



THE ENERGY OF CHANGE

2019
INTEGRATED REPORT

**Nexans**
BRINGS ENERGY TO LIFE

Contents

Profile	1
INDUSTRIAL AMBITION	2
Interview with Christopher Guérin, Chief Executive Officer	4
Over 120 years of history	6
Seven opportunity-rich megatrends	8
Indicators	10
Significant events of 2019	12
Towards a “New Nexans”	16



A LEADER IN THE ENERGY AND DIGITAL TRANSITION	18
Strategy	20
Business model: creating value beyond cables	24
Highlights:	
Building & Territories	26
High Voltage & Projects	28
Telecom & Data	30
Industry & Solutions	32

A RESPONSIBLE LEADER	34
The 3P strategy: People, Planet, Profit	36
Listening to our stakeholders	38
People, at the heart of our strategy	40
Leading the change for carbon neutrality	43
The Nexans Foundation	46
Critical risk management	50



A GOVERNANCE STRUCTURE ADAPTED TO THE “NEW NEXANS”	
An Executive Committee tailored to our industrial ambition	52
A Board of Directors committed to change	54
The Group’s collegial management	56
Financial data	58
Environmental data	60
Social data	61

CREDITS

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Key player in the global energy transition, Nexans is actively contributing to a more connected and sustainable future.

For more than a century, the Group has been bringing energy to life by providing its customers with technologies of advanced cabling solutions for power transmission, and of data. Today, beyond cables, Nexans offers to its customers a complete service leveraging the most advanced technologies to optimize performance and efficiency of their strategic assets.

Committed everyday to meeting major challenges and satisfying its stakeholders, the Group puts Corporate Social Responsibility at the heart of the principles applied in its operations and internal processes. In 2013, Nexans became the leading player in the cable industry to create a Corporate Foundation designed to support access to energy for disadvantaged communities around the world.

Manufacturing sites in

34
countries

Worldwide
presence

KEY FIGURES



6.7

billion euros
in sales⁽¹⁾

26,000

employees

Among the
Top 20

companies involved in R&D
investment and technological
innovation in Europe⁽²⁾

Nexans

listed on Euronext Paris, SBF120 Index

(1) At current metal prices

(2) Sources: <https://iri.jrc.ec.europa.eu/scoreboard/2019-eu-industrial-rd-investment-scoreboard>

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.





INDUSTRIAL AMBITION



Nexans is a major global
operational player
in the energy transition
for a sustainable
electrification of the world



Christopher Guérin – Chief Executive Officer

INTERVIEW WITH

Christopher Guérin,

Chief Executive Officer

Did 2019 live up to your expectations?

2019 was a successful year. After the launch of the New Nexans in 2018 to reposition Nexans as a global leader in the energy transition for a sustainable electrification of the world, 2019's results demonstrated that our strategy is appropriate, understood by our stakeholders, and totally integrated by our teams around the world.

We are now a global leader in energy transition as we built a record backlog of 1.8 Bn€ supporting energy transition in 2019. We are actively committed to fighting climate change and promoting the renewable energies as we are aiming to become carbon neutral by 2030.

Moving from volume to value allowed us to perform much better than expected. This value focus, opposed to volume obsession, has boosted our cash generation capacity in just a few months, a major asset for the coming times.

Our offers, which scaled-up from commodities to innovative solutions and services, meet with our strategic customers' needs and the market's expectations as a whole. This explains our significant steps forward of last year's record level of backlog with our customers in the submarine high voltage business. Nexans has a clear vision of where we are going with your trust.

Consequently, we achieved all of our financial objectives in 2019, with like-for-like EBITDA up 18% year on year at 413 million euros and return on capital employed in the upper end of our objective at 11%. The Group is now ready to accelerate its growth, with a streamlined governance structure, an agile organization and the right business scope built around priority markets and renewable energies. Our portfolio has been simplified in depth to be more profitable and coherent to offer a higher level of value to our strategic customers.

How does Covid-19 impact 2020?

Among global companies, we are in the group of those who were able to better manage the crisis. Thanks to our past experience of focusing on safety within plants as an industrial operator and our experience earlier on in our plants in China, we've been able to anticipate the crisis. Almost all our plants kept running with a maximum security measures to protect the health of all our teams in the field. Very few Nexans' teammates have been infected by COVID-19. I take the opportunity to recognize all of our people who kept on working in all our plants during the crisis. In general, our understanding of our responsibility has immediately changed to place human safety at the forefront of

our concerns. The environment has forever changed and nothing will be as it was before.

The crisis has also accelerated the implementation of our New Nexans strategy. More than ever, the climate change is our concern; more than ever, Nexans is committed and focused to bring sustainable solutions for the electrification of the world.

We need to scale-up our offer and the crisis offered us the possibility to simplify our portfolio in 6 months instead of previously projected of 2 years moving away from focusing on 17,000 customers to 3,000 which represent 90% of our turnover.

Even though we had to suspend our forecasts for 2020, our fundamentals remain strong and reliable and our order book is full until 2022.

The major wins of last year reinforced our global position and they are valuable experiences to prepare calls for tenders expected between now and 2026 for large-scale renewable energy and submarine interconnection projects.

There has been no major impacts on our operations thanks to the Group's renewed strength of strategic, operational, and financial sustainability.

Nexans will be even stronger after the sanitary crisis, confirming our strategic path is the right one.

Is Nexans a major player in energy transition...

The planet is calling for the implementation of renewable energies, energy efficiency and a sustainable electrification of the world. There is a need for a deep change of mindsets.

Nexans is answering this call as a major global operational player. We offer sustainable solutions and services for the electrification of the planet.

This is much more than a mantra, this is in the DNA of Nexans. I believe that there will be no place in the future for global companies that are not fully committed in the energy transition.

We don't have all the answers alone. But we are offering some very innovative solutions and we are aiming to have open debates bringing together experts, opinion leaders, doers because we deeply believe that is our responsibility. We launched the first Nexans Climate Day on September 22nd in Paris during which, we addressed, the main paradoxes that have to be solved in the sustainable electrification of the planet with lots of high quality experts. This Climate day will become an annual event that Nexans will organize in different continents to cover global and also regional topics.

Nexans is a strategic partner in offshore wind energy industry and country energy interconnection. Our new cable-laying vessel,



Nexans Aurora will be capable of laying the heaviest cables in deep sea areas and will play a key role in connecting power grid junctions between countries.

To secure our future growth, we are placing a particular focus on offshore wind industry and it is paying off. In December 2019, we signed an exclusive framework agreement with world offshore wind leader, Ørsted. With this partnership, Nexans is to supply all cables to connect wind offshore farms to the grid in New York, New Jersey and Massachusetts and all US East Coast projects up to 2027. We are now a top leader in offshore wind cable manufacturing.

We aim to reconcile industry with energy transition, as the business should not and never any more, be the enemy of the climate. We need to be virtuous and we will bring our value in the universal battle for the wellbeing of Humanity.

What does “building the world of tomorrow” mean to Nexans?

People, Planet, Profit! This is where the future stands for a sustainable planet, a sustainable adaption for work, and a sustainable profitability for business.

Too often, people, planet and profit are split into silos and there is no link in between. Easy to understand and track the performance, but not effectively managed.

To be effective, those 3 P's have to be closely mixed, without any silo in real terms. It means that no more profit can be made at a cost of plant or people. We decided last January to go even further by launching an incentive program on all managers that is based on those 3 P's.

Tomorrow at Nexans also means a total change in our delivery and transportation policy. Buying local according to the regional supply chain is in the heart of our new way of doing business. We are not pledging for nationalism. We are encouraging China to buy in China, but preferably from Nexans China! We don't believe that we still can buy products in China

that we could buy in Europe. Because any cost savings is immediately offset by the transportation carbon footprint cost and the employments costs in the geographic areas where we operate.

The world of tomorrow is a world of diversity. We launched what we call the human project that aims to promote initiatives such as intra-entrepreneurship, commitment to equality at work, integration of minorities, equality of treatment and opportunities between male and female, a complete integration for teammates with disabilities, and a full protection for our teams that are in front row during crisis.

In term of Profits, we are now confident and determined because we have a clear and valuable strategy. We will be paying close attention to the change in the market we operate over the next few years without losing sight of what is fundamental: the race for ever-greater volumes is over. We are aiming for market leadership based on value creation to the customers, which will be a key driver of our growth. By moving up our customers' value chain and getting closer to the end user, we will unlock new spaces. We will move into services, which represent a market worth 120 billion euros, that is in addition to the 220 billion euros cable market. This uncharted territory will, of course, attract competitors with different profiles. What Nexans needs to do is to capture its customers! For example, one of our teams is already thinking about ways to disrupt the cable market by using our technology and partnering with digital and energy giants that we are already in discussion with. We are looking to build a disruptive business model that will improve our resilience in an ever changing world. This is the winning formula for the New Nexans.

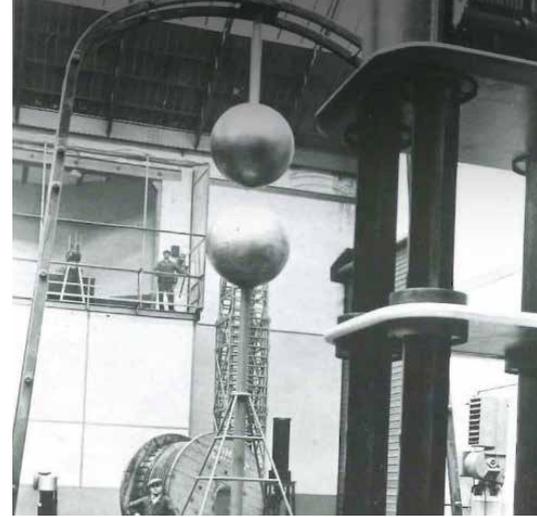
I would like to thank all of our stakeholders for their trust as well as each and every one of the Group's employees for their commitment and contribution to our success.

There is a way to become a virtuous 3P's company. It's the only way to be successful in the future.

Nexans is at the forefront. We are ready. We will succeed. We are Nexans.

Over 120 years of history, three industrial revolutions... and a new chapter to write

In 2019, Nexans concluded the first chapter of its industrial saga, which began in the 19th century. After over 120 years of victories, accomplishments and pioneering inventions, the Group is putting pen to paper for a new chapter of its history. It is putting its resilience to the test at a time when the unprecedented health crisis has put over half the world's population in lockdown.



These four pivotal moments of our economic history follow the same pattern. Every single time, it is networks – rail, electricity, the Internet – that boost the entire economy.

First industrial revolution: Mechanization (1780-1810)

The use of charcoal and the invention of the steam engine enabled production to be mechanized

Second industrial revolution: Electricity (1870-1910)

The move from oil to electricity modernized production methods and encouraged mass production

1879

Our adventure begins in Switzerland in the same year as the invention of the Edison light bulb in the US. And our successful track record starts here!

- The first to manufacture pioneering underground insulated lead cables
- Frontrunners of the industrial revolution by laying kilometers of electricity cables to power factories, towns and cities

1900

We illuminate the Champs-Élysées and power the Paris Exposition



First half of the 20th century

- We connect coal power stations and then the first European hydroelectric power plants, each one more powerful than before
- Our cables cross mountains, rivers, deserts, fjords and seas
- We secure the networks of large towns and cities, like the so-called "Hercules Belt" around Paris in France or Oslo in Norway
- We support the sharp increase in the demand for electricity by supplying ever more powerful cables

Second half of the 20th century

- We connect nuclear power stations and roll out global networks promoting energy solidarity (e.g.: United Kingdom, Norway, Denmark)
- We roll out our cables further and further afield and in ever deeper waters, thanks to a vessel that is one of a kind

Third industrial revolution: Digital (1960-2000)

Telecommunications, digital and information technology help to automate production

We step up the pace of communication and make the Internet accessible across the globe

- We work worldwide, hand in hand, to carry ever greater voltages over ever greater distances, from increasingly varied sources to every destination
- We are the first to contribute to renewable energy sharing between countries



Fourth industrial revolution, or 4.0 (21st century)

Technological advances such as connected objects, artificial intelligence, collaborative robotics, are used to manufacture unique products adding no extra cost, with a sustainable approach towards natural resources

- We share more than a century of experience
- We are made up of both local companies and a global group
- Our "3P" commitment can be summed up as follows: we believe in people, we respect the planet and we generate profit - People, Planet, Profit

WHAT REMAINS TO BE DONE? HISTORY. ALL OVER AGAIN.

Watch the video ["Nexans: living history of electricity"](#)

Preparing for a post-COVID-19 world

"We must think, define and imagine the post-COVID-19 world as of today, on all levels and in terms of all of the challenges we face. We are ready for a new world for a new Nexans. "

Christopher Guérin, Chief Executive Officer of Nexans

- Since the start of the COVID-19 crisis, Nexans has been mobilizing its resources on a daily basis. Starting in January 2020 in China, then spreading across the globe, the Group has been dealing with this unprecedented situation and has one overarching priority: protecting the health of all of its employees.
- International travel was banned and regional travel restricted to the bare minimum from January in China and February elsewhere.
- Nexans has been relying on its experience in China to anticipate and implement the requisite measures before regulatory recommendations are even announced. In early March, the Group initiated its crisis management response, which was spearheaded by the members of the Executive Committee on a daily basis to promote agility and responsiveness.
- The Executive Committee and the entire management team are focused on four key priorities:
 - protecting teams;
 - business and production continuity;
 - fulfilling customer commitments;
 - maintaining financial liquidity.
- The Chief Executive Officer, the members of the Board of Directors and its Chairman committed to reducing their compensation by 30% in April and May 2020. The other members of the Executive Committee also agreed to reduce their compensation by 15% over the same period.
- Top managers were asked to make an effort, and remote working has been set up for all employees able to do so. Short-time working has also been organized according to identified needs, and for the shortest possible periods. Throughout the duration of the crisis, Nexans has awarded an exceptional monthly bonus of 750 euros to front-line employees whose presence is essential at our production, logistics and installation sites.
- Thanks to very high quality social dialogue in all countries, and marked by a great sense of responsibility that is a credit to our Group, we have been able to maintain our production activity.

Seven opportunity-rich megatrends

In a rapidly changing world that is increasingly dependent on connectivity, Nexans is well positioned to act on the megatrends which will have an impact on our activities and our customers by 2030. Energy transition, digital revolution, mobility...

Seven major trends are creating new challenges for our Group and offering real business opportunities.

DIGITAL REVOLUTION

2x

BIENNIAL INCREASE IN DIGITAL DATA VOLUME EXCHANGED⁽²⁾

Opportunities and challenges

- Skyrocketing data volumes and growing need for data transmission capacities
- Need to leverage data to improve customer experience and business performance
- Increase in the number of opportunities created by the digital economy in all sectors
- Growing digital divide

INTERNATIONAL MOBILITY

1.8 bn

INTERNATIONAL TOURIST ARRIVALS BY 2030⁽³⁾

Opportunities and challenges

- Rising demand for transportation and growing popularity of e-mobility
- Increasing congestion and pollution
- New mobility concepts (car-sharing, car-pooling, etc.)
- New transportation infrastructure and the emergence of new connected and autonomous vehicles

ENERGY REVOLUTION

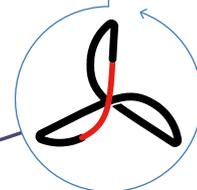
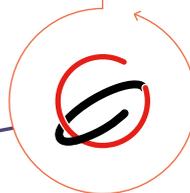
32%

SHARE OF RENEWABLES IN ENERGY PRODUCTION IN 2030

(13% in 2015)⁽¹⁾

Opportunities and challenges

- Diversifying energy sources
- Changing regulations & public policies
- Transforming energy networks & storage solutions (smart grids)
- Decreasing energy production costs



The COVID-19 health crisis will most likely either speed up or slow down certain megatrends. Our vision for 2030, however, remains the same, and the trends supporting Nexans' strategy remain as valid as ever.

