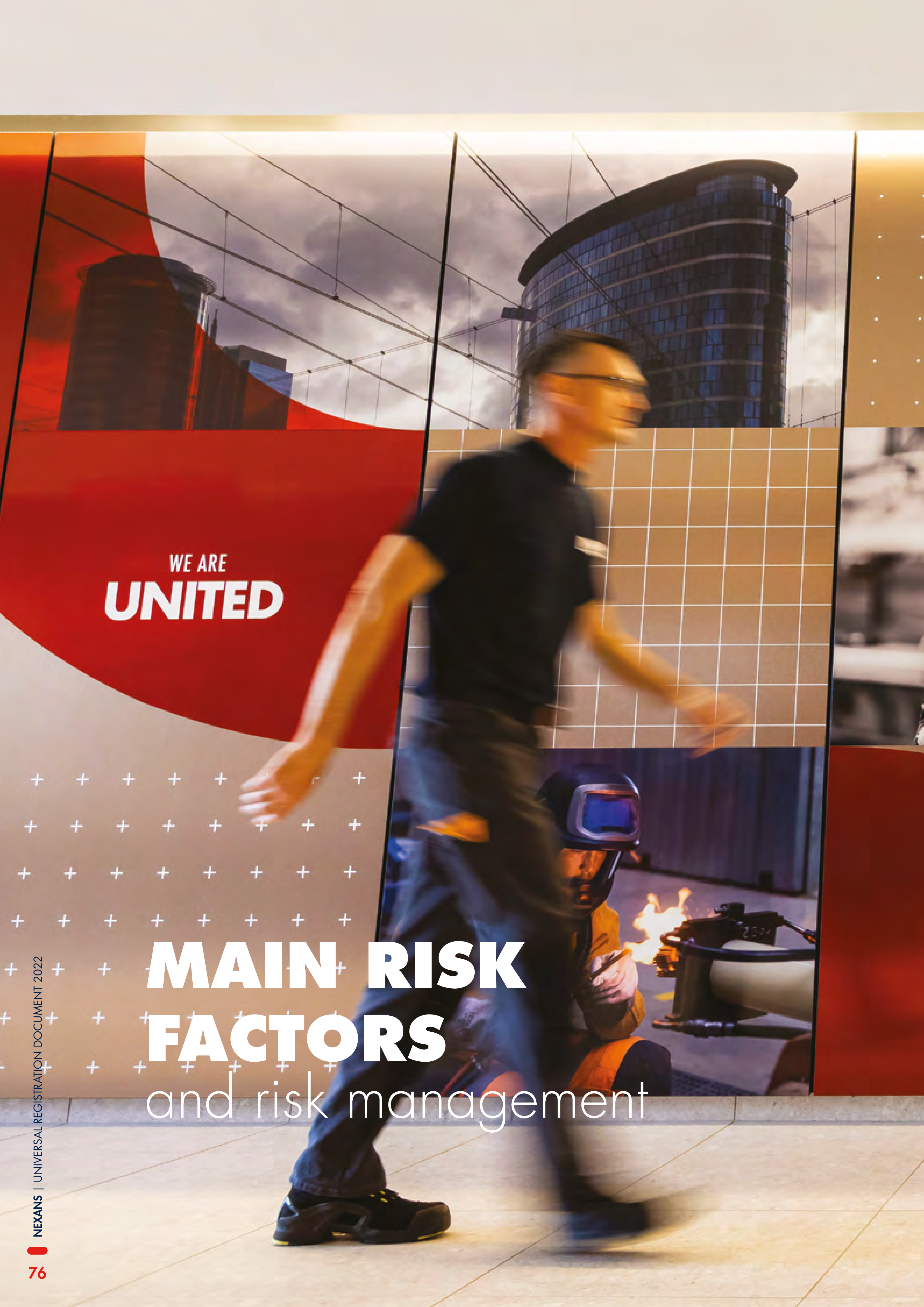
— Europe	France	Nexans Interface, Nexans Power Accessories France, Eurocable, Lixis, Nexans Wires, TLM, Nexans Solar Technologies, Nexans Aerospace France, Nexans Telecom Systems, Nexans Industrial Solutions France, Coveral, Offisys, Nexans Financial and Trading Services [b], Recycables [d], IES Energy [d]
	Germany	Nexans Deutschland, Nexans Industrial Solutions, Nexans Advanced Networking Solutions GmbH, Nexans Power Accessories Germany, Nexans Autoelectric, Leitungstechnik Ostbayern (LTO), Elektrokontakt, Metrofunkkabel-Union, Kabeltrommel [d], Kabeltrommel GmbH & Co (4), Logistics Warehousing Systems [d]
	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, Takami Investments
	Greece	Nexans Hellas, Opticable Greece
	Italy	Nexans Italia, Nexans Intercablo, Nexans Partecipazioni Italia
	Lithuania	Gerhardt Petri Vilnius
	Luxembourg	Nexans Re [c]
	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
	Switzerland	Nexans Suisse, Confecta, Voltimum [d]
	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
	Morocco	Nexans Maroc, Sirmel, Tourets et Emballages du Maroc, Coprema, Imouka, Nexans Interface Maroc, Nexans Aerospace Maroc
	Nigeria	Nexans Kabelmetal Nigeria [d], Northern Cable Processing and Manufacturing Company [d]
	Qatar	Qatar International Cable Company [d]
	Tunisia	Nexans Tunisia, Electrocontact Tunisie
	Turkey	Nexans Turkiye Endustri Ve Ticaret

(a) Simplified operational structure at December 31, 2022. Nexans' main direct and indirect subsidiaries are listed in Note 32 to the 2022 consolidated financial statements.
(b) The company responsible for the Group's cash management.
(c) The Group's captive reinsurance company.
(d) Companies in which Nexans holds a minority interest.

NEXANS S.A.

— NEXANS PARTICIPATIONS S.A. (FRANCE)		
— 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, Cobres de Colombia [e], ESG Industriales (e), Centelsa [e], Alcatek [e]
	Ecuador	Cedetec
	Mexico	Elektrokontakt S. de RL de CV, 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), 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	Olex New Zealand Pty
	Singapore	Nexans Singapore Pte, Nexans Telecom Systems Pte. Ltd
— INVERCABLE	Chile	Nexans Chile, Cotelsa, Colada Continua [d], Inversiones Nexans Uno, Centro de Estudios y capacitación Nexans,
— INVERCABLE	Peru	Indeco (Perú), Negocios Inmobiliarios Lima Industrial, Cobrecón [e]
— NEXANS FRANCE SAS	Lebanon	Liban Cables, Liban Cables Contracting, Liban Cables Packing

(a) Simplified operational structure at December 31, 2022. Nexans' main direct and indirect subsidiaries are listed in Note 32 to the 2022 consolidated financial statements.
(b) The company responsible for the Group's cash management.
(c) The Group's captive reinsurance company.
(d) Companies in which Nexans holds a minority interest.
(e) Companies held by Takami Investments.



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 of its 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 15 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 15 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 15 risks are grouped in four categories (Strategic Risks, Operational Risks, Legal and Compliance Risks, and Financial Risks).

As regards the methodology, the 15 identified risks are those which are specific to Nexans and have the greatest net impact. The ranking is based on the assessment: i) of the greatest level of criticality (level of the potential impact on the Group if the risks were to occur multiplied by probability of occurrence) and, ii), for each given risk, of the risk mitigation measures deployed by the Group to prevent their occurrence and/or minimize their 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, safety, human resources, and human risks:
  - These risks relate to issues of primary and vital importance for Nexans. Even if they do not qualify risks specific to Nexans, Nexans is constantly deploying and monitoring preventive measures or actions to limit the occurrence of those risks 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:

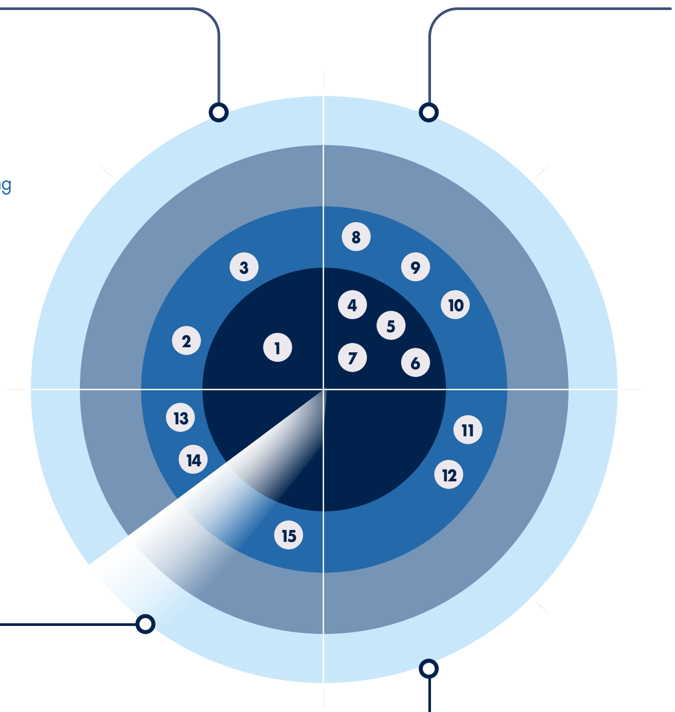
  These are risks with medium or long-term trends that may impact Group's strategy and business model.
- Other financial risks such risk of foreign exchange, internal control and tax risks:
  - These risks are considered "moderate risks" in the current context. In addition, measures are deployed to prevent and/or mitigate their potential impact.

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 Generation & Transmission 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 the volatility of energy prices
>> Material

10. Risk related to contractual liability: product liability
>> Material

FINANCIAL RISKS

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

14. Related to interest rates
>> Material

15. Related to liquidity
>> Material

LEGAL AND COMPLIANCE RISKS

11. Risk related to non-compliance with antitrust laws
>> Material

12. 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

Potential effects for the Group	Main correlated Risks
• Impact in the assets' integrity and safety of employees, loss of human resources to other less affected industries • Impact on the performance of the facilities • Decrease in sales volumes	• Risk related to the safety of Nexans employees • Risk related to the security of Nexans assets • Risk relating to business development • 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 2022, some 9% 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. With respect to the war between Russia and Ukraine, Nexans is present in Ukraine through Nexans Autoelectric, which has three plants in Western Ukraine specialized in the manufacture of automotive harnesses. The Group's total assets in Ukraine represent less than 1% of the consolidated balance sheet if the Group.

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. In 2022, elections in Colombia, Brazil and destitution of Peruvian President in December 2022 are examples of political tensions and/or instability that might impact business activities.

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, Gulf crisis still continue to limit export opportunities for the Group's subsidiary in Qatar (consolidated by equity method) to the Gulf states. Conditions remain uncertain. With respect to Lebanon, since 2020, the political and economic instability has led and still lead in particular to a strict foreign exchange control policy by Lebanese banks affecting activities of the 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, recession post Covid-19 crisis still active in some countries may lead to economic and social instabilities which effect may materialized in 2023 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 Ukraine, 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, since years, the Group has Implemented and improved in 2022 a defined procedure to closely manage export control regulations.

With respect to Ukraine, since the beginning of the war, the Group has been monitoring the risk very closely, focusing first on protecting employees as well as the supply chain and business continuity. Besides to limit its exposure in Russia, end of July 2022, the Group has divested the minority shareholding it held in Impex, a company based in Russia.

Critical Material Moderate Low

2.1.1.2. Risk related to the competitive environment of the Group's operating subsidiaries

Risk ranking

Potential effects for the Group	Main correlated Risks
• Decrease in sales volumes • Pressure on the selling price	• Risks related to M&A operations

RISK DESCRIPTION

The number and size of competitors of the Group's operating companies vary depending on the market, geographical area and product line concerned.

The medium and low voltage cable markets are competitive, local markets, very fragmented both regionally and internationally. 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). 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.

In the high voltage cable market an escalation in competition both from existing operators and from new players, not necessarily from the industry but with leaner and more flexible organizational models, and/or significant financial resources, could have a potentially negative impact. Although the existence of certain barriers to entry (such as those relating to ownership of technology, know-how and track record that are difficult to replicate) may limit the number of players able to compete effectively on a global scale in high value-added segments.

RISK MANAGEMENT RESPONSE

The Group is driving competition performance analysis and follow-up of organizational changes and M&A news, and reviewing its competitors peer group and all key players.

In high voltage markets, throughout the years, Nexans has focused on innovative technologies, investment in differentiating assets such as Nexans Aurora cable-laying vessel, building up its EPCI know-how and consolidating its track record to ensure smooth project execution, high quality product delivery and strong customer relationship, while always abiding by this risk-reward mindset. 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 and Wind Offshore activity (representing a value above 5 million euros), Nexans systematically applies its risk and reward analysis, combining three fundamental dimensions: i) financial modelling, ii) technological risk and iii) the terms and conditions. Thus, guaranteeing a healthy and risk-balanced backlog.

In medium and low voltage businesses, Nexans relies on its diversified and strong local presence. As part of its SHIFT Prime program, the Group is strengthening its brand and customer relationship, and provides a full portfolio of solutions for customers from product to sub-systems and services.

Nexans also reinforces its offer in selected markets with acquisitions such as Centelsa in Colombia on April 1, 2022 and the signing on November 10, 2022 of a share purchase agreement for the acquisition of Reka Cables in Finland (see further details in section 2.1.1.3.).

2.1.1.3. Risk related to M&A

Risk ranking

Potential effects for the Group	Main correlated Risks
• Difficulty in realizing identified synergies • Difficulty of integration endangering operating performance of the facilities	• Compliance risk • Risk of liquidity

RISK DESCRIPTION

Nexans defines and follows a strategy focused on becoming an electrification pure player, which is reflected by external growth operations in electrification segments and the disposal of non-electrification activities.

Nexans is pursuing a disciplined M&A strategy; strategic fit of targets is closely evaluated with respect to the market attractiveness of the business, the opportunity to create value going forward and potential synergies with Nexans. In this context:

- on April 1, 2022, Nexans finalized the acquisition of Centelsa, a premium cable maker in Latin America active in the production of cables for Building and Utilities application from Xignus;

Critical Material Moderate Low

- on November 10, 2022, Nexans announced that it has entered into a Share Purchase Agreement with Reka Industrial Plc to acquire Reka Cables, active in the manufacturing of low and medium voltages cables for the Usages and Distribution applications. This acquisition will strengthen Nexans' position in the Nordics notably in the segment Distribution and Usages.

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 the country environment permits the objectives realization, and there is always a risk that these objectives may diverge, leading to operational difficulties for the entities concerned. In that respect, i) end of July 2022, Nexans sold to its local Russian partner its Russian affiliated company Impex in which Nexans was holding a minority shareholding and ii) on December 13, 2022 Nexans sold to its local partner the shares Nexans was holding in two entities in Republic of Senegal named Sirmel Sénégal and Les Câbleries du Sénégal.

Lastly, beyond the necessary work of integrating a new structure into the Group (alignment of certain procedures, integration into the IT environment, etc.), which could run into difficulties, such a structuring acquisition for the Group is accompanied by an ambitious integration plan.

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 the 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.

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

Potential effects for the Group	Main correlated Risks
• Financial impact • Reputational impact • Operational impact • Competitiveness impact (Loss of sales/contract/customer)	• Risk of business interruption/disruption • Risk of data loss and/or disclosure • Risk of fraud • Risk related to quality and safety of Nexans employees • Risk of third-party claims

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 highly 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. In 2022, the industrial sector was identified as the sector having suffered the most of cyber-attacks.

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 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.

Critical Material Moderate Low

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.

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 Corporate Information System Department and of the Business Groups Information System Departments as well as 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. Cyber securities issues and measures implemented to fight against cyber security are addressed twice a year with Business Groups EVP and presented on a regular basis to the Nexans Executive Committee.

In addition, Cyber security program and realization of the actions plan are presented every year to the Accounts, Audit and Risk Committee.

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

1) Raise awareness and empower Nexans' people to effectively thwart threats by placing them at the center of its detection and response capabilities:
   - an online training named Cyber & Me is required for employees having access to the Group's IT system. In addition, an e-learning training on cyber security was integrated during the annual Compliance Week and was followed by 100% of managers;
   - cyber security is part of the Group's compliance training during Nexans annual Compliance Week. In addition, a Cyber Week was organized in October and cyber securities roadshows were deployed in 15 industrial sites throughout the year to raise awareness at industrial level;
   - cyber security teams developed communications on cyber security issues (*via* 29 cyber tips communicated to all Nexans employees and 32 yammer post),
   - phishing campaigns are performed several times per year. In 2022, 13 phishing campaigns were performed,
   - Nexans' Information and Cyber Risk policy is regularly updated, to be adapted to emerging threats. In this respect, in 2022 the End-user Security policy has been updated and communicated during Nexans annual Compliance Week. The objective of this End-user Security policy is to advise users on key rules to be applied when using Nexans' information system tools so that to avoid cyber incidents;

2) Protect key technological assets and among others industrial activities by controlling access to information and their treatments:
   - in particular, any industrial project 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 access and their control,
   - the Group has started deploying an OT threat detection solution on two critical factories (Autun in France and Grimsas in Sweden) and will continue to be deployed In other industrial sites in the coming years;

3) 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) enhanced in 2022, 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,
   - to prevent any situation such as a Cyber security attack whereby Nexans would forbid Its employees the access to Nexans IT system, the Group has secured its ability managing a crisis by acquiring a tool to managed crisis which is independent from Nexans IT system,
   - Nexans has subscribed a cyber security insurance whereby insurer is partnering Nexans should the Group was to face cyber incidents or attacks;

4) Control the effectiveness of operated security tool and 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

Potential effects for the Group	Main correlated Risks
• Business impact – Disruption of activity	• Risk related to the safety of Nexans employees
• Financial impact	• Assets physical risk
• Destruction of physical assets	• 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 enjoys access to the sea; the area is 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 given the current insurance market.

The list below [1] 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.

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 carried out covering the period 2030 to 2100 (see section 3.3.5.: The resilience of the Group's business model to the impact of climate change - Chapter 3, 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, convective storm and heatwave would increase with impacts on the sites analyzed remaining limited.

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

RISK MANAGEMENT RESPONSE

Nexans is continuously 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. For example, In Charleston, several measures have been implemented to mitigate the risks:
- in the facility design: several measures have been taken such as all roof members are attached with Hurricane Approved fasteners…;
- in the site design: for illustration, the site was purposely built up to have the Building Elevation at 15 foot (4.5 meters);

(1) Other sites can also be exposed but their level of exposure is not assessed as high.

- with a emergency management plan in particular relate to hurricane where designated plant personnel follow and coordinate with local county and state emergency management departments when a hurricane has formed in the region.

In other sites, the Group is continuously developing natural hazards mitigations plans such as implementation of water closed circuits to fight against risks of drought. 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 business model to the impact of climate change - Chapter 3, for more details). From the study, it appears that climate change could lead to business opportunities for Nexans.

As regards risks related to climate change, in 2022, it was part of Nexans annual Compliance week training.

2.1.2.3. Risks related to Generation & Transmission turnkey projects

Risk ranking

Potential effects for the Group	Main correlated Risks
• Group reputation • Financial impact (claims for damages, delayed payments, decrease in sales and GM, metal and currency impacts…)	• 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

Expansion in the United States

The US market for high voltage cables is expected to show strong growth, driven by the development of offshore wind farms to support the energy transition. The United States are targeting 30 GW of installed offshore wind capacities by 2030.

The Group has transformed its high voltage subsea cable plant in Charleston, South Carolina, United States, to supply the rapidly expanding US offshore wind market. The one-of-a-kind subsea, sole high voltage cable plant in the United States of America, contributes to the development of a local supply chain and supports for the offshore wind industry.

Any delay in the ramp up of our high voltage subsea cable plant in Charleston could jeopardize our ability to capture the market growth.

The Group remains exposed to regulations changes at Federal State and/or local states level which could incur a reinforcement of local content regulations and potentially impact Nexans sales in the US market.

Projects award delays

Due to the increasing size and complexity of turnkey projects, the Group might face difficulties in assessing when final award of turnkey projects will take place as turnkey projects calendar will depend inter alia of the customers' ability in finding financing in due time.

Any delays in turnkey projects calendar could impact Nexans forecasts and ability of Nexans to bid for such turnkey projects.

Industrial capacity, installation and production

The majority of contracts for the supply and installation of cables as part of turnkey projects involve subsea 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 subsea), 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.

Risks related to projects size and complexity

Due to the increase in complexity and/or size of interconnection subsea projects as well as of offshore wind projects, Nexans operating entities have to manage multiple subcategories of risks such as:

- these projects imply high value sub-contract packages (in particular off-shore protection, on-shore civil works) and require from Nexans operating entities a higher level of expertise in such packages and the ability to manage subcontractors for high value works;
- in a context of inflation, price volatility on raw materials and energy costs, the increase in the size of the projects will increase the impacts should the Group fail in its hedging policy or fail to pass costs to customers;
- the complexity and increasing size of the projects require an even more robust costing scheme in its pricing of the turnkey project. Therefore, it could have an impact on the rentability of the said turnkey projects.

Critical Material Moderate Low

Risk related to vessels availability

The award of major turnkey projects will require, in addition to the two vessels owned by Nexans, the subcontracting of vessels raising an issue of availability of appropriate vessels.

Risk of contractual liability

Nexans will therefore be more exposed in terms of warranty knowing that customers are generally looking for tougher contractual terms and conditions that some competitors seem ready to take. This risk is significative due to i) the increase in the size of the projects and ii) the number of projects taken which make the cumulative exposition higher.

Risks related to deterioration of key assets

Should Nexans suffer damage and/or deterioration on key assets for the land and subsea high voltage activities (including Nexans Aurora vessel, Charleston, Futtsu or Halden industrial sites), this could entail in particular delays in major turnkey projects. This could have a material adverse effect on the financial position and earnings of the Group.

Risk of delays in turnkey projects execution

In view of the increases in transmission voltage and customer requirements, the increasing size and complexity of the projects, the important volume of the back log as well as 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. This was the case with respect to Covid-19. 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.

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.

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.

RISK MANAGEMENT RESPONSE

Regarding the risk related to US expansion, the following measures are in place:

- Nexans has signed a framework agreement with Eversource and Ørsted to supply the first US-made subsea high voltage export cables for the projects and will deliver up to 1,000 km of cables for Ørsted's and Eversource offshore wind farms in North America up until 2027;
- a dedicated team has been appointed to ensure a timely ramp up of our high voltage subsea cable plant in Charleston;
- in addition of the decision to transform its high voltage subsea cable plant in Charleston, South Carolina, United States, Nexans is closely following and monitoring any potential evolution of regulations in relation with local content issues;
- in 2022, Nexans received final order from Equinor/bp joint venture for U.S. offshore wind export cables turnkey contract for Empire Wind 1. The project is part of the larger Empire Wind offshore wind farm that will generate enough renewable energy to energize over one million homes in New York state. Over 500,000 of those homes will be powered by the cables from this contract for Empire Wind 1.

Regarding risk on turnkey projects, 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 Business Group Generation & Transmission 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 Legal Department in contractual negotiations;
- the execution of the projects are directly managed 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 ISO 14001 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 Nexans Aurora, the new cable laying 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 protection obligations of the cables which improvements will participate in the competitiveness of offers;
- to face backlog increase, Nexans has entered with VAN OORD a charter contract to ensure vessel availability for 2025 and part of 2026;
- 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 has audited the said processes. This audit process lead to a certification issued on January 15, 2022;
- cables – which have to comply with a certain number of specifications and international standards – are tested several times: i) before the start of manufacturing, ii) before delivery subject to factory acceptance tests (FAT) and iii) after installation and before entry into service (Site Acceptance Test);
- experienced staff resources required to manage sub-contractors at tender stage and execution of the project have increased. The Business Group Generation and Transmission also reviewed its processes and organization to better adapt to this change in project size and complexity.

2.1.2.4. Risk related to price fluctuations and availability of raw materials

Risk ranking

Potential effects for the Group	Main correlated Risks
• Financial impact (liquidated damages for delay, claims for damages, etc.) • Business interruption • Sales decline	• 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.

Copper consumption in 2022 amounted to around 460,000 tons (*versus* 480,000 tons in 2021), excluding the approximately 79,000 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 2022 totaled 108,000 tons (*versus* 95,000 tons in 2021).

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 in particular as a consequence of the war between Russia and Ukraine.

Risk of shortages

- 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;
- 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;

- In addition, operating entities for high voltage activities are facing difficulties to be supplier with specific kind of aluminum required on the US market. The Group also face limited capacity for steel (specific steel grades) and for aluminum rod low carbon.

Risk of price volatility

With respect to price volatility, should the price of its supplies increase, the Group may not be able to fully pass on the increases to its customers and may face pressure on credit line of copper suppliers who will be requiring payments spot. 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.

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.

Finally, apart from 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's policy is to secure 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's policy is to develop, to the extent possible, alternative sources of suppliesfor raw material used in the manufacturing of Nexans 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").
- The Group has developed alternative sources to Russian sources in particular for aluminum.
- 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.
- 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.

2.1.2.5. Industrial and environmental risk

Risk ranking

Potential effects for the Group	Main correlated Risks
• Stoppage of the industrial activity • Group's reputation • Fines/claims/legal proceedings • Decrease/Loss of sales	• 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 subsea high- voltage cables market, the Group has implemented significant capital expenditure project to support business growth:

Critical Material Moderate Low

- 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 subsea 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);
- second, 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 subsea cable manufacturing site. The ramp up of Charleston industrial site will be key for Nexans to develop its subsea cable in the US market;
- third, to meet the demand of the market for subsea high voltage cable worldwide, Nexans Is making significant capital investments to extend its industrial site of Halden (Norway). The ramp of the extension of Halden site is a critical for the development of Nexans Norway activity to meet the high demand of the market.

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 has finalized the performance of clean-up operations in compliance with Brazilian regulations (in aggregate approximately 3 million euros).

As of December 31, 2022, consolidated provisions for environmental risks amounted to approximately 5 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. A lawsuit has been filed against the Group. The lawsuit involved some 230 plaintiffs (240 judicial proceedings), 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). In 2020, the Administrative Court of Appeal confirmed a decision of administrative court to cancel the classification by the French government. Since the Administrative Court of Appeal decision, judicial proceedings restarted. As of the date of this Universal Registration Document, only 5 judicial proceedings remain regarding 4 plaintiffs. Some 235 judicial proceedings regarding some 225 plaintiffs have been closed with limited financial impact.

Similar proceedings are also under way in France for other industrial sites (for three Nexans' employees among which two judicial proceeding concern employees who alleged to have suffered exposition to asbestos in industrial sites which were not at the time under Nexans responsibility.

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. The Group has also launched in 2022 a business continuity plan program to be implemented by all industrial sites with the aim to develop ability of the industrial sites to Identify risks and define back up/mitigation actions plan should a risk materialize.
- With respect to capital expenditures in Charleston and Halden, a dedicated team has been designed to ensure a smooth ramp up of the industrial sites to meet expected return on investment in due time.
- 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 with respect to environmental risks, 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 also permits 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.

2.1.2.6. Risk related to energy shortage and price volatility

Risk ranking

Potential effects for the Group	Main correlated Risks
• Financial impact • Sales decline • Business interruption	• 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 2022. For example, the price of electricity on main European markets (*e.g.* Belgium, France, Germany and Italy) has increased by more than 151% between 2021 and 2022. In this period of Inflation, this trend is confirmed for all types of energy (electricity, gas, etc.) and markets where Nexans Group is present. Further major volatility is expected in 2023 and even 2024. In addition to these significant increases, Nexans 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 Turkey and France for part of volume, subject to Arenh mechanism, Canada, certain States in the United States) or deregulated (*e.g.* as in Germany, Belgium, Italy, Norway and Sweden).

As to the reasons for these tensions on prices 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 (*e.g.* Ukraine crisis), a decrease in the nuclear power production linked to prolonged maintenance period (especially in France), weather conditions (*e.g.* warm & dry summer which Impact both supply as putting pressure on hydroelectric production in many EU countries and also on the demand as there is more need for air conditioning and cooling across the continent), and a renewable energy production that remains limited.

As regards availability of energy, as a consequence of all these reasons, the Group might suffer in 2023 shortages of energy in some countries in Europe (such as France for instance) which might potentially impact its activity. This will require a close monitoring of the risk with key European suppliers in particular German suppliers.

In addition, the visibility on the future of energy markets remain limited. This does not facilitate anticipation in medium-long term.

Critical Material Moderate Low

RISK MANAGEMENT RESPONSE

To limit the impact of higher energy prices and potential risk of energy cut, the Group has implemented the following measures:

- in the case of countries where the markets are deregulated, 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 adapted its energy risk management policy to take into account this new energy markets context. This policy is based on the implementation of long-term 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.

Nexans has constituted an Energy Committee in charge of monitoring the market price evolution & ensuring proper application of the above-mentioned policy. At the same time, Nexans has implemented a continuous improvement program to fight global warming while mitigating energy shortage & volatility price risks 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, which will allow other Nexans industrial sites to produce their renewable energy, are currently under study in Australia (Lilydale) and Turkey (Denizli and Tuzla);
- a program to install LED light bulbs which helps reduce energy consumption on lighting by more than 60% are currently implemented in 27 plants of the Group.

Furthermore, Nexans is studying other sustainable solutions such as long-term energy contracts (e.g., PPAs or Power Purchase Agreements) to cover Nexans needs in Europe. These solutions will support the development of new renewable power assets in the market while securing energy supply and mitigating risk of future electricity costs increases

2.1.2.7. Risk related to contractual liability: product liability

Risk ranking

Potential effects for the Group	Main correlated Risks
• Financial impacts	• 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. 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

Potential effects for the Group	Main correlated Risks
• Group's reputation • Ban from Clients & Public tenders • Financial impact (Fines, indemnities…)	• 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, the European Commission launched an antitrust investigation against various cable manufacturers including Group companies in relation to alleged anticompetitive behavior in the subsea and underground high-voltage power cables sector. Several similar investigations were subsequently launched in other jurisdictions.

On April 2, 2014, the European Commission adopted a decision addressed inter alia to Nexans France SAS and the Company (the "**EC Decision**"), which found that Nexans France SAS had participated directly in an infringement of European antitrust legislation in the subsea 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 EC 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 the period following the decision, several customers alleged they had suffered loss as a result of the conduct subject of the EC Decision. However, only in around 2019, did certain customers issue legal proceedings against Group entities claiming damages for alleged losses. Most of these claims have been 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 was 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 March 2017, Vattenfall initiated a claim for alleged antitrust damages against Prysmian and NKT before the High Court in England. On June 12, 2020, Nexans France SAS and the Company were notified of a contribution claim brought by Prysmian. Both the main claim and the contribution claim were transferred from the High Court to the UK Competition Tribunal (a specialist competition court).

Italian company Terna S.p.A. launched an antitrust damages claim in the Court of Milan. Nexans Italia filed a defense on October 24, 2019 focusing on Nexans Italia's lack of standing to be sued. Following an initial hearing on November 13, 2019, the judge ruled Terna's claim to be null for lack of clarity on February 3, 2020. Terna supplemented its claim on May 11, 2020. On January 26, 2021, the judge ruled that the decision on jurisdiction and other preliminary issues will be rendered along with that on the merits. A hearing took place on May 4, 2022, at which the parties discussed their evidentiary requests, in which all parties restated the main arguments and evidentiary requests that they had previously raised. A final outcome is expected in 2023.

The claim in the Netherlands was made jointly by Electricity & Water Authority of Bahrain, GCC Interconnection Authority, Kuwait Ministry of Electricity and Water and Oman Electricity Transmission Company, against certain companies of the Prysmian Group and its former shareholders, and companies in the Nexans Group and ABB Groups. This action has been brought before the District 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. The Dutch courts are considering whether to refer certain questions to the European Court of Justice (ECJ) for a ruling, which would delay the hearing of the substantive issues in the Netherlands by at least two years. The Dutch courts' decision on whether to make a reference to the ECJ is pending and is expected in 2023.

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 2023.

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 as its receivability will depend of the appeal of the CNMC decision.

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.

In May 2022, an application for a "collective proceedings order" was made in the UK, seeking approval to bring an opt-out claim on behalf of millions of UK consumers (as well as an opt-in claim for non-UK domiciled customers who paid for electricity in the UK). This case is at a very early stage and a hearing on certification is expected to take place in 2023 which, if granted, will lead to lengthy proceedings over the next few years.

On July 8, 2022, London Array Limited and other participants in the London Array consortium commenced a claim in the UK Competition Appeal Tribunal for antitrust damages in relation to the EC Decision. The Company and Nexans France are the defendants in this claim. The claim is ongoing.

As of December 31, 2022, and following a reassessment of risks in July 2022, the Group has a recorded contingency provision of 66.5 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 and are at the core of the Group continuous improvement efforts. 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. 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

Potential effects for the Group	Main correlated Risks
• Group's reputation • Ban from Clients & Public tenders • Financial impact (Fines, indemnities…)	• 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 14% of its turnover in countries with a high-risk profile (rated 40 or below as per the Corruption Perception Index by Transparency International). In 2022, the Group had physical presence in Brazil, Colombia, Lebanon, Morocco, Nigeria, Peru, Turkey, Ivory Coast, Ecuador, and Ukraine.

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 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 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). A full exercise has been launched in 2022 and will be pursued in 2023.

As part of the risk mapping exercise conducted by the Group in the past years sales representatives were identified 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 2022 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 27 "Financial risks" to the consolidated financial statements, which also sets out a sensitivity analysis for 2022.

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

Potential effects for the Group	Main correlated Risks
• Financial impact on EBITDA and financial results	• 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, during the last years 2021 and 2022, the price of copper has been subject to high volatility in a range of 3,000 USD/ton between the lowest and the highest prices.

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 2022, 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 exchange 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.

Interest rate risk

Risk ranking

Potential effects for the Group	Main correlated Risks
• Financial impact on EBITDA and financial results	• None

Critical Material Moderate Low

RISK DESCRIPTION

Main part external debts (bonds, EIB) approximately 800 million euros are on fix rates. Recent evolution of the economic environment (inflation and interests rates hikes) will have an impact on Group structure financing. A sensitivity analysis concerning changes in interest rates is provided in Note 27.E to the consolidated financial statements.

RISK MANAGEMENT RESPONSE

This risk is monitored closing by the Group Treasury and Metal Direction with a regular update to Group CFO during the monthly Financing Committee.

The renewal of long term debts will be done through fixed debt (bond or loans) in order to have a limited percentage of gross debt with floating interest rates.

Liquidity risks

Risk ranking 

Potential effects for the Group	Main correlated Risks
• Financial impact on EBITDA and financial results	• None

RISK DESCRIPTION

The Group's main liquidity risks relate to:

- its obligation to repay or redeem its existing debt, primarily corresponding to (i) two issues of bonds maturing in 2023 and 2024, (ii) a trade receivables securitization program used by one subsidiary, (iii) to a lesser extent, short-term debt taken out by a number of the Group's subsidiaries and (iv) commercial papers programs (NEU CP); and
- the Group's future financing requirements (including working capital fluctuations).

RISK MANAGEMENT RESPONSE

To mitigate the liquidity risk of the Group, the Group has:

- entered into a new syndicated loan on October 26, 2022 with a maturity to 2027 and for an amount of 800 million euros (see Note 27.A to the consolidated financial statements for further details) for which the Group is to comply with financial ratios; and
- signed in January 2019 commercial papers for an amount up to 600 million euros (see Note 27.A to the consolidated financial statements for further details);

Details of the Group's cash requirements and resources (especially cash surpluses and credit facilities), together with its policy for managing and monitoring liquidity are described in Note 27 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 available in the insurance market 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 criteria on the Group's claims experience, advice from brokers with industry benchmarks as well as specific risks and/or actuarial studies. On a regular basis, the Insurance Department launches regular insurer and broker bids.

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 remains extremely challenging and Nexans is still facing offer and coverage reductions, increases in premiums for certain policies coming off a long term agreement 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 context, new risks have been added in 2023 with the addition of the transport policy. The Group is permanently studying the opportunity to add new risks. Finally, 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 Nexans Skagerrak & Nexans Aurora

The Group's cable-laying ships, Nexans Skagerrak and the Nexans 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

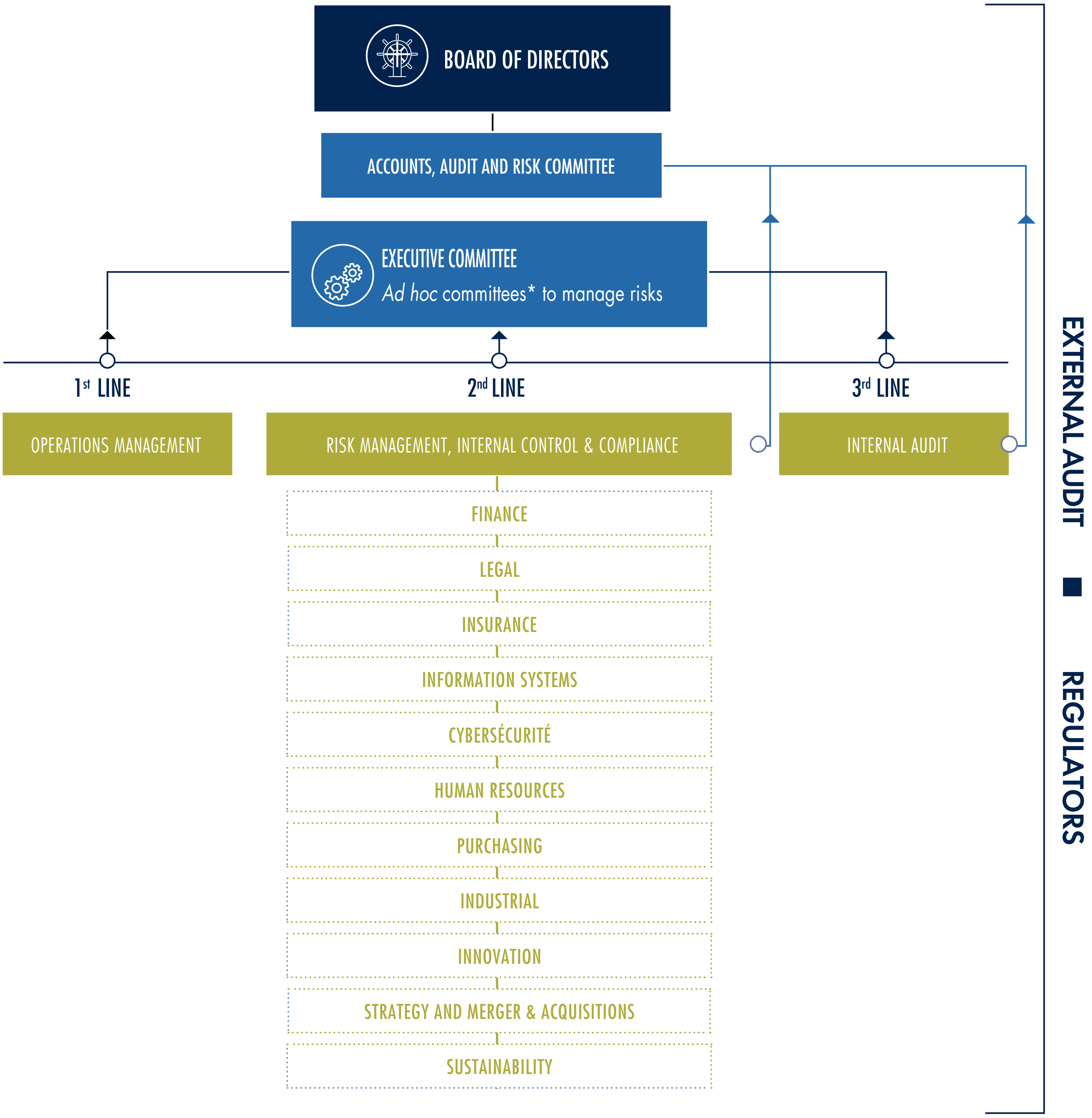
A short-term credit insurance policy is deployed throughout the Group covering most of its subsidiaries Specific insurance is taken out if necessary for long term credit contracts.

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 with the addition of the transport policy in 2023.

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
- Corporate 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

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 Management Procedures in their areas of responsibility, covering compliance with applicable laws and regulations and with the Group's Code of Ethics and Business Conduct and Management of Incident Reports.
Second Line of Defense – Risk Management, Internal Control and Compliance	Coordinated by the Departments of Risk Management, Internal Control and Compliance 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 and 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 in their operating scope and toward 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, through a decentralized model, 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 following objectives:

- to ensure the health and safety of Nexans' employees;
- to guarantee the compliance with Nexans Code of Ethics and Business Conduct and the other Group processes and procedures;
- to ensure that Nexans meets its strategic objectives;
- to preserve Nexans values as well as business activities, assets and reputation of the Group.

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 Group Compliance Officer in charge of the Compliance Department 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 to the Group's General Counsel, member of the Executive Committee, and meet at least once a year with the Accounts, Audit and Risk Committee.

Under the management of the Group Compliance Officer, Nexans has put in place a whistleblowing system to raise concerns about any breach of business ethics and anticorruption rules, whether within Nexans or by business partners. The system, accessible anywhere, enables the strict confidentiality and protection of the exchange with the whistleblower. The incident report system is also available to anyone outside the Group, by phone or remotely through the website www.nexans.com.

The Compliance Department performs second-level controls on:

- third-party pre-qualification through a global due diligence tool of the said third-parties;
- 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;
- monitoring of sanctioned designated parties and politically exposed persons.

Support functions	Main responsibilities
Compliance Officer	• Designs strategic compliance policies for the Group and defines the Compliance Program • Supports Business Groups in designing their compliance plan for the year • Develop procedures and controls to prevent and detect deviations from Group policies • Facilitates controls of compliance principles and procedures • Raises understanding and awareness on compliance concepts • Updates and strengthens the anticorruption risk mapping for the Group • Coordinate internal investigations • Receives and processes, through the whistleblowing system in place at Nexans, alerts of potential violations of the Group's Code of Ethics and Business Conduct • Reports compliance activities to the Audit, Accounts and Risk Committee • Reports directly to the General Secretary
Compliance team	• Support the implementation of the Compliance Program and procedures in Business Groups and units • Facilitate controls of compliance principles and procedures • Support the anticorruption risk mapping for the Group
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

Functional departments	Main responsibilities on risk management and internal control
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 • 11 internal audits conducted in 2022 • 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.


ITEM: 12.7/22KV CU/XLPE/CUT
SIZE: 3C X 185SQMM
LENGTH: 255 M
NET WEIGHT
GROSS WEIGHT
ORIGIN:

DPEF - CSR


03

3.1 Sustainability at the core of Nexans' strategy

The major challenges of the climate change and the need for energy transition are the pillars of Nexans strategy. As a pure player of electrification, Nexans plays a major role in climate change mitigation and adaptation.

In 2021, Nexans developped its E^3 performance model, which aims at combining Economic performance with Environment & Engagement positive outcomes. Thanks to that, Nexans business model will support a sustainable future.

3.1.1. A leader in sustainable electrification

Climate change impacts global world with more frequent and intense extreme weather events, with more negative roles of greenhouse gas emission, and with increasing temperature. Alerted since decades by the International Panel of Climate Change experts, countries signed the Paris Agreement in 2015 (COP 21), limiting global warming to well below 2 degrees celsius compared to pre-industrial levels, and the need of decarbonization plan in all sectors.

Electrification is a major answer to this challenge. While deploying electricity generations, transmission, distribution and usages, countries will decrease their fossil dependence and carbon related emissions.

Nexans is manufacturing, delivering and installing electrical cables and services to all players of the electrification value chain: generation, transmission, distribution and usages.

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. Innovation enables Nexans to propose an increasingly large low carbon products and service offering. Energy transition comes with the deployment of renewable energies (solar and wind especially), the renewal of grids, electrical interconnexions between countries, the first electrification of population in emerging countries, low carbon solutions for grids and usages, the deployment of urban mobility and digitalization. For all these markets, Nexans is proposing cables and solutions, based on innovation to seize such opportunities.

Sustainability is at the core of Nexans' strategy, focusing on electrification.

3.1.2. Sustainability embedded in Nexans governance

To steer its Sustainability ambitions, the Group has set up a dedicated governance structure, based on the Sustainability Department:

- **at Board od Directors level**, Sustainability topics are discussed in the various Board committees (Strategy and Sustainable Development Committee, Accounts, Audit and Risk Committee, Appointments and Corporate Governance Committee and Compensation Committee), and during Board meetings. The Strategy and Sustainable Development Committee and the Board of Directors validate Nexans' sustainability strategy, roadmap and review the deployment and the results at least twice a year;
- **the role of Director responsible for monitoring climate and environmental issues ("Climate Director")** was created at the beginning 2022. Marc Grynberg was appointed by the Board of Directors on January 20, 2022. He is a member of the Board and a member of the Strategy and Sustainable Development Committee. On February 14, 2023, he has been appointed as a member of the Accounts, Audit and Risk Committee. He participates to all Board Committee meetings where sustainability is addressed, meets regularly Nexans CEO and Vice President Sustainability, and 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. See also Chapter 4 on the main missions of the Climate Director and on his 2022 activity report;
- **at Executive Committee level**, chaired by the CEO. Sustainability topics are designed, reviewed and validated. It will cover in particular: definition of the strategy integrated in Group strategy, definition and status of sustainable roadmap, assessment of results, E^3 Performance model, information on new regulations;
- in 2022, the Executive Committee was assisted by two expert committees to translate the CSR ambitions and other CSR issues into operations:
  - **Environment and Product 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. They review the following topics: workplace safety, environmental management and on-site audits, recycling and waste, soil testing, climate-change assessment and management, energy efficiency, responsible purchasing, innovation and new product development, life cycle assessment and eco-declarations, eco-design, regulations on chemicals, biodiversity and water management,
  - **Governance and Social Affairs Committee** which is co-chaired by the Group's Senior Corporate Vice President, Chief Human Resources Officer & CSR and by the Senior Corporate Vice President, General Counsel & Secretary General, members of the Executive Committee. They review topics including: governance, ethics and business conduct, CSR risks, labor relations, human capital, human rights, opinion surveys, internal employee engagement surveys, inclusion and diversity, CSR reporting, stakeholder relations, CSR communication, Nexans Foundation;

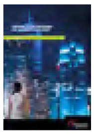
- **a Planet Project team**, chaired by the Vice President Sustainability, head of CSR Department, who is reporting to the Group's Senior Corporate Vice President Human Chief Resources Officer, member of Executive Committee. The Planet Project gathers sustainable leaders of all corporate functions: industrial, sales, purchase, R&D, CSR, meets twice a month, and reviews the execution of the sustainability plans of the Group;
- **operational committees** in each functional domain: industrial, purchase, sales and communication are gathering once a month Business Groups, sustainable leaders and head of corporate functions to review the execution of the sustainability plans of the Group;
- **Business Groups** are in charge of implementing the sustainability roadmap defined by Executive Committee and reviewed by operational committees. Business Groups are incentivized on this roadmap. Roadmap, action plans and incentives are defined for Business Groups, Business Units and Sites.

The involvement of the highest governance bodies and the organization's operating departments and support functions in developing CSR policy and reviewing Sustainability execution attests to the strong commitment of sustainability at the source and heart of Nexans strategy.

3.1.3. An early and ambitious CSR strategy, continuously enriched

The CSR Department was created in 2011, Nexans Foundation in 2013, and every year new milestones have been achieved towards our goal to build a sustainable future for all.

2011



Creation of the CSR Dpt

- 1st Nexans Values
- 1st Sustainable Developement brochure
- 1st Communication of CO_2 emissions (Scope 1 & partial 2)

2012

- Materiality matrix
- 1st year of evaluation by EcoVadis
- 1st Human Rights internal Survey

2013

- Creation of the **Nexans Foundation**
- 1st Supplier CSR Charter

2014

- Board of Directors: Creation of the Strategy & Sustainable Development Committee
- CSR performance integrated into the **CEO's variable compensation**
- 1er Safety Day

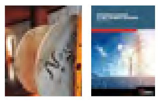
2015

- CSR priorities draw on the **Sustainable Development Goals** set by the United Nation
- Improvement of the EHP Internal Environmental Label

2016

- 1st Duty of care plan publication
- **Recyclables** - Nexans recycling services

2017



- Dedicated publication on Nexans contribution to energy transition
- **PEFC Forest drums**

2018

- **1st Integrated Report** & Award of "Integrated Thinking" for this report
- 1st Compliance Week
- Lauching of WIN Network

2019

- Signature of the French Business Climate Pledge (MEDEF)
- **Carbon Disclosure Project (CDP) A List**

2020

- Humans Rights Governance
- Climate Day – Climate Pledge Nexans commitments to contribute to carbon neutrality by 2030
- Launching of PLANET project
- 1st Climate Collage to a COMEX member
- CSR Webinars on My learning
- EcoVadis Platinum Medal
- ESG Day

2021

- Aligment with TCFD guidelines (Climate risks)
- Aligment with Science Based Targets initiative (SBT) (1.5°C pathway) (trajectoire 1,5 °C)
- Diversity & Inclusion Program

In November 2020, Nexans held an ESG (Environment, Social & Governance) day to present the ESG roadmap for 2020 to 2023, based on three pillars:

PEOPLE: Looking after people and leveling the playing field for talents

- Workplace safety: guarantee health and safety of our employees at the workplace
- 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
- Driving Energy transition: generate revenue from products and services that contribute to the energy transition and energy efficiency,
- Circular economy: reduce production waste, increase the share of recyclable and connected cable drums
- Climate: reduce Nexans' impact on the climate and improve the share of renewable, carbon-free energy

ECOSYSTEM: Sharing Nexans' 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

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 is 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, environment and anti-corruption.

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

				2021	2022	Variation	Target 2022	Target 2023
ENVIRONMENT	Focus on decarbonation	3.2.1	Reduction of GHG emissions (base year 2019) Market based[a]	-17.3%	-20.2%	↘	-13%	-17%
			Proportion of renewable and decarbonized energy[b]	73%	72%	↘	68%	72%
	Promoting circular economy	3.2.2	Total production waste recycled[c]	75%	75%	→	79%	80%
			Proportion of cable drums connected[d]	12%	14%	↗	55%	80%
	Reducing environmental risks	3.2.3	Industrial certified ISO 141001	89%	90%	↗	90%	93%
	Driving energy transition	3.2.5	Sales generated from products & services that contribute to energy transition and efficiency[e]	59%	60%	↗	60%-70%	70%-80%

				2021	2022	Variation	Target 2022	Target 2023
PEOPLE	Committed to employees health and safety	3.3.2	Workplace accident frequency rate[f]	1.81	2.31	↗	1	0.9
			Global workplace accident severity rate[g]	0.15	0.12	↘	<0,11	<0,10
	Talent & People development	3.3.3	Employees eligible to Long Term Incentive with CSR criteria[h]	100%	100%	→	100%	100%
	Inclusion & Diversity	3.3.5	Graded positions staffed internally[i]	43%	47%	↗	55%-57%	60%
			Women in management position	24.5%	27%	↗	25%	26%
			Women in top management position[i]	17.7%	18.6%	↗	17%-19%	18%-20%

				2021	2022	Variation	Target 2022	Target 2023
ECOSYSTEMS	Deliver a respectful and ethic business	3.4.1	Managers having completed the yearly compliance awareness course[k]	98.3%	100%	↗	100%	100%
	Duty of care plan	3.4.2	Number of suppliers covered by a valid CSR scorecard[l]	322	465	↗	370	500
	Employee engagement	3.3.4	Employee engagement index[m]	72%	77%	↗	78%	78%
	Nexans Foundation	3.4.6	Amount allocated by the Nexans Foundation	€300,000	€300,000	→	€300,000	€300,000

(a) 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. Targets are based on emission reduction versus 2019, base year. This 2019 base year has been restated to have similar scope than 2022 (taking into consideration acquisitions, as well as divestitures). Nexans Group calculated Location-Based (emission factor per country) & Market-Based methodology (emission factor per contract). SBTi targets are in Market-Based. See 3.2.1.

(b) Proportion of renewable electricity produced directly by Nexans locations or the purchase of decarbonized electricity. Definition is different from RE100, as it includes nuclear. RE100 ratios are disclosed in 3.2.1.

(c) Non-hazardous production waste consists mainly of non-ferrous metal and plastic materials. In 2022, Group changes the way they follow such ratios, in a much stricter way, considering that selling or delivering wastes is not enough to consider recycling. Targets were modified to follow same methodology. See 3.2.2.

(d) 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, stable in 2021 and at 23% in 2022.

(e) Offshore wind, interconnection projects, utilities, smart grids (energy transition), energy efficiency (building), accessories, solar energy, wind energy, eco-mobility and asset management. See 3.2.5. to see difference with EU Taxonomy.

(f) 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.

*(g) Severity rate: number of days lost because work accidents/hours worked)*1000. This rate relates to internals workers only.*

(h) Among the employees benefiting from a long-term Incentive plan validated by the Board of Directors, 100% include a CSR criterion.

(i) 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.

(j) Top management: Category of employees defined by the Group's Executive Committee based on the Nexans Grading system.

(k) 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.

(l) 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.

(m) Scope: Cable activity, excluding Industry & Solutions and Telecom & Data.

In April 2022, Science Based Targets initiatives (SBTi) validated two climate commitments:

- Nexans commits to reduce absolute Scope 1 and 2 GHG emissions by 46.2% by 2030 from a 2019 base year;
- Nexans also commits to reduce absolute Scope 3 emissions by 24% within the same timeframe The first one was part of the ESG scorecard published in 2020.

In Dec 2022, both SBTi targets were on track, even above yearly target (-28% versus -12.6% for Scopes 1&2, -28% versus -6.5% for Scope 3).

As of December 2022, Nexans shows results in line with commitments, especially for indicators concerning greenhouse gas emission, environnement management, inclusion & diversity, CSR awareness, Nexans Foundation and duty of care.

Important to notice that regulations concerning GHG emissions are moving fast. To keep comparability, Nexans is evaluating indicators as defined as the inception: as set in 2020 for the ESG scorecard, and as defined by the international methodology (GHG Protocol, RE100, EU Taxonomy…) for the indicators based on such framework (SBTi targets for example, which are In Market-Based). Both indicators are displayed.

Behind each indicator a dedicated roadmap was built and followed-up, and will be detailed in upcoming chapters of this document.

3.1.4. E^3: a unique performance model

To meet faster its CSR roadmap goals and long-term commitments, new performance model called E^3 Program, based on three E:

- Economic: ability to deliver value (EBITDA%) and cash flow (free cash flow). Goal Is to maximize the financial usage of assets;
- Environment: ability to deliver carbon return (low GHG emission). Goal is to maximize the value generation for each carbon spent;
- Engagement: ability to optimize the employees contribution. Goal is to deliver performance in a safe, inclusive and engaged way.

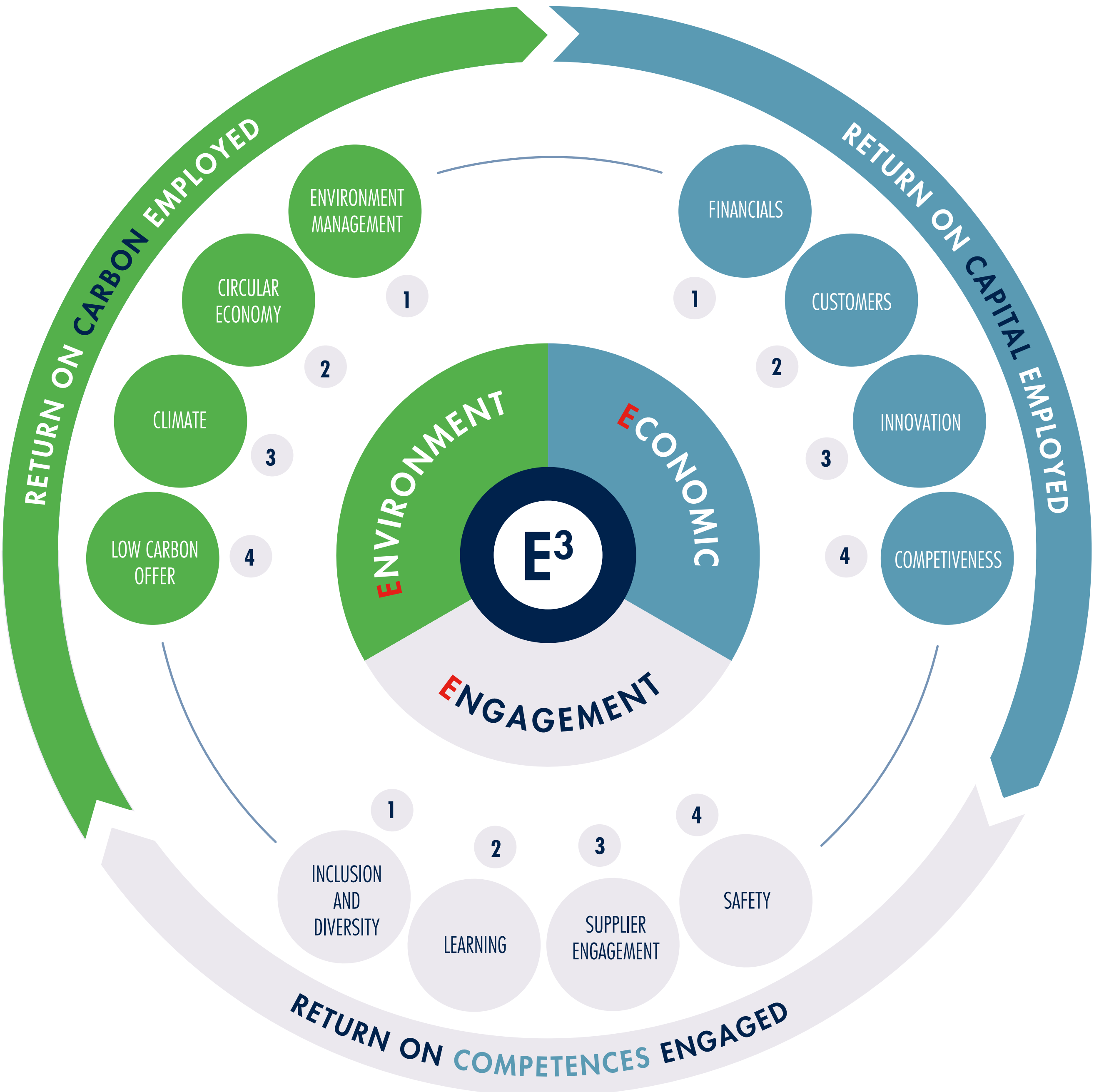
The Group defined priorities and incentives based on the three E, and is ranking all businesses to promote and reward those that have performed well in the three areas. E^3 performance model is also a tool enabling business leaders to take adequate decision.

All Nexans employees have three E incentives, but with different applications:

- for short term incentives: Executive members and managers incentives are based on some financial, environmental and social indicators based on their respective units or functions (often EBITDA, GHG emission and safety). For GHG, reductions targets are in Location-based and Market-based methodologies;
- for long term incentives: performance shares include ESG criteria

E3 performance model is also associated to a tool which enables business leaders to take adequate decision. And this tool is based on an internal price of carbon, enabling to monetize the carbon impact to be able to compare pros & cons of each decision in front of the economical benefit or cost. This allows the business leader to take a right decision depending on its own situation. In Nexans Group, focus is not only profitability, but really sustainability, meaning a business combining economic, environment and engagement. This is the main guarantee of a sustainable electrification.

This E^3 tool was built, with the support of CosmoTech® firm to be able to track the carbon footprint and financial situation of each business and simulate financial and environmental payback of each actions. The tool was launched in 2022, and all business units were onboarded on it.



3.1.5. Awareness of employees on CSR ambition

Training, engaging employees, making them aware of the Corporate Social Responsibility, environmental, and safety challenges are critical to deliver Nexans' ambitions. The CSR Department is strongly involved in training and actions to make employees aware of CSR ambition.

- The Group is using the Climate Fresk (*Fresque du Climat®*) to help employees better understand climate issues and the causes and effects of climate disruption and to promote the environmental ambition of Nexans. In 2022, at least one Climate Fresk was organized in each French plants. As of today, nearly half of French employees (47%) had the opportunity to attend these workshops (including 70% of Headquarters, since October 2020), and the international deployment of Climate Fresk has been started and will be the main focus of 2023.
- In 2022, the Group launched an e-learning course about CSR in 6 languages followed by more than 1,000 people. A Climate change awareness course will be launched in 2023.
- In 2022, the second edition of the Internal Planet Week was organized in nearly all plants and sites (70 in total) to raise awareness of all Nexans employees about Nexans Climate strategy and commitments to engage every single person to act towards the annual -4,2% GHG emissions reduction.
- A Safety day is organized every year to share the good practices in terms of safety, and make employees aware of the safety risks in their daily activity. Employees are also requested to follow an e-learning showing the safety management practices.
- A safety training is mandatory to enter a plant, for new employees, subcontractors or visitors.
- During the compliance week, the Group prepared and promoted to all managers an e-learning on several topics: greenwashing, compliance, anti-bribery,…
- In each Group Convention the CSR Department is explaining the Group's CSR ambition and roadmap.

