

2018
INTEGRATED
REPORT



Connect the world.

Now



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PROFILE

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

Cables may well be invisible but they are the heartbeat of our daily lives. Millions of homes, cities and businesses are powered by Nexans' high-performing, sustainable cabling solutions, and billions of terabytes of data per second are carried on our data networks.

As a global player in the cable industry with over 120 years of experience, Nexans works behind the scenes, to develop resilient products and state-of-the-art services designed to help our customers meet today's constantly growing energy and data needs.

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

At the leading edge of the cable industry, Nexans brings energy to life.

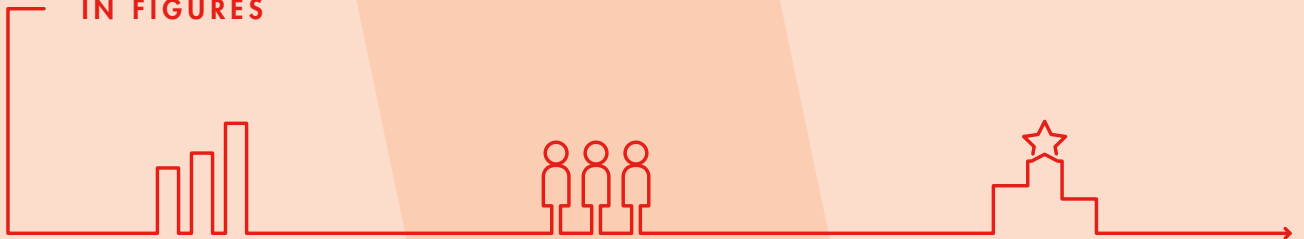
Manufacturing sites in

34
countries

Sales presence

worldwide

IN FIGURES



6.5

billion euros
in sales⁽¹⁾

27,000

employees

Among the
Top 20

companies involved
in R&D investment and
technological innovation
in Europe⁽²⁾⁽³⁾. Nexans is listed
on Euronext Paris, part of
the SBF 120 index

(1) At current metal prices

(2) Sources: <http://iri.jrc.ec.europa.eu/scoreboard18.html>

(3) Electronics and electrical.



INTERVIEW WITH

Christopher Guérin, Chief Executive Officer

How do you see Nexans?

The Group is changing in a rapidly expanding market, fueled by the pivotal megatrends that are shaping our planet's future: the energy transition, the digital revolution, global mobility, population growth and urbanization. We now have everything we need to leverage and grow our business in the value chain and be a reliable partner for our customers on various markets. By unleashing our potential, we can address the challenges that are changing the face of our environment. We will make Nexans more agile, a provider of more systems-oriented solutions, and an active participant in global electrification and in the energy transition.

What is your assessment of 2018 for the Group?

A difficult year, with growth of 6%, no substantial margin and consolidated EBITDA of around 325 million euros, proving that we have no choice other than to reinvent ourselves. We have only met our objectives five times since 2009, whereas our direct competitor has achieved its targets every year despite operating in the same market environment as we do. This means that our problem basically boils down to a lack of rigor, follow-through and ability to adapt to market volatility.

What are the broad focuses of the Group's strategy?

2019 needs to mark a fresh start, beginning with the turnaround of our struggling businesses and a profound reorganization. 2020-2021 will lay the groundwork for a radical shift towards customer service and the principle of growth through value creation. 2022 will see this transformation culminate with the instatement of the "New Nexans" — a leader in energy and telecom services and systems. By increasing its digital presence to increase revenues and fully connecting with its customers, it will leverage the synergies of new bespoke offers and partnerships to drive innovation. Both collectively and as individuals, we have every faith in our ability to rise to these challenges and leverage the situations that lie ahead of us to drive growth.

What are your specific objectives?

In transforming Nexans, we intend to reinforce our credibility, win back our shareholders' confidence and position the Group as a leader in systems and services for the energy and data transmission markets. The objectives of this transformation plan are ambitious, but achievable. We are targeting EBITDA of 500 million euros by 2021, ROCE of 15.5% and an increase in cash flow in excess of 200 million euros by the end of the plan. We are also taking into account the climate crisis, as it is up to us as companies, first and foremost, to take action, make bold decisions, and help our people collectively understand exactly what is at stake.

What kind of initiatives do you plan to implement?

Our progression is focused on three strategic areas: transformation, cost reduction and profit growth. To speed up the transformation process, we are rethinking our economic models, modernizing our industrial facilities, digitalizing our processes and expanding our Services team to provide our customers with innovative solutions. My responsibility is to rapidly unlock the company's underlying value and reveal our full potential. We hold all the keys to our success.

How do you plan to mobilize your employees?

We have set ourselves a 3-year timeframe, which enables us, together and as individuals, to develop a coherent approach towards achieving our ambitions. First we need to review how we think and collaborate, individually and collectively, by focusing on our actions, and simplifying and reviewing our organizational structures so we can foster cross-functionality and subsidiarity. The necessary changes we are making to our human capital should not be seen as a defeat, but rather as a fresh opportunity to grow and try new things, enabling us to achieve fulfillment, create value, and adopt a more flexible mindset. By doing this, we will improve our performance, engagement and overall experience.

VISION

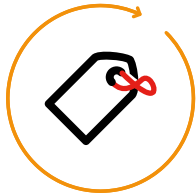
7 opportunity-rich megatrends

In a rapidly changing world that is increasingly dependent on connectivity, Nexans is well placed to capitalize 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.



(1) International Energy Agency (IEA).
 (2) Analysis: Oliver Wyman.
 (3) World Tourism Organization (UNWTO).

2x
SHARE OF SOLUTIONS
IN INDUSTRY SALES
BY 2030⁽⁴⁾



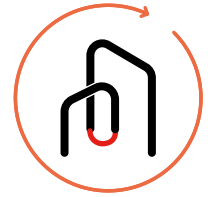
**CONCENTRATING ON
HIGH QUALITY AND
LOW COST**

Opportunities and challenges

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

Opportunities and challenges

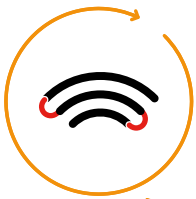
- Development of urban infrastructure
- Aging energy infrastructure
- Power grids and data networks overwhelmed by demand
- Increased pressure for lower cost solutions



**POPULATION
GROWTH AND
URBANIZATION**

60%
GLOBAL POPULATION
LIVING IN CITIES
BY 2030
(vs. 50% today)⁽⁵⁾

**SMART DEVICES
&
INFRASTRUCTURES**



+30%
ANNUAL GROWTH
OF SMART GRIDS⁽⁶⁾

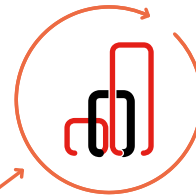
Opportunities and challenges

- 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

Opportunities and challenges

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

**CHANGING
BALANCE OF
ECONOMIC
POWER**



2x
GDP SHARE OF
EMERGING BRIC⁽⁷⁾
COUNTRIES IN 2030
(18% in 2012)⁽⁴⁾

(4) Analysis: Olivier 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



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

S&P Global



“Stable” outlook in 2015, 2016, 2017. “Negative” outlook in 2018.

Non-financial key figures

93%

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.

398,600

TONNES OF CO₂⁽¹⁾ EMISSIONS

Monitoring and reducing CO₂ emissions through energy efficiency programs and the use of renewable energy at our production sites.

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.

2.01%

WORKPLACE ACCIDENT FREQUENCY RATE

The accident rate has dropped by 78% since 2010 thanks to the dedicated programs deployed around the world.

88%

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

Total water consumption of 2,300,000 m³ in 2018.

34%

OF WOMEN

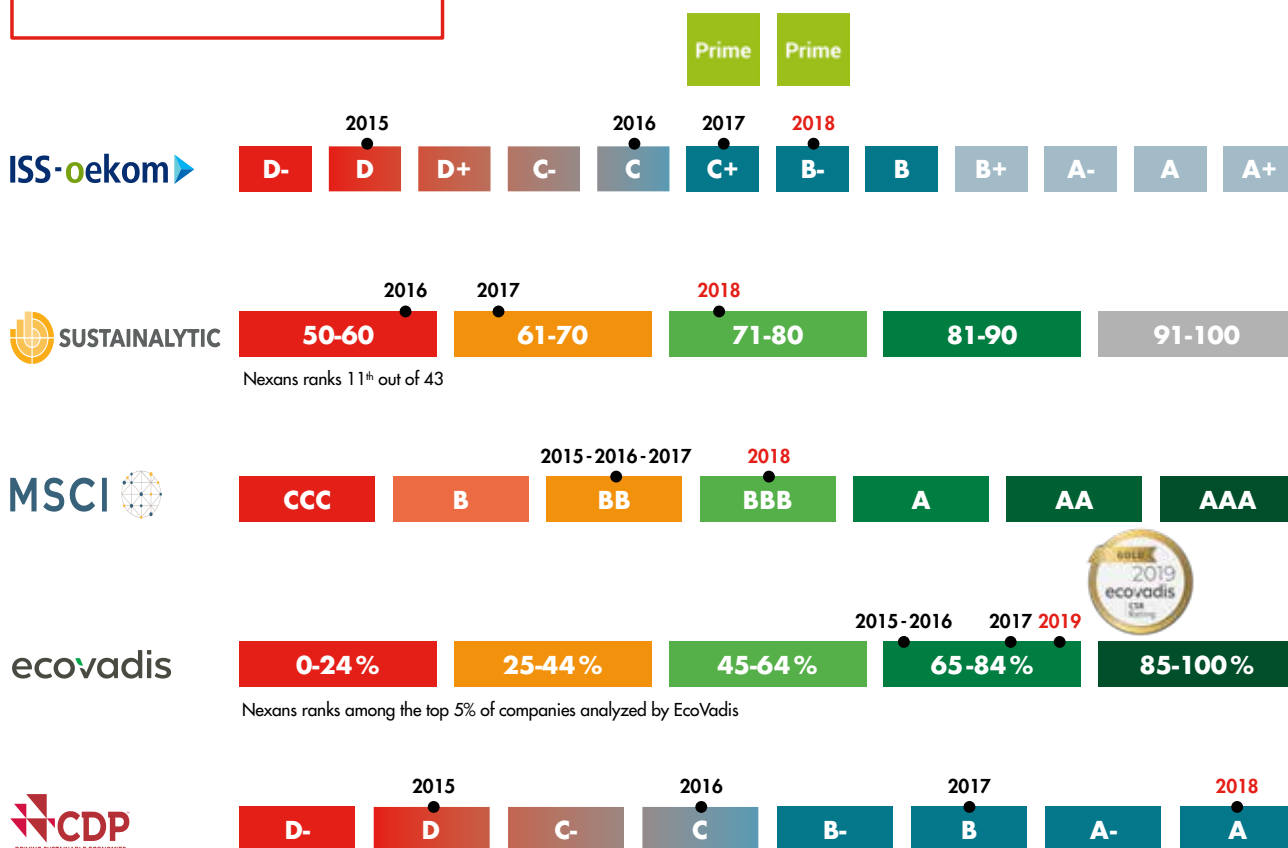
Eliminating all forms of discrimination and respecting gender equality in similar jobs with similar qualifications is a Group priority, especially as much of our workforce is based in industrial settings.

74%

EMPLOYEE ENGAGEMENT RATE

Based on our internal opinion survey in 2018.

(1) Greenhouse Gas (GHG) emissions including direct and certain indirect emissions (from electricity and steam consumption, upstream line losses, use of fossil fuels and waste treatment, as well as fugitive emissions).



Significant events of 2018



2018 was marked by a number of success stories in Nexans' different business sectors and the way it has rethought its business model (using integrated thinking techniques) to bring it in line with its strategic trajectory and ecosystem as illustrated by the following examples.

Supplying cables for the world's first 66 kV offshore wind farms

Nexans is one of the world leaders in cables and accessories for offshore wind farms employing the new 66 kV technology. In first-half 2018, the Group witnessed the significant economic benefits this successful and innovative technology can offer throughout the products' lifecycle, especially by reducing the number of substations needed or even the length of cables to lay. The three pilot projects in the UK (Blyth Offshore Demonstrator and Aberdeen Bay) and Denmark (Nissum Bredning Vind) have all been successfully linked up to the power grid and have started production. The Group played a major part in these projects by supplying a range of products and accessories including not only 66 kV submarine inter-array and export cables, but also GPH® connection technology, power cable accessories and pre-assembled cables.