CONCENTRATING ON HIGH QUALITY AND LOW COST

2x

SHARE OF SOLUTIONS IN INDUSTRY SALES BY 2030⁽⁴⁾

Opportunities and challenges

- Increasing price pressure and acceleration of commoditization
- Growing margins in premium markets
- Rapid development of new, emerging markets

CHANGING BALANCE OF ECONOMIC POWER

2x

GDP SHARE OF EMERGING BRIC⁽⁷⁾ COUNTRIES IN 2030 (18% in 2012)⁽⁴⁾

Opportunities and challenges

- Increased competition in niche markets
- Access to rapidly developing emerging markets
- Need to reinforce competitiveness through innovation in mature markets

POPULATION GROWTH AND URBANIZATION

60%

GLOBAL POPULATION LIVING IN CITIES BY 2030 (50% today)⁽⁵⁾

Opportunities and challenges

- Development of urban infrastructure
- Aging energy infrastructure
- Power grids and data networks overwhelmed by demand
- Increased pressure for lower cost solutions

SMART DEVICES & INFRASTRUCTURES

30%

ANNUAL GROWTH OF SMART GRIDS⁽⁶⁾

Opportunities and challenges

- Rapid proliferation of smart solutions for buildings, cities, healthcare and transportation
- Global growth in the number of mobile and connected devices
- Growing need for hybrid energy and data cables

(1) International Energy Agency (IEA).
 (2) Analysis: Oliver Wyman.
 (3) World Tourism Organization (UNWTO).
 (4) Analysis: Oliver Wyman.
 (5) United Nations Population Fund.
 (6) International Energy Agency (IEA).
 (7) Brazil, Russia, India, China.

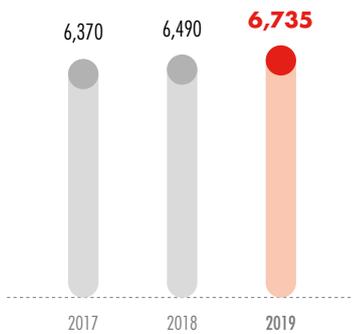
Indicators

Sustainable performance

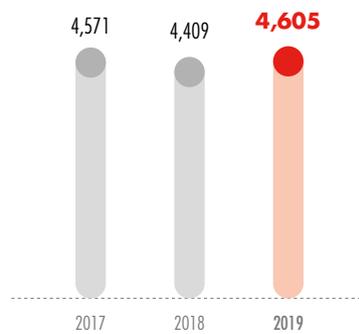
Committed to reporting on the value created for all our stakeholders, Nexans has adopted an approach based on financial and non-financial indicators. These indicators are key in guiding the Group's strategy and offer a clear, global vision of its performance.

Financial key figures

Sales at current metal prices
(in millions of euros)

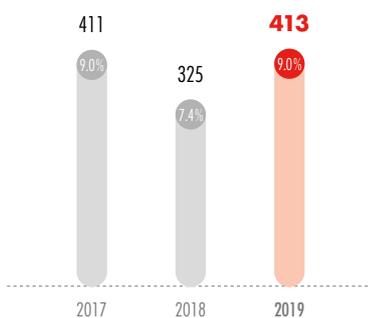


Sales at constant metal prices⁽¹⁾
(in millions of euros)

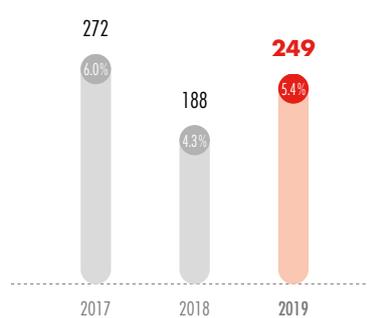


(1) To neutralize the effect of fluctuations in non-ferrous metal prices and measure the underlying sales trend, Nexans also calculates its sales using constant copper and aluminum prices
(2) Consolidated EBITDA is defined as operating margin before depreciation and amortization
(3) Return on Capital Employed: 12 months operating margin on capital employed at the end of period, excluding antitrust provision, and IFRS 16 of -0.5% in 2019

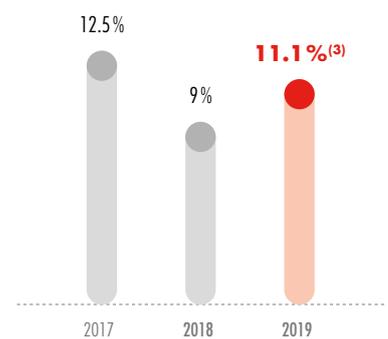
EBITDA⁽²⁾
(in millions of euros and as a % of sales at constant metal prices)



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



ROCE
Return on capital employed



Standard & Poor's assessment of the Group's long-term debt

S&P Global



"Stable" outlook in 2015, 2016, 2017. "Negative" outlook in 2018, unchanged in 2019.

Non-financial key figures

95%

OF SITES WITH ENVIRONMENTAL CERTIFICATION

An environmental management system based on risk assessment, training and sharing best practices, tracking each site's results, continuous improvement programs and audits.

34%

OF ALL EMPLOYEES ARE WOMEN

Eliminating all forms of discrimination and respecting gender equality in similar jobs with similar qualifications is a Group priority, especially as much of our workforce is based in industrial settings.

30 hrs

OF TRAINING PER EMPLOYEE TRAINED

Concerted approach to training locally and at the Group level to ensure that everyone is prepared for market changes. Training is available to all employees and is an essential component of continuous professional development.

2.70%

WORKPLACE ACCIDENT FREQUENCY RATE

The accident rate has dropped by 71% since 2010 thanks to the dedicated programs deployed around the world.

85%

OF SITES USING WATER FOR COOLING HAVE A RECYCLING RATE OF OVER 75%

Total water consumption of 2,160,000 m³ in 2019.

74%

EMPLOYEE ENGAGEMENT RATE

Based on our internal opinion survey in 2018.



Significant milestones of 2019

All of Nexans' businesses achieved organic growth in 2019. It was an historical year in many ways, with a record-beating order book and the signature of an extraordinary framework agreement. This reflects the successful implementation of the 2019-2021 recovery plan and the business momentum that will cushion the heavy impact of COVID-19. A closer look...



Inauguration of the ITE SuperGrid Institute

One year after its delivery in Lyon-Villeurbanne, France, the first of three buildings set to host, by 2021, all of the activities of the French Energy Transition Institute (FTE) SuperGrid Institute, was opened in April 2019. This collaborative research platform for low-carbon energies, of which Nexans is one of the seven

industrial partners and shareholders, has the ambition of becoming the European leader in its field. Its goal is to create a standard recognized by industrial partners on a market set to be worth more than 15 billion euros per year over the next 20 years.

Nexans recognized in the 2019 RTE Supplier Awards

Nexans won an award in the "Innovation in Services" category for its virtual reality training module to improve safety at HV cable system sites. The exercise conducted at 20 kilovolts allows the learner to test a cable sheath in a safe environment. Using virtual reality, Nexans is able to successfully combine safety, simple implementation, time saving and training cost optimization.

With LANsense® AIM, Nexans is simplifying data center network monitoring

While new trends such as 5G and edge computing demand more and more from data centers, Nexans is helping them to meet this demand efficiently at the level of the networks' physical layers. At Data Centre World 2019 in the United Kingdom, the Group launched its new automated infrastructure management solution, LANsense® AIM, to monitor and optimize networks from port to outlet. The software enables users to monitor, manage and optimize network capacity, both remotely and more efficiently. Data center managers can monitor circuits from port to outlet, identify disconnections, find available rack space, and ensure that redundant and load-sharing circuits are connected.



Reden captivated by Nexans' "all terrain" Solar Tracker

After a first contract at the end of 2019, green energy supplier Reden tasked Nexans with supplying four of its solar parks in southwestern France with KEYLIOS Solar Trackers with an installed capacity of 25.6 megawatts by the end of 2020. Nexans' tracker meets Reden's ambitions. The design of its load-bearing truss beam structure, with only two feet as foundations – three times less than a competing tracker – makes it a technological breakthrough compared with what is available on the market. It is "all terrain", and is uniquely capable of adapting to any inclination, shallow foundations or unstable soil. It is also prefabricated to make installing it easier. The tracker's design gives it, above all, unique aeroelasticity and robustness against the destructive effects of wind, the cause of half of all solar power plant deficiencies.

Fluvius: investing in value creation

Nexans' 2021 strategic roadmap anticipates 55 million euros of additional EBITDA from value creation initiatives. And the Group will be relying on services to generate the majority of this revenue. Fluvius is one of the Group's strategic customers with which it would like to foster a closer relationship. The Belgian distribution grid operator (gas, electricity, fiber, etc.) Fluvius serves 3.5 million electricity network access points, and its collaboration with Nexans since 2015, goes beyond a mere contractual relationship. Technical panels were set up to share information and customer strategies, as well as to define the areas in which to progress collectively. 14 projects have already been identified with Fluvius relating in particular to new products, logistics processes, and efficiency. Nexans' solutions and services offering is currently being rolled out across all of the Group's continents and businesses. The offer is focused on delivering value to customers, with four main priority areas: supply chain optimization, engineering services, cost reduction and asset management.

Connected Drums

Following the success of its innovative Connected Drums solution in France and Belgium, Nexans has now expanded the solution to four new global markets, namely the United Kingdom, Switzerland, Germany and Chile. First introduced in 2016 and developed by industrial Internet of Things (IoT) specialists ffly4U, this technology is the first of its kind on the market. The solution enables DSO operators to know the exact location of each of their drums and remaining length, thereby minimizing the risk of loss or theft. The solution improves efficiency for customers by reducing the rotation cycle to return an empty drum to the factory. The target: deployment of a fleet of over 15,000 drums globally by end of 2020.



Nexans' Best Paths superconductor cable

The European Union's Best Paths test program has qualified Nexans' 320 kV direct current superconducting cable for currents up to 10 kA, with a 3.2 GW power transmission capacity, confirming the Group's position as a leader in superconductor cable technology. The Best Paths project has resulted in a new modular high voltage direct current (HVDC) superconductor cable system designed to transport power over long distances with minimal resistive losses. This type of cable could enable Europe's power grids to meet their challenging CO₂ reduction targets by helping to transfer large quantities of gigawatts of electricity over distances of several hundred kilometers, from solar or wind farms to populated areas, without the losses associated with traditional resistive cables.





SMAC – wind energy for electric mobility

On May 20, 2019, Nexans, Enedis, Y Schools, Park'n Plug and the urban community of Ardenne Métropole signed a partnership agreement for the SMAC project at the 32nd edition of the International Electric Vehicle Symposium (EVS 32). This local smart grid experience intends to use wind energy to power electric vehicles, thereby reducing the regional carbon footprint. SMAC

optimizes the recharging of electric vehicles during periods of high wind power production through an energy management solution for recharging points. More broadly, this collaborative project, supported by the FEDER program and the Grand-Est region, aims to unite all local players around a forward-looking social project.



Critical HV cables for the German transmission network

After having participated in Amprion's pilot partial undergrounding project at Raesfeld, Nexans will be supplying the German electricity transmission operator with 31.8 km of 400 kV cables for a major project at Legden on the route between Wesel and Meppen by 2022. The 5.2-kilometer Legden route is made up of 2.1 km of tunnels and 3.1 km of pipes. Nexans is supplying the cable for one double circuit with a 2,500 mm copper cross-section. The section of cable installed in the tunnel will feature a halogen-free flame-retardant (HFFR) sheath and Nexans is also providing the steel support structures. Amprion operates a transmission grid of about 11,000 km to enable the transmission of electricity for more than 29 million people across an area from Lower Saxony down to the Alps. While the majority of its HV routes comprise overhead lines, at certain environmentally sensitive sections Amprion is taking the route underground.

Nexans supports Notre-Dame de Paris

Following the fire that raged through the cathedral on April 15, 2019, Nexans donated 70,000 euros to the reconstruction fund via the French Association of Private Enterprises, which pools the support of its members. Expert in the building sector, the Group will also provide fire resistant energy cables and will provide the expertise of its teams as part of the reconstruction of the cathedral. Nexans has long been committed to the preservation of the historical, cultural and artistic heritage, through the cabling systems it has provided for the renovation and security of the Château de Versailles or also for the design of the Louvre Lens Museum.

Nexans awarded the Sydney Metro Northwest project

The largest public transport project in Australia, the Sydney Metro Northwest, was opened in May 2019, providing the continent with its first fully automated high frequency railway. Nexans supplied an Alsecure Low Smoke Zero Halogen Fire Resistant (LSZH) cable, which is imperative for tunneling projects. In the case of a fire emergency, unlike standard cables, LSZH cables do not give off dark smoke and halogen fumes which severely hinder emergency evacuations. Alsecure cables are fire resistant, as opposed to just flame retardant, which ensures circuit integrity under fire conditions making them a much safer alternative in an emergency scenario. Nexans was awarded this contract largely due its ability to place the customer at the forefront. The client particularly appreciated the Nexans team's proximity, which made it possible to meet their target price (particularly as regards copper).

WindFloat Atlantic opts for Windlink® connectors and cables

WindFloat Atlantic, a 25 MW floating offshore wind farm off the coast of Portugal, started to generate electricity in January 2020. It is fully equipped with pre-terminated and factory-tested Windlink® cables for the MHI Vestas V164-8.4 MW turbines, as well as the full scope of T-connectors for dynamic floating wind inter-array cables designed to run at 66 kV. WindFloat Atlantic is expected to demonstrate the viability of Floating Offshore Wind (FOW) technology that holds the key to an inexhaustible resource potential in Europe.

Nexans signs an exclusive offshore wind farm agreement with global expert

In December 2019, Nexans signed a framework agreement with Ørsted, the world leader in offshore wind and Eversource, premier transmission builder based in New England, USA, to reinforce their long-term partnership. Under the agreement, which

extends until 2027, Nexans will have the opportunity to provide up to 1,000 km of submarine high-voltage export cables for Ørsted's offshore wind farms in North America. The first delivery is expected by 2022.



Towards a “New Nexans”

Global market changes and customer demand are compelling Nexans to radically transform its skills, positioning, offerings and businesses. The objective is to develop beyond the commodity cable market so as to become a leader in energy and data system solutions and management. A “New Nexans”.

Nexans’ long-term strategy is focused on global megatrends, which predict a 20% increase in the world population and a 40% rise in urbanization by 2030, which will in turn increase energy consumption. This massive increase in demand means that energy production must double over the same period. These profound and rapid changes fundamentally alter growth perspectives, which are directly impacted by new customer needs and expectations.

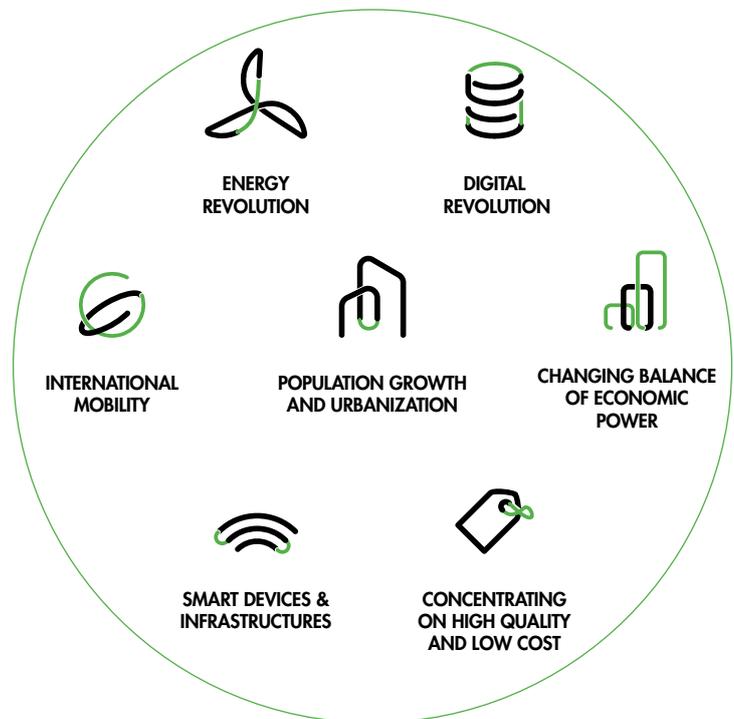
In the short term, this means rethinking the Nexans model, improving our durability and agility before stepping up growth in all sectors. To succeed in this rapid and profound transformation, the Group will transform its operational model over the next two years, to become more agile and flexible.

Simplifying our organizational structure will be valuable in increasing operational efficiency, which is in turn vital for optimizing its potential and growing its customer portfolio.

Roadmap

Nexans has established a three-year roadmap for 2019-2021. This plan favors selective growth, enhancing our competitiveness and improving return on capital employed and cash generation.

7 MEGATRENDS



2 DRIVERS



The review of our businesses shows that 50% make a positive contribution to our results and can be managed with a view to future growth. The other 50% bring profitability down and need to be turned around or transformed. These are mainly the land high-voltage business, which is the biggest loss-making operation, and

our businesses in North America, South America and Asia.

The review also revealed that a significant portion of losses is generated internally, i.e., excessive costs, pricing, inventory management, etc. — all of which SHIFT aims to correct.

To create value, the method leverages four drivers:

- rapidly increasing the profitability of under-performing units;
- centering efficient units on sustainable growth through differentiation, innovation and system and service offerings;
- restoring competitiveness by reducing material costs;
- prioritizing value-generating investments.