3.1.6. Risks and opportunities

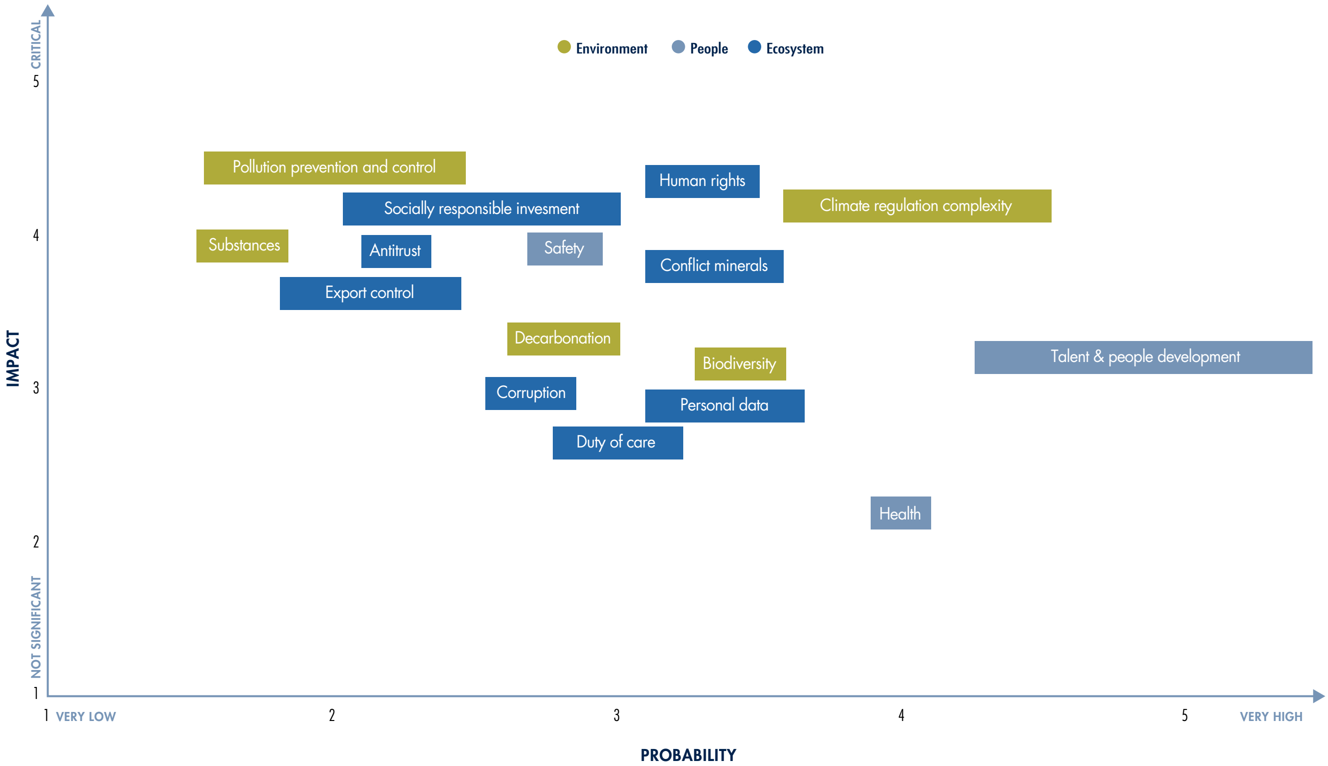
In connection with preparing its Non-financial Performance Statement, the Group analysed its CSR risks with a view to assessing its opportunities and risk management processes. As part of its Group-level risk analysis, and as requested by stakeholders (including by non-financial rating agencies), Nexans performed its annual specific CSR risk mapping process in 2022.

The analysis was carried out jointly by the Risk Department and the CSR/Sustainable Development Department. In order to compile the list of relevant CSR risks for the Group, a benchmark on industry leaders and peers was conducted and key external guidelines were followed including but not limited to the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), Taskforce on Nature-related Financial Disclosures (TNFD) and Taxonomy. Around twenty internal stakeholders including senior managers belonging to the Operations, Purchasing, Innovation, Human Resources, Legal and Compliance Departments were consulted. The CSR risk mapping covered about 34 risks.

The resulting CSR risk matrix was then presented to the Audit, Accounts and Risk Committee.

During the analysis, the Group identified the non-financial risks to which it is exposed in relation to its business activities. The CSR risks are grouped in three (3) categories: environment, people, and ecosystems. As regards the prioritisation methodology, the risks identified are risks specific to Nexans. The risk assessment is based i) on the measurement of the level of criticality or gross risk (level of the potential impact on the Group if the risks were to occur multiplied by its probability of occurrence) and ii) for assessing the net risk, in taking into consideration for each risk the mitigation and management measures deployed by the Group to minimize the occurrence and impact of the said risk. See section 2.1 "Risks Factors".

The following matrix represents the gross risk of the most critical CSR risks. Their corresponding mitigation policies and programs are detailed in the table further below.



As regards climate-change related risks, they were mapped separately and are not fleshed out in the above CSR assessment. Nonetheless, climate-change related risk was identified as a critical risk for the Group. For further details, see section 2.1.2.2. titled "Risk related to climate change and natural hazards" and section 3.2.4. titled "The resilience of the Group's business model to the impact of climate change".

Although other CSR risks (such as those relating to health, water management and diversity) 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 and monitored to avoid their occurrence and minimize their impacts.

The Group has put in place strategies for managing each identified non-financial risk. Sponsors from the Executive Committee and functional departments are charged with monitoring these risks and the proper and effective implementation of carefully tracked action plans, backed by results indicators. Reviews of the actions plans and of the related results indicators are included on the agenda of the Environment & Product Committee meetings as well as of the Governance and Social Affairs Committee meetings.

The main functional departments or functions involved in this process are in particular the Sustainable Development Department, Human Resources Department, Innovation, Services & Growth Department, Industrial Department, Purchasing Department as well as the Group Compliance Officer and Data Protection Officer.

For more information on the risk management role of functional departments – including CSR risks – see section 2.3.5. in Chapter 2 "Main risk factors and risk management".

Nexans' Accounts, Audit and Risk Committee monitors the effectiveness of risk management procedures and internal controls – including those related to CSR issues – and reports to the Board of Directors. See section 2.3.2. of Chapter 2 for more information on the Group's coordinated risk management system.

Thus, the table below provides an overview of i) the main non-financial risks identified and analysed by the Group, ii) the corresponding mitigation policies and programs to mitigate the risks, as well as a preliminary description of the opportunities relating to these risks.

Description of the risk and its potential impact	Group policies/programs to prevent risk or limit its impact	2022 Achievements	Opportunities
Environment			
DECARBONATION / SEE SECTION 3.2.1.			
Risk: Failure to reach carbon neutrality commitments and emissions' reduction targets **Impacts:** • Damage to the Group's image • Commitments requested by non-financial rating agencies, investors analysts, customers • Impact on employer attractivity	• Group commitment: carbon neutrality by 2030, emissions reduction by 4.2% yearly (-46% for Scope 1 & 2, -24% for Scope 3) to be aligned with Paris agreement • PLANET Project • Climate engagements as part of short- and long-term incentives for managers including the Executive Committee and CEO	• Deployment of the E^3 tool to track and consolidate carbon action plan for sites and BUs (see section 3.1.4.) • Appointment of Climate Director at Board level to track the results of climate engagements (see section 3.1.2.)	• Develop an image as a trusted partner • Align image with Group's strategy
POLLUTION PREVENTION & CONTROL / SEE SECTION 3.2.3.			
Risk: Soil, water and air pollution at Nexans sites **Impacts:** • Fines in the event of failure to comply with regulations • Damage to the Group's image • Environmental and biodiversity impact	• Environmental assessment and certification policy • Reasonable environmental due diligence in the context of mergers and acquisitions • System for analyzing industrial environmental risks	• ISO 14001 certification: 90% of industrial sites certified in 2022	• Develop an image as a trusted partner • Contribute to costs control
SUBSTANCES / SEE SECTION 3.2.3.3.			
Risk: Failure to comply with all national regulations with regard to chemical substances **Impacts:** • Non-compliance of products due to ban/restriction on substances used • Costs associated with the adaptation to various national legislations • Impact on people's health, on environment and biodiversity • Damage to the Group's image • Legal proceedings/Fines	• Policy and tools for monitoring substances used, in particular those subject to the REACh regulation and the RoHS Directive • REACh manager supported by a network of local REACh coordinators	• Classification of sites according to their level of compliance risk: 98% of sites with a minor or moderate risk level, *versus* 74% in 2021 • 47 sites covered: all EU sites + sites supplying Europe + four trading sites • 11 ongoing R&D projects to replace hazardous substances	• Market opportunity for premium offers • Differentiation from competitors • Develop an image as a trusted partner
BIODIVERSITY / SEE SECTION 3.2.3.4.			
Risk: Impact on biodiversity from installation/use/decommissioning phase of cables (aerial & submarine), and/or from wrong management of biodiversity issues by suppliers **Impacts:** • Damage to the Group's image • Growing support for emerging technology without potential biodiversity risk associated with cables	• Launch of biodiversity scoring to identify main activities' risks with external service provider	• Indicator under construction	• Establishing an image of a biodiversity conscious company • Market opportunity as differentiation factor for tenders • Attractiveness and talent retention
CLIMATE - PHYSICAL RISKS RELATED TO CLIMATE CHANGE / SEE SECTION 3.2.4.			
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	• No supply shortage due to natural disasters in 2022	• No break in our production chain • Develop an image as a trusted partner

Description of the risk and its potential impact	Group policies/programs to prevent risk or limit its impact	2022 Achievements	Opportunities
CLIMATE - TRANSITION RISKS RELATED TO CLIMATE CHANGE / SEE SECTION 3.2.4.			
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 R&D projects to be dedicated to energy efficiency, people safety, resources preservation 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 decarbonized energy	• Industrial approach: partnerships and investments leading to GHG emissions reduction and energy efficiency (see section 3.3.1.) • "RE100" 10% renewable electricity in 2019, the base year, 20% in 2020, 35% in 2021, 37,8% in 2022.	• Growth in market for Nexans energy efficiency offers • Cost reductions • Reduction of environmental impact • Attractiveness of our offers
People			
SAFETY / SEE SECTION 3.3.2.			
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 • Managerial and social issues	• Security standards: 15 Safety Golden Rules • Job Safety Analysis (JSA); Safe and Un-Safe Act (SUSA); Settle Quickly Eradicate Control (SQEC) • Alert Management System • Monthly QHSE reports • Group Safety Committee • Work environment assessment	• 2022 – 80% compliance with golden rules • Frequency rate: 2.31 • Severity rate: 0.12 (2023 target < 0.10) • Ergonomics campaign launched in all locations	• Employees safety and well-being • Improved discipline in process execution, including better productivity and cable quality • Develop an Image as a trusted partner and employer
ATTRACTING DEVELOPING AND RETAINING TALENT/SKILLS / SEE SECTION 3.3.3.			
Risk: Difficulty attracting talent in the market and difficulty retaining talent within Nexans **Impacts:** • Costs associated with recruitment and onboarding process • Perception of the Nexans brand in the market • Loss of skills • Inability to develop Nexans' business model • Inability to deliver projects and respond to tenders	*Attracting talent* • Employer Promise linked to the Group's Equity Story • Invest in employment market outside of Nexans' historical activity (*e.g.*, digital, services, marketing) • Pre-recruitment policy *Retaining & developing talent* • Digital Induction Program • Internal assessments of new skills required • Promotion of internal mobility • Talent pool per function • Work on employee's engagement (E^3) • Comprehensive investment in employee training	• 47% of the most experienced management positions filled internally • Sales & Marketing's organization core model designed and deployed in 11 BUs	• Focus on the Nexans brand • Wider access to the best talent on the market • Increase in the retention rate • Improved integration of new hires • Promote Nexans Employer Value Proposition (EVP) • Employees' tailor-made development path in line with Nexans' strategy • Reduce recruiting costs

Description of the risk and its potential impact	Group policies/programs to prevent risk or limit its impact	2022 Achievements	Opportunities
Ecosystems			
CORRUPTION / SEE SECTION 3.4.1.1.			
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 regarding intermediaries (sales agents, distributors, etc.) • Compliance Program • Whistleblowing procedure • Sales, purchasing and finance employees receive anti-corruption training each year	• Tone@theTop initiatives • Anti-corruption training made during the Compliance Week • Anti-corruption and bribery risk mapping	• Develop an image as a trusted partner, employer and stakeholder • Sustainable sales development
ANTITRUST / SEE SECTION 3.4.1.1.			
Risk: Failure to comply with antitrust regulations **Impacts:** • Legal impact • Financial impact • Impact on the employer brand	• Code of Ethics and Business Conduct • Compliance Program • Whistleblowing procedure	• Spot training on sales & procurement employees on competition law issues • Antitrust training made during the Compliance Week	• Develop an image as a trusted partner, employer and stakeholder • Sustainable sales development
HUMAN RIGHTS / SEE SECTION 3.4.1.2.			
Risk: Violations of human rights and fundamental freedoms, including by Nexans' suppliers or subcontractors **Impacts:** • Impact on health and well-being of Nexans employees, its suppliers and subcontractors • Impact on the Group's image • Legal impacts – Legal proceedings	• Nexans' human rights policy • Nexans' duty of care plan towards suppliers and subcontractors • CSR Library with answers to commonly asked questions by suppliers and customers • Specific governance structure dedicated to human rights, made up of a multi-disciplinary team • Whistleblowing procedure	• On-site suppliers CSR audit (see section 3.4.2.1.) • CSR continuous improvement plan for suppliers with a score below 35 • Integration of the new Code of Ethics and Business Conduct (including Nexans' Human Rights Policy) in the Human Rights training made during the Compliance Week	• Protect Human Rights • Make Nexans more attractive • Promote Nexans Employer Value Proposition • Develop employees' understanding of Human rights Issues and their commitment on these issues • Selection of virtuous suppliers and subcontractors • Strengthen collaboration with suppliers to consolidate partnerships
DUTY OF CARE / SEE SECTION 3.4.2.			
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 Group's image • Legal impacts – Legal proceedings	• Nexans' conflict minerals plan • Nexans' CSR Charter to be signed by suppliers • Withleblowing	• 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
Risk: Failure to control suppliers' CSR performance on Environment, Employees and Ethics issues **Impacts:** • Compliance issue • Impact on the Group's image • Requested by non-financial rating agencies and customers	• Nexans' duty of care plan on suppliers • Delisting of non-compliant suppliers • Training Purchasers on how to help suppliers improve their CSR performance	• 14 suppliers' sites audited in 2022	• Selection of CSR-compliant suppliers and subcontractors • Strengthen collaboration with suppliers to consolidate partnerships

Description of the risk and its potential impact	Group policies/programs to prevent risk or limit its impact	2022 Achievements	Opportunities
Risk: Risk of selecting suppliers without taking into account their CSR performance **Impacts:** • Compliance issue • Impact on the Group's image	• General management procedure for Purchasers to assess a suppliers' global risk • Supplier's CSR tracker (including Scorecard, Charter, audit)	• As of 2022, no suppliers can be created if the CSR Charter is not signed (unless express derogation granted)	• Selection of CSR-compliant suppliers and subcontractors • Strengthen collaboration with suppliers to consolidate partnerships
PERSONAL DATA / SEE SECTION 3.4.4.			
Risk: Cyber-attack or incident leading to a data breach or leakage **Impacts:** • Impact on the Group's image • Impact on rating agencies' ratings (both financial and ESG) • Legal proceedings/fines • Business impact	• Cybersecurity program • Annual action plan in place, as part of the Group Compliance program • Constitution of a network of Data Protection Correspondent	• Zero data leakage incidents • 30 countries covered with local Data Protection Correspondents • Security Operations Center (SOC) enhanced in 2022 • End-user Security policy has been updated and included in Cybersecurity e-learning training during Compliance Week	• Develop an image as a trusted partner & employer
SOCIALLY RESPONSIBLE INVESTMENT / SEE SECTION 3.4.7.			
Risk: Exclusion from socially responsible investment due to business choices not aligned with market expectations **Impact:** • Distrust from investors • Downgrading • Impact on the Group's image • Refinancing issues	• Group level action plan on ESG • ESG conferences to engage ISR investors • Discussion with ESG/ISR rating agencies	• Ratings: CDP A-, Ecovadis 78%, MSCI A (see section 3.1.7.)	• Develop an image as a trusted partner • Risk mitigation thanks to virtuous continuous process • Higher credibility to support customers/suppliers in their sustainability journey

3.1.7. CSR performance

The CSR performance of the Group is measured and recognized by non-financial rating agencies. The strength of Nexans CSR performance was affirmed in 2022, as assessed by:

CDP (Carbon Disclosure Project)

A- rating maintained. The Group remains among the 11% of companies in the sector of electrical utilities that have reached the leadership level.

MSCI

In 2022, the Group had been upgraded to A rating, after several years of BBB rating. MSCI ESG Ratings aim to measure a company's resilience to long-term ESG risks. Companies are scored on an industry-relative AAA-CCC scale across the most relevant Key Issues based on a company's business model.

EcoVadis

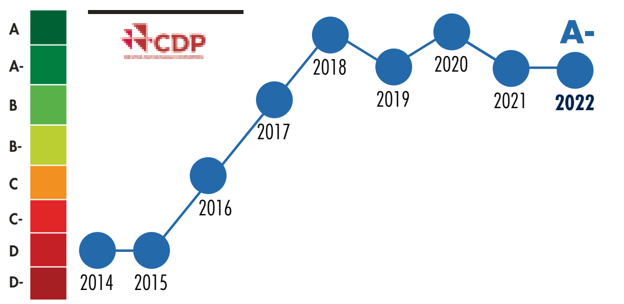
Advanced rating upheld with a score of 78% in 2022 (78% in 2021), enabling the Group to maintain the EcoVadis Platinum level CSR recognition medal. The Group ranks among the top 1% of companies assessed by EcoVadis.

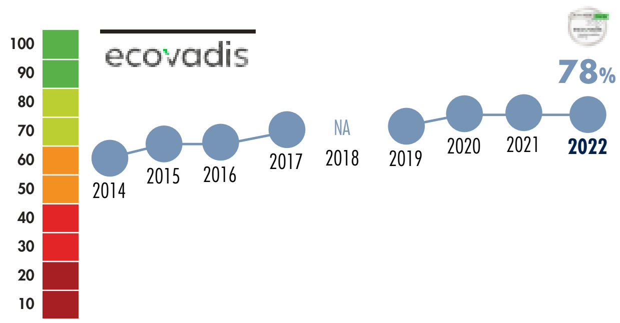
Sustainalytics

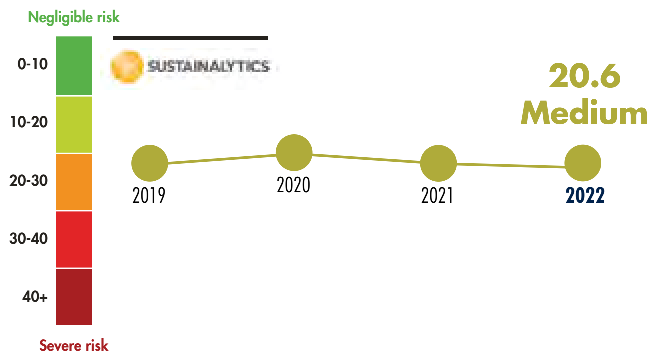
In 2022, the Group's ESG risk rating had been evaluated at 20.6, which is an improvement of –0,2 from 2021 20.8 ESG risk rating. It represents a medium risk of material financial impacts driven by ESG factors. This rating is based on its average risk exposure and strong management of material ESG issues. Lower ratings are better, and Nexans is targeting to further reduce it and enter the low risk category thanks to a grading of 20.

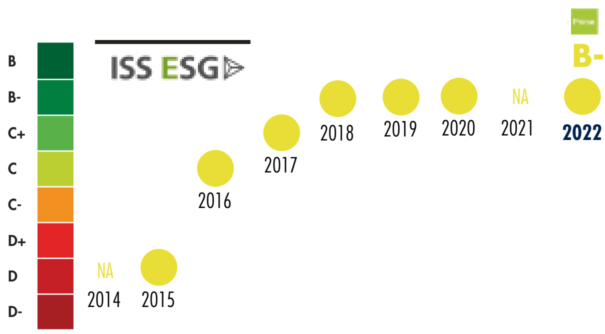
ISS ESG

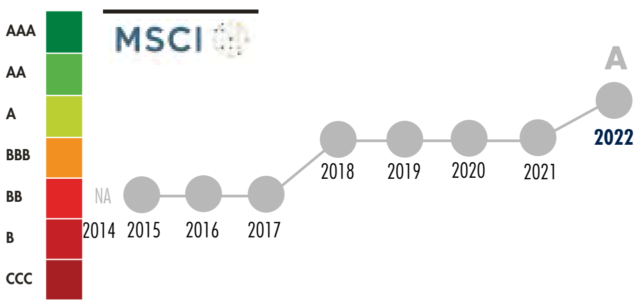
B- rating maintained (the best rating in the sector is B), enabling the Group to keep its "Prime" status. *ISS ESG awards a "prime status" to companies which have been identified as sustainability leaders in their industry*. Nexans is rated "Prime", meaning that it fulfills ISS ESG's demanding requirements regarding sustainability performance in the industry of Electronic Components sector.











3.1.8. Independent data verification

This section 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.

3.2 Environment: contribute to a sustainable and responsible business

3.2.1. A Group focused on decarbonation

At its first ESG Day held in September 2020, the Group disclosed its roadmap to contribute to carbon neutrality by 2030 reviewed and validated by Sciences Based Target Initiative (SBTi) in 2022.

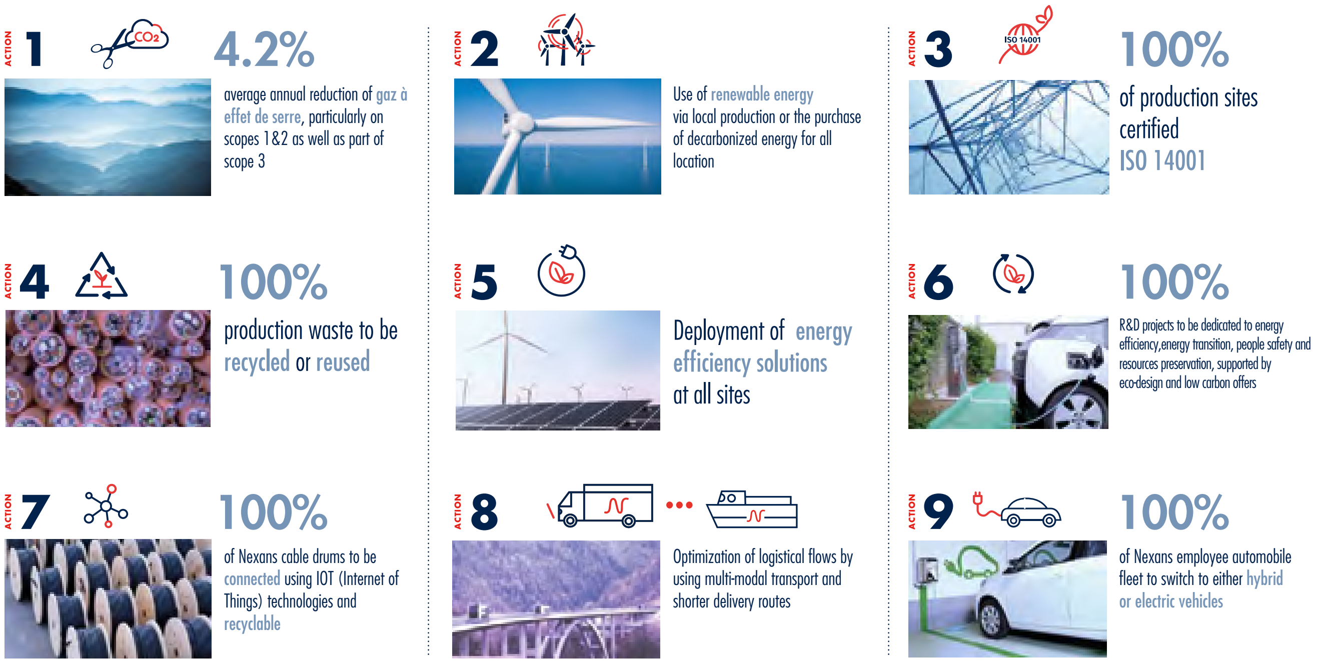
3.2.1.1. An ambitious carbon roadmap validated by the SBTi

Nexans carbon targets by 2030 were set based on Paris Agreement (2015) to limit global warming preferably to 1.5 degrees Celsius compared to pre-industrial levels. They are in market-based methodology according to GHG Protocol.

Following SBTi rules, Nexans commits to:

- reduce its Scopes 1 & 2 by 46% by 2030, with a base year in 2019;
- reduce its Scope 3 by 24% by 2030, with a base year in 2019.

In 2020, the carbon roadmap detailed the various levers of these two goals, including work on direct and indirect emission from the operation, R&D, Purchasing, Transportation, environment management and circular economy. These commitments are the basis of the ESG Scorecard, for the environment pillar. As some targets were set before SBTi and RE100, both calculations are done and shown in following tables (following SBTi and RE100 rules, and also ESG Scorecard methodologies).



Nexans aims at using 100% of electricity coming from renewable sources, in line with its commitment to RE100taken in 2020 for 2030.

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.

(1) Statement on Non-Financial Performance: articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

3.2.1.2. 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 on a worldwide basis using the following indicators:

- emissions related to the use of fossil fuels and gas (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. The significant sources included in its calculation of upstream and downstream emissions, combined with its direct and indirect emissions, cover over 99% of GHG emissions.

Group's GHG calculation is following the GHG protocol rules in Market-based and Location-based methodologies. Emission factors are based on worldwide database (International Agency of Energy and the French agency Ademe).

The Scopes 1 and 2 are measured on a monthly basis, while Scope 3 is measured each year. In case of acquisition of new companies, 2019 baseline is recalculated. This is the case in 2022, with the purchase of Centelsa.

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 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.

					Emissions variation	
Scope	Category	Emission category	2022	2019	Tons CO_2e	%
Scope 1	1.1 + 1.2 + 1.4	Direct emissions from stationary and mobile combustion and from fugitive sources	122,841	119,288	+3,552	+3%
Scope 2	2.1 + 2.2	**Location Based:** Indirect emissions from purchased electricity and from purchased steam/heating/cooling	136,862	157,549	- 20,687	-13%
	2.1 + 2.2	**Market Based:** Indirect emissions from purchased electricity and from purchased steam/heating/cooling	101,433	193,536	- 92,103	-48%
	Total Scopes 1 & 2 (Location Based)		**259,703**	**276,838**	**- 17,134**	**-6.2%**
	Total Scopes 1 & 2 (Market Based)		**224,273**	**312,824**	**- 88 551**	**-28.3%**
Scope 3	3.1	Purchased goods and services	4,476,556	5,187,530	- 710,974	-14%
	3.2	Capital goods	67,567	56,598	+10,970	+19%
	3.3	Energy related activities	63,619	64,446	- 827	-1%
	3.4*	Upstream freight	91,663	102,075	- 10,412	-10%
	3.5*	Waste	12,465	14,582	- 2,117	-15%
	3.6*	Business travels	7,743	11,572	- 3,829	-33%
	3.7*	Employee commuting	45,200	48,209	- 3,009	-6%
	3.9*	Downstream freight	64,970	69,755	- 4,785	-7%
	3.12	End-of-life of sold products	581,995	702,646	- 120,650	-17%
	Scope 3 without Use of sold products		**5,411,779**	**6,257,414**	**- 845,634**	**-13.5%**
	3.11	Use of sold products	89,490,451	125,862,598	- 36,372,147	-29%
	Scope 3 with Use of sold products		**94,902,230**	**132,120,011**	**- 37,217,781**	**-28.2%**

USE OF SOLD PRODUCTS

Nexans committed to address climate change through the entire supply chain and to offer to Customers sustainable solutions and Innovations. Integrating and managing indirect emissions from Scope 3 is part of this strategy. The majority of Nexans carbons footprint is related to Scope 3 and the use of sold products covering over 94% of Scope 3 emissions.

The GHG emissions during the products use phase are associated with the cable's energy losses related to the Joule effect. Nexans considers these losses as a direct product energy consumption and included them in Scope 3 emissions accounting. However, calculation of those emissions requires to make assumptions such as product lifetime, current intensity and use rate (number of hours the product is used every year). For 2022, no standardized or agreed use phase assumptions have been developed by the cable industry; thus, use phase emissions can vary significantly between manufacturers as they greatly depend on the assumptions taken. Nexans used conservative hypothesis and GHG emissions are calculated for the total lifetime of the sold products (between 20 and 40 years), penalizing long lifetime products. In 2022, a change of methodology was done in order to reflect more the reality of the carbon trajectory of countries, meaning taking into consideration a decreasing emission factor, based on countries commitments, and not a constant emission factor. Following GHG Protocol, all historical data (including base year) were recalculated with such assumption.

In order to address these emissions Nexans has developped innovative solutions (see 3.2.1.3. "GHG reduction approaches & results").

AVOIDED EMISSIONS

The measurement of the positive impact of Nexans' solutions (avoided emissions) is one of the subjects of interest for Nexans. At this stage, there is a lack of consensus on the avoided emissions (in or out of the Company's boundary) and the methodology to quantify avoided emissions; the carbon savings associated with Nexans products is only evaluated through Scopes 1-2-3 reduction and product environmental profil. Nexans closely follows the development of standards (*e.g.*IEC 63372, World Business Council for Sustainable Development) on the quantification and communication of GHG avoided emissions and will evaluate their implementation once published.

As a pure player of electrification, especially for renewable energies, the Group enables operators to reduce GHG emissions while installing new renewable facilities and connecting them to the grid.

3.2.1.3. GHG reduction approaches and results

Following SBTi's framework, as of December 2022, Nexans is showing a reduction of carbon footprint compared to 2019 base year of:

- -28.3% (market based) for Scopes 1 and 2 only, *versus* a target of 4.2% per year, meaning a -12.6% for 2022 year;
- -28.2% for Scope 3, *versus* a target of -2,2% per year, meaning a -6.6% for 2022.

THE DECARBONATION JOURNEY

These results are the outcome of various initiatives:

- an IT Tool, called E^3 Tool, was developed with the support of Cosmotech firm to be able to track the carbon footprint and financial situation of each business and simulate financial and environmental payback of each actions. This enables the Group to have a consolidated view of carbon action plans;
- a segmentation was done of all Nexans activities in order to design the priorities in terms of action plans. Segmentation is based on GHG emission and carbon intensity ratios;
- industrial approach (Actions 1 and 5):
  - Nexans is mandating external company to audit the energy efficiency of each Important GHG emitting plant. A decarbonation plan is built and followed-up. (see also Chapter 3.2.2.2)
  - digitalization of the plants, especially the Industry 4.0 plan, is an important enabler of the decarbonation ambition. It allows a great optimization of boilers, heating systems, isolation of buildings with more accuracy and relevancy,
  - investments are done to decarbonize. Payback calculation is including both financial and environmental paybacks, meaning that the Internal price of carbon is used to monetize the GHG emission saving. Main investments are done in lighting system (LED), switch from fossil energy to electricity for some equipment, heating system, replacement of equipments by lower energy consuming ones…,
  - installation of solar panels or renewable energy generation on Nexans premises. In 2022, Nexans Maroc installed solar panels on Mohammedia and Casablanca roofs. Several plants already have such generation power, and some others will deploy this in coming months;
- transportation approach (Actions 1 and 8):
  - first, transportation is reduced thanks to E^3 Performance Model, which contributes to encourage short circuit deliveries, customers close to Nexans premises, compared to the far away ones. E^3 performance model helps also to have a clear view on importance of GHG footprint per customer & supplier, and so for the prioritization of transportation decarbonation plan,
  - main levers used are the increase of the transportation load, the optimization of the transportation size, the frequency of transportation flows, the switch from one emitting energy engine to a less carbon intensive one (*e.g.* truck/train instead of full truck). These levers require very often to discuss with suppliers and customers and find adequate ways to reduce the GHG footprint of the flow. In 2022 for example, Nexans France decided to switch an important part of its truck transportation from diesel to biofuel one (B100). Another illustration is the use of multimodal connection for internal flows between plants in France,
  - in 2019, the Group signed up to the Fret 21 process, supported by ADEME (the French Environmental agency). The program promotes multimodal transport, reviews loading rates, encouraging transport companies to decarbonate their flows. The Group's objective is to reduce greenhouse gas emissions of transportation in France and neighboring countries by 5% in three years.
- engaging customers:
  - decarbonation of transportation downstream requires the engagement of customers. Focusing on main flows in terms of volume and frequency, the Group's business units work with customers to optimize the transportation load, size, frequency and find alternative energy engines than fossil ones,
  - besides, Nexans is engaging customers to optimize the usage of cables. Several actions are done:
    - Nexans is communicating Product Environmental Profile (PEP, see also 3.2.5.2) of its products, which allows customer to identify several environmental properties of a product, especially its carbon footprint. Nexans is deploying PEP methodology in all its plants, and is sharing outcome and progresses with customers. This enable customers to select the lowest carbon content product for a specific application,
    - in similar way, Nexans is interacting with customer to ecodesign products and services, based on customer demand. As example, Nexans sold in 2022

superconductor cables, with higher level of power transmitted, than usual medium voltage cables,
  - Nexans is proposing EcoCalculator service, or Asset Management systems, which respectively aim at evaluating the energy losses, hence GHG emission of product, and at monitoring the electrical grid. Both contribute to optimize energy efficiency and assets management of customers;
- engaging suppliers:
  - in 2022, the Group engaged its main suppliers in its sustainability journey, requesting especially Environmental Product Declaration (EPD) for raw material purchased, better solutions & products in terms of carbon content as well as the Duty of care elements when eligible (*e.g.* CSR Charter, CSR scorecard, CSR audit, etc). For further details, please see the paragraph "Duty of care with our suppliers",
  - suppliers are engaged for the decarbonation roadmap of Nexans in various ways. For example, transportation suppliers (see above), Raw Materials and packing suppliers to offer recycled contains, equipment suppliers to find ways to optimize the energy consumption of the Group's industrial equipment, IT suppliers to optimize the IT carbon footprint of Nexans, suppliers selling or renting cars to propose electrical and hybrid cars to reduce commuting carbon footprint, etc.,
  - as an example, the Group takes steps to use as much as possible low-carbon aluminum, based on third party certified carbon footprint or Environmental Product Declaration (EPD) provided by suppliers. EPD are ISO 14025 declaration quantifying environmental information on the life cycle of a product to enable comparisons between products fulfilling the same function. The EPD methodology is based on the Life Cycle Assessment (LCA) tool that follows ISO series 14040. In 2022, more than 50% of the aluminium 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 [1];
- engaging employees:
  - an important focus is done by CSR Department on the awareness of employees on climate change and on climate strategy of Nexans. In 2022, several training modules were diffused, especially on CSR and greenwashing to train employees. Besides, and since 2020, the @Climate fresk is still deployed within Nexans, with an ambition of having fresks in all French sites in 2022. International deployment started in 2022. This is a three hours workshop, performed by internal trainers (trained by the @climate fresk company).

PURCHASING 100% OF ELECTRICITY FROM RENEWABLE ENERGY (RE100)

In 2020, the ESG roadmap set the willingness to purchase 100% of electricity from decarbonized energy, and the Group commits to RE100 by 2030 looking at 100% of electricity from renewable energy.

End of 2022, the Group used 72% of decarbonized energy and 37.8% of electricity from renewable sources. Such ambition gathers several actions like the deployment of solar or wind farms in Nexans premises and the purchase of renewable electricity from utilities suppliers.

On top of purchasing renewable electricity, the Group has deployed renewable electricity generation on site, for example:

- Solar panels in Cortaillod (Switzerland), Frameries (Belgium) and Nahr Ibrahim (Lebanon) ;
- in 2022, plants of Mohammedia and Casablanca (Morocco) installed solar farms on their respective roofs;
- Suzhou (China) has put in a solar heating system;
- Buizingen (Belgium) has installed two 2 MW wind turbines;

At the end of 2020, the Group joined the Climate Group's RE100 [2] 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.

This initiative enables to reduce Nexans Scope 2.

3.2.2. Promoting circular economy

Fully integrated from metallurgy to cable recycling, the Group has a unique approach on circular economy for copper, but also for other materials, plastic compounds, water, drums and packaging.

The circular economy features in the Group's CSR policy as one of the main ambitions, covering the product, the industrial and supply chain processes

3.2.2.1. Reuse, recycle cable and compounds

CABLE RECYCLING

The Group has several industrial equipment, able to strip, grind the cables, and separate metals and plastics.

(1) *Low carbon aluminum shall be covered by a third party verified environmental product declaration providing a Carbon footprint at least 15% lower than the average Carbon footprint of the Aluminum used in Europe.*

(2) *www.there100.org.*

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 2022, the Group recycled 14,830 tonnes of cable waste (14,800 in 2021) using latest-generation industrial tools with minimal environmental impact (especially in terms of use of water and electricity).

In other countries, the Group invested in stripping machines, grinding equipment and separation tables, allowing plants not only to recycle their own production wastes, but also to recycle collected short lengths, obsolete stocks or wastes from customers.

Thanks to this industrial process, the Group can collect copper or aluminum scraps, in addition to plastics such as polyvinyl chloride, polyethylene or cross-linked polyethylene scraps and can reuse and recycle them.

METAL RECYCLING (COPPER AND ALUMINUM)

The Group is taking measures to maximize the portion of recycled copper used in its cables. By vertically integrating scrap into copper metallurgy, the Group can incorporate a significant proportion of recycled copper into its upstream process.

In 2022, around 19,700 tonnes of copper waste (23,000 tonnes in 2021) were used in the Group's continuous casting operations in Montreal (Canada) and Lens (France), representing around 4% of Group needs. Moreover, in other countries, the Group has commitments to send metal scrap to suppliers to recycle it, and then send back rods containing recycled material.

This industrial advantage helps reduce the Group's overall carbon footprint while preserving natural copper resources. The availability of copper scrap is crucial to be able to increase the recycling rate. Hence the Group is working with its customers to increase the copper scrap collection (see below cables recycling).

The other main non-ferrous metal used in cable manufacturing is aluminum rod (around 85,000 tonnes in 2022). The Group can get some aluminum scrap from its manufacturing process and from cables recycling, which are sold to aluminum suppliers. Nexans is purchasing back aluminum with recycling content. Since end 2022, the Group has launched a breakthrough project in terms of circular economy in aluminium word, with its partner Trimer, an aluminium supplier. Nexans supplies Trimet with its aluminium cable scrap, already sorted out at RecyCâbles, a Nexans-Suez joint venture. These scraps are melted and recycled by Trimet, with a fraction of the energy needed to produce primary aluminum and an innovative process to obtain a high-quality recycled alloy. This recycled aluminum is supplied by Trimet to Nexans, who uses it in its power cables. So far, the power cables were manufactured only with primary aluminum, due to the high technical requirements on the mechanical properties and conductivity.

COMPOUNDS RECYCLING

A dedicated program is deployed to increase the circularity of compounds in the Group, gathering industrial, R&D, purchasing and sustainability departments. Goal is to increase the recycling rate of products and finds new ways to use recycled compounds while maintaining the electrical and mechanical properties of cables. This initiative aims to minimize the environmental impact of its products and preserve resources.

If copper can be re-introduced in the copper rodmills, plastics compounds can also be re-introduced in compounding facilities, and then in the insulation or jacketing processes.

The R&D center of Ampacity in Lyon (France) is supporting all initiatives enabling the Group to increase its recycled rate of compounds. A systematic identification, qualification (based on specific technical protocol) and testing has been set up to accelerate the incorporation of recycled content in products. Almost all applications are under investigation, from low voltage cable to high voltage, working with its customers on these development programs.

Mainly two sources of recycled polymers are widely used in the Group: the recycled PE (Polyethylene) and PVC (Polyvinylchloride), with carbon footprint up to four times lower than that of virgin grades. Some of the industrial low-voltage cables in the wide range of cables produced by the Group in France, Belgium and Italy contain up to 20% of recycled plastics. This significantly reduces the environmental impact of the Group's products that integrate this recycled material. Similar practice is implemented in Morocco, Chile, Brazil, Turkey, Canada, Australia, Peru and China. The Group objective is to standardize the approach in all plants when applicable.

Efforts are also focusing on cable recyclability. Several initiatives are running to better valorize plastic wastes such as PVC, PE, crosslinked PE and filled polymers. The objective is to switch from a linear to a circular model where used materials could be re-introduced into cable manufacturing.

3.2.2.2. Protect, reuse and optimize resources in manufacturing processes

Manufacturing processes of Nexans are using several resources: energy, water and generating some wastes. The optimization and the reuse of such resources are critical for the sustainable ambitions of Nexans.

ENERGY CONSUMPTION

Saving energy is a major focal point for the Group. Energy management is integrated into the environmental management system and for the decarbonation of the Group (see also Chapter 3.2.2.).

Several actions are done, and are followed by a specific committee gathering Industrial VP of Business Groups, Corporate Industrial team and Sustainability Department:

- Since 2020, collaboration was set with Schneider Electric to identify the opportunities to improve energy efficiency in the various Nexans plants. In 2021, 6 audits were done followed by Energy Maturity Assessment in all Nexans sites to quantify the potential. Then, based on the output assessment, a roadmap was created starting with a list of 7 sites audited in 2022. After each audit, an action plan is built and implemented to save energy (and consequently GHG emission);
- Publication of the "Nexans Book of Solutions" containing a list of the best practices for reducing energy consumption;

- Since 2021, energy assessment have formed an integral part of the annual environmental survey;
- Digitalization of the plants, especially the Industry 4.0 plan related to energy monitoring, is an important enabler of the decarbonation ambition. It allows a great optimization of boilers, heating systems, isolation of buildings with more accuracy and relevancy;
- Installation of solar panels or renewable energy generation on Nexans premises. In 2022, Nexans Maroc installed solar panels on Mohammedia and Casablanca roofs. Several plants already have such generation power, and some others will deploy this in coming months.

Major improvements were done in the lighting (installation of LED), in optimization of compressed air generation and water cooling systems, in addition to the installation of highly energy-efficient motors.

WATER CONSUMPTION

At Group level, water is primarily used for cooling and sanitary purposes and the Group has a minimal impact on water quality. Water drawn for the sole purpose of cooling is immediately released without alteration.

The Group has invested in closed-loop cooling systems in order to actively reduce its water consumption. To date, out of the 65 sites using water for cooling, 54 have a water recycling rate of over 70% (see Maturity Assessment table). The sites with the highest water consumption rate are individually monitored and specific action plans are implemented.

In 2023, the Group targets to reduce water intensity by 5%. Several investments in close-loop were already launched to reach such target.

Any water leakage are immediately addressed once detected.

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 ". reflected in commitment #4 "100% production waste to be recycled or reused". 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 the waste recycling rate, through sorting and treatment:
  - **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 production waste (Cu, AL, PVC, PE, XLPE, etc.) and industrial waste (wood, cardboard, metals, etc.). And wherever possible production waste is re-used directly on site as a secondary raw material,
  - **processing and recycling** – The Group continues its ambitious waste management program to recover cables and production waste through facilities that guarantee full traceability and material recycling. In doing so, it also helps to promote treatment processes that have a limited impact on the environment.

In 2020, the CSR roadmap has set a target to recycle 100% of its production waste by 2030 (Action 4). End of 2022, recycling rate of production waste is around 75%.

A dedicated project monitors such ambition, gathering Industrial Department, Plants, R&D and Sustainability Departments. The objective is to:

1) Optimize waste sorting at source;

2) Ensure recycling treatment of easily recyclable materials like polyvinyl chloride, polyethylene, etc in Nexans plants and at waste contractor premisses;

3) Find recycling solutions for materials that cannot be easily recycled like crosslinked polyethylene, rubber, etc.

3.2.2.3. Deploy recycling in all other processes

The previous chapters show the recycling ambition in terms of products and its compounds (metal and plastic compounds) and of manufacturing processes (energy, water, wastes). To promote circular economy, the Group is also addressing the packaging and other processes like administrative one.

CABLES 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 (labelled PEFC, Programme for the Endorsement of Forest Certification Schemes), which guarantees that the wood is sustainably sourced and produced.

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 set in 2020 (Action 7).

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 transit of 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 faster return of empty drums on consignment.

At end-2022, Nexans had rolled out its connected and recycled drum program to 26 countries, with 17% increase in connected drums from 2021, while its connected drum coverage rate rose from 12% to 14%.

PLASTIC PACKAGING

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.

The Group is member of the Circular Plastic Alliance with a pilot in Belgium, aiming at collecting plastic foils from customers, recycling them, and reusing them in the manufacturing of new foils.

REDUCING OTHER WASTES

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.

As a signatory of the WASH Pledge, Nexans provides its employees with access to safe water, sanitation and hygiene in the workplace.

The Group also promotes the reusage of old IT equipment. In 2022, a campaign was done in France to collect obsolete equipment and gift them to NGO in charge of using them as second hand tools.

3.2.3. Reducing pollution and other environmental risks

As a leader in energy transition to fight against climate change, the Group is very sensitive about the environmental risk, and the way it monitor and reduce environmental risks, reduce pollution, follow environmental regulations about hazardous substances, follow and understand its impact on biodiversity.

Climate change risk is one dedicated environmental risk and will be detailed in next chapter.

3.2.3.1. The Group's environmental policy

One of the objectives of the Group's environmental policy is to preserve resources and reduce its pollution risks. It sets therefore the highest standard in terms of environment for its industrial footprint.

ENVIRONMENTAL ASSESSMENT AND CERTIFICATION POLICIES

As a key driver in the energy transition, the Group undertook two complementary steps in the evaluation and certification of environmental performance an external certification: ISO 14001 and an internal label, named EHP (Environment Highly Protected).

In 2022 the Group has launched a new maturity assessment system constituting a performance obligation for the sites, distinguishing it from ISO 14001 to replace its former internal label award. This assessment is based on 6 areas – Waste, System, Energy Efficiency, Digital, Water and Risks. The result of the assessment is based on 3 criteria:

- minimum overall average score;
- minimum score by axis;
- mandatory questions.

The scoring allows a ranking to be established and a 2-level internal label to be awarded named EHP (Environment Highly Protected) and WCE (World Class Environment). This label is awarded under the responsibility of the Group's Operations Department based on periodic audits carried out by internal auditors.

In 2022, among the production sites, 71 sites were ISO14001-certified. During 2023 new internal label will be granted based on the results.

The target set in the CSR roadmap was to have 90% of our production sites certified by 2022. Our goal is for 100% of sites to be ISO 14001 certified by 2024 (Action 3).

The Internal Environment label covers 6 main areas listed above, broken down into 119 questions that are managed and consolidated using a dedicated platform. Some criteria and objectives required to obtain the EHP/WCE label are provided as examples in the table below.

Main criteria	EHP	WCE
Overall score	>75%	>90%
Min score per axis	>70%	>80%
ISO 14001 certification	Mandatory	Mandatory
Standard Management Routine for EMS	Full implementation using Nexans standard tool and process	Full implementation using Nexans standard tool and process
Water drainage systems	No potential pollution outside the site	No potential pollution outside the site
Safe storage of hazardous liquids including oil	100% of tanks to be protected, accessible & with alert system	100% of tanks to be protected, accessible & with alert system
CAPEX spent		>10% of total plant CAPEX is related to Environment
Waste management		Site must maintain waste sorting management program including household waste
Energy monitoring		full energy monitoring system in place with smart energy meters
Energy control		building management system in place to control and optimize utilities
Energy manager		Energy manager, appointment of Energy manager with clear missions & tasks
Paperless mindset		>50% of processes uses paperless digital solutions
Water cooling system		>70% of water cooling network equipped with closedloop on process side and on cooling side
Regulatory watch		site has in place a process to receive automatic and regular notification of any local regulation update

PREVENTING ENVIRONMENTAL RISKS

The Risk Assessment report 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 – See next Chapter 3.2.4.

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.

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.

In 2022, environment-related expenditure amounted to 6.5 million euros (*versus* 4.6 million euros in 2021) 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.

(1) ICPE: Installations classified for the protection of the environment.

In view of the industrial projects presented, a total of 4.3 million euros worth of environment-related investments were approved for 2022 (*versus* 3.5 million euros in 2021). 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.

3.2.3.2. Reduce pollution

The Group has analyzed the sources of pollution within its business activities, based on the key processes used, the overall risks they generate, and measures implemented.

POLLUTION FROM MANUFACTURING PROCESS

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 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 Low Fire Hazard, which are used as raw materials for insulating cables) requires the use of certain products that are potential pollutants (peroxide, silane and plasticizing agents) and which require the 17 sites concerned to take particular precautions for their storage, transport and utilization in accordance with the relevant regulations in force in each country (*e.g.*, ventilation of premises, storage with adequate containment facilities and the use of spill pallets for on-site transportation).

PREVENTIVE AND CORRECTIVE MEASURES

The Group is taking preventive and corrective measures for the pollution of water, soil, air, noise, vibration and odor.

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.

Soil

The Group's activities have little impact on the soil as they do not involve any extraction or spraying operations and are in dedicated industrial areas.

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 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, that said 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 m^3 used to store potentially environmentally harmful liquids feature a containment system. The Group therefore launched a program to 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.

To date, no air pollution incidents have been reported.

Regulations applicable to refrigerant gases, nitrogen oxides (NO_x) and sulfides (SO_x) differ from country to country. An assessment of our current knowledge of regulations in the countries where the Group operates has been launched to anticipate restrictions that already apply in Europe, for example, total bans on some greenhouse gases and tighter regulations on NO_x and SO_x.

20 of our sites are linked to SOx and NOx emissions mainly coming from ovens, furnaces, generators or heaters. Monitoring of emissions is performed periodically with alert system in place in case threshold was crossed. The level of the emissions is compliant with the local regulation.

On top of that, our newly built vessel "Aurora" is equipped with the latest conventional power system including active converter for removing NOx and SOx in order to limit the environmental impact.

Noise pollution

Noise pollution is also an area that the Group takes care to address. For example, it is one of the criteria considered, 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 these measures, any case of noise pollution was 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 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 local HSE, regularly trained and supported by the Research and Territories Technocenter on substances regulation and alternatives development.

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.

3.2.3.3. Substitute Hazardous Substances

Nexans' products must comply with laws on chemical substances, in particular REACh regulation, which aims to improve protection of human health and the environment. In 2022, 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 factories and in products. The Innovation and Services Department works with the sites concerned to provide regular monitoring of chemicals used and to assess the risk of a change in classification or restriction. 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 regulation.
- Communicate: through dialogue with its suppliers and customers, the Group maintained its strict monitoring of the composition of raw materials used to manufacture its products.

TRACK

Nexans has set up a robust organization with a REACh coordinator at each plant 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 each 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 developed by Nexans to simplify the identification and traceability of chemicals in the raw materials used and eventually identify the presence of REACh regulated substances. In order to minimize regulatory risk, a set of KPI's have been defined allowing to evaluate regulatory risk management level for each unit and take appropriate actions.

COMMUNICATE

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 and follows the guide set by Europacable (European Association of leading cable manufacturers) on the methodology for calculating the concentration of substances of very high concern in cables and accessories.

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.

Nexans SCIP numbers are disclosed to all customers upon request, providing them with simplified SCIP notifications for their own products and systems. 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.

SCIP declarations in Nexans are done by legal entity and later consolidated on a global file. The total number of Nexans articles declared on the SCIP database is continuously monitored and serves as an indicator to launch research projects on alternatives. In the year 2022 and throughout development projects, Nexans has successfully replaced hazardous substances in 35% of total articles declared in the SCIP database and performed the needed adjustments on these declarations.

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.

SUBSTITUTE

At the beginning of 2022, 12 substances were identified that fall under EU REACh canidate list in concentrations above 0,1% in the article.

The Group has launched different R&D substitution project to reduce and limit its use of hazardous substances and offer to customer hazardous-free products, beyond REACh regulatory requirements. The decision on launching substitution projects does not only take into consideration regulatory requirements but also focuses on reducing human exposure and environment to hazardous chemicals.

In the year 2022, there were 11 ongoing projects for the replacement of hazardous substances from Nexans articles, which is a clear indicator on the efforts that Nexans is putting to protect customers' health and safety.

Moreover, CFC and HCFC emissions are monitored by air conditioning technicians who maintain 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.

SF6 gas present excellent electrical insulation properties and for this reason has been used for years in high voltage cable accessories and other electrical equipment. Nevertheless, due to its high Global Warming Potential (GWP), up to 25,200 times higher than CO_2, it is identified as a source with significant risk for accidental emission of greenhouse gas. For this reason, the Group has been and is still investing in multiple R&D projects to develop SF-6 free alternatives to propose these new solutions to its customers with aim to reduce the potential impact on Global Warming. For some applications, this is already in place today (*e.g.* oil-filled terminations, dry-type GIS) and new solutions show promising test results and will continue their scope for qualification in upcoming years. As an example, in 2022, Nexans High Voltage laboratory successfully carried out a 420kV HVAC electrical type test with the use of GE g^3 gas, inside the termination, gas with significantly reduced impact on the environment compared to the previously used type.

ENVIRONMENTAL DISCLOSURES

In addition to its legal obligations to disclose information about hazardous substances covered by REACh regulations, the Group also provides other environmental information on its products *via* the Material Declaration and Product Environmental Profile (PEP) (See Chapter 3.2.5.2.).

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 regulation or the RoHS Directive and other environmental aspects (product-related emissions, end-of-life, and packaging).

3.2.3.4. Protecting biodiversity

The Group is following scientific literature about biodiversity impact of the installation and usage of cables. At this stage, no major Impact was highlighted by scientific community. This is worth to mention that biodiversity is a recent object of study by scientific community, meaning new impacts could identified, which are unknown today.

Especially the Group looked at several studies done since 2018 coming from IFREMER (French institute of Research on Ocean) and from France Energies Marines (a NGO specialized in Marine & Ocean), concluding that the nature and amplitude of certain impacts like the electrico-magnetic field of submarine cables on marine biodiversity, appear low or negligeable. Moreover, a work was done with a specialist scientist on the marine cables' impact on benthos, which highlighted same conclusion.

Biodiversity is taken into account for cable laying and removal operations as given by the project owner requirements and permits given by the authorities for the project development . For example, for HV business the Tender Committee is reviewing all the risks of the project, including the biodiversity risk. Mandatory induction is provided for employees during installation operations to the environmental risks and the mitigation procedures relevant to the scope of work.

In parallel, considering the importance of this issue, in 2022 with the support of an external consulting agency, Nexans initiated a study to evaluate the impact of its activities on biodiversity. This first study was carried out in "screening" mode, corresponding to the mission's first phase. It concluded that the main impact on biodiversity comes from the Scope 3, meaning activities taking place outside of the Group.

In 2023, Nexans' global impact will be calculated using the Global Biodiversity Score tool (GBS®) developed by CDC Biodiversity. The aim is to highlight and quantify the main sources of impacts on biodiversity and set up a dedicated action plan based on the conclusion obtained.

Finally, Nexans will continue to promote awareness campaign about biodiversity. Notably, during the internal Planet Week, certain sites have put in place biodiversity conservation initiatives.

3.2.4. 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. For further details on CSR governance matters, including climate, refer to section 3.1.2.

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

Climate Pledge 2030
1.5C commitments (SBTi)

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

CSRD
In progress to anticipate effects

ACTIONS

Action plans and trajectories by BG
Nexans Book of Solutions
Energy efficiency audits

Mobilize all employees around E3
Quarterly award at various sites
E3 incentives for all employees

E3 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

Sustainable offers
Sustainable offerings including recycling services, low-carbon aluminum cables, supported by PEPs and the EcoCalculator app

Green Bonds and 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 E3 Tool 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
-28% reduction for scope 1 & 2
-28% for scope 3

Increased use of Renewable Electricity, RE100 Program
38% of RE sourced electricity end of 2022

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
3 years CDP A List, EcoVadis Platinum Medal, A for MSCI

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 RELATED TO 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
- Recycling opportunities for copper, aluminum and compound

MAIN RISKS RELATED TO CLIMATE CHANGE

Physical risks	Reputation risks
Market risks	Human rights risks
Legal risks	Raw material 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 copper scarcity

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 the Group's 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.

In 2023, Nexans will launch with the support of a recognized external service provider, a new program for carrying out a detailed analysis on all Nexans industrial sites;

- 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 Generation & Transmission business, and
  - the buildings, photovoltaic and onshore wind activities of the Usages and Distribution segments.

  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 Usages activities, this opportunity would also result in an increase in EBITDA even if less significant than for offshore wind and subsea interconnection activities.

Nexans will proceed, with the support of a recognized external service provider, to further detailed transition risks analysis and assessment in 2023.

3.2.5. Driving the energy transition and energy efficiency

As a global player in cables and cabling systems, Nexans draws on its expertise and innovation capacity to advance towards the energy transition.

3.2.5.1. EU taxonomy: reality and limits

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 criterias for climate change mitigation and adaptation. As of 2022, companies and financial institutions are required to assess and disclose the sustainability of their activities using Taxonomy eligible activities and their associated technical screening criteria. This follows on the publication in the Official Journal of the European Union of the Taxonomy Regulation (EU) 2020/852, which establishes a classification system for turnover, capital expenditure and operating expenditure focusing on six environmental objectives:

- climate change adaptation;
- climate change mitigation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control; and
- protection and restoration of biodiversity and ecosystems.

For the time being, only the two climate change objectives are covered by the regulation.

The taxonomy establishes two stages of classification:

- first, eligible activities, *i.e.* the activities identified in the regulation as sustainable and In line with one of the EU climate objectives;
- second, aligned activities, *i.e.* the eligible activities which contribute substantially to one of the objectives, without significantly harming any of the five other objectives, while respecting technical and social criteria. 2022 is the first year of enforcement of the alignment criteria.

In 2022, Europacable, the European association of cable manufacturers, has conducted a benchmark on Taxonomy Regulation interpretation, identifying important discrepancies among cables manufacturers regarding share of eligible turnover communicated and highlighting a lack of homogeneity in interpretation among its members. For this reason, within a dedicated Task Force, Europacable has worked to develop an information note, published in December 2022, which aims to improve homogeneity in Interpretation and calculation methods among members. Nevertheless, its application is optional and does not secure a similar interpretation.

To determine the amounts of eligible turnover, the Group fully complies with the Europacable note on Interpretation. The methodology applied across all of the Group's companies included in the consolidation scope:

- 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.

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.

	EU Taxonomy Activities	Corresponding Nexans Activity	Comments
3.1	Manufacture of renewable energy technologies	The Group is producing a wide range of cables and accessories used for the generation of solar and wind energy.	Only products and customers dedicated to renewable energies are counted. Other energy production activities are excluded, even if decarbonated – such as cables for nuclear power plants.
3.5	Manufacture of energy efficient equipment for buildings	The Group is producing products and accessories for building, which support optimizing energy and space heaters equipments.	Cables sales dedicated to building energy efficiency have been evaluated based on customer energy efficiency share and market studies.
3.6	Manufacture of other low carbon technologies	The Group is producing low carbon products with significant GHG reduction compared to previous technological products.	GHG emission reduction is evaluated based on Life Cycle Assessment studies. Telecom, transportation and industrial cables have been excluded from this category.
4.9	Transmission and distribution of electricity	The Group is providing EPCI (Engineering, Procurement, Construction and Installation) services for Transmission and Distribution System Operators, including projects dedicated to renewable power generation	Only electrical connections installed or maintained by Nexans are counted. Manufacturing of cables and equipments sold to utilities without installation or project managemens services are excluded.

The methodology will evolve when the 4 other environmental objectives will be defined by the regulation and the climate change objectives updated with additional sustainable activities. In particular, the Platform on Sustainable Finance, assisting the Commission in developing its sustainable finance policies, recommended in October 2022 to add a new enabling activity: "Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution". If adopted by the European Commission, this new activity should significantly increase the taxonomy eligible turnover of the Group.

The alignment of eligible activities is then evaluated following two steps

- The activity must fulfill the Technical Screening Criteria (TSC), meaning:
  - It makes a substantial contribution to the environmental objective considered
  - It Does Not Significantly Harm (DNSH) any of the five other remaining environmental objectives
- The company must meet minimum social safeguards

An eligible activity is aligned with the EU Taxonomy only when it fulfils every substantial contribution and DNSH technical Screening Criterias and if it completes the minimum social safeguards assessment.

DNSH REQUIREMENTS

DNSH	Sub DNSH	Requirements	Approach
Climate Change Adaptation		Climate risk and vulnedrability assessment	Alignment of sites for which Climate stress assessements have been pursued
Water & Marine Resources		Identification of environmental degradation risks to preserving water quality and avoiding water stress	Non-alignment of sites where a risk on water pollution has been identified and no action taken
Circular Economy	Reuse and use	Reuse and use of secondary raw materials and re-used components in products manufactured	Global alignment: • Use recycled copper • Growing use of recycled plastics • Continuous R&D efforts
	High Durability	Design for high durability, recyclability, easy disassembly and adaptability of products manufactured	Global alignment: • Numerous R&D projects, including specific PhD on durability • Standards include durability requirements
	Waste management	Waste management that prioritizes recycling over disposal, in the manufacturing process	Global alignment: • Systematic Reporting • Anti-waste policy • Meticulous verification process
	Substances	Information on and traceability of substances of concern throughout the lifecycle of the products	Pollution DNSH criteria to be used
Pollution		No use of specific substances	Alignment of sites not manufacturing products with SVHC of concentration >0.1%
Biodiversity & Ecosystem		Environmental Impact Assessment or screening completed	Alignment of sites neither in a bio-diversity sensitive area nor treating Rubber

MINIMAL SOCIAL SAFEGUARDS

Minimum Safeguards core topics, as advised by the Platform for Sustainable Finance	Inclusion in EcoVadis 21 CSR criteria analyzed
Human rights, including workers' rights	Social • Employee Health & Safety, Working Conditions, Social Dialogue, Career Management & Training • Child & Forced Labor, Discrimination & Harassment, Fundamental Human Rights
Bribery/corruption • Establishment of channels and procedures for internal reporting on misconduct and breaches of law (e.g., for money laundering and corruption) • Commission of an impartial person for follow-up	Ethics • Corruption & Bribery
Fair competition • Prohibition of cartels and other anti-competitive practices • Provide information on any confirmed incidents of anti-competitive behavior it is facing during the reporting period	Ethics • Anti-competitive Practicies
Taxation – OECD MNE Guidelines XI.1. and XI.2 • Compliance with the letter and the spirit of tax laws and regulations of the countries in which they operate • Treat tax governance and tax compliance as important elements of oversight and broader risk management systems	Tax policy and commitment (no Ecovadis assessment) • Commitment to comply with the international tax standards set out by the OECD and to foster a professional and cooperative relationship with the tax authorities of the countries in which the Group operates. The Group complies with its obligations to report taxes paid on a country-by-country basis (CBCR) and therefore transmits the expected information to the French tax authorities in accordance with regulatory provisions

The Technical Screening Criteria and DNSH requirements are then applied for each activity to quantify the alignment of revenues.