Nexans completed its first intercontinental fiber-optic project: SAIL

The South Atlantic Interconnection Link (SAIL) connecting Cameroon to Brazil, aims to solve Africa's latency issues – a source of great frustration for IT companies in the region, because their communications with the Americas have to pass through Western Europe. The project's aim is to create a new, direct, low-latency link via the south of the Atlantic. Nexans manufactured and successfully tested 6,000 km of submarine fiber-optic cables, which will provide Africa and South America with quicker and more stable Internet connections.

Cabling solutions for a Chinese Internet giant

Nexans has also been awarded a multi-million euro framework agreement by one of China's public Internet and cloud services giants. The Group will supply advanced copper and fiber-optic cabling solutions for the customer's hyperscale data center projects in China and abroad in 2019.

The Cyclades interconnection project

As a specialist in power grid development and particularly cable-laying in the deep waters of the Mediterranean (e.g. Malta, Sicily, Italy, Montenegro, Spain and Mallorca), Nexans was awarded a 111 million-euro turnkey contract in November 2018 for the underwater power network interconnection project in the Cyclades archipelago, in Greece. This helps Admie, the operator, in its aim to ensure a low-cost, reliable and ample power supply to the islands of Syros, Paros, Tinos, Mykonos and Naxos, via 108 km of submarine cabling. The Cyclades interconnection system is scheduled to be delivered and brought into service in August 2020.



Wrap-up of the TERNA project

In December 2018, Nexans finished laying and testing its 445 km of submarine and land HVDC mass impregnated power cables, at depths of up to 700 m. This operation is part of the MONITA (MONtenegro-ITALy) project led by TERN, the Italian electricity transmission network, and is a step towards electrical interconnection between Italy and the Balkan peninsula.

NordLink – a groundbreaking energy project

The ambitious NordLink project connecting Germany and Norway is the world's first interconnection allowing two countries to exchange and store energy from renewable sources. Headed jointly by the Norwegian TSO Statnett and the German operators DC Nordseekabel GmbH & Co. KG, NordLink is possible thanks to Nexans' advanced submarine cables and expertise. The Group is designing, manufacturing and installing six 525 kV HVDC mass-impregnated interconnection cables, with a total length of almost 700 km, at a depth of some 450 m. The first four power link cables were laid in October 2018. Upon completion in 2019, this "Green Link" will enable the transmission of surplus wind, solar and hydro power under the North Sea between Norway and Germany.



Nexans: winner of the 2018 Integrated Thinking Award

Almost 200 participants gathered at the MEDEF headquarters in Paris on October 17, for the 2018 edition of the Integrated Thinking Awards ceremony. Nexans and two other companies were awarded prizes in the less than 7-billion-euro Market Cap and unlisted category, for their exemplary approaches in the field. The jury specifically commended Nexans on its excellent megatrend connectivity, the Group's ambition and its market segments' strategy.

Welcoming RecyCâbles in to the advisory process

Nexans extended its partnership with Suez by three years in October 2018, as part of their joint venture, RecyCâbles, which in ten years has become the European leader in cable recycling and recovery. RecyCâbles has been given a major advisory role and its teams are now working with Nexans right from the design phase, in order to optimize the cables' end-of-life and integrate the circular economy ethos from the get-go.

New fiber-optic ODF XPLORER™ modules



Nexans has developed ODF (Optical Distribution Frames) modules, which are specifically adapted to large fibers. The ODF XPLORER™ modules, are compatible with all standard frames and cabinets and represent a smart solution to enhance network performance. Their design is based on several concepts. Symmetry: whatever the orientation, to the right or the left, all the parts remain

identical. Simplicity: they facilitate intuitive wiring and ensure constant protection of the fibers. Lightness: the materials used reduce the weight by 50%, which makes them easier to handle. Versatility: they are adaptable to better respond to all the particularities of the network. Durability: they are designed for long-term use and resistance to mold, corrosion and chemicals such as hydrocarbons and oils.

The New Nexans App

After being completely revamped, the latest version of the Nexans smartphone App was launched in May 2018 and includes never-before-seen features, such as the popular EASYCALC cable dimensioning tool, a news feed and an FAQ that allows users to access a knowledge base covering a multitude of subjects. The App is available at all times, offering quick and effective access to information on Nexans products: datasheets, installation manuals, regulatory information, assembly instructions, etc.

WindFloat Atlantic, the first 66 kV floating wind farm, uses Nexans' products

This 25 MW floating wind farm, 20 km off the coast of Portugal at a depth of 100 meters and designed to supply enough energy to meet the needs of 16,000 households, should confirm the viability of Floating Offshore Wind (FOW) technology. As one of the leaders in 66 kV cables for renewable energy projects, Nexans will supply its pre-connectorized, factory-tested WINDLINK® cabling system for the world's first large-scale commercial FOW project. The cables will ensure a flexible connection inside the turbine, between the transformer and the circuit breaker. The Group will also supply 66 kV Tconnectors – cutting-edge technology that allows direct access to the cable conductor and facilitates the inter-array post-installation tests. The farm is due to be commissioned in 2019.



STRATEGY

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 improve its agility and flexibility.

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.

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

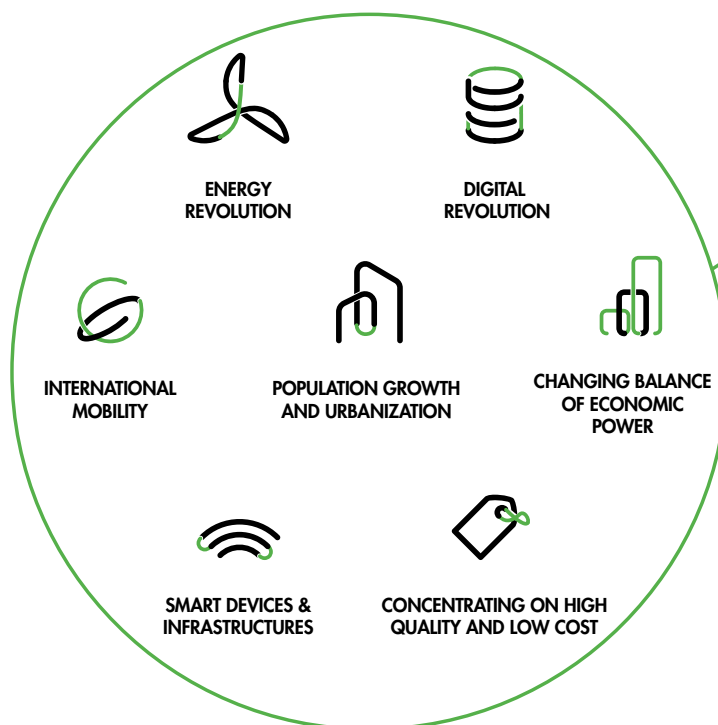
around or transformed. These are mainly the land high-voltage business, which is the biggest loss-making operation, and our businesses in North America, South America and Asia.

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:

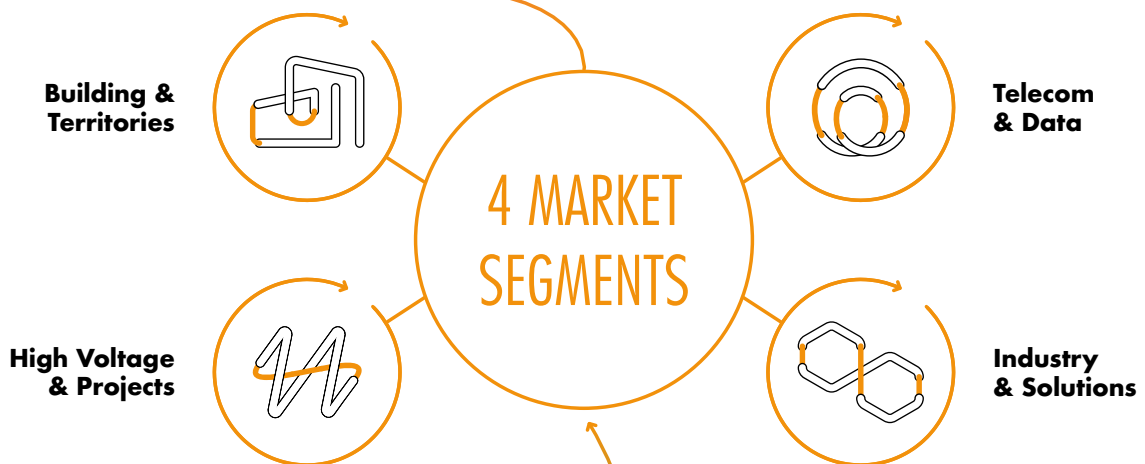
- rapidly increasing the profitability of under-performing units;
- centering efficient units on sustainable growth through differentiation, innovation and system and service offerings;
- restoring competitiveness by reducing material costs;
- prioritizing value-generating investments.

7 MEGATRENDS





3 KEY PHASES OF THE TRANSFORMATION ROADMAP



2 DRIVERS



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.



Becoming a leader in solutions and management of energy and data systems

2018 HIGHLIGHTS IN OUR LEAD MARKETS

Business model

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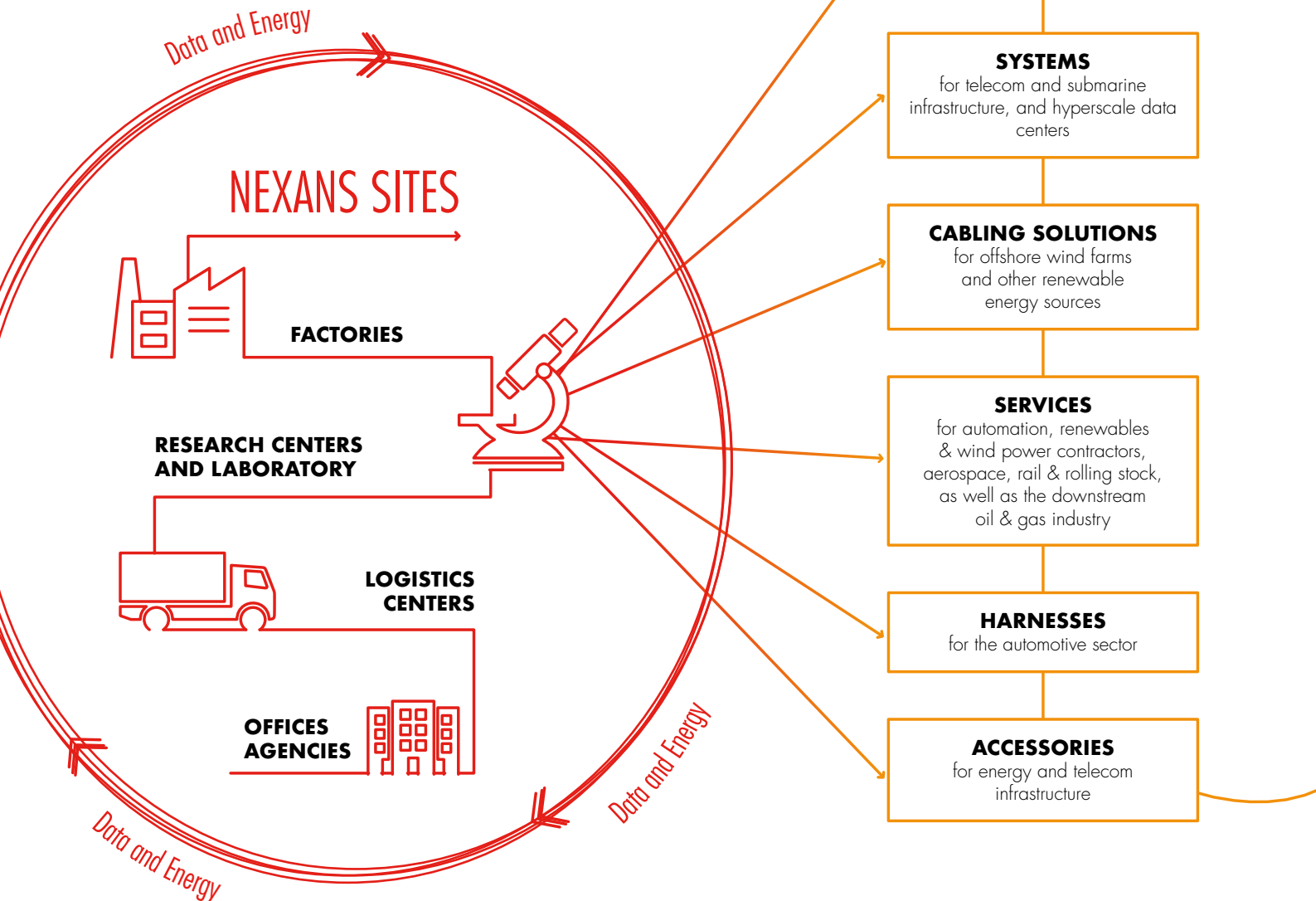
BUSINESS MODEL