AMBITION

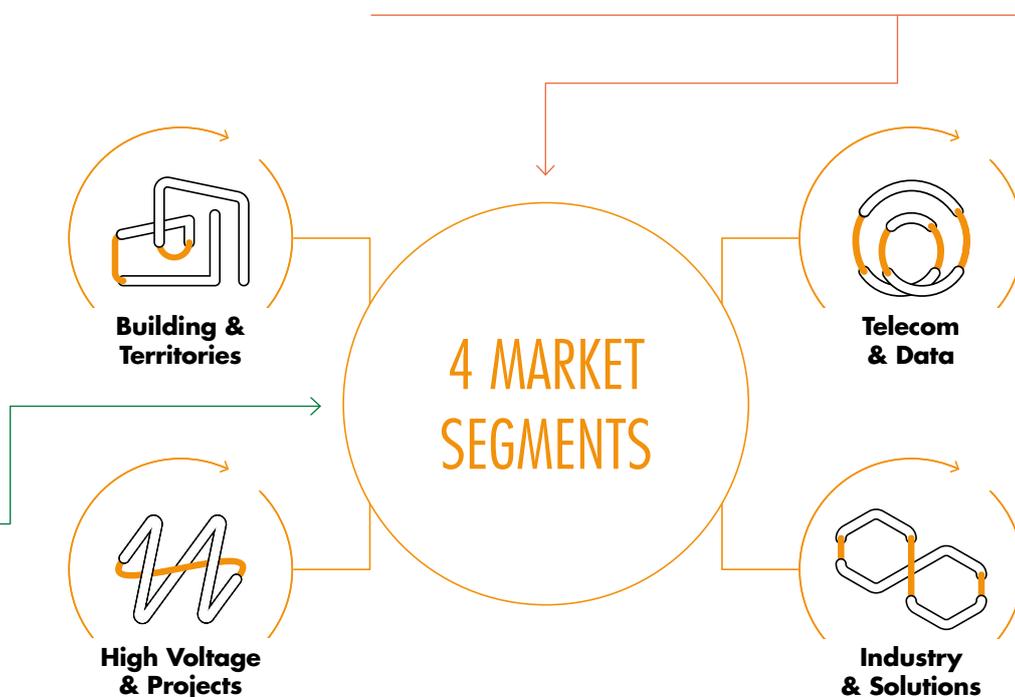
BECOME THE LEADER
IN CABLING AND CONNECTIVITY
SOLUTIONS

3 KEY PHASES OF THE TRANSFORMATION ROADMAP

**TRANSFORM OUR
OPERATIONAL
MODEL**

**CHANGE
OUR
POSITIONING**

**DEVELOP
THE NEW
MODEL**



Nexans is aiming for an EBITDA increase of around 175 million euros over the three-year duration of the plan:

- 100 million euros through the rollout of SHIFT;
- 55 million euros through organic growth and expanding the offering of contributing businesses;
- 20 million euros through a 210 million-euro cost-cutting plan that will more than offset the price squeeze effect, estimated at 190 million euros.

Annual **organic growth** is expected to average 3% at constant metal prices, with:

- contributing businesses, which will be allocated the necessary resources to revamp and expand their offering, growing 6%;
- under-performing businesses stabilizing and having their investments frozen.

Investments are estimated at 400 million euros, including the new cable-laying ship, Aurora.

Objectives for 2021 for existing businesses

- Gross operating surplus of 500 million euros versus around 325 million euros in 2018.
- Return on capital employed (ROCE) of around 15.5%, compared to 9% in 2018.
- Positive free cash flow of 200 million euros over the 2019-2021 period, compared to a negative 190 million euros for 2016-2018.



A LEADER IN THE ENERGY
AND DIGITAL TRANSITION

Nexans is a strategic operational leader in the energy transition. As a Group, we leverage digitalization to enhance and optimize our solutions and innovations.

Christopher Guérin – Chief Executive Officer



Vincent Dessale
Chief Operations Officer
and Senior Executive
Vice President

DIGITALIZATION, AN ENERGY TRANSITION DRIVER

At Nexans, our key drivers are the energy transition, smart grids and data transmission. Not only do these major trends offer opportunities in terms of increasing volumes, they also help us move up the value chain.

At Nexans, we leverage our differentiation strategy to move from the crowded old world of “cable producers” into a new world, centered on services and digital and advanced engineering solutions.

At Nexans, the major shift to the energy transition will enable the Group to become the world leader in offshore and onshore wind energy by 2021.

At Nexans, we will ultimately reallocate all our resources to offshore wind, as part of our commitment to sustainability.

At Nexans, we will continue to support our Oil & Gas customers, to enable them to achieve a successful transition to cleaner energy.





Update on the Energy & Digital Transition Strategy

Nexans accelerates the energy transition in North America

Building on its distinguished know-how in submarine cabling systems and its existing manufacturing footprint in Norway and Japan, Nexans decided to invest in its high voltage facility in the United States, to create the first and only submarine high-voltage cable plant in the country. In a parallel move, Nexans signed an exclusive framework agreement with Denmark-based Ørsted – the world leader in offshore wind – and Eversource – premier transmission builder based in New England – in December 2019. Under the terms of the agreement, which will reinforce the long-term partnership between the three partners, Nexans will provide up to 1,000 km of submarine high-voltage export cables to Ørsted for its future offshore wind farms off the northeast coast of the United States. The first delivery is expected by 2022 and the agreement extends until 2027. The partnership with Ørsted and Eversource will step up the energy transition in North America and bring Nexans' industry-leading submarine cable technology to the United States. Nexans' advanced submarine cables will enhance the overall performance and increase the energy efficiency of Ørsted's projects. The investment in the United States advances Nexans' ambition to increase its submarine cable installation capacity. To take full advantage of its increased capacity, Nexans is building Nexans Aurora, a new state-of-the-art cable-laying vessel with a 10,000-ton capacity (see page 29).

SuperGrid Institute, Nexans' search engine

A research and innovation center, SuperGrid Institute aspires to become the European leader in supergrid technologies and a key player in collaborative innovation for the development of electrical power systems. SuperGrid Institute is an Institute for Energy Transition (ITE), a French interdisciplinary platform that pools industrial expertise and public research, supported by public/private joint investment and close collaboration between all players. It is a consortium of six industrial shareholders from the electricity industry (including Nexans) and seven academic shareholders, as well as Banque des Territoires. Its ultimate objective is the large-scale transmission of energy produced from renewable sources located far away from consumption centers, mostly offshore. In five years, SuperGrid Institute has filed almost 70 patent applications. Having contributed to SuperGrid since the very beginning, Nexans is committed to building comprehensive high-voltage direct current (HVDC) solutions. The different skillsets centralized within the Institute represent a rich and powerful network which the Group can leverage to study trends in network architectures and interfaces and accelerate its development, in order to maintain its position as a global leader.



Jérôme Fournier
Corporate Vice President
Innovation, Services &
Growth

INNOVATION, CORNERSTONE OF THE FUTURE ENERGY SYSTEM

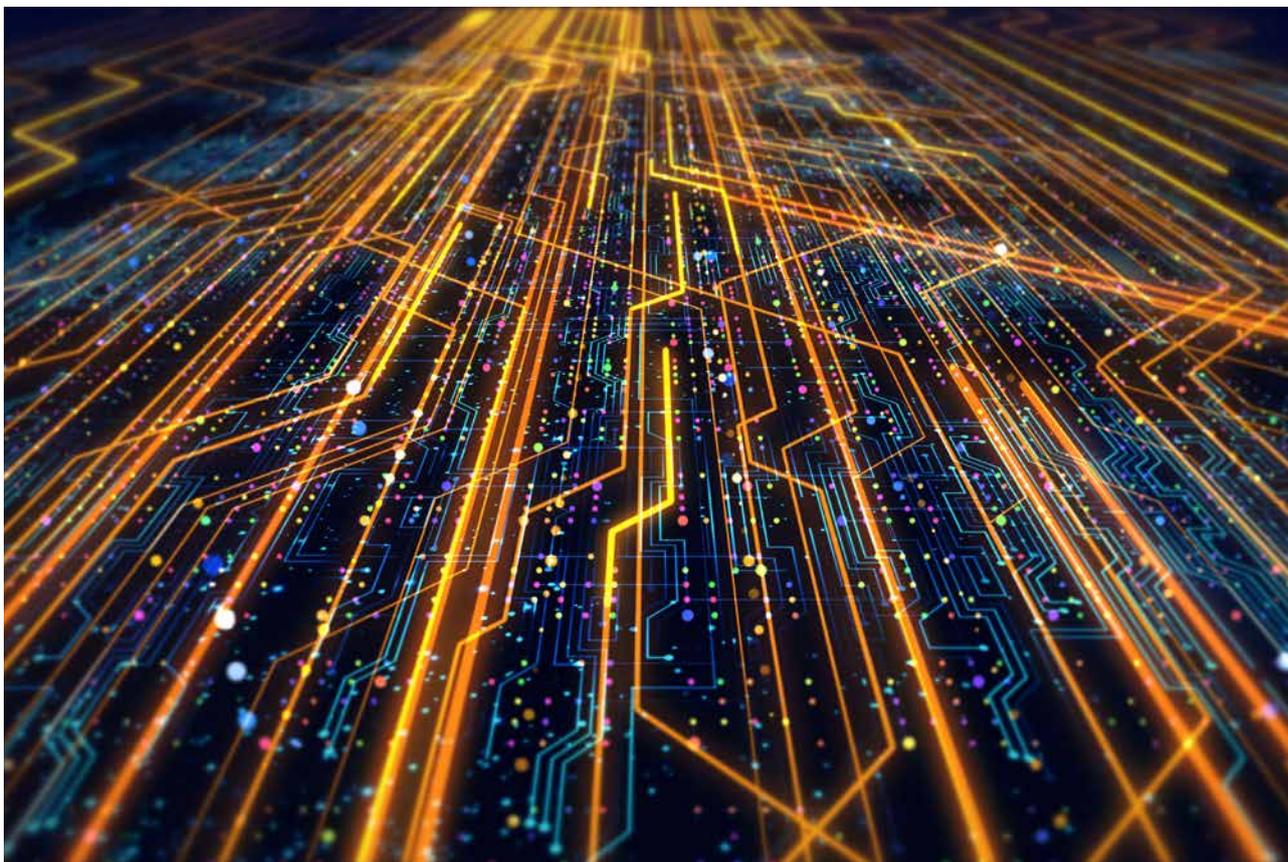
At Nexans, we believe that innovation holds the key to accelerating the delivery of the future energy system.

At Nexans, we offer innovative solutions to help our customers achieve a simple, swift and cost-effective transition.

At Nexans, we know that our technologies will play a decisive role in ensuring that tomorrow's energy system is secure, affordable and sustainable.

At Nexans, we are working to help renewable energy developers around the world increase the speed and reduce the cost of deploying new infrastructure.

At Nexans, we are working to create a more resilient energy system at every level and to provide digital tools to help Distribution System Operators (DSOs) and Managers (DSMs) get more out of their infrastructure.





Update on the **Innovation** Strategy

In 2019, Nexans launched a series of innovative and differentiated products and services.

Extracting maximum value from distribution networks

Nexans is pioneering the development of superconducting cable technology that eliminates losses and enables its customers to boost the capacity of congested city networks. Meanwhile, its superconducting fault current limiters (SFCLs) provide DSOs with a unique tool to get more out of their existing networks.

Asset Electrical: data-driven solution to optimize strategic asset management

With its new Asset Electrical solution, Nexans provides insights on how power networks are used and helps DSOs/DSMs to make better, data-driven investment decisions. Asset Electrical

enables them to achieve the perfect balance between network performance, capex and opex and risk (including financial, regulatory, security and environmental). And the integration of data from smart meters will provide even more ways to optimize network performance.

Accelerating the deployment of renewable energy

Nexans' innovative plug-and-play cable harnesses for offshore wind turbines and onshore solar plants reduce installation time while increasing reliability during routine operations. Its expertise in turnkey submarine cabling and offshore transmission grids allows operators to connect to markets rapidly. 2021 will see the launch of Nexans Aurora, the world's most advanced cable-laying vessel.

INNOVATION AT NEXANS IN 2019

- Among the **top 50** French companies for patent filing
- **€100 million** invested in R&D
- Global network of **more than 900** experts
- **54** new patent applications filed
- Patent portfolio of over **1,800** titles

Creating value beyond cables

RESOURCES



FINANCIAL CAPITAL

€1.251 bn in equity
€2.241 bn in capital employed



INDUSTRIAL CAPITAL

Industrial presence in 34 countries
88 production sites



SOCIAL/SOCIETAL CAPITAL

2.70% workplace accident frequency rate
1,400,000 beneficiaries of Nexans Foundation projects since 2013



INTELLECTUAL CAPITAL

1,800 patent families
54 patents filed in 2019



HUMAN CAPITAL

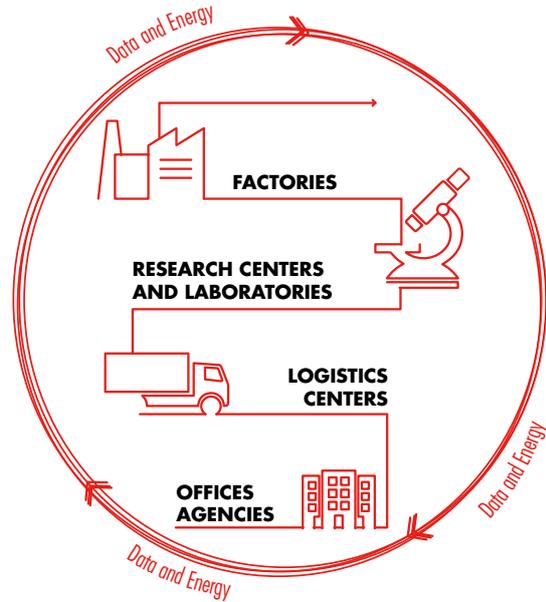
26,000 employees
5,787 new hires



ENVIRONMENTAL CAPITAL

95% of sites ISO 14001/EPH certified
100% of production sites equipped with GHG emissions monitoring

NEXANS SITES



PRODUCTION

- CABLES
- SERVICES
- SYSTEMS
- HARNESES
- CABLING SOLUTIONS
- ACCESSORIES

MARKET SEGMENTS



Telecom & Data

11% of sales



High Voltage & Projects

16% of sales



Industry & Solutions

25% of sales



Building & Territories

39% of sales

MAIN SECTORS SERVED

- Telecom operators and digital giants
- IT infrastructure
- Energy suppliers
- Extractive and process industries
- Basic and public infrastructure service operators
- EPC⁽²⁾ customers
- OEM⁽³⁾ customers
- Electrical equipment distributors & installers
- Cable system manufacturers, integrators and OEMs
- Local authorities

VALUE CREATED



FINANCIAL CAPITAL

€13 m in dividends paid
4.48% of the share capital is held by employees



INDUSTRIAL CAPITAL

€238 m invested in infrastructures
More than €5 bn of purchasing



SOCIAL/SOCIETAL CAPITAL

538,000 hours of employee training
€300,000 annual budget allocated to the Nexans Foundation



INTELLECTUAL CAPITAL

€98 m invested in R&D



HUMAN CAPITAL

€1.2 bn in total compensation paid
74% employee engagement rate⁽⁴⁾



ENVIRONMENTAL CAPITAL

42% of non-ferrous metal waste recycled
€6.5 m of spending on the environment

PEOPLE

CUSTOMERS

SHAREHOLDERS

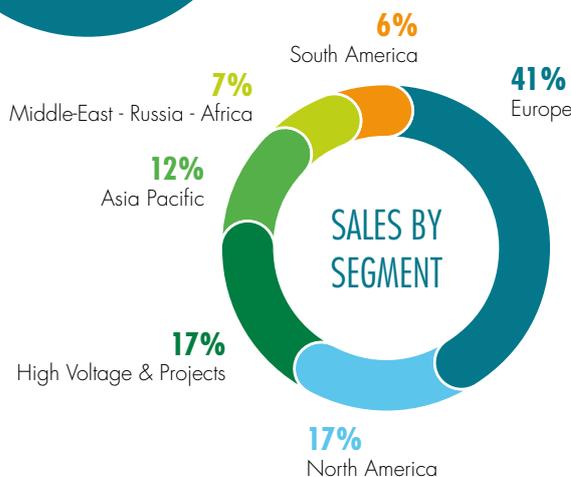
SUPPLIERS

LOCAL AUTHORITIES

FINANCIAL ECOSYSTEM: BANKS...