Activity name and Description		Nexans aligned sites / products	Nexans non-aligned sites / products (examples, non-exhaustive)
3.1	Manufacture of renewable energy technologies	Share of Market/Product segment linked to renewables, clients in renewables, distributors	Sites with lack of reporting on substances, presence of SVHC and lack of climate risk assessment prevent a high alignment score
3.5	Manufacture of energy efficient equipment for buildings	n.a.	Public equipment energy efficiency products due to absence of information on end use Electrical appliances components due to lack on information on energy class (which must be the best or second best one)
3.6	Manufacture of other low carbon technologies *Manufacture of technologies aimed at substantial life cycle GHG emission savings*	Share of products reducing GWP significantly compared to reference technologies when third-party assessment performed	. Products from a plant with a high proportion of low carbon aluminum sourcing without specific third party verified Carbon footprint. . Products with Global Warming Potential reduction but absence of third-party assessment
4.9	Transmission and distribution of electricity *Construction and operation of transmission and of distribution systems that transport the electricity*	Supply of equipment for electricity transmission and distribution networks with installation and maintenance	Supply and installation of equipment for electricity transmission and distribution networks not following requirements related to electricity system criteria (e.g., mix above the threshold 100g CO_2e/kWh carbon intensity)

At this stage, the taxonomy evaluation is incomplete as it is limited to the two climate change objectives defined, at the date of this URD, in the regulation. On this basis, the taxonomy-eligible turnover amounts to 20%, operating expenditure 27% and capital expenditure 53%, and the taxonomy-aligned turnover amounts to 5%, operating expenditure 10% and capital expenditure 39%, as detailed in the tables below.

Methdologies and elements of proof will be made available on request if external verification is required by relevant national competent authorities.

PROPORTION OF TURNOVER, CAPEX AND OPEX FROM PRODUCTS OR SERVICES ELIGIBLE AND ALIGNED WITH TAXONOMY

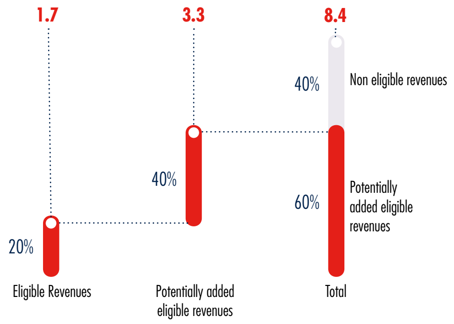
Economic Activities	Absolute Turnover *(EURm)*	Proportion of turnover *(%)*	Absolute CapEx *(EURm)*	Proprotion of CapEx *(%)*	Absolute OpEx *(EURm)*	Proportion of OpEx *(%)*
A. Eligible Activities						
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)						
3.1 Manufacture of renewable energy technologies	0.1	0	0	0	0	0
3.5 Manufacture of energy efficiency equipment for buildings	0	0	0	0	0	0
3.6 Manufacture of other low carbon technologies	0	0	0	0	10.1	3
4.9 Transmission and distribution of electricity	436.9	5	98.7	38	28.0	8
Other environmental CapEx			2.6	1		
Environmentally sustainable activities (Taxonomy-aligned activities) (A.1)	**437.0**	**5**	**101.4**	**39**	**38.1**	**10**
A.2.TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)						
3.1 Manufacture of renewable energy technologies	142.2	2	1.1	0	4.9	1
3.5 Manufacture of energy efficiency equipment for buildings	202.7	2	1.7	1	5.1	1
3.6 Manufacture of other low carbon technologies	790.9	9	28.9	11	38.7	11
4.9 Transmission and distribution of electricity	125.8	2	3.7	1	10.6	3
Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	**1,261.6**	**15**	**35.3**	**14**	**59.4**	**16**
TOTAL (A.1. + A.2.)	**1,698.6**	**20**	**136.7**	**53**	**97.4**	**27**
B. Non-eligible Activities						
Non-eligible activities (B)	**6,670.5**	**80**	**122.4**	**47**	**268**	**73**
TOTAL (A+B)	**8,369.1**	**100**	**259.1**	**100**	**365.5**	**100**

The detailed tables for Turnover, CapEx and OpEx are provided in Annex 2.

The Group assessed what Taxonomy eligibility would be if production and use activities were treated the same way. For 2022, turnover would come to an estimated 60%, 20% eligible according to the current rules and 40% 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 considered as eligible in this simulation.

The chart below illustrates this estimation.

POTENTIALLY ELIGIBLE REVENUE (€ BN): 2022



3.2.5.2. Innovative solutions supporting the energy transition

As a leader in electrification, the energy transition is also an important source of innovation and opportunities. The Group is proposing more and more low carbon solutions, and is developing since years a strict methodology to evaluate the environmental impact of products thought the PEP (Product Environment Profile). This enables a real eco-design based on a strong data approach.

DEVELOPING DECARBONIZED 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 losses. 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.

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 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 end of life management).

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 on the environment.

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 fulfills ISO 14025 requirements 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 50693 & EN 15804 standard and include 15 mandatory environmental indicators (including global warming, water scarcity, water and air pollution, etc.) and 17 mandatory 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 220 PEPs covering over 4,500 product references, for markets in different countries like the France, Belgium, Italy, Canada, Swede and Chile. In France, these environmental product declarations are mainly used to obtain environmental certification for buildings, such as 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 2022 with the training of 56 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 (cables and accessories) present long life cycles, generally between 20 to more than 40 years, as they are used in long-term infrastructure (electrical networks, buildings, wind and solar farms…). Electrical products designs and installations are in addition framed by many standards related to human safety and fire risks. Both this feature reduces the relevance of product obsolescence for the Group. However, the Group continuously works to improve product lifetime with the aim to increase products quality, safety and reliability and further minimize their environmental impact. For example, the Group has developed and performs a wide range of tests to measure and estimate the durability of materials depending on cable applications and requirements: thermal ageing, UV, ozone and fluids resistance, electrical ageing…

Several academic and research activities have been managed within the Technology and Innovation Department along the past years to better understand the ageing of cables and improve our models estimating cable lifetime.

End of product life – Recycling

Taking a circular economy approach, products and their parts are recycled at the end of the product's use 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 3.2.2. "Promoting circular economy".

Biosourced products

Biobased materials, fully or partially made from biological resources, are generally perceived with environmental benefit compared to conventional fossil-based plastics. The growing demand push the number of solutions available on the market and their scalability.

In 2022, Nexans has launched a global technical watch to identify potential opportunities coming from these materials and several solutions have been identified. Before any deployment at the product level, some challenges and trade-offs are under assessment and consideration:

- inadequate technical properties (degradability, water sensitivity, mechanical properties…) preventing the final cables from meeting the standardized requirements;
- mixed environmental impact of biobased materials. The environmental advantages of biopolymers (carbon storage, use of renewable resources) are balanced by potential negative impacts (land use change, biodiversity loss, water scarcity, use of fertilisers and pesticides);
- limited availability of products on the market at industrial scale.

For those reasons, the use of biobased materials is currently limited within the Group and under evaluation.

3.3 People & culture: looking after Nexans people and levelling the playing field for talent

3.3.1. Context and goals

Through their engagement, dedication, talent and diversity, people are the engine of Nexans and 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 Its "purpose": "Nexans, Electrify the Future".

Taking care of the health and safety of each employee is at the heart of Nexans; the Group shares a genuine safety culture, because it concerns everyone, whatever their role and wherever they work.

Human Resources thus play a key role in supporting the performance and transformation of Nexans:

- support the Group strategic ambition: designing and implementing a holistic management system based on the E^3 performance model, motivating employees to support the Group 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;
- develop our talent through structured training programs, transfer of knowledge, internal mobility and leadership programs.
- retain our employees through competitive compensation and benefits policies, career opportunities, an inclusive and healthy work environment and an inspiring company purpose;
- foster inclusion and diversity environment, leveling the playing field for talent so that every employee can thrive. Nexans promotes all dimensions of diversity, because performance and innovation are fueled by diverse ways of looking at things

2022 Targets and results

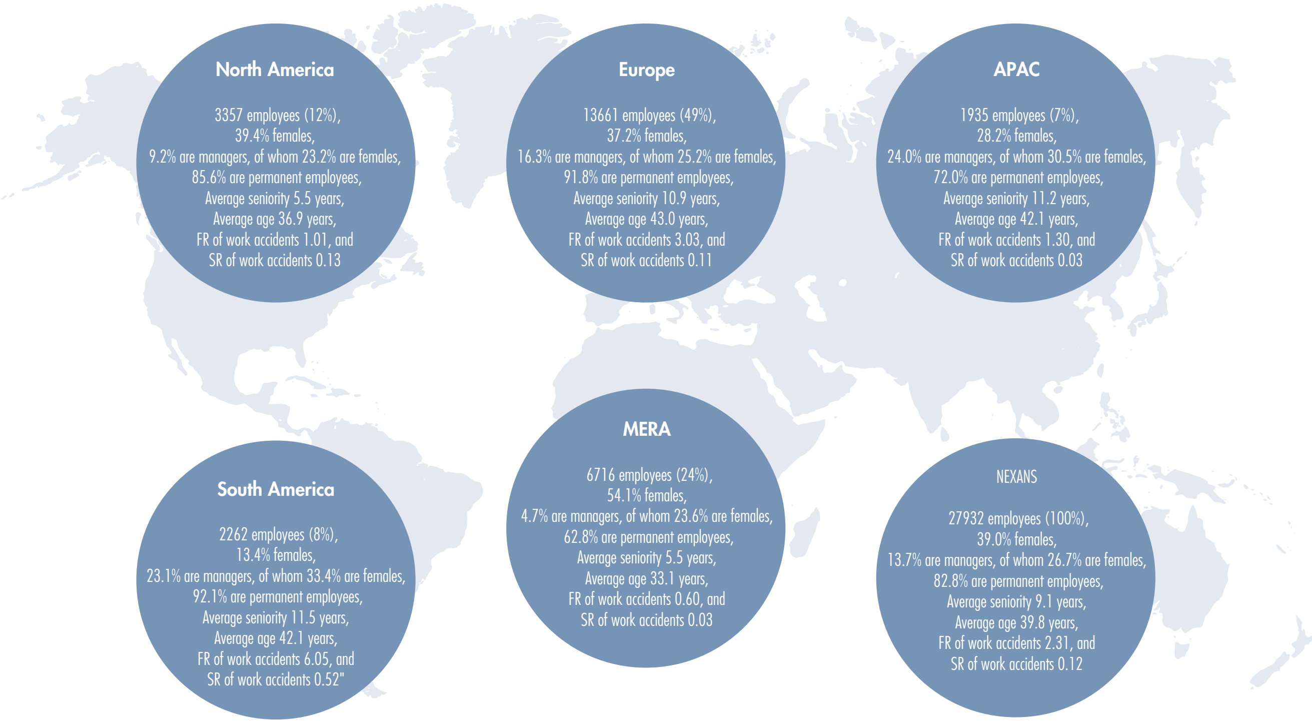
			2021	2022	Change 2021/2022	Target 2021	Target 2022	Target 2023
PEOPLE	Workplace safety	Workplace accident frequency rate[(a)]	1.87	2.31	↗	1.5	1	0.9
		Severity rate[(b)]	0.15	0.12	↘	<0.12	<0.11	<0.10
	Human capital	Graded positions staffed internally[(c)]	43%	47%	↗	50%-55%	55%-57%	60%
		Women in management positions	24.5%	26.7%	↗	24%	25%	26%
		Women in top management positions[(d)]	17.7%	18.6%	↗	16%-18%	17%-19%	18%-20%
	CSR awareness	Employees eligible to Long Term Incentive with CSR criteria[(e)]	100%	100%	→	100%	100%	100%

(a) 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.
*(b) Severity rate: number of days lost because of work accidents/hours worked)*1,000. This rate relates to internal workers only.*
(c) Proportion of staff positions filled through internal mobility at position C and above, according to the Nexans Grading system. The methodology only considers permanent contracts and "job applications leading to a hired candidate" in the reporting year.
(d) Top management: Category of employees defined by the Group's Executive Committee based on the Nexans Grading system.
(e) 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, 2022, Nexans employed 27,932 people (25,129 in 2021) in 42 countries, broken down as follows:

- a strong international presence, with 91% of workers outside of France;
- a substantial proportion of headcount (13.7%) made up of graded positions, of which 26.7% are women;
- an increasing share of women within the Group at 39% (38% in 2021);
- a high share of full-time employees (99%) and of permanent contract employees (83%).



Late 2020 and early 2021, the Group reviewed its founding principles, redefining its purpose, "Electrify the Future", Its mission and its values "Pinoeers, Dedicated, United" This has been shared within the whole Group, through various initiatives.

Nexans values are an integral part of its culture and the way people work together:

- 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.

3.3.2. Committed to employees' health and safety

3.3.2.1. 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 (75%) that occurred within the Group in 2022 continue to be caused by unsafe behaviors, involving hazards relating to hand injuries by being cut, hit or pinched, and manual handling leading to back and foot injuries. 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 will continue making improvements in workplace health and safety in the years to come.

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 ISO 45001 certification for its safety management system, which is fully integrated and certified. This certification is in place for 55% of manufacturing sites.

In 2021, Nexans has established a new Group Safety Policy. The following initiatives were launched or continued throughout 2022 to drive safety performance and awareness:

Annual Safety Day: Since 2014, the Group has held its annual Safety Day event at all its sites.

The 2021 year-long safety day was such a success that if was continued through 2022. The topic of focus was ergonomics. Quarterly campaigns included the development of an introductory ergonomics video that was shown across the organization, ergonomic risk assessment and solutions matching activity, ergonomic SUSA contest and employees' testimonial video. The focus resulted in hundreds of ergonomic improvements made across the Group.

Safety standards: In view of the main risks inherent to the business, the Group has defined a set of basic rules to be applied. To coincide with the safety day ergonomic topic campaign, a new safety standard was created for "Drum Handling and Parking", as well as updates made to two existing standards. There are now twenty-seven Group safety Standards that are non-negotiable rules covering:

- technical aspects (cutting devices, drum handling, 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 (SQEC) 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;
- Dupont Behavioral Based Safety (BBS) and coaching in which all managers, supervisors and employees make safety observations and collectively discuss desired behaviors to interact with potential hazards prior to the risks being eliminated/reduced.

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. Early in 2022 workshops were conducted to review the contents of these Golden rules.

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 2022, Safety Golden Rules compliance was 80%.

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 35 site audits were conducted throughout 2022. When instances of non-compliance are identified, sites must put in place a corrective action plan. In 2022, Group compliance was 81%.

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 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 and other "Serious" incidents have been immediately distributed to all managers and site safety personnel throughout the organization.

Serious LTI incidents undergo additional D3 and D6 analysis follow-up meetings resulting in D6 Summary reports being emailed to all plant managers.

3.3.2.2. Workplace safety results and achievements

Over the years, Nexans have had success in reducing workplace injuries and illnesses; including those injuries resulting in lost time days. Since 2010, the Group has reduced the frequency of incidents by -75% (FR1 9.22 to 2.31) and the severity of incidents by 59% (SR of 0.3 to 0.12).

In 2022, 41% of manufacturing sites did not record any occupational accidents involving lost working time in excess of 24 hours.

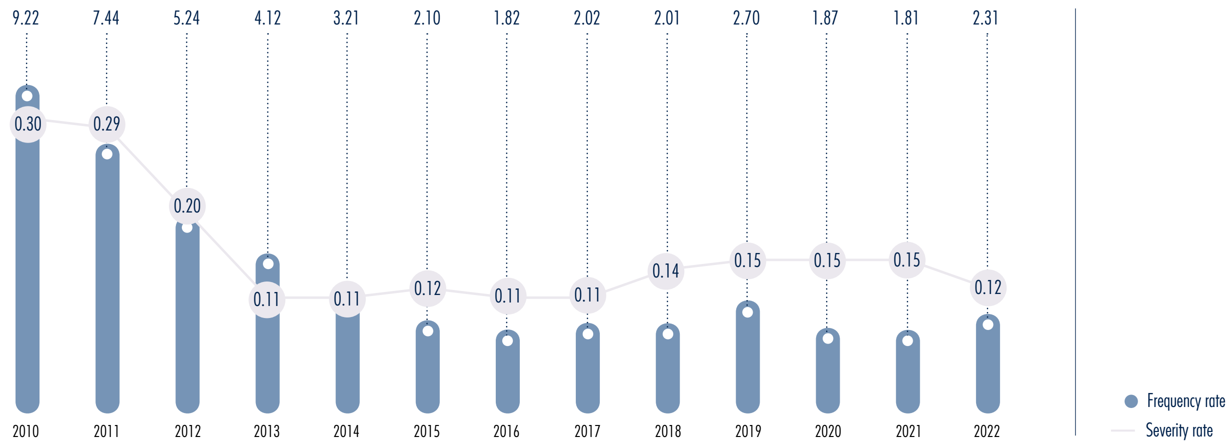
Several sites have stood out as not having any significant lost time accidents for a number of years. For example, the Futtsu site (Japan), with over 5,900 days without any LTI accidents, and six other facilities have over 2,000 days without LTI accidents.

The workplace accident frequency rate (FR1) (1) was 2.31 in 2022 and 1.81 in 2021.

The Total number of workplace accidents and injuries treated frequency rate (FR2)[2] rating of 5,55 in 2022. Thus, resulting in an increase of 2,8% compared to 2021.

The Group's severity rate reduced in 2022 from 0.15 to 0.12.

In 2022, one fatal accident involving a temporary worker occurred at a Group site. Additional focus on safety, risk assessment, awareness, evaluation and training is deployed.



The definitions of the frequency rate and severity rate are included in section 3.5 "Environmental and social indicators – CSR concordance tables".

3.3.2.3. 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

Health and 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 the Group's 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 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 continues to partner with global experts International SOS to offer all business travellers, as well as expatriates and their families, a comprehensive medical and security service accessible via their smartphone, by hotline or via a dedicated Group intranet.

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. Each year sees more participation from engaged employees all over the globe. For example in 2022, for the second year, the Business Group ISP sponsored the ISP Care challenge which ran from October 24 to November and covered Running / Cycling / Swimming / Walking. In 32 days, 265 colleagues from 23 sites in 11 countries ran / walked 10,030 km, cycled 5058 km and swam 170 km. If they were relaying for the Olympic triathlon and marathon, they would have finished 113 triathlons plus 212 marathons! This total number of 15,258 KM allowed us to reach the fund-raising cap 10,000 euros with 5K euros donated to the Curie Institute 🎗 and 5K euros donated to Movember.com.

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;
- Nexans annual performance evaluation cycle is redesigned in 2021 (first campaign in 2022), to include Wellbeing at work as the starting point of all performance and development conversation between managers and employees. The new design starts with customized message to introduce the importance of the topic and why it should be addressed. Then, helps facilitate the conversation by providing example questions, again customized according to audience. The messages also contain links to training resources, should employees and managers need more insight on this topic.

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).

3.3.3. Talent & people development: levelling the playing field for talent

3.3.3.1. 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 ownership of their own career progression, through access to learning and development and the internal mobility opportunities.

The Group has been consistently increasing internal mobility rates over the past years and aims at 60% of graded positions staffed internally by 2023.

3.3.3.2. 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:

- Talent Acquisition:
  - Implementing a talent acquisition strategy and improving our employer brand to position us as an "employer of choice" for key markets.
  - Attracting key skills and competencies needed for our strategic goals.
- Talent Development:
  - Identifying of the key functions impacted by the business transformation and development of a ad'hoc workforce planning ;
  - 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
  - Foster growth mindset attitude in employees
- Talent Retention: minimize our turnover, in particular of key talents through our key HR principles around:
  - Compensation & Benefits Policies: compensating employees competeitively and equitatively.
  - Development Opportunities: providing growth opportunities through structured learning programs and internal mobility.
  - Work Environment: foster an environment of inclusion and respect where employees can thrive, with their safety and wellbeing at the center.

3.3.3.3. Develop Nexans' talents

LISTEN TO EMPLOYEES' FEEDBACK TO MAKE THEM GROW AND GIVE THEM ACCESS TO TAILOR-MADE DIGITAL LEARNING

Performance and Development Path

Nexans Annual Performance cycle was redesigned in 2021, to provide employees with a simpler design and stronger links to Nexans ambition story. The new design helps employees define their roles and contribution to Nexans targets, as well how they bring Nexans values to life when working.

Every performance and development conversation starts with addressing wellbeing at work, supporting employees and managers to have an open exchange on this topic. Supported with facilitating questions and links to further training resources if needed, Nexans aims to ensure harmonious work environment and higher engagement. After the previous year performance has been discussed, the personal development plan for the employee is discussed and specific tailor made development actions are agreed and documented in the system.

Building feedback culture

Nexans launched a new tool called "MyFeedback" in 2022, to help build a feedback culture in the organization. The tool aims to provide employees with an easy way to ask and give feedback, integrating it day-to-day operations. Employee can start the feedback exchange with everyone in the organization, regardless of hierarchical or functional links.

Scale up the main functions driving the Group's 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 with the definition of Role Model, assessment and learning. 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.

From Know-it-All to Learn-it-All

Nexans future success will depend on our ability to learn and adapt to constant change around us. Our aim is to foster a growth mindset culture providing continuous opportunities for growth.

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 supporting the Group's transformation: as example, programs launched focused on Sales and Marketing and Corporate Social Responsibility in 2022;
- encouraging the development of technical expertise and skills at all levels, through an extensive digital course catalogue available on our MyLearning platform.

Digital learning: the Group's transformation tool

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 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 (2,129 learners from launch to December 31, 2022),
  - a fully digital edition of the Compliance week open to all our learners, regardless of their level (7,465 learners in 2022, +25%);
- 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, offered to key employees as part of the Group' strategic plan.

High participation and satisfaction rates from learners on programs, shows that they have rapidly embraced this new training format and have integrated it into their daily routines.

In 2022, the COE Learning has been recognized for Nexans Diversity and Inclusion Awareness Program at the Learning Technology Congress, and received the Digital HR team award for the successful transformation of learning offer.

MyLearning **8 384 digital learners**

On average, every month, 18% of learners connect to MyLearning

4,5 hours on average per active learner

EdFlex +33% additional users
GetAbstract: +49%

Digital Onboarding Program

The "Quick Start in Nexans" digital induction program was designed in 2020 and has been used by close to 800 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.

Empowering employees to take ownership 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 its future leaders, the Group has created a tailor made development program spanning several weeks. It includes psychometric tests followed by an in-depth professional interview. At the end of the program, leaders are provided with a personalized Development Plan.

Total investment in training

In 2022, the average training hour per employee is 19 (+14% compared to 2021). The total time devoted to training amounted to 530,772 hours; an increase of +27% compared to 2021 (the total training hours in 2021 was 419,275). 90% of these hours were delivered to non-managers, and the number of training hours per employee trained averaged 20 hours.

The number of employees who followed one or more training courses during the year was 27,018 (99% of the Group's average headcount, *versus* 79% in 2021). Managers count for 31% of the total employees trained.

In December 31st, 8,384 (+12% compared to 2021 due to an increase in licences granted to blue collars) employees worldwide have access to the MyLearning digital platform, and 1,665 employees have attended the functional academies.

In 2022, 61.8% (74,6% in 2021) of the digital learner base took at least one digital training course over the course of the year, totaling 22,661 (22,673 in 2021) hours or an average of 2.7 hours per employee "connected" (*versus* 3 hours in 2021). The decrease in the learner coverage is due to the increase in blue collar connected employees for which specific efforts are being made to onboard them on the learning digital system in 2023.

In 2022, training efforts focused on technical skills – core business, which represented 42% of the total training provided. In addition, up to 38% of the total training programs were devoted to safety and 7% to personal development.

Internal mobility strategy to help people grow

The Group' aims at developing its internal resources over the long term, with the objective of ultimately filling 60% of its management positions (graded positions) internally excluding entry level positions by 2023. In 2022, the percentage of positions staffed internally was 47% (43%, 2021).

Internal and international mobility

- Several initiatives have been launched to promote internal mobility at Group level, such as an internal mobility policy, an internal communication and awareness campaign for employees and team managers. This resulted in almost half of the most experienced management positions filled internally both in technical and production-related fields and in support functions.

The HR IT system has undergone significant adjustment to improve the experience of connected employees. The Employee Profile platform encourage 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. The Group is particularly effective in anticipating and managing their return to their home country thanks to its career committees.

At end-2022, 52 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 65% of expatriates in 2022, followed by Management with 26%, and Finance with 10%.

The average length of service for expatriates in the Group is 14 years.

3.3.3.4. Talent acquisition

In 2022, the Group hired 8,067 people (vs 5,932 in 2021).

59% of the hired employees were under 30 (*versus* 61.4% in 2021), 25% were between 31 and 40, 12% were between 41 and 50 and 5% were over 50.

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 business contribute to energy transition.

To heighten Nexans' reputation and attractiveness as an employer, in 2022 the Group defined its Employer Value Proposition (EVP), aligned with the Group's overall Brand Strategy be launched in 2023.

PRE-RECRUITMENT POLICY

For junior management positions, Nexans' strategy is to retain the most talented young people after their initial internship or apprenticeship within the Group.

Despite the pandemic context, in 2021 Nexans pursued its partnership with AIESEC, the largest student organization worldwide. This year, the Group welcomed four foreign students from the AIESEC network for six to up to eighteen months.

The Group also worked with 216 apprentices in 2022, and hired 21 in permanent contract after their apprenticeship.

Nexans also continued to work with Business France on developing assignments under the Volunteering for International Experience (VIE) program. In 2022, 30 young people from the European Union aged 18 to 28 had the opportunity to work at one of our subsidiaries for six to twenty-four months.13% of these workers were recruited at the end of their assignment on either a local contract in the host country or in France.

3.3.3.5. Compensation, benefits and employee share ownership

The main underlying goals of the Group's compensation and benefits policy are to attract and retain talent, strengthen employee engagement, reward exceptional individual and collective performance.

COMPENSATION POLICY

The Group's compensation policy is driven by the principles of competitiveness on local markets, equity 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 considering the Group's financial resources, performance and local market trends in each country involved. 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 pay equity has received special emphasis, especially in France in accordance with the agreement signed on this issue with the social partners.

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, 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, key experts 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, 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 set-up in 2001, which is available in all countries. In France, employees also have access to a Group Savings Plan to which matching contributions paid by Nexans french companies are added to the amounts invested.

As far as compensation for overtime is concerned, it is either paid or compensated by time off, depending on the collective agreements of each company and the labor law applied in the country.

EMPLOYEE SHARE OWNERSHIP

Nexans is convinced that employee shareholding is a major instrument to strengthen the financial and human capital of companies, but also that employee shareholders remain long-term partners.

It is an important element of the Group's governance, with two employee representatives on the Board of Directors. Nexans' ambition is to continue this link between the Company and its employees.

In this context, a tenth employee shareholding plan "Act 2022" was offered to employees in May 2022 in 25 countries around the world. For the first time this year, Nexans is committed to investing a minimum of 25% of the funds raised thanks to this operation in internal environmental projects. Once again, employees have massively expressed their confidence in the Group, with the offer being a great success. The subscription rate was improved by almost 10 points compared to the last operation: 32.1% (compared to 22.0% in 2020) and represents the best score for an "Act" operation since 2010. The global offer was oversubscribed and represented a cash inflow of more than 36 million euros for Nexans. After this plan, 22,86% of employees hold Nexans shares and represent 4,03% of the share capital as of December 31, 2022.

Two other plans, Act 2018 and Act 2020, are still underway.

3.3.4. Employee engagement: mobilizing for higher performance

3.3.4.1. Description of risks and opportunities

Employee engagement is vital to achieving operating excellence and meeting the Group performance objectives. It is therefore one of the essential indicators monitored in the CSR roadmap.

3.3.4.2. Group initiatives

The Group has launched a number of initiatives over the past years to engage all its employees and reinforce their sense 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, 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. Since 2021, the Group launched more frequent (annual) and shorter survey, and have adapted the questions asked, particularly those relating to the measurement of engagement: Nexans Living Voices.

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.

Nexans' engagement rate reached 77% in 2022, with representative participation rate of 85%.

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.). As an example, the HR function has launched in 2022 a Pulse survey with its main stakeholders, to get feedback and confirm what to stop/start and continue.

CULTURAL CHANGE – NEXANS LIVING VALUES & COLLECTION OF STORIES

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 people at the center of Nexans' 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.

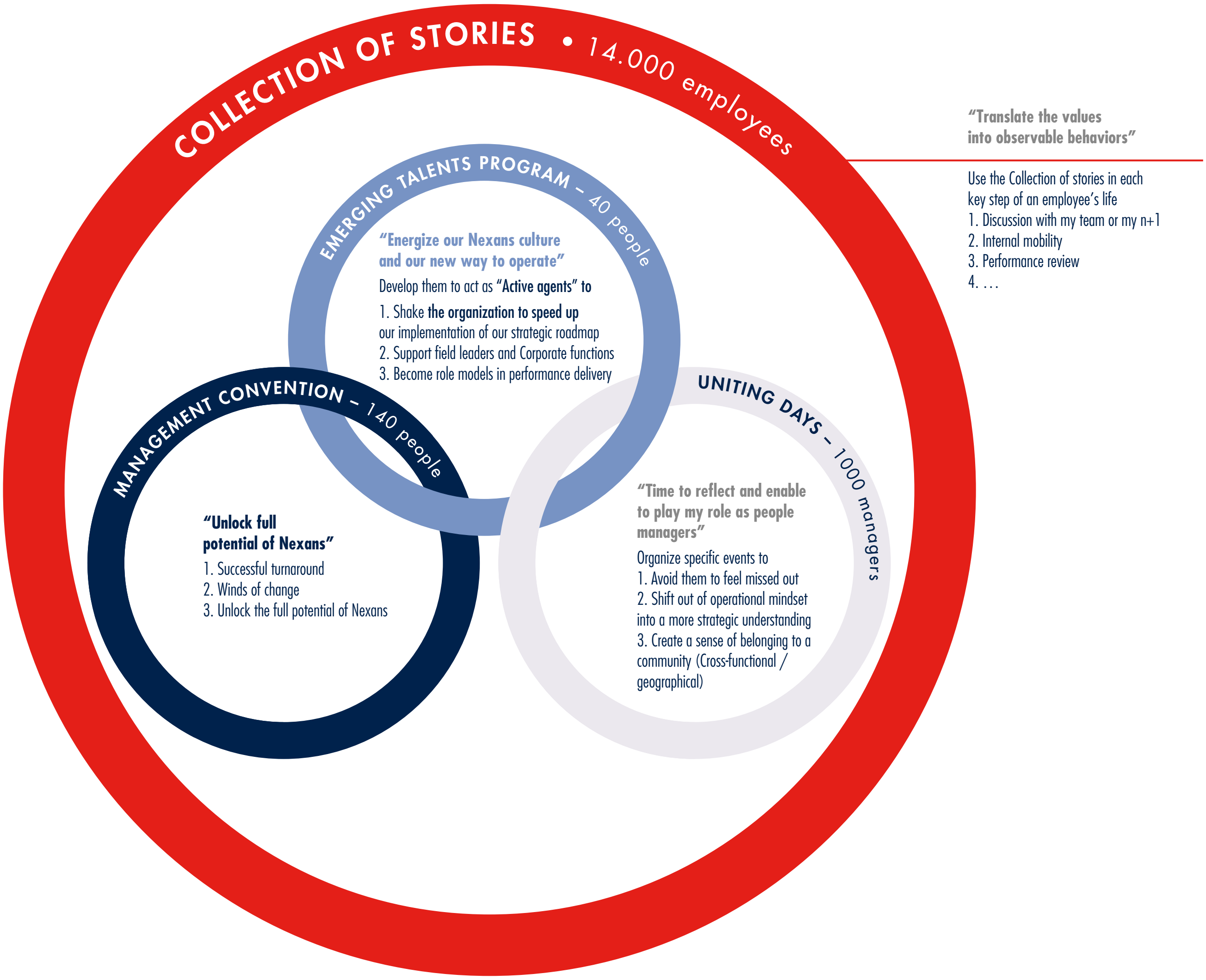
Following the "Nexans Living Values" workshops in 2021, more than 25% of Nexans employees stories were collected, including the behaviors the Group does and does not want to illustrate its 3 values and to bring them to life. The "Collection of Stories", is Nexans behavioral model. The "**Collection of Stories**" is to be used as a referential, anchored all along the employee life cycle (from onboarding to reward, to internal mobility, to performance discussion, to feedback…). It has been published in 18 languages and each employee has received its own copy.

THE UNITING DAYS

In order to ensure that Nexans values and behaviours are embodied at all levels in the organization, the Group launched the Uniting Days virtual interactive sessions targeting 1,000 people managers. The goal is two-fold: first to provide support to these 'middle' managers in their role of mobilizing their teams, but also to increase collaboration between teamsand to increase transversality above sites/BUs, as expected from Nexans Living Voices.

In these sessions participants are exchnaging with their peers to better face their challenges, while having the opprotunity to appropriate what means the Equity Story for them and their teams, and the role they have to play; they experiment also problem solving technic.

PURPOSE & VALUES MOBILIZATION



THE NEXANS REMARKABLE PEOPLE PROGRAM

The Nexans Remarkable People program is an annual recognition award which could be described in one word … WOW ! Every year the Group sees incredible contributions from employees that go above and beyond their job scope and that reflect and embody its three values; Pioneers, Dedicated and United.

Nexans has talent everywhere and is proud to have recognized nearly 600 employees all over the globe since the inaugural year in 2016.

The program works thanks to managers who can propose an employee or a team of people for a "Remarkable" contribution during the previous calendar year. Their proposals are made on a dedicated intranet site which also serves as a library of best practices and showcase for previous winners. The applications are reviewed by the Award Selection Committee, a group of 14 people representing all the functions, geographies and business in Nexans and which also reflects gender parity. In 2022 this Committee reviewed all the applications and proposed a short-list of 63 to the Executive Committee. After deliberation the final winners were announced in October – 24 applications representing 98 employees were deemed worthy of the Remarkable People accolade.

What the winners appreciate most is not the trophy or different prizes they get, but the fact that they are surprised in person by the Executive Committee member they report to at a dedicated announcement either face to face on site or via a teams meeting. Seeing their smile and pride at the surprise announcement is true recognition.

3.3.5. Inclusion and diversity: key enabler to succeed in the Group transformation

3.3.5.1. Description of risks and opportunities

Nexans takes careful steps to create a diverse, talented and engaged workforce. Diversity, in all its dimensions, brings great value to the organization, as performance and innovation are fueled by diverse ways of looking at things. Inclusion and Diversity, not only help an organization improve their financial performance, but also the employee experience and their sense of belonging. Inclusion and Diversity therefore resonate with Nexans' strategy and its 3 values, PIONEERS, DEDICATED and UNITED.

In an inclusive work environment, employees feel included and valued as their authentic selves, actively engaged in the organization, and recognized without judgment for their contributions.

There is a greater focus on inclusion and sense of belonging – the business is increasingly looking to leaders to be able to demonstrate real and measurable impact on engagement and performance.

3.3.5.2. Group policy

The Group wants 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 3.4.1.2. "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, Inclusion and Diversity policy which sets out the Group's goals to improve diversity and inclusion was distributed to all employees.

3.3.5.3. Inclusion and diversity initiatives

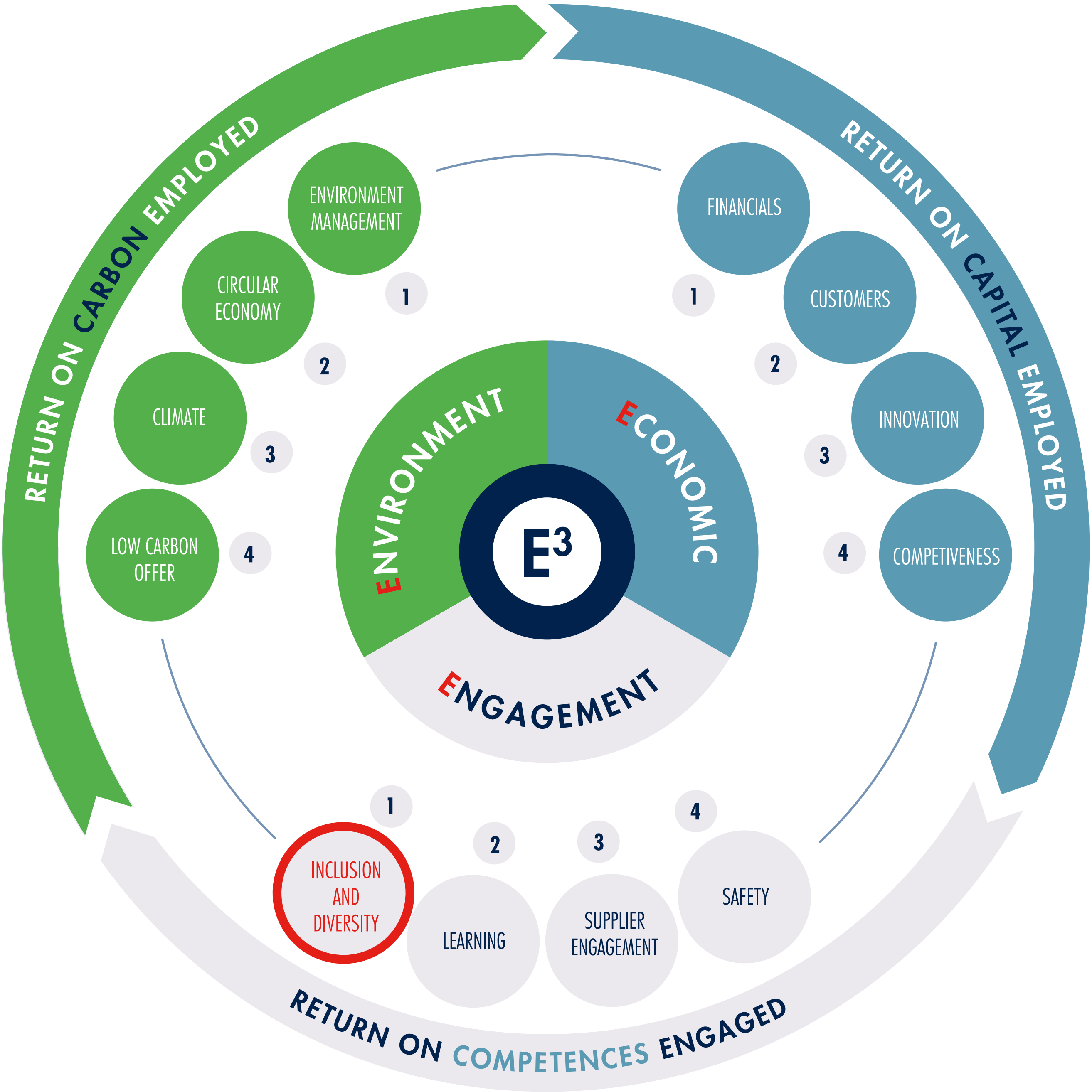
In addition to the Inclusion and Diversity policy, the Group implemented a dedicated governance:

- 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 Inclusion and Diversity.

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, a face-to-face version was developed, especially for "unconnected", or offline, employees.

INCLUSION AND DIVERSITY IS STRONGLY EMBEDDED IN E3 AS A LICENSE TO OPERATE



To define the Inclusion and Diversity roadmap, the Group has heard some employees to precise what are the type of diversity to focus on. Gender diversity is the ground and remains one of the priority, the Group has also targeted 3 additional priorities: disabilities, socio-economic backgrounds and sexual orientation.

A) PROMOTE GENDER BALANCE

Nexans wants to better reflect the society and strives to a more balanced representation of women at all levels of the organisation.

The Group has therefore set two specific targets to improve and monitor gender balance:

- women in managerail positions (graded positions): target of 26% by 2023 – compared to 27% in 2022 and 24.5% in 2021;
- women in top management: target of 18-20% by 2023 – compared to 19% in 2022, and 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 and to enhance their leadership, professional communication and networking skills. The Group aims at enabling them to work for themselves, their teams and for Nexans, and take higher top management positions in the Group throughout their career.

A specific "HR referent" has been created to support each women and to ensure they will grow and be able to take Top Management positions.

B) NEXANS AND EMPLOYMENT OF PEOPLE WITH DISABILITIES

Nexans is pursuing its long-term commitment to disability in France and is committed to implementing the necessary means to aim for "100% inclusion", whether in terms of recruitment, training, compensation, quality of life at work, or career development and support. 2022 signaled a major step towards this with the signature of a Group agreement on disability, in partnership with our social partners.

The first challenge is to encourage disabled employees to declare themselves as such. To achieve this, Nexans relies on four pillars:

- communication and information
- flexible working hours and paid time off to carry out the administrative procedures
- the possibility of directing donations to dedicated associations
- confidentiality in procedures for declaring one's situation in order to guarantee discretion.

Recruitment is also a major factor in the retention and professional development of disabled employees. To meet this challenge and illustrate our desire to be disability friendly, Nexans will work with the French Cap Emploi network and local players such as associations, training centers, integration structures and specialized recruitment firms.

Once recruited, disabled colleagues can count on the mobilization of all departments, management lines and the Nexans' disability referents who are present on all sites. This network will be fully trained and responsible for facilitating and steering actions and acting as ambassadors for the employment of people with disabilities. They also provide the essential link with the occupational health department, in particular for adapting to the workstation: schedules, telecommuting, organization, training, equipment, ergonomics, presence of a life assistant.

Communication actions are carried out at local and national level, such as the European Week for the Employment of People with Disabilities: conferences, sharing time, testimonials, digital communication. In 2022, Nexans France also participated in the Duo Day event on several sites. The principle is simple: a disabled person spends a day with a Nexans employee to discover the Group and our businesses.

Other concrete commitments include a contribution to finance the remaining cost of hearing or optical aids and home improvements, flexible working hours, paid leave of absence for medical reasons and also the donation of a portion of its apprenticeship tax to specialized training centers.

With 6.1% of the workforce declared with disabilities, this is above the national average of 4% for French companies. By working on all the topics above the Group has the ambition to increase this number.

At Nexans Group level, the percent of employees with a disability in 2022 was 1.8%. Nexans believes that improving disability disclosure in every area of the organization will lead to better performance, better compliance and a more inclusive workplace.

C) COMMITTED TO A MORE INCLUSIVE SOCIETY

Nexans is committed to a program supported by companies, namely *Le Collectif pour une économie plus inclusive*.

This group was initiated by the Chairman and CEO of Danone at the end of 2018. Nexans joined it in 2021 and rolled it out in France . In this context, and in conjunction with employment actors (Pôle Emploi, Local Missions, Maison de l'Emploi, Forums, e-forums during the pandemic) coaching of young people was set up.

For more than two years, the Group is betting on the future of our young people with a rate of 5% of apprentices of Group total employees and the establishment of a partnership with *Nos Quartiers ont des Talents*, 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, more than 60 mentors are registered throughout France: 82 young people are being mentored, 85% of them which have already found a job or training program following their mentoring.

Since 2020, the partnership with Pole S, association located in a disadvantaged neighborhood and working in the social and solidarity economy, allows employees especially blue collars employees in difficulty to benefit from days of training in the use of digital tools.

The year 2022 ends with the unanimous signature of the trade unions of a Disability collective agreement at the level of Nexans France Group, an ambitious action plan which aims to implement the necessary means to aim for "100% inclusion" direct or indirect, whether in terms of recruitment, training, remuneration, quality of life at work, or even professional development and support.

D) SEXUAL PREFERENCES – LGBT+

Our first initiative for Pride Month in June 2021 with a video of the Chairman of the Board alongside the Head of Inclusion and Diversity and a Nexans employee advocating LGBTQ+ issues. In 2022, other sites and countries held their own local events to support Pride.

As an example, in Brazil, Nexans invited a local artist to paint a drum with the rainbow flags colours and exhibited it in our site with an informative message about Pride. Employees could interact with the drum and post pictures on their personal social media and also that of the We in Nexans social media account on yammer. They also held a talk with a Partner at Ernst Young Brazil and also member of the Executive Committee of the LGBTI+ Business and Rights Forum.

In its inclusion & Diversity roadmap, the group will continue to focus on sexual preferences.

3.3.6. Social dialogue, the source of the Group's collective resilience

3.3.6.1. 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.

3.3.6.2. A 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 57 collective bargaining agreements signed in 17 countries in 2022.

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.

SOCIAL DIALOGUE IN BRAZIL

As a result of an intensive negotiation with the representatives of employees' Union during 2022, Nexans Brazil signed a bonus agreement to the non-graded population, fully based on industrial goals, focused on the reduction of scrap, overconsumption and customer complaints, and also the achievement of production program in a regular basis.

Since 2019, Nexans Brazil has been working in a model that promote both a higher engagement and teamwork, by encouraging employees' commitment to the business result, allowing them to follow in a monthly basis their achievement and promoting the concept of thinking together in solutions to improve the achievements of the established goals.

Therefore not only the agreement has been a tool to boost employees motivation and productivity, but also it is considered as one of the most efficient of the region and sector, an opportunity to recognize the efforts and share the company's fruits with employees.'

SOCIAL DIALOGUE IN CANADA

Two major collective agreements has been signed in 2022 to renew the CBA and planned the salary increase for the next 3 years covering the sites of Montreal and Weyburn.

PARTNERSHIP WITH ILO GHANA THROUGH SCORE PROGRAM

Nexans Kabelmetal (Ghana) Ltd had the opportunity to partner ILO Ghana in october 2022 by participating in one of their organized trainings – SCORE program.

The objective of this program is to offer in-factory and practical consulting to improve productivity and explore better ways of doing things within the organization and to ensure continuous improvement.

The benefit of this partnership through the score training is for employees to have a practical training and workplace coaching program to improve productivity, working conditions for employees and health & safety at work involving the local and national Unions representatives.

The training was impactful because it has changed the mindset of the participants towards workplace co-operation for continuous improvement.

The Group committed to promoting this partnership by devoting the necessary resources and to ensure that more employees are trained in 2023.

SOCIAL DIALOGUE IN MOROCCO

In 2022, an annual collective bargaining was signed with the social partners, one of the key measure was the launch of a process involving the unions representatives to recruit temporary workers: evaluation criteria (skills grid, behavioral evaluations, etc.) were shared and set up in a very constructive and positive discussion.

A second major achievement was the involvement of social partners in a project to reduce the absenteeism rate, particularly for Mohammedia site (awareness, action etc). As a consequence, the absenteeism decreased significantly.

Last year, new unions representatives were elected (elections take place every 6 years). A training and workshop in social and labor law was provided to all members (always within the framework of a constructive partnership).

Social partners are also very involved in social events: Safety Day, Family day, etc.

SPECIFIC INITIATIVE IN QATAR

QICC, Nexans Qatar was awarded for its dedication towards its workforce.

In a ceremony held by the Ministry of Labor in Qatar in February 2022, QICC has been awarded for its outstanding efforts in establishing joint committees and upgrading its workforce, leveled to the labor market locally and internationally.

3.3.6.3. 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.

After an exceptional 2021 year with 8 meetings held including 6 extraordinary ones to display the followed 2022-2024 strategic roadmap, "Electrify the Future",the NEWCO has focused its activities on the new legal entities setting follow up and the consequences of war in Ukraine.

2 ordinary meetings have been organized on April and November 2022 in order to deep dive this subject and to present the Group Nexans Living Survey results in Europe.

The NEWCO representatives will be renewed for a new 4 years mandate on January 2023 according to the collective agreement which rules the NEWCO.

SOCIAL DIALOGUE IN FRANCE

As a result of constructive dialogue, teamwork and mutual trust between Nexans France management and the union representatives, 65 collectives bargaining have been signed .

These agreements cover:

- Social dialogue
- Inclusion and Diversity (with focus gender, disability etc)
- Economic conditions (salary increases, allowances and bonuses)
- Working conditions and well-being (work shifts, safety, training and development etc),

3.4 Ecosystem: sharing Nexans' values and ethics standards with all stakeholders

The Group is acting within an ecosystem gathering numerous and different types stakeholders: employees, customers, suppliers, shareholders, investors, banks, communities. Nexans applies the same ethical sandards in the way it engages with all.

At every level of its value chain, the Group nurtures a position of exemplary leadership in a constant concern to comply with ethic rules by offering its partners sustainable solutions and developing a responsible sourcing and purchasing approach. The Group is convinced it is the only way to deliver a positive social impact in communities.

3.4.1. Deliver a respectful and ethic business

Business ethics is a top priority of the Group which is committed to maintain a compliant framework and fair business practices.

Every year, as part of their annual performance review, all managers are asked to sign a compliance certificate to pledge their commitment to apply the Code of Ethics and Business Conduct and to complete their compliance curriculum.

3.4.1.1. Business ethics and compliance governance

Compliance with rules on ethics is one of Nexans’ underlying commitments in conducting business. Nexans’ Code of Ethics and Business Conduct reflects this commitment and lays down the ethical rules and values with which Group and its employees are required to comply with when conducting business. Nexans’ external stakeholders are also expected to comply with these rules and values. This set of rules cover notably anti-bribery and corruption, competition law, human rights, internal trade sanctions, export controls, money laundering and personal data protection matters.

All new joiners receive a copy of the Code of Ethics and Business Conduct and pledge to apply it by signing the annual compliance certificate. Certain Group Management Procedures mirror our Code of Ethics and Business Conduct and address specifically processes to mitigate the risk associated to compliance issues in a decentralized model.

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 and Business Conduct, which underscores everyone’s responsibility and interest in complying with these rules, and a zero tolerance for any stakeholder not abiding by its rules. This commitment also took form in Nexans’ adherence to the United Nations Global Compact and its ten fundamental principles.

Individually, each member of the Executive Committee is reviewing the annual compliance plan in her/his business scope. In addition, all the members of the Executive Committee ensure respectively that various elements of the Code of Ethics and Business Conduct are promoted through personal communication, notably during the Compliance Week.

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 2022, 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

The purpose of the Group's compliance program is to establish the action policies, guidelines and processes to prevent, detect and respond to any compliance matter within the Group.

Nexans Compliance Program is establishing a decentralized model to support a risk-based approach.

The Program is hence designed to answer in the most adapted way to the risk met by the Group worldwide through specific procedures and guidelines tailor-made. 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.

Under each of its three pillars, the Program is set to provide to each of the Group' stakeholder guidance on the applicable rules and processes attached.

The cascade of these messages are reinforced not only from the Executive Committee but also by managers of different functions (Legal and Compliance function, Audit, or leaders of Business Groups). They regularly communicate on the Group values by email, video screens at sites, or posted on the Group's intranet. In addition, any participation from legal and/or compliance teams in business meetings, training sessions or events held within a function provides the opportunity to remind every employee, the Group commitment to fight against corruption and unethical practices.

To ensure everyone complies with this commitment, Nexans has set up an alert system to respond to any misconduct reported. In 2022, over fifty alerts were raised including on risks relating to cybersecurity, money laundering, fraud and export control.

DEDICATED SYSTEM TO EVALUATE THIRD-PARTY QUALIFICATION

A company determined to do the right thing, Nexans requires a due diligence on the ethical standards of its agents and business partners, ensuring they know and comply with applicable international regulations relating notably to anti-bribery and corruption, anti-money laundering and trade sanctions.

Nexans expects its suppliers and business partners to adhere to values and principles consistent with our own.

In that order, the Group has implemented a digital tool to optimize the mandatory process for integrity checks of any third-party engaged with prior qualification.

Detailed due diligence procedures on ethics and compliance are also conducted prior to any mergers and acqusitions, investments, real estate transactions, or collaboration with sales intermediaries.

TARGETED AND MOTIVATED ACTIONS

Each year, a specific action plan is established and rolled out throughout the Business Groups to answer in the most effective and appropriate way to the risk as identified in the risk mapping exercice. The Business Groups plan is designed in accordance with the Group Compliance Program and is reviewed by top management and executive management at operating entities and subsidiaries level.

It includes, in particular, the consistent review of the third-party qualification tool, the annual signing of compliance certificates, the roll-out of Group designed communication campaign, the participation to the training curriculum, the declatation of any misconduct or deviation to the Code of Ethics and Business Conduct that would have been observed through the Internal alert system.

The annual planning of the Business Groups must ensure risk population (e.g. sales and purchasing teams, finance teams) is constantly made aware of Group's requirements through dedicated face-to-face trainings.

Lastly, to embed its value throughout the Group with the development of a strong internal culture of compliance, 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.

HIGH ACCOUNTABILITY AND INVOLVEMENT FROM OPERATING DEPARTMENTS

The Compliance Program is a risk-based program and is developed a decentralized model. It means that not only the central functions but also - and mostly - all the Group's subsidiaries that implement the Compliance Program through clear yearly objectives captured in the annual compliance plan are required to be involved in the strengthening of the guidelines, the monitoring of the procedures implementation, the reporting, and the communication.

MONITORING COMPLIANCE WITH RULES

Together with internal control and internal audit, the Tgroup Compliance Officer monitor the completeness of the various elements of the program based on the reporting provided by the Business Groups. Internal audit review this monitoring during regular audits of the business.

The continuous improvement of the Groupe Program itself is monitored also by mean of a regular yearly audit carried out at the requet of the Group General Counsel.

WHISTLEBLOWING PROCEDURE

As part of the respond pilar of the Compliance Program, the whistleblowing alert system is made available to all Group employees but also to anyone outside the Group, including suppliers, customers and subcontractors, to report any possible violations of Nexans Code of Ethics and Business Conduct. Reports can be submitted via a digital tool, a toll-free line or through the Line Management, Human Resources or any member of the Compliance team.

The digital tool can be easily accessed through the Intranet, through the Internet using a key word search on any search engine (i.e., "Nexans alert").

Regular communication to employees is made to inform them of the existence of the whistleblowing system and the digital reporting tool. The alert system is always advertised during the annual Compliance Week, in internal podcasts, and routinely mentioned through intranet communications and training messages.

Nexans encourages internal alerts and conduct its investigations while placing the protection of the whistleblower at the forefront of its priorities. Reports are investigated without disclosing the identity of the persons involved or their data. Each report is investigated pursuant to the principles of anonymity and impartiality set out in the Code of Ethics and Business Conduct. Investigations may, depending on the situation, lead to corrective action and/or disciplinary measures.

The Group Compliance officer is in charge of the governance of internal investigations and reports directly to the Group General Counsel and Company Secretary. Analysis of the cases reported is shared with the Accounts, Audit and Risk Committee and the Governance and Social Affairs Committee at least once a year.

In 2022, more than fifty cases were reported through the online whistleblowing system. This figure does not include reports submitted via Human Resources or Line Management. 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 and the Group Compliance Officer, including:

- the Group Compliance Officer, who is responsible for designing the program and supporting managers in its rollout;
- the Data Protection Officer;
- 11 in-house lawyers and compliance professionals throughout the Group;
- other key functions representatives.

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 2022 AND GOALS FOR 2023

The following actions were taken in 2022:

- 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 2022 edition. The subjects covered included conflicts of interest, corruption risks, antitrust law, cybersecurity risks, protection of personal data, climate etc… and intellectual property. All course content was offered in eleven languages (English, French, Chinese, Korean, Spanish, Portuguese, Italian, German, Swedish, Norwegian and Turkish). The Compliance Week training is compulsory for Group managers and is also available to the non-managers who have access to the online training module. At the end of 2022, 100% of the target Group employees had completed the Compliance Week program.
- in addition, 100% of Group managers and a large part of 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;
- 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;
- 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 2020-2023 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. To date, 100% of them had taken part, and 100% of them had signed the compliance certificate.

3.4.1.2. 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.

Due to the critical nature of this issue, the Group hasstrengthened its approach to managing human rights risks.

This is reflected in the following actions:

- 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**

In 2022, the new version of the Code of Ethics and Business Conduct has been included into the "Quick Start in Nexans" induction program.

- **Step II – Systematization**

The new version of the Code of Ethics and Business Conduct has been a key pillar of the Compliance Week 2022, focusing on a Human Rights issue.

- **Step III – Coming full circle**

The Group plans 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".

3.4.2. 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.

The report on the implementation of the Duty of care plan for 2022, 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.

3.4.2.1. Duty of care plan for suppliers

SUPPLIER RISK MAPPING

CSR 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 rating to each supplier to help organizations prioritize actions.

The EcoVadis methodology is based on:

- country CSR Risk of the supplier;
- purchased category CSR Risk of the supplier;

with a CSR risk rating on a scale of 1 "very low" to 6 "severe" the highest risk.

Each Supplier gets a CSR risk rating between 1 and 6.

The Group pays particular attention to suppliers with which it does significant business or which have been assigned a CSR risk rating of 5 or 6. This represents approximately 1,770 suppliers for the entire Group.

Based on this CSR risk map, the Group defines its CSR Duty of Care plan and its yearly CSR roadmap with targets. In 2022, the Group focused on having suppliers sign Nexans Supplier CSR Charter and supporting suppliers to improve their CSR performance and CO2 performance.

STRENGTHENED DIALOGUE WITH SUPPLIERS

In 2022, Nexans continued to develop its CSR Duty of Care plan with its suppliers and supported its suppliers to improve their CSR performance.

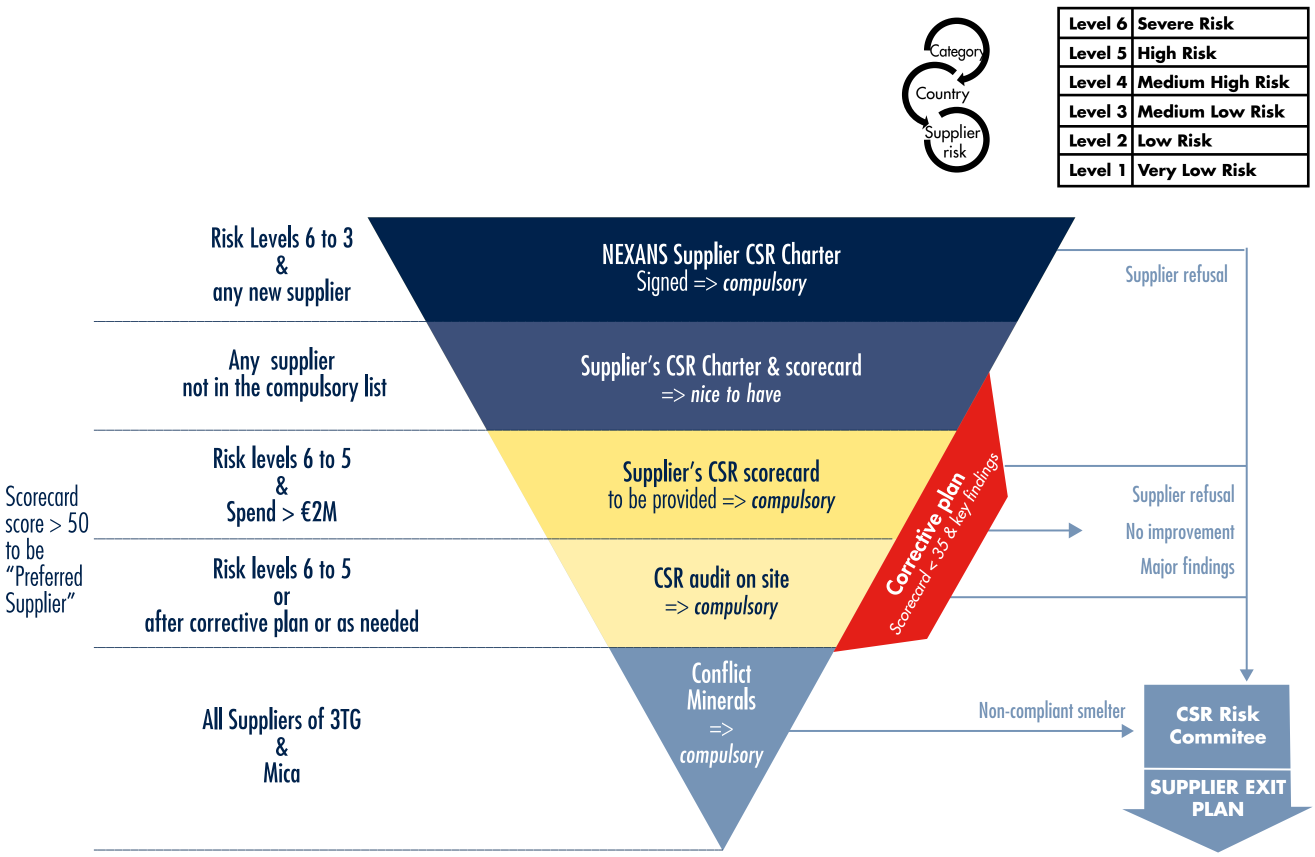
Its first digital/physical Supplier Day was organized on September 6th, 2022 with 300 strategic suppliers, including 80 strategic suppliers physically present. At this event, Nexans' CEO, COO, VP Innovation, VP Purchasing Non Ferrous Metals and VP Purchasing Global portfolios clearly presented what Nexans expects from its suppliers on CSR topics. There was also a roundtable on sustainability, with examples of best practices to reduce the CO2 emissions on the Scopes 1, 2 and 3 and view on the future regulations for greener transport modes. The Group's aim is to inspire its suppliers and especially push suppliers to amplify their own carbon journey "do not wait for the future regulations to impose it".

Also in 2022, the Group launched a carbon survey with its top 100 raw materials suppliers, to assess and quantify their carbon maturity. Based on this supplier carbon map, the Group defined priorities (*e.g.*: which suppliers to provide their EPD (Environmental Product Declaration) and identified carbon reduction actions to implement together (*e.g.* recycling plastics, etc.).