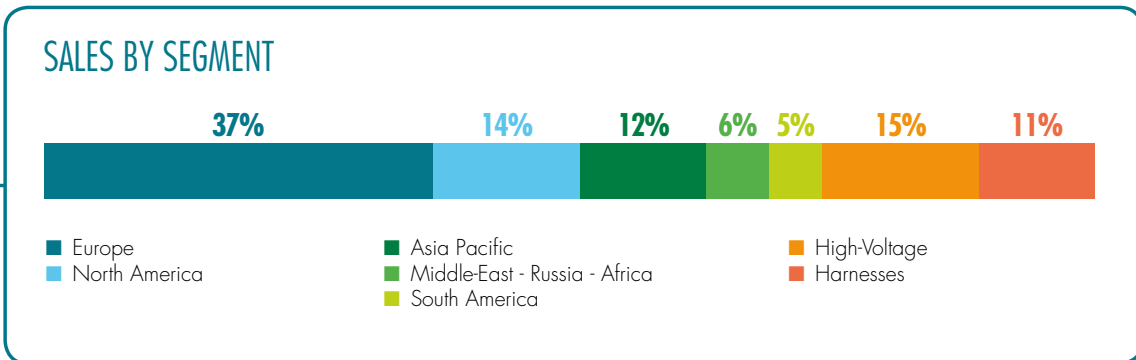
Creating value beyond cables

With the 2019-2021 roadmap, the Group has moved up a gear in its transformation into the "New Nexans". This process will see us return to profitable growth by increasing our competitiveness, continue our digital transition, connect more fully with customers to bring them dedicated new solutions, extend our innovative edge by improving our agility, and maintain our strong commitment to people by inviting our employees on a meaningful journey to individual and collective excellence. This sound basis will allow us to achieve our ambition of bringing energy and information to life.

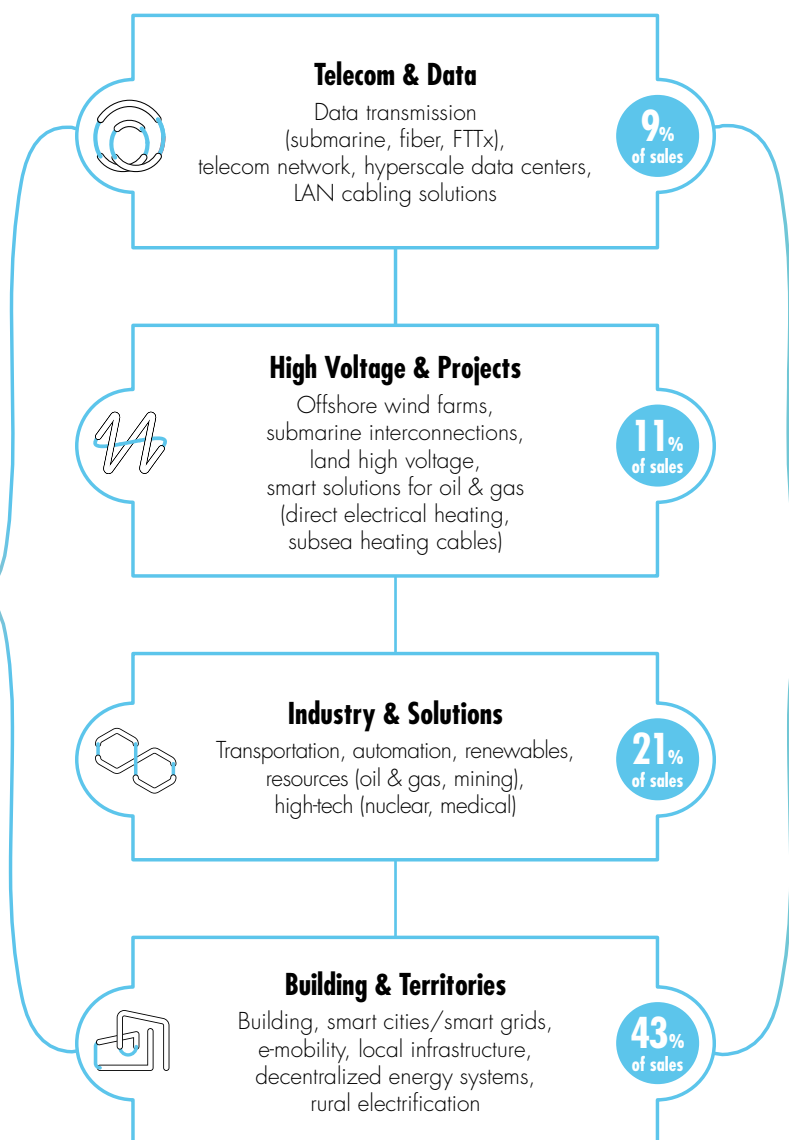


PRODUCTION

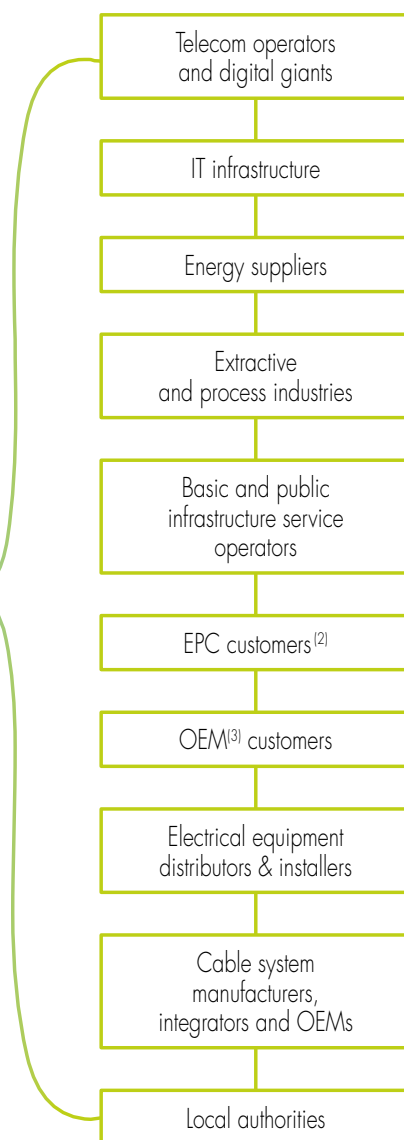




MARKET SEGMENTS



MAIN SECTORS SERVED



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

STORIES

Building & Territories

Building & Territories is one of Nexans' core businesses, in terms of scale and global reach, representing roughly 40% of total revenue in 2018. 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 a 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.



Key initiatives

Accelerating electric mobility rollout through the Total partnership

Seizing the opportunity provided by Total's acquisition of G2mobility, a French leader in smart charging solutions for electric vehicles, Nexans has forged a partnership with the energy-provider, building upon the Group's status as an historic shareholder of the start-up. Total benefits from Nexans' production capacity and industrial expertise, especially through its AGICITY® range, whereas the Group draws on G2mobility's technological lead and Total's range of services.

Opening our first plant in Ivory Coast

Located in Abidjan, the plant will produce power cables and will be the first site in the region to manufacture prefabricated electric stations and transformers. The Ivorian market opens a field of opportunities for Nexans, as the country's electrical development program is in full swing, and 22.6 billion dollars are to be pumped into the energy sector between 2014 and 2030. This ambitious endeavor will entail an increasing demand for cables and equipment in terms of energy transmission and connecting households to the grid.

Widespread rollout of the Connected Drums solution to benefit our customers

Nexans' Connected Drums solution is such a source of efficiency and cost reduction that the Group will be extending it in 2019 to even more countries than those currently equipped (France and Belgium), including Switzerland, Germany, the United Kingdom and Chile. The technology was the first of its kind on the cable market when introduced in 2016 and provides customers with the real-time location of each drum, as well as a warning system capable of monitoring on-site deliveries or removals.

More than 190 million euros in contracts in Europe and Latin America

In the context of an international call for tender launched by one of the largest energy suppliers in the world, Nexans was awarded more than 190 million euros in contracts in February 2019. The Group will supply medium- and low-voltage cables for the development of power distribution networks in Europe (Italy and Romania) and Latin America (Brazil, Chile, Argentina, Peru and Colombia). In Italy, the Group will supply its new patented technology for medium-voltage cables: POWERBOOST™, making them easier to recycle and quicker to produce.



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

Focus on services

Nexans is helping to streamline inventory management with the Smart Inventory Management (SIM) service

The Smart Inventory Management system based on Radio Frequency Identification (RFID) technology responds to strong demand from Nexans' customers who want to easily monitor their inventories and manage them in real time. In practice, the online platform set up by the Group tracks products at every stage and in real-time, from when they leave the factory to their arrival at their final destination and monitors the products' transportation, unloading, storage with the customer, and passage through the RFID receiving area, via security screening for example. Once the predefined supply levels have been reached, the platform activates automatic restocking of the product at the Nexans factory. Benefits for customers include a better overview of inventories and real-time monitoring of their consumption, as well as shorter delivery times and simpler stock-taking. The system also reduces inventories, eases pressure on the availability of materials and prevents the associated production stoppages, thus reducing management costs along the entire supply chain and in operations with far greater transparency.

CLOSE-UP

Promoting electric mobility with AGICITY®

Nexans is rolling out a shared electric mobility model for both suburban and rural areas that uses charging infrastructures adapted to the needs of local communities. Committed to facilitating this regional rollout, the Group launched AGICITY® — a comprehensive, ergonomic and scalable solution. What are the advantages? Nexans' strength lies in its unique position in the e-mobility market covering the entire value chain: from charging solutions to information and communication technology. Customers can benefit from dynamic charging station management, which improves energy efficiency and responds to various individual service needs. The AGICITY® range extends the recharging offering to include comprehensive solutions, specially designed to help businesses and local authorities seamlessly embrace electric mobility: company fleets, public or private parking areas, roadways and more.

(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>

STORIES

High Voltage & Projects

This segment 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 subsea installations, also requires high-level technical expertise.



Key initiatives

A more reliable electricity supply for inhabitants of the Philippines, thanks to the Mindanao Visayas project

To meet the country's energy needs, the Philippine authorities decided to connect the three power grids of Luzon, Visayas, and Mindanao into one unified national grid. Nexans' 350 kV high-voltage direct current (HVDC) subsea cable system will help to ensure a more stable and secure supply of power in the country and maximize the use of available local energy resources. The cable will be manufactured in Nexans' Futtsu plant in Japan and the Halden plant in Norway, while the deepwater installation and protection work will be performed by our cable laying vessel CS Nexans Skagerrak.

Borssele 1 and 2, offshore wind farms contributing to the Dutch energy mix

Offshore wind energy is a vital element in the Netherlands' energy transition. A major milestone will be reached in 2020 when Ørsted brings its Borssele 1 and 2 wind farms online, generating enough electricity to meet the needs of up to one million domestic households. Nexans has been chosen to supply over 170 km of subsea cable rated at a maximum operating voltage of 72.5 kilovolts (kV) to provide the inter-array connections between the turbines and the offshore substations, as well as the relevant fittings and accessories for the project.