NEXANS FOUNDATION

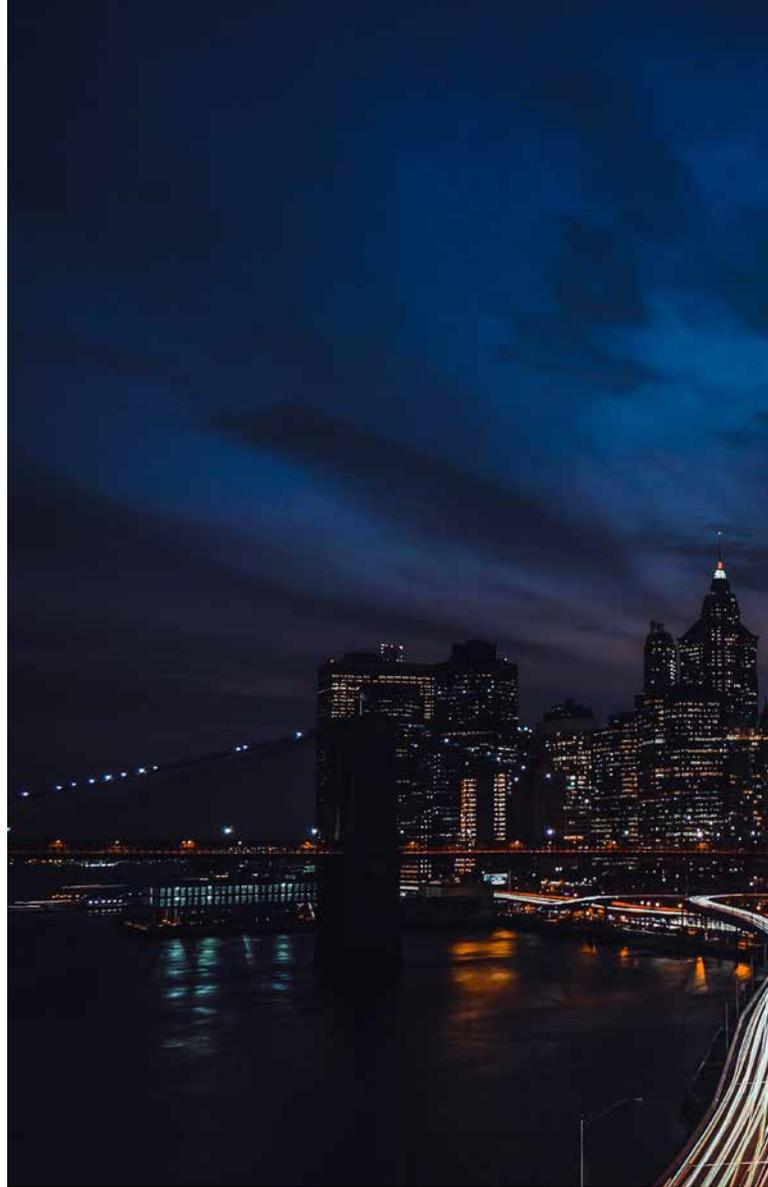
2019 SALES⁽¹⁾
€6.7 BN



(1) Sales at current metal prices.
(2) EPC: Engineering, Procurement and Construction contractor.
(3) OEM: Original Equipment Manufacturer.
(4) 2018 Internal Opinion Survey.

Building & Territories

Building & Territories is one of Nexans' core businesses, in terms of scale and global reach, representing roughly 40% of total sales in 2019. In mature markets, the drive towards connected cities and increased energy efficiency is a key growth area, while in regions such as Africa and South America, there is growing demand for off-grid systems to bridge the swelling electrification divide. Nexans is well positioned to meet these needs and provide new solutions for sustainable communities and smart cities.



2019 highlights

More than 190 million euros in contracts to accelerate the energy transition

Nexans achieved a major success in a global tender process launched in South America by one of the world's biggest utility companies, securing contracts worth over 190 million euros to supply medium-voltage (MV) and low-voltage (LV) cables. Over the next two years, Nexans will support the development of the customer's electricity distribution networks in Latin America – Brazil, Chile, Argentina, Peru and Colombia – and in Europe – Italy and Romania.

Nexans' local presence was one of the strengths of the offer, as the cables will be delivered by its entities in Brazil, Chile, Columbia, Peru, Italy and Romania. Several Nexans units across the world participated in the tender process for 12/20 kilovolt (kV) MV and 0.6/1 kV LV cables. In addition to meeting the technical specifications, the units also committed to stringent environmental sustainability standards, with ISO 14067 certifications. Leveraging its global expertise and local presence, the Group showcased its ability to support the customer throughout the entire customer journey, from design and specification to delivery.

Among the innovative features of the contract, Nexans will deliver its new patented POWERBOOST™ MV cable

technology, developed specifically to meet the changing needs of power grids today and tomorrow, in Italy. High-performance POWERBOOST™ technology benefits from reduced production times thanks to a simplified manufacturing process. By using a patented thermoplastic insulation formulation, POWERBOOST™ cables also require less energy during production (compared to XLPE cables) and can be easily recycled.

Close-up

Turnkey electrification in Côte d'Ivoire with Néogrid®

With one of the most extensive electricity grids in sub-Saharan Africa and more than 60% of rural communities without electricity, Côte d'Ivoire has made rural electrification a national priority. The objective of its PRONER program is to connect all settlements with more than 500 inhabitants by the end of 2020 and all rural localities by 2025.

In addition, the country is aiming to almost double its installed generation capacity by the end of 2020, to 4,000 MW (from 2,200 MW in 2018). To that end, national utility company CI Energies has awarded Nexans a contract worth 12 million euros to deploy ready-to-use power distribution infrastructure. The turnkey Néogrid® solution will be delivered in the third quarter of 2020, combining all the necessary equipment –



KEY FIGURES

up **25%**
by **2040**⁽¹⁾

estimated growth in energy demand

43
megacities⁽²⁾

with more than 10 million inhabitants by 2030

57%⁽³⁾

of all passenger vehicle sales and over 30%
of the global passenger vehicle fleet will be electric
by 2040

cables, transformers, accessories – with electricity pylons and public lighting. However, installation will be subcontracted to local partners. The idea is to accelerate implementation and control costs, which is crucial for meeting energy demand. All in all, the Group will equip 45 rural communities with infrastructure, from public lighting to household connection to the existing high-voltage grid. Nexans will supply some 400 km of medium-voltage overhead lines and more than 430 km of low-voltage overhead harnesses.

Nexans will also supply and install 63 outdoor transformers. Most of the cables and all the transformers will be manufactured at the Nexans plant in Abidjan, which was inaugurated in 2018. With its comprehensive solution combining engineering services and the supply and installation of power networks, Nexans aims to help its customers speed up project implementation and control costs, which is a crucial step in meeting electricity demand in Côte d'Ivoire.

CÔTE D'IVOIRE NÉOGRID PROJECT

€ 12M
contract

400 km
of medium-voltage
overhead lines

More
than **430 km**
of low-voltage
overhead harnesses

63
outdoor
transformers

(1) Source: The International Energy Agency's World Energy Outlook 2018. <https://webstore.iea.org/download/summary/190?fileName=English-WEO-2018-ES.pdf>

(2) Source: UN, 2018 Revision of World Urbanization Prospects. <https://www.un.org/development/desa/publications/2018-revision-of-world-urbanization-prospects.html>

(3) Source: BloombergNEF, Electric Vehicle Outlook 2019. <https://about.bnef.com/electric-vehicle-outlook/#toc-viewreport>

High Voltage & Projects

High Voltage & Projects is an important part of our ecosystem, because the continuous expansion of offshore wind farms and other renewable energy sources – along with their local, regional and international interconnection needs – requires increasingly efficient and robust cabling and connection solutions. Another promising area for Nexans, high-voltage submarine installations, also requires high-level technical expertise.

2019 highlights

Nexans Aurora, a cable-laying vessel for the energy transition

The construction of the groundbreaking Aurora cable-laying vessel marks a major milestone in Nexans' long-term strategy for the future global energy market. The vessel will maintain and extend Nexans' position as a leading turnkey player in submarine cables. Nexans Aurora will play a vital role in the installation of Nexans' cutting-edge high-voltage submarine cables that will bring more energy to the world, by connecting offshore wind farms to the grid, supporting electrification of offshore oil and gas facilities and creating interconnectors between countries. In particular, the vessel will be capable of laying cables at even greater depths, thereby contributing to securing the world's energy supply and advancing the shift to green electricity from renewable sources. Nexans Aurora builds on more than a century of Nexans' experience in submarine cable laying. With a split turntable with a capacity of 10,000 tons and a world-leading vessel design, Aurora is well prepared for complex construction tasks in severe weather conditions anywhere in the world. The DP3 cable-laying vessel represents a next step in offshore renewable energy, with high maneuverability and station keeping capabilities. It will be equipped for power cable laying, assembly, jointing and repair as well as for cable system protection and trenching. Following the key step of the "grand block ceremony" in October 2019, Nexans Aurora will join Ulstein Verft in spring 2020. The Norwegian group will carry out the final outfitting, commissioning and testing of the vessel prior to its delivery in 2021.



Close-up

Advanced turbine cables for Siemens Gamesa Renewable Energy

Reducing time to market and increasing supply chain flexibility are major areas of focus for the wind power sector. And notably for Siemens Gamesa, a producer of cleaner, more reliable and more affordable wind power. One of its strongest competitive advantages is its successful engagement in all three areas of the wind power sector: onshore, offshore and services. A long-term Nexans partner, Siemens Gamesa naturally chose the Windlink® range, which offers long-lasting and fully reliable cables for the demanding wind turbine environment. In addition to ready-to-install cable kits, including 72 kV cable kits designed to meet the growing demand of offshore wind farms that operate at higher voltages, Nexans will supply a variety of cabling solutions such as jumpers for the switchgear to transformer connection, as well as low-voltage copper cable assemblies and aluminum power cables for fixed installation in towers. The Windlink® cables will be used for applications inside the wind turbines, notably the tower, loop, nacelle and generators.



KEY FIGURES

520 GW⁽¹⁾

total installed capacity forecast
for global offshore wind energy in 2050
(rising from 19.2 GW in 2017)

350 billion dollars⁽²⁾

of investments in offshore wind by 2030
(compared with 25 billion dollars in 2018)

45%⁽³⁾

of the 465 GW increase in global capacity
for the offshore wind energy sector between 2017
and 2027 to be driven by China

NEXANS AURORA IN FIGURES

149.9 M
long

31 M
wide

17,000 tons
total weight

Speed
14
knots (kn)

Maximum capacity
90
people

450 tons
of optical fiber

SIEMENS GAMESA

1,200 km
of low-voltage
Windlink® cables

+

60 km
of medium-voltage
Windlink® cables

(1) Source: Forbes, As Global Energy Demands Grows, So Does Appetite for Offshore Wind, 26 March 2019. <https://www.forbes.com/sites/arielcohen/2019/03/26/as-global-energy-demands-grows-so-does-appetite-for-offshore-wind/>

(2) Source: Forbes, As Global Energy Demands Grows, So Does Appetite for Offshore Wind, 26 March 2019. <https://www.forbes.com/sites/arielcohen/2019/03/26/as-global-energy-demands-grows-so-does-appetite-for-offshore-wind/>

(3) Source: Recharge - Fitch Solutions, Fitch Ratings 2018. <https://www.rechargenews.com/wind/1635163/global-wind-power-build-out-to-boom-to-hit-1-tw-by-2027-fitch>

Telecom & Data

Following the surge in demand for data transmission and storage capacities, expanding the Telecom & Data offer is central to our ambitions. In today's hyperconnected world, the role of an industry player like Nexans is to connect people, businesses, cities and continents through a comprehensive range of differentiated connectivity solutions, including LAN cabling, telecom solutions and FTTx networks, as well as solutions for hyperscale data centers and submarine infrastructure.



2019 highlights

Record-fast delivery of FTTO for Société du Grand Paris' 100%-WiFi head office

Société du Grand Paris (SGP), a public body created by the French State to design and deliver "Grand Paris Express" – 200 km of new automatic metro track around the capital and 68 new stations –, selected Nexans' innovative Fiber to the Office (FTTO) solution for the ambitious relocation of its head office in the Paris

region. 100%-fiber FTTO infrastructure offers unparalleled levels of flexibility and interoperability, together with sufficient capacity to absorb digital growth over the next 12 years – and beyond. To implement an innovative concept that is still relatively new on the market, SGP sought an experienced partner that was familiar with FTTO infrastructure. As its head office at La Défense is fitted with its FTTO solution, Nexans was perfectly placed to support SGP. Thanks to Nexans' FTTO solution, SGP developed and delivered innovative, scalable work spaces in a record time of less than

SOCIÉTÉ DU GRAND PARIS

30,000 sq.m
over 7 floors
+ 2 parking levels

4.3 km
of 144-strand fiber cables
and connectors

More than 1,500
employees and partners on site by
the end of the relocation project

78
meeting rooms

530
FTTO switches

2
tech rooms

KEY FIGURES

x3⁽¹⁾

increase in the number of global IoT connections by 2025

< 12 months⁽²⁾

lead-time for 10 MW to 100 MW hyperscale data centers to be built

15%⁽¹⁾

of global mobile connections will use 5G technology by 2025

99%

of data in the telecoms sector are carried by cable versus 1% by satellite for latency issues



five months (versus 18 to 24 months normally!), enabling some 1,000 employees to start using the building in January 2020. With a key focus on employee well-being, the relocation project aims to maximize work spaces, meaning that very limited space is available to house IT infrastructure.

Nexans supported SGP at all stages of the project, from determining the fiber demand based on the network architecture and configuring the FTTO switches to training the IT teams on how to use its management and supervision software platform. In addition, support was available by phone throughout the project, providing fast customer service at all times.

A key growth driver for SGP, the project demonstrated a real model of cooperation between all the partners.

Close-up

Key challenges for 5G indoor coverage and hybrid solutions

5G coverage, hybrid solutions, cyber security and smart homes are some of the many challenges that have to be considered by the telecoms industry.

At the “Innovative Services and Technologies in the ICT Sector” conference organized in December 2019 by the Hellenic Branch of the FITCE (federation of national ICT, telecoms and media trade associations in European countries), Nexans shared its expertise alongside other industry stakeholders. The key topics addressed included IoT (platforms and applications, cyber security and smart homes) and mobile communications (5G and FTTH strategy, millimeter wave spectrum, indoor coverage, European infrastructure, hybrid solutions and fronthaul optical architectures). Nexans concluded its presentation by highlighting three key points: (i) indoor coverage is critical, as 80% of mobile traffic is generated there; (ii) installing a structured cabling system that is compatible with 5G is key and a traditional DAS network or short-term solution should be avoided, as they could end up costing 5 to 10 times more; and (iii) proprietary solutions – which are always abundant at the beginning of each technology era – should be avoided and standardized solutions should always be prioritized, by selecting the highest category (Cat.7A with RJ45).

(1) Source: GSMA, *The Mobile Economy 2019*. <https://www.gsmaintelligence.com/research/?file=b9a6e6202ee1d5f787cfebb95d3639c5&download>

(2) Source: Data Center Dynamics. <https://www.datacenterdynamics.com/opinions/data-center-predictions-2019/>

Industry & Solutions

In the attractive Industry & Solutions market, our business activity is focused on Automation, Renewables & Wind OEMs, Aerospace, Rail & Rolling Stock and Downstream Oil & Gas. Global megatrends, including the energy transition, the mobility revolution and smart infrastructures, are opening up a whole realm of opportunities. Our goal is to support OEMs with customized cabling and connectivity solutions for all their power, data transmission and automation needs.



2019 highlights

Nexans and Chantiers de l'Atlantique, a long-haul logistics partnership

For the past 45 years, Nexans and Chantiers de l'Atlantique – a world leader in passenger vessel construction – have worked together in a partnership focused on state-of-the-art solutions of the highest quality, with cables adapted and tailored to meet the customer's needs. For example, Nexans has supported Chantiers de l'Atlantique with innovation on cable stripability and flexibility, to facilitate easier and faster installation. Logistics is another strength of the partnership. Nexans was the first cable maker to offer logistics solutions in the shipbuilding industry, and Chantiers de l'Atlantique has been using the Logistics and Solutions Center in Nanterre for the past decade. The Center manages Chantiers de l'Atlantique's entire supply chain, often coordinating the work of a series of other suppliers. Not only does Nexans deliver just-in-time to shipyards, it also takes into account changing vessel types by sequencing deliveries in order, meaning that customers can receive cables in the right sequence for a specific vessel during production. When production requirements increased to two ships a year in 2018, the Center successfully helped Chantiers de l'Atlantique rise to the challenge, meeting the higher demand in a very busy period while maintaining quality levels and delivery dates.