Moreover, as part of its supplier business review routine with its top 100 main suppliers at minima once a year, the Group discusses the whole range of sustainable actions, from CSR scorecards (how to improve the CSR score) to carbon reduction (*e.g.* lower carbon transport).

Below is a summary of the CSR Duty of Care plan and the status of each element in 2022:

NEXANS SUPPLIER CSR DUTY OF CARE PLAN



A STRONG COMMITMENT: NEXANS'CSR CHARTER

In late 2020, the Group 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 the age of 16), and concrete examples of best practices (*e.g.*, measuring the number of accidents, 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. These are not mere intentions anymore, but actual commitments applicable to the entire supply chain. A signed Supplier CSR Charter is considered to be valid for a period of three years, except for the suppliers of conflict minerals, who must sign the Charter every year.

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. Almost all new supplier accounts are managed centrally.

Other suppliers are also encouraged to sign and comply with the CSR Charter.

To ensure all its suppliers are aware of the CSR principles that Nexans wants its suppliers to respect, the Groups has deployed a robust process since 2021 (dedicated team, mass mailing, phone campaigns, reporting, copy storage, escalation) to get Nexans Supplier CSR Charter signed. If a supplier decides not to sign Nexans Supplier CSR Charter and cannot demonstrate CSR commitments that meet Nexans' CSR requirements, Nexans reserves the right to delist the supplier. Thus, each week, the Group's Head of Sustainable Purchasing and the Group's Compliance Officer, in their role with the CSR Risk Purchasing Committee, check whether these suppliers' CSR commitments are aligned with Nexans' 14 key CSR requirements as listed in Nexans Supplier CSR Charter. Interestingly, the vast majority of suppliers that did not sign the Nexans Supplier CSR Charter in 2021 were large groups that have their own Code of Ethics or Code of Business Conduct and/or CSR scorecard (see paragraph scorecard below).

By the end of 2021, Out of the 23,406 supplier accounts contacted, suppliers representing 82% of the Group's total purchases in 2021, have either signed Nexans Supplier CSR Charter or have been approved by the CSR Risk Purchasing Committee after checking their compliance with our Supplier CSR Charter.

So in 2022, the Group's focus was on the remaining suppliers who had not signed yet Nexans Supplier CSR Charter, with a CSR risk rating 6 and 5 (the highest) in priority. These suppliers, mainly small and medium size companies, claimed that the main issue was the language barrier (CSR Charter available in 5 languages so far) and that they did respect the key CSR principles. Nexans considers that the Nexans CSR Charter signing campaign has made all its suppliers aware of the importance of the CSR principles in Human rights, Environment and Ethics and raised awareness that each supplier should also hold its own supply chain accountable, as it is the only way to achieve responsible sourcing.

A REGULAR ASSESSMENT PROCESS: CSR SCORECARDS

A supplier's CSR scorecard is a certificate with a score reflecting the supplier's CSR performance. CSR scorecards are based on an assessment carried out by an independent, internationally recognized CSR expert (EcoVadis or equivalent). Thus, EcoVadis assesses a supplier's CSR performance *via* an online questionnaire based on four pillars: (i) the environment, (ii) the Human rights, (iii) the ethics and (iv) the 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, as well as a specific score for each pillar, the supplier'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; or
- 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 such CSR scorecard. A CSR scorecard, reflecting the supplier's CSR performance, can be shared with all its customers and brings a competitive advantage.

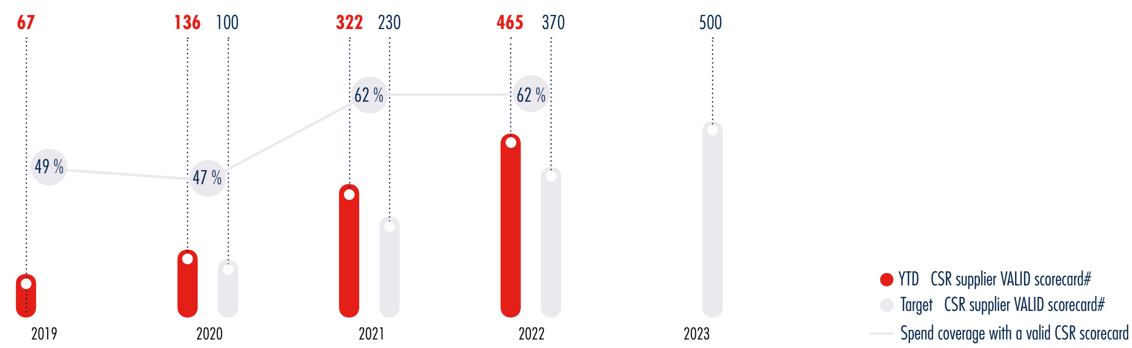
In 2018, Nexans began collecting CSR scorecards, by delegating EcoVadis to convince its suppliers. From 2020, Nexans Purchasers took over the whole process, to be efficient in managing the supplier CSR risk, starting with the most critical ones in terms of CSR risk.

The process covers i) training Nexans purchasers on CSR issues so that they can convince and support suppliers through the CSR assessment, ii) setting up annual targets for each purchaser, iii) implementing monthly reporting, iv) creating guidebooks on "how to do the assessment" to help suppliers, and finally v) supporting suppliers by the Group's Head of Sustainable Purchasing.

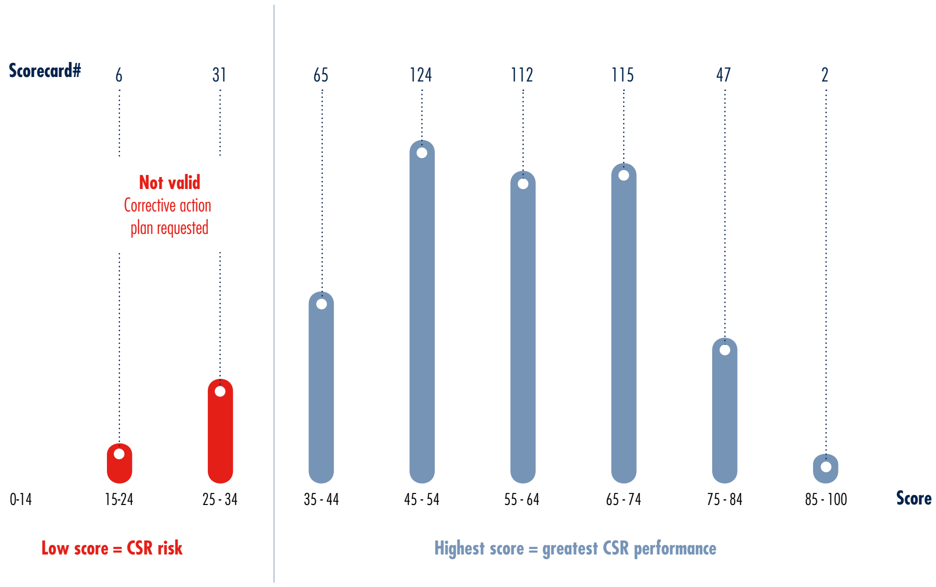
Nexans considers that a score of less than 35% is unacceptable. Suppliers with these scores have six months to devise and implement a corrective action plan and are reviewed at the monthly meeting of the CSR Risk Purchasing Committee, as presented below.

As of the end of 2022, Nexans collected CSR assessments from 465 suppliers (compared to 67 in 2019 and above the 2022 target of 370), with a score of 35/100 or higher and covering 62% of total purchases made in 2022 (compared to 49% in 2019). The average score of these CSR scorecards was 55.8/100 in 2022 (compared to the average EcoVadis score of 44.9/100 for all customers). Additionally, 37 suppliers have also provided their CSR scorecard, but with a score of less than 35/100. A corrective action plan is currently being implemented for these suppliers as described below.

SUPPLIER' CSR SCORECARD: NUMBER & SPEND COVERAGE



SUPPLIER'S CSR SCORECARD SCORE DISTRIBUTION



CHECK ON SITE: ON-SITE CSR AUDIT

Nexans started on-site CSR audits in 2020, conducting 3 CSR audit on the site of three Mica tape suppliers in 2020, as this product has a CSR risk rating of 6, the highest.

CSR 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 situation especially in China in 2022, Nexans conducted 14 on-site CSR audits at suppliers classified with a CSR risk rating of 5 or 6, supplying plastic materials, aluminum wires, copper wires and civil works.

These audits revealed major key findings such as: i) hours worked above standard (*e.g.*, between 72 and 91 hours/week), ii) safety (*e.g.*, insufficient number of fire extinguishers or emergency exits), iii) anti-corruption process (no risk assessment, no written policy) and/or iiii) responsible sourcing (*e.g.*, no due digilence with their suppliers, no monitoring).

The major key findings trigger a demand for corrective action plans systematically, see the next paragraph. CSR audits will be conducted every year.

DEFINING AND MONITORING CSR CORRECTIVE ACTIONS

Nexans systematically requires a CSR corrective action plan when:

- the supplier's CSR audit reveals one or more key findings; or
- the supplier's CSR scorecard has a score lower than 35.

In 2022, corrective action plans were requested from all the audited suppliers (who get CSR audit key findings). During a follow-up call with the purchaser and the Group's Head of Sustainable Purchasing, each supplier has to present its corrective actions with deadlines and pictures/documents as proof. The aim of Nexans is to support suppliers to improve their CSR performance, whatever their current maturity level, in priority in terms of working conditions for the wellness of the employees.

In 2022, corrective action plans were initiated with the 37 suppliers who had a scorecard's score of less than 35/100. After checking, all the suppliers confirmed that they had answered the CSR questionnaire without providing document as proof (except ISO certificate), which penalized their score. The lack of document is due either to the reluctance of the suppliers to disclose internal, confidential documents. Nexans gets EcoVadis to reassure the suppliers that only EcoVadis can see the suppliers' documents. Or the lack of document is due to the fact that the suppliers have no idea which document to provide as proof. Support is provided by Nexans or EcoVadis to define which action to implement and/or which document to provide as proof.

Thus, one of these suppliers decided to do again the assessment properly (with documents as proof) right away, to get a new scorecard's score reflecting its true CSR performance, going from 33/100 to 48/100 score now. The other suppliers are requested to open a corrective action plan, with deadlines and documents as proof directly on EcoVadis ePlatform.

SPECIAL FOCUS – CONFLICT MINERALS

As Nexans is not listed on any US stock exchange, it is not required to comply with the US Dodd-Frank Wall Street Reform and Consumer Protection Act on conflict minerals coming from conflict areas (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 buys much smaller volumes of tin ore, but still within the tin ore in wire threshold of 1,500 kg defined by the EU Regulation 2017/821 on conflict minerals.

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.

Thus, every year, the Group checks with its suppliers that the purchased minerals originate from conflict-free zones and exercises its duty of care until it obtains completed CMRTs (Conflict Minerals Request Templates) from 100% of its relevant suppliers, proving that all its supply sources are conflict-free. Should it transpire that one of Its supply sources is not conflict-free, the Group will take all necessary actions to remedy the situation, in line with the Group's Conflict Mineral Policy signed by the Vice President for Purchasing, and the sustainable purchasing policy updated in 2020.

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 the smelters. 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).

Regarding the four minerals covered by the applicable regulations (gold, tin, tungsten and tantalum), Nexans only purchases tin for its cables from qualified suppliers. No one-off purchase of minerals from non-qualified suppliers is allowed since the Group's Non-Ferrous Purchasing Department must approve the creation of a new tin supplier account.

In 2022, the Group bought tin ore to manufacture its own tinned copper wires from one supplier. The Group also bought tinned copper wires from 28 suppliers, these tinned copper wires do not fall within the scope of EU Regulation 2017/821 on conflict minerals. Our investigations with all our suppliers have confirmed that supplies come from "conflict-free" sources, as defined by the Dodd-Frank Act. Our investigations also showed that one smelter of one of our tin copper wire suppliers was neither conformant with, nor in the active list of the RMI (Responsible Minerals Initiative). So the Group did its due diligence with the said supplier to make the faulty smelter start the registration process with the RMI or to change smelters for a compliant one. Finally, the said supplier was able to confirm Nexans that a second smelter, conformant with the RMI, was qualified as well as that the first, faulty smelter has started the registration process with the RMI (Responsible Minerals Initiative). Due diligence case closed satisfactorily, in line with the Group's Conflict Mineral Policy, signed by the Executive Vice President for Purchasing, and the sustainable purchasing policy, updated in 2020.

The Group may also purchase components with electronics that might contain conflict minerals. As per our duty of care, the Group launched a survey with its top 167 suppliers, representing 80% of the yearly spend, to check either the components supplied to Nexans contain any of the conflict minerals. If yes, suppliers were requested to provide their CMRT. So far, 60% of the suppliers confirmed no conflict minerals, 15% confirmed yes containing minerals, however "conflict-free" sources and 24% have not answered yet. The Group will continue its efforts to get 100% of the suppliers' feedbacks and their complete CMRT when eligible. In 2023, the Group will tackle the next wave of 150 suppliers, in order to have the supplier coverage as large as possible. The same due diligence process applies to these components suppliers as the tin suppliers.

Besides the official 4 conflict minerals, the Group also does its due diligence on Mica tape suppliers. Mica is no covered by any regulation. However, Mica is a sensitive minerals because of alleged child labor in some Mica mines.

In 2020, the Group developed its own Mica template, freely inspired from the CMRT (Conflict Minerals Request Template) of the RMI (Responsible Minerals Initiative). Its Mica tape suppliers were requested to fill in this template listing their suppliers' country up to/including the Mica mines. The Group also carried out a CSR audit on site of each of its Mica tape suppliers in 2020 and 2021 (see previous paragraph on CSR audits), except for one supplier who provided a recent CSR audit on site report, based on the SMETA methodology, carried out by another customer.

In 2022 and onwards, the Group decided to use the EMRT (Extended Minerals Request Template) of the RMI (Responsible Minerals Initiative) as the RMI manages also the Mica from now on. The Extended Minerals Reporting Template (EMRT) was formally launched on October 20, 2021 for the first time. The EMRT is a free, standardized reporting template developed by the RMI to identify pinch points and collect due diligence information in the Cobalt and Mica supply chains. The EMRT facilitates the exchange of information through the supply chain regarding mineral country of origin and processors being utilized. In doing so, it supports companies' exercise of due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The EMRT also facilitates the identification of refiners and processors. Exceptionally the EMRT was revised five times by the RMI over a year as the RMI starts managing the Mica. From then, the EMRT and the Mica processor list will be up-dated by the RMI once a year (like the CMRT). Therefore, Nexans requested all its Mica tape suppliers to provide their EMRT completed and up-dated twice in 2022. Nexans also requires its suppliers to get their Mica processors start the registration process with the RMI, by end of 2023 when the next EMRT will be released by the RMI .

The Responsible Purchasing policy specifically defines the following four actions to strenghten 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 suppliers who 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 (six months) after a request has been sent to the suppliers for a CSR corrective action plan.

The Committee is composed of the Group's Vice President for Purchasing, Head of Sustainable Purchasing, the Head of Risk and the Compliance Officer. It reports to the CSR Committee every year on the progress of the actions undertaken.

In 2022, 613 suppliers were reviewed, no supplier was delisted for non-compliance.

See also sections 3.4.8. "Duty of care plan" and 2.1.2.5. "Risks related to raw materials and supplies".

3.4.3. Measures to protect employees and consumers' health and safety

Protecting consumers' health and safety is a priority for the Group. See in section 3.2.3.3. "Substitute Hazardous Substances" the Group activities to limit risk associated with hazardous substances.

3.4.3.1. Health and safety

The Group is vigilant about Health and Safety. See in section 3.2.2. the Group's exisiting procedures and actions.

3.4.3.2. Environmental risks

The Group is exposed to a number of internal and external risks such as those listed in section 3.2.3. "Reducing pollution and other environmental risks". The main risks identified by the Group are described in Chapter 2 "Main risk factors and risk management within the Group".

3.4.4. Data protection & digital trust

3.4.4.1. A cybersecurity ambition

At Nexans, cybersecurity and data protection are integral to Nexans' business strategy and its digital transformation. At all levels of the Group, Nexans Is developing a Group-wide cybersecurity culture.

As set forth in Chapter 2, Nexans in building its cyber security culture on 4 pillars:

- *Empowerment*: people in Nexans are placed at the center of its detection and response capabilities. For this purpose, Nexans is constantly communicating on cyber threats to raise awareness of employees and is deploying training programs on cybersecurity and data protection. In 2022, 3,743 employees benefitted from 1,420 hours of training on cybersecurity and data protection;
- *Protection*: protect key technological assets and among others industrial activities by controlling access to information and their treatments;
- *Response*: respond to any threat and cyber incident as soon as possible to limit the adverse impact on the business and industrial operations. Nexans is constantly monitoring, detecting, responding, and learning from cyber incidents or events;
- *Control*: by checking the effectiveness of operated security tool and controls.

The ambition of Nexans is to reinforce cyber discussions with our customers, suppliers, and partners to improve resilience across the value chain and build trust in our ecosystem. For this purpose, Nexans is partnering with leading companies and experts in the field of cybersecurity.

3.4.4.2. Data protection

As part of its commitment to respect fundamental human rights, Nexans is engaged in the protection of personal data and privacy. As such, Nexans has in place a Data Protection Policy aligned with the principles set forth in the European Union General Data Protection Regulation ("GDPR") with corresponding processes and controls.

Nexans has established an organization of data protection correspondents in 30 countries which missions are to maintain up to date data protection registers and training to employees and managers.

Nexans has also strengthened its processes, in particular with respect to IT assets privacy assessment processes as well as with respect to data breach management and notification process.

3.4.5. Fighting tax evasion

Nexans has established a policy of managing tax matters responsibly and takes steps to uphold transparency and comply with laws in the countries where it operates.

As such, the Group bases its tax policy on the following principles:

- complying with international tax standards set out by the OECD (Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations) to ensure that its intercompany transactions are in line with the arm's length principle;
- not evading taxes by using complex and opaque corporate structures;
- this means that the Group does not use shell companies or other legal structures that would not be consistent with its operational targets. The Group has no legal entities located in countries singled out as jurisdictions that are not in line with France's tax rules;
- promoting professional and cooperative relations with the tax authorities in countries where the Group operates. The Group complies with its country-by-country tax reporting requirements (CBCR) and regulations on the disclosure of information required by the French tax authorities.

3.4.6. Engagement for communities

As part of the ecosystem, local communities are an important stakeholder of electrification. In 2013, the Group created the Nexans Foundation, devoted to the access of energy for local communities. On top of that, the Group is acting as a responsible company, making sure to participate positively to local communities.

3.4.6.1. 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;
- support education and training;
- support environmental studies linked with electrification.

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), promotes employment and contributes to economic growth (SDG 8), Make cities and human settlements inclusive, safe, resilient and sustainable (SDG 11), establish sustainable consumption and production patterns (SDG 12), takes urgent action to combat climate change and its impacts (SDG 14), ensure that the environment is sustainable (SDG 13) and preserve and restore terrestrial ecosystems (SDG 15) 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 billion people 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.

(1) www.iea.org

(2) www.undp.org

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).

In October 2022, the Board of Director decided to:

- renew the five year mandate of Nexans Foundation;
- increase the budget from 300,000 euros to 400,000 euros.

SUPPORTING 67 ORGANIZATIONS AND HELPING OVER 2,220,000 PEOPLE SINCE 2013

With an annual budget of 300,000 euros, the Nexans Foundation has supported 145 projects in 38 countries in partnership with 67 organizations since it was created. These projects have brought, or plan to bring, electrical power to over 2,220,000 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 Electriciens sans frontières, GERES (Group for the Environment, Renewable Energy and Solidarity) and FONDEM (Fondation Energies pour le Monde) for large-scale projects, as well as smaller organizations, such as Shekina, Accesmad, experts solidaires, Techo Chile, Techo Peru, Ecoswell.

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.

For more information on the Nexans Foundation, please visit www.fondationnexans.com.

3.4.6.2. Regional and social initiatives

On top of Nexans Foundation activities, business units are leading several important initiatives for communities. Various partners are involved: could be global events, universities, youth, donations.

GLOBAL EVENTS

- In September 2022, the Group organizes its third Climate Day during the Climate Week in New York City. This was the opportunity to gather several players around the importance of climate change and the way to limit it, especially thanks to electrifications and renewable energies;
- In May 2022, in Chile for the event *Cobre, el protagonista de la transicion energetica* (Copper, the enabler of energy transition), in September 2022, in Canada for the event "Change the current", in November 2022 in Peru for the event *cobre para el manana* (Copper for tomorrow), the Group organizes such event to show the importance of copper in the energy transition, the risk of scarcity and the importance of decarbonation plans;
- In September 2022, the Group organizes a Supplier Day, gathering main suppliers of the Group, explaining them the Sustainability roadmap of Nexans, and how critical their support is for that.

UNIVERSITIES, R&D AND EDUCATION

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 with communities, especially with schools, universities, customers or all communities interested in learning more about electricity:

- in 2021 and 2022, the Group sponsored the ship of Fabrice Amedeo (Imoca Nexans), who collected water samples in the last Vendée Globe race. Samples were analysed by the university of Bordeaux, determining the level of cellulose and microplastic within the ocean. This supports the understanding of marine pollution from searchers and university;
- 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 has joined The Edison Innovation Foundation to promote Edison legacy, and organize contests in favour of scientific skills, technological innovation and entrepreneurship;
- several business units located in France, Morocco, Côte d'Ivoire, Ghana, Colombia, Peru have dedicated training centers to educate electricians and installers about electrical installations. As an example, the Nour Center in Casablanca, Morocco, was launched in 2022, with a dedicated teacher;
- the Group has 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. In 2022, What's Watt had over 3,700 subscribers, primarily in the 18-34 age range, and each episode averaged more than 7,700 views;
- 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. In October 2022, the Group participated to the Science Festival at the Paris Museum of Modern Art with dedicated animation for children.

OTHER CHARITY INITIATIVES ESPECIALLY DURING CRISIS

The Group is also responsive to the various crisis in the world, supporting urgent electrification.

- Nexans France, and humanitarian crisis:
  - in November 2021, to respond even faster to handling humanitarian emergencies, Nexans France, along with ten other leaders from the electricity industry, formed a partnership in with the crisis center of the French Ministry for Europe and Foreign Affairs and Electriciens Sans Frontières. In the event of a humanitarian crisis, Electriciens Sans Frontières intervenes to restore access to energy,
  - Madagascar: after the passage of tropical cyclone "Batsirai", which caused nearly 120,000 people to be affected and numerous material losses Nexans France supported financially a shipment 10 m^3 of electrical equipment, to the district of Mananjary, on the east coast of the island, the epicentre of the cyclone, where 90% of the constructions were affected,
  - in March 2022, to support the needs of displaced Ukrainian refugees in Slovakia, Nexans France supported financially a shipment of equipment to Slovakia, including generators, protection boxes and electrical cables. The equipment was used to meet the daily and essential needs of access to water and electricity for heating and power;
- in addition to the above, there were several important initiatives for Ukraine:
  - Nexans France and its plant of Autun also delivered to Electriciens sans Frontières Distingo cables. The equipment was used to meet the daily and essential needs of access to water and electricity for heating and power of displaced Ukrainian refugees in Slovakia,
  - other units located in Germany, Romania, Czech Republik, Ukraine, Belgium organized funds collection, food & goods donation, first home for refugees. As one subsidiary of Harnesses is located in Ukraine, the Group is very sensitive to the country situation.

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.

3.4.7. 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, Sustainability
Suppliers	Supplier CSR Charter[(a)] 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[(b)]	Response to rating questionnaires Individual meetings ESG events	ESG, 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

(a) CSR: Corporate Social Responsibility.
(b) 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 2022, 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. In September 2022, a Supplier day occured and was the opportunity to indicate to them the place of sustainability in Nexans strategy, and to engage them on this journey (innovative product with low carbon content, high recycling content, decarbonation proposal on transportation, climate commitments, PEP/EPD…).

One of the objectives of the Group's Purchasing policy is to ensure to work with a base of high-performing and reliable suppliers who can help Nexans achieves 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.

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.

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 ESG 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 13 financial analysts covering Nexans.

In 2022, the Executive Management and Investor Relations team met with over 400 investors during non-deal roadshows, conferences and a number of individual meetings in Europe and North Africa.

These meetings offer the opportunity to talk with investors about the Group's strategy, performance, transformation and sustainability roadmap.

In 2022, for the third year in a row, Nexans has received top-rankings including Capital Goods Small & Midcap Best CEO, Best CFO, Best IR program and Best ESG by investors. These awards demonstrate the Group's ability to be a pioneer in a variety of areas such as ESG, and are a recognition from the financial community.

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. Two Nexans plants are currently following the certification process of 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.

3.5 Environmental and social indicators CSR concordance tables

Environmental indicators

Change 2022/2021		2022	2021	2019
Sites management				
Number of sites monitored	↗	79	80	82
Number of ISO 14001 certified sites	↗	71	71	65
% of ISO 14001 certified sites	↗	90%	89%	79%
	→			
	↘			
Energy				
Energy purchased (MWh)	↗	1,173,998	1,104,558	1,176,992
Energy intensity (MWh/M€)[b]	↘	140	150	181
• o/w grid electricity (MWh)	↘	376,618	392,435	692,029
• o/w renewable electricity (purchased or produced) (MWh)		239,660	211,731	
o/w non renewable electricity produced (MWh)		18,451		
• o/w fuel oil (MWh)	↗	142,313	93,920	48,879
• o/w gas (MWh)	↗	394,175	403,736	434,781
• o/w steam (MWh)	↗	2,781	2,737	1,302
Water				
Water consumption (m^3)	↘	1,766,973	1,702,391	2,159,174
Water intensity (m^3/M€)[b]	↘	211	231	333
Raw materials & consumables				
Copper consumption (tonnes)[c]	↗	,	475,000	525,000
Aluminum consumption (tonnes)[c]	↘	,	95,000	110,000
Solvent purchased (tonnes)	↗	352	347	448
Waste				
Total waste generated (tonnes)[d]	↘	70,736	70,670	105,889
Waste intensity (tonnes/M€)[b]	↘	8	10	16
• o/w hazardous wastes (tonnes)	↗	3,382	3,192	4,700
Hazardous wastes intensity (tonnes/M€)	↘	0.40	0.43	0.72
GHG emissions (Scopes 1-2-3)				
GHG emissions Location Based (tonnes CO_2 eq)	↘	95,161,933	107,889,902	132,396,848
GHG emissions intensity (tonnes/M€)[b]	↘	11,371	14,631	19,658
• o/w Scope 1 (tonnes CO_2 eq.)	↘	122,841	114,566	119,288
• o/w Scope 2 (location based) (tonnes CO_2 eq.)	↘	136,862	149,467	157,549
• o/w Scope 2 (market based) (tonnes CO_2 eq.)	↘	101,433	110,098	193,536
• o/w Scope 3 (tonnes CO_2 eq.)	↘	94,902,230	107,625,869	132,120,011

(a) EHP: Highly Protected Environment – the Group's Internal Environmental label.
(b) Intensity calculations are based on sales at current metal prices.
(c) The tonnes consumed correspond to the tonnes sold to external Group customers during the year.
(d) The 2019 data has been updated following the correction of an erroneous data 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 Carbone 4 consultancy firm, while for market-based electricity, emission factors are calculated by AIB and e-GRID.

Social indicators

NEXANS GROUP

Change 2022/2021		2022	2021	2020	2019
Nexans Group					
TOTAL HEADCOUNT	↗	**27,932**	**25,129**	**24,248**	**25,945**
Europe	↗	13,661	13,557	12,997	14,142
Asia-Pacific	↗	1,935	1,887	1,843	2,317
North America	↗	3,357	2,842	2,611	3,199
South America	↘	2,263	1,344	1,346	1,372
Middle East, Russia, Africa	↗	6,716	5,499	5,451	4,915
% Female managers (of manager population)	↗	26,7%	24.5%	24%	24%
EMPLOYMENT DATA					
Absenteeism rate	↗	7.4%	7.1%	6.7%	5.5%
SAFETY					
Global workplace accident frequency rate(a)	↘	2.31	1.81	1.87	2.7
Global workplace accident severity rate(b)	→	0.12	0.15	0.15	0.15
TRAINING					
Total number of training hours(c)	↗	530,772	419,275	400,502	523,492

(a) 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.
(b) 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.
(c) The 2019 data has been updated following the correction of an erroneous data.

CABLE BUSINESS

Change 2022/2021		2022	2021	2020	2019
Cable business					
HEADCOUNT CABLE BUSINESS	↗	**14366**	**13,483**	**13,612**	**15,454**
% Female overall employees	→	17%	17%	17%	16%
% Female managers (of manager population)	↗	27%	25%	24%	24%
Average age (years)	→	44.1	44.1	44.3	44.2
Average length of service (years)	↗	12.8	12.6	12.7	12.5
% Temporary employees	↗	7.6%	6.7%	7.0%	7.3%
Disabled employees[(a)]	↗	294	291	297	378
Employment data					
Natural departures	↗	(1553)	(1,410)	(1,433)	(1,605)
Restructuring	↘	(86)	(273)	(744)	(309)
New hires	↗	1604	1,593	1,011	1,418
Impact of changes in Group structure	↗	911	0	(623)	0
Mobility (net variation)	↘	3	6	8	1
Employee turnover rate[(b)]	↗	10.7	10.1%	9.8%	10.4%
Overtime rate[(c)]	↗	5.9%	1.4%	4.8%	5.5%
Part-time contracts	↗	236	247	245	341
% Fixed-term contracts	↘	5.9%	6.6%	5.5%	5.8%
Absenteeism rate	↗	5.8%	5.3%	5.6%	5.0%
Safety					
Global workplace accident frequency rate[(d)]	↗	3.85	3.21	2.94	4.06
Global workplace accident severity rate[(e)]	↘	0.22	0.28	0.25	0.26
Training					
Total number of training hours[(f)]	↗	186,060	166,997	135,887	210,625

(a) This figure does not take into account countries where this information is not disclosed due to local regulations. The number of disabled employees in the cable business in 2021 was 273 instead of 291.
(b) 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.
(c) Overtime rate: number of overtime hours worked/total number of hours worked. The overtime rate in 2021 was 4.9%
(d) 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.
(e) 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.
(f) The 2019 data has been updated following the correction of an erroneous data.

AUTO-HARNESSES BUSINESS

Change 2022/2021		2022	2021	2020	2019
Auto-harnesses business					
HEADCOUNT HARNESSES BUSINESS	↗	**13,566**	**11,646**	**10,636**	**10,491**
Europe	↗	5,669	5,558	4,864	5,098
Asia-Pacific	↗	412	286	192	509
North America	↗	2,345	1,882	1,748	1,694
Middle East, Russia, Africa	↗	5,140	3,920	3,832	3,190
% Female overall employees	→	62%	62%	60%	60%
% Female managers (of manager population)	↗	22%	21%	23%	21%
Average age (years)	→	35.2	35.2	34.6	34.8
Average length of service (years)	↗	5.1	5.3	5.2	5.0
Employment data					
Natural departures	↗	(4,525)	(3,262)	(2,937)	(4,808)
Restructuring	↘	(13)	(66)	(310)	(150)
New hires	↗	6,463	4,339	3,394	4,369
Impact of changes in Group structure	→	0	0	0	0
Mobility (net variation)	↘	0	-1	0	-1
Employee turnover rate[(a)]	↗	35.1	28.2%	28.0%	43.9%
Absenteeism rate	↘	9.1%	10.0%	8.3%	6.2%
Safety					
Global workplace accident frequency rate[(b)]	↗	0.45	0.10	0.34	0.74
Global workplace accident severity rate[(c)]	↗	0.01	0.00	0.01	0.01
TRAINING					
Total number of training hours[(d)]	↗	344,712	252,278	264,615	312,867

(a) 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.
(b) 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.
(c) 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.
(d) 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

Scope

The consolidation scope of social data covers companies directly and indirectly owned by the Group in accordance with financial consolidation rules.

Acquisitions: in 2022, Nexans acquired a Colombian group owning subsidiaries in Colombia, Ecuador and Peru, and counting for a total of 970 employees.

- Cobres de Colombia SAS (Colombia);
- Centelsa - Cables de Energia Y De Telecomunicaciones S A (Colombia);
- Alcatek - Alambres Y Cables Tecnicos S A - (Colombia);
- CEDETEC SA (Ecuador);
- Cobrecon (Peru).

Cobrecon (Peru) became in 2022 an entire Nexans entity, thus counting 100% of the entity's data in 2022 compared to 48.36% proration in 2021.

Indicators selection

Social indicators are selected on the basis of their impact and risks associated with the activities they measure.

To measure its human resources policy and social commitments, Nexans uses a combination of 3 main levels of social indicators:

- the French law requirements including the ones specified in the French Commercial Code Articles R.225-104 and R.225-105;
- the GRI standards;
- specific indicators reflecting Nexans internal policies in terms of employee engagement and human rights.

Nexans Business Units and Entities can use their own additional indicators based on their local and specific challenges.

Indicators consolidation and controls

Nexans social information is tracked, analysed and consolidated by the Corporate Human Resources Department (HRIS Department) as follow:

Quantitative information: workforce-related information is captured, every quarterly, from each entity using Nexans HR Reporting System. The information is a combination of manual input and automatic imports from the Nexans HR Master System. Data are checked and submitted by the entities themselves thanks to the automatic controls in the Reporting System and Business Intelligence System.

Data imported from the HR Master System go through thorough controls before they arrive in the Reporting System. The HR Master System sends on a weekly basis automatized consistency checks to every entity with a description of the discrepancy and the actions to take to fix it.

The HRIS Department consolidates data captured in the HR Reporting System across the whole scope and carries out data consistency checks in details at Group level, including consistencies within and with previous periods, data crossing with HR Master System (internal workforce) and Industrial System (Data on health and safety are analysed jointly with the Industrial Management Department).

If an error is detected on a particular indicator that has already been officially published (Management Report), it is not amended after the fact in subsequent publications (comparison table). However, an explanation is added in the footnote together with the correction of the figure.

Qualitative information: qualitative human resources information is captured annually at country level, through a questionnaire sent to each country. The Cable workstream and the Harnesses workstream produce their own country reports. The HRIS Department compiles the information at Group level. Discussions may take place on the information provided in these questionnaires in order to obtain further details and to fine-tune snapshot analyses of the Group's HR situation.

Reporting Materials: materials such as Group guidelines, indicator definitions, reporting processes and timelines are updated regularly and can be accessed and downloaded by the HR contributors from a shared network.

User access: user access list is updated in the Reporting System prior to each quarterly campaign and leavers lose access automatically at termination date. Access to the HR Master System though is inherited from the employee position allowing a live update of the employee scope.

Definitions of HR indicators:

- **Headcount:** include employees who have a direct employment contract with Nexans (permanent or fixed-term contracts, people on work placements, and employees whose employment contracts have been suspended). Are excluded from the headcounts: internships and external workforce (Temporary Workers, Outsourcing, Volunteers for International Experience, etc.);
- **Absenteeism rate:** number of absence hours to theoretical workable hours ratio. Absences include illness, work accidents, commuting accidents, maternity/paternity leaves, strike, non-authorized absence and approved unpaid leave of absence;
- **Workplace accident frequency and severity rates:**
  - **Frequency Rate:** number of accidents divided by the actual hours worked and multiplied by 1,000,000. The Frequency Rate takes into account fatal accidents when they occur.

    Nexans tracks two frequency rates:
    - the Frequency Rate with lost time (Workplace accidents with more than 24 hours of lost time),
    - the Frequency Rate with and without lost time.

    The Frequency Rate includes both Internal workforce and Temporary Workers. Outsourced personnel accidents are tracked separately and are excluded from the Frequency Rate (working hours are unavailable in some countries);
  - **Severity Rate:** number of calendar days lost because of work accidents divided by the actual hours worked and multiplied by 1,000.

    The Severity Rate includes only Internal workforce. Absence days of Temporary Workers and Outsourcing (are unavailable in most countries);
  - **Training hours:** include training hours during both working time and outside working time as long as Nexans contributes partially or entirely to their cost;
  - **Turnover rate:** number of natural departures (excluding internal mobility, restructuring, changes in scope and Non-permanent to Permanent contracts) divided by average headcounts.

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 by one of the Statutory Auditors on the verification of the consolidated non-financial statement included on a voluntary basis in the Group management report

For the year ended December 31, 2022

This is a free translation into English of the Statutory Auditor'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 Statutory Auditor, member of Mazars Group and accredited by COFRAC Inspection under number 3-1058 (scope of accreditation available on www.cofrac.fr), we have performed work to provide a reasoned opinion that expresses a limited level of assurance on the historical information (observed and extrapolated) of the consolidated extra-financial performance statement, prepared in accordance with the entity's procedures (hereinafter the "Statement") for the financial year ended December 31, 2022 (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 lack of a commonly used framework or established practice on which to base the assessment and evaluation of information allows for the use of alternative accepted methodologies that may affect comparability between entities and over time.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement.

Restrictions due to the preparation of the Information

As mentioned in the Statement, the Information may contain inherent uncertainty about the state of scientific or economic knowledge and the quality of external data used. Some of the Information is dependent on the methodological choices, assumptions and/or estimates made in preparing the information 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 Statutory Auditor

Based on 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").

As it is our responsibility to express an independent conclusion on the Information prepared by management, we are not authorized to be involved in the preparation of such Information, as this could compromise our independence.

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 truthfulness of the Information provided for in Article 8 of Regulation (EU) 2020/852 (EU Taxonomy);
- 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 8 people between October 2022 and February 2023 and for 7 weeks.

We conducted interviews with the people responsible for the preparation of the Statement, representing the CSR, Environment and Human Resources departments.

Nature and scope of our work

We planned and performed our work considering the risks of significant misstatement of the Information.

We estimate 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 certain risks (compliance, responsible purchasing, conflict minerals, business ethics, environmental regulations), 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;
- 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.

We are convinced that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

La CNCC considère que la traduction n'est pas signée, dans la mesure où il s'agit d'une traduction libre en anglais du rapport original établi en français. En effet, la signature est le graphisme par lequel une personne s'identifie dans un acte et par lequel elle exprime son approbation du contenu du document. En outre, l'apposition d'une signature sur un rapport lui confère la qualité d'être un original. Or, au cas particulier, l'original est représenté par la version française du rapport.

Appendix: Information considered as most significant and selected entities tested in detail

The qualitative information (actions and results) that we considered to be the most important is that relating to the main risks:

- Environmental contamination;
- Environmental regulation;
- Biodiversity;
- Talent development and retention;
- Workplace safety;
- Working conditions;
- Conflict minerals;
- Compliance;
- Investment Socially Responsible;
- Human rights;
- Duty of care.

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	- Germany: DE01-Nexans Deutschland GmbH DE09-Nexans Logistik GmbH DE31-Nexans Industrial Solutions Gmbh DE32-Nexans Advanced Networking Solutions GmbH - South Korea: KR01-Nexans Korea Ltd. KR02-Nexans Daeyoung Ltd. KR03-Kukdong Electric Wire Co. Ltd. - Turkey: TR01-Nexans Turkiye Endustri Ve Ticaret A.S. - Mexique: AUTO Mexico - Norway: NO01-Nexans Norway AS - Greece: GR01-Nexans Hellas i.s.a
	Rate of female managers	
	Frequency rate of accidents at work (with and without lost time)	
	Severity rate of accidents at work	
	Turnover rate	
	External recruitment	
	Training hours	
	Absenteeism rate (including sickness absence)	

Themes	Audited Indicators	Entities / Departments audited
ENVIRONMENT	Share of waste recycled	- Autun (France) - Noyelles (France) - Denizli (Turkey) - Montreal (Canada) - Battipaglia (Italy) - Mesaieed (Qatar) - Halden (Norway) - Nahr Ibrahim (Lebanon)
	Energy consumption	
	Water consumption	
	Quantity of solvents purchased	
	Reduction of GHG emissions (n vs n-1)	Corporate Industrial Management Groupe Direction Digital Direction
	Share of Nexans cable drums worldwide that are recyclable and connected to digital platforms	
	Share of industrial sites certified with ISO 14001	Environment Direction
	Share of industrial sites with a minor or moderate risk level (chemical substances)	
	Share of renewable or decarbonized energy	
ECOSYSTEM	Amount allocated by the Nexans Foundation	CSR Direction Legal Direction
	Share of managers and executives with CSR criteria in their annual performance objectives	
	Employee engagement index	
	Revenues generated by products and services contributing to energy transition and efficiency	
	Share of managers who have completed the Compliance Week training course	
	Number of the Group's main suppliers and suppliers "at CSR risk", with a valid CSR assessment ≥ 35% delivered by EcoVadis	Purchasing Direction

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	Auto Mexico (Harnesses) Nexans Deutschland GmbH Nexans Logistik GmbH Nexans Industrial Solutions Gmbh Nexans Advanced Networking Solutions GmbH Nexans Hellas i.s.a Nexans Korea Ltd. Nexans Daeyoung Ltd. Kukdong Electric Wire Co. Ltd. Nexans Norway AS Nexans Turkiye Endustri Ve Ticaret A.S.
	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)	
Environment	Share of waste recycled	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)
	Energy consumption	
	Water consumption	
	Quantity of solvents purchased	
	Reduction of GHG emissions (n *vs* n-1)	Corporate Industrial Department Digital Department
	Share of Nexans cable drums worldwide that are recyclable and connected to digital platforms	
	Share of renewable or decarbonized energy	Environmental Department
ECOSYSTEM	Amount allocated by the Nexans Foundation	CSR Group Department Legal Department
	Employee engagement index	
	Percentage of managers who have completed the Compliance Week training course	
	Number of the Group's main suppliers and suppliers "at CSR risk", with a valid CSR assessment ≥35% delivered by EcoVadis	Purchasing Department

APPENDIX 2

EU TAXONOMY TURNOVER TABLE - ELIGIBILITY AND ALIGNMENT [2022, KEUR]

Economic activities	Codes	Absolute turnover	Proportion of turnover	Substantial contribution criteria: Climate change mitigation	Substantial contribution criteria: Climate change adaptation	Substantial contribution criteria: Water and marine resources	Substantial contribution criteria: Circular economy	Substantial contribution criteria: Pollution	Substantial contribution criteria: Biodiversity and ecosystem	DNSH criteria (Does Not Significantly Harm): Climate change mitigation	DNSH: Climate change adaptation	DNSH: Water and marine resources	DNSH: Circular economy	DNSH: Pollution	DNSH: Biodiversity and ecosystem	Minimum safeguards	Taxonomy-aligned proportion of turnover: year N	Taxonomy-aligned proportion of turnover: year N-1	Category (enabling activity or)	Category (transitional activity)
		k€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (taxonomy-aligned)																				
Manufacture of renewable energy technologies	3.1	121	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	n.a.	E	
Manufacture of energy efficiency equipment for buildings	3.5	0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	n.a.	E	
Manufacture of other low carbon technologies	3.6	0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	n.a.	E	
Transmission and distribution of electricity	4.9	436,858	5%	5%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	5%	n.a.	E	
Turnover of Environmentally sustainable activities (Taxonomy-aligned activities) (A.1)		**436,979**	**5%**	**5%**	**0%**	**0%**	**0%**	**0%**	**0%**								**5%**	n.a.		
A.2.Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																				
Manufacture of renewable energy technologies	3.1	142,196	2%																	
Manufacture of energy efficiency equipment for buildings	3.5	202,719	2%																	
Manufacture of other low carbon technologies	3.6	790,939	9%																	
Transmission and distribution of electricity	4.9	125,795	2%																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,261,649**	**15%**														**0%**	n.a.		
TOTAL (A.1 + A.2)		**1,698,628**	**20%**														**5%**	n.a.		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		**6,670,472**	**80%**																	
TOTAL (A + B)		**8,369,101**	**100%**																	

EU TAXONOMY CAPEX TABLE - ELIGIBILITY AND ALIGNMENT [2022, KEUR]

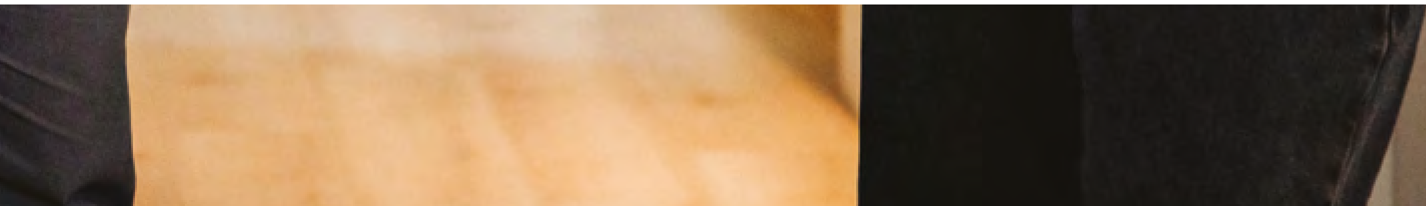
				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)							Taxonomy-aligned proportion of turnover			
Economic activities	Codes	Absolute CapEx	Proportion of total CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystem	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystem	Minimum safeguards	year N	year N-1	Category (enabling activity or)	Category (transitional activity)
		k€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (taxonomy-aligned)																				
Manufacture of renewable energy technologies	3.1	0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	n.a.	E	
Manufacture of energy efficiency equipment for buildings	3.5	0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	n.a.	E	
Manufacture of other low carbon technologies	3.6	0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	n.a.	E	
Transmission and distribution of electricity	4.9	98,738	38%	38%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	38%	n.a.	E	
Other envioronmental CapEx		2,630	1%	1%	0%	0%	0%	0%	0%								1%	n.a.		
CapEx of Environmentally sustainable activities (Taxonomy-aligned activities) (A.1)		**101,368**	**39%**	**39%**	**0%**	**0%**	**0%**	**0%**	**0%**								**39%**	n.a.		
A.2.Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																				
Manufacture of renewable energy technologies	3.1	1,094	0%																	
Manufacture of energy efficiency equipment for buildings	3.5	1,652	1%																	
Manufacture of other low carbon technologies	3.6	28,898	11%																	
Transmission and distribution of electricity	4.9	3,666	1%																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**35,310**	**14%**														**0%**	n.a.		
TOTAL (A.1 + A.2)		**136,678**	**53%**														**39%**	n.a.		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		**122,373**	**47%**																	
TOTAL (A + B)		**259,051**	**100%**																	

EU TAXONOMY OPEX TABLE - ELIGIBILITY AND ALIGNMENT [2022, KEUR]

				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)							Taxonomy-aligned proportion of turnover			
Economic activities	Codes	Absolute OpEx	Proportion of total OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystem	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystem	Minimum safeguards	year N	year N-1	Category (enabling activity or)	Category (transitional activity)
		k€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (taxonomy-aligned)																				
Manufacture of renewable energy technologies	3.1	1	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	n.a.	E	
Manufacture of energy efficiency equipment for buildings	3.5	0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	n.a.	E	
Manufacture of other low carbon technologies	3.6	10,062	3%	3%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	3%	n.a.	E	
Transmission and distribution of electricity	4.9	28,008	8%	8%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	8%	n.a.	E	
OpEx of Environmentally sustainable activities (Taxonomy-aligned activities) (A.1)		**38,070**	**10%**	**10%**	**0%**	**0%**	**0%**	**0%**	**0%**								**10%**	n.a.		
A.2.Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																				
Manufacture of renewable energy technologies	3.1	4,877	1%																	
Manufacture of energy efficiency equipment for buildings	3.5	5,140	1%																	
Manufacture of other low carbon technologies	3.6	38,724	11%																	
Transmission and distribution of electricity	4.9	10,635	3%																	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**59,376**	**16%**														**0%**	n.a.		
TOTAL (A.1 + A.2)		**97,446**	**27%**														**10%**	n.a.		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		**268,036**	**73%**																	
TOTAL (A + B)		**365,482**	**100%**																	

CORPORATE GOVERNANCE

04



The Board of Directors' report on corporate governance was reviewed by the Appointments and Corporate Governance Committee and the Compensation Committee on February 6, 2023. It was approved by the Board of Directors on February 14, 2023, in accordance with the requirements of Article L.225-37 of the French Commercial Code. This report is included in this chapter.

4.1 Corporate governance code

The Company refers to the corporate governance code for listed companies published by the Association Française des Entreprises Privées (AFEP) and the Mouvement des Entreprises de France (MEDEF), as amended in December 2022 (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 2022 of the following recommendation:

	Recommendation in the AFEP-MEDEF Code	The Company's practices and explanations
§17.1	Independent directors must make up at least two-thirds of the Audit Committee.	At December 31, 2022, the Accounts, Audit and Risk Committee had three independent members out of five, i.e. 60%, given the presence of the two main shareholders. On February 14, 2023, upon the recommendation of the Appointments and Corporate Governance Committee, the Board of Directors resolved to modify the composition of the Committee in order to increase its independence and strengthen its expertise in terms of climate and environmental issues, in particular in view of the entry into force of the Corporate Sustainability Reporting Directive (CSRD). Since that date, 75% of the Committee's members have been independent directors.

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

Chief Executive Officer since July 4, 2018

- **Number of shares held: 25,621**
- **Number of corporate mutual fund units invested in Nexans shares: 962**
- **50 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 Câbles (which became Nexans in 2001) in 1997 where he held various management positions. Christopher Guérin is a graduate of ESDE / American Business School. He also followed INSEAD's Management Acceleration program.

DIRECTORSHIPS AND OTHER POSITIONS HELD DURING 2022 (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*, Intercablo SpA* and 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:

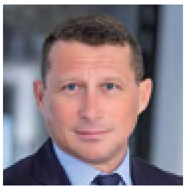
Christopher Guérin, Chief Executive Officer

Jean-Christophe Juillard, 55, Deputy Chief Executive Officer and Chief Financial Officer, is 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.

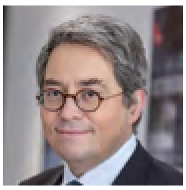
Nino Cusimano, 58, Senior Corporate Vice President, General Counsel and Secretary General, joined the Group in September 2018. He is based in Paris. Prior to joining Nexans, Nino Cusimano, an Italian national, was General Counsel of Telecom Italia SpA. He has held senior global roles with multinational groups such as General Electric and PPG Industries.

Vincent Dessale, 56, Chief Operations Officer and Senior Executive Vice President, is in charge of 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 has held several positions in the Subsea Generation & Transmission activity since 2012, was appointed Senior Executive Vice President Subsea and Land Systems in February 2018, before being appointed Chief Operations Officer and Senior Executive Vice President in December 2019.

Juan Ignacio Eyzaguirre, 39, Executive Vice President, is in charge of the non-electrification activities. 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. Juan held the position of Corporate Vice President Strategy and M&A before assuming his current position in November 2022.



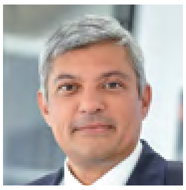
Jérôme Fournier, 52, was appointed Corporate Vice President, Innovation, Services & Growth on January 1, 2019. He has French nationality and is based in Lyon, France. Jérôme joined the Metallurgy division of Alcatel Cables in 1997. Between 2007 and 2011, he was Head of R&D at Nexans before working for 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.



Julien Hueber, 52, Executive Vice President, is in charge of the Distribution & Usages Europe and Oceania Business Group. He has French nationality and is based in Paris. Julien joined Nexans in 2002. He 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.

Ragnhild Katteland, 54, Executive Vice President, is in charge of the Generation & Transmission Business Group. 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 Nexans' subsea and land high-voltage business.

Maria Lorente Fraguas, 46, Senior Corporate Vice President Human Resources Officer, is in charge of CSR. Maria joined Nexans in October 2022, after 21 years of international experience at Schlumberger where she held several management positions in product development, operations and, for 8 years, in human resources as Global Head of HR. She brings a wealth of experience in business transformation and talent development and is passionate about fostering an inclusive culture where everyone can contribute, innovate and thrive. Maria was born in Spain and has worked and lived on several continents, in France, the United Arab Emirates, Qatar, Peru, Colombia, the United Kingdom and the United States.



Vijay Mahadevan, 56, Executive Vice President, is in charge of the Distribution & Usages Americas, Middle East & Africa 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, 42, Corporate Vice-President, is in charge of Sales, Marketing and Communication. 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 Vice President, Strategy, Business Development and Operations before becoming Vice President, Customer Experience and Digital Innovation for Schneider Electric France in 2018. Prior to joining Nexans in September 2021, she was CISCO's Head of Customer Experience CX – Southern Europe/ France and Digital Acceleration Leader for the French market.

4.3.3 Diversity and gender balance among governance bodies

Many forms of diversity are represented on Nexans' Executive Committee. They include: cultural pluralism, with six different nationalities, as well as religion and gender. After appointing the first woman to head one of Group's four Business Groups, at the heart of Nexans strategy, in January 2020, Nexans appointed a second woman as Chief Sales & Marketing, Communications Officer in August 2021, and a third as Chief Human Resources Officer & Corporate Social Responsibility in October 2022.

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 and to 27% in 2022.

The Group is working on improving its gender balance by 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, 17% in 2021 and 19% in 2022. Our objective is to reach between 18% and 20% by 2023.

Inclusion and Diversity are one of the pillars of our 2022/2024 strategy, and one of the elements of the new holistic management system "E3". Our roadmap specifies which type of diversity we address as a priority, gender diversity remaining a priority.

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 launched in May 2021 ended in June 2022. The objective was to develop and prepare participants for top management positions. Since the start of the program, 3 of the 14 participants have taken on a Top Management position.
  - We continue to disseminate the awareness training on unconscious bias launched in June 2021.
  - A training course for the main players in the recruitment process to raise their awareness of gender diversity biases is ready to be distributed in 2023.
- 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 how to accelerate their career development.
  - A specific target on the percentage of women newly appointed to senior positions as part of the collective objectives of Nexans' short-term incentive plans.
- 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 Composition of the Board and committees 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. At December 31, 2022, the Board of Directors comprised 14 directors.

In accordance with Recommendation 7.2 of the AFEP-MEDEF Code, at its meeting of February 14, 2023, 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 within the Board of Directors and indicates the criteria used, the objectives set down by the Board, the implementation procedures and the results obtained over the period ended December 31, 2022.

Criteria	Objectives	Procedures implemented and results obtained in 2022
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 (Quiñenco Group) and the shareholder Bpifrance Participations sit on the Board, the Group considered 14 directors at the end of 2022 to be a satisfactory number.
Age of directors	Less than one-third of directors should be over 70 years of age.	At December 31, 2022, the average age of the directors was 55.5 years. 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, 2022 was 45.5%.
Nationalities	Over 25% of directors are foreign nationals.	Seven directors are foreign nationals and one director has dual nationality. As such, 57.1% of the directors were foreign nationals at December 31, 2022.
Independence	The Board set itself the objective of maintaining an independence rate of at least 50% in accordance with Recommendation 10.3 of the AFEP-MEDEF Code.	The independence rate was over 63.6% [(b)] at December 31, 2022. Concerning the characterization of directors' independence, see Section 4.4.1.3 of this Universal Registration Document.
Expertise/experiences	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, banking or private equity; • 2 have a career in human resources, education, talent management; • 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 (Quiñenco Group). The shareholder Bpifrance Participations has been appointed as director. 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 L.22-10-6 of the French Commercial Code.

(b) Independence rate calculated without counting the directors representing employees and employee shareholders in accordance with Recommendation 10.3 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 December 31, 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	66	M		12,950	05/15/2019	2023 AGM	4	Yes				
Directors proposed by the main shareholders	Bpifrance, represented by Lenglart Karine	50	W		3,363,546	05/15/2019	2023 AGM	4	No	✓	✓	✓	✓
	Hasbún Martínez Oscar	53	M		500	05/15/2019	2023 AGM	4	No				C
	Luksic Craig Andrónico	68	M		6,953	05/14/2013	2025 AGM	10	No				
	Pérez Mackenna Francisco	64	M		500	05/31/2011	2025 AGM	12	No	✓	✓	✓	✓
Independent directors	Lebel Anne Lead Independent Director	57	W		500	05/17/2018	2026 AGM	5	Yes		C	C	
	Basson Jane	53	W	 	500	05/13/2020	2024 AGM	3	Yes		C	C	
	Bernardelli Laura	53	W		510	05/11/2021	2026 AGM	2	Yes	C			
	Grynberg Marc, director responsible for monitoring climate and environmental issues	57	M		2,000	05/11/2017	2025 AGM	6	Yes	Yes			✓
	Jéhanno Sylvie	53	W		500	05/13/2020	2024 AGM	3	Yes	✓	✓	✓	
	Porte Hubert	59	M		571	11/10/2011	2023 AGM	11	Yes	✓			
Directors representing employees and employee shareholders	Afanoukoé Angéline	52	W		250	10/11/2017	2025 AGM	5	No			✓	
	Alami Selma	47	W		734	05/12/2021	2025 AGM	2	No				
	Nyborg Bjørn Erik	46	M		0	10/15/2020	2024 AGM	2	No				

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 range 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 qualifications and expertise of the directors are analyzed by external firms and the Appointments and Corporate Governance Committee at the time of their recruitment as part of the selection process for new members. The results are presented in a skills matrix below.

	Industry	Energy	Services	Bank Finance	Human Resources Education Communication	CSR, Sust. Dev., Compliance	Strategy	Digital	Knowledge of the Group and its businesses	Executive functions	International experience
Jean Mouton	✓	✓	✓		✓	✓	✓		✓	✓	✓
Angéline Afanoukoé	✓	✓			✓	✓			✓		
Selma Alami	✓	✓	✓				✓	✓	✓	✓	✓
Jane Basson	✓				✓	✓	✓	✓		✓	✓
Laura Bernardelli	✓	✓	✓	✓			✓	✓		✓	✓
Marc Grynberg	✓	✓		✓		✓	✓		✓	✓	✓
Oscar Hasbún Martinez	✓	✓		✓			✓		✓	✓	✓
Karine Lenglart	✓	✓		✓			✓	✓		✓	✓
Sylvie Jéhanno	✓	✓	✓		✓		✓	✓		✓	
Anne Lebel			✓	✓	✓				✓	✓	✓
Andrónico Luksic Craig	✓	✓	✓	✓	✓		✓		✓	✓	✓
Bjørn Erik Nyborg	✓	✓							✓		✓
Francisco Pérez Mackenna	✓	✓	✓	✓	✓		✓		✓	✓	✓
Hubert Porte			✓	✓			✓		✓	✓	✓
	85.7%	78.5%	57.1%	57.1%	50%	28.5%	78.5%	35.7%	71.4%	85.7%	85.7%

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, 2022, the terms of office of the directors appointed by the Shareholders' Meeting expire as follows:

2023 AGM	Jean Mouton, Hubert Porte, Bpifrance Participations represented by Karine Lenglart, Oscar Hasbún Martinez [(a)]
2024 AGM	Jane Basson, Sylvie Jéhanno
2025 AGM	Selma Alami [(b)], Marc Grynberg, Francisco Pérez Mackenna [(a)], Andrónico Luksic Craig [(a)]
2026 AGM	Anne Lebel, Laura Bernardelli

(a) Directors proposed by the main shareholder Invexans Limited (Quiñenco Group).
(b) Director representing employee shareholders.

CHANGES THAT OCCURRED IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES DURING 2022

The summary table below lists the changes that occurred in the composition of the Board of Directors and its Committees during fiscal 2022:

Date of event	Person concerned	Change
January 20, 2022	Marc Grynberg	Appointment as director responsible for monitoring climate and environmental issues
May 10, 2022	Kathleen Wantz-O'Rourke	Resignation from the Board and as Chairwoman of the Accounts, Audit and Risk Committee
May 11, 2022	Anne Lebel	Renewal of the term of office as director Renewal of the position as Lead Independent Director, as Chairwoman of the Appointments and Corporate Governance Committee and as Chairwoman of the Compensation Committee
May 11, 2022	Laura Bernardelli	Appointment to the Board and nomination as Chairwoman of the Accounts, Audit and Risk Committee

CHANGES THAT OCCURRED IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES SINCE DECEMBER 31, 2022

On December 21, 2022, Bpifrance Participations appointed Karine Lenglart as permanent representative to replace Anne-Sophie Hérelle, subject to the approval of the Board of Directors. Upon the recommendation of the Appointments and Corporate Governance Committee, the Board of Directors approved this appointment on January 18, 2023.

On February 14, 2023, Marc Grynberg was appointed member of the Accounts, Audit and Risk Committee, Bpifrance Participations represented by Karine Lenglart and Hubert Porte left the Accounts, Audit and Risk Committee and Hubert Porte joined the Strategy and Sustainable Development Committee.

IDENTIFICATION AND SELECTION PROCESS FOR NEW INDEPENDENT DIRECTORS

As part of the process for identifying and selecting new independent directors, the Appointments and Corporate Governance Committee avail itself of independence headhunting firms to help with the selection of candidates to be submitted to the Board of Directors. 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.

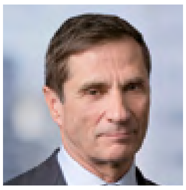
The Chairwoman of the Appointments and Corporate Governance Committee and the Chairman of the Board of Directors meet with the candidates shortlisted by the Committee and present the various applications to the Committee. The Committee then makes its recommendation to the Board of Directors, which makes the final decision.

The Internal Regulations of the Board of Directors, which can be viewed in full on the Company's website, include a specific procedure for designating the permanent representative of a legal entity.

4.4.1.2 Members of the Board of Directors

At December 31, 2022, the members of the Board of Directors were as follows:

Jean Mouton



Chairman of the Board of Directors

- **First elected as a director: May 15, 2019**
- **Appointed as Chairman of the Board of Directors: May 15, 2019**
- **Expiration of current term: 2023 AGM**
- **Number of shares held: 12,950**
- **66 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 in France and 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). Jean Mouton is also a member of the Board of Egis since February 2, 2022, an international player in consulting, construction engineering and mobility services. He is also the Chairman of Stelmax SASU. 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 2022 (AND STILL IN FORCE AT THE YEAR-END)

– Member of the Supervisory Board of ACA (Aéroports de la Côte d'Azur)
– Member of the Board of Directors of Egis and **Atlantia SpA*** until January 16, 2023
– Chairman of Stelmax SASU
– Member of the Supervisory Board of Fondation Hermione Academy

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

Positions held in listed French or foreign companies
** Positions held in foreign companies or institutions.*

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: 250**
- **Number of corporate mutual fund units invested in Nexans shares: 30**
- **52 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. She develops the partnership strategy in line with the Group's business and priorities.