Scotland continues to wager on onshore wind farms

Large onshore wind farms will play a key role in helping the Scottish government meet its ambitious target for renewable energy resources to meet 100 percent of the country's gross

annual electricity consumption by 2020. They include the 26-turbine 88-megawatt (MW) Kype Muir wind farm, where Nexans provided the 16 km 132 kV underground cable connection required to link the new SP Energy Networks substation with the existing Coalburn grid substation, completing the project in a record eight months.

Nexans umbilicals take the plunge in the Barents Sea

For the largest ever industrial project in North Norway, the Askeladd development at a water depth of about 250 meters, Nexans will supply 42 kilometers of static subsea umbilicals with a complex cross-section comprising 3 kV power, fiber-optic communications and hydraulic elements for chemical injection, together with a range of connection and termination accessories. The Askeladd field will tie in to the existing Snøhvit field infrastructure, which features Nexans' umbilicals installed in previous projects — including a 145-kilometer umbilical that is still the longest in the world.

Supporting German operators in the race to deliver the energy transition

To fulfill their energy transition commitments, the German transmission system operators (TSOs) must transmit huge amounts of renewable energy over long distances from the north to demand centers in the south. Nexans has responded to this challenge by qualifying its HVDC cable systems for the German TSOs for operation at 525 kV, a major voltage increase that enables them to carry much more power than the previous industry-standard cables.



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

Focus on services

Nexans sets up a dedicated team of IMR experts

The world relies increasingly on high-voltage offshore cable connections to ensure the continuous and reliable flow of power. As these critical connections grow longer and their capacity increases, there is a greater statistical risk of them being damaged by external factors, such as fishing.

To address these challenges, Nexans has now combined its experience and resources — including fault location technology, specialized offshore repair equipment and the special resources for the repair itself — into a dedicated Inspection, Maintenance and Repair (IMR) team. The new IMR team comprises seasoned Nexans experts who can support customers worldwide with emergency response services, a 24/7 hotline and fast-track mobilization.

A Nexans IMR agreement not only reduces the failure risk for cable systems through proactive inspection and maintenance, but also enables TSOs to manage unexpected incidents more efficiently with the help of the expert team. Thanks to Nexans' IMR service, a TSO could potentially cut the response time to an incident by up to 70 percent. Leveraging a 40-year track record, with over 50 offshore repairs performed worldwide, Nexans gives customers the benefit of its expertise in managing high-voltage networks. For instance, Nexans has been entrusted as a key partner with ensuring power supply to the millions of end customers of Norwegian TSO Statnett. The Statnett agreement covers a total length of over 1,100 km of submarine and underground cables, spread over 19 onshore and offshore systems.

CLOSE-UP

Hornsea 2, the world's largest offshore wind farm, will play a key role in enabling Europe to meet its wind power objectives

In 2018, with the installation of an additional 2,649 MW of capacity⁽¹⁾, wind power became the European Union's second largest form of power generation. Denmark's Ørsted is conducting one of the most prominent wind power developments, the Hornsea 2 wind farm located in the North Sea, approximately 89 km from the Yorkshire coast. The 1.4 GW wind farm (equivalent to 4% of the UK's total power generation capacity) will provide enough electricity to power over 1.3 million homes.

It will be the world's largest farm in its category when it comes on stream in 2022.

Nexans is a major player in offshore wind power, known for its technical leadership in supplying turnkey cabling solutions for the new generation wind farms. It will supply Ørsted with over 200 km of 245 kV cross-linked polyethylene (XLPE) insulated cables that will be part of the nearshore section of the export circuits. To bring the electricity produced by the wind farm onshore, the project will be equipped with Nexans 245 kV three-core high-voltage alternating current (HVAC) submarine cables.

Construction of the onshore cabling system began in 2019. Once it has been completed, in 2020, offshore construction at the site of the wind farm will begin.

(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>

STORIES

Telecom & Data

Following the surge in demand for data transmission and storage capacities, expanding our 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, FTTx networks, as well as solutions for hyperscale data centers and submarine infrastructure.



Key initiatives

Building Indonesia's information superhighway

In order to ensure telecommunications and broadband access for the country's 267 million inhabitants, the Indonesian government has entrusted the operator PT Mora Telematica Indonesia with setting up the national fiber optic network. As a partner in the operation, Nexans has supplied 915 km of fiber optic cables for the construction of the Jayabaya high-speed submarine cable system, which will connect Jakarta, Indonesia's capital and largest city, to Surabaya, the capital of the East Java province.

This fiber optic link will help bridge the digital divide for the local communities scattered around the archipelago.

Ultra-fast broadband for Sweden's rail network

Sweden is expanding its Fiber to the X (FTTx) networks across the entire country and Trafikverket, the Swedish national transport regulation authority, has chosen Nexans to develop a comprehensive fiber optic solution for its railway projects. This solution is fully compatible with existing rail networks and will help monitor and optimize traffic, thus improving user security. The Swedish highway and railway telecoms network is the bedrock for increasing the data transfer capacity of local telephone operators.

Rolling out 400G in hyperscale data centers

Hyperscale data centers are currently upgrading their networks from the current 100 Gbps to 400 Gbps, although the transition is not proving simple. Choosing the best system architecture among the many available options means taking into account several technical factors and challenges, including the data center's changing needs. Nexans has developed a cost calculator for the physical layer to assist its customers in their transition to 400G. This tool determines the most cost-effective connectivity solution on a case-by-case basis by way of a single analysis of the components of the physical layer, which eliminates inappropriate solutions from the outset and shortlists the best candidates for a given data center.

The mobile 5G challenge: Nexans in the starting blocks

With the promise of gigabit-per-second data rates and near-instantaneous connectivity, when mobile 5G becomes available in 2020, installing it will require many more fibers and copper cables for connecting equipment, whether it be radio access networks or backbone and routing infrastructure. Closely associated with the leading mobile network operators and OEMs, Nexans is developing infrastructure solutions for both outdoor and indoor applications. Among these are the Plug-and-Play pre-connectorized multi-Gbps Ethernet, which speeds up the installation across multiple sites. The Group is also working on innovative solutions, including indoor cables as well as microwave category. 6A hyperfrequency cables (S/FTP et SxTP®), which are designed for indoor and outdoor applications and offer enhanced performance while allowing for faster installation.



15%⁽¹⁾

of global connections will use 5G technology by 2025

x3⁽²⁾

the number of global IoT connections by 2025

<12 MONTHS⁽³⁾

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

Focus on services

Nexans' fiber optic assembly service to build data centers quickly and effectively

Faced with ever-shorter data center construction cycles, Nexans supports its customers – especially cloud service giants – in the race for speed and efficiency.

The Group's fiber optic assembly service is like playing Lego: you just have to make sure the cables are connected to the right places. Assembled in record time, the massive infrastructures can therefore function quicker and more smoothly. The main advantage is that each cable is cut to size with pre-installed connectors at each end, before being factory-tested for quality and reliability. As the cables are delivered to the data center pre-connectorized and as no finishing work is necessary or specific skills required on-site, installation times are significantly reduced. This will result in increased performance and significant benefits.

Nexans' products are designed to meet a wide range of global norms, allowing it to help customers meet global Ethernet and energy standards. More exceptionally, the Group strives to follow construction norms in each megacity, such as London, New York and Shanghai. This Plug-and-Play solution has been available to Nexans customers in the US and the Middle East/Africa region for the past 10 years and has now been introduced in China.

CLOSE-UP

Athens is playing the digital card

Imbued with over 3,000 years of history, the Athens City Hall has launched its digital roadmap, planning to modernize its city's Internet infrastructure.

The Greek capital intends to carry out this plan by digitalizing its public services and installing a state-of-the-art communications infrastructure, including in some of its most emblematic historical buildings. To guarantee high-speed Internet connection and provide advanced IT-based services for City Hall employees, Nexans has developed a powerful physical infrastructure based on fiber optic technology both inside and outside the building.

The indoor fiber optic cables with microbundles and accessories manufactured by Nexans have also been equipped with connectivity and LANactive FTTO switches as well as the LANactive NEXMAN management software.

Nexans' solution is a flexible and future-proof networking system that can adapt to the constantly changing operational needs of the City Hall thanks to its scalable and modular structure. The fiber optic cables were specifically designed with a reduced volume to allow for easy installation within the restricted space available and are both fire resistant and halogen free. Compared to traditional LAN, the fiber optic solution from Nexans provides Athens City Hall with energy savings of up to 45%.

(1) Source: GSMA, *The Mobile Economy 2019*. <https://www.gsmainelligence.com/research/?file=b9a6e6202ee1d5f787cfbb95d3639c5&download>

(2) Source: GSMA, *The Mobile Economy 2019*. <https://www.gsmainelligence.com/research/?file=b9a6e6202ee1d5f787cfbb95d3639c5&download>

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

STORIES

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.



Key initiatives

NEWSENSE®, the medical microcable that is thinner than a strand of hair

In the healthcare industry, cables have a crucial role in ensuring vital power and data connection for medical devices. While medical microcables must provide excellent levels of performance, reliability and safety, their size also plays a decisive role in reducing the impact of invasive procedures. With its new NEWSENSE® microcables range, Nexans offers patients innovative microcables with a diameter of less than 0.1 mm and an insulation jacket of just 15 microns. Microcables are easier to insert inside catheters and are less traumatic for patients when directly inserted in the body.

Lead-free cables to support development in Oman

As part of the Sultanate of Oman's program to reduce its reliance on natural gas and crude oil exports by diversifying into its downstream industry, Oman Oil Refineries and Petroleum Industries Company (Orpic) is building a Plastics Industries Complex (LPIC) in Liwa. Together with electrical supplies distributor Rexel, Nexans will supply the new petrochemicals complex with a range of its HYPRON® instrumentation, fiber optic telecommunication and "fieldbus" cables. An alternative to lead-sheathed cables, Nexans' latest-generation HYPRON® cables contribute to a cleaner environment by preventing lead exposure and emissions.

FLAMEX® cables, maintaining circuit integrity and safety on board trains

One of the most important aspects of modern rolling stock, Ethernet cables maintain effective data integrity for a variety of control, security, passenger safety and entertainment applications, including CCTV and driver advisory, diagnostic and performance and power consumption monitoring systems. With its new range of FLAMEX® cables designed to provide transmission rates of up to 10 gigabits per second, Nexans is meeting the growing demand for onboard bandwidth in the railway market, and is improving the safety and reliability of rolling stock as well as passenger comfort.

MOTIONLINE® the leading automation cables on the Chinese market

The arrival of Industry 4.0 brings a number of opportunities for companies in a multitude of sectors. Whether for smart factories or automated warehouses, robust and high-performance cabling solutions are required to maintain data transmission and power production eco-systems. To support its customers as they adopt Industry 4.0, Nexans has developed its comprehensive MOTIONLINE® range of Industrial Ethernet and Profinet cables to suit static and dynamic automation applications. The cables are designed to survive harsh environments and have specialist industrial-grade jackets to protect communication signals with 100% Electro Magnetic Compatibility (EMC) shielding. This exceptional innovation was also recently exported to China, where Nexans invested some 21 million euros (160 million RMB) in a new automation cable production line. The challenge is none other than to support the ramp up of the Chinese manufacturing sector by supplying premium cables.



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)

Focus on services

Nexans' Logistics and Solutions Center — supporting the Greater Paris project

With work on Greater Paris and the 2024 Summer Olympics underway, Nexans is preparing to support major construction players — mainly installers — on these huge-scale projects, in particular by providing advanced logistical support.

The only cable manufacturer with a warehouse in the Paris region, Nexans will mobilize its Nanterre-based Logistics and Solutions Center to help customers deal with increased demand for skilled labor and the related storage capacities. It will also support customers in meeting ever-more demanding requirements in terms of team efficiency and high-quality work. In anticipation of the impact of future work on its customers, the Center has redesigned its supply chain and integrated new high value-added services to its portfolio. These services include pre-cutting and labeling for cables, making them easier and quicker to install on site, as well as pre-assembly of accessories and cable drum management using the Internet of Things (IoT). In addition, the Center has recently invested in new cutting equipment, and plans to increase its storage capacity by 30% by 2019.