In 2019, the long-standing partnership was renewed for five years. Under the extended contract, Nexans will supply Shiplink® fire-resistant, low- and medium-voltage power, control and instrumentation cables for each vessel constructed in the Saint-Nazaire shipyard. Also in 2019, Nexans launched a new logistics approach for emergency situations that may arise during construction projects, which has been adapted for Chantiers de l'Atlantique.



[Find out more about Chantiers de l'Atlantique](#)



Close-up

Nexans rises to the challenge of the Plug & Play railway

Nexans takes lessons from the ocean by replicating its achievements on highly complex ships on major projects like the “Grand Paris Express”, Europe’s most ambitious urban transport project incorporating the world’s longest circular metro line. The project specifications include four key priorities, which Nexans meets.

Local sourcing. Nexans is the only major cable company with a base in the Paris region. Storing and manufacturing components locally means shorter lorry journeys, less congestion and guaranteed deliveries.

Off-site construction (OSC). Nexans’ value-added OSC solutions include precision pre-cut cables with connectors attached. Everything is labeled, boxed and trackable – ready for easy installation on site.

Real-time tracking. Nexans’ innovative “Connected Drums” solution uses the IoT to track cable reels 24/7, so nothing ever gets lost.

Greener, quieter deliveries. Nexans is cutting emissions and reducing noise by making the transition to greener, quieter gas-powered lorries. And because Nexans operates its own fleet, trips are minimized.

KEY FIGURES

50%⁽¹⁾

of the world’s electricity will come from wind and solar energy by 2050

up 31%⁽²⁾

solar PV generation in 2018 versus 2017

1/4⁽³⁾

of all energy demand will depend on electricity in 2050 (compared with 18% now)

5,000 km

average quantity of cabling installed on a modern vessel

NEXANS’ LOGISTICS AND SOLUTIONS CENTER IN NANTERRE (FRANCE) At the service of naval and rail markets

1 truck/day

leaves Nanterre to deliver cables to Saint-Nazaire

22,000 tons

of additional cables to be installed by 2023, including 17,000 tons for automatic metros as part of “Grand Paris Express”

(1) Source: BloombergNEF, *New Energy Outlook 2018*. <https://www.bloomberg.com/news/articles/2019-06-18/the-world-will-get-half-its-power-from-wind-and-solar-by-2050>

(2) Source: IEA Solar PV: *Tracking clean energy progress*. <https://www.iea.org/icep/power/renewables/solarpv/>

(3) Source: McKinsey, *Energy 2050: Insights from the ground up*, 2016. <https://www.mckinsey.com/industries/oil-and-gas/our-insights/energy2050insights-from-the-ground-up>



A RESPONSIBLE LEADER

Nexans is emerging
as a leader in energy
and data, with people,
the planet and profit at the heart
of our business model

Christopher Guérin – Chief Executive Officer





Jean-Christophe Juillard

Senior Corporate Vice President and Chief Financial Officer

THE 3P STRATEGY: PEOPLE, PLANET, PROFIT

Because the world is undergoing deep, rapid and radical change, while companies across the globe evolve at a slower pace.

Because Nexans wants to keep up with these changes, not seeing them as a threat, but rather as opportunities for moving forward and opening new doors, tapping into new markets and gaining market shares.

Because Nexans has a duty to stand by its main commitments: generating Profit, caring for People, and protecting the Planet (the 3Ps).

Because organizations systematically place these commitments in the usual corporate, HR, and CSR categories, and that can no longer be the way things work, unless making symbolic gestures can be considered enough...

Because Nexans focuses on results, we have done away with this approach. No company can be sustainable if, in order to be profitable, it contributes to global warming.

Because, ultimately, the human factor is key, we have decided to closely intertwine People, Planet and Profit so that nothing and no one is rewarded or promoted unless they equally uphold each of the 3Ps.

THE 3PS, UNIFIED

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



PEOPLE

Performance indicators

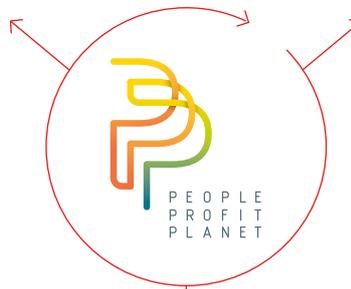
- Workplace safety
- Absenteeism
- Measuring engagement and diversity



PROFIT

Performance indicators

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



PLANET

Performance indicators

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

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

Sharing value with stakeholders

Employees

In line with Nexans' six core values, including "value people", the Group's transformation plan continues to empower and ensure the safety of the men and women of Nexans.

Industry partners (Suppliers, subcontractors, etc.)

Nexans works with a base of high-performing and reliable suppliers who can help the Group achieve its business objectives while at the same time respecting export control requirements and environmental, financial, ethical and social obligations, as well as national and international compliance rules.

Financial partners (Shareholders, banks, rating agencies etc.)

Nexans maintains high-quality dialogue with its shareholders, regularly consulting them to better understand their expectations, as well as with the financial community. The Group is very selective about its partner banks. In order to work with Nexans, banks must be highly rated or majority-owned by their highly-rated home state (which must be either an EU member state, Canada or the United States). Lastly, non-financial rating agencies conduct their evaluations in the context of structured relations with analysts.

Customers

Customer relations is one of Nexans' priority CSR ambitions, and includes regular satisfaction surveys to understand our customers' expectations and better serve them.

Local partners

(Local communities, economic and academic players, etc.)

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

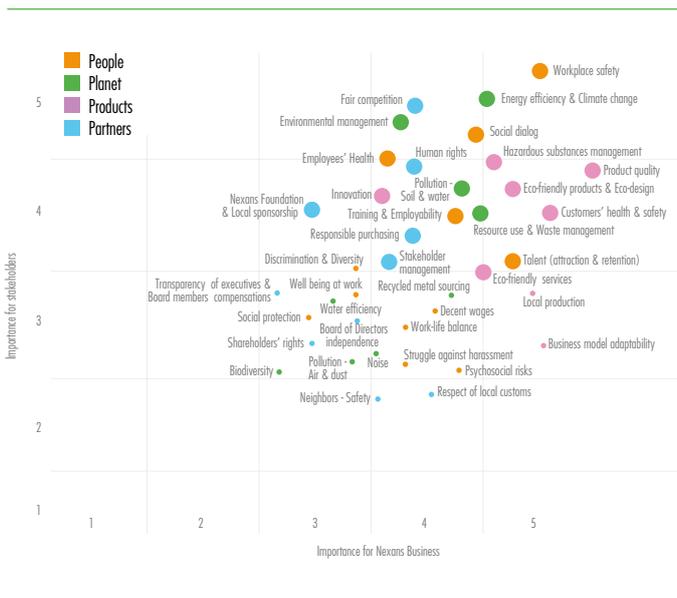
Sphere of influence

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

Listening to our stakeholders

Nexans works on responding to major challenges and meeting its stakeholders' needs on a daily basis. As one of our value creation drivers, CSR remains a key component and is an integral part of the Group's strategy.

Through a materiality test based on an assessment of the core ISO 26000 topics, we identified 4 priority areas, breaking down into 12 ambitions that are fully aligned and integrated with Nexans' strategy.



	KPI	2016	2017	2018	2019	Evolution	Target 2022	
PEOPLE	Workplace safety	Workplace accident frequency rate ⁽¹⁾	1.82	2.02	2.01	2.70	↗	<1
	Human capital	Managers with an Individual Development Plan	58%	72%	77%	77%	→	100%
		Women in management positions	22.6%	22.9%	23.7%	23.8%	↗	25%
	CSR awareness	Directors having CSR goals in their performance targets ⁽²⁾	NC	NC	NC	NC		100%
PLANET	Environmental management	Industrial sites certified EHP and/or ISO 14001 ⁽³⁾	94%	93%	93%	95%	→	97%
	Energy	Energy intensity ⁽⁴⁾	279	257	268	256	↘	-3%
	Climate	Reduction of GHG emissions (scopes 1, 2 and 3) (versus n-1) ⁽⁵⁾	-0.83%	-2.70%	+0.41%	-5.82%	↘	-5%
PRODUCTS	Energy transition	Revenues generated from products and services that contribute to energy transition ⁽⁶⁾	M€485	M€770	M€581	M€618	↗	NC
	Innovation	R&D investments (% in constant metal prices sales) ⁽⁷⁾	M€89 (2.00%)	M€102 (2.23%)	M€107 (2.43%)	M€98 (2.13%)	↘	NC
	Sustainable Products	Total waste recycled ⁽⁸⁾	42%	44%	55%	42%	↘	>50%
PARTNERS	Business ethics	Managers having signed the Compliance Certificate ⁽⁹⁾	95%	96%	97%	92%	↘	100%
	Stakeholders	OTIF - 1C ⁽¹⁰⁾	92.6%	93.0%	92.8%	94%	↗	94%
		Employee engagement index ⁽¹¹⁾	72%	NA	74%	NA		+3 points
	Nexans Foundation	Amount allocated by the Nexans Foundation	€300,000	€300,000	€300,000	€300,000	→	€300,000

(1) Overall workplace accident frequency rate: total number of workplace accidents with more than 24 hours of lost time/total number of hours worked x 1,000,000. This rate relates to internals and temporary workers. The calculation methodology changed in 2019, see 4.1.1.1 "Safety at work" of the Universal Registration Document 2019.
 (2) Directors, category of employees from the list of "top executives" reviewed annually by the Group's Executive Committee. The performance objectives have been integrated into the 2020 long-term performance plan.
 (3) Number of site certified EHP and/or ISO 14001/Total number of sites in the scope of the EMP survey (Industrial Department tool).
 (4) MWh consumed by the industrial sites/M€ in constant metal prices sales.
 (5) Greenhouse Gas (GHG) emissions include direct and certain indirect emissions (from electricity and steam consumption, upstream power line losses, use of fossil fuels and wastes treatment, as well as fugitives emissions). The 2022 target is based on the reduction of emissions in 2016, the base year.

(6) Revenues generated from products and services contributing to energy transition (offshore wind farm, interconnections projects, e-mobility, smart grids, accessories, solar energy and wind energy).
 (7) Total R&D expenses (including R&D, innovation, local development and assistance engineering costs).
 (8) Recycling rate of non ferrous metal waste generated.
 (9) So called in HR tool My Click "graded" employees to sign a compliance certificate by which they commit to comply with Nexans Code of Ethics and Business Conduct and declare conflict of interest, if any.
 (10) On Time In Full first confirmed: Nb of order lines shipped in the right quantity at first confirmed date/Total number of shipped order lines in the month, including logistic and plants data.
 (11) Scope: Cable activity.

4 PRIORITIES, 12 AMBITIONS

PEOPLE

Bring individual and collective performance to our business

- **WORKPLACE SAFETY**
Guarantee health and safety on sites
- **HUMAN CAPITAL**
Build people who build business
- **CSR AWARENESS**
Motivate people to act on CSR issues

PRODUCTS

Promote a sustainable, innovative and competitive model

- **ENERGY TRANSITION**
Engage with our customers to build a sustainable economy
- **INNOVATION**
Strengthen collaboration with our stakeholders to support innovation
- **RESOURCES**
Increase resource-efficiency

PLANET

Manage environmental impacts

- **ENVIRONMENTAL MANAGEMENT**
Maintain a high standard of environmental management
- **ENERGY**
Improve production energy-efficiency
- **CLIMATE**
Reduce our impact on the climate

PARTNERS

Embed leadership based on values and ethics

- **BUSINESS ETHICS**
Maintain a compliant framework and fair business practices
- **STAKEHOLDERS**
Maintain a sustainable stakeholder relationship
- **NEXANS FOUNDATION**
Help underprivileged communities access energy

The CSR priorities draw on the Sustainable Development Goals set by the United Nations, which the Group adopted in 2008 when it joined the Global Compact. 3 of these 17 objectives form the cornerstone of our CSR strategy: numbers 9, 12 and 13.



People, at the heart of our strategy

The men and women of Nexans are empowered every day to achieve our mission of bringing energy and information to the people of the world and therefore play a role in building bonds within society. By putting human capital at the center of its strategy, the Group is creating 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.

The Human Capital Project, a key pillar of corporate-culture transformation

Transforming organizations and professional practices while instilling a new managerial mindset to improve business, human resource and industrial performance. To complete this major transformation which forms part of Nexans' new strategic plan, a corporate-culture transformation program is gradually being implemented. The program seeks to encourage the majority of employees to embrace the changes needed and boost their engagement.

THE THREE GOALS OF THE HUMAN CAPITAL PROJECT

Embark, which is the first step in successfully engaging Nexans' people; **Liberate**, i.e., empowering people at all levels of the organization; **Connect**, to strengthen ties in order to better capitalize on the Group's diversity and boost performance, innovation and continuous improvement.

To achieve these 3 Human Capital Project goals, Nexans has identified four initiatives already in place within the Group, that are to be gradually rolled out across the world.

- **Employee Forums** provide local staff with a platform for expression, with a view to working together on troubleshooting

and coming up with effective initiatives. The aim is to identify pragmatic solutions based on concrete experience so as to promote the collective development of the site's action plan to improve working conditions and operating performance. Various organizations plan these forums at as many sites as possible across the world, particularly those directly affected by the transformation program.

- **Family Days**, during which Nexans opens up its manufacturing sites to employees and their families. They allow employees to show their families where they work and explain to them what they do every day, and also share what our company does in a "real-life" context.
- **Customer Days**, during which a customer of a certain site is invited to present their company, business and products, and to explain what they expect from Nexans. These days are excellent opportunities for employees from a specific site to talk and exchange ideas with a customer that they work for on a daily basis, and to help improve Nexans' customer relationships across the globe. They also provide employees with an insight into the scale of market challenges.
- **Regional initiatives** are all the actions and measures undertaken at our various sites to strengthen ties with stakeholders, from an economic, environmental or social perspective.

Several key performance indicators are monitored to measure the success of this transformation more effectively: absenteeism rate, accident frequency rate, diversity, etc. From 2020, these indicators have been taken into account to assess the performance of Nexans' sites.



Employee experience to build loyalty

Employee commitment is vital to achieving operating excellence and meeting the Group's performance objectives. A number of initiatives have been launched over the past several years to engage all of Nexans' employees and reinforce their pride and sense of belonging. There is a special focus on induction programs to teach new employees about the Group's culture and enable them to network in their first months on the job. Four three-day induction sessions have been held since 2018, bringing together some 160 employees at the Group's head office and including a visit to a manufacturing site. The engagement and outstanding contribution of certain employees is celebrated every year with the Nexans Remarkable People Program. Introduced in 2016, this program allows employees to nominate up to eight people from their team. Nominations are forwarded across the managerial line up to N-1 of the Executive Committee, which then sends the nominations to the Selection Committee, and which are then subject to final approval by the Executive Committee. Remarkable People

has handed out awards to over 272 employees. The Group's latest opinion survey showed that the score for "recognition", an area to which the Nexans Remarkable People program contributes, had risen 9 points.

The fourth edition of Nexans Remarkable People in 2019 confirmed its important role within the Group. This year, 162 applications were submitted recognizing individual or collective achievement. In all, 29 projects were selected, with 85 employees in 17 countries winning awards for their remarkable engagement or performance. This program embodies the Group's six corporate values and reflects its employees' strong dedication. Twenty percent of managers actively participate in the program, which receives applications from one in every 50 employees. With a member of the Executive Committee giving the news directly to the winner, the wow factor is guaranteed!

Diversity, a performance lever

Promoting diversity is one of the Group's core commitments to its teams and professional environment. The Group has set a target of 25% of female managers by 2022 (23.8% in 2019). 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.

This approach is reflected in the WIN (Women in Nexans) program, which has been implemented in nearly every country where the Group operates. Local and regional action plans have taken shape thanks to the motivation of WIN (BU Leaders) and members of the Global WIN Steerco. These plans focus on three key aims. Sustaining and developing the community, by opening it out to the outside world and the male population. Building up the talent pool through HR policies, with initiatives such as a mentoring program that operates on a voluntary basis in four countries and an e-coaching test project with a French start-up, ultimately creating a conducive environment to help men and women to develop within Nexans, thanks to an inclusion policy.

In 2020, the Group has been considering ways to promote and thereby speed up the promotion of women to management positions.

The WIN program today reaches a large audience within the Group via a tailored communications approach, its dedicated intranet site and digital tools such as Yammer.

Since WIN was set up in 2018, the proportion of women managers in the Group has risen from 1.6% to 23.8% at end-2019. Factory operators have also benefited from this positive momentum, with a number of "firsts", as four women have been hired in Brazil, one in Chile, and in China a woman operator has been promoted to team leader.