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 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 2022 (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 the North West Africa Usages 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: 202**
- **47 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 2022 (AND STILL IN FORCE AT THE YEAR-END)

– Positions held within the Nexans Group: Director of Sirmel Morocco*, Nexans Morocco*, and Nexans Côte d'Ivoire*

DIRECTORSHIPS THAT HAVE EXPIRED IN THE LAST FIVE YEARS

– Director of Sirmel Sénégal*, and Câbleries du Sénégal*

** Positions held in foreign companies or institutions.*

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 AGM**
- **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**
- **53 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 2022 (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)

Positions held in listed French or foreign companies
** Positions held in foreign companies or institutions.*

Laura Bernardelli

Independent director

- **Chief Financial Officer of the Coesia Group**
- **First elected as a Director: May 11, 2022**
- **Expiration of current term: 2026 AGM**
- **Chairwoman of the Accounts, Audit and Risk Committee**
- **Number of shares held: 510**
- **53 years old, Italian nationality**
- **Address: Via Battindarno, 91 - 40133 Bologna - Italy**

EXPERTISE/EXPERIENCE

Laura Bernardelli is currently Group Chief Financial Officer of Coesia, a global leader in industrial and packaging automated solutions, starting from April 2022. Laura was the CFO of the Datalogic Group from July 2019 to March 2022 and has been in charge of investor relations since November 2020.

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 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 EMEAI. Laura was subsequently appointed Vice President, Finance and CFO of EMEAI. Laura joined ITT Corporation in 2007 as CFO Italy.

Previously, Laura held positions of increasing responsibility in the finance function at Fiat, General Electric and Eridania Béghin-Say; she has been lived and worked internationally for almost ten years.

DIRECTORSHIPS AND OTHER POSITIONS HELD DURING 2022 (AND STILL IN FORCE AT THE YEAR-END)

– Member of the Board of Directors of System Ceramics SpA* (Coesia Group).

DIRECTORSHIPS THAT HAVE EXPIRED IN THE LAST FIVE YEARS

– Member of the Board of Directors of Datalogic S.r.l.*
– Member of the Board of Directors of IP Tech S.r.l.*
– Censor of **Nexans** from September 20, 2021 to May, 11 2022

** Positions held in foreign companies or institutions.*

Bpifrance Participations, represented by Karine Lenglart

- **First elected as a director: May 15, 2019**
- **Expiration of current term: 2023 AGM**
- **Member of the Accounts, Audit and Risk Committee until February 14, 2023**
- **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: 3,363,546**
- **50 years old, French nationality**
- **Address: 6-8 boulevard Haussmann, 75009 Paris, France**
- **Until December 21, 2022, Bpifrance Participations was represented by Anne-Sophie Hérelle, director, member of the Management Committee of Bpifrance Capital Développement, aged 42 and a French national.**
- **On December 21, 2022, Karine Lenglart was appointed by Bpifrance Participations as permanent representative subject to the approval of Nexans' Board of Directors.**
- **Upon the recommendation of the Appointments and Corporate Governance Committee, the Board of Directors approved this appointment on January 18, 2023.**

EXPERTISE/EXPERIENCE

Karine Lenglart has been Senior Investment Director, at Bpifrance's Large Cap Capital Development Department, since October 2022. She was previoulsy and since 2016, Head of Mergers and Acquisitions and Investments at the Casino Group and a member of the Executive Committee since 2020.

She began her career in 1996, first at the Dutch investment bank ABN Amro and then at Société Générale Investment banking. She then joined the Alstom Group in 2007, where she was Vice-President of Mergers and Acquisitions until 2015.

DIRECTORSHIPS AND OTHER POSITIONS HELD DURING 2022 (AND STILL IN FORCE AT THE YEAR-END)

– Censor on the Board of Directors of GGE TCo 1 (Galileo Global Education)
– Permanent representative of Bpifrance Investissement, member of the Supervisory Board of EMSponsors
– Permanent representative of Bpifrance Investissement, member of the Supervisory Board of Hygie31

DIRECTORSHIPS THAT HAVE EXPIRED IN THE LAST FIVE YEARS

– Member of the Board of Directors of Perspecteeve (Bankin')

Marc Grynberg

Independent director
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**
- **Director responsible for monitoring climate and environmental issues since January 20, 2022**
- **Member of the Accounts, Audit and Risk Committee since February 14, 2023**
- **Number of shares held: 2,000**
- **57 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 2022 (AND STILL IN FORCE AT THE YEAR-END)

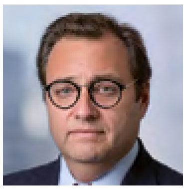
– Member of the Supervisory Board of Wienerberger*, member of the Sustainable Development and Innovation Committee, member of the Audit and Risk Committee, and member of the Compensation Committee

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*, and Umicore Marketing Services Korea Co. Ltd*
– Director of Umicore Marketing Services (Hong Kong) Ltd*, Umicore Korea Ltd* and Umicore International (Luxembourg)*

** Positions held in foreign companies or institutions.*
Positions held in listed French or foreign companies

Oscar Hasbún Martinez



Director proposed by Invexans Limited (Quiñenco Group)

- **Chief Executive Officer of CSAV (Compañía Sud Americana de Vapores S.A.)**
- **First elected as a director: May 15, 2019**
- **Expiration of current term: 2023 AGM**
- **Chairman of the Strategy and Sustainable Development Committee**
- **Number of shares held: 500**
- **53 years old, Chilean nationality**
- **Address: Hendaya 60, piso 14, Las Condes, Santiago, Chile**

EXPERTISE/EXPERIENCE

Oscar Hasbún Martínez is Chief Executive Officer of CSAV (Compañía Sud Americana de Vapores S.A.), member 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 2022 (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.*, Florida International Terminal LLC*, Sociedad Portuaria de Caldera (SPC) S.A.*, Sociedad Portuaria Granelera de Caldera (SPGC) 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

** Positions held in foreign companies or institutions.*
Positions held in listed French or foreign companies

Sylvie Jéhanno

Independent director

- Chairwoman and Chief Executive Officer of Dalkia
- First elected as a director: May 13, 2020
- Expiration of current term: 2024 AGM
- 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
- 53 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 co-chair of the "New Energy Systems" Strategic Committee and co-chair of the Public Interest Group (GIP) "Les entreprises s'engagent".

DIRECTORSHIPS AND OTHER POSITIONS HELD DURING 2022 (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)
- Director of Edison* (Italian subsidiary of EDF)

** Positions held in foreign companies or institutions.*

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: 2026 AGM**
- **Chairwoman of the Appointments and Corporate Governance Committee**
- **Chairwoman of the Compensation Committee**
- **Number of shares held: 500**
- **57 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 2022 (AND STILL IN FORCE AT THE YEAR-END)

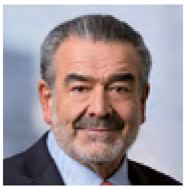
- Member of the Supervisory Board of Capgemini Gouvieux SAS
- Director of Altran Engineering Solutions Incorporated*, Altran UK Limited*, Altran Portugal SA*, Altran (Singapore) Pte. Ltd.*, Altran Engineering Solutions Japan Limited*, Altran Israel Limited*, Chappuis Halder Inc.*, Capgemini Suisse SA*, Capgemini Portugal SA*, Capgemini Services Malaysia Sdn Bhd*, Knowledge Expert SA, Braincourt (Switzerland) AG*

DIRECTORSHIPS THAT HAVE EXPIRED IN THE LAST FIVE YEARS

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

** Positions held in foreign companies or institutions.*
Positions held in listed French or foreign companies

Andrónico Luksic Craig



Director proposed by Invexans Limited (Quiñenco Group)

- **Chairman of the Board of Directors of Quiñenco**
- **First elected as a director: May 14, 2013**
- **Expiration of current term: 2025 AGM**
- **Number of shares held: 6,953**
- **68 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 2022 (AND STILL IN FORCE AT THE YEAR-END)

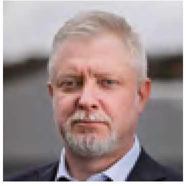
- Chairman of the Board of Directors of **Quiñenco S.A.***
- Positions held within Quiñenco group companies:
  - Vice-Chairman of the Board of Directors of **Banco de Chile*** and **CSAV* (Compañía Sudamericana de Vapores S.A.)**
  - Chairman of the Board of Directors of LQ Inversiones Financieras* and **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 of 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***

** Positions held in foreign companies or institutions.*
Positions held in listed French or foreign companies

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 AGM**
- **Number of shares held: 0**
- **Number of corporate mutual fund units invested in Nexans shares: 17**
- **46 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 2022 (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*

** Positions held in foreign companies or institutions.*

Francisco Pérez Mackenna

Director proposed by Invexans Limited (Quiñenco Group)

- **Chief Executive Officer of Quiñenco**
- **First elected as a director: May 31, 2011**
- **Expiration of current term: 2021 AGM**
- **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**
- **64 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 2022 (AND STILL IN FORCE AT THE YEAR-END)

– Chief Executive Officer of **Quiñenco S.A.***
– Chairman of the Boards of Directors of various companies belonging to the Quiñenco Group: **CSAV* (Compañia Sud Americana de Vapores S.A.)**, ENEX* (Enex Corp Ltd and Empresa Nacional de Energía Enex S.A.), **Invexans S.A.***, Invexans Ltd* and **Tech Pack S.A.***
– Director of various companies belonging to the Quiñenco Group: Banco de Chile* as well as its direct parent company, **LQ Inversiones Financieras S.A.***, CCU* (Compañia Cervecerías Unidas S.A.) (as well as the direct parent company, Inversiones y rentas S.A.* and various of its wholly-owned subsidiaries), and **SM SAAM*** **(Sociedad Matriz SAAM 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**)
– Sociedad Matriz del Banco de Chile S.A.* (2019)
– SAOS S.A.* (2019)

** Positions held in foreign companies or institutions.*
Positions held in listed French or foreign companies

Hubert Porte

Independent director until the 2023 Shareholders' Meeting

- **Founding Partner and CEO of Ecus Capital**
- **First elected as a director: November 10, 2011**
- **Expiration of current term: 2023 AGM**
- **Member of the Accounts, Audit and Risk Committee until February 14, 2023**
- **Member of the Strategy and Sustainable Development Committee since February 14, 2023**
- **Number of shares held: 571**
- **59 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 2022 (AND STILL IN FORCE AT THE YEAR-END)

– The following positions in Chilean companies whose financial investments are managed by Ecus Capital*:
  – Chairman of AMA Time* (agri-food company);
  – Managing Partner of Latin America Asset Management Advisors* and Ecus Investment Advisors*.

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*
– Director of Vitamina SA*
– Director of Tabali SA*

* *Positions held in foreign companies or institutions.*
Positions held in listed French or foreign companies

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 18, 2023, the Board of Directors examined the individual status of each of its members in light of the independence criteria defined by Recommendation 10.4 of the AFEP-MEDEF Code. The Board conducted a quantitative and qualitative review of the business relationships between the groups and entities in which the members of the Board are senior executives, by analyzing the mandates held by each, their duration, as well as the revenue generated between Nexans and the entities concerned.

The Board noted the following characterizations as of December 31, 2022:

- The following directors are independent: (1) Jean Mouton, (2) Jane Basson, (3) Laura Bernardelli, (4) Marc Grynberg, (5) Sylvie Jéhanno, (6) Anne Lebel and (7) Hubert Porte.
  - The Board of Directors considered that **Jean Mouton, Marc Grynberg, Anne Lebel and Laura Bernardelli** were independent given the absence of business relations between Nexans and the companies and foundations in which they held offices during the 2022 fiscal year.
  - **Hubert Porte** is qualified as an independent director until the end of his term of office as director expiring at the end of the 2023 Shareholders' Meeting. As of November 11, 2023, Hubert Porte will have been a director of the Company for more than 12 years. In accordance Recommendation 10.5.6 of the AFEP-MEDEF Code, the Board of Directors noted that the loss of the status as independent director of Hubert Porte will occur on the 12th anniversary date, i.e. on November 11, 2023.
  - **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 2022, the 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, or (iii) any votes on matters discussed by the Board of Directors of Nexans relating to projects in which Airbus would or could be directly or indirectly interested, as a client.

- **Sylvie Jéhanno** is Chairwoman and Chief Executive Officer of Dalkia, a Nexans Group supplier. The Board of Directors has assessed whether there were any significant business relationships between Nexans and Dalkia using both quantitative and qualitative criteria. In 2022, 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 2022. 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, or (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.

At December 31, 2022, seven of Nexans directors were independent, representing an independence rate of more than 63.6% [1]. This exceeds the proportion of 50% recommended by the AFEP-MEDEF Code for widely held companies.

- The following directors do not qualify as independent:

  (1) Oscar Hasbún Martinez, (2) Andrónico Luksic Craig and (3) Francisco Pérez Mackenna, these three directors being proposed by the main shareholder Invexans Limited (Quiñenco Group); (4) Bpifrance Participations, which holds 7.69% of the share capital and voting rights of Nexans; and lastly (5) Angéline Afanoukoé, (6) Selma Alami, and (7) Bjørn Erik Nyborg as Group employees.

The following table summarizes the situation of each director with regard to the independence criteria set out in Recommendation 10 of the AFEP-MEDEF Code, as of December 31, 2022:

Criterion	Employee or corporate officer over the past five years	Cross-directorships	Significant business ties	Family ties	Statutory Auditor	Term of office more than 12 years	Status of significant shareholder
Jean Mouton							
Angéline Afanoukoé	✓						
Selma Alami	✓						
Jane Basson							
Laura Bernardelli							
Bpifrance Participations							✓
Marc Grynberg							
Oscar Hasbún Martinez							✓
Sylvie Jéhanno							
Anne Lebel							
Andrónico Luksic Craig							✓
Bjørn Erik Nyborg	✓						
Francisco Pérez Mackenna						✓	✓
Hubert Porte							

(1) Independence rate calculated without counting the directors representing employees and employee shareholders in accordance with Recommendation 10.3 of the AFEP-MEDEF Code.

4.4.2 Operation and work of the Board of Directors

4.4.2.1 Board meetings in 2022

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

The Board of Directors met seven times in 2022, with an average annual attendance rate of 94.15%. The number of meetings attended by each Board member in 2022 is indicated in the table below:

Director	Number of meetings attended
Jean Mouton	7
Angéline Afanoukoé	7
Selma Alami	7
Jane Basson	5
Laura Bernardelli [(a)]	7
Marc Grynberg	7
Oscar Hasbún Martinez	7
Anne-Sophie Hérelle (Bpifrance Participations)	6
Sylvie Jéhanno	7
Anne Lebel	7
Andrónico Luksic Craig	4
Bjørn Erik Nyborg	7
Francisco Pérez Mackenna	7
Hubert Porte	7
Kathleen Wantz-O'Rourke [(b)]	3

(a) Including three meetings as Censor and four meetings as director.
(b) Director who resigned with effect from May 10, 2022, i.e. 100% of the meetings during her term of office as director.

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 2022 and July 2022, 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. Proposals to improve the executive compensation policy were also discussed.

On July 26, 2022, 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 visit of the Halden industrial site in Norway, as well as of the Aurora cable-laying vessel.

Lastly, the Chairman of the Board of Directors, the Lead Independent Director and the director responsible for monitoring climate and environmental issues took part in a virtual ESG roadshow organized in March and April 2022, with the Group's Secretary General and General Counsel, 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 2022 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
	• ESG policy including the Group's priorities, actions, performance and risks in the areas of Corporate Social Responsibility; CSR scorecard; Non-financial performance statement; non-financial reporting obligations; Duty of care plan; Activities of the Nexans Foundation
	• Definition of the IT and digital plan, the associated operating model and the roadmap for the next three years
The Group's financial position, cash position and commitments	• 2022 budget
	• Approval of the parent company and consolidated financial statements for 2021 and for the first half of 2022
	• Proposed appropriation of 2021 net income and dividend distribution
	• Adoption of the management report on the operations and results of the Nexans Group and its parent company in 2021 and adoption of the 2022 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
	• 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
	• Update on cybersecurity, the fight against corruption, the whistleblowing procedure, litigation and antitrust investigations, Group insurance, and captive reinsurance
	• Update on intellectual property
	• 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 parent company guarantees
	• Annual review of related-party agreements and commitments and authorization of a related-party agreement and commitment
	• Continuous information on the legislative and regulatory environment, in particular the say on climate
Management compensation	• Compensation policy for corporate officers for 2022; setting of 2022 compensation for the Chairman and the Chief Executive Officer; proposal to change the compensation of the directors
	• Review of the performance and the variable compensation of the Chief Executive Officer for 2021
	• Directors' compensation for 2022
	• Issuance of performance shares and free share plans for 2022
	• Determination of the achievement of the performance conditions of the long-term compensation plans – Specific conditions applicable to the Chief Executive Officer
	• Review of publicly available information about the compensation of executive directors
Appointments and corporate governance	• Amendment of the Internal Regulations to include the new role of director responsible for monitoring climate and environmental issues and to clarify the responsibilities of the Strategy and Sustainable Development Committee in terms of sustainable development
	• Succession plans for corporate officers, including the Chief Executive Officer
	• Results of the 2021 assessment of the composition, organization and functioning of the Board and its Committees carried out with the help of a consultant, actions to be implemented following this assessment and follow-up of the action plan
	• Launch at the end of 2022 of an annual assessment of the composition, organization and functioning of the Board and the Committees
	• Adoption of the diversity policy within the Board of Directors and the management bodies
	• Appointment of a director responsible for monitoring climate and environmental issues
	• Adoption of the Board's Report on Corporate Governance
	• Composition of the Board and its Committees - Directorships to be proposed to the 2022 Annual Shareholders' Meeting
	• Characterization of the independence of the members of the Board of Directors
	• Scheduling of meetings and adoption of a projected work program for the Board and its Committees for 2023
Market transactions	• Implementation of a share buyback program
	• Capital increase reserved to employees carried out under the ACT 2022 international employee share ownership plan – supplementary report of the Board of Directors • Capital reduction via cancellation of treasury shares

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 September 2022, the Directors took part in a two-day strategy seminar at the Grimsås industrial site in Sweden to examine the various aspects of Nexans' strategy. Nexans' Swedish site is one of the two pilots sites where the Group is investing in a Factory 4.0 system and is building a warehouse and a logistics center of 3,000 square meters. This was an opportunity for Board members to gain an overview of the progress of these projects. Lastly, to close this seminar, the Group was invited to go to Norway to visit the production facilities at the Halden site and the Aurora cable-laying vessel.

4.4.2.2 Committees set up by the Board of Directors

ACCOUNTS, AUDIT AND RISK COMMITTEE	APPOINTMENTS AND CORPORATE GOVERNANCE COMMITTEE	COMPENSATION COMMITTEE	STRATEGY AND SUSTAINABLE DEVELOPMENT COMMITTEE
Chair: Laura Bernardelli	Chair: Anne Lebel	Chair: Anne Lebel	Chair: Oscar Hasbún
5 members* 60% independent 60% women 4 meetings 95.5% participation	5 members 60% independent 80% women 5 meetings 92% participation	6 members 60% independent 83.3% women 1 employee representative 5 meetings 93.3% participation	5 members 40% independent 40% women 6 meetings 93.3% participation

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 various topics related to Corporate Social Responsibility are included in the missions of the four committees.

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, 2022, the Accounts, Audit and Risk Committee comprised the following five members, who were all non-executive directors:

Laura Bernardelli	Chair
Bpifrance Participations, represented by Karine Lenglart	Member
Sylvie Jéhanno	Member
Francisco Pérez Mackenna	Member
Hubert Porte	Member

The independence rate of the Accounts, Audit and Risk 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 implementation of the AFEP-MEDEF Code and 4.4.1.3 on directors' independence). On February 14, 2023, upon recommendation of the Appointments and Corporate Governance Committee, the Board of Directors decided to modify the composition of the committee in order to increase its independence and strengthen its expertise in climate and environmental matters, in particular in view of the entry into force of the Corporate Sustainability Reporting Directive (CSRD). Since that date, 75% of the Committee's members have been independent directors.

As of February 14, 2023, the Accounts, Audit and Risk Committee comprised the following four members, all non-executive directors:

Laura Bernardelli	Chair
Marc Grynberg	Member
Sylvie Jéhanno	Member
Francisco Pérez Mackenna	Member

50% 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:

- **Laura Bernardelli**, given her various financial and accounting responsibilities in the positions held notably within Xylem, ITT, Schneider Electric, Datalogic and Coesia;
- **Marc Grynberg**, given his various financial responsibilities in the positions held notably within Umicore and Dupont de Nemours.

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 acts under the responsibility of the Board of Directors. The Committee reports to the Board on its work.

The Head of Internal Audit and Control acts as Committee Secretary.

The Accounts, Audit and Risk Committee met four times in 2022. 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 the Statutory Auditors, the Head of Consolidation, and the Head of Financial Control. The Committee 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 Chairwoman of the Committee also heard the Statutory Auditors, without the presence of the Company's management.

The total average attendance rate of the members was 95.3%:

Director	Number of meetings attended
Laura Bernardelli	4 (a)
Bpifrance Participations, represented by Anne-Sophie Hérelle	3
Sylvie Jéhanno	4
Francisco Pérez Mackenna	4
Hubert Porte	4
Kathleen Wantz-O'Rourke	2 (b)

(a) Including two meetings as Censor and two meetings as Chairwoman of the Committee
(b) 100% of meetings during her term of office as director and Chairwoman of the Accounts, Audit and Risk Committee.

In 2022, 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
	• Monitoring the Group's liquidity and loan repayments
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" sections of the 2021 management report and of the 2022 interim activity report
	• Presentation and progress of the risk management program; risk mapping including exposure to social and environmental risks; cybersecurity; insurance; update on captive reinsurance
	• Review and monitoring of the compliance program
	• Litigation and intellectual property update
	• Presentation by the Ethics Correspondent of reported and potential ethics violations
	• Review of the financial population, talent and succession plans
Statutory Auditors	• Presentation by the Statutory Auditors of their work
	• Monitoring of the services provided by the Statutory Auditors - Authorization of non-audit services

The Chairpersons of the other Committees are invited to attend the meetings of the Accounts, Audit and Risk Committee when the Committee reviews the risk management program (including in particular the social and environmental risks) and monitors the compliance program. The Chairwoman of the Appointments and Corporate Governance Committee and the Compensation Committee, and the Chairman of the Strategy and Sustainable Development Committee, attended two meetings of the Accounts, Audit and Risk Committee in January and October 2022.

APPOINTMENTS AND CORPORATE GOVERNANCE COMMITTEE

At the end of 2022, the Appointments and Corporate Governance Committee comprised the following five members, who were all non-executive directors:

Anne Lebel	Chairwoman
Bpifrance Participations, represented by Karine Lenglart	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. Its members were chosen for their expertise in the areas of human resources, corporate governance and management.

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 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.

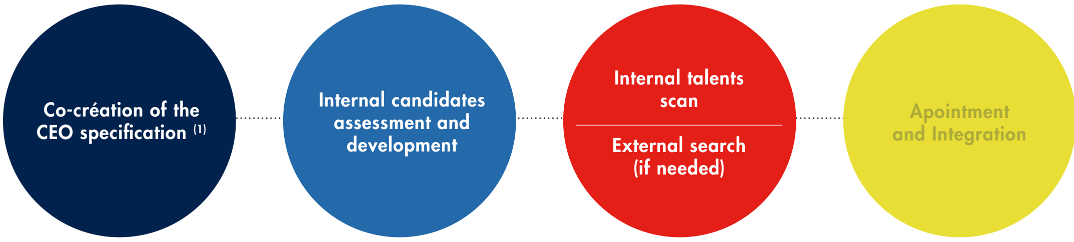
During 2022, the Appointments and Corporate Governance Committee met five times with a total average attendance rate of 92%:

Director	Number of meetings attended
Anne Lebel	5
Bpifrance Participations, represented by Anne-Sophie Hérelle	5
Jane Basson	5
Sylvie Jéhanno	4
Francisco Pérez Mackenna	4

During 2022, the Committee particularly focused on the following matters:

Appointments	• Review of the terms of office expiring at the Annual Shareholders' Meeting; Succession planning of the members of the Board of Directors
	• Work on the composition of the Board Committees
	• Succession plan for corporate officers, including the Chief Executive Officer
	• Impact of the war in Ukraine on the social policy and human resources
	• Board of Directors and management body's diversity policy
Corporate governance	• Characterization of the independence of Board members
	• Work on the impact of the Rixain law on governing bodies and senior executives
	• Proposal for the appointment of a director responsible for monitoring climate and environmental issues
	• Results of an assessment of the Board for 2021 and action plan to be implemented following this assessment
	• Launch of an assessment of the Board for 2022 and action plan to be implemented following this assessment
	• Review of the Board of Directors' report on corporate governance
	• Review of the Committee's 2023 work program

SUCCESSION PLANS FOR EXECUTIVE OFFICERS



(1) By the Appointments and Corporate Governance Committee 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.

SUCCESSION PLANS FOR THE CHIEF EXECUTIVE OFFICER

Within the framework of these plans, the Committee proposes internal and external succession solutions to the Board of Directors, 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 Committee then makes recommendations to the Board of Directors.

The succession plans for the Chief Executive Officer were reviewed by the Appointments and Corporate Governance Committee and the Board of Directors in January and October 2022; that for the other members of the Executive Committee were reviewed by the Appointments and Corporate Governance Committee and the Board of Directors in January 2021 and January 2023.

COMPENSATION COMMITTEE

At the end of 2022 the Compensation Committee had six members, who were all non-executive directors:

Anne Lebel	Chairwoman
Angéline Afanoukoé, Director representing employees	Member
Bpifrance Participations, represented by Karine Lenglart	Member
Jane Basson	Member
Sylvie Jéhanno	Member
Francisco Pérez Mackenna	Member

On the basis of the annual review of the characterization of independence conducted in January 2023, 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 Chief Human Resources Officer acted as Committee Secretary.

(1) Independence rate calculated without counting the directors representing employees and employee shareholders in accordance with Recommendation 10.3 of the AFEP-MEDEF Code.

During 2022, the Compensation Committee met five times with a total average attendance rate of 93.3%:

Director	Number of meetings attended
Anne Lebel	5
Angéline Afanoukoé	5
Bpifrance Participations, represented by Anne-Sophie Hérelle	5
Jane Basson	5
Sylvie Jéhanno	4
Francisco Pérez Mackenna	4

During 2022, the Committee particularly focused on the following matters:

Compensation	• Compensation policy for corporate officers for 2022
	• Variable portion of the Chief Executive Officer's compensation for 2021
	• 2022 compensation of the Chairman of the Board of Directors and the Chief Executive Officer
	• 2022 long-term compensation plans; vesting of the 2018 long-term compensation plan
	• Review of publicly available information about the compensation of executive officers and the Board's report on Corporate Governance
	• Draft report on the resolutions submitted to the 2022 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 2022, the Strategy and Sustainable Development Committee had five members, who were all non-executive directors:

Oscar Hasbún Martinez	Chairman
Jane Basson	Member
Bpifrance Participations, represented by Karine Lenglart	Member
Marc Grynberg	Member
Francisco Pérez Mackenna	Member

As of February 14, 2023, the Strategy and Sustainable Development Committee comprised six members, all non-executive directors:

Oscar Hasbún Martinez	Chairman
Jane Basson	Member
Bpifrance Participations represented by Karine Lenglart	Member
Marc Grynberg	Member
Francisco Pérez Mackenna	Member
Hubert Porte	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 conducted in early 2023, the proportion of independent members on the Strategy and Sustainable Development Committee amounted to 50% 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 chosen for his particular skills and experience in the fields of strategy, business transformation and mergers and acquisitions.

During 2022, the Strategy and Sustainable Development Committee met six times with an attendance rate of 93.3%.

Director	Number of meetings attended
Oscar Hasbún Martinez	6
Jane Basson	6
Marc Grynberg	6
Bpifrance Participations, represented by Anne-Sophie Hérelle	4
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 its priorities, actions, risks and performance; the CSR scorecard; the non-financial performance statement and the duty of care plan. Lastly, the Committee was informed of the activities of the director responsible for monitoring climate and environmental issues and 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 February 14, 2023).

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 corporate officers, and a meeting of the independent directors is also organized each year by the Lead Independent Director (for more about these meetings, see Section 4.4.2.1 above).

BOARD DECISIONS

The Board of Directors strives to promote long-term value creation by the Company by considering the social and environmental challenges of its activities. It determines the Company's business guidelines and oversees their implementation. It determines multi-annual strategic guidelines in terms of social and environmental responsibility.

The Internal Regulations provide that, in addition to the cases provided for by law, certain decisions require prior approval by the Board. These decisions concern the following operations and projects:

- 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 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 for any 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 thereon 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 assessment of the Board of Directors' operating procedures, in the work on the composition of the Board and of its Committees, and in the selection process and preliminary review of the appointment of new directors.

The Chairman may participate, with consultative input, in all meetings of the Board's Committees of which he is not a member and may consult the Committees on any question within their scope of responsibility. In particular, he may consult the Appointments, Compensation 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 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 this 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 Shareholders' Meeting.

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

In 2022, 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. She 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 held individual meetings with several Directors. Lastly, with the Chairman of the Board of Directors and the director responsible for monitoring climate and environmental issues, she took part in a virtual corporate governance roadshow organized in March and April 2022.

ROLE AND ASSIGNMENTS OF THE DIRECTOR RESPONSIBLE FOR MONITORING CLIMATE AND ENVIRONMENTAL ISSUES

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 of Directors for its inclusion in the Board's 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 Strategy and Sustainable Development Committee, the Board of Directors and the Shareholders' Meeting on his or her activities and actions.

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.

In 2022, the director responsible for monitoring climate and environmental issues attended four meetings with Nexans' management during which he reviewed the Group's carbon strategy. He also reviewed the Task Force on Climate-Related Financial Disclosures, the European Taxonomy, the Corporate Sustainability Reporting Directive and the communication plan. He reported on his activities to the Strategy and Sustainable Development Committee and to the Board of Directors.

The director responsible for monitoring climate and environmental issues also presented his role and missions to the Shareholders' Meeting on May 11, 2022, and took part in a virtual corporate governance roadshow organized in March and April 2022, with the Chairman of the Board of Directors and the Lead Independent Director.

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;
- a process for selecting new directors and a procedure for appointing the permanent representative of a legal entity director;
- the Directors' Charter, 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, in addition to the reminder of the legal forbearance periods (negative windows), a simplified calendar of additional recommended non-trading periods on Nexans shares.

4.4.2.4 Training of the directors

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 participates in an induction program tailored to his or her individual skills, experience and expertise. He or she meets the main representatives from the Functional Departments or Business Groups and can visit the Group's manufacturing sites. In 2021 and 2022, Laura Bernardelli met with several members of the Executive Committee via videoconference. During the Board's assessment at the end of 2022, the directors indicated that the induction program was very satisfactory.

The Board's Internal Regulations stipulate that each director may benefit from additional training, should it be deemed necessary, on specific Company operating procedures, its businesses or business sector. In November 2022, the Directors benefited from a training program organized in four modules on the "World of Cables" (the origins, the materials used in the cable industry and their technical specificities, the different types of cables, and, lastly, the various stages in the production process with an update on recycling, innovation, plant safety, the E3 strategy and performance model as well as on the Nexans Group's carbon neutrality objectives in 2030).

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 2022, the directors received information on the annual report of the High Committee on Corporate Governance, the AMF report on corporate governance and executive compensation, the Rixain law aimed at accelerating economic and professional equality, and the practice of Say on Climate.

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.

At the end of 2022, an assessment was carried out on the basis of an online questionnaire sent to each director.

Among the strengths that emerged from the results of this assessment, the members of the Board of Directors highlighted the constant and visible improvements over the last years, a diversified and balanced composition covering the key areas of expertise for the Group, an excellent assessment of the role and investment of the Chairman of the Board, the onboarding of new Directors, the quality of the discussions, the training offered in November 2022 on the world of cables as well as the systematic sharing of the Strategy and Sustainable Development Committee's documentation with all members of the Board of Directors prior to meetings. The Directors also greatly appreciated the program and organization of the strategy seminar held in September 2022.

Among the areas for improvement mentioned are, in the medium or long term, the need to increase the expertise and profiles of directors in the areas of ESG, digital strategy and Industry 4.0, more frequent reporting from the Director responsible for monitoring climate and environmental issues, more time dedicated to monitoring talent management and to implementation of the climate and environmental strategy, a return to physical meetings, and more site visits. The members of the Board also wished to increase the rate of independence of the Accounts, Audit and Risk Committee, which led to changes in the composition of this committee in February 2023.

In a spirit of continuous improvement, the Lead Independent Director and the Chairman of the Board also carried out an assessment of the actual contribution of each director on the basis of individual interviews.

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 corporate officers' 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 above, any shares held indirectly, and any shares considered as being shares held pursuant to Articles L.233-7 *et seq.* of the French Commercial Code, shall be taken into account.

In each notification filed as referred to above, the person making the notification must certify that all shares held or indirectly considered as being held according to the said article, have been included. The acquisition date(s) must also be indicated. In the event of non-compliance with the provisions 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 (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 3 p.m. 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 defenses;
- **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 L.233-7 *et seq.* 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 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 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.

The Shareholders' Meeting or the Board of Directors, in the case of an interim dividend, determines the date from which the dividend is paid.

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 2022 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)*
Mouton Jean Chairman of the Board of Directors	02/24/2022	Purchase	Equities	1,000	€73,646.20
Guérin Christopher CEO	03/01/2022	Sale	Equities	5,500	€467,958.50
Guérin Christopher CEO	03/13/2022	Purchase	Equities	2,400	€0.00 [(a)]
Dessale Vincent Chief Operating Officer and Senior Executive VP B&T Northern	03/13/2022	Purchase	Equities	2,000	€0.00 [(a)]
Bernardelli Laura Censor	03/14/2022	Purchase	Equities	250	€20,304.85
Bernardelli Laura Censor	03/15/2022	Purchase	Equities	260	€20,427.21
Guérin Christopher CEO	05/26/2022	Purchase	Equities	1,120	€97,440
Dessale Vincent Chief Operating Officer and Senior Executive VP B&T Northern	07/26/2022	Purchase	Equities	334.2	€20,804.63
Guérin Christopher CEO	07/27/2022	Purchase	Equities	7,250	€0.00 [(b)]

(a) Shares vested under Compensation Plan no. 18 of March 13, 2018 with an underlying share value of 80.10 euros (see Section 4.6 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 84.55 euros (see Section 4.6 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 corporate officers for 2023

The 2023 compensation policy for corporate officers was decided by the Board of Directors at its meeting of February 14, 2023, 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 2023 Shareholders' Meeting.

4.6.1.1 Compensation policy for members of the Board of Directors

At December 31, 2022, the Company had 14 directors. The aggregate annual amount of compensation for Board members was set at 750,000 euros at the Shareholders' Meeting held on May 11, 2022, effective from the fiscal year that commenced on January 1, 2022.

On the recommendation of the Compensation Committee, the Board of Directors decided at its February 14, 2023 meeting to propose to the 2023 Shareholders' Meeting that the Board members' total annual compensation be increased to 820,000 euros as from January 1, 2023. The Board of Directors took into account a comparative study of the compensation of Independent Lead Directors in the SBF120 companies and the increase in the missions entrusted to the Lead Independent Director in recent years (independent meetings, executive sessions, governance roadshows, individual interviews with directors as part of the annual assessment). The Board also took into account the increase in the missions entrusted to the Director responsible for monitoring climate and environmental issues, in particular in the context of the new recommendations of the AFEP-MEDEF Code of December 2022, and in view of the entry into force of the Corporate Sustainability Reporting Directive (CSRD).

The proposed increase would therefore be intended to compensate the specific functions of the Lead Independent Director and the Director responsible for monitoring climate and environmental issues.

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 distribution of Directors' compensation will be as follows from January 1, 2023, subject to the vote of the Shareholders' Meeting. Each of the directors will receive:

- fixed compensation of 13,000 euros per year;
- 3,500 euros for each Board meeting attended, capped at an aggregate 26,000 euros per year;
- 3,500 euros per Committee meeting attended for Committee members, capped at an aggregate 21,000 euros per year;
- 7,000 euros per committee meeting for the Chairman of the Accounts, Audit and Risk Committee, capped at 36,000 euros per year;
- 6,000 euros per Committee meeting attended for the other Committee Chairs, 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 Lead Independent Director and the Director responsible for monitoring climate and environmental issues will each receive additional compensation of 35,000 euros per year. Directors representing employees and employee shareholders do not receive any compensation as Directors or Committee members.

The Chairman of the Board does not receive compensation as Board member. His compensation as Chairman of the Board of Directors is detailed in Section 4.6.2.1 below.

Censors receive the same amount of compensation as directors.

Non-executive officers 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 officers

PRINCIPLES APPLICABLE TO ALL EXECUTIVE OFFICERS

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 officers for the 2023 fiscal year was examined by the Compensation Committee during three meetings between October 2022 and February 2023, before being proposed to and approved by the Board of Directors.

The Board takes constant care to ensure that the various components of the compensation for executive directors result in compensation that is competitive, fair, comprehensible, consistent and performance related. The compensation components for executive directors, whether vested or granted, 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 benchmarks ,provided by 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 remuneration. He does not receive variable compensation. He 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 for executive officers, it ensures that the rules applied are consistent and aligned with the Company 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 as a percentage of the annual fixed compensation. It determines the proportion of collective and individual objectives with related criteria.

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

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

The Board makes awards each year, within the same calendar periods, unless in exceptional circumstances and for good reasons.

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

Executive officers may not sell their vested shares during "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 at the date of their removal. On retirement, rights to performance shares are maintained and calculated 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 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 required involvement and the difficulties they represent). The allocation of exceptional remuneration is non-recurring, justified and disclosed by the Board.

Payment would be subject to approval by the Annual Ordinary Shareholders' Meeting. It would be capped at a maximum amount of 100% of the 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 his or her entitlements 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 corporate officers

All commitments given to executive officers are authorized by the Board of Directors and submitted for approval to the Annual Ordinary 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 and 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 years' worth of actual 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 the Chief Executive Officer. In return for his undertaking, he will receive a non-compete indemnity which will be paid in 24 equal and successive monthly installments and will not exceed one year of his total fixed and variable compensation. The Board could decide to impose a non-compete obligation on the Chief Executive Officer for a period shorter than two years. In such a case, the non-compete indemnity payable would be reduced on a proportionate basis.

In accordance with Article 25.3 of the AFEP-MEDEF Code, in the event of the Chief 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 25.4 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

The executive officers are covered by a supplementary pension plan set up by the Company for the Senior Executive Vice-Presidents who are 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 (*Directeur Général Délégué*) 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 officers: Components set for 2023

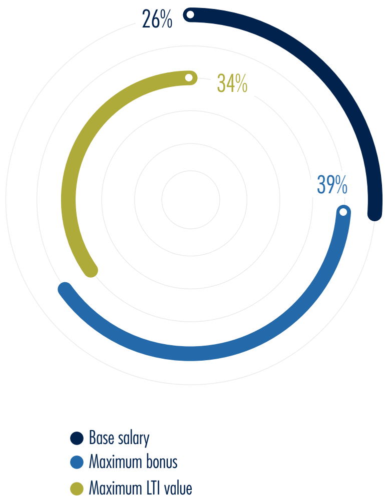
COMPENSATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Pursuant to the Board of Directors' decision on January 18, 2023, the fixed annual compensation of Jean Mouton as Chairman of the Board of Directors for 2023 has been set at 320,000 euros. This compensation has remained unchanged since January 1, 2022.

COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

Structure of the 2023 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 14, 2023, the Board of Directors decided that the Chief Executive Officer, Christopher Guérin, would receive a fixed compensation of 750,000 euros for 2023. 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 14, 2023, the Board of Directors set the structure and objectives of Christopher Guérin's variable compensation for 2023. The target rate of the annual variable compensation represents 100% of the annual fixed compensation. 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. 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%.

Target amounts for the selected objectives are those of the 2023 budget.

COLLECTIVE OBJECTIVES FOR 2023

The collective objectives and their respective weighting for 2023 are as follows:

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

* *Normalized free cash flow, which corresponds to the published free cash flow, restated for strategic capital expenditure, proceeds from the sale of property, plant and equipment, the impact of significant business closures and a calculated tax payment, for Generation & Transmission projects, on the basis of a percentage of completion method and not a completion method.*

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 2023

The individual objectives and their respective weighting for 2023 are as follows:

1) Strategy deployment: 25%

- from an organic point of view: Completion of the new expansion plan for Generation & Transmission in Halden with a first production in the last quarter of 2023. Launch of new CAPEX in France and Morocco,
- from an inorganic point of view: finalization of the planned asset rotation,
- achieve a net income of 200 million euros in 2023 (adjusted for the COREX effect);

2) Operational efficiency: 25%

- deployment of the Group's industrial strategy by amplifying Industry 4.0,
- Amplify copper recycling in France at Lens,
- integration of acquisitions;

3) Culture and engagement: 25%

- design of a new organization (focused on Distribution and Usages) to increase the agility of decision-making and empower the Business Units,
- deployment and adoption of the new culture (leadership model and associated behaviors),
- implementation of workforce planning and construction of the new skills grid resulting from the new strategic plan,
- strengthening of development programs and talent pool for key positions;

4) Deployment of the ESG Policy: 25%

- safety: Workplace accident frequency rate (FR1) <= 0.9,
- definition of the Group's three-year climate strategy and 2024-2026 objectives,
- deployment of the new E3 Cluster,
- implementation of the extra-financial communication around E3 (Economics, Environment, Engagement) and new performance management tools such as ROCE2,
- diversity: Update of the inclusion and diversity policy; Focus on increasing the proportion of women in senior management positions.

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 18, 2023.

Payment of annual variable compensation will be subject to approval at the 2024 Shareholders' Meeting of the resolution related to the total compensation and benefits-in-kind paid in 2023 or granted to the Chief Executive Officer for 2023 in accordance with Article L.225-100 of the French Commercial Code.

Long-term compensation

At its meeting of February 14, 2023, the Board of Directors set out the performance conditions for the long-term incentive plan.

40% of the performance shares granted to the Chief Executive Officer for 2023 will be subject to a vesting condition based on Nexans' total shareholder return (TSR) as compared with that of a panel made up of the following nine companies: Belden, Legrand, Leoni, Prysmian, Rexel, ABB, Schneider Electric, NKT Cables, and ZTT.

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

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

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

40% of the performance shares granted in 2023 will be subject to a financial performance condition based on the EBITDA rate with a minimum conversion rate to normalized free cash flow at the end of 2025. 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 2023 will be subject to a performance condition linked to the Group's CSR ambitions as set out in the roadmap for 2023-2025.

For 2023, the shares that may be granted to the Chief Executive Officer are capped by the resolution adopted by the Shareholders' Meeting of May 11, 2022 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, 2022 (made up of 43,753,380 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 annual fixed compensation.

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.

4.6.2 Compensation payable for 2022 to members of the Board of Directors

The total compensation and benefits-in-kind paid or allocated to directors for offices held during 2022 was 651,630 euros. The table below shows the allocation between the individual directors for 2022 in comparison with 2021.

Board members	Compensation due for and paid in 2021 *(in euros)*	Compensation due for and paid in 2022 *(in euros)*
Jean Mouton	-	-
Angéline Afanoukoé [(a)]	-	-
Selma Alami [(b)]	-	-
Jane Basson	70,000	69,000
Laura Bernardelli [(c)]	9,312	49,500
Bpifrance Participations (Anne-Sophie Hérelle)	79,000	76,000
Marc Grynberg	52,000	58,500
Oscar Hasbún Martinez	70,000	73,500
Sylvie Jéhanno	64,000	65,500
Anne Lebel	70,000	67,500
Andrónico Luksic Craig	28,000	27,000
Bjorn Erik Nyborg [(a)]	-	-
Francisco Pérez Mackenna	82,000	86,500
Hubert Porte	46,000	51,500
Kathleen Wantz-O'Rourke [(d)]	58,000	27,130
TOTAL	**628,312**	**651,630**

(a) Director representing employees.
(b) Director representing employee shareholders.
(c) Remuneration as Censor from September 30, 2021 to May 11, 2022 then as director from May 11, 2022.
(d) Director who resigned from the Board on May 12, 2020.

In 2022, the non-executive 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 2022 to Jean Mouton, Chairman of the Board of Directors

At its meeting of January 20, 2022, the Board of Directors decided that the Chairman of the Board would receive fixed annual compensation of 320,000 euros as of January 1, 2022.

It had been set at 250,000 euros as from the appointment of Jean Mouton as Chairman of the Board of Directors on May 15, 2019 and had 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 the 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 value 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.

The Chairman of the Board does not receive compensation as Board member. He does not receive variable compensation. He receives no other benefits.

SUMMARY OF COMPENSATION PAYABLE TO JEAN MOUTON, CHAIRMAN OF THE BOARD OF DIRECTORS

	2021	2022
Compensation due for the year as Chairman of the Board of Directors	€250,000	€320,000

BREAKDOWN OF COMPENSATION PAYABLE TO JEAN MOUTON, CHAIRMAN OF THE BOARD OF DIRECTORS

	Amounts due for 2021	Amounts paid in 2021	Amounts due for 2022	Amounts paid in 2022
Fixed compensation	€250,000	€250,000	€320,000	€320,000
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' compensation	-	-	-	-
Benefits-in-kind	-	-	-	-
TOTAL	**€250,000**	**€250,000**	**€320,000**	**€320,000**

4.6.4 Compensation payable for 2022 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 long-term performance. His overall package takes into account the fact that he is entitled to a supplementary pension plan and includes the benefits shown in the table below.

SUMMARY OF COMPENSATION PAYABLE TO CHRISTOPHER GUÉRIN, CHIEF EXECUTIVE OFFICER

	2021	2022
Compensation due for the year as Chief Executive Officer	€1,803,812	€1,838,545
Valuation of the performance shares granted during the year as Chief Executive Officer [(a)]	€1,034,080	€854,562
Valuation of the performance shares granted during the year to the Chief Executive Officer under the specific plan related to the 2021-2024 strategic plan [(a)]	€693,382	
Valuation of the performance shares vested during the year	€397,095	€805,228

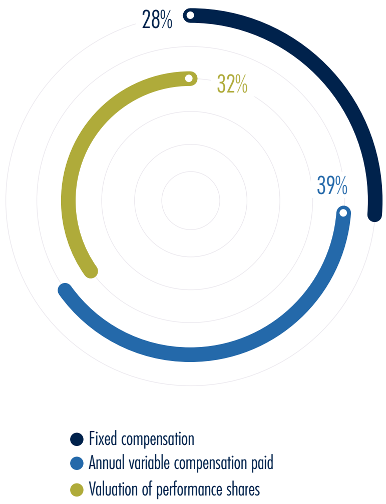
(a) Valued at the time of the performance share grant using the Monte Carlo method.

BREAKDOWN OF COMPENSATION PAYABLE TO CHRISTOPHER GUÉRIN, CHIEF EXECUTIVE OFFICER

	2021	2021	2022	2022
	Amounts due for 2021	Amounts paid in 2021	Amounts due for 2022	Amounts paid in 2022
Fixed compensation	€750,000	€750,000	€750,000	€750,000
Variable compensation	€1,048,050	€882,360	€1,080,900	€1,048,050
Exceptional compensation	-	-	-	-
Directors' fees [(a)]	-	-	-	-
Benefits-in-kind [(b)]	€5,762	€5,762	€7,645	€7,645
TOTAL	**€1,803,812**	**€1,638,122**	**€1,838,545**	**€1,805,695**

(a) Christopher Guérin is not a director of Nexans.
(b) Company vehicle.

STRUCTURE OF THE 2022 COMPENSATION OF THE CHIEF EXECUTIVE OFFICER



4.6.4.1 Fixed compensation of the Chief Executive Officer

On the recommendation of the Compensation Committee, the Board decided to maintain the Chief Executive Officer's fixed compensation for 2022 at 750,000 euros. This fixed compensation was reviewed in 2021 after a three-year period.

4.6.4.2 Variable compensation of the Chief Executive Officer

As decided by the Board of Directors at its meeting on February 15, 2022, the targeted percentage of Christopher Guérin's annual variable compensation for 2022 represents 100% of his annual fixed 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 2022 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 has set the financial objectives for the collective portion as well as their relative weighting as follows: (1) return on capital employed (ROCE): 25%, (2) EBITDA ratio: 50%, and NFCF (25%).

On February 14, 2023, the Board of Directors voted on the determination of the amount of Christopher Guérin's variable compensation for 2022 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 2022 (ROCE 25%, EBITDA 50% and NFCF 25%),

- The achievement rate for the ROCE was 100% of the maximum, reflecting a significant achievement compared to the budget;
- The achievement rate for the EBITDA was 100% of the maximum, this indicator having overachieved compared to the budget,
- The achievement rate for the NFCF was 100% of the maximum, this indicator having overachieved compared to the budget.

Based on these figures, the Board of Directors noted that the portion of variable compensation contingent on group-based objectives amounted to 675,000 euros (representing 100% 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 2022. After assessing their degree of achievement, the Board of Directors defined them as follows:

- the achievement rate for the "deployment of the strategy" objective was 85% of the maximum amount. The Company achieved exceptional net income of 247 million euros against a 2022 target of 190 million euros. SLS' CAPEX has been successfully deployed. The Ampacity center was inaugurated in accordance with the strategic innovation plan. The R&D organization and the transformation of sales and marketing were set up and became operational in 2022. Although the rotation of assets has not been finalized, the Group has shown its ability to adapt the strategy to the context and opportunities;
- the achievement rate for the "operational efficiency" objective was 93.3% of the maximum amount. This achievement rate is based on the successful integration of Centelsa, the work done on the value chain ecosystems and the inauguration of the mentioned Ampacity center;
- the achievement rate for the "culture and engagement" objective was 95.0% of the maximum amount. The Group's values, Pioneers, Dedicated and United were rolled out across the Group with a high level of adoption. The transformations of the Sales Marketing, ISG and IT organizations were implemented. The succession plan for the Executive Committee and the respective individual development plans were defined;
- the achievement rate of the "deployment of the ESG policy" was 87.5% of the maximum amount. The ESG scorecard was successfully rolled out as well as the E3 performance model. Gender parity continues to improve at Nexans, reaching 26.6% of classified positions, compared to 25.6% last year, which is a great achievement. In 2022, the Company also focused on the finalization of two key programs, the "women leadership program" and the "emerging leaders program".

Based on these figures, the Board of Directors noted that the portion of the variable compensation contingent on individual objectives amounted to 405,900 euros (representing 90.2% of the maximum potential amount of 450,000 euros).

The total amount of variable compensation as determined by the Board for 2022 was thus 1,080,900 euros or 96.1% of the maximum amount.

Payment of the Chief Executive Officer's variable compensation is subject to approval by the 2023 Annual Ordinary 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 2022. Since 2010, the Company no longer grants any stock options.

SHARES GRANTED TO CHRISTOPHER GUÉRIN IN 2022

	Plan no. 22 of March 17, 2022
Number of shares granted in 2022	Between 0 and 14,000
Value of the shares based on the method used in the consolidated financial statements [(a)]	€854,562
% capital represented by shares granted	0.03%
Vesting date	03/17/2026
End of lock-up period	03/17/2026
Performance conditions	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 12, 2021, on March 17, 2022 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. 22). This plan involves grants of performance shares and free shares to the Group's key senior managers. Under the plan, the Board granted Christopher Guérin between 0 and 14,000 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 vesting condition applied to 40% of the shares allocated and based on the relative evolution of the total shareholder return (TSR) of Nexans 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 applied to 40% of the shares granted and is based on measuring the free cash flow at the end of 2024.

3) A CSR performance condition applied to 20% of the shares granted, which consists of measuring the achievement of the Group's CSR ambitions as set out in the roadmap for 2022-2024:

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

ENVIRONMENT – Committing to reduce carbon impact on the planet in innovative ways

ECOSYSTEM – Sharing our values and the highest ethical standards with all stakeholders

	PEOPLE						ENVIRONMENT						ECOSYSTEM			
	WORKPLACE SAFETY		HUMAN CAPITAL			AWARENESS	ECO MANAGEMENT	CIRCULAR ECONOMY			CLIMATE		BUSINESS ETHICS	STAKEHOLDERS		NEXANS FOUNDATION
	Workplace accident safety rate	Severity rate	Graded positions staffed internally	Women in management positions	Women in Top management positions	Employees eligible to Long Term Incentive with CSR criteria	Industrial sites certified ISO 14001	Total production waste recycled	Sales generated from products and services that contribute to energy transition and efficiency	Proportion of Nexans cable drums worldwide connected to digital platforms and recyclable	Reduction of GHG emissions (base year 2019 – Marked based)	Proportion of renewable or decarbonized energy	Managers having completed the yearly Compliance Awareness course	Number of high CSR risk and high spend suppliers with a CSR valid scorecard issued by EcoVadis (or equivalent CSR expert) and a CSR score = or > 35%	Employee engagement index	Amount allocated by the Nexans Foundation
2022	2.1	0.12	47%	27%	18.6%	100%	90%	75%	60%	14%	-20.2%	72%	100%	465	77%	€ 300,000
TARGET 2023	0.9	<0.10	60%	26%	18.2%	100%	93%	80%	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 17, 2026 may range between a minimum of 0 and a maximum of 14,000 depending on the attainment of the following applicable performance targets.

Rank achieved by Nexans compared to panel TSR	% of shares vested based on this condition
1st or 2nd in the ranking	100%
3rd in the ranking	90%
4th in the ranking	80%
5th in the ranking	60%
Below 5th in the ranking	0%

Group free cash flow level by the end of 2024	% of shares vested based on this condition
≥ EUR 270 M	100%
≥ EUR 265 M and < EUR 270 M	90%
≥ EUR 260 M and < EUR 265 M	80%
≥ EUR 255 M and < EUR 260 M	70%
≥ EUR 250 M and < EUR 255 M	60%
≥ EUR 245 M and < EUR 250 M	50%
< EUR 245 M	0%

CSR index achieved at the end of 2024	% of shares vested based on this condition
≥ 90%	100%
≥ 70% and < 90%	70%
< 70%	0%

SHARES VESTED IN 2022

	Plan no. 18 of March 13, 2018	Plan no. 18B of July 27, 2018
Number of shares vested in 2022	2,400	7,250
Value of the shares based on the method used in the consolidated financial statements [(a)]	€192,240	€612,988
Vesting date	03/13/2022	07/27/2022
End of lock-up period	03/13/2022	07/27/2022
Performance conditions	Yes	Yes

(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 long-term compensation plan no. 18 of March 13, 2018. The final vesting of the performance shares under Plan No. 18 of March 13, 2018 was subject to the performance conditions described below.

Depending on the level of performance recognized at the end of the vesting period on March 13, 2022, the number of shares vested to the Chief Executive Officer varies between 0 and a maximum of 6,000 according to the following scales:

Rank achieved by Nexans compared to panel TSR	% of shares vested based on this 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 Simplified Economic Value Added (EVA) at year-end 2020	% of shares vested based on this condition
≥ €100m	100%
≥ €90m and < €100m	90%
≥ €80m and < €90m	80%
≥ €70m and < €80m	70%
≥ €60m and < €70m	60%
≥ €50m and < €60m	50%
< €50m	0%

With regard to the TSR condition, Nexans' TSR performance was ranked 3rd on February 16, 2022. The level reached is such that the number of shares definitively acquired under this condition is 80%.

With regard to the EVA condition, the level reached of 43 million euros is such that none of the shares granted under this condition is definitively acquired.

Following the determination by the Compensation Committee that the performance conditions have been met, 40% of the shares granted under performance share plan no. 18 of March 13, 2018 are definitely vested to Christopher Guérin, i.e. 2,400 shares.

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 Chief Executive Officer, under long-term compensation plan no. 18B of July 27, 2018. The final vesting of the performance shares under Plan no. 18B of July 27, 2018 was subject to the performance conditions described below.

Depending on the level of performance recognized at the end of the vesting period on July 27, 2022, the number of shares vested to the Chief Executive Officer varies between 0 and a maximum of 14,500 according to the following scales:

Rank achieved by Nexans compared to panel TSR	% of shares vested based on this 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 Simplified Economic Value Added (EVA) at year-end 2020	% of shares vested based on this condition
≥ €100m	100%
≥ €90m and < €100m	90%
≥ €80m and < €90m	80%
≥ €70m and < €80m	70%
≥ €60m and < €70m	60%
≥ €50m and < €60m	50%
< €50m	0%

With regard to the TSR condition, Nexans' TSR performance was ranked 1st on July 27, 2021. The level reached is such that the number of shares definitively acquired under this condition is 100%.

With regard to the EVA condition, the level reached of 43 million euros is such that none of the shares granted under this condition is definitively acquired.

Following the determination by the Compensation Committee that the performance conditions have been partially met, 50% of the shares granted under performance share plan no. 18B of July 27, 2018 are definitely vested to Christopher Guérin, i.e. 7,250 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 the following commitments from the Company. They were authorized at the Board meeting of July 3, 2018, and ratified at the Shareholders' Meeting held on May 15, 2019.

In accordance with Article 25.6 of the AFEP-MEDEF Code, the total termination and non-compete indemnities may not exceed two years' worth of actual compensation (fixed and variable).

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.

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. 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' worth of 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 25.3 of the AFEP-MEDEF Code (December 2022 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 25.4 of the AFEP-MEDEF Code, no non-compete indemnity will be due if Christopher Guérin takes retirement upon leaving the Group.

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 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 annual fixed and variable compensation. The annual cost of the premiums for the Company was 300,000 euros in 2022.

PENSION AND WELFARE PLANS AND UNEMPLOYMENT INSURANCE PLAN

Christopher Guérin is entitled to 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 2022.

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 December 2022 version.

Pay ratio between the level of compensation of executive officers and the average and median compensation of the employees of the Company and Nexans France

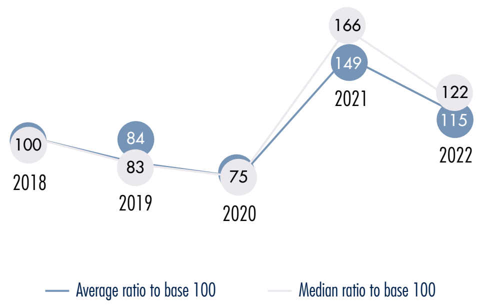
For the calculation of the equity ratios, in accordance with Article L.22-10-9 of the French Commercial Code, the Company refers to the AFEP-MEDEF guidelines.

The scope selected for the application of Article L.225-37-3-(6) of the French Commercial Code is that of Nexans SA and Nexans France. This scope was chosen in order to have intelligible ratios and to exclude the problems caused by the different exchange rates, inflation rates and salary regimes of the various countries in which the Nexans Group has employees. The employees taken into account for the calculation of this ratio are employees on fixed-term and permanent contracts who were present and active throughout the related year.

In accordance with the AFEP-MEDEF recommendations and to allow better readability and comparability of the ratios, the Company has decided to adjust the method of calculating compensation by taking into account the accounting value of the shares granted during the fiscal year to the executive corporate officers and to the employees. Until 2021, this calculation took into account the valuation of the shares vested during the fiscal year at their acquisition cost.

The items included in the calculation of the equity ratios relate to all compensation components, excluding payroll taxes, paid during the year to the executive corporate officers (numerator) and to the employees (denominator). The calculation includes the annual fixed compensation on a full-time basis, variable and exceptional compensation paid, share or option allocations valued in IFRS and any other benefit of any kind awarded or paid during the fiscal year.

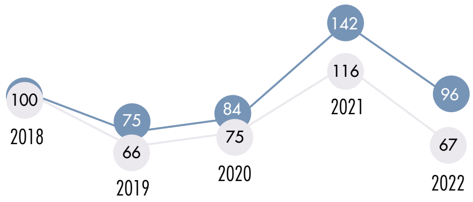
Change in the Chief Executive Officer's compensation vs. average and median



(in millions of euros)	2018	2019	2020	2021	2022
CHIEF EXECUTIVE OFFICER					
Average	38	32	29	57	44
Median	55	46	42	92	68
Compensation (including vested shares)	2,148,122	1,675,916	1,657,018	3,455,504	2,660,257
CHAIRMAN					
Average	4	5	4	4	5
Median	6	7	6	7	8
EMPLOYEES					
Average	55,836	51,943	57,577	60,232	60,035
Median	38,766	36,325	39,655	37,656	39,214

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

Change in the Chief Executive Officer's compensation vs. EBITDA & revenue



Ratio in %	2018	2019	2020	2021	2022
Sales	0.03	0.02	0.03	0.05	0.03
EBITDA	0.66	0.44	0.49	0.76	0.44

The ratios, average and median compensation from 2018 to 2021 have been revised to take into account the change in methodology and to ensure a clear reading of their evolution over five years.

4.6.6 Stock options and performance shares

4.6.6.1 Long-term compensation policy of the Group

The Group's long-term compensation policy is part of a global strategy. It aims at retaining and motivating its executives and employees in competitive market environment. Each long-term compensation plan is submitted to the vote of shareholders at the Annual Ordinary Shareholders' Meeting.

The Group's long-term compensation policy is adjusted according to the concerned population. It is based on grants of free shares that are subject to performance conditions such as economic performance criteria, CSR performance criteria and the relative share performance. The share performance condition consists of measuring Nexans' TSR (Total Shareholder Return) over a three-year period compared with a panel of comparable companies. These conditions apply consistently to all executives and beneficiaries. The grants are also subject to a condition of presence during the vesting and holding periods for the Chief Executive Officer. The performance share plans are set for a period of four years, the performance conditions are set for three years.