CLOSE-UP

Largest onshore wind farm in the Southern Hemisphere chooses Nexans' solutions

Nexans and Marais Laying Technologies Australia, a Tesmec Group subsidiary, have joined forces to provide a complete collector cable service for Australia's Stockyard Hill Wind Farm, which is set to be the largest onshore wind farm in the Southern Hemisphere (530 MW).

Nexans will supply the wind farm with its line of WINDLINK® solutions. A total of 275 km of 33 kV power cables manufactured at its Yanggu facility in China will be installed in trenches to collect the electricity produced by the individual wind turbines and feed it into the substations that will connect the wind farm to the local grid. Nexans Australmold will also supply accessories, such as underground junction cabinets for the cables, the indoor terminations for the substation connections and the tower end ring main unit (RMU) connections.

Beyond cables, the customer was able to optimize its CAPEX and OPEX thanks to Nexans' network engineering assistance. Supported by Nexans' Research Center in Lyon, this integrated service enables customers to optimize turbine collector grouping and medium-voltage system layout, design trench cross-sections and choose appropriate cables and accessories for their projects.

(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/tcep/power/renewables/solarpv/>

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



Increase the creation of value in services and innovative solutions

2018 CSR PERFORMANCE FOR AND BY OUR STAKEHOLDERS

Creating value for all

P. 26

Listening to our stakeholders

P. 28

Sharing value with stakeholders

P. 30

People, at the heart of our strategy

P. 32

Innovating for a sustainable world

P. 36

The Nexans Foundation

P. 40

Optimizing risk management

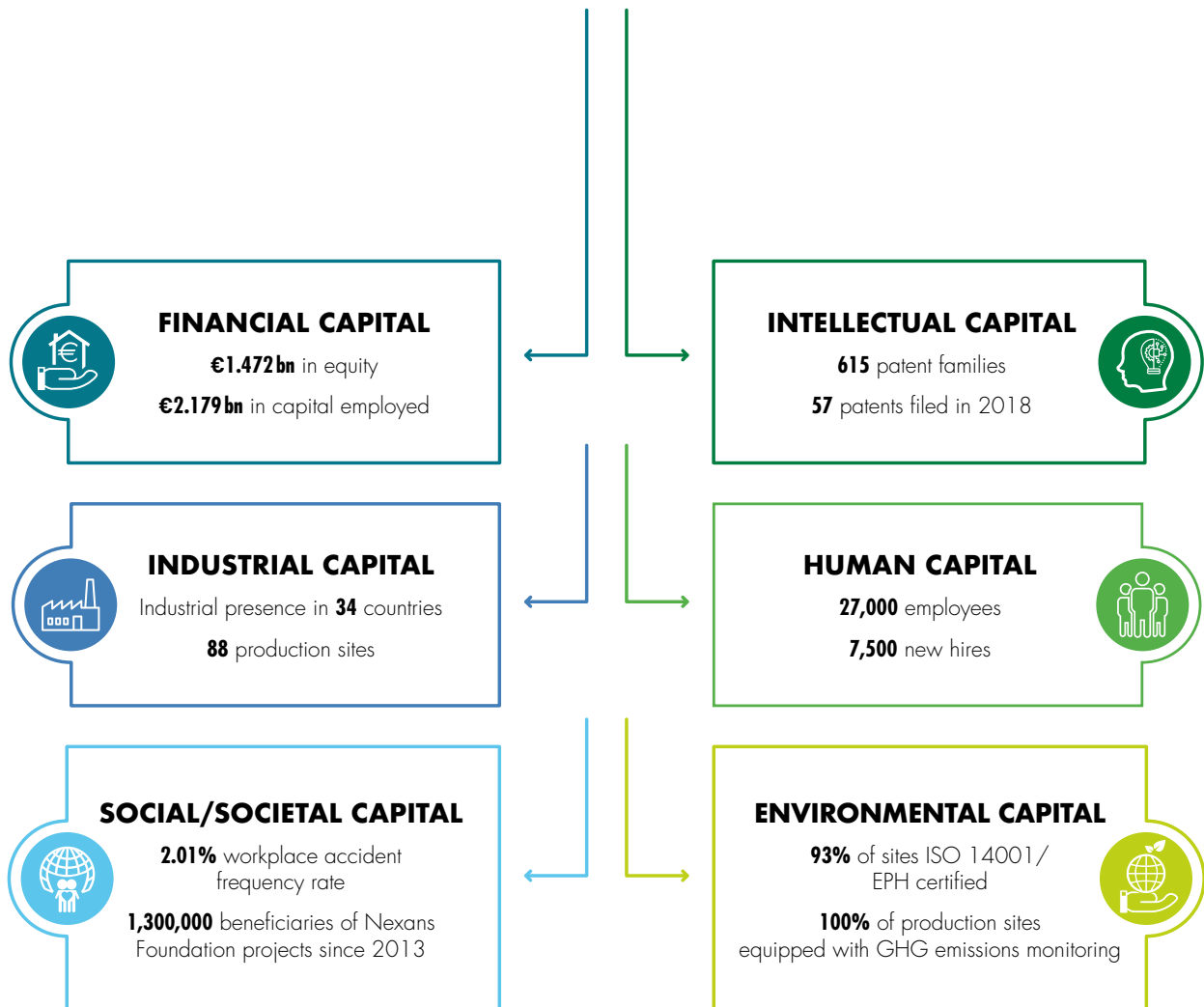
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SUSTAINABLE VALUE

Creating value for all

Profoundly changing the value chain of Nexans' businesses, and consolidating its position as a service provider will be key factors for success in the coming years. It will only work if we all embrace it for the benefit of all our stakeholders (employees, customers and suppliers). As a Group that analyzes the ecosystem in which it is evolving to better implement a short-, medium- and long-term value creation strategy, this is our firm belief.

RESOURCES



VALUE CREATED

BECAUSE WE HAVE AN ESSENTIAL ROLE IN THE ENERGY AND DATA REVOLUTION

IMPACTS

PEOPLE

CUSTOMERS

SHAREHOLDERS

SUPPLIERS

LOCAL AUTHORITIES

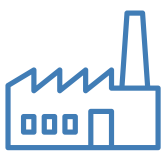
FINANCIAL ECOSYSTEM: BANKS...

NEXANS FOUNDATION



FINANCIAL CAPITAL

€57m⁽¹⁾ in dividends paid
4.70% of the share capital is held by employees



INDUSTRIAL CAPITAL

€207m invested in infrastructures
€94m in procurement from sub-contractors/suppliers



SOCIAL/SOCIETAL CAPITAL

603,301 hours of employee training
€300,000 annual budget allocated to the Nexans Foundation

INTELLECTUAL CAPITAL

€107m invested in R&D



HUMAN CAPITAL

€1,2m in total compensation paid
75% employee engagement rate



ENVIRONMENTAL CAPITAL

55% of non-ferrous metal waste recycled
€4.5m of spending on the environment



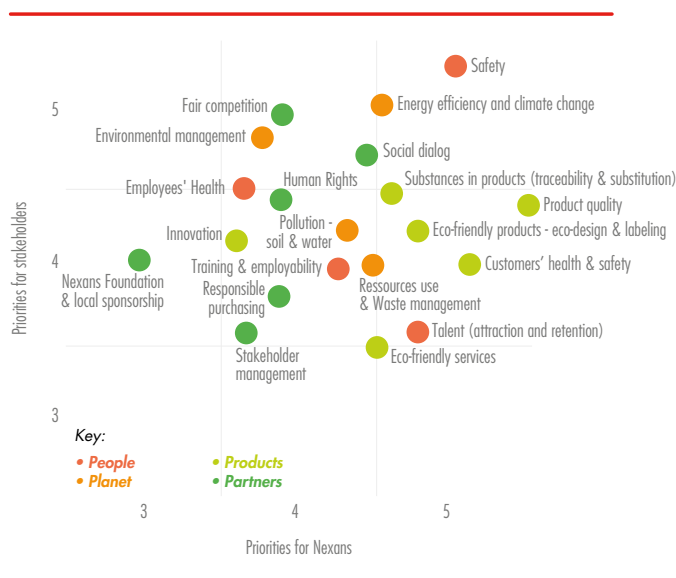
(1) €33 million in dividend payments and €24 million linked to the share buyback program.

CSR AMBITIONS

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.



		2016	2017	2018	Change	Target 2022	
PEOPLE	Workplace safety	Workplace accident frequency rate ⁽¹⁾	1.82	2.02	2.01	↘	<1
	Human capital	Managers with an Individual Development Plan	58%	72%	77%	↗	100%
		Women in management positions	23%	23%	23%	→	25%
	CSR awareness	Directors and managers having CSR goals in their annual performance targets	NA	NA	NA		100%
PLANET	Environmental management	Industrial sites certified EHP and/or ISO 14001 ⁽²⁾	94%	93%	93%	→	97%
	Energy	Energy intensity ⁽³⁾	279	257	268	↗	-3%
	Climate	Reduction of greenhouse gas emissions ⁽⁴⁾	-0.83%	-2.7%	+0.41%	↗	-5%
PRODUCTS	Energy transition	Revenues generated from products and services that contribute to the energy transition ⁽⁵⁾	€485 m	€770 m	€581 m	↘	NC
	Innovation	R&D investments (% in constant metal price sales) ⁽⁶⁾	€89 m (2.00%)	€102 m (2.23%)	€107 m (2.43%)	↗	NC
	Sustainable products	Total waste recycled ⁽⁷⁾	42%	44%	55%	↗	>50%
PARTNERS	Business ethics	Managers having signed the Compliance Certificate ⁽⁸⁾	95%	96%	97%	↗	100%
	Stakeholders	OTIF-1C ⁽⁹⁾	92.6%	93.0%	92.8%	→	94%
		Employee engagement index ⁽¹⁰⁾	72%	NA	74%	↗	75%
	Nexans Foundation	Amount allocated by the Nexans Foundation	€300,000	€300,000	€300,000	→	€300,000

(1) Overall workplace accident frequency rate = total number of workplace accidents with more than 24 hours of lost time / total number of hours worked x 1,000,000. This rate relates to internals and externals
 (2) EHP: Highly Protected Environment - Group's Internal Environmental label
 (3) MWh consumed by the industrial sites / m€ in constant metal price sales
 (4) Greenhouse Gas (GHG) emissions including direct and certain indirect emissions (from electricity and steam consumption, upstream line losses, use of fossil fuels and waste treatment, as well as fugitive emissions). The 2022 target is based on the reduction of emissions in 2016, the base year
 (5) Revenues generated from products and services contributing to the energy transition (offshore wind farms, interconnection projects, e-mobility, smart grids, accessories, solar energy and wind energy)

(6) Total R&D expenses (including R&D, innovation, local development and assistance engineering costs)
 (7) Recycling rate of non-ferrous metal waste generated
 (8) According to HR tool My Click, graded employees having signed a compliance certificate by which they commit to comply with Nexans' Code of Ethics and Business Conduct and declare conflicts of interest, if any
 (9) 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
 (10) Scope: Cables 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

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

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

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.



BUILDING TOGETHER

Sharing value with stakeholders

Nexans is committed to cultivating long-term relationships and sharing value added 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 to serve its customers, and generating sufficient cash to meet the Company's needs on a sustainable basis.

Employees

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

Main actions

- Establishing strong workplace safety standards, an annual Safety Day and 15 Safety Golden Rules.
- Conducting an internal opinion survey to assess employee opinions of the Group's transformation (see page 33).
- Helping all Nexans employees to develop their careers through Nexans University.
- Launching an ambitious program in Europe to promote new forms of social dialog with Group employees.

The Group implements numerous initiatives that cultivate a sense of belonging to the global Nexans Community and the pride of contributing to building a brighter, smarter and more sustainable world.

Investments

The Group's capital expenditure came to €207 million in 2018. Investments were mainly focused on increasing capacity and improving reliability at the Halden plant in Norway for the production of submarine high-voltage cables, developing new products, increasing automation and continuing to deploy production capacity in low-cost countries for the automotive harnesses segment, and developing new solutions for medium- and high-voltage accessories.

Nexans Foundation

We employ both our skills and our cables to improve access to energy for underprivileged communities, and we encourage our employees to contribute to local projects that make a difference.