DISABILITIES: NEXANS PUSHING FOR INCLUSION IN THE WORKPLACE

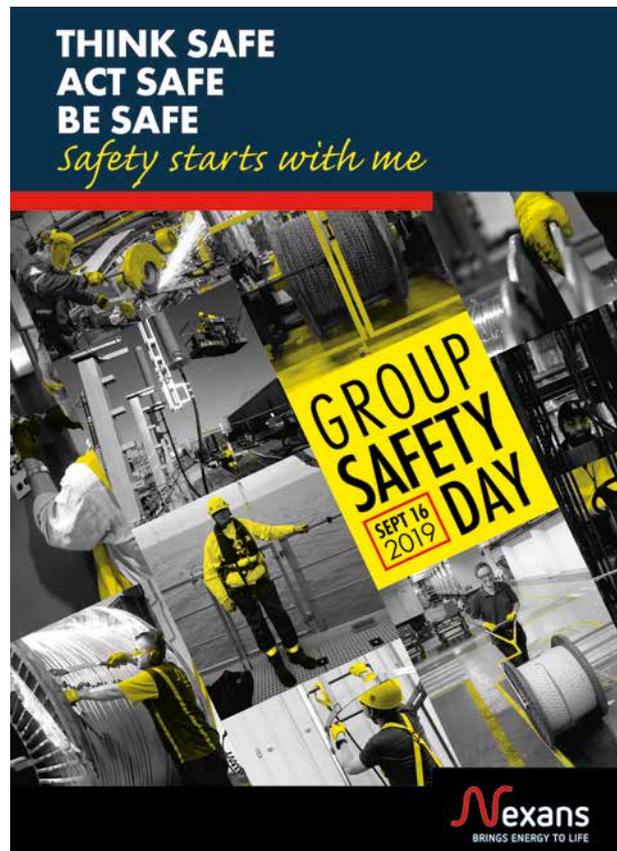
Nexans' Power Accessories site in Donchery (Ardennes, France) has been a partner of the Ardennes Association for the Promotion of People with Disabilities (*Association Ardennaise pour la Promotion des Handicapés* — AAPH) since 1996.

For more than 20 years, hundreds of people with disabilities have worked with factory employees to manufacture specific components of Nexans' energy cable accessories. A team of 12 individuals and an AAPH instructor have been working on the site since 2014.

Workplace safety, an absolute priority

To entirely fulfill its "Safety starts with me!" commitment, which is carried to the highest level of decision-making, the Group has introduced a set of programs and initiatives. These include the Safety Standards, that together with the Alert Management System (AMS) act as the accident analysis base, and founding actions such as the 15 Safety Golden Rules, which mainly concern behavior and must be applied at all Group sites.

Since 2014, Safety Day has taken place every year across all Nexans sites, and is an opportunity for all employees to take part in a variety of activities focusing on workplace health and safety. Two priorities were set for 2020 to improve safety performance and awareness. All site managers (from team leaders to site managers) will carry out a "Safety Walk", in which they will be regularly asked to make safety observations. Furthermore, all sites must map their five main risks and report on the progress of their risk elimination plan at management reviews.



Leading the change for carbon neutrality in 2030

Climate change is a key focus for Nexans. The Group has worked to ensure that its business activity has the lowest possible impact on the climate. To do this, the Group has adopted a rigorous environmental strategy to limit the impact of its environmental footprint and sell products that contribute to the energy transition, with one line of action: achieving carbon neutrality by 2030.



Reducing our impact on the climate

Due to the low carbon intensity of its operations, Nexans is not subject to European carbon emissions quotas, but the Group measures its global greenhouse gas (GHG) emissions on an annual basis.

The Group provides concrete responses that span every phase of its business activities to reduce the carbon impact

of products throughout their life cycle. The approach taken by Nexans to reduce its environmental footprint consists of initiatives promoting the improvement of energy efficiency, resource optimization, recycled material usage and waste reduction. In awarding the Group an A- rating in 2019, the Carbon Disclosure Project (CDP) recognized its efforts to reduce climate change.

Conserving resources

Nexans establishes a sustainable approach across its sites that enables our manufacturing processes to conserve resources, as defined in the Group’s environmental management system. In environmental audits, the measures taken to protect resources are assessed based on defined objectives.

WATER	Recycling of over 75% of cooling water across 52 out of 61 user sites.
ENERGY	Nearly 50% of the Group’s environment-related investments in 2019 focused on making equipment and production lines more energy efficient, to meet the target of a 5% reduction in CO ₂ emissions between baseline 2016 and 2022.
RAW MATERIALS	The portion of recycled copper used in Nexans cables is maximized. The majority of cable drum supplies for European sites originate from sustainably managed forests, guaranteeing sustainably sourced wood.
WASTE	The management of waste from manufacturing processes focuses on two key areas: <ul style="list-style-type: none"> • reducing waste, with production waste monitored by all sites on a monthly basis; • an increase in the waste recycling rate, through ambitious sorting at source and recovery programs across all sites, as well as waste treatment and recycling measures.

Through RecyCâbles, in which it has a 36% stake, Nexans recycled 14,800 tonnes of cable waste in 2019 (17,300 in 2018). In late 2017, the Group launched Nexans Recycling Services, which enables its customers and partners to recover and dispose of their waste copper and aluminum cables.



Promoting ecodesign

Reducing the environmental impact of its products is a priority for the Group. The goal is to promote a competitive, innovative and sustainable model. Nexans incorporates an ecodesign approach through a qualitative approach, taking into consideration the different stages in product life cycles, and a global, quantitative approach with life cycle assessments in line with ISO 14040 and 14044.

The Group assesses the environmental impact of selected products, at all stages of their life cycle, covering the extraction of raw materials used in their composition, manufacturing, distribution, installation, use and scrapping or recycling. To conduct life cycle assessments of products, the Group uses the PEP (Product Environmental Profile) methodology developed by the PEPecopassport® program, of which Nexans France is a founding member. This program meets ISO 14025 on type III environmental declarations, which provide the findings of the assessment of the product's environmental impact. Each PEP is checked by an independent expert accredited by the PEPecopassport® program. To date, Nexans has registered 65 PEPs covering over a thousand product references, primarily in the French, Belgian, American and Italian markets, as well as in Peru and Norway. In the United States and France, these environmental declarations are mainly used to obtain environmental certification for buildings, such as the LEED® program and the E+ / C- label for energy-positive, low-carbon buildings.



EDRMAX by Nexans™, an eco-designed product

Boosting the circular economy

The circular economy features in the Group's CSR policy as one of the main ambitions. This model aims to limit the consumption of resources by implementing a closed-loop system for materials and resources.

For the Group, the circular economy focuses on: increasing the recycled content of externally and internally sourced products; and reducing the quantity of raw materials used to manufacture products and offering customers a recycling service.

PRODUCT USE

The EcoCalculator helps customers identify cables combining energy efficiency, CO₂ 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.

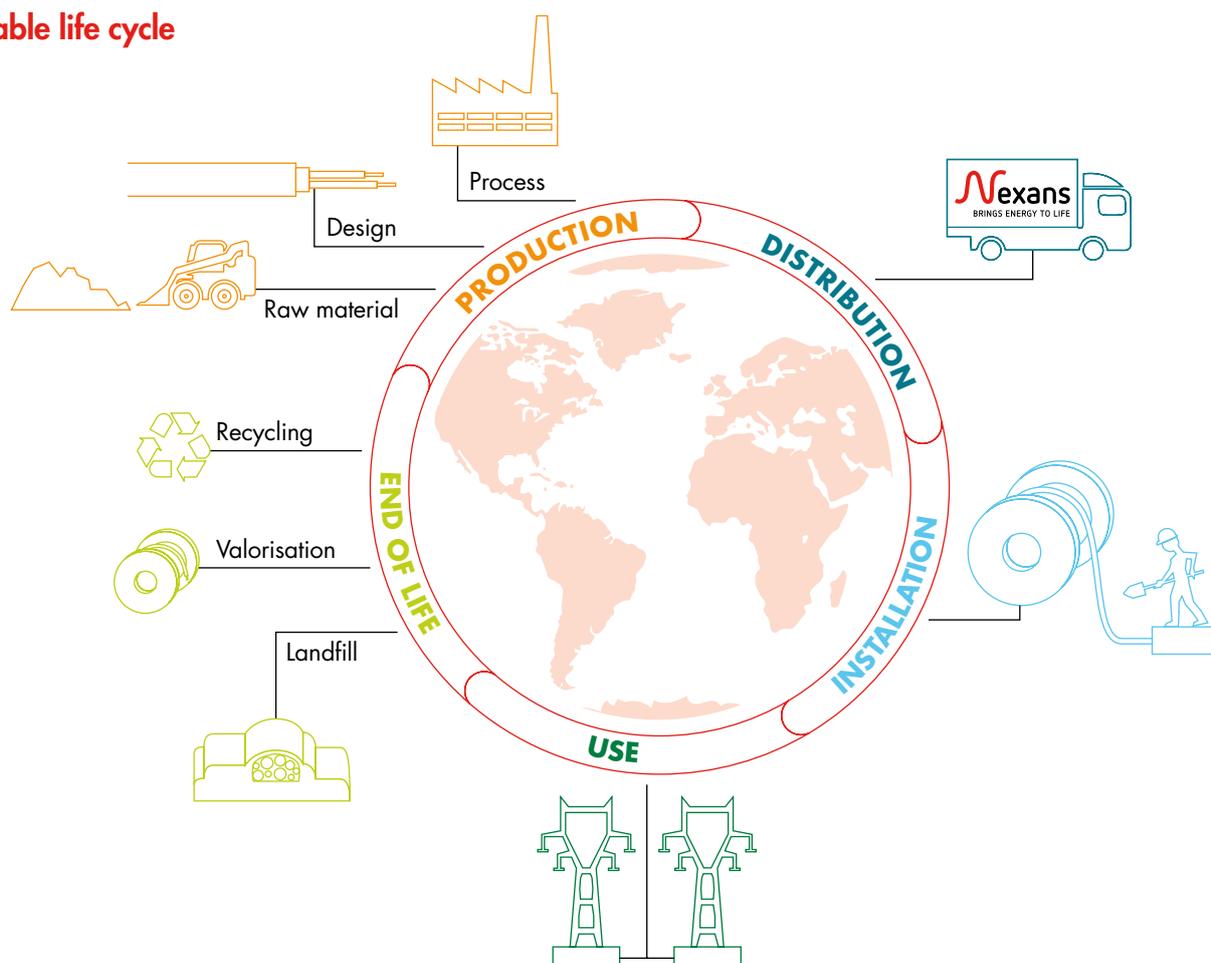
PRODUCT LIFE CYCLE

Designed to last decades, Nexans products are by nature used in long-term infrastructure. The Group works to improve their life cycles to further minimize their environmental impact, performing a wide range of tests to measure, estimate and improve the life cycle of materials used to make the end cable and full cables.

END OF PRODUCT LIFE – RECYCLING

As part of its circular economy approach of recovering products at the end of their life by recycling their components, Nexans, an industry pioneer in recycling, offers customers and partners its Recycling Services range, a comprehensive solution for recovering and disposing of copper and aluminum cables.

Cable life cycle



Reducing the use of hazardous substances

Nexans' products must comply with laws on chemical substances, in particular REACH regulations, which aim to improve the protection of human health and the environment. In 2019, the Group continued its work to comply with and uphold these regulations.

Identifying chemicals currently being assessed at European level, Nexans participates in the European consultation processes and manages the use of these substances at its factories and in its products. In light of this, Nexans introduced a rule banning the use of hazardous substances on the REACH authorization list for any new product development in Europe.

As far as innovation is concerned, the Group heads several research programs to find innovative solutions that will replace substances that could potentially be subject to restriction or authorization under REACH regulations.

In terms of communication, through dialogue with its suppliers, Nexans maintains its strict monitoring of the composition of

raw materials used to manufacture its products. After REACH, the RoHS (Restriction of Hazardous Substances) directive is the second most important legislation on the use of certain substances in electric and electronic products. However, an extremely small number of Nexans products fall within its scope of application.

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

The Material Declaration is a communication format developed by Europacable, a European association that is the voice of Europe's leading cable manufacturers. It is used to provide customers with information on the general composition of cables, their compliance with REACH regulations or the RoHS Directive and other environmental aspects (product-related emissions, end-of-life, and packaging).

The Nexans Foundation

In 2013, Nexans became the first cable player to create a Foundation to act and serve in the general interest of society. The Nexans Foundation's main objective is to support initiatives that help bring electrical power to disadvantaged communities throughout the world by giving priority to grassroots-level organizations and sustainable solutions.

The Nexans Foundation brings all of these actions and initiatives together around a common objective – promoting access to energy for underprivileged communities worldwide. By engaging in solidarity through philanthropy, it helps address the world's major issues.

A cornerstone of CSR

As energy plays a key role in Nexans' business, the Group also decided to make it a priority for its Foundation. This commitment follows on from the call by 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 – "ensuring access to affordable, reliable, sustainable and modern energy for all" (SDG no. 7). This priority has long been recommended by the International Energy Agency (IEA), which advocates for universal energy access by 2030. Energy not only provides light, it also gives access to numerous essential needs: education, healthcare, women's empowerment, economic development and more.

Six years of solidarity through philanthropy

With an annual budget of 300,000 euros, the Nexans Foundation has supported 111 projects in 62 countries in partnership with 38 organizations since it was created in 2013. These projects have brought, or will bring, electrical power to some 1,400,000 people. Due to the ever-growing involvement of the Group's local entities, the Nexans Foundation supports renowned non-profits in the area of access to energy such as Electricians Without Borders, the Group for the Environment, Renewable Energy and Solidarity (GERES) and the Fondation Energies pour le Monde, as well as smaller organizations.

The Foundation works on every continent, with a focus on countries affected by energy poverty, primarily in Sub-Saharan Africa, North Africa, the Middle East, Asia, South America and the Caribbean. The Foundation also works in France, where it organizes projects in the areas of energy access and energy insecurity.

Responsive in emergencies

The Nexans Foundation also supports one-off projects involving emergency situations, such as the recent crises in the Philippines, Haiti and the Caribbean following Hurricane Irma in 2017. To respond even faster to humanitarian emergencies, the Nexans Foundation, along with 10 other electricity industry leaders, formed a partnership with Electricians Without Borders and the crisis center of the French Ministry for Europe and Foreign Affairs. This enables international solidarity organizations to intervene in favor of people in need in the best possible conditions.



FOUNDATION KEY FIGURES



€300,000

annual budget⁽¹⁾

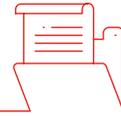


1.4m

people supported in

38

countries since 2013



111

projects led by

62

organizations since 2013

ENERGY KEY FIGURES



840 M

people without access to electricity,

I.E.,

11%

of the world's population

89%

global electrification rate, up

6 pts

on 2010



151 m

more people have access to electricity every year, with significant progress made in India, Bangladesh, Kenya and Myanmar

\$55bn

in investments per year until 2030, required to extend access to electricity

\$700bn

per year required for the roll-out of renewable resources and

\$600bn

every year to improve energy efficiency

Source: TRACKING SDG7: THE ENERGY PROGRESS REPORT 2019 – Highlights
<http://trackingSDG7.esmap.org>

The Nexans Foundation in action

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



PERU

PARTNERSHIP WITH TECHO-PERÚ IN SUPPORT OF THE MIGUEL GRAU COMMUNITY

Building and electrification project for the multi-purpose community center in San Juan de Lurigancho, the most highly-populated neighborhood in Lima, entirely powered by solar energy: photovoltaic panels have been installed on the building and lamp posts have been set up in the children’s play area, improving the safety and security in previously unlit strategic areas. For the Miguel Grau community, whose membership increased from 25 to 410 in 15 years, the center acts as a meeting place where educational activities and professional training take place. On one solidarity day, several employees from Nexans subsidiary Indeco helped the community members complete the paint work and create a fresco mural.



SENEGAL

PARTNERSHIP WITH THE FOUNDATION ÉNERGIES POUR LE MONDE (FONDEM) IN SUPPORT OF THE INHABITANTS OF KATABA 1

The district of Kataba 1, in Lower Casamance, is home to 35 villages (total population: 30,000), only 12 of which are connected to the national power grid. After discussions with elected local officials, youth and women’s groups, and associations promoting peace and local development, it was clear that there was a need for a project supporting these remote villages, where inhabitants are forced to find stop-gap solutions to the lack of electrical power. The goal of the CASELEC project is to provide this area with a photovoltaic plant that is connected to a local power grid, so that 300 end-users (1,500 or so people) have access to electricity. Opting for solar power means consumers have access to a cheap, permanent energy source, creating jobs and contributing to solutions to tackling climate change.