The definitive vesting of the free shares granted is subject to the approval of the Board, on the recommendation of the Compensation Committee after noting the total or partial satisfaction of the performance and presence conditions set at the time of the grant.

Free share plans with a service condition and without performance conditions are granted each year to a limited number of key employees due to their expertise, performance and potential. These shares are granted for a period of four years.
Performance and free shares plans are granted each year, within a same calendar period, except in case of exceptional circumstances.

Executive officers and Executive Committee members who receive performance shares undertake not to use hedging instruments during the vesting period.

Performance shares plan beneficiaries are not allowed to sell vested shares during "blackout" periods, in accordance with the applicable legal and regulatory requirements and the Group's "Insider dealing" procedures.

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, 2022.

SHARES PURCHASED IN 2022 FOLLOWING THE EXERCISE OF STOCK OPTIONS BY THE TEN EMPLOYEES EXERCISING THE MOST OPTIONS (EXCLUDING CORPORATE OFFICERS)

None.

4.6.6.3 Free shares and performance shares

HISTORY OF FREE SHARE PLANS AND PERFORMANCE SHARE PLANS

At its meeting on March 17, 2022, the Board of Directors noted that the performance conditions for Plan no. 18 of March 13, 2018 had partially been met (40% achievement). Therefore 41,880 shares definitively vested under Plan no. 18.

At its meeting on July 26, 2022, the Board of Directors noted that the performance conditions for Plan no. 18B of July 27, 2018 had partially been met (50% achievement). Therefore 7,250 shares definitively vested under Plan no. 18B.

For more details on the achievement of the performance conditions, see the "Corporate Governance – Compensation of executive officers" section of the www.nexans.com website.

	Plan no. 18	Plan no. 18B	Plan no. 19	Plan no. 20	Plan no. 21	Plan no. 21A	Plan no. 21B	Plan no. 22	Plan no. 22A
Date of Annual Shareholders' Meeting	05/11/2017	05/11/2017	05/17/2018	05/15/2019	05/13/2020	05/12/2021	05/13/2020	05/12/2021	05/12/2021
Grant date	03/13/2018	07/27/2018	03/19/2019	03/17/2020	03/18/2021	09/30/2021	11/08/2021	03/17/2022	10/25/2022
Number of performance shares granted (based on maximum performance)	166,900	14,500	269,850	291,350	283,665	100,000	2,750	299,465	10,100
o/w to the executive officer (based on maximum performance)	-	14,500	28,000	20,000	20,000	11,000	-	14,000	-
o/w to the ten employees receiving the most shares	53,300	14,500	123,100	70,000	66,000	58,000	2,750	61,000	10,100
Number of free shares granted	44,200	-	49,850	49,300	49,480	-	-	49,300	-
Vesting date	03/13/2022	07/27/2022	03/19/2023	03/17/2024	03/18/2025	03/17/2025	11/08/2025	03/17/2026	03/17/2026
End of lock-up period	03/13/2022	07/27/2022	03/19/2023	03/17/2024	03/18/2025	03/17/2025	11/08/2025	03/17/2026	03/17/2026
Total number of beneficiaries	246	1	297	545	506	43	2	547	4
Number of shares vested	73,230	7,250	-	-	-	-	-	-	-
Number of performance share rights canceled	137,870	7,250	41,600	34,700	28,955	6,800	-	11,630	-

The performance conditions applicable for the performance shares granted under Plans nos. 18 of March 13, 2018 and 18A of July 27, 2018 are as follows: (1) a stock market performance condition based on Nexans' total shareholder return (TSR) as compared with a panel of comparable companies, 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 2020. Simplified Economic Value Added is 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' total shareholder return (TSR) as compared with a panel of comparable companies, 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' total shareholder return (TSR) as compared with that of a panel of comparable companies; (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 ten criteria to be achieved by the end of 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' total shareholder return (TSR) as compared with that of a panel of comparable companies; (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's CSR ambitions, as set out in the roadmap for 2021-2023, by the end of 2023.

The performance conditions applicable for the performance shares granted under Plan no. 21A of September 30, 2021 are as follows: (1) a stock market performance condition based on Nexans' total shareholder return (TSR) as compared with that of a panel of comparable companies; (2) an Electrification rate condition measured as a percentage of the Nexans Group's consolidated sales; and, lastly (3) a financial performance condition based on the achievement rate at the end of 2024 of three indicators, namely (i) the consolidated Group EBITDA, (ii) the EBITDA for the Electrification activity, and (iii) the normalized cash conversion ratio (NCCR).

The performance conditions applicable for the performance shares granted under Plans no. 22 and 22A of March 17, 2022 and October 25, 2022 are as follows: (1) a vesting condition based on Nexans' total shareholder return (TSR) as compared with that of a panel of comparable companies; (2) a financial performance condition defined as total cash flow before dividends and mergers/acquisitions, as reported in the 2024 financial statements; and, lastly (3) a CSR performance condition, which consists of measuring the achievement of the Group's CSR ambitions, as set out in the roadmap for 2022-2024, by the end of 2024.

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 the executive officers.

The potential dilutive impact of the performance shares and free shares granted under Plans no. 22 and 22A was approximately 0.82% of the capital at the end of 2022 (made up of 43,753,380 shares).

FREE SHARES GRANTED DURING 2022

In accordance with Article L.225-197-4 of the French Commercial Code, the following section details share grants made during 2022 pursuant to Articles L.225-197-1 to L.225-197-3 of the French Commercial Code.

At December 31, 2022, the 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 12, 2021 and May 11, 2022, the Board of Directors adopted two long-term incentive plans in 2022 with the following main features:

	Plan no. 22	Plan no. 22A
Date of Annual Shareholders' Meeting	05/12/2021	05/12/2021
Grant date	03/17/2022	10/25/2022
Number of performance shares granted	299,465	10,100
Number of free shares granted	49,300	-
o/w to the Chief Executive Officer	14,000	-
o/w to the ten employees receiving the most shares	61,000	10,100
Vesting date	03/17/2026	03/17/2026
End of lock-up period	03/17/2026	03/17/2026
Total number of beneficiaries	547	5
Number of shares vested	-	-
Number of performance share rights canceled	11,630	-

The vesting of performance shares under plans no. 22 and 22A is contingent on continued employment in the Company and performance conditions measured over a three-year period.

NUMBER AND VALUE OF THE FREE SHARES GRANTED TO EACH OF THE CORPORATE OFFICERS 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 2022	Valuation of shares [(b)]	Vesting date	End of lock-up period
Plan no. 22	CEO	14,000	€854,562	03/17/2026	03/17/2026

(a) Position held at the grant date.
(b) Method used for the consolidated financial statements.

NUMBER AND VALUE OF THE 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 S.A. beneficiary employees [(a)]	Number of performance shares granted	Value of shares granted [(b)]
Member of the Executive Committee	7,000	€427,281
Member of the Executive Committee	6,000	€366,241
Member of the Executive Committee	5,000	€305,201
Member of the Executive Committee	5,000	€305,201
Member of the Executive Committee	5,000	€305,201
Member of the Executive Committee	3,500	€213,641
Member of the Executive Committee	5,000	€384,413

(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)]
CEO [(a)]	1	14,000	€854,562
Members of the Executive Committee	11	55,000	€3,436,421
Other employees	331	240,565	€14,764,922
TOTAL	**343**	**309,565**	**€19,055,905**

(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)]	208	49,300	€3,537,768
TOTAL	**208**	**49,300**	**€3,537,768**

(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 2022

In accordance with Article L.225-40-1 of the French Commercial Code, at its meeting on February 14, 2023, the Board of Directors reviewed the agreements and commitments authorized and entered into in prior years which remained in force during 2022.

Agreement entered into with a shareholder holding more than 10% of the share capital and voting rights and corporate officers concerned: Andrónico Luksic Craig (Director of Nexans and Invexans), Francisco Pérez Mackenna (Director of Nexans and Vice-Chairman of the Board of Directors of Invexans) and Oscar Hasbún Martinez (Director of Nexans and Invexans)

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 3 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 expired on October 25, 2022. It was replaced by a similar commitment made by Invexans on October 25, 2022.

Corporate officer concerned: Bpifrance Participations represented by Anne-Sophie Hérelle until January 18, 2023 and by Karine Lenglart from January 18, 2023

SALE OF CIR AND CICE RECEIVABLES TO BPIFRANCE SA (FORMERLY BPIFRANCE FINANCEMENT)

On April 23, 2020, the Board of Directors authorized Nexans to transfer the 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.

On the date of this transaction, Bpifrance Financement was a subsidiary of Bpifrance SA (the two entities merged at the end of 2020). 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 the permanent representative of Bpifrance Participations 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 2022, the Company paid Bpifrance SA (formerly Bpifrance Financement) an amount of 25,377 euros of bank charges and 29,469 euros of interests in respect of this agreement.

4.7.2 Agreements and commitments executed in 2022

Agreement entered into with a shareholder holding more than 10% of the share capital and voting rights and corporate officers concerned: Andrónico Luksic Craig (Director of Nexans and Invexans), Francisco Pérez Mackenna (Director of Nexans and Vice-Chairman of the Board of Directors of Invexans) and Oscar Hasbún Martinez (Director of Nexans and Invexans)

TAX AGREEMENT OF SEPTEMBER 20, 2022

On July 26, 2022, the Board of Directors authorized the conclusion of a tax agreement with Invexans SA as part of the ratification of the Supervening Tax Credit Allocation Agreement. In accordance with the acquisition agreement entered into in 2008 for the sale by Invexans to Nexans of its cables business in Latin America, Invexans SA is entitled to receive 90% of the tax refund covering the period from 2002 to 2008 (net of all taxes related to the tax refund) that may be paid by the Brazilian authorities to Nexans's Brazilian subsidiary, Nexans Brazil.

Invexans SA indirectly holds 28% of the share capital and voting rights of Nexans through its subsidiary Invexans Limited. Nexans Brazil is indirectly wholly-owned by Nexans through its subsidiary Nexans Participations. 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 principle, content and terms of the proposed agreement were examined by the Board of Directors without the presence of Andrónico Luksic, Francisco Pérez and Oscar Hasbún, directors of Nexans and Invexans. The Board noted the interest for the Company to enter into this agreement in view of the pre-existing commitments made in 2008 to Invexans SA as part of the acquisition of Nexans Brazil.

In accordance with the provisions of Article L.225-40 of the French Commercial Code, Andrónico Luksic, Francisco Pérez and Oscar Hasbún did not take part in the deliberations or decision of the Board of Directors.

During the 2022 fiscal year, the agreement did not give rise to any payment, in the absence of a decision by the Brazilian tax authorities.

Agreement entered into with a shareholder holding more than 10% of the share capital and voting rights and corporate officers concerned: Andrónico Luksic Craig (Director of Nexans and Invexans), Francisco Pérez Mackenna (Director of Nexans and Vice-Chairman of the Board of Directors of Invexans) and Oscar Hasbún Martinez (Director of Nexans and Invexans)

INVEXANS LIMITED (QUIÑENCO GROUP) ENGAGEMENT LETTER OF OCTOBER 25, 2022

On October 25, 2022, the Board of Directors accepted Invexans' new long-term commitment, under the terms and conditions of which Invexans will not request representation on the Board of Directors in excess of 3 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.

The principle, content and terms of the commitment of Invexans Limited were reviewed by the Board of Directors without the presence of Andrónico Luksic, Francisco Pérez and Oscar Hasbún, Directors of Nexans and Invexans.

The Board noted the interest for Nexans to accept this commitment given the pre-existing commitment entered into in 2014, in the context of the termination of the shareholders' agreement.

This commitment entered into force on October 25, 2022 and will expire on November 22, 2030 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).

4.7.3 Statutory Auditors' special report on related-party agreements

Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2022

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 the professional standards and doctrine of the French National Association of Statutory Auditors (Compagnie nationale des commissaires aux comptes – CNCC) to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements submitted for the approval of the Shareholders' Meeting

AGREEMENTS AUTHORIZED AND CONCLUDED DURING THE PAST FISCAL YEAR

Pursuant to Article L.225-40 of the French Commercial Code, we have been informed of the following agreements entered into during the past fiscal year which were subject to the prior authorization of your Board of Directors.

Agreement entered into with Invexans SA (Quiñenco group), shareholder holding more than 10% of the share capital and voting rights, relating to a tax refund by the Brazilian tax authorities

Corporate officers involved: Andrónico Luksic Craig (Nexans and Invexans Board member), Francisco Pérez Mackenna (Nexans Board member and Vice-Chairman of the Board of Directors of Invexans) and Oscar Hasbún Martinez (Nexans and Invexans Board member).

Procedures: On July 26, 2022, the Board of Directors authorized the conclusion of a tax agreement with Invexans SA as part of the Supervening Tax Credit Allocation Ratification Agreement. In accordance with the acquisition agreement entered into in 2008 for the sale by Invexans to Nexans of its cables business in Latin America, Invexans SA is entitled to receive 90% of the tax refund covering the period from 2002 to 2008 (net of all taxes related to the tax refund) that may be paid by the Brazilian authorities to Nexans' Brazilian subsidiary, Nexans Brazil.

Invexans SA indirectly holds 28% of the share capital and voting rights of Nexans through its subsidiary Invexans Limited. Nexans Brazil is indirectly wholly-owned by Nexans through its subsidiary Nexans Participations. The principle, content and terms of the proposed agreement were examined by the Board of Directors without the presence of Andrónico Luksic Craig, Francisco Pérez Mackenna and Oscar Hasbún Martinez (Nexans and Invexans Board members).

The agreement was signed on September 20, 2022. During the 2022 fiscal year, the agreement did not give rise to any payment, in the absence of a decision by the Brazilian tax authorities.

Reasons given by the Board: The Board noted the interest for the Company to enter into this agreement in view of the pre-existing commitments made in 2008 to Invexans SA as part of the acquisition of Nexans Brazil.

LETTER OF COMMITMENT BY INVEXANS LIMITED (QUIÑENCO GROUP), SHAREHOLDER HOLDING MORE THAN 10% OF THE SHARE CAPITAL AND VOTING RIGHTS, DATED OCTOBER 25, 2022

Corporate officers involved: Andrónico Luksic Craig (Nexans and Invexans Board member), Francisco Pérez Mackenna (Nexans Board member and Vice-Chairman of the Board of Directors of Invexans) and Oscar Hasbún Martinez (Nexans and Invexans Board member).

Procedures: On October 25, 2022, the Board of Directors accepted Invexans Limited's new long-term commitment, under the terms and conditions of which Invexans Limited will not request representation on the Board of Directors in excess of 3 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.

The principle, content and terms of the commitment of Invexans Limited were reviewed by the Board of Directors without the presence of Andrónico Luksic Craig, Francisco Pérez Mackenna and Oscar Hasbún Martinez (Nexans and Invexans Board members).

This commitment entered into force on October 25, 2022 and will expire on November 22, 2030 or before this date should one of the following events transpire:

- the filing of a public offer for Nexans' entire share capital and voting rights including, to avoid any ambiguity, by Invexans;
- 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;
- the percentage of the share capital held by Invexans in Nexans falls below 10%;
- 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).

Reasons given by the Board: The Board noted the interest for Nexans to accept this commitment given the pre-existing commitment entered into in 2014, in the context of the termination of the shareholders' agreement.

Agreements already approved by the Shareholders' Meeting

Agreements approved in previous fiscal years

Agreements whose execution continued during the past fiscal year

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.

Letter of commitment by Invexans (Quiñenco group), shareholder holding more than 10% of the share capital and voting rights, dated May 22, 2014

Corporate officers involved: Andrónico Luksic Craig (Nexans and Invexans Board member), Francisco Pérez Mackenna (Nexans Board member and Vice-Chairman of the Board of Directors of Invexans) and Oscar Hasbún Martinez (Nexans and Invexans Board member).

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 3 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 expired on October 25, 2022. It was replaced by a similar commitment made by Invexans on October 25, 2022.

Sale of the Company's CIR research and CICE tax credit receivables to Bpifrance SA (formerly Bpifrance Financement)

Corporate officers concerned: Bpifrance Participations, represented by Anne-Sophie Hérelle until January 18, 2023 then by Anne-Karine Lenglart from January 18, 2023, member of the Board of Directors of Nexans and holding 7.69% of the share capital of Nexans. Bpifrance Participations is a subsidiary of Bpifrance SA. Bpifrance Financement and Bpifrance SA merged in 2020.

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. The principle, content and terms of the agreement were reviewed by the Board of Directors without the presence of Anne-Sophie Hérelle, permanent representative of Bpifrance Participations at the time.

In 2022, the Company paid Bpifrance SA (formerly Bpifrance Financement) an amount of 25,377 euros of bank charges and 29,469 euros of interests in respect of this agreement.

The Statutory Auditors

Mazars
Paris-La Défense, March 17, 2023
Juliette Decoux-Guillemot
Partner

PricewaterhouseCoopers
Neuilly-sur-Seine, March 17, 2023
Edouard Demarcq
Partner

FINANCIAL STATEMENTS
Nexans 2022


05

5.1. Consolidated financial statements

5.1.1. Consolidated income statement

In millions of euros	Notes	2022	2021
NET SALES [(A)]	**1.E.A, 3 AND 4**	**8,369**	**7,374**
Cost of sales		(7,373)	(6,593)
GROSS PROFIT		**996**	**781**
Administrative and selling expenses		(490)	(401)
R&D costs		(87)	(80)
OPERATING MARGIN [(B)]	**1.E.B AND 3**	**420**	**299**
Core exposure effect [(c)]	1.E.c	(30)	106
Reorganization costs	23.B	(39)	(58)
Other operating income and expenses [(d)]	6, 7 and 8	46	(9)
Share in net income of associates		(2)	(1)
OPERATING INCOME (LOSS)	**1.E.D**	**395**	**338**
Cost of debt (net)	1.E.e	(35)	(22)
Other financial income and expenses	1.E.e and 9	(22)	(79)
INCOME BEFORE TAXES		**339**	**237**
Income taxes	1.E.f and 10	(90)	(72)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**248**	**164**
Net income from discontinued operations		-	-
NET INCOME (LOSS)		**248**	**164**
• Attributable to owners of the parent		245	164
• Attributable to non-controlling interests		3	-
ATTRIBUTABLE NET INCOME (LOSS) PER SHARE *(IN EUROS)*	**11**		
• basic earnings (loss) per share		5.64	3.76
• diluted earnings (loss) per share		5.47	3.66

(a) Sales at constant metal prices calculated using reference prices are presented in the segment information provided in ***Note 3*** *and are used in the activity report in* ***Section 1.6****. 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.*

(b) Operating margin is one of the business management indicators used to assess the Group's operating performance.

(c) Effect relating to the revaluation of Core exposure at its weighted average cost.

(d) Other operating income and expenses are detailed in ***Note 5 and 6.***

(e) Other financial income and expenses includes the adjustment on monetary impact of Turkey due to the application of IAS 29 standard "Hyperinflation" (see ***Note 1*** *and* ***Note 9****).*

5.1.2. Consolidated statement of comprehensive income

In millions of euros	Notes	2022	2021
NET INCOME (LOSS)		**248**	**164**
Recyclable components of comprehensive income (loss)		**(60)**	**57**
• currency translation differences		(3)	67
• cash flow hedges	26	(58)	(9)
Tax impacts on recyclable components of comprehensive income (loss)	**10.C**	**11**	**6**
Non-recyclable components of comprehensive income (loss)		**86**	**63**
• actuarial gains and losses on pensions and other long-term employee benefit obligations	22.B	78	67
• financial assets at fair value through other comprehensive income		8	(3)
Tax impact on non-recyclable components of comprehensive income (loss)	**10.C**	**(18)**	**(16)**
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		**20**	**111**
TOTAL COMPREHENSIVE INCOME (LOSS)		**268**	**275**
• attributable to owners of the parent		267	274
• attributable to non-controlling interests		1	1

5.1.3. Consolidated balance sheet

Assets

At December 31, *in millions of euros*	Notes	2022	2021
Goodwill	7 and 12	289	240
Intangible assets	13	175	110
Property, plant and equipment	14	1,645	1,442
Investments in associates	15	25	31
Deferred tax assets	10.D	122	112
Other non-current assets	16	137	118
NON-CURRENT ASSETS		**2,393**	**2,053**
Inventories and work in progress	17	1,432	1,316
Contract assets	4.B	198	42
Trade receivables	18	935	947
Current derivative assets	26	52	66
Other current assets	19	259	190
Cash and cash equivalents	24.A	1,134	972
Assets and groups of assets held for sale		-	-
CURRENT ASSETS		**4,010**	**3,534**
TOTAL ASSETS		**6,402**	**5,587**

Equity and liabilities

At December 31, *in millions of euros*	Notes	2022	2021
Capital stock, additional paid-in capital, retained earnings and other reserves		1,664	1,426
Other components of equity		(12)	21
Equity attributable to owners of the parent		**1,652**	**1,447**
Non-controlling interests		15	17
TOTAL EQUITY	**21**	**1,667**	**1,465**
Pensions and other long-term employee benefit obligations	22	232	301
Non-current provisions	23	76	76
Long-term debt	24	511	736
Non-current derivative liabilities	26	10	5
Deferred tax liabilities	10.D	151	117
NON-CURRENT LIABILITIES		**981**	**1,235**
Current provisions	23	100	92
Short-term debt	24	805	311
Contract liabilities	4.B	588	395
Current derivative liabilities	26	64	47
Trade payables	25	1,735	1,622
Other current liabilities	25	461	422
Liabilities related to groups of assets held for sale		-	-
CURRENT LIABILITIES		**3,754**	**2,887**
TOTAL EQUITY AND LIABILITIES		**6,402**	**5,587**

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	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
DECEMBER 31, 2020	**43,648,472**	**44**	**1,614**	**(3)**	**(397)**	**15**	**(56)**	**1,216**	**40**	**1,256**
2021 IFRIC Application	-	-	-	-	(5)	-	-	(5)	-	(5)
JANUARY 1, 2021	**43,648,472**	**44**	**1,614**	**(3)**	**(402)**	**15**	**(56)**	**1,211**	**40**	**1,251**
Net income for the year	-	-	-	-	164	-	-	164	-	164
Other comprehensive income (loss)	-	-	-	-	47	(3)	66	110	1	111
TOTAL COMPREHENSIVE INCOME (LOSS)	**-**	**-**	**-**	**-**	**211**	**(3)**	**66**	**274**	**1**	**275**
Dividends paid	-	-	-	-	(31)	-	-	(31)	(2)	(33)
Changes in capital	-	-	-	-	-	-	-	-	-	-
Changes in treasury shares [a]	(11,583)	-	-	(7)	(3)	-	-	(10)	-	(10)
Employee share-based plans :										
• Service cost	-	-	-	-	8	-	-	8	-	8
• Proceeds from share issues	-	-	-	-	-	-	-	-	-	-
Transactions with owners not resulting in a change of control	-	-	-	-	(8)	-	-	(8)	(22)	(30)
Other	-	-	-	-	(2)	4	-	3	-	3
DECEMBER 31, 2021	**43,636,889**	**44**	**1,614**	**(10)**	**(226)**	**16**	**9**	**1,447**	**17**	**1,465**
IAS 29 "Hyperinflation" application for hyperinflation [b]	-	-	-	-	-	-	6	6	-	6
JANUARY 1, 2022	**43,636,889**	**44**	**1,614**	**(10)**	**(226)**	**16**	**15**	**1,453**	**17**	**1,470**
Net income for the year	-	-	-	-	245	-	-	245	3	248
Other comprehensive income (loss)	-	-	-	-	69	(46)	(1)	21	(1)	20
TOTAL COMPREHENSIVE INCOME (LOSS)	**-**	**-**	**-**	**-**	**314**	**(46)**	**(1)**	**267**	**1**	**268**
Dividends paid	-	-	-	-	(52)	-	-	(52)	(1)	(53)
Changes in capital	(2,247)	-	(9)	42	-	-	-	33	1	34
Changes in treasury shares [a]	(173,664)	-	-	(58)	(6)	-	-	(65)	-	(65)
Employee share-based plans :										
• Service cost	-	-	-	-	16	-	-	16	-	16
• Proceeds from share issues	-	-	-	-	-	-	-	-	-	-
Transactions with owners not resulting in a change of control	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	(1)	1	-	-	(4)	(4)
DECEMBER 31, 2022	**43,460,978**	**44**	**1,604**	**(26)**	**46**	**(29)**	**13**	**1,652**	**15**	**1,667**

(a) The number of shares outstanding corresponded to issued shares less shares held in treasury; acquisition, shares hold in treasury and shares negotiated in the stock market are detailed on ***Note 21****.*

(b) This line contains the application of IAS 29 hyperinflation standard detailed in ***Note 1*** *and in* ***Note 9****.*

5.1.5. Consolidated statement of cash flows

In millions of euros	Notes	2022	2021
Net income		248	164
Depreciation, amortization and impairment of assets (including goodwill)	7, 13 and 14	180	176
Cost of debt (gross)		41	24
Core exposure effect [(a)]		30	(106)
Current and deferred income tax charge (income)	10	90	72
Net (gains) losses on asset disposals	8	(54)	(15)
Net change in provisions and non-current liabilities		(41)	(9)
Fair value changes on operational derivatives		(29)	12
Charges related to the cost of share-based payments		16	8
Other restatements		25	9
CASH FLOWS FROM OPERATIONS BEFORE GROSS COST OF DEBT AND TAX [(b)]		**506**	**337**
Decrease (increase) in working capital	20	104	117
Impairment of current assets and accrued contract costs		48	(5)
Income taxes paid		(114)	(47)
NET CHANGE IN CURRENT ASSETS AND LIABILITIES		**38**	**65**
NET CASH GENERATED FROM OPERATING ACTIVITIES		**544**	**401**
Proceeds from disposals of property, plant and equipment and intangible assets		62	14
Capital expenditure	13, 14	(298)	(206)
Decrease (increase) in loans granted and short-term financial assets		11	5
Purchase of shares in consolidated companies, net of cash acquired		(211)	(5)
Proceeds from sale of shares in consolidated companies, net of cash transferred		7	8
NET CASH USED IN INVESTING ACTIVITIES		**(429)**	**(183)**
NET CHANGE IN CASH AND CASH EQUIVALENTS AFTER INVESTING ACTIVITIES		**115**	**219**
Proceeds from (repayments of) long-term and short-term borrowings	24	198	(305)
• of which proceeds from the European Investment Bank loan		200	-
• of which repayment of bonds 2016-2021		-	(250)
• of which proceeds from (repayment of) the government-backed loan		-	(280)
Cash capital increases (reductions) [(c)]	21	(32)	(10)
Interest paid		(43)	(41)
Transactions with owners not resulting in a change of control		-	(30)
Dividends paid		(54)	(32)
NET CASH USED IN FINANCING ACTIVITIES		**70**	**(417)**
Impact of the hyperinflation [(d)]		(5)	-
Net effect of currency translation differences		(19)	33
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**162**	**(165)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**24.A**	**968**	**1,133**
CASH AND CASH EQUIVALENTS AT YEAR-END	**24.A**	**1,129**	**968**
• of which cash and cash equivalents recorded under assets		1,134	972
• of which short-term bank loans and overdrafts recorded under liabilities		(5)	(5)

(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) The Group also uses the "cash from operations" concept, which is mainly calculated after adding back cash outflows relating to reorganizations as per ***Note 23*** *and deduction of paid taxes.*
(c) This line includes also inflows and outflows on acquisitions/sales of treasury stocks.
(d) This line contains the impacts related to the application of IAS 29 hyperinflation rules detailed in ***Note 1*** *and* ***Note 9***

5.1.6. Notes to the consolidated financial statements

DETAILED SUMMARY OF THE NOTES

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 Nexans Group produces electrical cables and provides its customers with innovative energy transport solutions and services.

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 14, 2023 and will become final after approval at the Shareholders' Meeting, which will take place on May 11, 2023 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 the International Financial Reporting Standards (IFRS), as adopted by the European Union at December 31, 2022.

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, 2022, and which were as follows:

- amendments to IAS 16 "Proceeds Before Intended Use";
- amendments to IAS 37 "Onerous Contracts – Contract Fulfillment Costs";
- amendments to IFRS 3 "Reference to the Conceptual Framework".

These publications did not have a material impact on the Group's consolidated financial statements. See statement of changes in consolidated equity. Accordingly, the IFRS IC decisions did not give rise to a restatement of the comparative period.

NEW STANDARDS PUBLISHED 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 "Disclosure of Accounting Policies";
- amendments to IAS 8 "Definition of Accounting Estimates";

- amendments to IAS 12 "Deferred Taxes Relating to Assets and Liabilities Arising from the Same Transaction".

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.

These assessments are carried out on a regular basis by Management in order to take into account past experience and other factors deemed relevant in view of the economic conditions. In particular, the regulations applicable in the coming years and the foreseeable consequences of the commitments made in favor of carbon neutrality, the forecasts of technological and market developments (raw material costs, changes in customer expectations, etc.) are taken into account and any other change that could have a significant impact on the consolidated financial statements in accordance with IFRS.

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**). The Group included in its review of the recoverable amount assumptions related to the consequences of climate change;
- 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 22**);
- provisions and contingent liabilities (see **Note 1.F.k**, **Note 23** and **Note 30**);
- the measurement of derivative instruments and their qualification as cash flow hedges (see **Note 1.F.n** and **Note 26**);
- cancelable lease terms for real estate leases (see **Note 1.F.m**).

The estimates and underlying assumptions are based on past experience and other factors considered reasonable under the circumstances. They 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 32**.

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. This exchange rate 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. In the majority of cases, this currency corresponds to the local currency.

Cash flow statement items are also translated at the average annual exchange rate.

In 2022, all the conditions to consider Turkey as a hyperinflationary economy within the meaning of IFRS standards were met (the last condition required concerned the level of cumulative inflation over three years, wholesale price inflation and retail price inflation having exceeded the 100% threshold in the first half of 2022). As a result, the Group has applied IAS 29 on financial reporting in hyperinflationary economies since January 1, 2022.

This standard IAS 29 requires restatement of the non-monetary items of the assets and liabilities of a country experiencing hyperinflation as well as its income statement to reflect the change in the general purchasing power of its functional currency, resulting in a profit or loss on the net monetary position which is recognized in net income. In addition, the financial statements of this country are translated at the closing rate for the period in question.

The consequences of the application of IAS 29 for Turkey are described in **Note 9** "Other financial income and expenses".

IAS 29 has not been applied to translate the financial statements of any other Group company.

In 2022 and 2021, the Lebanese economy was considered as hyperinflationary within the meaning of IAS 29. Nevertheless, the functional currency of the Group entity located in Lebanon is the US dollar, and its activities in this country are mainly carried out in this currency. As a result, no restatement is made in the Group's financial statements.

Foreign currency transactions are translated at the exchange rate prevailing at the transaction date. When these transactions are hedged and the hedge concerned is documented as a qualifying hedging relationship for accounting purposes, the gain or loss on the spot portion of the corresponding derivative directly affects the hedged item so that the overall transaction is recorded at the hedging rate in the income statement.

In accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates", foreign currency monetary items in the balance sheet are translated at the year-end closing rate. Any exchange gains or losses arising on translation are recorded as financial income or expense except if they form part of the net investment in the foreign operation within the meaning of IAS 21, in which case they are recognized directly in other comprehensive income under "Currency translation differences".

Foreign exchange derivatives are measured and recognized in accordance with the principles described in **Note 1.F.n**.

D. Business combinations

Business combinations are accounted for using the acquisition method, whereby the identifiable assets acquired, liabilities assumed and any contingent liabilities are recognized and measured at fair value.

For all business combinations the acquirer must (other than in exceptional cases) recognize any non-controlling interest in the acquiree either (i) at fair value (the "full goodwill" method) or (ii) at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets measured at their acquisition-date fair value. In the latter 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 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.

The operating margin is assessed before the impact of: (i) the revaluation of the Core exposure (see **Note 1.E.c**); (ii) impairment of property, plant and equipment, intangible assets or goodwill resulting from impairment tests; (iii) the change in fair value of non-ferrous metal financial instruments; (iv) capital gains and losses on asset disposals; (v) related acquisition costs for completed acquisitions and costs and fees related to planned acquisitions; (vi) expenses and provisions for antitrust investigations; (vii) reorganization costs; (viii) the share in net income of associates; (ix) net financial income (loss); (x) taxes; and (xi) net income 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. It is calculated by dividing the operating margin by the capital employed.

C. CORE EXPOSURE EFFECT

This line of the consolidated income statement includes the following two components (see also **Note 27.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 27.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. NET FINANCIAL INCOME (LOSS)

Financial income and expenses include the following:

- cost of debt, net of financial income from investments of cash and cash equivalents;
- other financial income and expenses, which primarily include (i) foreign currency gains and losses on transactions not qualified as cash flow hedges, (ii) additions to and reversals of provisions for impairment in value of financial investments, (iii) net interest expense on pensions and other long-term benefit obligations, and (iv) dividends received from non-consolidated companies.

Details on the majority of these items are provided in **Notes 9 and 24**.

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 5 and 25 years);

  Supply contracts can be deemed to have an indefinite useful life when they are automatically renewable and where there is evidence, notably based on past experience, indicating that the contractual rights will be renewed. Otherwise, their useful lives generally correspond to the term of the contract;
- the costs for acquired or developed software, usually intended for internal use, and development costs, to the extent that their cost can be reliably measured and it is probable that they will generate future economic benefits. These assets are amortized by the straight-line method over their estimated useful lives (between three and five years);
- development costs that meet the recognition criteria in IAS 38. Capitalized development costs are amortized over the estimated useful life of the project concerned, from the date the related product is made available. Research costs, as well as development costs that do not meet the recognition criteria in IAS 38, are expensed as incurred. Research and development costs to be rebilled to or by customers under the terms of construction contracts are included in "Contract assets" and "Contract liabilities".

Intangible assets are derecognized when the risks and rewards of ownership of the asset are transferred.

B. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less any accumulated depreciation and impairment losses. When they are acquired in a business combination, their cost corresponds to their fair value. In accordance with IAS 23, directly attributable borrowing costs are included in the cost of qualifying assets.

The Group applies the cost model for the measurement of property, plant and equipment rather than the allowed alternative method that consists of regularly revaluing categories of assets. Government grants are recognized as a deduction from the gross amount of the assets to which they relate.

Property, plant and equipment are depreciated by the straight-line method based on the following estimated useful lives:

Industrial buildings and equipment	
• Buildings for industrial use	20 years
• Infrastructure and fixtures	10-20 years
• Equipment and machinery:	
• Heavy mechanical components	30 years
• Medium mechanical components	20 years
• Light mechanical components	10 years
• Electrical and electronic components	10 years
• Small equipment and tools	3 years
• Buildings for administrative and commercial use	20-40 years

The depreciation method and periods applied are reviewed at each year-end where necessary. The residual value of the assets is taken into account in the depreciable amount when it is deemed significant. Replacement costs are capitalized to the extent that they satisfy the criteria in IAS 16.

Property, plant and equipment are derecognized when the risks and rewards of ownership of the asset are transferred.

Property, plant and equipment also include right-of-use assets recognized for leases (see **Note 1.F.m**).

C. IMPAIRMENT TESTS

At each period-end, the Group assesses whether there is an indication that an asset may be impaired. Impairment tests are also carried out whenever events or changes in the market environment indicate that property, plant and equipment or intangible assets (including goodwill), may have suffered impairment. An impairment loss is recognized where necessary for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Intangible assets with indefinite useful lives and goodwill are tested for impairment at least once a year.

For operating assets that the Group intends to hold and use in its operations over the long term, the recoverable amount of a cash-generating unit (CGU) corresponds to the higher of fair value less costs to sell (where determinable) and value in use. Where the Group has decided to sell particular operations, the carrying amount of the related assets is compared with their fair value less costs to sell. Where negotiations in relation to such a sale are in progress, fair value is determined based on the best estimate of the outcome of the negotiations at the reporting date.

Value in use is calculated on the basis of the future operating cash flows determined in the Group's budget process and strategic plan, which represent Management's best estimate of the economic conditions that will prevail during the remainder of the asset's useful life. The assumptions used are made on the basis of past experience and external sources of information, such as discount rates and perpetual growth rates.

When an analysis of the related context reveals that a CGU, intangible asset, or item of property, plant and equipment that is in use or ready for use may have become impaired, the asset concerned is tested for impairment in accordance with IAS 36, based on the following:

- CGU: a cash-generating unit 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 expenses (see **Note 9**).

K. PROVISIONS

Provisions are recognized when the Group has a present obligation (legal or constructive) resulting from a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of discounting is material, the provisions are determined by discounting expected future cash flows applying a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liabilities concerned. The effect of unwinding the discounting is recognized as a financial expense and the effects of any changes in the discount rate are recognized in the same account as that through which the provision was accrued.

A provision is set aside to fully cover reorganization costs when they relate to an obligation by the Group to another party resulting from a decision made at an appropriate managerial or supervisory level, backed by a detailed formal plan that has been announced before the year-end to the party or parties concerned. Such costs primarily correspond to severance payments, early retirement benefits (except where qualified as employee benefits, see **Note 1.F.j**), costs for unworked notice periods, training costs of employees whose employment contracts have been terminated, and other costs directly linked to the shutdown of facilities.

Asset retirements and impairment of inventories and other assets, as well as other cash outflows directly linked to reorganization measures but which do not meet the criteria for the recognition of a provision are also recorded under reorganization costs in the income statement. In the consolidated balance sheet, this type of impairment is presented as a deduction from the related non-current or current assets. Reorganization costs also include costs directly related to the programs undertaken by the Group transformation strategy.

L. FINANCIAL LIABILITIES

Financial liabilities are initially recognized at fair value, corresponding to their issue price less transaction costs directly attributable to the acquisition or issue of the financial liability. If the liability is issued at a premium or discount, the premium or discount is amortized over the life of the liability using the effective interest method. The effective interest method calculates the interest rate that is necessary to discount the cash flows associated with the financial liability through maturity to the net carrying amount at initial recognition.

Convertible bonds and other borrowings

Under IAS 32, "Financial Instruments: Presentation", if a financial instrument has both a liability and an equity component, the issuer must account for these components separately according to their nature.

This treatment applies, 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 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". 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". 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 scope of entities eligible for hedge accounting covers most of the Group's metal derivatives.

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. Changes in Group structure

ACQUISITION OF CENTELSA

On April 1, 2022, Nexans completed the acquisition of 100% of Centelsa, a manufacturer of high-end cables in Latin America, specializing in Building and Energy Network applications, from Xignux SA (headquartered in Mexico).

This transaction enables the Group to take a new step in its strategy to become a "pure player" in electrification, by focusing on the entire value chain, from production to transmission, including distribution and use of sustainable energy.

Its three production plants in Cali, Colombia, as well as its distribution center in Ecuador, will strengthen Nexans' presence in Latin America. The Group already has four industrial sites in the region (Colombia, Peru, Chile and Brazil) and employs 1,300 people.

The details and conditions of this transaction as well as the provisional goodwill are presented in **Note 12**.

Centelsa entities have been fully consolidated since April 1, 2022. Their activities contributed to the Group's consolidated financial statements for the year 2022 for revenue at current metal prices of 246 million euros and an Operating Margin of 16 million euros.

On a twelve-month basis, considering that the Centelsa Group was acquired on January 1, 2022, the contribution to recurring revenue and operating margin can be estimated at 328 million euros and 21 million euros respectively.

ACQUISITION OF REKA CABLES

In November 2022, Nexans has entered into an agreement with Reka Industrial Plc (NASDAQ OMX Helsinki: REKA) to acquire Reka Cables (the "Transaction"). This acquisition will enable the Group to strengthen its position in the Nordic countries, particularly in the Building & Territories businesses.

Founded in 1961, Reka Cables specializes in the manufacture of low- and medium-voltage cables for Building & Territories activities. With a workforce of 270 employees and an estimated revenue of more than 160 million euros in 2022, this company, present in four countries, is one of the leaders in the Finnish market and enjoys an excellent reputation in the Nordic countries. In November 2021, it became one of the first cable manufacturers to achieve carbon neutrality (Scopes 1 and 2).

Nexans will acquire Reka Cables for a price of 53 million euros, including a net financial debt of 6.5 million euros at the end of September 2022. Closing of the Transaction is subject to regulatory approvals and is expected to take place in the first half of 2023.

B. Financing

SIGNATURE OF A SYNDICATED LOAN AGREEMENT FOR 800 MILLION EUROS

On October 25, 2022, Nexans signed a new multi-currency syndicated loan agreement for 800 million euros with a pool of 13 banks to replace the existing undrawn agreement signed on December 12, 2018 for an amount of 600 million euros.

This facility makes it possible to strengthen Nexans' financial liquidity for a period of five years with two extension options of one year each (see **Notes 27 and 31**).

DRAWDOWN OF THE FINANCING SIGNED WITH 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.

In April 2022, the Group drew down this financing for an amount of 200 million euros. The repayment will be made in fine in April 2027 (see **Note 24** for the characteristics of this loan).

C. Capital transactions

EMPLOYEE SHARE OWNERSHIP PLAN

On November 8, 2021, the Board of Directors, on the basis of the authorizations granted by the Shareholders' Meeting of May 12, 2021, decided on the principle of an employee share ownership operation, to be carried out in 2022, by means of a capital increase issuing a maximum of 500,000 new shares.

This is the tenth employee share ownership operation conducted by the Group on an international scale.

Employees were offered the possibility of subscribing to a structured formula called "leveraged" similar to the formula offered during the 2010 to 2020 transactions allowing employees to subscribe, through the intermediary of a corporate mutual fund (*Fonds Communs de Placements d'Entreprise* – FCPE) or directly, at a discounted preferential price while offering a guarantee of the amount invested as well as a multiple of the share's performance. The shares or units of the corporate mutual fund will be unavailable for five years, except in limited cases of early release. In certain countries where the offer of leveraged corporate mutual fund shares raised legal or tax difficulties, an alternative formula was proposed involving the allocation of Stock Appreciation Rights. Employees outside France who took part in the offer received a matching contribution from the Group.

The reservation period ran between May 9 and 24, 2022, with a withdrawal period from June 23 to 28, 2022.

The subscription price was set on June 22, 2022 at 62.25 euros in France and 71.14 euros outside France (*i.e.* discounts of 30% and 20% respectively compared to the average price recorded during the 20 trading days preceding said date).

The settlement-delivery of the shares took place on July 26, 2022 (see **Note 21**).

D. Changes in the situation in Ukraine

Nexans is present in Ukraine through its Nexans Autoelectric entity with three 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' security, supply chain and business continuity in Ukraine.

The total of the Group's assets located in Ukraine represent less than 1% of its consolidated balance sheet. Although the sites are located in Western Ukraine, the risk on the assets held and uncertainties about future activity have led the Group to review the valuation of its Ukrainian assets and, more generally, the value of the assets of its Harness Cash Generating Unit (see **Note 7**).

In addition, in July 2022, the Group sold its minority stake in the non-consolidated Impex entity based in Russia. The disposal led the Group to book a net income of 10 million euros in other comprehensive income.

Note 3. Operating segments

As part of "*Winds of Change*" corresponding to the Group's 2022-2024 ambition to become a pure player covering the entire electrification value chain, the operational segmentation of the Group's activities within the meaning of IFRS 8 was refined in the first half of 2022 with the historical "Buildings and Territories" segment being split in two, and the other segments remaining broadly unchanged in their composition.

The comparative segment information at December 31, 2021 has been restated in order to present this information according to the new segment breakdown in force within the Group.

The Group now has the following five reportable segments within the meaning of IFRS 8 (after taking into account the aggregations authorized by the standard). These segments reflect the managerial organization of the Group and are defined on the basis of products and applications specific to different markets, all geographical areas combined:

- **"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. It has two components:
  - **"Distribution"** which covers the cables intended for the energy distribution networks managed by the electricity suppliers within the "Territories",
  - **"Usages"**, corresponding to all the equipment cables of the various "Buildings";
- **"Generation & Transmission"**, formerly "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).

The Group's segment information also includes a column entitled "**Other Activities**", which corresponds to (i) certain specific or centralized activities carried out for the Group as a whole which give rise to expenses that are not allocated between the various segments, and (ii) the Electrical Wires business, comprising wire rods, electrical wires and winding wire production operations.

Concerning the **"Other Activities"** column, the following should be noted:

- at December 31, 2022, 95% of the sales at constant metal prices recorded under "Other Activities" were generated by the Group's "Electrical Wires" business (compared with 98% in 2021);
- the operating margin for "Other Activities" was a negative 57 million euros at December 31, 2022. It includes 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.

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

Sales at constant metal prices for 2022 and 2021 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

	Building & Territories						
2022 *(in millions of euros)*	Usages	Distribution	Generation & Transmission	Telecom & Data	Industry & Solutions	Other Activities	Total Group
Net sales at current metal prices	2,492	1,295	933	334	1,718	1,597	8,369
Net sales at constant metal prices	1,837	1,081	897	321	1,559	1,049	6,745
EBITDA	221	89	145	35	135	(25)	599
Depreciation and amortization	(23)	(23)	(58)	(6)	(38)	(32)	(180)
Operating margin	198	66	87	30	96	(57)	420
Net impairment of non-current assets (including goodwill) (see **Note 7**)	0	0	(0)	-	(7)	7	0

2021 *(in millions of euros)*	Building & Territories		Generation & Transmission	Telecom & Data	Industry & Solutions	Other Activities	Total Group
	Usages	Distribution					
Net sales at current metal prices	2,119	1,022	804	330	1,473	1,626	7,374
Net sales at constant metal prices	1,613	878	796	320	1,366	1,081	6,054
Net sales at constant metal prices and perimeter, and 2022 exchange rates	1,513	904	800	323	1,388	1,227	6,156
EBITDA	128	59	143	37	119	(22)	463
Depreciation and amortization	(21)	(24)	(49)	(7)	(36)	(26)	(163)
Operating margin	107	34	94	30	82	(48)	299
Net impairment of non-current assets (including goodwill) (see **Note 7**)	(8)	(6)	-	-	-	-	(15)

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

2022 *(in millions of euros)*	Canada	France	Norway	Germany	Other [b]	Total Group
Net sales at current metal prices [a]	1,487	1,228	963	896	3,794	8,369
Net sales at constant metal prices [a]	1,058	929	922	873	2,963	6,745
Non-current assets IFRS 8 (at December 31) [a]	37	195	490	162	1,250	2,133

(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.

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
Net sales at constant metal prices and perimeter, and 2022 exchange rates [a]	1,131	949	809	783	2,484	6,156
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.

C. Information by major customer

The Group did not have any customers that individually accounted for over 10% of its sales in 2022 or 2021.

Note 4. Revenue from contracts with customers

A. Consolidated sales

Consolidated sales can be analyzed as follows:

2022 *(Sales, in millions of euros)*	Building & Territories – Usages	Building & Territories – Distribution	Generation & Transmission	Telecom & data	Industry & Solutions	Other Activities	Total Group
Performance obligations satisfied at a point in time	2,492	1,295	93	334	1,718	1,597	7,529
Performance obligations satisfied over time	-	-	840	-	-	-	840
NET SALES	**2,492**	**1,295**	**933**	**334**	**1,718**	**1,597**	**8,369**

2021 *(Sales, in millions of euros)*	Building & Territories – Usages	Building & Territories – Distribution	Generation & Transmission	Telecom & data	Industry & Solutions	Other Activities	Total Group
Performance obligations satisfied at a point in time	2,119	1,022	68	330	1,473	1,626	6,639
Performance obligations satisfied over time	-	-	735	-	-	-	735
NET SALES	**2,119**	**1,022**	**804**	**330**	**1,473**	**1,626**	**7,374**

B. Contract assets and contract liabilities

Contract assets and contract liabilities can be analyzed as follows:

In millions of euros	December 31, 2022 – Sales of goods	December 31, 2022 – Goods and services contracts	December 31, 2021 – Sales of goods	December 31, 2021 – Goods and services contracts
Contract assets	-	198	-	42
Contract liabilities	(146)	(443)	(132)	(262)
TOTAL	**(146)**	**(245)**	**(132)**	**(221)**

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, 2021 are included in 2022 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 24 million euro negative change in contract assets and liabilities reflects:

- 80 million euro positive change corresponding to outstanding contract liabilities at December 31, 2021 that were recognized in revenue in 2022;
- 70 million euro negative effect of timing differences between 2022 billings and revenues recognized using the percentage of completion method;
- 10 million euro positive change corresponding to outstanding contract assets at December 31, 2021 that were billed in 2022;
- 50 million euro negative change for the 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 2,860 million euros, of which more than 60% should be satisfied over the next two years.

Note 5. Payroll costs and headcount

		2022	2021
Payroll costs (including payroll taxes)	*(in millions of euros)*	1,096	976
Average staff of consolidated companies	*(in number of employees)*	26,910	24,962

Payroll costs in the above table include share-based payments within the meaning of IFRS 2. These payments totaled 22 million euros in 2022 (including payroll taxes). See **Note 21** 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	2022	2021
Net asset impairment	7	0	(15)
Changes in fair value of non-ferrous metal derivatives		2	(6)
Net gains (losses) on asset disposals	8	54	15
Acquisition-related costs (completed and planned acquisitions)		(9)	(3)
Expenses and provisions for antitrust investigations		(1)	(1)
OTHER OPERATING INCOME AND EXPENSES		**46**	**(9)**

Note 7. Net asset impairment

In millions of euros	2022	2021
Impairment losses – non-current assets	(14)	(15)
Reversals of impairment losses – non-current assets	14	-
Impairment losses – goodwill	-	-
Impairment losses – assets and groups of assets held for sale	-	-
NET ASSET IMPAIRMENT	**0**	**(15)**

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**.).

The valuation of the Group's goodwill is carried out at the level of the Cash Generating Units (CGU) to which they are allocated. In the event of an unfavorable difference between the carrying amount and the recoverable amount, an impairment loss is recognized.

The Group integrated the challenges associated with the consequences of climate change and the commitments taken for the contribution to carbon neutrality in its approach to the review of the valuation of its assets, in particular *via* the following elements:

- the investments related to the commitments made in terms of objectives for the contribution to carbon neutrality are insignificant and have no consequences on the review of the valuation of the Group's assets;
- the forecasts of tensions on the copper market led the Group to include in its sensitivity tests the consequences of a possible 10% reduction in volume on the Building & Territories business. No such sensitivity test was performed on the other businesses: they are not affected by such a shortage, either because they are considered as a strategic activity, or because they are not very exposed to a potential reduction in the availability of copper.

A. Results of the impairment tests performed in 2022

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.

As indicated in **Note 2**, the Group is exposed to the conflict on Ukrainian soil through its presence in the west of the country *via* the three production sites for the Harness business. Due to the bombardments in the region and uncertainties about future activity due to the potential developments of the conflict and its consequences on the global economy, the Group has reviewed the valuation of the assets held in Ukraine as well as that of the Harness CGU.

In order to carry out the review of the valuation of Ukrainian assets, the Group has chosen to use a high discount rate of 26%, based on a risk premium in line with that of other countries in a strongly deteriorated situation such as Lebanon or Venezuela. The cash flows are based on the best available forecasts.

Following the test, impairment losses of 14 million euros were recognized on the property, plant and equipment of the Group's activities located in Ukraine.

In addition, the improved performance of the North America Industry & Solutions CGU and that of the Brazilian entity led the Group to recognize reversals of respectively 7 million euros on intangible assets (customer relations) and 7 million euros on tangible assets.

In 2021, the tests carried out had led to the recognition of impairment losses of 15 million euros on property, plant and equipment located in Lebanon, in connection with the crisis in this country.

With the exception of the North America Industry & Solutions CGU mentioned above, the review of the valuations at the level of the CGUs did not lead to the recognition of any impairment losses on the CGUs in either 2022 or 2021.

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, 2021	**70**	**61**	**31**	**28**	**51**	**240**
Business combinations	-	-	-	-	-	-
Disposals/acquisitions	-	42	-	-	-	42
Impairment losses	-	-	-	-	-	-
Exchange differences and other movements	(1)	5	(0)	2	-	7
DECEMBER 31, 2022	**69**	**108**	**31**	**29**	**52**	**289**

The goodwill of the South America Building & Territories CGU increased by 42 million euros due to the acquisition of the Centelsa group cf. **Note 12**.

No impairment loss on goodwill was recognized by the Group in 2022 or 2021.

C. Key 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	
	2022	2021	**2022**	2021
Europe (Euro Zone)	8.8%	6.5%	1.3%	1.5%
Chile	11.0%	8.0%	2.5%	2.5%
United States of America	10.0%	8.0%	1.9%	1.7%
Brazil	13.5%	10.0%	2.0%	2.1%
China	11.0%	9.5%	4.6%	4.9%
Peru	12.0%	10.0%	3.0%	3.2%
Norway	9.5%	7.5%	1.3%	1.4%
Australia	10.0%	8.0%	2.3%	2.6%
Ukraine	26.0%	6.5%	1.3%	1.5%
Lebanon	26.0%	25.0%	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 2023 Budget and the Strategic Plan). Cash flows are projected over a five-year period for the purpose of these assumptions.

D. Sensitivity analyses

The main assumptions described above are used for measuring the CGUs that are tested for impairment. Sensitivity analyses are performed to assess the effect on the calculations of changes in the assumptions. The method used consists of testing the effect of the following changes in assumptions:

- 50-basis point increase in the discount rate compared to the assumptions used;
- 50-basis point decrease in the perpetuity growth rate compared to the assumptions used;
- 50-basis point decrease in EBITDA margin (measure of business performance) compared to the assumptions used;
- a 10% reduction in the volume on the Building & Territories business to reflect a potential shortage of copper.

A decrease of 50 basis points in the perpetuity growth rate compared to the assumptions used would lead to the recognition of an additional impairment of 1 million euros on the individual assets of Ukraine.

A decrease of 50 basis points in the operational assumption of the EBITDA margin compared to the assumptions used would lead to the recognition of an additional impairment of 3 million euros on the individual assets in Ukraine.

The other sensitivity tests did not reveal any potential need to recognize additional impairment losses.

Note 8. Net gains (losses) on asset disposals

In millions of euros	2022	2021
Net gains (losses) on disposals of fixed assets	52	10
Net gains (losses) on disposals of investments	2	5
Other	-	-
NET GAINS (LOSSES) ON ASSET DISPOSALS	**54**	**15**

The Group recognized capital gains (losses) on disposals of 54 million euros in 2022 which mainly corresponding to the following items:

- the disposal of the industrial site in Hanover for 60 million euros, *i.e.* net proceeds of disposal of 55 million euros;
- the sale of the shares held in two entities in Senegal, one consolidated, the other not, for a net capital gain of 4 million euros.

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.

Note 9. Other financial income and expenses

In millions of euros	2022	2021
Dividends received from non-consolidated companies	2	5
Provisions	4	(51)
Net foreign exchange gain (loss)	(16)	(27)
Net interest expense on pensions and other long-term employee benefit obligations	(2)	(2)
Hyperinflation	(5)	-
Other	(4)	(4)
OTHER FINANCIAL INCOME AND EXPENSES	**(22)**	**(79)**

In 2022, the impairment recorded on cash deposits in Lebanon was partially reversed for 4 million euros due to the reduction in the balance of these deposits. The balance of the impairment amounted to 35 million euros at December 31, 2022, while the net balance of these deposits for 4 million euros remains classified in other net receivables, excluding cash and cash equivalents (see **Note 24**).

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, the total impairment losses recognized on Lebanese bank deposits amounted to 39 million euros. As a result, 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 19**);
- 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 included unrealized foreign exchange losses in countries whose currencies had depreciated significantly.

EFFECTS OF THE APPLICATION OF IAS 29 "HYPERINFLATION" IN TURKEY

As indicated in **Note 1**, the Group applies IAS 29 for its Turkish subsidiary and used the following indices to revalue the income statement, cash flows and non-monetary assets and liabilities at December 31, 2022:

- the consumer price inflation index "TUFE" published by the Turkstat organization, from December 2004 (last local application of the standard on hyperinflation). The latter increased by 64% over the period in 2022;
- the EUR/TRY exchange rate used for the translation of the income statement was 19.96 at December 31, 2022.

The first-time application of IAS 29 in 2022 resulted in an appreciation of 6 million euros in consolidated equity at the beginning of the year and was also reflected in the income statement for the period by:

- an increase in consolidated revenue for the period of around 6 million euros;
- an increase in the operating margin of around 1 million euros;
- other financial income and expenses include an expense of 5 million euros reflecting the consequence of hyperinflation on the net monetary position (see table at the beginning of the note).

Note 10. Income taxes

A. Analysis of the income tax charge

In millions of euros	2022	2021
Current income tax charge	(104)	(102)
Deferred income tax (charge) benefit, net	14	29
INCOME TAX CHARGE	**(90)**	**(72)**

Nexans heads up a tax group in France that comprised 12 companies in 2022. Other tax groups have been set up where possible in other countries, including 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*	2022	2021
Income before taxes	339	237
- of which share in net income of associates	(2)	(1)
INCOME BEFORE TAXES AND SHARE IN NET INCOME OF ASSOCIATES	**340**	**238**
Standard tax rate applicable in France (in %) [(a)]	25.83%	28.41%
THEORETICAL INCOME TAX CHARGE	**(88)**	**(68)**
Effect of:		
- Difference between foreign and French tax rates	1	4
- Change in tax rates for the period	0	(0)
- Unrecognized deferred tax assets	5	(3)
- Taxes calculated on a basis different from "Income before taxes"	(8)	(7)
- Other permanent differences	(2)	2
ACTUAL INCOME TAX CHARGE	**(90)**	**(72)**
EFFECTIVE TAX RATE *(IN %)*	**26.48%**	**30.42%**

(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 the 2022 fiscal year is limited as the taxes assessed on a basis other than pre-tax income are compensated by a higher recognition of deferred tax assets.

C. Taxes recognized directly in other comprehensive income

The taxes recognized directly in other comprehensive income at December 31, 2022 can be analyzed as follows:

In millions of euros	December 31, 2021	Gains (losses) generated during the year [(a)]	Amounts recycled to the income statement [(a)]	Total other comprehensive income (loss)	December 31, 2022
Currency translation differences	(8)	(0)	-	(0)	(8)
Cash flow hedges	(1)	11	1	12	11
TAX IMPACTS ON RECYCLABLE COMPONENTS OF COMPREHENSIVE INCOME [(b)]	**(10)**	**11**	**1**	**11**	**2**
Financial assets at fair value through other comprehensive income	0	-	N/A	-	0
Actuarial gains and losses on pensions and other long-term employee benefit obligations	42	(18)	N/A	(18)	24
TAX IMPACTS ON NON-RECYCLABLE COMPONENTS OF COMPREHENSIVE INCOME	**42**	**(18)**	**-**	**(18)**	**24**

(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, 2021	Impact on income	Change in consolidation scope	Impact on equity	Exchange differences and other	December 31, 2022
Fixed assets	(36)	(1)	(35)	-	14	(58)
Other assets	(87)	16	1	-	2	(68)
Employee benefit obligations	45	7	0	(18)	(0)	34
Provisions for contingencies and charges	6	8	0	-	1	14
Other liabilities	19	13	(0)	0	0	32
Derivatives (metal & exchange)	(1)	(6)		12	(0)	4
Unused tax losses	634	(38)	1	-	(10)	587
DEFERRED TAX ASSETS (GROSS) AND DEFERRED TAX LIABILITIES	**579**	**(2)**	**(34)**	**(6)**	**6**	**544**
Unrecognized deferred tax assets	(584)	16	-	0	(5)	(573)
NET DEFERRED TAXES	**(5)**	**14**	**(34)**	**(6)**	**1**	**(30)**
• of which recognized deferred tax assets	112					122
• of which deferred tax liabilities	(117)					(151)

At December 31, 2022, deferred tax assets in amount of 573 million euros were not recognized as the Group deemed that their recovery was not sufficiently probable (584 million euros at December 31, 2021). 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 587 million euros at December 31, 2022 (634 million euros at December 31, 2021). The main entities to which these tax losses related at those dates were as follows:

- French subsidiaries, in an amount of 257 million euros (246 million euros at December 31, 2021), of which 8 million euros were recognized in deferred tax assets at December 31, 2022 (8 million euros at December 31, 2021);
- German subsidiaries, in an amount of 165 million euros (220 million euros at December 31, 2021), of which 26 million euros were recognized in deferred tax assets at December 31, 2022 (22 million euros at December 31, 2021).

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*	2022	2021
Year Y+1	2	2
Years Y+2 to Y+4	15	16
Year Y+5 and subsequent years [(a)]	570	616
TOTAL	**587**	**634**

(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:

	2022	2021
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT [(a)]	**245**	**164**
Average number of shares outstanding	43,528,978	43,694,611
Average number of dilutive instruments [(b)]	1,349,278	1,133,302
Average number of diluted shares	44,878,256	44,827,913
ATTRIBUTABLE NET INCOME PER SHARE		
- Basic earnings per share [(c)]	5.64	3.76
- Diluted earnings per share [(c)]	5.47	3.66

(a) In millions of euros. In 2022 and 2021, attributable net income corresponded to adjusted net income attributable to owners of the parent.
(b) Dilutive instruments in 2021 corresponded to free share and performance share rights.
(c) In euros.

Note 12. Goodwill

The evolution of goodwill in 2022 (289 million euros as at December 31, 2022 *versus* 240 million euros as at December 31, 2021) is mainly related to the acquisition of Centelsa and to a lesser extent to changes in exchange rates over the period as the main goodwill items are expressed in foreign currencies as they relate to the Australian (Olex), South American (Madeco) and North American (AmerCable) acquisitions.

All goodwill are tested for impairment as soon as there is an indication of impairment and at least once a year, according to the methods and assumptions described in **Note 1**. No impairment was recognized on goodwill as of December 31, 2022 and December 31, 2021.