Main actions

- Helping underprivileged communities to access electrical power.
- Providing support to 1.3 million people since 2013 through 90 projects in partnership with 53 NGOs and non profits in some 30 countries.

R&D

Nexans has a portfolio of about 600 patent families, which demonstrates the creative abilities of our technical teams and strengthens the Group's market positioning by protecting its intellectual property.

A total of 57 new patents were registered in 2018.

Nexans is a signatory of the French Business Climate Pledge

Nexans is an active member of Europacable, the European Association of Wire & Cable Manufacturers, and a signatory of its Industry Charter – committing to ethical, sustainable, high-quality cabling.

Local authorities

In all of the Group’s locations, the units foster close links with authorities at a local level in order to amplify the contribution of our activities to local employment, and therefore to regional development.

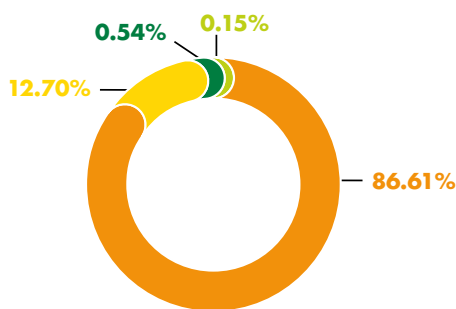
We build close ties with local and regional communities, economic and social actors, universities, schools and training centers with a view to capitalizing on our strong local presence.

Shareholders

Nexans ensures that shareholders and investors receive relevant and accurate information on the Group’s business, results, strategy, development model, significant non-financial issues, and long-term outlook.

In addition to financial publications, the Group publishes regular information letters focusing on key aspects of its business. Nexans also organizes an annual series of roadshows, which aim to foster dialog with institutional investors.

Following the seventh employee share ownership plan, employees now hold 4.70% of Nexans’ share capital. This initiative acts not only to strengthen the Group’s financial and human capital, but to make employee shareholders long-term partners.



- Institutional investors: 86.61% o/w:
 - Invexans Limited (UK) and Tech Pack (Quiñenco group, Chile): approximately 28.92% (12,610,914 shares)
 - Bpifrance Participations (France): 7.71% (3,363,446 shares)
 - DNCA (France) : 5.51% (2,402,496 shares)
- Private investors and employees: 12.70% (5,538,863 shares), o/w:
 - Private investors: 8.00%
 - Employees: 4.70%
- Treasury stock: 0.54% (234,324 shares)
- Unidentified shareholders: 0.15% (64,224 shares)

Sources: Euroclear France, Nexans share register, shareholder identification survey and threshold disclosures filed with the AMF.

Banks

As a responsible global company, we are selective about our 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).

Suppliers

We engage suppliers in our sustainable development approach and develop a relationship based on trust, mutual interest and high standards.

Main actions

- Created a CSR risk map for supplier selection.
- Over 80% of suppliers have signed the Supplier CSR Charter.
- Performed multiple supplier CSR audits internally in 2018.

Closeness is the key to our customer relationships

Beyond simply selling components, Nexans stands out from the crowd with its offering of solutions and services, focused on adding value for customers, and co-design. A shining example of this is the contract for the Stockyard Hill wind farm in Australia (see page 23), where Nexans engineers had the opportunity to rethink the farm’s electrical architecture, while simultaneously managing to drive down the initial investment by a few percent, as well as the operational costs.

Another happy customer is Géraldine Quilhac, Cable Management Manager for Chantiers de l’Atlantique, who said, “for 45 years, working with Nexans has improved our performance. Nexans knows how to adapt to perfectly meet the requirements specific to shipbuilding: by preparing cables so that they are as easy to pull as possible, and therefore better fitting into our value chain. Nexans also rose to the challenge when production requirements increased to two ships a year in 2018. It’s a shared success story that only makes our partnership stronger!”

SOCIAL APPROACH

A Group on the human scale

Nexans aspires to be a learning organization, where each employee can play an active role in their personal development. It is committed to individual well-being and safety at the workplace and prides itself on being able to attract the talent that the Group needs for its future growth. Social policy at Nexans, along with the initiatives taken or continued in 2018, is perfectly in line with its CSR priorities and addresses major CSR challenges.

Cultivating talent

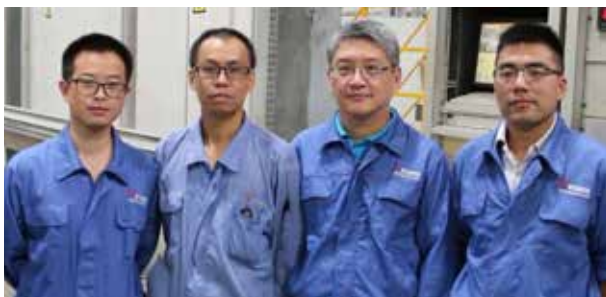
Nexans strives to attract, retain and develop its talent pool. Our challenge is to achieve operational excellence while developing products and services to stand out in globalizing markets.

Focus on employer branding

To attract new talent and enable the Group to create value in other ways than through its products, Nexans invests in its employer branding strategy. In 2018, the Group launched “Nexans, Amazing Actually”. The primarily digital campaign was circulated on social media and highlighted major projects carried out by teams around the world.

In keeping with this philosophy, the Group has developed a Volunteering for International Experience (VIE) program providing young people aged 18 to 28 with the opportunity to take on an assignment at one of our overseas subsidiaries. In 2018, the Group had 18 employees working under the VIE program in eight countries. The ultimate goal is to recruit the participants at the end of their assignments for local positions in the host country.

Furthermore, under our recent partnership with AIESEC, the largest student organization worldwide, foreign students have the opportunity to undertake 6 to 18 month internships within the Group. At the end of 2018, 16 interns worked at our registered office.



2018 opinion survey

The second annual internal opinion survey was launched internationally in September 2018. Despite a difficult environment, the survey met a very high response rate of 79%, or 11,518 employees.

Another sign of our employees’ strong commitment to Nexans was the two-point increase in the engagement rate to 74%, a solid foundation for the transformation heralded by the launch of the new three-year Strategic Plan.

The drivers for engagement identified through the survey and 6,000 comments – Teamwork & Collaboration, Effective Organization and Innovation – are a testament to our employees’ desire to see the Company move forward and their willingness to be part of the transformation.

Three years ago, based on the way in which our employees viewed topics related to their work life (management, organizational structure and operating efficiency, training and personal development, etc.), a Group action plan was built around three key themes: bringing meaning to action through a shared vision, becoming a learning organization and promoting recognition and conditions for workplace well-being.

Employee engagement reached 72% in 2018 and the Group has set itself the objective of achieving a three point increase by 2022. A platform designed to monitor action plan progress tallied some 600 initiatives launched in 2017 in about 30 countries.

Digital training modules

Nexans has designed and continues to expand its range of training programs (professional, technical, managerial and personal development) to support its employees and foster individual motivation and drive. To guarantee equal access, all programs are available digitally, enabling employees to continually pursue new development experiences including special projects in multi-cultural groups, opportunities to temporarily trade job positions, or mobility to new job functions and/or geographic locations.

To guide its employees towards greater agility and open-mindedness, the Group is focusing on developing this mobility. To better identify internal candidates for mobility, in 2018 the Group set up an online profile for executive staff, which they can complete with their professional experience, degrees, certifications, and job and language skills.



Nexans University goes digital

A powerful tool that provides Group employees with the means to adapt to their business, expand and develop their knowledge, reward their curiosity, and enhance their employability, Nexans University also provides support to its people during business transformation programs, promotes knowledge management and helps disseminate best practices. As a result of the digital revolution, since 2018 a digital academy has provided employees with tools, software and processes that enable them to build their own training course. To encourage uptake of this digital offering, an in depth study was carried out on the user experience and ergonomics of the digital training interface. Our academies also explored the gaming universe in 2018.

Diversity, a real asset

Nexans 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 (see box) and access to training. These principles are stated in the Group's Code of Ethics and Business Conduct, and its Human Resources policy, and are in line with the United Nations Global Compact, which Nexans joined in 2008.

Promoting gender equality is one of Nexans' core commitments to its teams and professional environment. For example, the Group has set a target of 25% female managers by 2022 (23% in 2018). Throughout the year, concrete action is taken across all businesses and at every level of the Company. To promote women's access to management roles, Nexans



launched the "Women in Nexans" (WIN) program in 2016 (see box). To coincide with International Women's Day on March 8, an internal campaign for a more equal and respectful world was launched in 2018. Dubbed "Balance for Better", it won the support of numerous employees from different sites.



Women in Nexans - WIN

Women in Nexans (WIN) supports women's professional development and forms a Group-wide women's network. Now available in nearly all the countries where the Group operates, WIN implements local action plans organized around three key aims: Creating the community, Building the pool of resources and Well-being. The first initiatives to emerge from discussions among WIN members include a mentoring program already active in four countries, an e-coaching test project in partnership with a French start-up, and awareness sessions in honor of International Women's Day on March 8 and of Pink October, the annual campaign for breast cancer screening. The WIN program reaches a large audience within the Group via its dedicated intranet site.

European Disability Employment Week

In France, during the 2018 European Disability Employment Week, awareness workshops were once again made available to employees at the Group's registered office and the Nexans France registered office. They included a wellness massage workshop staffed by people with a disability and a table tennis workshop with Maxime Thomas (No. 3 player worldwide and medal winner at the 2016 Paralympic Games in Rio) and his coach. About 60 employees participated in a disability simulation by playing in a wheelchair to discover all the coordination, dexterity and manual precision required to play the game with a disability. For the third year, an independent firm provided employees with a hotline service to meet their needs and answer their questions, specifically regarding administrative issues.

Safety, our top priority

"Safety starts with me!", such is the commitment of Nexans carried to the highest level of decision-making. The health and safety of its employees and those of all its partners is an absolute priority for the Group and ties in fully with its core values. Workplace health and safety is a key performance indicator covered by the CSR ambitions and an integral part of managerial routines.

Worldwide network

With a view to encouraging risk prevention, in 2008 Nexans set up a dedicated Health and Safety unit, which implements the main safety tools used in the field and defined as standard across all sites, including Job Safety Analysis (JSA), Safe UnSafe Acts (SUSA) and Settle Quickly Eradicate Control (SQEC-proactive). The Group has also launched its Group wide accident analysis and reporting database, the Alert Management System (AMS). AMS is used to share high quality information, in real time, with all concerned parties, in order to prevent accidents from reoccurring.

The dedicated Health and Safety unit relies on a network of HSE correspondents, including HSE managers from all geographic regions where the Group operates. It defines an annual action plan, validates standards and updates the Group's internal HSE audit processes.

15 Safety Golden Rules

In addition to the standards deployed, the Group has defined 15 Safety Golden Rules. Applicable to all sites, the rules mainly address behavior such as drum storage, handling, work at height, traffic flow, wearing required protective equipment, etc.

They were defined based on an analysis of the main risks and most serious or common types of accidents. Every quarter, the Group's overall compliance is measured and analyzed to determine any potential cases of non-compliance. Each site then defines corrective measures to meet the requirements of each golden rule. At end-2018, the Group's overall compliance came to 97%.

Safety Day

Since 2014, the Group has held an annual Safety Day event at all its sites. On September 17, 2018, all employees took part in a variety of activities.

At the Donchery site in France, an awareness workshop about hand protection was held, covering topics like wearing safety gloves, hygiene and emergency intervention in the event of an accident. At the registered office, activities included virtual reality HT cable jacket testing and driving simulators.

Priorities were set for 2019 to improve safety performance and awareness, including a Safety Walk to involve all managers at Group sites (from team leaders to site managers) in regularly making safety observations. In addition, each site will be required to map the five main risks.



BBS methodology

To further boost its safety performance, Nexans is developing a Behavior-Based Safety (BBS) program. BBS enables each employee to change habits based on mutual encouragement.

A train-the-trainer session took place at the Cortailod site in Switzerland in 2018, representing an official launch of the program, which has also been extended to Greece and Belgium. The program will continue to be rolled out mainly at European sites, where additional effort is needed.