BURKINA FASO

PARTNERSHIP WITH ELECTRICIANS WITHOUT BORDERS, IN SUPPORT OF WOMEN FROM THE ARTISANAL PLASTIC RECYCLING CENTRE IN OUAHIGOUYA

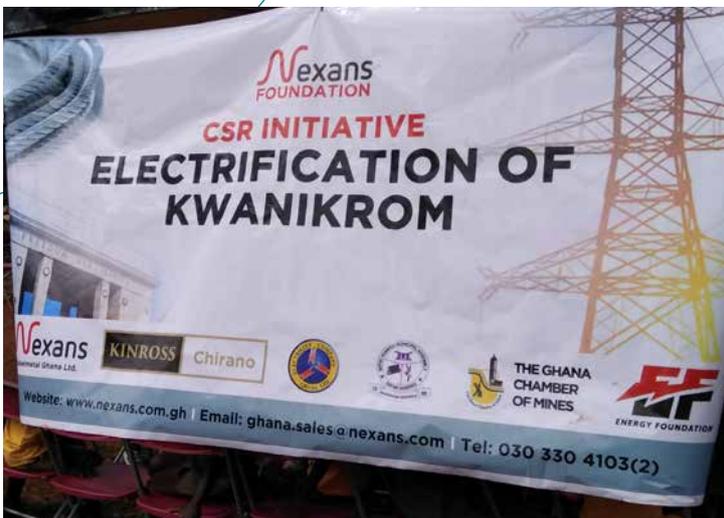
In this Sahelian region, one of the poorest in the country, the town of Ouahigouya has no waste management system. It was therefore necessary to electrify the first two recently-built plastic recycling workshops, which accommodate 18 mothers from isolated families, trained in various plastic recycling techniques. Training provided at all stages of the project must guarantee the sustainability of this project, which seeks to supply renewable energy to buildings. This energy self-sufficiency will greatly improve the conditions for producing various items, ensuring a better output and consequently a greater number of sewing machines and looms. Over time, two additional workshops are expected to open, providing employment to forty or so women.



GHANA

PARTNERSHIP WITH ENERGY FOUNDATION, IN SUPPORT OF THE KWANINKROM COMMUNITY

A complete lack of electricity in schools, households and for all types of equipment meant that, until recently, the 700 residents of the farming community of Kwaninkrom lived in extreme poverty. When the community leaders called for assistance, the project was launched to extend the power grid to the area. The project involved erecting wooden poles, laying power lines and installing transformers, as well as raising awareness on energy efficiency. The initiative seeks to provide the community with affordable, reliable and sustainable energy, essential for guaranteeing health and education services and act as a catalyst for a better standard of living. The community now hopes to see its craft industries develop, which will contribute to its economic well-being. As a project sponsor, Nexans Kablemetal Ghana provided aluminum conductors and sponsored opening ceremonies for the site and the commissioning of the grid service.



Critical risk management

Our risk management procedures are central to our governance system. They contribute to meeting the Group's strategic goals and safeguarding its assets and reputation. The measures also unite employees around a common risk strategy. The Group has committed to regularly assessing risks and implementing internal control and risk mitigation action plans.

The shift in Nexans' position and the transformation of its operational model require a robust and selective analysis of risks and opportunities, given the emergence of new (cyber-related) and unforeseeable (COVID-19) risks, and the challenges of remaining responsive and agile that come with radical change.

Nexans has developed company risk management procedures so that the operational and functional divisions incorporate risks and opportunities at the various stages of managing their businesses.

In 2019, Nexans completed its work on identifying the main strategic, operational, legal and compliance and financial risks that could impact its business, financial position, outlook, reputation, operational results or ability to achieve its objectives (European "Prospectus 3" Directive). In each category, risks are ranked according to their criticality — low, moderate, material and critical — i.e., based on their seriousness and probability of occurrence, after taking into account mitigation action plans put in place.

In 2019, Nexans spearheaded specific initiatives, such as:

- The organization of awareness campaigns for all IS users, following the publication in 2017 of ten golden rules of information systems security, in order to raise awareness of security risks and promote best prevention practices.
- A crisis management exercise with the Executive Committee members on a cyber-attack scenario to reinforce the awareness on cyberrisk as one of the main business risks.
- A cyber-attack exercise conducted by the Group's Systems Security Department involving a French industrial site and the Group's risk, HR and communication teams.
- A Group Cyber Security Quarterly Committee meeting, at which Executive Committee members are participants.
- Anti-corruption risk mapping at Group level worldwide.

COVID-19: AN UNEXPECTED, EXCEPTIONAL RISK

With the uncertainty surrounding the COVID-19 situation, the Group's priority was and is to protect its employees, as well as its customers and partners. The Group is paying close attention to managing risk, having set up real time risk information and monitoring systems.

The Group is closely monitoring the evolution of the pandemic and in particular the restrictive measures adopted by State authorities

RISKS



OPERATIONAL

- Risks related to the COVID-19 pandemic → **CRITICAL**
 - Implementation of sanitary measures aligned with the WHO's recommendations
 - Constitution of crisis management organization
 - Implementation of business continuity plans
- Cybersecurity, continuity and performance of information systems → **CRITICAL**
 - Security and Incident and Problem management masterplan
 - Backbone Infrastructure centrally managed for datacenters, the network and telecoms
 - Backbone Infrastructure monitored 24/7
 - Audit of systems in place
- Risks related to climate change and natural hazards → **CRITICAL**
 - Mapping of sites exposed to climatic risks property & casualty insurer
 - Definition and implementation of technical solutions and mitigations plans
 - Crisis Management organization
- Risks related to contractual liability: contracts related to turnkey projects → **CRITICAL**
- Risks related to contractual liability: product liability → **MATERIAL**
- Risks related to raw materials and supplies → **MATERIAL**
- Industrial and Environmental Risks → **MATERIAL**
- Risks related to talent loss, reorganizations and the social climate → **MATERIAL**
- Risks related to technologies used → **MODERATE**



FINANCIAL

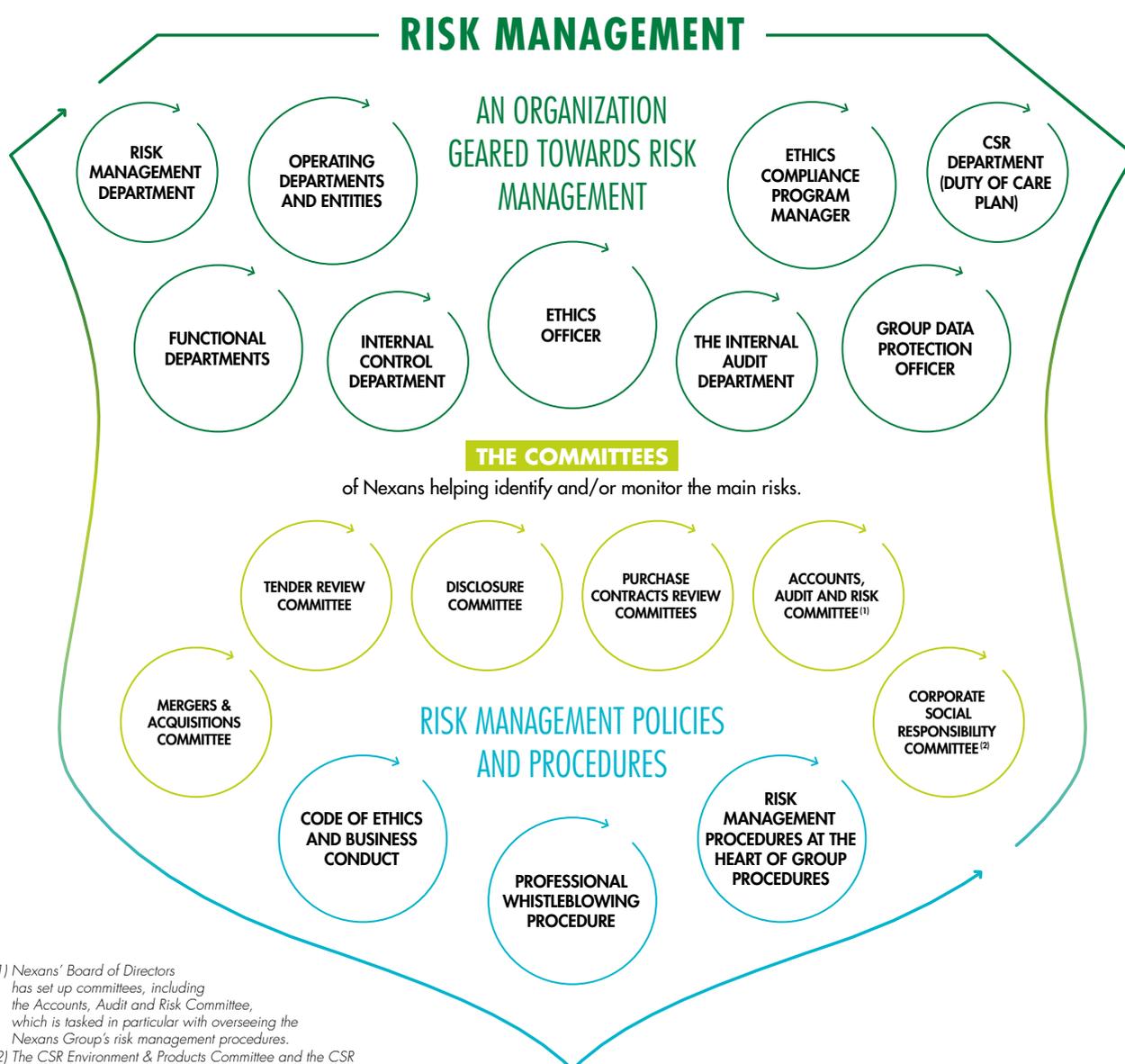
- Foreign exchange risks → **MATERIAL**
 - Currency hedges are set up on operational risk
 - Sensitivity analysis on operational exposure
- Interest rate → **MODERATE**
- Liquidity risks → **MODERATE**
- Metal price risks → **MODERATE**
- Credit and counterparty risk → **MODERATE**

STRATEGIC

- Geopolitical, political and social instability → **CRITICAL**
 - Close monitoring of the geopolitical, political and social environment
 - Policy of diversification of suppliers, internal sourcing unit
 - Crisis management processes, and in particular dedicated actions on people and asset security
 - Development of Business Continuity Plans
- Competitive environment of the Group's operating subsidiaries → **MATERIAL**
 - Market intelligence
 - Development of differentiated offers
- Dependence on customers → **MODERATE**

LEGAL AND COMPLIANCE RISKS

- Risks related to antitrust investigations → **MATERIAL**
 - Tone at the top
 - Antitrust Rules and Code of Ethics and Business Conduct
 - Training of marketing, commercial and purchasing teams on Antitrust
 - Whistleblowing system in place in the Group
- Risks related to non compliance with anti bribery legislation → **MATERIAL**
 - Tone at the top
 - Code of Ethics and Business Conduct
- Risks related to claims and litigation → **MODERATE**
 - Mapping of corruption risks with all Group business units
 - Risks mapping on Agents
 - Specific procedures on anti-corruption including obligation to perform a due diligence/integrity check on Third Parties and in particular intermediaries
 - Whistleblowing system in place in the Group
 - Annual Compliance certificate signing



(1) Nexans' Board of Directors has set up committees, including the Accounts, Audit and Risk Committee, which is tasked in particular with overseeing the Nexans Group's risk management procedures.
 (2) The CSR Environment & Products Committee and the CSR Governance & Social Committee are both sub-committees of the CSR Committee.

An Executive Committee tailored to our industrial ambition

Executive Committee (September 2020)

The Executive Committee is the main governing body and comprises eleven members including Christopher Guérin, Chief Executive Officer. It is responsible for determining Nexans' strategy, allocation of resources, and organization.

The Executive Committee is primarily tasked with: strengthening the Group's relationship with the markets and its customers, enhancing the Group's capacity for anticipating change, the agility of its organization structure, execution (cost control), innovation, service

development and transformation) and, lastly, internationalizing the Group's management profile in order to adapt to and keep ahead of the changes taking place in the wider world.

In addition to Christopher Guérin, the Executive Committee comprises:

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



Christopher Guérin
Chief Executive Officer

"Making Nexans the flagship of French industry, committed to combating climate change"



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

"Enhancing the international dimension of the Legal Department, due to the increasing extraterritorial application of Anglo-Saxon Law, with a good understanding of compliance matters that are now ubiquitous in business"



Vincent Dessale
Chief Operations Officer and Senior Executive Vice President

"Continuing to push the limits of our products in fire safety terms to bolster Nexans' commitment to promote the CPR (Construction Products Regulation), a major health and safety issue"



David Dragone
Senior Corporate Vice President,
Human Resources

"Ensuring that a cultural dimension underpins Nexans' business project"



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

"Successfully guide the transformation of Nexans"



Jérôme Fournier
Corporate Vice President,
Innovation, Services & Growth

"Triple the value created by service innovation by using a powerful lever: R&D engineers devoting 25% of their time to customer contact"



Julien Hueber
Executive Vice President
in charge of the Industry Solutions & Projects Business Group

"Implement processes that establish strong synergies between the European and Asian markets"



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

"Working towards transforming the department into a simpler organization with a greater focus on cash position"



Ragnhild Katteland
Executive Vice-President in charge of the Subsea and Land Systems Business Group

"Helping to achieve a high level of operations in offshore wind power to fulfill the ambitions of the Group and the Global Compact on climate change"



Vijay Mahadevan
Executive Vice President in charge of the B&T Southern Business Group

"Keeping hold of our strategic position in spite of geopolitical instability in the Middle East, and supporting the electrification of villages in Africa and the development of renewable energy in Latin America"

A multicultural team, with stronger leadership

Larger and streamlined, the Executive Committee team reflects the strategic importance of the relationship Nexans enjoys with its customers and markets and embodies its ability to undergo change. The Committee has been formed to achieve Nexans' industrial goal, which is for the Group to rank among the top 10 energy and data system management specialists in the world. Each Executive Committee member is now responsible for an emblematic contract secured by the Group. An additional benefit of this is a greater involvement in operations and direct and stronger ties with the Business Groups and operational staff.

Diversity: an asset

Nexans based its recruitments and appointments on explicit criteria (qualifications, experience, skills, motivation), a non-discriminatory approach and criteria corresponding to the duties entrusted. With six different nationalities represented, the Executive Committee stands out by the richness of its cultural origins.

Since the appointment of Ragnhild Katteland, as Senior Executive Vice President Subsea and Land Systems on January 6, 2020, the representation of women on the Executive Committee has increased. Committed to improving the gender balance, the Group will propose a woman in the lists of candidates for all recruitments.

The Executive Committee's approach to the COVID-19 crisis

In these unprecedented times, Nexans is closely monitoring the evolution of COVID-19. The Executive Committee is managing the crisis on a day-to-day basis, with a focus on the following key goals:

- protecting teams;
- business and production continuity;
- continuing to fulfill the Group's commitments to its customers;
- preserving liquidity and financial modeling;
- and external stakeholders and communications, together with the Board of Directors.

Health and safety are an absolute priority. The Group observes the instructions provided by health authorities and regularly adapts their recommendations for the workplace for all of its employees across the world. In light of this, their discipline and determination in managing this crisis are outstanding. Nexans' sites and offices are currently open all over the world with business continuity guaranteed and no major disruptions.

Throughout the pandemic Nexans has strongly focused on the expectations of its customers and partners, the proper execution of projects, and their interests across the globe. Sales teams and technical teams work to assist and advise them with equal passion and commitment.

BUSINESS INTEGRITY: AN IMPERATIVE FOR NEXANS

One of the Executive Committee's priorities is to oversee the implementation of Nexans' rules on ethics across the Group: an unqualified commitment to compliance. The Executive Committee and all managers in charge of the Business Groups and Business Units set an example and help with the rollout of the Compliance Program. Respecting rules and guidelines on ethics is mandatory for all Nexans employees and business partners. In the event of any breach, Nexans adopts a zero tolerance policy.

Nexans' commitment is evident not only in its adherence to the United Nations Global Compact and its ten fundamental principles, but also in the signing by all managers of an annual certificate of compliance. In 2019, some 95% of Group directors signed the certificate, as well as 91% of newly hired managers. Business partners are required to do likewise.

The Code of Ethics and Business Conduct, which serve as the basis for this commitment, along with the specific procedures

and rules for preventing the main ethical risks identified by the Group, e.g., compliance with competition law, anti-corruption, the prevention of fraud, conflicts of interest, compliance with embargoes, the prevention of money laundering and personal data protection (see Critical Risk management on page 50).