GOODWILL ASSOCIATED WITH THE ACQUISITION OF THE CENTELSA GROUP

The acquisition was paid in full in cash for an acquisition cost of the shares of 122 million euros accompanied by the immediate repayment by the Group of all the financial debt to the previous shareholder of Centelsa at the date of the acquisition, *i.e.* 90 million euros.

The price paid does not include any earn-out clause.

The amount paid net of cash acquired for 7 million euros therefore ultimately amounts to 205 million euros at December 31, 2022.

The acquisition price used to calculate the goodwill also includes the fair value of the Cobrecon entity, formerly accounted for using the equity method, for 13 million euros. This item has no impact on cash.

The goodwill recognized before allocation to identifiable assets and liabilities amounted to 75 million euros on the date of entry into the scope of consolidation.

The table below shows the main elements used to determine the goodwill before allocation:

In millions of euros	Centelsa 2022 acquisition
Purchase price [(a)]	122
- of which portion paid in cash and cash equivalents	122
Purchase price of shares (1)	**122**
Repayment of previous shareholder's debt	90
Repayment of debt (2)	90
Fair value of Cobrecon	13
Fair value of entities previously held as equity investments (3)	**13**
Assets	
Non-current assets (including financial assets)	84
Inventories	80
Receivables	91
Cash and cash equivalents	7
Deferred taxes assets	0
Other assets	13
Liabilities	
Provisions	0
Deferred taxes liabilities	14
Borrowings and debt [(b)]	51
Other liabilities	60
Net attributable assets acquired (4)	**150**
GOODWILL (1)+(2)+(3)-(4)	**75**

(a) The entire acquisition price was paid in cash and cash equivalents.
(b) All of Centelsa's external financial debt was retained and was not repaid by the Group at the time of the acquisition.

The corresponding acquisition costs amounted to 3 million euros in 2022 and were recognized in the income statement in accordance with IFRS 3. In accordance with the Group's accounting principles (see **Note 1.D**), they are presented on the specific line "Related costs on acquisitions and proposed acquisitions" within "Other operating income and expenses" (see **Note 5**).

PROVISIONAL ALLOCATION ON ACQUISITION OF CENTELSA

In accordance with the provisions of IFRS 3, the allocation of the acquisition cost to the fair value of the assets, liabilities and contingent liabilities acquired was carried out during the second half of 2022.

The change between the initial goodwill of Centelsa of 75 million euros in the financial statements as of December 31, 2022 and the goodwill after allocation of 42 million euros can be broken down as follows:

In millions of euros	References	Centelsa 2022 acquisition
GOODWILL BEFORE PURCHASE PRICE ALLOCATION AS OF APRIL 1, 2022		**75**
Allocation to property, plant and equipment	(1)	(3)
Allocation to trademarks	(2)	14
Allocation to customer relationships	(2)	48
Allocation to inventories	(3)	1
Provisions	(4)	(8)
Net deferred tax liabilities	(5)	(20)
GOODWILL AFTER PURCHASE PRICE ALLOCATION AS OF APRIL 1, 2022		**42**

(1) During the 2022 fiscal year, the Group assessed the fair value of all of the Centelsa Group's tangible assets: land, buildings and industrial equipment in the various countries in which it operates. This assessment was carried out with the assistance of consulting firms specializing in the real estate sector.

(2) Over the same period, Nexans also measured the Centelsa Group's intangible assets. Two significant categories of intangible assets have been identified and valued with the assistance of specialized consulting firms:

- Brands, which were considered to have an indefinite useful life and are therefore not amortized.
- Customer relationships, considered as having a definite lifespan.

(3) Valuation of inventories at their fair value on the acquisition date.

(4) The Group has identified the fair value of the liabilities and contingent liabilities at the acquisition date, taking into account the sharing of risks between the buyer and the seller, in particular according to the liability guarantee clauses.

(5) Deferred taxes recognized as part of the acquisition price allocation: they cover the deferred taxes recognized on the allocations of the goodwill to the tangible and intangible assets acquired as well as to the liabilities and contingent liabilities identified at the acquisition date.

Given the appreciation of the US dollar against the euro between April 1 and December 31, 2022, the final goodwill amounted to 44 million euros as of December 31, 2022.

It should be noted that this provisional goodwill will become definitive at the end of a period of 12 months following the acquisition, *i.e.* on April 1, 2023.

Note 13. Intangible assets

In millions of euros	Trademarks	Customer relationships	Software	Intangible assets in progress	Other	Total
Gross value	56	194	112	13	66	440
Accumulated amortization and impairment	(26)	(183)	(96)	-	(26)	(330)
NET AT JANUARY 1, 2022	**31**	**11**	**16**	**13**	**40**	**110**
Acquisitions and capitalizations	5	-	1	10	-	16
Disposals	-	-	(0)	(0)	(9)	(9)
Amortization expense for the year	-	(5)	(7)	-	(3)	(15)
Impairment losses, net of reversals [(a)]	-	7	-	-	-	7
Changes in Group structure	14	48	0	-	(0)	62
Exchange differences and other	2	2	6	(8)	1	3
NET AT DECEMBER 31, 2022	**51**	**63**	**16**	**15**	**30**	**175**
Gross value	77	249	118	15	58	516
Accumulated amortization and impairment	(26)	(185)	(102)	(0)	(28)	(342)

(a) See ***Note 7****.*

Note 14. 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	979	2,296	156	112	314	3,857
Accumulated amortization and impairment	(589)	(1,630)	(46)	(1)	(149)	(2,415)
NET AT JANUARY 1, 2022	**390**	**666**	**111**	**110**	**165**	**1,442**
Acquisitions and capitalizations	5	36	28	240	6	316
Disposals	(9)	1	-	(0)	(1)	(9)
Amortization expense for the year	(27)	(94)	(29)	-	(14)	(163)
Impairment losses, net of reversals [(a)]	(5)	(2)	-	-	-	(7)
Changes in Group structure	41	33	-	2	1	77
Exchange Differences and other	36	31	(6)	(73)	1	(11)
NET AT DECEMBER 31, 2022	**432**	**671**	**104**	**279**	**158**	**1,645**
Gross value	1,014	2,362	169	281	304	4,129
Accumulated amortization and impairment	(581)	(1,691)	(64)	(1)	(146)	(2,484)

(a) See ***Note 7****.*

Right-of-use assets primarily concern real estate leases for 94 million euros at December 31, 2022 (98 million euros at December 31, 2021).

Note 15. Investments in associates – Summary of financial data

A. Equity value

At December 31, *in millions of euros*	% control	2022	2021
Qatar International Cable Company	30.33%	11	12
Cobrecon		N/A	5
Colada Continua	41.00%	4	4
Recycables	36.50%	4	3
IES Energy	27.80%	6	8
TOTAL		**25**	**32**

Cobrecon was 50% owned before the acquisition of the remaining capital through the integration of Centelsa within the Group.

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*	2022	2021
Property, plant and equipment and intangible assets	91	103
Current assets	125	177
TOTAL CAPITAL EMPLOYED	**216**	**281**
Equity	85	100
Net financial debt	12	36
Other liabilities	124	145
TOTAL FINANCING	**216**	**281**

CONDENSED INCOME STATEMENT

In millions of euros	2022	2021
Sales at current metal prices	416	371
Operating income	(4)	(1)
Net income	(8)	(4)

Note 16. Other non-current assets

At December 31, *in millions of euros, net of impairment*	2022	2021
Long-term loans and receivables	20	20
Shares in non-consolidated companies	19	22
Pension plan assets	72	53
Derivative instruments	11	10
Other	16	13
TOTAL	**137**	**118**

The maturity schedule for non-current assets at December 31, 2022 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	18	2
Derivative instruments	11	11	-
Other	16	3	12
TOTAL	**47**	**32**	**14**

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, 2021	**15**	**(0)**
Additions	1	-
Disposals/reversals	(1)	-
Other [(a)]	0	0
AT DECEMBER 31, 2022	**15**	**(0)**

(a) The "Other" line corresponds to reclassifications that had no income statement impact and changes in Group structure.

Note 17. Inventories and work in progress

At December 31, *in millions of euros*	2022	2021
Raw materials and supplies	698	624
Industrial work in progress	362	350
Finished products	438	385
GROSS VALUE	**1,498**	**1,359**
Impairment	(66)	(43)
NET VALUE	**1,432**	**1,316**

Note 18. Trade receivables

At December 31, *in millions of euros*	2022	2021
Gross value	958	973
Impairment	(23)	(26)
NET VALUE	**935**	**947**

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 27.D** for details on the Group's policy for managing customer credit risk):

In millions of euros	At January 1	Additions	Utilizations	Reversals	Changes in Group structure	Other (currency translation differences…)	At December 31
2022	**26**	**3**	**(0)**	**(4)**	**(1)**	**(1)**	**23**
2021	36	0	(6)	(5)		(0)	26

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, 2022	**18**	**9**
At December 31, 2021	9	6

At December 31, 2022 and 2021, 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 19. Other current assets

At December 31, *in millions of euros*	2022	2021
Prepaid and recoverable income taxes	28	34
Other tax receivables	109	71
Cash deposits paid	9	12
Prepaid expenses	23	20
Other receivables, net	89	54
NET VALUE	**259**	**190**

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 27.C**) is presented under "Cash deposits paid" in the above table and amounted to 6 million euros at December 31, 2022 (7 million euros at December 31, 2021).

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 amount to 4 million euros as of December 31, 2022. Refer to **Note 9** for details of changes in impairment losses recognized in 2022.

Note 20. Change in working capital requirement

The change in working capital mentioned in the statement of cash flows in **5.1.5** is detailed below:

At December 31, *in millions of euros*	2022	2021
Inventories and work in progress	(99)	(265)
Trade receivables and other receivables	(129)	(64)
Trade payables and other debts	331	446
DECREASE (INCREASE) IN WORKING CAPITAL	**104**	**117**

Note 21. Equity

A. Composition of capital stock

At December 31, 2022, Nexans S.A.'s capital stock comprised 43,753,380 fully paid-up shares, each with a par value of 1 euro and a single voting right (43,755,627 shares at December 31, 2021).

B. Dividend payment

At the Shareholders' Meeting, shareholders will be invited to approve the payment of a dividend of 2.10 euros per share, representing an aggregate payout of 92 million euros based on the 43,753,380 shares making up the Company's capital stock at December 31, 2022.

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, 2023 and the date on which the Shareholders' Meeting is called to approve the dividend payment.

At the Combined Shareholders' Meeting held on May 11, 2022 to approve the financial statements for the year ended on December 31, 2021, the Company's shareholders authorized payment of a dividend of 1.20 euros per share, representing an aggregate 52 million euros based on the 43,337,074 ordinary shares (excluding treasury shares) making up the Company's capital stock on the May 18, 2022 dividend payment date.

C. Treasury stock

Movements in treasury stock in 2021 and 2022 are presented below:

	Notes	Number of treasury stock
AS OF DECEMBER 31, 2020		**107,155**
Share buyback program [(a)]		90,000
Grant to employees		(106,368)
Liquidity contract (purchases)/sales	21.D	27,951
AS OF DECEMBER 31, 2021		**118,738**
Share buyback program [(b)]		254,144
Grant to employees	21.D	(80,480)
Liquidity contract (purchases)/sales		0
AS OF DECEMBER 31, 2022		**292,402**

(a) Corresponding to share purchases under the buyback program approved by the Board of Directors on July 27, 2021.
(b) Corresponding to share purchases under the buyback program approved by the Board of Directors on May 11, 2022.

Between January 1, 2022 and December 31, 2022, 848,277 shares were bought back under this contract for 75 million euros and 848,277 shares were resold for 75 million euros, representing a net decrease in equity of 0 million euros.

D. Free shares and performance shares

The Group allocated an aggregate 358,865 free shares and performance shares in 2022, and 435,895 in 2021.

At December 31, 2022, there were 1,331,425 free shares and performance shares outstanding, each entitling their owner to one share on vesting, representing a total of 3.04% of the Company's capital stock (1,227,765 shares at December 31, 2021 representing 2.8% of the Company's capital stock).

The free shares and performance shares outstanding at December 31, 2022 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 13, 2018	211,100	0	March 13, 2022
July 27, 2018	39,717	0	July 27, 2021
July 27, 2018	14,500	0	July 27, 2022
March 19, 2019	319,700	278,100	March 19, 2023
March 17, 2020	340,650	305,950	March 17, 2024
March 18, 2021	333,145	304,190	March 18, 2025
September 30, 2021	100,000	93,200	March 17, 2023
November 8, 2021	2,750	2,750	November 8, 2025
March 17, 2022	348,765	337,135	March 17, 2026
October 25, 2022	10,100	10,100	March 17, 2026
TOTAL	**1,720,427**	**1,331,425**	

B. MOVEMENTS IN OUTSTANDING FREE SHARES AND PERFORMANCE SHARES

	Number of shares
SHARES OUTSTANDING AT BEGINNING OF YEAR	**1,227,765**
Shares granted during the year	358,865
Shares canceled during the year	(174,725)
Shares vested during the year [a]	(80,480)
SHARES OUTSTANDING AT THE YEAR-END	**1,331,425**

(a) Including 80,480 shares allocated from treasury stock.

C. VALUATION OF FREE SHARES AND PERFORMANCE SHARES

The assumptions applied to value the shares impacting income for 2022 and 2021 were as follows:

Grant date	March 13, 2018	July 27, 2018	March 19, 2019	March 17, 2020	March 18, 2021	September 30, 2021	November 8, 2021	March 17, 2022	October 25, 2022
Share price at grant date *(in euros)*	44.64	29.28	28.22	24.77	70.85	79.6	87.2	84.5	98.8
Vesting period	4 years	3-4 years	4 years	4 years	4 years	3-4 years	4 years	4 years	3-4 years
Volatility *(%)* [a]	35%	42%	35%	38%	44%	41%	41%	41%	41%
Risk-free interest rate *(%)*	0.02%	0.00%	-0.22%	-0.32%	-0.55%	-0.58%	-0.58%	0.03%	2.30%
Dividend rate *(%)*	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Fair value of each share *(in euros)*	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	48.87-78.00	70.44-92.32

(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 14 million euros in 2022 (8 million euros in 2021).

E. Employee share ownership plan

As part of the employee share ownership transaction described in **Note 2**, 497,753 new shares were created, including 490,473 shares subscribed by Group employees through the corporate mutual fund or by Société Générale as part of the structuring of the alternative formula. The balance, *i.e.* 7,280 shares, corresponds to the free shares issued as part of the matching contribution.

The expense relating to this plan was recognized in the first half of 2022 for an amount of 3 million euros including the contribution, and takes into account a cost of non-transferability for employees in the countries in which the implementation of a corporate mutual fund was possible.

As the subscription price is 62.25 euros per share in France, and 71.14 euros outside France, the total increase in shareholders' equity amounts to 33.6 million euros, premium included, for a capital increase of 0.5 million euros.

In order to limit the dilutive effect, and in accordance with the decision of the Board of Directors of July 26, 2022, a capital reduction was also carried out by canceling 500,000 treasury shares, *i.e.* a capital decrease of 0.5 million euros.

F. Put options granted to non-controlling interests

At December 31, 2022, there were no longer any outstanding put options on non-controlling interests.

Note 22. 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. Key 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 (equivalent average) rates used for the main countries concerned are listed below (together, these countries represented some 95% of the Group's pension obligations at December 31, 2022).

	Discount rate 2022	Estimated future salary increases 2022	Discount rate 2021	Estimated future salary increases 2021
France	3,15% - 3,80%	1,90% - 2,40%	0.90%	1,80% - 2,30%
Germany	3,15% - 3,80%	3.00%	0,90% - 1,00%	3.00%
Norway	3.60%	N/A	2.05%	N/A
Switzerland	2.15%	1.10%	0.25%	1.00%
Canada	4.95%	3.60%	2.90%	3.50%
United States	5.25%	N/A	2.85%	N/A
South Korea	4.85%	3.00%	3.10%	3.00%
Australia	4.85%	2.50%	1.65%	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)*	2022	2021
Service cost	(11)	(12)
Net interest expense	(2)	(2)
Actuarial gains (losses) (on jubilee benefits)	3	(0)
Past service cost	(1)	1
Effect of curtailments and settlements	0	-
Other	(4)	-
NET COST FOR THE YEAR	**(15)**	**(13)**
• of which operating cost	(14)	(11)
• of which finance cost	(2)	(2)

Valuation of defined benefit obligation *(in millions of euros)*	2022	2021
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AT JANUARY 1	**739**	**794**
Service cost	11	12
Interest expense	9	7
Employee contributions	2	2
Plan amendments	1	0
Business acquisitions and disposals	-	-
Plan curtailments and settlements	(0)	(0)
Benefits paid	(48)	(56)
Actuarial (gains) losses	(144)	(42)
Exchange differences and other	19	22
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AT DECEMBER 31	**588**	**739**

Plan assets *(in millions of euros)*[(a)]	2022	2021
FAIR VALUE OF PLAN ASSETS AT JANUARY 1	**490**	**459**
Interest income	7	5
Actuarial gains (losses)	(55)	25
Employer contributions	6	11
Employee contributions	2	2
Business acquisitions and disposals	-	-
Plan curtailments and settlements	-	-
Benefits paid	(30)	(37)
Exchange differences and other	16	26
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	**436**	**490**

(a) The coverage of the obligations does not include the unrecognized surplus (due to asset limitations), presented in the funded status table below.

Funded status *(in millions of euros)*	2022	2021
Present value of wholly or partially funded benefit obligations	(392)	(498)
Fair value of plan assets	436	490
FUNDED STATUS OF BENEFIT OBLIGATION	**44**	**(8)**
Present value of unfunded benefit obligation	(196)	(240)
BENEFIT OBLIGATION NET OF PLAN ASSETS	**(152)**	**(249)**
Unrecognized surplus (due to asset ceiling)	(8)	-
NET PROVISION RECOGNIZED AT DECEMBER 31	**(160)**	**(249)**
• of which pension assets	72	53

Change in net provision *(in millions of euros)*	2022	2021
NET PROVISION RECOGNIZED AT JANUARY 1	**249**	**335**
Expense (income) recognized in the income statement	15	13
Expense (income) recognized in other comprehensive income	(78)	(67)
Utilization	(25)	(30)
Other impacts (exchange differences, acquisitions/disposals, etc.)	(2)	(2)
NET PROVISION RECOGNIZED AT DECEMBER 31	**160**	**249**
• of which pension assets	72	53

C. Significant events of the year

Actuarial gains recognized in 2022 were mainly due to the higher discount rates applied, partially compensated by the lower return on plan assets.

The Group's employer contributions relating to defined benefit plans are estimated at 4 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 95 million euros in 2022 (91 million euros in 2021).

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 interest on the net defined benefit obligation).

D. Analysis of actuarial gains and losses

Actuarial gains and losses arising on the Group's defined benefit obligation (DBO) can be analyzed as follows:

	2022		2021	
	in millions of euros	**% of DBO**	*in millions of euros*	% of DBO
Discount rate	(146)	-25%	(30)	-4%
Salary increases	1	0%	-	0%
Mortality	(2)	0%	(3)	0%
Staff turnover	-	0%	1	0%
Inflation rate	4	1%	(3)	0%
Other changes in assumptions	2	0%	(3)	0%
(GAINS)/LOSSES FROM CHANGES IN ASSUMPTIONS	**(142)**	**-24%**	**(35)**	**-5%**
(GAINS)/LOSSES FROM PLAN AMENDMENTS	**-**	**0%**	**-**	**0%**
(GAINS)/LOSSES FROM EXPERIENCE ADJUSTMENTS	**(2)**	**0%**	**(7)**	**-1%**
OTHER	**-**	**0%**	**-**	**0%**
TOTAL (GAINS)/LOSSES ARISING DURING THE YEAR	**(144)**	**-24%**	**(42)**	**-6%**

E. Breakdown of plan assets by category

The Group's portfolio of plan assets breaks down as follows:

	2022		2021	
At December 31	*in millions of euros*	*% of DBO*	*in millions of euros*	*% of DBO*
Equities [a]	145	33%	165	34%
Bonds and other fixed income products [a]	166	38%	187	38%
Real estate	83	19%	93	19%
Cash and cash equivalents	7	2%	8	2%
Other	36	8%	38	8%
FAIR VALUE OF PLAN ASSETS	**436**	**100%**	**490**	**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:

	2022		
At December 31	**Actual DBO** *in millions of euros*	**Adjusted DBO** *in millions of euros*	**% change**
Europe	410	428	4.60%
North America	144	151	5.00%
Asia	16	16	3.80%
Other countries	19	20	2.90%
TOTAL	**588**	**616**	**4.62%**

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	2022 Actual DBO *in millions of euros*	2022 Adjusted DBO *in millions of euros*	2022 % change
Europe	410	419	2.38%
North America	144	144	0.00%
Asia	16	16	0.00%
Other countries	19	20	3.25%
TOTAL	**588**	**599**	**1.76%**

G. Characteristics of the main defined benefit plans and associated risks

The Group's main defined benefit plans are in Switzerland (34% of total benefit obligations as of December 31, 2022) and Germany (24% of total benefit obligations as of December 31, 2022).

SWITZERLAND

The pension plan of Nexans Suisse SA 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 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.

In addition, Nexans Suisse SA is exposed to a lifetime risk concerning the commitment. Indeed, three-quarters of commitments relate to retirees.

The weighted average life of the plan is approximately 10 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 is not funded.

Members are also covered against the risk of disability. 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.

In addition, Nexans Deutschland GmbH is exposed to a lifetime risk and pension indexation risk concerning the commitment. In fact, more than 80% of commitments relate to retirees.

The weighted average life of the plan is approximately 9 years.

Note 23. Provisions

A. Analysis by nature

At December 31, *in millions of euros*	2022	2021
Accrued contract costs	70	45
Provisions for reorganization costs	25	44
Other provisions	82	79
TOTAL	**177**	**168**

The movements in these provisions were as follows:

in millions of euros	Total	Accrued contract costs	Provisions for reorganization	Other provisions
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**
Additions	53	41	8	5
Reversals (utilized provisions)	(29)	(7)	(21)	(1)
Reversals (surplus provisions)	(19)	(9)	(6)	(4)
Business combinations	-	-	-	-
Exchange differences and other	3	(0)	0	3
AT DECEMBER 31, 2022	**177**	**70**	**25**	**82**

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 30**). 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 66 million euros at December 31, 2022 and 67 million euros at December 31, 2021 (see **Note 30**).

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 39 million euros in 2022, 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	4	(0)	(3)	1
Other costs for the year	12	-	26	38
TOTAL REORGANIZATION COSTS	**16**	**(0)**	**23**	**39**

(a) Presented as a deduction from the corresponding assets in the consolidated balance sheet.

As was the case in previous years, wherever possible the reorganization plans implemented by the Group in 2022 included assistance measures negotiated with employee representative bodies as well as measures aimed at limiting lay-offs and facilitating redeployment.

The costs also included costs directly related to the transformation program announced by the Group on November 9, 2018 and February 17, 2021 (20 million euros in 2022 *versus* 19 million euros in 2021); and costs 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 (3 million euros in 2022 *versus* 5 million euros in 2021).

Note 24. Net debt

On February 16, 2022, Standard & Poor's upgraded its long-term rating for the Group from BB to BB+ with a stable outlook. The rating did not change as of December 31, 2022.

As of December 31, 2021, the Group's long-term debt was rated BB by Standard & Poor's with a positive outlook.

A. Analysis by nature

At December 31, *in millions of euros*	Notes	2022	2021
Long-term – ordinary bonds [(a)]	24.C	200	524
Other long-term borrowings [(a)]	24.D	229	121
TOTAL LONG-TERM DEBT [(b)]		**429**	**645**
Short-term – ordinary bonds [(a)]	24.C	325	-
Short-term borrowings and short-term accrued interest not yet due [(b)]	24.D	449	281
Short-term bank loans and overdrafts		4	5
TOTAL SHORT-TERM DEBT [(b)]		**778**	**285**
GROSS DEBT [(b)]		**1,207**	**930**
Cash		(1,084)	(917)
Cash equivalents		(50)	(56)
NET DEBT (CASH) EXCLUDING LEASE LIABILITIES		**73**	**(42)**
Lease liabilities [(c)]		110	116
NET DEBT		**182**	**74**

(a) Excluding short-term accrued interest not yet due and lease liabilities.
(b) Excluding lease liabilities.
(c) Out of the total lease liabilities recognized, 82 million euros corresponded to non-current liabilities and the balance to current liabilities. The related interest expense amounted to 4 million euros in 2022.

As of December 31, 2022, as for 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 19**).

B. Change in gross debt

in millions of euros	December 31, 2021	New borrowings/ repayments	Change in consolidation scope	Change in accrued interest	Transfers from long-term to short-term	Other [(a)]	December 31, 2022
Long-term – ordinary bonds	524	-	-	-	(324)	0	200
Other long-term borrowings	121	200	42	-	(136)	2	229
Short-term – ordinary bonds	-	-	-	-	324	0	325
Other short-term borrowings	271	25	8	-	136	(3)	436
Lease liabilities	116	(27)	-	(0)	-	21	110
Short-term accrued interest not yet due	10	N/A	-	1	-	2	13
GROSS DEBT EXCLUDING SHORT-TERM BANK LOANS AND OVERDRAFTS	**1,042**	**198**	**50**	**0**	**(0)**	**22**	**1,312**

(a) Including the non-cash impacts of new leases signed during the year.

C. Ordinary bonds

in millions of euros	Carrying amount at end-2022	Face value at issue date	Maturity date	Nominal interest rate
Ordinary bonds redeemable in 2023	330	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. This five-year fixed-rate issue (maturing on August 8, 2023) carried an annual coupon of 3.75%. 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 and an annual coupon of 2.75%. The bonds were issued at par.

D. Other borrowings

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.

On April 5, 2022, Nexans drew down the entire financing line, *i.e.* an amount of 200 million euros. The loan, repayable at maturity, has a maturity of five years (maturing on April 5, 2027) and carries a fixed-rate annual coupon of 1.93%.

Accrued interest not yet due amounted to 3 million euros at December 31, 2022.

The amount recognized under "Other long-term borrowings" at December 31, 2022 includes the 90 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. Since June 2021, the redemption currency has been the euro and the variable interest rate is indexed to the three-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.

This debt is subject to covenants described in **Note 27.A**.

Short-term debt also includes 273 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

	Weighted average EIR [a] *(%)*		in millions of euros	
At December 31, excluding short-term accrued interest not yet due	2022	2021	2022	2021
Ordinary bonds redeemable in 2023	N/A	3.89%	-	324
Ordinary bonds redeemable in 2024	2.87%	2.87%	200	199
Short-term bank loans and overdrafts	1.93%	N/A	200	N/A
Other	3.85%	2.85%	29	121
TOTAL LONG-TERM DEBT [b]	**2.50%**	**3.38%**	**429**	**645**

(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 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 in Côte d'Ivoire, in Colombia or in Brazil.

SHORT-TERM DEBT

	Weighted average EIR [(a)] *(%)*		*In millions of euros*	
At December 31	2022	2021	2022	2021
Euro – Ordinary bonds redeemable in 2023	3.89%	N/A	325	N/A
Euro – Others	0.66%	0.58%	368	238
US dollar	6.57%	4.16%	24	7
Other	8.53%	4.94%	49	30
TOTAL SHORT-TERM DEBT EXCLUDING ACCRUED INTEREST [(b)]	**2.72%**	**1.15%**	**766**	**275**
Accrued interest (including short-term accrued interest on long-term debt)	N/A	N/A	12	10
TOTAL SHORT-TERM DEBT [(b)]	**2.72%**	**1.15%**	**778**	**285**

(a) Effective interest rate.
(b) Excluding lease liabilities.

At December 31, 2022, short-term debt in euros consists mainly of the outstanding commercial paper mentioned in **Note 27.A**, and the loan taken out by Nexans Norway to finance the construction of the Aurora cable-laying vessel (see **Note 27.A**).

US dollar-denominated debt primarily concerns Colombia.

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 (Brazil and Colombia). 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 27.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, 2022

	Due within 1 year		Due in 1 to 5 years		Due beyond 5 years		Total	
In millions of euros	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Ordinary bonds redeemable in 2023	325	12	-	-	-	-	325	20
Ordinary bonds redeemable in 2024	-	6	200	6	-	-	200	12
Other long-term borrowings	-	4	200	15	-	-	200	19
Short-term bank loans and overdrafts	441	5	21	2	8	0	471	7
Lease liabilities	27	3	59	7	24	2	110	13
TOTAL	**793**	**30**	**480**	**30**	**32**	**2**	**1,036**	**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, 2022;
- 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, 2022 for variable-rate borrowings (see **Note 24.D** above).

Note 25. Trade payables and other current liabilities

At December 31, *in millions of euros*	2022	2021
TRADE PAYABLES	**1,735**	**1,622**
Social liabilities	231	215
Current income tax payables	86	102
Other tax payables	20	33
Deferred income	0	1
Other payables	125	72
OTHER CURRENT LIABILITIES	**461**	**422**

At December 31, 2022, trade payables included approximately 405 million euros (370 million euros at December 31, 2021) 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, 2022 (1 million euros at December 31, 2021).

Note 26. Derivative instruments

	December 31, 2022							December 31, 2021		
In millions of euros	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						**36**	**38**		**33**	**24**
Forward sales	645	1,568	1,642	184	4,039			2,630		
Forward purchases	646	2,029	1,068	292	4,036			2,639		
FOREIGN EXCHANGE DERIVATIVES – ECONOMIC HEDGES						**7**	**21**		**16**	**16**
Forward sales	353	648	633	646	2,280			1,216		
Forward purchases	628	330	1,014	290	2,263			1,205		
Metal derivatives	Copper	Aluminum	Lead	Other	Total	Assets	Liabilities	Notional amounts	Assets	Liabilities
METAL DERIVATIVES – CASH FLOW HEDGES						**19**	**15**		**27**	**12**
Forward sales	206	24	3	-	232			270		
Forward purchases	539	64	57	-	660			584		
METAL DERIVATIVES – ECONOMIC HEDGES						**-**	**-**		**-**	**-**
Forward sales	-	-	-	-	-			-		
Forward purchases	-	-	-	-	-			-		
TOTAL FOREIGN EXCHANGE AND METAL DERIVATIVES						**62**	**74**		**75**	**52**

FOREIGN EXCHANGE DERIVATIVES

In 2022, the loss relating to the ineffective portion of the Group's foreign exchange derivatives amounted to 2 million euros. 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 28 million euro net loss on cash flow hedges was recognized in the consolidated statement of comprehensive income and a net loss of 17 million euros was recycled to the income statement.

METAL DERIVATIVES

In 2022, the ineffective portion of gains or losses arising on the fair value remeasurement of metal derivatives designated as cash flow hedges represented a non-material amount that was recognized in the consolidated income statement on the line "Changes in fair value of non-ferrous metal derivatives" in "Other operating income and expenses".

An aggregate 36 million euro net loss was recognized in the consolidated statement of comprehensive income for metal derivatives designated as cash flow hedges and a 24 million euro gain was recycled to the income statement.

Note 27. 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, 2022 are located in Morocco, Lebanon, China, South Korea, Peru, Brazil, Chile, Ghana 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, 2022, only subsidiaries in Australia, New Zealand and China had direct access to such markets.

A. Liquidity risk

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 24** 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, 2022, 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 19**).

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 24**);
- a medium-term syndicated credit facility renewed on October 25, 2022 and now representing an amount of 800 million euros, lasting five years with two extension options of one year each;
- a loan facility granted by the European Investment Bank (EIB) for an amount of 200 million euros, fully drawn in April 2022;
- a negotiable debt securities program signed on December 21, 2018 for a maximum amount of 400 million euros, and increased to 600 million euros on November 15, 2021. Outstanding amounted to 273 million euros at December 31, 2022 (209 million euros at December 31, 2021);

- as of December 31, 2022, Nexans France SAS had sold 45 million euros worth of receivables under a securitization program set up in the second half of 2021 (25 million euros in 2021);
- the other main receivables securitization and factoring programs in 2022 concern Norway and Sweden.

  In Norway, receivables sold under the factoring program totaled 16 million euros at December 31, 2022 (26 million euros at December 31, 2021);

  In Sweden, receivables sold under the factoring program totaled 29 million euros at December 31, 2022 (27 million euros at December 31, 2021);

  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 October 25, 2022, the Group signed a new syndicated credit agreement for an amount of 800 million euros, replacing the syndicated credit agreement signed in 2018. The maturity date is October 25, 2027. It includes two extension options of one year each, possibly extending its final maturity to October 25, 2029.

On October 6, 2021, the European Investment Bank (EIB) granted Nexans a loan facility in the amount of 200 million euros, intended to promote its active participation in the global energy transition and its commitment to contribute to achieving carbon neutrality by 2030.

In April 2022, the Group drew down this financing for an amount of 200 million euros. The repayment will take place in April 2027.

The 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, 2022 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.

On December 31, 2022, and following the collection of significant prepayments from customers which impacted the balance sheet at year-end, the equity to asset ratio was below the contractual threshold. As a consequence, the loan is fully presented in the short-term debt for the 90 million euro balance. Beginning of January 2023, a capital increase was made and a retroactive amendment was signed, thus enabling to sustainably remediate to the breach of the ratio.

The Group's ratios as of June 30, 2022 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.

The syndicated loan agreement and the European Investment Bank (EIB) loan contain standard covenants (negative pledge, cross default, *pari passu* and change of control clauses), which, if breached, could accelerate repayment of the syndicated loan or the bond debt.

B. Interest rate risk

The Group structures its financing in such a way as to avoid exposure to the risk of rises in interest rates:

- the Group's medium- and long-term debt is predominantly at fixed rates and at December 31, 2022 mainly consisted of the 2024 bond issue and the loan from the European Investment Bank (EIB);
- the Group's short-term debt includes the ordinary bonds redeemable in 2023 and the 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 (ESTER, 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 ESTER, 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 958 million euros as of December 31, 2022 (812 million euros as of December 31, 2021).

The first phases of the LIBOR reform do not have a material impact on the Group, which will monitor the next changes planned in 2023 until the USD LIBOR is withdrawn in June 2023.

The Group did not have any interest rate hedges in place at either 2022 or 2021.

Consolidated net debt breaks down as follows between variable and fixed interest rates:

At December 31, *in millions of euros*	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
Variable rate						
Financial liabilities [(a)]	441	9	451	67	94	161
Cash and cash equivalents	(1,134)	-	(1,134)	(972)	-	(972)
NET VARIABLE RATE POSITION	**(693)**	**9**	**(684)**	**(906)**	**94**	**(812)**
Fixed rate						
Financial liabilities [(a)]	368	502	869	244	641	885
Cash and cash equivalents	-	-	-	-	-	-
NET FIXED RATE POSITION	**368**	**502**	**869**	**244**	**641**	**885**
NET DEBT	**(326)**	**511**	**186**	**(662)**	**735**	**74**

(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. Indeed, 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. The subsidiaries' 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 27.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, 2022, no single customer in any country represented more than 5% of the Group's total outstanding receivables, except for Sonepar (7%).

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 recent economic and political crises around the world have made the market environment difficult. In particular, in 2020, the Group has 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, 2022 (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*	2022 Notional amounts Buyer positions	2022 Notional amounts Seller positions	2021 Notional amounts Buyer positions	2021 Notional amounts Seller positions
Within 1 year	3,896	3,918	3,359	3,348
Between 1 and 2 years	850	853	353	352
Between 2 and 3 years	918	915	23	22
Between 3 and 4 years	513	511	120	111
Beyond 4 years	122	121	-	-
TOTAL	**6,299**	**6,319**	**3,857**	**3,833**

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, 2022 – 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. At December 31, 2022 this maximum theoretical risk is limited to 16 million euros. It amounted to 29 million euros as of December 31, 2021.

The notional amounts of metal derivatives (sum of the absolute values of buy and sell positions) at December 31, 2022 are analyzed by maturity in the table below:

At December 31, *in millions of euros*	2022 Notional amounts Buyer positions	2022 Notional amounts Seller positions	2021 Notional amounts Buyer positions	2021 Notional amounts Seller positions
Within 1 year	537	231	519	267
Between 1 and 2 years	51	1	61	3
Between 2 and 3 years	60	-	5	-
Between 3 and 4 years	12	-	-	-
Beyond 4 years	-	-	-	-
TOTAL	**660**	**232**	**584**	**270**

Cash deposited to meet margin calls on copper forward purchases whose fair value was negative at the year-end (see **Note 19**) amounted to 6 million euros at December 31, 2022 (7 million euros at December 31, 2021).

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 763 million euros as of December 31, 2022, representing approximately 67% 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-.

Nexans Financial Trading Services has as no SICAV's shares of December 31, 2022.

For the Group's other subsidiaries, counterparty risk on deposits and investments is managed in accordance with the principles and procedures described in **Note 27.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, 2022 and 2021 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;
- 41,000 tonnes and 38,000 tonnes of copper included in working capital at December 31, 2022 and December 31, 2021 respectively;
- short-term interest rate (3-month Euribor) of +2.13% in 2022 and -0.57% in 2021. 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);
- 44,875 tonnes of copper classified as Core exposure as of December 31, 2021 (47,375 tonnes as of December 31, 2021);
- a theoretical income tax rate of 25.83% for 2022 and 28.41% for 2021.

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*	2022	2021
Impact on operating income	35	38
Impact on net financial expense	(1)	0
NET IMPACT ON INCOME (AFTER TAX)	**26**	**27**
IMPACT ON EQUITY (a) (AFTER TAX)	**25**	**19**

(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 the Group's trade receivables and trade payables portfolios, and net debt.

The Group's other financial assets and liabilities are only exceptionally subject to foreign exchange risk. They were not taken into account 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, 2022 and December 31, 2021, *e.g.* using US dollar/euro exchange rates of 1.17 and 1.25 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 11.5 and 11.0 at December 31, 2022 and 2021 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%	2022		2021	
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)]	(11)	-	(8)	-
NET POSITION – DERIVATIVES	(14)	10	(3)	(8)
USD – NET IMPACT ON THE GROUP	**(25)**	**10**	**(11)**	**(8)**
NET POSITION – UNDERLYINGS [(d)]	12	-	22	-
NET POSITION – DERIVATIVES	12	(45)	(0)	(16)
NOK – NET IMPACT ON THE GROUP	**24**	**(45)**	**21**	**(16)**

(a) Using a theoretical income tax rate of 25.83% in 2022 (28.41% in 2021).
(b) Excluding net income for the period, the theoretical income tax rate is 25.83% in 2022 (28.41% in 2021).
(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 28. 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	2022		2021	
			Carrying amount	Fair value	Carrying amount	Fair value
Assets						
Shares in non-consolidated companies	Financial assets at fair value through profit or loss		16	16	19	19
	Financial assets at fair value through other comprehensive income		3	3	3	3
Other non-current financial assets	Loans and receivables		36	36	34	34
Commercial receivables						
Contract assets	Loans and receivables		198	198	42	42
Trade receivables	Loans and receivables		935	935	947	947
Derivative instruments [a]	Financial assets at fair value through profit or loss	Foreign exchange: 2	43	43	50	50
		Metal: 1	19	19	27	27
Other current financial assets	Loans and receivables		208	208	136	136
Cash and cash equivalents	Financial assets at fair value through profit or loss	Term deposits: 2	50	1,134	56	972
		Other: 1	1,084		917	
Liabilities						
Gross debt						
Ordinary bonds [b]	Financial liabilities at amortized cost		533	529	533	557
European Investment Bank loan [b]	Financial liabilities at amortized cost		200	200	-	-
Other financial liabilities	Financial liabilities at amortized cost		474	474	398	398
Commercial payables						
Contract liabilities	Financial liabilities at amortized cost		588	588	395	395
Trade payables	Financial liabilities at amortized cost		1,735	1,735	1,622	1,622
Derivative instruments [a]	Financial liabilities at fair value through profit or loss	Foreign exchange: 2	59	59	40	40
		Metal: 1	15	15	12	12
Other current financial liabilities	Financial liabilities at amortized cost		376	376	319	319

(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 24.C****).*

The Group's fixed rate debt mainly comprised its ordinary bonds redeemable in 2023 and 2024 and the loan taken out with the European Investment Bank, whose fair values may differ from their carrying amounts in view of the fact that they 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, 2022 and included interest accrued at the year-end. The same method was used at December 31, 2021.

Note 29. 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 29.C** below).

A. Related party transactions with associates and non-consolidated companies

INCOME STATEMENT

In millions of euros	2022	2021
REVENUE		
• Non-consolidated companies	58	61
• Associates	1	2
COST OF SALES		
• Non-consolidated companies	(10)	(16)
• Associates	(3)	(6)

CONSOLIDATED BALANCE SHEET

The main items in the balance sheet affected by related party transactions in 2022 and 2021 were as follows:

At December 31, *in millions of euros*	2022	2021
ASSETS		
• Non-consolidated companies	5	12
• Associates	0	1
Financial liabilities/(receivables)		
• Non-consolidated companies	(4)	(6)
• Associates	-	-
OTHER LIABILITIES		
• Non-consolidated companies	1	2
• Associates	1	1

B. Relations with the Quiñenco group

At December 31, 2022, 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, 2022, 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 29.A** above, on the line "Associates".

C. Compensation of key management personnel

In 2022 as in 2021, 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	2022	2021
Compensation for corporate officer positions [a]	3.0	2.5
Compensation under employment contracts and benefits in kind [a]	8.3	8.7
Performance shares [b]	3.7	2.4
Termination benefits [a]	-	0.6
Long-term incentive plan [b]	0.2	0.1
Accruals for pensions and other retirement benefit obligations [c]	1.4	1.0
TOTAL COMPENSATION	**16.6**	**15.4**

(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 yearly at the Shareholders' Meeting:

- 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 80% 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;
- 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. The Board could decide to impose a non-competition obligation on the Chief Executive Officer for a period shorter than two years. In such a case, the non-competition indemnity would be reduced *pro rata temporis*.

In accordance with Article 25.3 of the AFEP-MEDEF Code (December 2022 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 25.4 of the AFEP-MEDEF Code, no non-compete indemnity will be due if Christopher Guérin takes retirement upon leaving the Group. In any event, no indemnity shall be paid beyond the age of 65.

Lastly, in accordance with the Group's 2022 compensation policy for key management personnel, as described in **section 4** of the present document, 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 2022.

Note 30. 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.

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. Both cases were transferred from the High Court to the Competition Appeal Tribunal. NKT has entered into an agreement with Vattenfall. Vattenfall's action against Prysmian and Prysmian's action for contribution against Nexans are ongoing.

In May 2022, a request for certification of a class action was filed with the Competition Appeal Tribunal (CAT), requesting authorization to sue the Nexans, Prysmian and NKT groups for damages in favor of British plaintiffs. The action is based on the 2014 European Commission decision in the high-voltage cable sector. The CAT will have to decide whether to certify this appeal, an essential preliminary step for the continuation of the action. The plaintiffs obtained financing for the proceedings from a professional lender specializing in litigation financing. As part of its analysis, the CAT will examine the said financing agreement in order to determine, inter alia, whether the budget provisioned by the plaintiffs will be sufficient to cover their costs in the event of defeat.

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 June 2023.

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 the other defendants filed a petition challenging the jurisdiction of the court seized. 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. Nexans has paid the 1 million euro (BRL equivalent) fine and has appealed the decision.

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 2 other cases the Korean subsidiaries were granted a 20% reduction of fines and were ordered to pay the KFTC a total of approximately 850,000 euros. All such investigations are now closed, and the risks associated with the majority of claims brought by customers in connection with them are now all closed.

On November 24, 2017 in Spain, Nexans Iberia and the Company (in its capacity as Nexans Iberia's parent company) were notified of a decision by the Spanish competition authority ("CNMC"), which found that Nexans Iberia had participated directly in 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 2023.

On July 27, 2020, and although the procedure before the CNMC is not final, 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.

During the first half of 2022, four additional complaints were notified to Nexans Iberia, based on the CNMC's decision in the low- and medium-voltage sector. Nexans Iberia's potential sales to the plaintiffs have been greatly reduced and Nexans is filing its arguments in litigation pending the appeal judgment against the CNMC's decision.

On January 20 and May 10, 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 December 31, 2022, the Group has a recorded contingency provision of 66 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 relating to practices that do not comply with the applicable rules of ethics and business conduct will be fully 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, 2022 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, 2022 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 31. Off-balance sheet commitments

The Group's off-balance sheet commitments that were considered material at December 31, 2022 and December 31, 2021 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 events make it probable or potential for a risk to materialize in respect of the guarantees given, it is either provisioned (if it can be estimated), or mentioned as a contingent liability if it is sufficiently significant. See **Note 23** and **Note 30**.

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.

ACQUISITION OF CENTELSA

When the Group acquired the cable manufacturer Centelsa on April 1, 2022, it took over a number of pending or potential disputes.

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.

It should be noted that the Group has the possibility, in the event that certain conditions are met and beyond an excess amount, to activate a liability guarantee mechanism granted by the Xignux Group under the acquisition. The liability warranty has a duration that can range from 24 months to 5 years (example on environmental issues) depending on the nature of the claims that the Group could possibly be required to notify the Xignux Group. For some complaints, the duration will be that provided by local law (example in the event that the complaint relates to tax matters or fraud). The duration of the liability guarantee runs from the closing of the acquisition (*i.e.* from April 1, 2022). Regarding the liability cap, the liability guarantee is capped between 15% and 100% of the purchase price of Centelsa. The cap of 100% of the purchase price of Centelsa applies in particular to the fundamental guarantees.

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	2022	2021
COMMITMENTS GIVEN			
Syndicated credit facility [a]	27.A	880	660
COMMITMENTS RECEIVED			
Syndicated credit facility – Unused line expiring on October 25, 2027	27.A	800	600
European Investment Bank financing line [b]	27.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.
(b) This financing line was fully draw in April 2022 cf. ***Note 24.D****.*

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	2022	2021
COMMITMENTS GIVEN			
Derivatives – Purchases of foreign currencies [a]	27	6,299	3,857
Forward purchases of metals	27	660	584
Firm commitments to purchase property, plant and equipment		36	75
Commitments for third-party indemnities	See (1)	6,296	4,290
Take-or-pay copper purchase contracts (in tonnes)	See (2)	121,586	124,368
Other commitments given		-	-
COMMITMENTS RECEIVED			
Forward sales of foreign currencies [a]	27	6,319	3,833
Forward sales of metals	27	232	270
Take-or-pay copper sale contracts (in tonnes)	See (2)	110,993	102,219
Other commitments received		375	384

(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 (1,177 million euros and 778 million euros at December 31, 2022 and 2021 respectively).

When events, such as delivery delays or disputes over contract performance, make it probable or potential for a risk to materialize in respect of the guarantees given, it is either provisioned (if it can be estimated), or mentioned as a contingent liability if it is sufficiently significant. See **Note 23** and **Note 30**.

At December 31, 2022 the Group had granted parent company guarantees in an amount of 5,120 million euros (3,502 million euros at December 31, 2021). These mainly correspond to performance bonds given to customers.

(2) Take-or-pay contracts (physically-settled contracts)

The volumes stated in the table 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 27.D**.

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 32. Main consolidated companies

The table below lists the main entities included in the Group's scope of consolidation at December 31, 2022.

Companies by geographic area	% control	% interest	Consolidation method [a]
FRANCE			
Nexans S.A.[b]	100%	100%	Parent company
Nexans Participations	100%	100%	
LIX Lixis Holding	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%	
Nexans Telecom Systems	100%	100%	
Nexans Industrial Solutions	100%	100%	
Nexans Aerospace 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 Cabling Solutions NV	99.94%	99.94%	
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%	
Nexans Industrial Solutions GmbH	100%	100%	
Nexans Advanced Networking Solutions GmbH	100%	100%	

Companies by geographic area	% control	% interest	Consolidation method [a]
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 UK Ltd	100%	100%	
Nexans Sweden AB	100%	100%	
Nexans Industry Solutions [f]	100%	100%	
SOUTHERN AND EASTERN EUROPE			
Nexans Iberia SL	100%	100%	
Nexans Industrial Solutions Iberia	100%	100%	
Takami	100%	100%	
Nexans Italia SpA	100%	100%	
Nexans Partecipazioni Italia Srl	100%	100%	
Nexans Intercablo SpA	100%	100%	
Nexans Hellas S.A.	100%	100%	
Nexans Power Accessories Czech Republic, spol. s r.o	100%	100%	
Nexans Turkiye Endustri Ve Ticaret AS	100%	100%	
NORTH AMERICA			
Nexans Canada Inc	100%	100%	
Nexans Chile S.A.	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 Specialty Holdings USA Inc	100%	100%	
Nexans Energy USA Inc	100%	100%	
SOUTH AMERICA			
Invercable	100%	100%	
Nexans Chile S.A.	100%	100%	
Colada Continua S.A.	41.00%	41.00%	Equity method
Nexans Colombie	100%	100%	
Indeco Peru [b]	96.73%	96.73%	
Cobrecon	100%	98.37%	
Nexans Brasil S.A.	100%	100%	
Alcatek	100%	100%	
Centelsa	100%	100%	
Cobres de Columbia	100%	100%	
Cedetec	100%	100%	
AFRICA AND MIDDLE EAST			
Liban Câbles s.a.l	91.15%	91.15%	
Nexans Maroc (g)	97.52%	97.52%	

Companies by geographic area	% control	% interest	Consolidation method [a]
Qatar International Cable Company	30.33%	30.33%	Equity method
Nexans Kabelmetal Ghana Ltd	59.13%	59.13%	
Nexans Côte d'Ivoire	60.00%	58.98%	
ASIA-PACIFIC			
Nexans Hong Kong Ltd	100%	100%	
Nexans Communications (Shanghai) Cable Co. Ltd	100%	100%	
Nexans Singapore	100%	100%	
Nexans Telecom Systems	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	97.90%	97.90%	
Kukdong Electric Wire Co. Ltd	100%	100%	
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.

Note 33. Statutory Auditors' fees

The total fees paid to the Statutory Auditors for all controlled entities in France and recorded in the income statement for 2022 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	305	206	64	575
PricewaterhouseCoopers Audit	285	373	88	746
TOTAL	**590**	**579**	**152**	**1,321**

(a) Other services include the review of CSR data made as an independent third party.

Note 34. Subsequent events

SIGNATURE OF A CREDIT LINE

A secured financing line was signed by the Group on February 7, 2023 to ensure its liquidity and to cover the refinancing of the two bond issues maturing in 2023 and 2024. This line of financing will enable the Group to draw down up to 325 million euros in 2023, an amount reduced to 200 million euros in 2024, over two separate availability periods. In the event of a drawdown, the maximum maturity will be August 7, 2025.

EXCLUSIVE NEGOTIATIONS FOR THE SALE OF THE TELECOM BUSINESS UNIT

On February 6, 2023, the Group announced that it was entering into exclusive negotiations for the potential sale of its Telecom Systems Business Unit to Syntagma Capital, an investment fund based in Brussels, Belgium.

The Telecom Systems Business Unit's activities are carried out worldwide by nearly 680 employees spread over several sites in Europe, the Middle East, Africa and Asia. They generate around 200 million euros in revenue. The Business Unit is a recognized leader in advanced solutions for telecommunications, local area networks and data centers, with a strong financial performance.

At December 31, 2022, the criteria of IFRS 5 were not met to reclassify assets and liabilities as assets available for sale.

No impairment was recognized in 2022 or expected in 2023 due to the expected capital gain.

No other significant event has occurred since December 31, 2022.

5.1.7. Statutory auditors' report on the consolidated financial statements

(For the year ended December 31, 2022)

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.

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, 2022.

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, 2022 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.

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 rules required by the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5 of Regulation (EU) N° 537/2014.

Justification of Assessments - Key Audit Matters

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, 2022, sales from goods and services contracts, recognized on a percentage-of-completion basis as described in Notes 1.E.a and 4 to the consolidated financial statements, amounted to €840 million. These contracts mainly cover the Group's "high-voltage cable" and "umbilical cable" activities.

Sales and earnings on these goods and services contracts at the end of an accounting period mainly depend on:

- revenue and margin to completion estimates;
- the percentage of completion determined on the basis of the input method based on cost incurred.

Estimates of the data to completion and the percentage of completion are based on the Group's internal systems and procedures for each contract.

We deemed the recognition of goods and services contracts to be a key audit matter due to (i) the significant impact of these contracts on the Group's consolidated financial statements and (ii) the level of judgment required from management to determine the on the results to completion.

How our audit addressed this risk

As part of our audit of the consolidated financial statements, our work consisted mainly in:

- evaluating the Group's internal systems and procedures relating to estimates of revenue and costs at completion and the measurement of percentage of completion as well as testing the key controls put in place by Management;
- reconciling goods and service contract management data with accounting records;
- selecting contracts based on their financial impact and risk profile and conducting interviews with the business management controllers, the Business Lines and the Finance Department about the progress of these contracts and their assessment of the risks to:
  - corroborate key revenue and cost-to-complete assumptions in relation to costs incurred to date, contract data and correspondence with the customer or its representatives, as appropriate. This work is based in particular on experience gained in previous years on these contracts or comparable contracts;
  - corroborate the percentage of completion of revenue and assess the appropriate accounting treatment;
- assessing the appropriateness of the disclosures set out in Notes 1.E.a and 4 to the consolidated financial statements.

Disputes and antitrust investigations

Description of risk

In the same way as all other industrial players, in view of the Group's wide geographic reach it is required to comply with numerous national and regional laws and regulations, notably concerning commercial, customs and tax matters. In particular, the Group is involved in antitrust investigations or disputes as described in Note 30 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 30 to the consolidated financial statements.

Measurement of goodwill, property, plant and equipment and intangible assets

Description of risk

As at December 31, 2022, the carrying amount of the Group's goodwill, property, plant and equipment and intangible assets totaled €289 million, €1,645 million and €175 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 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 1Fc), 2D and 7 of the Group financial statements.

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, it being specified that, in accordance with Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

FORMAT OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS INTENDED TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

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 L451-1-2, 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.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Moreover, 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, 2022, PricewaterhouseCoopers Audit and Mazars were in the 17th year and 8th 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 as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Accounts, Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE ACCOUNTS, AUDIT AND RISK COMMITTEE

We submit a report to the Accounts, Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Accounts, Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Accounts, Audit and Risk Committee 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, 2023

The statutory auditors

PricewaterhouseCoopers	Audit MAZARS
Edouard Demarcq	Juliette Decoux-Guillemot

5.2 Corporate financial statements

5.2.1 Income statement

In thousands of euros	Notes	2022	2021
SALES	**4.A**	**39,869**	**28,637**
Other operating income		1,673	324
TOTAL OPERATING INCOME		**41,542**	**28,961**
Other purchases and external charges		(36,822)	(35,389)
Taxes other than on income		(762)	(1,597)
Payroll expenses	4.B	(22,376)	(11,171)
Net (additions to)/reversals of depreciation, amortization and provisions – Operating items		(1,164)	(1,407)
Other expenses		(652)	(628)
TOTAL OPERATING EXPENSES		**(61,775)**	**(50,192)**
NET OPERATING INCOME (LOSS)	**4**	**(20,233)**	**(21,231)**
Dividend income		135,785	70,717
Net interest expense		(22,345)	(21,796)
Net (additions to)/reversals of depreciation, amortization and provisions – Financial items		(353)	(101)
Net foreign exchange gains/(losses)		(436)	(129)
NET FINANCIAL INCOME (LOSS)	**5**	**112,650**	**48,691**
NET INCOME FROM ORDINARY ACTIVITIES BEFORE TAX		**92,417**	**27,460**
NET NON-RECURRING INCOME	**6**	**(19,967)**	**1,887**
Employee profit-sharing		(243)	(81)
Income taxes	7	861	21,764
NET INCOME FOR THE YEAR		**73,068**	**51,030**

5.2.2 Balance sheet

In thousands of euros	Notes	Gross amount	Depreciation, amortization and provisions	Net at December 31, 2022	Net at December 31, 2021
Assets					
Intangible assets		4,602	(19)	4,583	-
Financial assets	8	2,836,554	-	2,836,554	2,836,130
TOTAL FIXED ASSETS		**2,841,156**	**(19)**	**2,841,137**	**2,836,130**
Prepayments to suppliers		45	-	45	41
Trade receivables	9	20,294	(319)	19,975	11,698
Other receivables	9	164,074	-	164,074	33,865
Marketable securities	10 & 12.C	23,769	(7)	23,762	7,591
Prepaid expenses		1,885	-	1,885	315
TOTAL CURRENT ASSETS		**210,068**	**(326)**	**209,742**	**53,511**
Other assets	11	2,094	-	2,094	1,585
TOTAL ASSETS		**3,053,317**	**(344)**	**3,052,972**	**2,891,225**

In thousands of euros	Notes	December 31, 2022	December 31, 2021
Liabilities			
Share capital		43,753	43,756
Additional paid-in capital		1,681,486	1,690,664
Legal reserve		4,411	4,411
Regulated reserves		0	0
Retained earnings		86,310	87,285
NET INCOME FOR THE YEAR		**73,068**	**51,030**
Regulated provisions		5,953	5,953
TOTAL EQUITY	**12**	**1,894,982**	**1,883,098**
PROVISIONS FOR CONTINGENCIES AND CHARGES	**13**	**24,044**	**80**
Convertible bonds		-	-
Other bonds	14 & 15	533,910	533,910
Other borrowings and debt	14 & 15	475,395	350,197
Trade payables	15	17,033	20,960
Other payables	15	107,609	102,979
TOTAL LIABILITIES		**1,133,947**	**1,008,046**
Unrealized foreign exchange gains		-	1
TOTAL EQUITY AND LIABILITIES		**3,052,972**	**2,891,225**

5.2.3 Notes to the corporate financial statements

DETAILED SUMMARY OF THE NOTES

The notes below constitute the notes to the balance sheet, presented before distribution, for the fiscal year ended December 31, 2022, which totaled 3,052,972 thousand euros and to the income statement for the fiscal year presented in list form. The 12-month fiscal year, covering the period from January 1 to December 31, 2022, generated a profit of 73,068 thousand euros.

The tables in these notes are presented in thousands of euros, rounded to the nearest thousand.

Note 1. The Company's business

Nexans S.A. (the "Company") is a holding company. Consequently, its business consists of 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 2022:

- 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.

  In April 2022, the Group drew down this financing for an amount of 200 million euros. The repayment will be made *in fine* in April 2027;
- the Company carried out a capital increase reserved for employees as part of the ACT 2022 plan which led to the issue of 497,753 new shares with a par value of 1 euro and the allocation of 7,280 free shares to beneficiary employees, representing the matching contribution;
- at the same time, by decision of the Board of Directors on July 26, 2022, the Company canceled 500,000 treasury shares, acquired during the months of March, April and May 2022 (see **Note 12.C**);
- a total of 80,480 free shares granted under Plans no. 18 and 18B vested during 2022 and the shares were allocated to the beneficiaries (see **Note 12.C**).

Note 3. Summary of significant accounting policies

A. 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 and the income statement at December 31, 2022 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.

B. Intangible assets

This item consists mainly of software, which is measured at historical cost and amortized on a straight-line basis over three years.

C. 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. The following factors may be used for estimating the value in use: 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 General Tax Code).

D. Trade receivables

Trade receivables are stated at nominal value. An impairment loss is recorded when it is doubtful that the receivable will be collected.

E. 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 due to the symmetric revaluation of the currency hedges (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.

F. 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 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 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. 2014-03 dated June 5, 2014, a provision for charges is recorded in liabilities for these shares due to the commitment to allocate them to employees.

G. 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".

H. 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.

I. 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.

J. 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.

In return, the redemption premium is recognized on the asset side of the balance sheet. It is amortized on a straight-line basis over the term of the loan.

K. 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. Net operating income (loss)

After taking into account rebillings to subsidiaries, the Company reported a net operating loss of 20,233 thousand euros, primarily corresponding to headquarters expenses, commissions and brokerage fees, depreciation, amortization and provisions, and various consulting fees.

A. Sales

Nexans' 2022 net sales came to 39,869 thousand euros, and primarily related to the invoicing of services provided to Group entities.

B. 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.

HEADCOUNT

At December 31, 2022, the Company had a headcount of eight people (including the two corporate officers).

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 2022 was 2,126 thousand euros.

In addition, under the compensation plans 7,250 free shares were allocated to Christopher Guérin. Their final cost was approximately 613 thousand euros.

The members of the Board of Directors and the censors received an aggregate 652 thousand euros in compensation for their attendance in meetings and services to the Board in 2022 (gross amount before social security deductions and withholding taxes). This amount was recorded in the "Other expenses" line of the income statement.

COMMITMENTS GIVEN TO EMPLOYEES

The Company has put in place pension and other post-employment benefit plans for its employees:

- at December 31, 2022, the present value of its obligation under these plans, net of plan assets, was 754 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 (675 thousand euros in 2022 excluding payroll taxes).

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. The Board could decide to impose a non-compete obligation on the Chief Executive Officer for a period shorter than two years. In such a case, the non-compete indemnity payable would be reduced on a proportionate basis.

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 80% of said objectives on average over the three years preceding his removal.

Note 5. Financial income and expenses

The Company recorded net financial income of 112,650 thousand euros in 2022, mainly reflecting:

- dividends received from Nexans Participations and Invercable SA representing a total amount of 135,785 thousand euros;
- 17,688 thousand euros in interest expenses on the Company's bonds (see **Note 14.A**);
- interest expenses for the loan from the European Investment Bank for 2,895 thousand euros;
- prepaid interest on NEU CP for €2,421 thousand;
- interest on BPI FCP for 29 thousand euros;
- 187 thousand euros in interest expenses on advances received from the Central Treasury Department;
- cash pooling interest income for 859 thousand euros.

Note 6. Non-recurring items

At December 31, 2022, the non-recurring items consisted mainly of:

- the cost of the free share plan expiring in 2023 excluding the Executive Committee for 15,657 thousand euros;
- the loss on free shares allocated to Group employees for 4,767 thousand euros;
- the net gain from liquidity contract transactions for 424 thousand euros (see **Note 8.B**).