INNOVATION

Innovating for a sustainable world

In Nexans' cables business, innovation means different things to different customers. Whether they are looking for efficiency, safety, performance, competitiveness, comfort, ease of installation, durability, the ability to withstand extreme conditions, or environmental impact, their needs are growing at an increasingly fast pace. For over a century, Nexans' innovation capabilities have enabled it to map out a safer, smarter and more successful future alongside its customers.

Our innovation ecosystem

Innovation remains a core focus for our Group, with a budget of 107 million euros in 2018 and more than 900 researchers, engineers and technicians working in our R&D centers and local product development units. The Group currently has a portfolio of approximately 600 patent families, and almost 60 new patent applications are filed on average every year. This high number attests to the creative abilities of our technical teams and strengthens the Group's market positioning by protecting its intellectual property and innovation-led differentiation.

The objective for our teams is to identify technological developments in customers' applications in order to develop new products and services to meet the related needs. By addressing

these new developments, we create value for customers and set Nexans apart from the competition. At the same time, the Group contributes to these technological advances through its ongoing work on standardization, notably by participating in the drafting of new international standards. The Nexans Research Centers work with external partners (such as universities, laboratories and research organizations) to help design innovative materials and develop new technologies and products. Our Process Centers are tasked with streamlining and improving production processes. These Centers provide technical support to the Group's plants, either for specific projects or as part of its continuous improvement program for product operations.



World No.1 in cable R&D

Four Research Centers driving innovation across the entire Group: the Nexans Research Centers in Jincheon (South Korea) for elastomers, Lens (France) for metallurgy, Lyon (France) for cross-linked materials and computer modelling, and Nuremberg (Germany) for thermoplastics and extrusion processes. These centers work on the cables' basic components: the protective jacket, the insulation and the metal conductor.

Twenty-four product development networks, specialized by product or by technology. These networks are located in Europe, the United States, Australia and South Korea, and are responsible for the development process.

Three application centers, specialized in robotics, handling and LANs. These centers test and compare the cables' performance under real-life conditions, providing a basis for regular discussions with customers on technical issues.

i-Day, participative innovation

The Nexans i-Day was launched in Europe in 2017. Nearly 4,000 ideas have been put forward by Group employees at this digital event aimed at fostering creativity on a wide range of topics such as customer service, technological development, safety, communication and well-being at the workplace. Thanks to its employees, Nexans now has a fabulous library of potential innovations.

Biomimetics, a source of inspiration

Marine fauna and flora are a source of inspiration for new technologies. For many years, nature has inspired researchers to innovate by imitating the living world. That's the case at Nexans. We have adopted a systemic approach that takes into account technological, sociological and biological interactions to limit our installations' impact on natural ecosystems and protect them more effectively. With our partners Enedis, Siemens and Sicame, we participated in a biomimetics workshop organized jointly by Institut des Futurs Souhaitables, Centre européen d'excellence en biomimétisme (Ceebios), Muséum national d'histoire naturelle and École supérieure de design industriel. Offshore wind farm cabling systems were on the workshop's agenda. The Nexans team considered ways of transforming wind farm systems located close to marine biodiversity protection areas without affecting their technical performance or making them harder to maintain. More specifically, they examined the interface structures used to manage biofouling (i.e. the accumulation of microorganisms on undersea cables). With the assistance of biologists and designers, the team came up with solutions inspired by ribbed mussel shells, the camouflage strategies used by crabs and kelp structures.

At the Nexans Research Center in Lens (France), the innovation workshops organized every two months include bio-inspiration sessions. The idea is to start by observing the natural environment and use a dedicated research tool to obtain information about the functionalities and strategies developed



by the living world (plants, insects, etc.). The sessions help participants to improve their overall knowledge and learn how to identify natural solutions to the issues faced by the Group. The Center's teams are also working with Ceebios (the European center of excellence in biomimetics) on a project to organize biomimetics awareness-raising workshops at Nexans' various facilities. And our partner, RTE, is working with us to develop bio-inspired solutions for their offshore installations in partnership with several universities.



Ecodesign

Our product development process incorporates ecodesign principles through a qualitative approach taking into account the successive life cycle stages and a broad quantitative life cycle assessment approach based on ISO 14040 and 14044. By incorporating this latter approach into our environmental management system, we also comply with the requirements of ISO 14001:2015.

The life cycle assessment examines environmental impact throughout the product's life, including the extraction of raw materials, manufacturing, installation, use and end-of-life processing.

Life cycle assessment

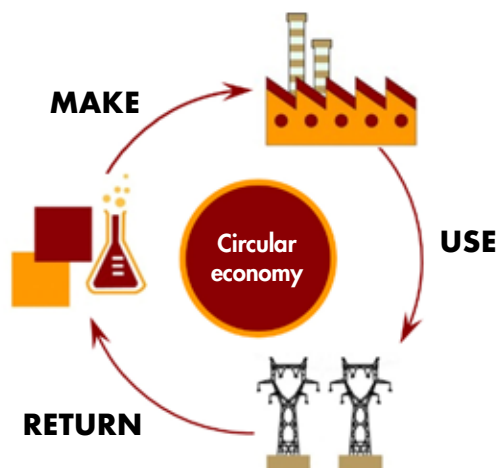
We assess the environmental impact of selected products at all stages in their life cycle. To report the results, we use the Product Environmental Profile (PEP) methodology developed by the PEPECopassport® program, of which Nexans France is a founding member. Each PEP is checked by an independent verifier accredited by the PEPECopassport® program. To date, Nexans has registered 45 PEPs to cover nearly 1,500 product references, essentially on the markets in France, Belgium and Germany, as well as the United States 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.

In 2018, a new ecodesign process was launched, addressing the environmental challenges arising during a product's life cycle in order to limit the product's impact on the environment. A product resulting from this eco-design process won the 2018 Belgian ecodesign award for renewable energy and energy efficiency.



The circular economy, a priority ambition



Identified as a priority aim of the Nexans CSR policy, the circular economy model aims for a prudent, responsible consumption of natural resources, especially raw materials. Within the Group, the model focuses in particular on using internally or externally sourced recycled content in our products, reducing the consumption of resources, including raw materials, water and energy, and offering customers a recycling service.

Using biosourced materials, especially plastics, has been considered and assessed, but remains limited for two main reasons:

- first, their inadequate technical properties prevent cables from meeting quality levels established in standards;
- second, the environmental impact of these materials has not been clearly established. For example, the environmental benefits of biopolymers (reducing climate impact and consumption of resources) are generally offset by a rise in other environmental indicators (water consumption, water toxicity, energy consumption).

Nexans continues to develop and examine solutions that offer the best compromise in terms of performance and low environmental impacts.

Co-construction with customers

Our customers develop their own innovation programs to stimulate market demand and cut costs, but they also expect their strategic suppliers to come up with creative solutions.

To meet these expectations, we have developed a three-tier innovation process.

The first tier consists of our fundamental research into new technologies and materials, and long-term technology trends. This is the role of the Nexans Research Centers in Jincheon (South Korea) for elastomers, Lens (France) for metallurgy, Lyon (France) for cross-linked materials and computer modelling, and Nuremberg (Germany) for thermoplastics and extrusion processes.

The second tier concerns the development of new applications for market segments that are experiencing unavoidable change. For example, deepwater offshore oil and gas rigs, high-speed data networks and long-distance energy transmission networks require new cabling solutions, such as deepwater umbilicals, optical fiber micro-cables for heavily built-up urban areas and critical superconductor cable systems linking sub-stations. Second tier innovation is founded on an excellent understanding and anticipation of uses and technologies.

The third tier corresponds to the customer-pull factor. In this case, the customer produces a clear definition of its needs and outsources most of the R&D work to preferred suppliers, such as Nexans, in order to focus on its core business.

RecyCâbles, creation of a European leader

Created through a joint venture set up between the Suez group and Nexans in 2008, RecyCâbles has become Europe's leading cable recycling company. Each year, around 30,000 tonnes of cables — from the simplest to the most complex — are treated at the Suez ecocenter at Noyelles-Godault in Northern France. The ecocenter has set the objective of operating at full capacity by 2020, thanks to the addition of a second crushing line, which will allow 36,000 tonnes of cable materials to be recovered annually.

RecyCâbles is also building market share in the telephone cables segment, by collecting and treating the cabling systems removed during the dismantling of obsolete or end-of-life call centers.

In 2018, we extended our partnership with Suez for a further three years and added a significant consulting component, collaborating with Nexans right from the design phase, in order to optimize the cables' end-of-life and integrate the circular economy ethos from the get-go.

CSR - FOUNDATION

The Nexans Foundation

In 2013, Nexans became the first cable industry player to create a corporate 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 underprivileged 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.

The Foundation as 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 n°7). This priority has long been recommended by the International Energy Agency (IEA), which advocates 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.

Five years of solidarity through philanthropy

With an annual budget of 300,000 euros, the Nexans Foundation has supported 90 projects in 35 countries in partnership with 53 organizations since it was created in 2013. These projects have brought, or will bring, electrical power to some 1,300,000 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, which are primarily located in Sub-Saharan Africa (17 countries), North Africa (Morocco and Lebanon), Asia (9 countries), South America (4 countries) and the Caribbean. It also intervenes in France, where projects to combat energy insecurity are organized.

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. To respond even faster to humanitarian emergencies, the Nexans Foundation, along with 10 other electricity industry leaders, formed a partnership with Electriciens Sans Frontières (ESF) 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⁾



1.3 m
people supported in
35
countries since 2013



90
projects led by
53
organizations since 2013

ENERGY KEY FIGURES



1 bn
people do not have access
to electricity, i.e.,

14%
of the world's population

600 m
of them live in Africa



3 bn
people still cook using polluting combustibles
such as wood and coal

The resulting household atmospheric pollution
causes around

4 m
premature deaths each year,
primarily among women and children

Source: TRACKING SDG7: THE ENERGY PROGRESS REPORT 2018 – Highlights
<http://trackingSDG7.esmap.org>

The Nexans Foundation in action



WITH LIGHT UP THE WORLD FOR PERUVIAN FAMILIES

In partnership with the Canadian non-profit Light Up The World, the Foundation will supply solar photovoltaic systems to families without access to the power grid. There are almost a million Peruvians in this situation. The solar technology will be delivered to a network of local developers and technicians, while contractors in the solar energy sector will receive training and logistical, commercial and technical assistance. This will result in the creation of jobs in the renewable energy sector.

Solidarity through electrical power

The Nexans Foundation works all over the world:

- THE CARIBBEAN
- SOUTH AMERICA
- EUROPE
- NORTH AFRICA
- SUB-SAHARAN AFRICA
- ASIA
- THE MIDDLE-EAST



WITH TRIAS ALONGSIDE BRAZILIAN FARMERS

In Codajas, a Brazilian municipality in the State of Amazonas, the Belgian international cooperative Trias is working alongside the Foundation to help 15 families of farmers gain access to the low-voltage electric system. Improving their energy access will also encourage the production of açai, a local berry that is becoming more and more popular in sorbets, thus making the region's main source of revenue a deterrent against Amazonian deforestation.



PROVIDING QUALITY TRAINING FOR 500 SENEGALESE HIGH SCHOOL STUDENTS WITH ELECTRICIENS SANS FRONTIÈRES (ESF)

The Foundation used a special allocation of funds to support an additional project with Electriciens Sans Frontières (ESF) in 2018, consisting in the renovation of the electrical system in the Saint-Charles Lwanga high school in Ziguinchor, Casamance. The objective was to help improve conditions for the 500 students and thereby limit the exodus to the city of Dakar. Quality training is the first step towards professional integration and business creation in this region in full economic recovery. As the best accompaniment to academic training is gaining experience and expertise, the maintenance work will be entrusted to students from the neighboring technical college, under the supervision of ESF.



WITH THE IECD IN IVORY COAST

With the opening of Nexans' new plant in Abidjan in November 2018, specializing in the manufacture of prefabricated electric stations and transformers, Nexans Côte d'Ivoire is participating in a project supported by the Nexans Foundation. The Ivorian division offered training with French CAP certification as electricians for a class of some thirty students at the Bonoua training center, sponsored by the IECD's Graines d'Espérance program. The course was followed by a visit to the new Abidjan site and seven students were offered an internship on its completion. The IECD's mission, supported by the Nexans Foundation and the work of our local teams, was a resounding success.