The Ethics Compliance Program is based on actions aiming to prevent, detect and handle any breaches. Each year, a series of specific initiatives is rolled out to strengthen prevention or adapt it to new legal obligations, or when a need has been identified: the topics covered in required annual training are chosen in this manner, and the prevention procedures are updated accordingly. The overall goal of this annual plan is to exhaustively cover the issues under consideration, and ensure that all Nexans teams comply with and implement this plan, regularly adapting initiatives in order to prevent, identify and monitor the risks to which the Group is exposed when conducting business.

A Board of Directors committed to change

In 2019, the Board of Directors of Nexans drew on its values of expertise, vigilance and transparency to accompany the Group's transformation and help it in its recovery, cementing its new position as leader. It was an opportunity to showcase the strength of its dual governance system.

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

The Board owes its success to its independence, diversity and focus on sustainability. Its 13 members are true leaders in their fields — fields that are key to Nexans' strategy. This diversity gives Nexans an international dimension and a deeper understanding of the wider market. All 13 members are assessed every year with respect to the independence criteria defined by the recommendations of the AFEP-MEDEF Corporate Governance Code.

The Board of Directors met 10 times in 2019, with an average attendance rate of 84.3%. Some of the areas addressed by the Board of Directors this year included the monitoring of the Group's key strategic areas, particularly the review of the strategic plan and of strategic initiatives, the review of the 2019 budget and the launch of a risk assessment.

HIGHLIGHT

In September 2019, the directors attended a two-day strategy seminar in Bourg-en-Bresse (France). The seminar was an opportunity for directors to visit the Nexans industrial site, attend presentations given by management, and reflect on the business portfolio and the investments required in the medium and long term

FOUR PREPARATORY COMMITTEES

Accounts, Audit and Risk Committee

Comprising no more than five members, including three independent directors, the Committee monitors matters relating to the preparation and audit of financial and accounting information. The 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. The Committee can also seek the advice of external specialists.

Appointments and Corporate Governance Committee

Comprising no more than six members, including three independent directors, who are appointed by the Board of Directors, this Committee's Chair is also an independent director. The Committee proposes the appointment of new directors to the Board of Directors, along with a selection procedure and a preparatory study, and also proposes the appointment of, and succession plans for, executive directors. It monitors corporate governance matters and analyses the applicable rules. It examines the determination of independence of each Board member subject to the Board of Directors' final decision.

Compensation Committee

Comprising members of the Appointments and Corporate Governance Committee and a director representing employees, the Committee is chaired by the Chair of the Appointments and Corporate Governance Committee. The Committee submits proposals relating to the compensation policy for directors and executive directors to the Board of Directors for approval. This policy is founded on the principles of completeness, a balance between compensation components, comparability, consistency, comprehensibility of the rules and measurement.

Strategy and Sustainable Development Committee

Comprising no more than three directors appointed by the Board of Directors, the Committee's responsibilities include reviewing the Strategic Plan and following up on the progress made in the most significant strategic initiatives, then reporting to the Board of Directors. The Committee also reviews how the Group takes into account sustainable development issues when defining its strategy.

Board of Directors (membership at May 13, 2020)



Jean Mouton
Independent Chairman of the Board of Directors
 ○ Appointed as Chairman of the Board of Directors: May 15, 2019



Angéline Afanoukoé
Director representing employees
 ○ Head of External Affairs for Nexans Group



Jane Basson
Independent director
 ○ Chief of Staff to the Chief Operating Officer and Head of People Empowerment in Operations of Airbus.



Marie-Cécile de Fougères
Director representing employee shareholders
 ○ Industry & Solutions Europe Customer Service Manager EPCs⁽¹⁾ and Operators at Nexans



Marc Grynberg
Independent director
 ○ Chief Executive Officer of Umicore



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



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



Sylvie Jéhanno
Independent director
 ○ Chair and Chief Executive Officer of Dalkia, subsidiary of the EDF Group



Anne Lebel
Lead Independent Director since March 19, 2019
 ○ Chief Human Resources Officer (CHRO) and Group Executive Board Member of Cpgemini, effective July 20, 2020
 ○ Chair of the Appointments, Compensation and Corporate Governance Committee



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



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



Hubert Porte
Independent director since January 29, 2019.
 ○ Founding Partner and CEO of Ecus Administradora General de Fondos S.A.



Kathleen Wantz-O'Rourke
Independent director
 ○ Chair of the Management Board & Group Executive Director Finance & Legal, Keolis Group

Business areas

9 in industry

2 in energy

4 in finance

2 in services

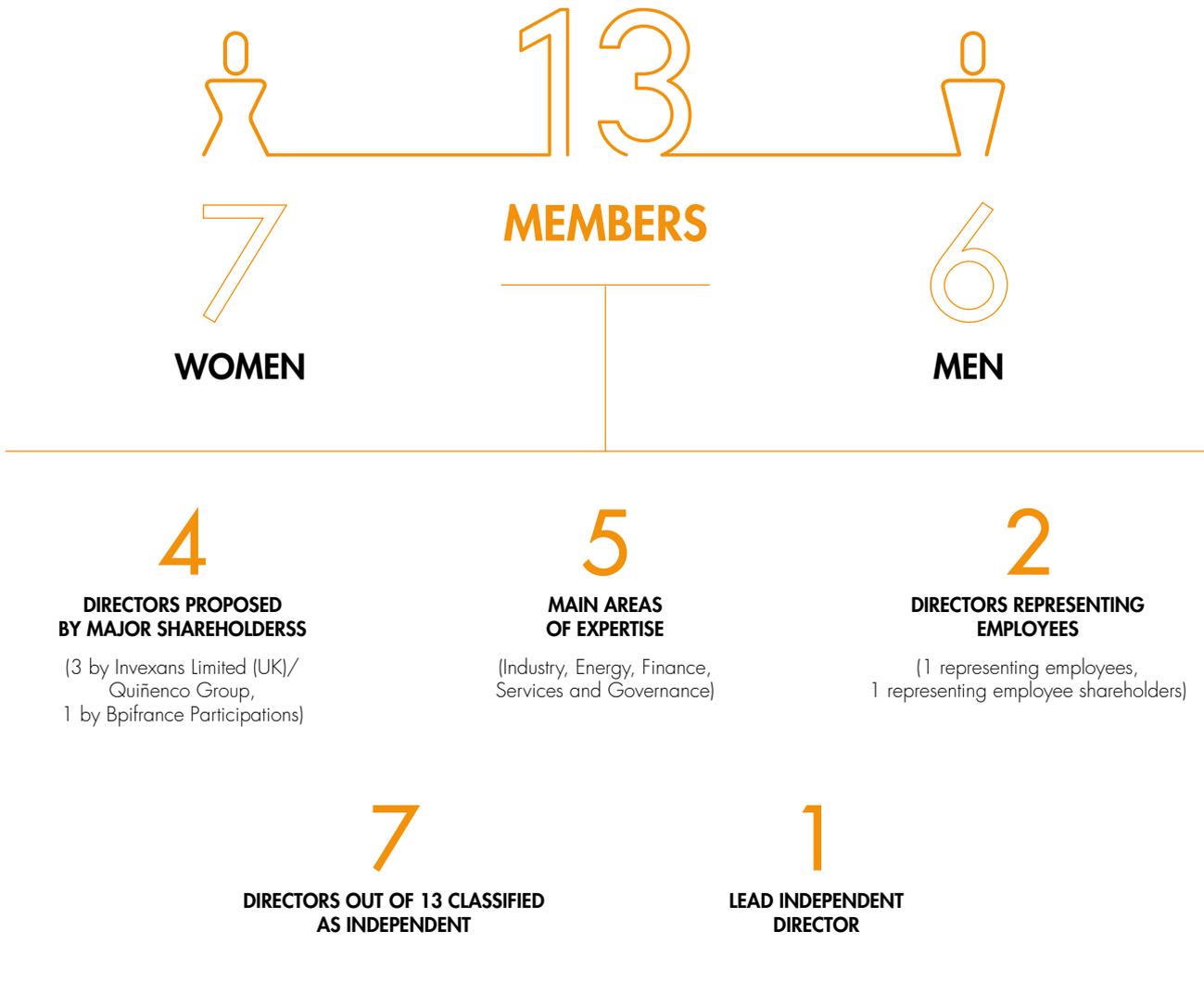
2 within Nexans

8 in senior management functions

(1) EPC = Engineering, Procurement and Consulting

THE BOARD OF DIRECTORS

WHO ARE THE DIRECTORS?



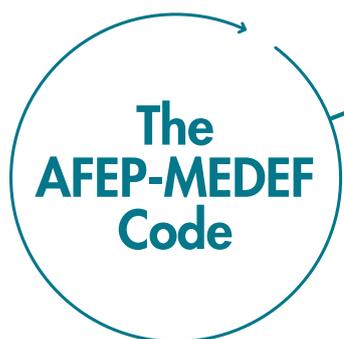
TYPICAL PROFILE OF A NEXANS DIRECTOR

54.5
average age

45.5%
are women

38.5%
are foreign nationals

over 63.6%
are independent



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



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

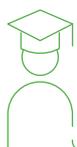


Four committees within the Board of Directors:

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



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



WHAT TRAINING DO THEY RECEIVE?

Directors follow a fully-fledged induction program upon taking office, giving them the chance to meet the organization’s key managers in order to familiarize themselves with the Group, its strategy, its businesses and activities. The program also includes site visits. Directors therefore receive all the information necessary to complete their duties and may request any documents they deem useful.



HOW ARE THEY ASSESSED?

The Board’s annual appraisal is conducted in one of two ways. Either a detailed questionnaire is sent to each director, or individual interviews are held by specialized consulting firms. The appraisal focuses on how the Board operates, as well as its composition and organization. It assesses the contribution and the involvement of each director and allows Nexans to ensure that important questions are adequately prepared, handled and discussed during Board meetings. In 2019, the strengths revealed by the appraisal included the constant improvement over the previous year, an excellent appreciation of the roles of the Chairman of the Board of Directors, the Chief Executive Officer and the Lead Independent Director, the quality of debates and the quality of material submitted to Board members, and of presentations given to the Board on ethics and compliance.

	2019	2018	2017
INCOME STATEMENT in €m			
Sales at current metal prices	6,735	6,490	6,370
SALES AT CONSTANT METAL PRICES	4,605	4,409	4,571
Margin on variable costs	1,419	1,363	1,458
Margin rate ⁽¹⁾	30.8%	30.9%	31.9%
Indirect costs	(1,007)	(1,038)	(1,047)
EBITDA⁽²⁾	413	325	411
EBITDA rate ⁽¹⁾	9.0%	7.4%	9.0%
Depreciation	(164)	(137)	(139)
OPERATING MARGIN	249	188	272
Operating margin rate ⁽¹⁾	5.4%	4.3%	6.0%
Reorganization costs	(251)	(53)	(37)
Others	(9)	(23)	47
OPERATING INCOME	(11)	112	281
Cost of debt (net)	(63)	(56)	(62)
INCOME BEFORE TAX	(73)	56	219
Income tax	(44)	(44)	(91)
NET INCOME (LOSS) FROM OPERATIONS	(118)	13	127
ATTRIBUTABLE NET INCOME (LOSS) PER SHARE	(122)	125	125

	2019	2018	2017
FROM OPERATING MARGIN TO OPERATING INCOME in €M			
Core exposure effect	(11)	(15)	64
Reorganization costs	(251)	(53)	(37)
Net income (loss) from discontinued operations	13	(44)	(8)
Provision for anti-trust investigations	(19)	(1)	(6)
Change in fair value of metal derivatives			0
Capital expenditure	7	44	
Others	-	(23)	(4)
ADJUSTMENTS TO OPERATING MARGIN	(260)	(76)	9

(1) % of sales at constant metal prices.

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

	2019	2018	2017
BALANCE SHEET in €M			
Long term fixed assets	1,878	1,608	1,633
- Of which goodwill	242	243	236
Deferred tax assets	175	162	135
NON-CURRENT ASSETS	2,053	1,770	1,767
Working capital	465	556	703
TOTAL TO BE FINANCED	2,518	2,327	2,471
Net debt	471	330	332
Reserves	671	510	560
Of which:			
- reorganization costs	159	34	48
- pension & jubilee	373	363	387
Deferred tax liabilities	118	109	103
Non-current derivative liabilities	7	11	3
Shareholders' equity and minority interests	1,251	1,367	1,472
TOTAL FINANCING	2,518	2,327	2,471

	2019	2018	2017
MANAGEMENT			
Number of sites monitored	82	88	88
Number of ISO 14001 certified sites	65	66	66
% of ISO 14001 certified sites	79%	75%	75%
Number of EHP ⁽¹⁾ certified sites	73	78	78
% of EHP certified sites	89%	89%	89%
ENERGY			
Energy purchased (MWh)	1,176,992	1,181,197	1,174,576
- o/w electricity (MWh)	692,029	696,232	689,309
- o/w fuel oil (MWh)	48,879	58,398	64,411
- o/w gas (MWh)	434,781	414,642	407,852
- o/w steam (MWh)	1,302	11,924	13,004
WATER			
Water consumption (m ³)	2,159,174	2,319,212	2,299,150
CONSUMPTIONS			
Copper consumption (tonnes) ⁽²⁾	525,000	495,000	460,000
Aluminum consumption (tonnes) ⁽²⁾	110,000	105,000	103,000
Solvent purchased (tonnes)	448	452	476
WASTE			
Waste tonnage (tonnes)	105,889	93,507	87,014
- o/w hazardous wastes (tonnes)	4,700	5,074	10,152
GHG EMISSIONS (Scopes 1-2-3)⁽³⁾			
GHG emissions (tonnes CO ₂ eq)	240,443,613	228,443,990	201,776,239
- o/w scope 1 (tonnes CO ₂ eq.)	130,017	125,427	130,598
- o/w scope 2 (tonnes CO ₂ eq.)	214,364	239,170	232,073
- o/w scope 3 (tonnes CO ₂ eq.)	240,099,232	228,079,393	201,413,568

(1) EHP: Highly Protected Environment - Group's internal environmental label.

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

(3) In accordance with the regulatory obligations relating to the calculation of CO₂ emissions, a change in methodology took place in 2017 to include scope 3 emissions related to the purchase of products and services, the immobilization of goods, the transport of upstream and downstream goods, the use of the products sold and the end of life of the products sold.

	2019	2018	2017
NEXANS GROUP			
TOTAL HEADCOUNT	25,945	27,058	26,308
- Europe	14,142	15,448	15,272
- Asia-Pacific	2,317	2,414	2,737
- North America	3,199	3,470	3,441
- South America	1,372	1,369	1,389
- Middle East, Russia, Africa	4,915	4,357	3,569
CABLE BUSINESS			
HEADCOUNT CABLE BUSINESS	15,454	15,930	16,111
% female employees	16%	16%	16%
% female managers (into manager population)	24%	23%	22%
Average age (in years)	44.2	43.8	43.6
Average length of service (in years)	12.5	12.7	13.1
% Temporary employees	7.30%	7.0%	6.8%
Disabled employees ⁽¹⁾	378	314	329
EMPLOYMENT DATA			
New hires	1,418	1,727	1,678
Employee turnover rate ⁽²⁾	10.40%	10.6%	9.3%
Part-time contracts	341	394	389
% Fixed-term contracts	5.80%	6.6%	7.8%
Absenteeism rate	5.00%	4.8%	4.4%
SAFETY			
Global workplace accident frequency rate ⁽³⁾	4.06	3.15	3.03
Number of sites with a zero accident rate	32	42	35
Global workplace accident severity rate ⁽⁴⁾	0.26	0.23	0.17
TRAINING			
Total hours of training hours	225,225	283,646	258,078
HARNESSES BUSINESS			
HEADCOUNT, HARNESS BUSINESS	10,491	11,128	10,197
% female employees	60%	60%	59%
% female managers (out of manager population)	21%	20%	20%
Average rate	34.8	34.5	34.5
SAFETY			
Global workplace accident frequency rate ⁽³⁾	0.74	0.29	0.27
Global workplace accident severity rate ⁽⁴⁾	0.01	0.00	0.00
TRAINING			
Total hours of training hours	312,867	319,655	72,275

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

(2) Personal turnover rate = number of natural departures (resignations, contract expirations, individual terminations, retirement, death) excluding departures due to restructuring, business disposal and employee mobility transfers/average headcount x 100. New formula since 2018, data recalculated for 2017. For the Harnesses business, it should be noted that turnover is inherent in the very agile business model of this activity, which generates numerous hires on fixed-term contracts and then departures at the end of the contract.

(3) Global 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. As of 2019, this rate concerns the internal and temporary workers. Beforehand, it integrated internals and externals.

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