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	**92,417**	**(20,210)**	**-**	**72,207**
Income taxes				
• at the standard rate	-	-	899	899
• gain/(loss) from tax consolidation	-	-	(38)	(38)
INCOME TAXES	**-**	**-**	**861**	**861**
NET INCOME	**92,417**	**(20,210)**	**861**	**73,068**

A. Comments

The tax benefit recorded in 2022 consisted mainly of group relief in the amount of 38 thousand euros that is retained by the Company as the parent company of the tax group.

The 899 thousand euros recorded under "Other tax effects" correspond to research tax credits.

B. 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 for the first time on January 1, 2002, was signed pursuant to the option taken by Nexans to opt for French tax consolidation in accordance with Articles 223-A *et seq.* of the French General Tax Code.

This option is automatically renewable every five years. As the current taxation period expires on December 31, 2021, the option is tacitly renewed until December 31, 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, 2022 represent an unrecognized tax asset of 257,445 thousand euros.

No non-tax-deductible expenses, as defined in Article 39-4 of the French General Tax Code, were incurred during 2022.

C. 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 669,904 thousand euros at December 31, 2022 (637,263 thousand euros at December 31, 2021).

Note 8. Financial assets

	Gross values				Net values	
In thousands of euros	December 31, 2021	Increase	Decrease	December 31, 2022	December 31, 2021	December 31, 2022
Shares in subsidiaries and affiliates	2,829,833	-	-	2,829,833	2,829,833	2,829,833
Other financial assets						
• Treasury stock	2,317	74,999	(74,924)	2,392	2,317	2,392
• Other non-current receivables	3,973	349	-	4,322	3,973	4,322
• Security deposits	7	-	-	7	7	7
TOTAL FINANCIAL ASSETS	**2,836,130**	**79,321**	**(74,924)**	**2,836,554**	**2,836,130**	**2,836,554**

A. Shares in subsidiaries and affiliates

The composition of the "Shares in subsidiaries and affiliates" item is detailed in the table of subsidiaries and affiliates in **Note 16.G**. The impairment methods for securities are described in **Note 3**.

MOVEMENTS DURING THE YEAR

The Company did not purchase or sell any shares in subsidiaries or affiliates during the fiscal year.

IMPAIRMENT TESTS

Impairment testing was carried out on the shares in subsidiaries and affiliates. These tests did not reveal any need to recognize additional impairment losses.

B. 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 carrying amount;
- the balance of the cash account is recorded in "Other non-current receivables".

During 2022, the transactions under the liquidity contract consisted of cumulative acquisitions of 848,277 shares and cumulative sales of 848,277 shares, generating a net loss on treasury shares of 75 thousand euros (see **Note 6**).

At December 31, 2022, Nexans held 27,951 treasury shares under the liquidity contract, acquired at a total cost of 2,392 thousand euros. The average price of Nexans shares in December 2022 was 85.36 euros.

At December 31, the cash held in the ODDO BHF SCA account totaled 4,322 thousand euros.

Note 9. Receivables by maturity

At December 31, *in thousands of euros*	2022				2021
	Gross amount	O/w accrued income	Due within one year	Due beyond one year	Gross amount
FIXED ASSET RECEIVABLES	**4,329**	**-**	**4,329**	**-**	**3,980**
PREPAYMENTS TO SUPPLIERS	**45**	**-**	**45**	**-**	**41**
TRADE RECEIVABLES	**20,294**	**7,370**	**20,294**	**-**	**12,017**
OTHER RECEIVABLES	**164,074**	**-**	**150,536**	**13,539**	**33,865**
• Employee-related receivables and prepaid payroll costs	3	-	3	-	-
• Prepaid and recoverable income taxes	19,068	-	5,529	13,539	14,697
• Accrued VAT	4,171	-	4,171	-	6,479
• Group and associates: tax consolidation	2,891	-	2,891	-	1,217
• Group and associates: cash pooling current accounts [(a)]	137,845	-	137,845	-	617
• Other debtors	97	-	97	-	10,855
PREPAID EXPENSES	**1,885**	**-**	**1,885**	**-**	**315**

(a) The cash pooling agreements put in place are open-ended agreements.

Detail of "Fixed asset receivables" is provided in **Note 8.B** above.

At December 31, 2022 and 2021, "Trade receivables" corresponded solely to intra-group receivables. At December 31, 2022, impairment losses of 319 thousand euros were recorded on the trade receivables, reducing their net book value to 19,975 thousand euros. At the end of the previous fiscal year the net book value of "Trade receivables" amounted to 11,698 thousand euros.

"Other receivables due within one year" mainly included the outstanding short-term advances in euros granted to Nexans Financial & Trading Services, amounting to 137,845 thousand euros including accrued interest.

"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 2023 is low.

Note 10. Marketable securities

At December 31, 2022 and 2021, "Marketable securities" corresponded to Nexans shares acquired under the buyback programs authorized by the Shareholders' Meeting (see **Note 12.C**).

Note 11. Other assets

In thousands of euros	Net at January 1, 2022	Increases	Additions to provisions for impairment	Net at December 31, 2022
Debt issuance costs	1,585	1,673	(1,164)	2,094
Unrealized foreign exchange losses	-	-	-	-
TOTAL	**1,585**	**1,673**	**(1,164)**	**2,094**

Debt issuance costs are amortized on a straight-line basis over the life of the debt. The amortization expense for 2022 amounted to 518 thousand euros.

Note 12. Equity

A. Composition of share capital

At December 31, 2022, Nexans' share capital comprised 43,753,380 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.

B. Changes in equity

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, 2021 (before appropriation of net income)	43,756	1,690,664	4,411	87,285	51,030	5,953	1,883,098
Appropriation of 2021 net income	-	-	-	51,030	(51,030)	-	-
Dividends paid	-	-	-	(52,004)	-	-	(52,004)
Other movements	(3)	(9,177)	-	-	-	-	(9,180)
Net income for 2022	-	-	-	-	73,068	-	73,068
AT DECEMBER 31, 2022 (BEFORE APPROPRIATION OF NET INCOME)	**43,753**	**1,681,486**	**4,411**	**86,310**	**73,068**	**5,953**	**1,894,982**

The other movements are as follows:

- the capital increase reserved for employees under the ACT 2022 plan led to:
  - the issue of 497,753 new shares with a par value of 1 euro, accompanied by an issue premium of 32,434 thousand euros (net of fees),
  - the allocation of 7,280 free shares to beneficiary employees, representing the matching contribution, by way of deduction from the share premium;
- the cancellation, by decision of the Board of Directors of July 26, 2022, of 500,000 treasury shares, acquired during the months of March, April and May 2022. The difference between their repurchase value and the par value of the shares was deducted from the premiums for 41,604 thousand euros.

Regulated provisions comprise excess tax amortization of share acquisition costs that are included in the cost of the related investments.

C. Treasury stock

At December 31, 2022, the Company held 292,402 treasury shares (0.67% of the share capital), including 27,951 shares purchased under the liquidity contract. Consequently, the number of shares outstanding at that date was 43,460,978.

LIQUIDITY CONTRACT

At December 31, 2022, Nexans held 27,951 treasury shares under the liquidity contract, recorded under "Other financial assets" at their acquisition cost of 2,392 thousand euros (see **Note 8**).

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 January 1 and December 31, 2022, the Company carried out the following transactions under the liquidity contract:

- 6,235 purchases, totaling 848,277 shares at an average price of 88.41 euros, for a total amount of 74,999 thousand euros; and
- 5,718 sales, totaling 848,277 shares at an average price of 88.83 euros, for a total amount of 75,348 thousand euros.

FREE SHARE PLAN

At December 31, 2022, the Company held 264,451 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 23,769 thousand euros.

The average price of Nexans shares in December 2022 was 85.36 euros. A 7-thousand-euro impairment loss was therefore recorded on the treasury shares at December 31, 2022, reducing their carrying amount to 23,762 thousand euros.

At December 31, 2021, the Company held 90,787 treasury shares (0.21% of the share capital), carried in "Marketable securities" for a gross amount of 7,692 thousand euros.

MOVEMENTS FOR THE YEAR

In 2022, 80,480 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. 18 had expired, at its meeting on March 17, 2022 the Board of Directors decided to deliver the 73,230 vested free shares out of treasury stock.

  The net book value of the 73,230 shares delivered to plan beneficiaries was 5,866 thousand euros;
- after noting that the vesting period for free and performance shares granted under Plan no. 18B had expired, at its meeting on March 17, 2022 the Board of Directors decided to deliver the 7,250 vested free shares out of treasury stock.

  The net book value of the 7,250 shares delivered to plan beneficiaries was 613 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 authorizations granted on May 12, 2021 and May 11, 2022 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. The buyback was followed by a cancellation of the shares.

500,000 shares were bought back under the program in March, April and May 2022, at a total cost of 42,271 thousand euros.

On May 12, 2022, the Board of Directors decided to implement a share buyback program to meet the obligations arising from the free share and performance share plans for employees and corporate officers. In this context, 254,144 shares had been bought back at December 31, 2022 for a value of 22,922 thousand euros.

During the previous fiscal year, pursuant to the aforementioned decision of the Board of Directors of July 27, 2021, Nexans had acquired 90,000 shares during the month of September 2021 for a total value of 7,668 thousand euros.

D. Dividend

At the 2023 Shareholders' Meeting, the Board of Directors will recommend a dividend payment of 2.10 euros per share, representing a total payout of 91,882 thousand euros based on the 43,753,380 shares making up the Company's capital at December 31, 2022.

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 Combined Shareholders' Meeting of May 11, 2022, called to approve the financial statements for the year ended December 31, 2021, authorized the payment of a dividend of 1.2 euro per share - representing a total of 52,004 thousand euros - which was paid out on May 18, 2022.

Note 13. Provisions for contingencies and charges

At December 31, 2022, this item consisted in an 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. (80 thousand euros at December 31, 2021) and a provision for the cost of shares to be delivered for 23,963 thousand euros.

Note 14. Financial borrowing and debt

A. Bonds

The Company's borrowings and debt are primarily made up of bonds, which can be analyzed as follows:

	Issue date	Maturity date	Nominal (a)	Interest rate	Accrued interest at December 31, 2022 (a)	Total bond debt recognized in the balance sheet at December 31, 2022 (a)	Interest expense for 2022 (a)
CONVERTIBLE BONDS	N/A	N/A	N/A	N/A	N/A	N/A	N/A
OTHER BONDS							
Ordinary bonds maturing in 2023	August 8, 2018	August 8, 2023	325,000	3.75%	4,842	329,842	12,188
Ordinary bonds maturing in 2024	April 5, 2017	April 5, 2024	200,000	2.75%	4,068	204,068	5,500
TOTAL ORDINARY BONDS					**8,910**	**533,910**	**17,688**

(a) Amounts in thousands of euros.

All of the bonds in the above table are redeemable at face value at maturity.

At December 31, 2022, bond debt amounted to 533,910 thousand euros, including accrued interest (533,910 thousand euros at December 31, 2021).

B. Other borrowings and debt

The other borrowings and financial liabilities include:

- a loan of 200,000 thousand euros from the European Investment Bank (EIB), following the drawdown made in April 2022 on the line granted on October 6, 2021. The repayment will be made *in fine* in April 2027.

  This loan is intended to promote its active participation in the global energy transition and its commitment to contribute to achieving carbon neutrality by 2030;
- in July 2020, Nexans obtained new short-term credit facilities totaling 9,180 thousand euros. These facilities were repaid during the 2022 financial year.

  The interest paid on the facilities amounted to 20 thousand euros in 2022;
- Negotiable European Commercial Paper: On December 21, 2018, the Company set up a negotiable European commercial paper (NEU CP) program, with a ceiling of 800 million euros since November 15, 2021. The outstanding amounted to 272,500 thousand euros at December 31, 2022 (208,500 thousand euros at December 31, 2021).

C. Covenants

At December 31, 2022, Nexans and its subsidiaries had access to 800 million euros under a medium-term confirmed credit facility expiring on October 25, 2027 (with two extension options of one year each).

Under this credit facility and the loan from the EIB, both 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.

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, 2022 and at the date the Board of Directors approved the financial statements.

Note 15. Liabilities by maturity

	2022					2021
At December 31, *in thousands of euros*	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**	**333,910**	**200,000**	**-**	**533,910**
OTHER BORROWINGS AND DEBT	**475,395**	**-**	**475,395**	**-**	**-**	**350,197**
TRADE PAYABLES	**17,033**	**16,522**	**17,033**	**-**	**-**	**20,960**
OTHER PAYABLES [a]	**107,609**	**6,682**	**102,916**	**4,693**	**-**	**102,979**
• Employee-related receivables and prepaid payroll costs	7,060	6,361	7,060	-	-	5,244
• Accrued VAT	1,526	-	1,526	-	-	1,619
• Other accrued taxes	438	90	438	-	-	528
• Tax consolidation suspense account [b]	81,763	-	81,763	-	-	72,758
• Group and associates: tax consolidation	15,726	-	11,033	4,693	-	22,786
• Other liabilities	1,096	231	1,096	-	-	43

(a) The other liabilities due beyond one year comprise amounts payable to members of the tax consolidation group. These amounts correspond to tax credits (notably CIR) that have a low probability of being offset against taxes payable in 2023.
(b) 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

A. Free shares and performance shares

At December 31, 2022, there were 1,331,425 free shares and performance shares outstanding, each entitling their owner to one share, representing 3.04% of the share capital (1,227,765 shares outstanding at December 31, 2021, representing 2.8% of the share capital).

In 2022, 358,865 rights to free and performance shares were granted and 80,480 free or performance shares were delivered to the beneficiaries at the end of the vesting periods for Plans no. 18 and 18B (see **Note 12.C**).

The free share and performance share rights outstanding at December 31, 2022 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	211,100	0	March 13, 2022
July 27, 2018	14,500	0	July 27, 2022
March 19, 2019	319,700	278,100	March 19, 2023
March 17, 2020	340,650	305,950	March 17, 2024
March 18, 2021	333,145	304,190	March 18, 2025
September 30, 2021	100,000	93,200	March 17, 2025
September 30, 2021	2,750	2,750	March 17, 2025
March 17, 2022	348,765	337,135	March 17, 2026
October 25, 2022	10,100	10,100	March 17, 2026
TOTAL SHARE RIGHTS OUTSTANDING		**1,331,425**	

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	**1,227,765**
Shares granted during the year [(a)]	358,865
Shares vested during the year	(80,480)
Shares canceled during the year	(174,725)
FREE SHARES THAT HAD NOT YET VESTED OR WERE SUBJECT TO A LOCK UP AT YEAR END	**1,331,425**

(a) 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.

B. 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 (see **Note 16.G**).

In 2022, 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.

C. Off-balance sheet commitments

RECIPROCAL COMMITMENTS

None.

COMMITMENTS GIVEN

- The Company has granted parent company guarantees covering the contractual obligations of certain subsidiaries, amounting to 2,506 million euros at December 31, 2022 (excluding the commitments described below related to 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 880 million euros.

COMMITMENTS RECEIVED

- At December 31, 2022, the commitments received corresponded to the Company's 800-million-euro unused credit facility expiring on October 25, 2027.

D. Fees paid to the Statutory Auditors

The total fees paid to the Statutory Auditors recorded in the income statement for 2022 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 [(a)]	Total
Mazars 61 rue Henri Regnault, 92075 Paris La Défense	15	305	64	384
PricewaterhouseCoopers Audit 63 rue de Villiers, 92208 Neuilly-sur-Seine	15	285	50	350
TOTAL	**30**	**590**	**114**	**734**

(a) Services primarily linked to the verifications carried out by a potential purchaser or investor before the transaction.

E. Subsequent events

Signature of a credit line

A secured financing line was signed by the Group on February 7, 2023 to ensure its liquidity and to cover the refinancing of the two bond issues maturing in 2023 and 2024. This line of financing will enable the Group to draw down up to 325 million euros in 2023, an amount reduced to 200 million euros in 2024, over two separate availability periods. In the event of a drawdown, the maximum maturity will be August 7, 2025.

Exclusive negotiations for the sale of the Telecom Systems Business Unit

On February 6, 2023, the Group announced that it was entering into exclusive negotiations for the potential sale of its Telecom Systems Business Unit to Syntagma Capital, an investment fund based in Brussels, Belgium.

The Telecom Systems Business Unit's activities are carried out worldwide by nearly 680 employees spread over several sites in Europe, the Middle East, Africa and Asia. They generate around 200 million euros in revenue. The Business Unit is a recognized leader in advanced solutions for telecommunications, local area networks and data centers, with a strong financial performance.

At December 31, 2022, the criteria of IFRS 5 were not met to reclassify assets and liabilities as assets available for sale in the Company's consolidated financial statements.

No impairment was recognized in 2022 or expected in 2023 due to the expected capital gain.

No other significant event has occurred since December 31, 2022.

F. 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 a fine of 70.6 million euros 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.

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. Both cases have been transferred from the High Court to the Competition Appeal Tribunal. NKT has entered into an agreement with Vattenfall. Vattenfall's action against Prysmian and Prysmian's action for contribution against Nexans are ongoing.

In May 2022, a request for certification of a class action was filed with the Competition Appeal Tribunal (CAT), requesting authorization to sue the Nexans, Prysmian and NKT Groups for damages in favor of British plaintiffs. The action is based on the 2014 European Commission decision pertaining to the high-voltage cable sector. The CAT will have to decide whether to certify this appeal, an essential preliminary step for the continuation of the action. The plaintiffs have obtained financing for the proceedings from a professional lender specializing in litigation financing. As part of its analysis, the CAT will examine the said financing agreement in order to determine, inter alia, whether the budget provisioned by the plaintiffs will be sufficient to cover their costs in the event of defeat.

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 June 2023.

The claim in the Netherlands was made jointly by the Electricity & Water Authority of Bahrain, the Gulf Cooperation Council Interconnection Authority, the Kuwait Ministry of Electricity and Water and the Oman Electricity Transmission Company, against certain companies of the Prysmian Group and its former shareholders, as well as against the Nexans Group and the ABB Group. This action has been brought before the Court of Amsterdam. On December 18, 2019, Nexans and the other defendants filed a petition challenging the jurisdiction of the court seized. 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.

The 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.

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 fifteen 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 approximately 850,000 euros. All such investigations are now closed, and the risks associated with the majority of claims brought by customers in connection with them are now all closed.

On November 24, 2017 in Spain, Nexans Iberia and the Company (in its capacity as Nexans Iberia's parent company) were notified of a decision by the Spanish competition authority ("CNMC"), which found that Nexans Iberia had participated directly in an infringement of Spanish competition laws in the low- and medium-voltage cable sectors. The Company was held jointly liable for the payment of part of the fine levied on Nexans Iberia by the CNMC. In early January 2018, Nexans Iberia settled the 1.3 million euro fine levied by the CNMC. Nexans Iberia and the Company have appealed the CNMC's decision. The appeal judgment is expected in 2023.

On July 27, 2020, Nexans Iberia was served with a claim filed by Iberdrola before the Commercial Court of Barcelona, on the basis on the CNMC's decision (which also sanctioned one of Iberdrola's subsidiaries), despite the proceedings before the CNMC not being final. 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.

During the first half of 2022, four additional complaints were notified to Nexans Iberia, based on the CNMC's decision in the low- and medium-voltage sector. Nexans Iberia's potential sales to the plaintiffs have been greatly reduced and Nexans is filing its arguments in litigation pending the appeal judgment against the CNMC's decision.

On January 20 and May 10, 2022, the German Federal Cartel Office (FCO) carried out searches at two of Nexans' sites in Germany. The searches were 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.

G. List of subsidiaries and affiliates

At December 31, 2022	Share capital	Equity (excluding capital) [c]	Ownership %	Dividends received	Gross value of securities	Net value of securities	Sales [c]	Net income [c]
Company name	*(in thousands of currency units)*	*(in thousands of currency units)*	%	*(in thousands of euros)*	*(in thousands of euros)*	*(in thousands of euros)*	*(in thousands of currency units)*	*(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	(62,796)	100	-	567,400	567,400	1,914,186	(34,931)
NEXANS PARTICIPATIONS Paris – France (SIREN: 314 613 431)	418,110	1,585,581	100	125,154	2,048,264	2,048,264	2,596	241,711
INVERCABLE S.A. [a] Santiago – Chili	82,400	136,796	100	10,631	194,948	194,948	-	11,978
2) Investments (10% to 50% owned)								
NEXANS KOREA [b] Chungcheongbuk – Korea	17,125,879	62,413,098	35.53	-	16,940	16,940	229,263,675	(4,390,451)

(a) Amount in thousands of USD (US dollars): 1 USD = 0.8829 euros at December 31, 2022.
(b) Amount in thousands of KRW (Korean won): 1,000 KRW = 0.7427 euros at December 31, 2022.
(c) Provisional data as these companies' financial statements had not yet been formally approved.

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 five fiscal years

	2022	2021	2020	2019	2018
I - Share capital at the end of the fiscal year					
a) Share capital *(in thousands of euros)*	43,753	43,756	43,606	43,606	43,495
b) Number of shares issued	43,753,380	43,755,627	43,606,320	43,606,320	43,494,691
II - Results of operations *(in thousands of euros)*					
a) Sales before taxes	39,869	28,637	27,902	31,596	27,422
b) Income before tax, employee profit-sharing, depreciation, amortization and provisions	98,549	52,249	21,236	9,749	29,429
c) Income taxes credit	861	21,764	686	944	894
d) Employee profit-sharing due for the fiscal year	(243)	(81)	(215)	(17)	(113)
e) Income after tax, employee profit-sharing, depreciation, amortization and provisions	73,068	51,030	23,441	6,217	25,333
f) Dividends	91,882 [a]	52,507	-	13,012	30,257
III - Income per share *(in euros)*					
a) Income after tax and employee profit-sharing but before depreciation, amortization and provisions	2.27	1.19	0.50	0.24	0.69
b) Income after tax, employee profit-sharing, depreciation, amortization and provisions	1.67	1.17	0.54	0.14	0.58
c) Dividend per share	2.10	1.20	-	0.30	0.70
IV - Personnel					
a) Average headcount during the year (in number of employees)	6	6	8	6	8
b) Total fiscal year payroll (in thousands of euros)	4,295	5,364	6,098	6,980	4,860
c) Total amount paid for employee benefits during the fiscal year (in thousands of euros)	1,718	2,146	2,033	2,327	1,620

(a) Based on the number of shares constituting the share capital as of December 31, 2022.

5.2.5 Statutory auditors' report on the financial statements

For the year ended December 31, 2022

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of Nexans,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Nexans for the year ended December 31st, 2022.

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, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Accounts, Audit and Risk Committee.

Basis for Opinion

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of rules required by the French Commercial Code (*code de commerce*) and the French Code of ethics (*code de déontologie*) for statutory auditors for the period from January 1st, 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014.

Justification of Assessments - Key Audit Matters

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, 2022, 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. No new impairment was booked.

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.F to the financial statements, which notably describes the antitrust investigations initiated against the Company.

As indicated in Note 3.I 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.F to the financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French 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 or allocated 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 controlled companies that are included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code *(Code de commerce)*, we have verified their compliance with the source documents communicated to us. Based on these procedures, we have no observation to make on this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

FORMAT OF PRESENTATION OF THE FINANCIAL STATEMENTS 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, 2022, PricewaterhouseCoopers Audit and Mazars were in the 17th and 8th consecutive year of their engagement, respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Accounts, Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE ACCOUNTS, AUDIT AND RISK COMMITTEE

We submit a report to the Accounts, Audit and Risk Committee, which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Accounts, Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Accounts, Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(Code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Accounts, Audit and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Courbevoie, March 17, 2023

The Statutory Auditors

PricewaterhouseCoopers	Audit MAZARS
Edouard Demarcq	Juliette Decoux-Guillemot

5.3. Account control

Statutory auditors

Mazars

(Regional Company of Auditors of Paris)

Tour Exaltis, 61, rue Henri Régnault,
92075 Paris-La Défense Cedex,

represented by Juliette Decoux-Guillemot

Appointment date: May 12, 2021

Term of office expires: AGM 2027

PricewaterhouseCoopers Audit

(Regional Company of Auditors of Versailles)

63, rue de Villiers,
92208 Neuilly-sur-Seine Cedex,

represented by Édouard Demarcq

Date of appointment: May 17, 2018

Term of office expires: AGM 2024

Deputy statutory auditors

Cabinet CBA

Tour Exaltis, 61, rue Henri Régnault,
92075 Paris-La Défense Cedex

Date of appointment: May 12, 2021

Term of office expires: AGM 2027

Patrice Morot

63, rue de Villiers,
92208 Neuilly-sur-Seine Cedex

Date of appointment: May 17, 2018

Term of office expires: AGM 2024

Fees paid by Nexans to the Statutory auditors at December 31, 2022

	Mazars				PricewaterhouseCoopers Audit			
	Amount (excl. Taxes)		%		Amount (excl. Taxes)		%	
In thousands of euros	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Audit services – Certification and review of individual and consolidated financial statements								
Parent company	320	226	17%	13%	300	216	14%	13%
Fully consolidated companies	1,500	1,346	78%	80%	1,733	1,257	78%	73%
SUB-TOTAL	**1,820**	**1,572**	**95%**	**93%**	**2,033**	**1,473**	**92%**	**85%**
Other non-audit related services								
Parent company	64	52	3%	3%	50	64	2%	4%
Fully consolidated companies	41	59	2%	4%	129	189	6%	11%
SUB-TOTAL	**105**	**111**	**5%**	**7%**	**179**	**253**	**8%**	**15%**
TOTAL	**1,925**	**1,683**	**100%**	**100%**	**2,212**	**1,725**	**100%**	**100%**

INFORMATIONS ABOUT THE SHARE CAPITAL
and ownership structure

06

6.1 Stock market data

Nexans is listed on Euronext Paris (Compartment A)

Deferred settlement service

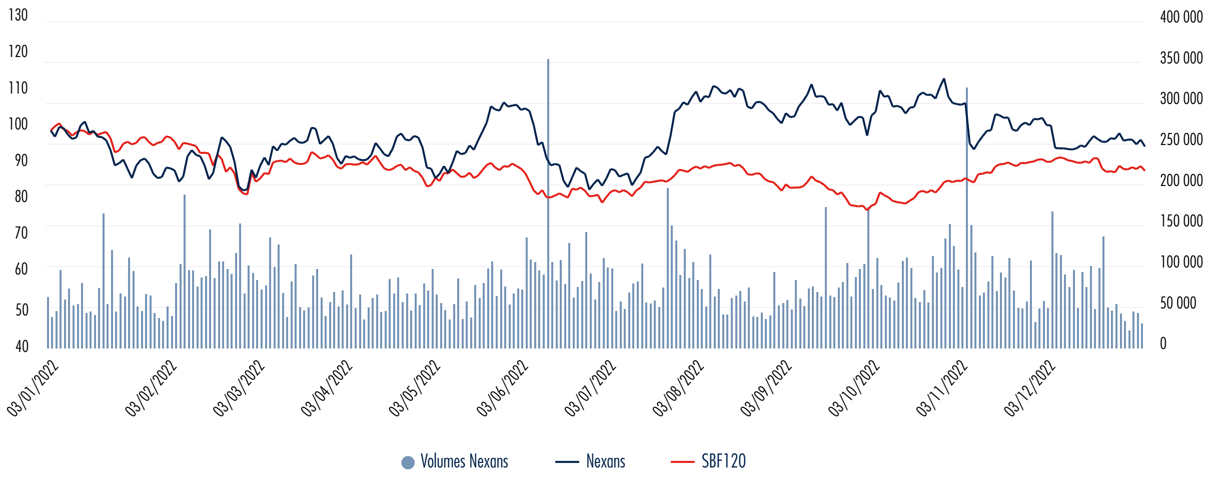
ISIN code FR0000044448

Par value: 1 euro

Indices: SBF 120, NEXT 150, CAC MID & SMALL, CAC MID 60, CAC INDUSTRIALS, CAC SBT 1.5°

SHARE PERFORMANCE

(100 basis from January 3 to December 31, 2022)



PER SHARE DATA

In euros (except ratios)	2022	2021	2020
Net assets [(a)]	37.76	33.07	27.79
Basic earnings/(loss) per share [(b)]	5.64	3.76	1.80
Diluted earnings/(loss) per share [(c)]	5.47	3.66	1.76
PER [(d)]	6.69	8.80	15.44
Net dividend [(e)]	2.10	1.20	0.70
Dividend yields [(d)]	2.49%	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, 2023, the Board of Directors will recommend a dividend payment of 2.10 euros per share for 2022.

STOCK MARKET DATA

Share price in euros (except percentages)	2022	2021	2020
High	101.70	92.70	59.85
Low	69.15	59.40	21.55
End-of-year closing price	84.45	85.85	59.25
Change over the year	-1.63%	44.89%	34.63%
Change in the SBF 120 over the year	-10.32%	24.78%	-7.56%
Change in the CAC 40 over the year	-9.60%	27.41%	-8.11%
MARKET CAPITALIZATION AT 12/31 [A]	**3,695**	**3,756**	**2,593**
Average daily trading volume [b]	79,805	60,377	92,128
Number of shares in issue at 12/31	43,753,380	43,755,627	43,755,627
SHARE TURNOVER [C]	**0.18%**	**0.14%**	**0.21%**

(a) In millions of euros.
(b) In number of shares.
(c) Daily average over the year.

6.2 Share capital

At December 31, 2022, the Company's share capital stood at 43,753,380 euros, fully paid-up and divided into 43,753,380 shares with a par value of one (1) euro each. This amount is the result of a capital increase reserved for employees for 497,753 shares and a capital reduction by cancellation of 500,000 treasury shares on July 26, 2022.

Each of the Company's shares carries one voting right.

6.2.1 Estimated breakdown of share capital and voting rights at December 31, 2022

6.2.1.1 Table of changes in the Company's share capital over the last five years

Date	Transaction	Number of shares issued/ canceled	Nominal amount of the transaction	Total amount of share capital *(in euros)* and number of shares
January 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
July 26, 2022	Share capital increase reserved for employees	497,753	497,753	44,253,380
July 26, 2022	Capital reduction via cancellation of shares	500,000	500,000	43,753,380

6.2.1.2 Potential share capital at December 31, 2022

At December 31, 2022, the following securities carried rights to the Company's shares:

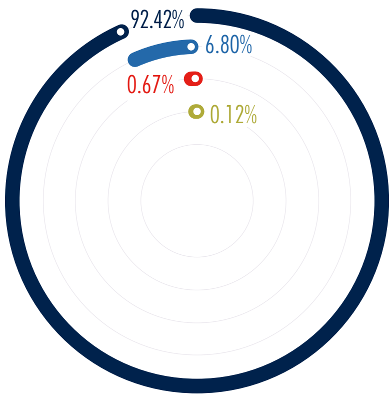
1) the 1,155,730 free shares subject to performance conditions (maximum performance achievement) granted to employees and corporate officers, or to some of them, and not yet fully vested, representing approximately 2.64% of the Company's share capital at December 31, 2022;

2) the 175,695 free shares not subject to performance conditions granted to employees and corporate officers and not yet fully vested, representing approximately 0.40% of the Company's share capital at December 31, 2022.

At December 31, 2022 there were no other securities carrying rights, directly or indirectly, to the Company's share capital.

The potential share capital (existing capital plus any securities likely to carry rights to the Company's shares) represented approximately 103.04% of the Company's share capital at December 31, 2022.

6.2.1.3 Estimated distribution of share capital and voting rights (1) at December 31, 2022



● **Institutional investors: 92.42%, 40,435,460 shares:**
Invexans (Quiñenco group. Chile): 28.82%, 12,610,914 shares
Baillie Gifford & Company LTD (United Kingdom, 8.66%, 3,790,800 shares)
Bpifrance Participations (France): 7.69%, 3,336,546 shares

● **Private investors and employees 6.80%, 2,974,180 shares:**
Private investors: 2.77%, 1,211,894 shares
Employees: 4.03%, 1,762,286 shares

● **Treasury stock: 0.67%,** 51,338 shares

● **Other: 0.12%,** 292,402 shares

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, 2022, the corporate officers owned approximately 7.8% (2) of the Company's share capital.

To the best of the Company's knowledge, at December 31, 2022, no shareholder other than those cited above held more than 5% of the share capital.

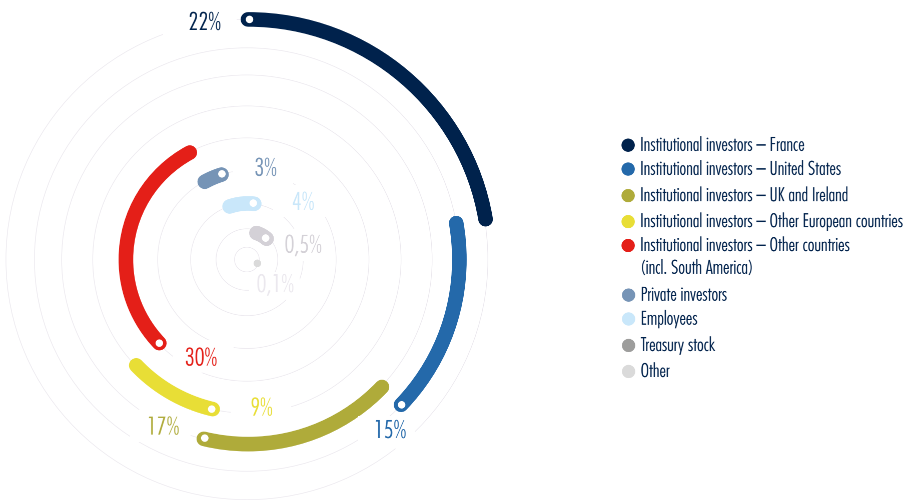
Nexans is not aware of the existence of any individual or legal entity that, directly or indirectly, acting alone or in concert, exercises control over its share capital, nor of any agreement that, if implemented, could trigger a change of control of the Company.

(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, 2022, the estimated ownership structure by geographic area was as follows:



6.2.3 Legal threshold disclosures filed in 2022

On February 18, 2022, Baillie Gifford & Co. declared to the French Financial Markets Authority (*Autorité des marchés financiers* - AMF) that it had crossed the 5% threshold 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.

6.2.4 Changes in Nexans' ownership structure over the last three years

	Estimated situation at December 31, 2020			Estimated situation at December 31, 2021			Estimated situation at December 31, 2022		
Shareholders	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
Institutional investors	38,476,260	87.93	87.93	40,856,960	93.38	93.38	4,0435,460	92.42	92.42
Employees	1,794,208	4.10	4.10	1,409,929	3.22	3.22	1,762,286	4.03	4.03
Private investors	2,053,764	4.69	4.69	1,365,258	3.12	3.12	1,211,894	2.74	2.74
Treasury shares [(a)]	107,155	0.24	0.24	90,821	0.21	0.21	292,402	0.67	0.67
Other	1,324,240	3.03	3.03	32,659	0.07	0.07	51,338	0.15	0.15

(a) Excluding liquidity contract.

6.3 Employee share ownership

The proportion of the share capital owned by the employees, calculated in accordance with Article L.225-102 of the French Commercial Code (*Code de commerce*), was 4.03% at December 31, 2022 versus 3.22% at December 31, 2021.

6.4 Shareholders' Meetings

6.4.1 Meetings

Nexans' shareholders are called to Shareholders' Meetings and vote in accordance with the applicable legal provisions and the Company's bylaws.

Information on 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 Combined 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 Combined 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 2023 Shareholders' Meeting

Nexans' 2023 Annual Shareholders' Meeting will be held on May 11, 2023. 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 – 2023 Shareholders' Meeting.

6.5 Summary table of authorizations in force to increase the share capital and use of such authorizations during 2022

Resolutions approved at the Shareholders' Meetings of May 12, 2021 and May 11, 2022	Limit for each resolution*	Sub-limits applicable to several resolutions*	Limits applicable to several resolutions*	Use during fiscal 2022
Capital increases with and without preferential subscription rights				
Issuance of ordinary shares or securities (French ORAs, OBSAs, OCEANEs, ABSAs, ABSOs, ABSARs) with preferential subscription rights (R19 – 2021 SM), with a greenshoe option if over-subscribed (R23 – 2021 SM)	€14,000,000, i.e. 14,000,000 shares (<32% of the share capital at 12/31/2021) Money market securities = €350,000,000		€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 via the capitalization of premiums, reserves or profits, or any other sum, the capitalization of which is authorized (R20 – 2021 SM)	€14,000,000, i.e. 14,000,000 shares (<32% of the share capital at 12/31/2021)			-
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 SM), with a greenshoe option if over-subscribed (R23 – 2021 SM), 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 SM), with a greenshoe option if over-subscribed (R23 – 2021 SM)	€4,375,000, i.e. 4,375,000 shares (<10% of the share capital) Money market securities = €350,000,000	€4,375,000, i.e. 4,375,000 shares (<10% of the share capital)		-
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 SM)	€4,375,000, i.e. 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 SM)	€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 a SAR (stock appreciation right) type alternative formula, in favor of certain foreign employees (USA, Italy, Chile, China, South Korea, Greece, Sweden) (R26 – 2021 SM)	€100,000 i.e. 100,000 shares			-
Allocation of performance shares in 2023 (R15 – 2022 SM)	€300,000 i.e. 300,000 shares			-
Allocation of free shares in 2023 (R16 – 2022 SM)	€50,000 or 50,000 shares			-
Allocation of performance shares in 2022 (R27 – 2021 SM)	€300,000 or 300,000 shares			Allocation of 299,465 performance shares on 03/17/2022 Allocation of 10,100 performance shares on 10/25/2022
Allocation of free shares in 2022 (R28 – 2021 SM)	€50,000 or 50,000 shares			Allocation of 49,300 free shares on 03/17/2022

* *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… – 2021 SM" stands for the number of the resolution submitted for approval at the Annual Shareholders' Meeting of May 12, 2021.

In the above table, the abbreviation "R… – 2022 SM" stands for the number of the resolution submitted for approval at the Annual Shareholders' Meeting of May 11, 2022.

6.6 Share buybacks and liquidity contract

6.6.1 Share buybacks in 2022 excluding the liquidity contract

In 2022, the Company was authorized to implement share buyback programs pursuant to the resolutions to this effect approved at the Shareholders' Meetings of May 12, 2021 and May 11, 2022.

At December 31, 2022, the Company held 292,402 of its own shares (0.67% of the share capital), of which 27,951 were held within the framework of the liquidity agreement.

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 held on July 27, 2021, the Board of Directors decided to implement a share buyback program complying with the conditions set out in Article 5 of the EU Market Abuse Regulation (Regulation no. 2014/596 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 accordance with Articles L.22-10-62 *et seq.* of the French Commercial Code, the Shareholders' Meeting of May 11, 2022 gave the Company an 18-month authorization to buy back its own shares provided that a public offer 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 140 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 held on May 11, 2022, the Board of Directors decided to implement a share buyback program complying with the conditions set out in Article 5 of the EU Market Abuse Regulation (Regulation no. 2014/596 of April 16, 2014), for a maximum of 475,000 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 325,000.

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 150,000.

The maximum amount that may be invested in the program is capped at 66.5 million euros.

In 2022, the Company repurchased 500,000 shares at a weighted average price of 84.20 euros per share, for a total cost of 42.1 million euros, allocated to the cancellation to reduce the share capital in order to offset the number of shares created by the capital increase reserved for employees of July 2022, known as the Act 2022 plan. These 500,000 shares were canceled by decision of the Board of Directors on July 26, 2022.

The Company also repurchased 254,144 shares at a weighted average price of 90.19 euros per share, for a total cost of 22.9 million euros, allocated to meeting the obligations under the free share and performance share plans for employees and executive corporate officers.

6.6.2 Transactions carried out in 2022 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 the regulations of the French Financial Markets Authority (*Autorité des marchés financiers* - AMF), in particular AMF decision no. 2021-01 of June 22, 2021.

Between January 1 and December 31, 2022, the Company carried out the following transactions under the liquidity contract:

- 6,235 purchases, totaling 848,277 shares at an average price of 88.4139 euros, for a total amount of 74,999,446.90 euros; and
- 5,718 sales, totaling 848,277 shares at an average price of 88,8249 euros, for a total amount of 75,348,121.05 euros.

SUMMARY OF THE TRANSACTIONS CARRIED OUT UNDER THE LIQUIDITY CONTRACT ENTRUSTED BY NEXANS TO ODDO BHF SCA AND NATIXIS

		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 *(euros)*	
Beginning of period	End of period	Beginning of period	End of period	Beginning of period	End of period	Purchase	Sale	Purchase	Sale	Purchase	Sale	Purchase	Sale
01/01/2022	06/30/2022	€4.95m	€3.85m	15,188	27,951	2,155	2,101	€90.88	€90.73	261,343	255,237	€21.65m	€21.54m
07/01/2022	12/31/2022	€3.85m	€4.32m	34,057	27,951	4,080	3,617	€82.86	€84.39	586,934	593,040	€53.34m	€53.80m
TOTAL 2022						**6,235**	**5,718**	**€88.41**	**€88.82**	**848,277**	**848,277**	**€74.99M**	**€75.35M**

6.6.3 Description of the share buyback program pursuant to Articles 241-1 *et seq.* of the General Regulations of the French Financial Markets Authority

The following description of the share buyback program to be submitted for approval at the Shareholders' Meeting of May 11, 2023 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, 2022, the Company held 292,402 of its own shares (0.67% of the share capital), of which 27,951 were held within the framework of the liquidity agreement.

Allocation of the shares held at December 31, 2022 based on the purpose for which they are acquired

The 264,451 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.

During 2022:

- by decision of the Board of Directors on March 17, 2022, 73,230 shares were transferred to the beneficiaries of free shares and performance shares, pursuant to Long-Term Compensation Plan no. 18 of March 13, 2018;
- by decision of the Board of Directors on July 26, 2022, 7,250 shares were transferred to the beneficiaries of free shares, pursuant to Long-Term Compensation Plan no. 18 A of July 27, 2018.

In addition, the Company canceled 500,000 treasury shares during the 2022 fiscal year, by decision of the Board of Directors on July 26, 2022. It did not make any reallocations. The Company did not use any derivative instruments and did not hold any open positions.

Purposes of the shares buyback program

Subject to approval of the resolution submitted to the Shareholders' Meeting of May 11, 2023, 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 in respect of their participation in the benefits of the Company's expansion, or the implementation of any company savings 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 Shareholders' Meeting.

Maximum share of capital, maximum number and characteristics of the shares that Nexans proposes to acquire and maximum purchase price

Subject to the approval of the Shareholders' Meeting of May 11, 2023, the Company will have the option to acquire Nexans shares (ISIN code FR0000044448) listed on the Euronext Paris regulated market (compartment A) at a maximum price of 140 euros and for a maximum total amount of 100 million euros. The maximum portion of the share capital that may be repurchased is 10% of the total number of shares comprising the Company's share capital at the time of the repurchase. 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 Factors likely to have an 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 and benefits for executive corporate officers", 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*), signed on October 25, 2022, for an amount of 800 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 1,050 million Norwegian crowns, 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), signed on November 25, 2021, to support its active participation in the global energy transition and its commitment to help achieve carbon neutrality by 2030, 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 Relations with the financial community

The Investor Relations Department acts as the interface between the Group and the international financial community made up of institutional investors, including socially responsible ESG (Environment, Social and Governance) investors, financial analysts and private investors. It provides real-time, clear, rigorous and transparent information to keep them informed of the Group's strategy, its positioning, its short- and medium-term financial and non-financial results and objectives.

Nexans makes several information documents available to the financial community and its shareholders on its website www.nexans.com under a specific "Investors" section. It includes:

- the Universal Registration Document including the integrated report and the report on corporate governance and sustainable development, as well as the half-year financial report;
- presentations and press releases relating to financial and non-financial results;
- information for private investors;
- information relating to the Shareholders' Meeting.

6.8.1 Institutional investors

The Investor Relations Department maintains close and ongoing dialogue with the financial community. Throughout the year, it meets with investors and financial and non-financial analysts, during visits to the Group's sites, roadshows organized in Europe and North America or conferences organized by the 13 analysts covering the Company. In total, more than 400 investors or analysts were met in 2022, including a large number by the Group's management.

6.8.2 Retail investors

Nexans maintains an ongoing dialogue with retail investors who hold approximately 3% of its share capital. In this respect, a "Shareholder" section is available on the Group's website. The Letter to Shareholders provides shareholders with specific information and enables them to share key moments in the Group's life: financial results, commercial successes, product launches and presentations of innovations serving customers. In addition, the Group's management and experts met several times with private investors, particularly during the Shareholders' Meeting and during site visits.

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 Shareholders' Meetings. To register your shares in pure registered form, contact Société Générale Securities Services, which services Nexans shares, at +33 (0)2 51 85 67 89, then * 122.

The team dedicated to retail investors is available by email at investor.relations@nexans.com and strives to provide a rapid response to any request for information.

6.8.3 Employee shareholders

Since 2010, Nexans has been committed to a free share allocation policy aimed at promoting the long-term development of employee share ownership.

In 2022, Nexans implemented its tenth employee share ownership plan, "Act 2022", rolled out in 25 countries. For the first time, employees were able to participate in the Group's decarbonization effort because Nexans will use part of the funds raised for projects to reduce greenhouse gas emissions, and to promote energy efficiency and the circular economy. Several information meetings were organized at each site to present the specific features of the offer to employees and to raise their awareness of Nexans' share performance.

Under the Group savings plans in France and abroad, the employees held 1,762,286 shares at December 31, 2022, i.e. 4.03% of the share capital. At December 31, 2021, they held 1,409,929 shares, or 3.22% of the share capital.

6.8.4 Contact information

Nexans

Le Vinci, 4 allée de l'Arche

92070 Paris La Défense Cedex, France

Institutional investors and financial analysts

Elodie Robbe-Mouillot, VP investor relations

For any appointment request, e-mail: investor.relations@nexans.com

Private investors

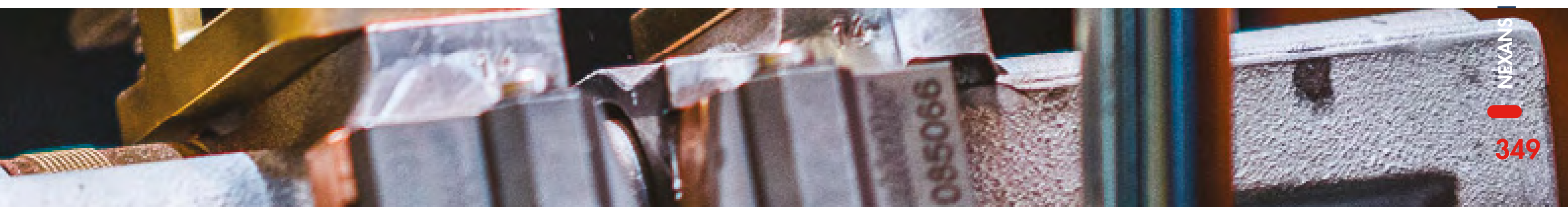
For any questions relating to registered shares: Société Générale Securities Services provides services for Nexans shares (+33 (0)2 51 85 67 89, then * 122).

Société Générale Service des Titres

32 rue du Champ de Tir, BP 81236, 44312 Nantes Cedex 3, France

ADDITIONAL INFORMATION

07



7.1 Statement by the Person Responsible for the Universal Registration Document containing an annual financial report

Paris, March 17, 2023

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

CONCORDANCE TABLE

08

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 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 Regulation (EU) 2017/1129 of June 14, 2017, the following information is incorporated by reference in this Universal Registration Document:

- for the year ended December 31, 2021: the consolidated financial statements and the corresponding Statutory Auditors' report for the year ended December 31, 2021, 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 25, 2022 under no. D.22-0154;
- for the year ended December 31, 2020: the 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 no. D.21-0209.

The sections of the 2020 Universal Registration Document and 2021 Universal Registration Document not included are either not applicable for investors or are covered by another section in the 2022 Universal Registration Document.

The page numbers in the table below refer to this Universal Registration Document.

CONCORDANCE TABLE OF THE UNIVERSAL REGISTRATION DOCUMENT

Sections of Annex 1 and 2 of Delegated Regulation (EU) 2019/980 of March 14, 2019 supplementing Regulation (EU) 2017/1129 of June 14, 2017	Pages
16. MAJOR SHAREHOLDERS	
16.1 Shareholders holding more than 5% of the Company's share capital or voting rights	342
16.2 Existence of different voting rights	N/A
16.3 Issuer control	N/A
16.4 Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	N/A
17. RELATED PARTY TRANSACTIONS	246-247, 304, 329
18. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
18.1 Historical financial information	192 *et seq.* of the 2020 URD and 290 *et seq. of* the 2021 URD
18.2 Interim and other financial information	N/A
18.3 Auditing of historical annual financial information	313-316, 334-336
18.4 *Pro-forma* financial information	N/A
18.5 Dividend policy	63, 70, 224, 256, 283
18.6 Legal and arbitration proceedings	71, 92-93, 306-307
18.7 Significant changes in the issuer's financial or trading position	12-15, 61-63
19. ADDITIONAL INFORMATION	
19.1 Share capital	341-343
19.2 Memorandum and Articles of Association	72, 223-224
20. MATERIAL CONTRACTS	71
21. DOCUMENTS AVAILABLE	72, 348-349

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 and Article 222-3 of the AMF's General Regulations.

The page numbers in the table below refer to this Universal Registration Document.

Information in the annual financial report	Pages
Parent company financial statements of Nexans	317-332
Consolidated financial statements of the Nexans Group	252-312
Management Report	5-6, 12-21, 54-55, 59-72, 78-97, 98-104, 109-176,178-184, 306-307, 309, 330-333, 344-348
The Board of Directors' report on corporate governance	188-245
Statement by the person responsible for the annual financial report	352
Statutory Auditors' report on the parent company financial statements	334-336
Statutory Auditors' report on the consolidated financial statements	313-316
Statutory Auditors' fees	311, 329, 337

8.3 Concordance table of the management report

Concordance table of the management report provided for in 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.

8.4 Concordance table of the report on corporate governance

Concordance table of the report on corporate governance provided for in Articles L.22-10-10 and 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
GOVERNANCE	
1. Body chosen to carry out the executive management of the Company – diversity policy among governance bodies	189-192
2. Composition, preparation conditions and organization of the Board of Directors' work	193-222
3. Board of Directors' diversity policy	192-193
4. Application of the principle of balanced representation of men and women	192-193
5. List of all the directorships and positions held in any company by each of these corporate officers during the previous year	189, 197-210
6. Restrictions on the powers of the Chief Executive Officer	219-220
7. Transactions involving the Company's shares carried out by executives and persons closely related to them	225
8. Agreements entered into between a corporate officer or shareholder holding more than 10% of the voting rights and a subsidiary	246-249
9. Summary table of authorizations in force to increase the share capital and use of such authorizations during the year	345
10. Reference to the corporate governance code applied by the Company	188
11. Factors likely to have an impact in the event of a takeover bid	348
12. Shareholders' participation at Shareholders' Meetings	223-224, 344
COMPENSATION	
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	226-231
14. Fixed, variable and extraordinary components of compensation and benefits of all kinds due or granted for the previous fiscal year	232-239
15. Commitments of any kind benefiting the executives	239, 305, 329
16. Terms and conditions for the transfer of free shares allocated to executives during their terms of office	227, 245
17. Information on stock option plans for corporate officers and employees	234, 242
18. Free shares granted to corporate officers and employees	231, 235-238, 242-245

8.5 Concordance tables for the Non-Financial Performance Statement and corporate social responsibility

CONCORDANCES 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
NON-FINANCIAL PERFORMANCE STATEMENT		109-187
Business model	101 to 103	12 *et seq.*
Main risks and policies	G4-1, G4-2, G4-15, G4-34, G4-36, G4-37 to 42, G4-48, G4-EN30, G4-EN31	116-121
Key performance indicators	102	113-114 ; 122
Consequences of climate change on the Company's business and use of its goods and services	G4-EN15 to G4-EN19, G4-EC2	135-137
Societal commitments to sustainable development	G4-1, G4-2, G4-15, G4-34, G4-36, G4-37 to 42, G4-48	168-170
Circular economy	G4-EN23 to G4-EN25, G4-EN28, G4-EN1 to G4-EN10	126-129
Actions to prevent food waste and insecurity	G4-EN23 to G4-EN25, G4-EN28, G4-EN1 to G4-EN10	129; 145-147
Respect for animal welfare		133-134
Responsible and sustainable food production and fair food trade		129
Collective bargaining agreements and their impact on financial performance and employees' working conditions	G4-11, G4-LA4, G4-LA8	151
Respect of human rights	G4-LA3 and G4-LA13, G4-56 to G4-59, G4-SO3 to G4-SO5, G4-HR3 to G4-HR6, G4-HR11	161-162
Prevention of discrimination	G4-LA5, G4-LA6	154-156; 159-161
Promoting diversity	G4-LA3, G4-LA12, G4-LA13, G4-HR3 to G4-HR6, G4-HR11	154-156
Measures taken to protect people with disabilities	G4-LA3, G4-LA12, G4-LA13, G4-HR3 to G4-HR6, G4-HR11	156
Anti-corruption	G4-56 to G4-59, G4SO3 to G4-SO5	159-161
Fighting tax evasion		168
DUTY OF CARE PLAN		
Duty of care plan		162-167
POLICY		
Company efforts to take into account the social and environmental consequences of its activity, as well as its societal commitments to sustainable development; strategy specifying, where necessary, the actions or initiatives implemented	G4-1, G4-2, G4-15, G4-34, G4-36, G4-37 to 42, G4-48	111-187
SOCIAL INFORMATION		
a) Workforce		
Total workforce	G4-9	145; 174-176
Breakdown of employees by gender, age and geographical location	G4-10, G4-LA12	145; 174-176
New employee hires and layoffs	G4-LA1	150-151; 174-176
Employee compensation and salary progression	G4-51 to 55, G4-EC1, G4-EC5	151
b) Work organization		
Working hours	G4-10	174-176
Absenteeism	G4-LA6	174-176
c) Labor relations		
Organization of social dialogue	G4-11, G4-LA4	157-158
Collective bargaining agreements	G4-11, G4-LA8	151 ; 157-158

Obligations under Articles R. 225-104 *et seq.* of the French Commercial Code	*Global Reporting Index GRI-G4*	Pages of the Universal Registration Document
d) Health and safety		
Health and safety conditions	G4-LA5, G4-LA6	145-148; 174-176
Agreements signed	G4-LA8	145-148
Workplace accidents and occupational illnesses	G4-LA6, G4-LA7	145-148 ; 174-176
e) Training		
Training policies	G4-LA10, G4-LA11, G4-43	148-150
Total number of training hours	G4-LA9, G4-HR2	148-150; 174-176
f) Equal treatment		
Gender equality	G4-LA3, G4-LA12, G4-LA13	154-156; 174-176
Employment and integration of disabled people	G4-LA12	156; 174-176
Prevention of discrimination	G4-LA12, G4-HR3	154-156; 159-161
ENVIRONMENTAL INFORMATION		
a) General environmental policy		
Company organization to take environmental issues into account	G4-1	111-112; 123-143; 173
Employee training and information actions	G4-43	116; 148-150; 174-176
Resources devoted to preventing environmental risks and pollution	G4-EN30, G4-EN31	129-134; 173
Amount of provisions and guarantees for environmental risks	G4-EC2	130
b) Pollution		
Measures to prevent, reduce, or compensate for air, water, and soil emissions severely affecting the environment	G4-EN10, G4-EN20, G4-EN21, G4-EN22, G4-EN24	129-134; 173
Measures to take account of noise and other sources of pollution specific to an activity	G4-EN24	129-134
c) Circular economy Waste prevention and management		
Measures to prevent, recycle, reuse, recover and dispose of waste	G4-EN23 to G4-EN25, G4-EN28	126-129; 173
Actions to prevent food waste	N/A	129
Sustainable use of resources		
Water consumption and water supply according to local constraints	G4-EN8 to G4-EN10	128-129; 173
Consumption of raw materials and measures to improve their efficient use	G4-EN1 to G4-EN10	126-129; 173
Energy consumption, measures to improve energy efficiency and the use of renewable energy sources	G4-EN3, G4-EN4, G4-EN6, G4-EN7	127-128; 173
Land use	G4-EN11	129-131; 173
d) Climate change		
Greenhouse gas emissions	G4-EN15 to G4-EN19	123-126; 173
Adaptation to the impacts of climate change	G4-EC2	135-137; 173
e) Protection of biodiversity		
Measures taken to protect or develop biodiversity	G4-EN11 to G4-EN14, G4-EN26	133-134
SOCIETAL INFORMATION		
a) Regional, economic and social impact of the activity		
Employment and regional development	12. Information on the use of financial instruments	168-170
Impact on local and neighboring communities	G4-EC7, G4-HR8	168-170

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		
Conditions of dialogue with stakeholders	G4-24, G4-26, G4-37, G4-EC6 to G4-EC9, G4-HR8, G4-SO1, G4-S02	171-172
Philanthropic actions and community involvement	G4-SO1, G4-EC7	168-170
c) Subcontracting and suppliers		
Integration of social and environmental issues within purchasing policy	G4-LA15, G4-EN33, G4-HR5, G4-HR9, G4-HR11	162-167
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	162-167
d) Fair practices		
Measures taken to protect consumers' health and safety	G4-EN27, G4-PR1 to G4-PR4, G4-PR6 to G4-PR9	167
Actions taken to prevent corruption	G4-56, G4-57, G4-58, G4-SO3 to G4-SO5	159-161
e) Promotion and compliance with the International Labour Organization's (ILO) fundamental conventions		
Respect for the right to organize and collective bargaining	G4-HR4	157-158
Elimination of discrimination in respect of employment and occupation	G4-HR3	154-156: 159-161
Abolition of forced or compulsory labor	G4-HR6	161-162; 162-167
Abolition of child labor	G4-HR5	161-162; 162-167
f) Other actions promoting human rights		
Other actions promoting human rights	G4-HR11	161-162

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	161-162
2. Make sure that they are not complicit in human rights abuses	161-162
INTERNATIONAL LABOR STANDARDS	
3. Uphold freedom of association and respect for the right to collective bargaining	157-158
4. Contribute to the abolition of all forms of forced and compulsory labor	157-158
5. Contribute to the abolition of child labor	144-158; 161-162
6. Contribute to the elimination of discrimination in respect of employment and occupation	154-156; 157-158
ENVIRONMENT	
7. Undertake a precautionary approach to environmental challenges	123-143; 173
8. Undertake initiatives to promote greater environmental responsibility	123-143; 173
9. Encourage the development and diffusion of environmentally friendly technologies	137-143
ANTI CORRUPTION	
10. Work against corruption in all its forms, including extortion and bribery	159-161

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 working group focused on climate-related financial disclosures, created within the framework of 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	111-112; 135-137
STRATEGY		
Describe the existing and potential impacts of climate-related risks and opportunities on the organization's activities, its strategy and financial planning where relevant	a) Describe the climate-related risks and opportunities the organization has identified in the short-, medium- and long-term b) Describe the climate-related risks and opportunities on the organization's activities, strategy and financial planning c) Describe the organization's resilience, taking various climate-related scenarios into account, including a scenario of 2°C or less	116-121; 135-137
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	116-121
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	113-114; 116-121

CONCORDANCE TABLE 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	116-121; 162-167
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	132-133
Risks related to workplace safety	Workplace safety	Workplace accident frequency rate Workplace accident severity rate	145-148
Risks related to attracting and retaining talent	Human Resources	Managerial positions filled internally Percentage of women managers Women in top management positions	148-151
Risks related to environmental pollution	Pollution and climate change	% of EHP/ISO14001-certified sites	129-131
Compliance risks	Compliance Program	Managers having signed the Compliance Certificate	159-161

8.6 Glossary

Governance terms	Definitions
Adjusted subsea high voltage backlog	See definition in Section 1.6.3.5 p. 68.
AFEP-MEDEF Code	A set of recommendations grouped together in a corporate governance code for listed companies drawn up by the French Association of Private Enterprises (Association française des entreprises privées - AFEP) and the Movement of French Enterprises (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. Its latest version dates from December 2022.
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 1.6.3.5 p. 68.
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 1.6.3.4 p. 68.
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 1.6.3.8 p. 68.
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 financial debt	See definition in Section 1.6.3.10 p. 68.
Normative cash conversion ratio (NCRR)	See definition in Section 1.6.3.9 p. 68.
Normative free cash flow (NFCF)	See definition in Section 1.6.3.8 p. 68.
Operating margin	See definition in Section 1.6.3.3 p. 68.
Operating working capital requirement	See definition in Section 1.6.3.7 p. 68.
Organic growth	See definition in Section 1.6.3.2 p. 68.
Performance share grant	Operation whereby the Company grants free shares to certain employees and executive corporate officers, 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 1.6.3.11 p. 69.
Return on capital employed from electrification	See definition in Section 1.6.3.11 p. 69.
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 serious 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.

Governance terms	Definitions
Share buyback program	A program carried out 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 was 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, 2022, the Company's share capital stood at 43,753,380 euros, divided into 43,753,380 shares with a par value of one (1) euro each, all fully paid up.
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.
Standard net sales	See definition in Section 1.6.3.1 p. 68.
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, Brundtland Report.
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

For further information

Nexans' corporate and financial publications may be accessed directly at www.nexans.com or may be requested from:

Communication Department

Nexans

4, allée de l'Arche

92400 Courbevoie

- Phone: +33 (0)1 78 15 00 00
- E-mail: communication.direction@nexans.com
- Website: www.nexans.com
- Foundation: www.fondationnexans.com
- Nexans social media sites:

LinkedIn

Twitter

Facebook

Youtube

Contact investors

Finance Department

Nexans

4, allée de l'Arche

92400 Courbevoie

- Phone: +33 (0)1 78 15 05 41
- E-mail: investor.relations@nexans.com
- Website: www.nexans.com/finance

Designed & published by LABRADOR +33 (0)1 53 06 30 80

Nexans
ELECTRIFY THE FUTURE

www.nexans.com

photo credit: ©Pedro Lastra sur Unsplash