Taking action
in

35

COUNTRIES

90

PROJECTS LAUNCHED
with

53

ORGANIZATIONS

Almost

1.3m

BENEFICIARIES

since 2013

RISK MANAGEMENT

Optimizing risk management

Our risk management measures are essential to the governance system. They must therefore contribute to meeting the Group’s strategic goals and to safeguarding its value, its assets and its reputation. The measures also unite employees around a common risk strategy.

Following the in-depth study carried out by Nexans into world megatrends in the energy and data sectors, the Group identified the rise in energy consumption, renewable energy and the energy transition as growth factors that it is working to change. Nexans intends to exploit its ability to stand out from the crowd and shift out of the world of cable manufacturing to become an operator focused on digital, cutting-edge engineering services and solutions. That means undertaking a robust and selective analysis of the risks and opportunities, in a difficult macroeconomic context, all the while dealing with the emergence of new risks, such as cyber risks, and the challenges of remaining responsive and agile that come with radical change. For these reasons, Nexans has developed a company risk management tool to enable its various operational divisions and functional departments to conduct risk and opportunity assessments at every stage of managing their businesses, including strategic plans, budgets, bids and investment decisions.

In 2018, Nexans spearheaded specific initiatives, such as:

- organizing a compliance week;
- tightening accounting controls on certain payment transactions;
- reinforcing monitoring of supplier and subcontractor adherence to Nexans’ CSR commitments by assessing them via the EcoVadis platform;
- organizing crisis management exercises (e.g., Metal and IT departments) with a particular focus on cyber risks.



 **OPERATIONAL**

<ul style="list-style-type: none"> ○ RAW MATERIALS AND SUPPLIES Ongoing efforts to secure alternative sources to the limited number of suppliers, particularly for the main raw materials used by the Group. ○ CYBER SECURITY Systematic checks and continuous improvement of the security of our IT systems. ○ HSE Implementation of an environmental and substance management system to comply with European regulations (REACH and RoHS). Assessment of the level of maturity of sites for HSE risks. ○ NATURAL RISKS AND FIRE Subscription to a property damage – business interruption insurance policy adequately covering the Group’s assets. Implementation at all sites of a policy for preventing and mitigating the risks and consequences of natural risks and fires. 	<ul style="list-style-type: none"> ○ HUMAN RESOURCES Safety at work is our absolute number one priority. Deployment of programs to strengthen human capital. ○ QUALITY ISO 9001 quality management system at each site. Continuous improvement plan for quality processes to meet customer expectations and address the performance challenges of our business. ○ CONTRACTUAL LIABILITY Strict contractual guidelines, risk assessment procedures and a tender review process. ○ CLIMATE CHANGE AND LOW-CARBON STRATEGY Policy to reduce our water and energy consumption and increase internal use of renewable energies.
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 **FINANCIAL**

<ul style="list-style-type: none"> ○ LIQUIDITY Long-term structured financing in place, monitoring of the Group’s covenants, strict control of operating working capital. ○ METAL PRICES Hedging policy for non-ferrous metal purchases and sales: no open positions kept beyond the exposure required by our industrial operations. 	<ul style="list-style-type: none"> ○ MARKET (INTEREST RATES, FOREIGN EXCHANGE) Flows in foreign currencies are hedged; foreign exchange positions are monitored. ○ CREDIT AND COUNTERPARTY Partnerships with first-rank financial counterparties and monitoring of net exposure to commercial counterparties, beyond the coverage provided by our credit insurer.
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STRATEGIC

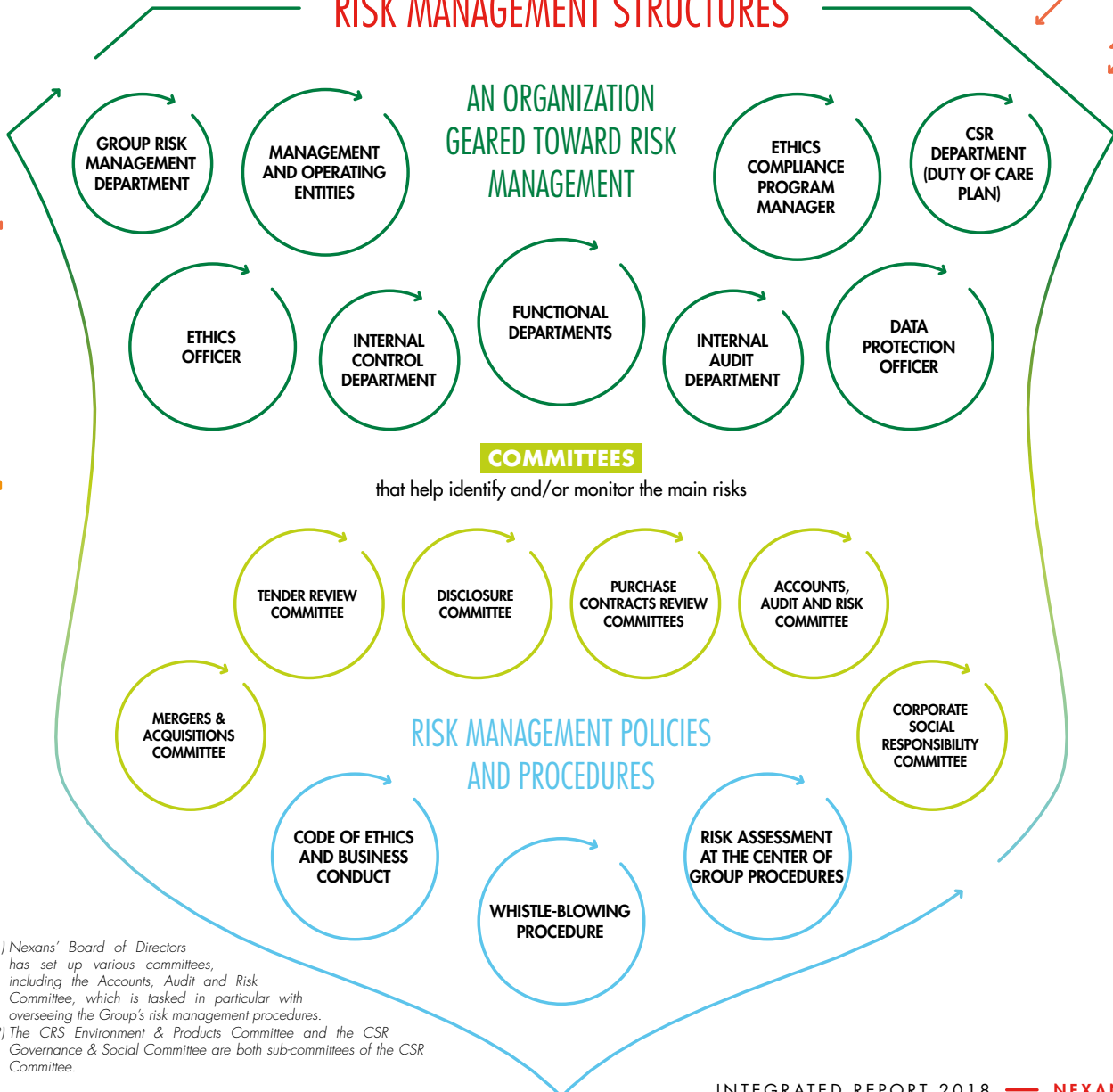
- EXTERNAL GROWTH**
Mergers and acquisitions assessment and integration process.
- GEOPOLITICAL RISKS**
Risk assessment prior to investment, monitoring of operations in unstable countries, credit insurance policy in place at Group level.
- RAPIDLY CHANGING MARKETS**
Continuous monitoring of market information.
- CUSTOMER RISK**
Ongoing efforts to limit the risk of customer dependency by diversifying our activities across a broad range of markets and countries.
- TECHNOLOGY OBSOLESCENCE**
Significant focus on cutting-edge technologies to offer competitive, high-quality products and services.
- COMPETITIVE ENVIRONMENT**
Continuous improvement process for all operations and functions. Regular investments in industrial tools.



ETHICAL

- BUSINESS CONDUCT**
Commitment to compliance with laws and regulations, in accordance with our Code of Ethics and Business Conduct. Annual signature of a compliance certificate by all managers. Annual rollout of specific action plans related to our ethics compliance program. Vigilance concerning our business partners' ethical integrity.
- FRAUD AND CORRUPTION**
Anti-corruption procedure certified by an external organization. Mandatory fraud control rules, particularly in transactional environments, to mitigate the risk of error and fraud.
- WHISTLE-BLOWING PROCEDURE**
Made available to employees and third parties to report any violations of the Code of Ethics and Business Conduct.

RISK MANAGEMENT STRUCTURES



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



Focus on best governance practices

NEW LEADERSHIP IN 2018 DRIVING CHANGE FOR THE FUTURE AT NEXANS

A new EXCOM to shape
our future success

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A Board of Directors committed to change

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Committee-based Group management

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Financial data

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Environmental data

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Social data

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GOVERNANCE

A new EXCOM to shape our future success

Executive Committee (since March 18, 2019)

The EXCOM is the main governing body and comprises twelve members including Christopher Guérin, Chief Executive Officer. It replaces the two former governing bodies, namely the Management Board and Management Council, which had twenty-two members.

In addition to the Chief Executive Officer, Christopher Guérin, the new Executive Committee comprises:

- Five heads of geographic areas and business sectors
- Five heads of operating divisions
- A Senior Corporate Executive Vice-President acting as special advisor to the Chief Executive Officer and the EXCOM



1 Julien Hueber 
Executive Vice President

2 David Dragone 
Senior Corporate Vice President
Human Resources

3 Vincent Dessale 
Senior Executive Vice President

4 Pascal Portevin 
Senior Corporate Executive Vice-President
acting as special advisor to the Chief Executive
Officer and the EXCOM

5 Jérôme Fournier 
Corporate Vice President Innovation,
Services & Growth

6 Christopher Guérin 
Chief Executive Officer

7 Steven Vermeulen 
Executive Vice President in charge of the
Telecom & Data Business Group and North America

8 Jean-Christophe Juillard 
Senior Corporate Vice President
and Chief Financial Officer

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

10 Benjamin Fitoussi 
Senior Executive Vice President
and Chief Operations Officer

11 Vijay Mahadevan 
Executive Vice President Middle-East,
Russia, Africa and South America

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

Leading a new industrial project

With its simplified structure, Nexans' new, fully operational Executive Committee (EXCOM) must provide the Group with the means to achieve the objectives outlined in its transformation plan by 2021.

With the emphasis on getting things done, the team is focusing on (i) continuous cost control in a bid to improve competitiveness, (ii) a more effective resource allocation strategy by business in order to invest in sustainable, profitable growth and (iii) a restructuring plan for struggling businesses.

The new EXCOM's main role is to improve each division's performance and successfully implement the Group's transformation, allowing it to achieve its ambition of going

beyond cables and become the crucial link in the energy and information transmission ecosystem worldwide.



This new management team has been put together to roll out a new industrial project built on a radical shift in our businesses towards services, a customer-centric approach and an overhaul of Nexans' business model and corporate culture. The team's leadership qualities and expertise give me full confidence in our ability to successfully transform the Company, thereby giving Nexans the levers to pull ahead in the next three years.



Christopher Guérin, *Chief Executive Officer of Nexans*

Business integrity is imperative at Nexans

One of the Executive Committee's key responsibilities is also to oversee the implementation of Nexans' rules on ethics across the Group.

Nexans' commitment to compliance is unconditional. The Executive Committee and all the heads of the Business Groups set the tone regarding compliance and help implement the Compliance Program. Respecting rules and guidelines on ethics is mandatory for all Nexans employees and business partners. Nexans has a zero-tolerance policy in the event of infringement.

Nexans' commitment shows not only in its adherence to the United Nations Global Compact and its ten fundamental principles, but also by the signing by all Group managers of an annual certificate of compliance. In 2018, some 97% of Group directors signed the certificate. Business partners are required to do likewise.

The Code of Ethics and Business Conduct forms the groundwork of this commitment, along with procedures and rules specific to preventing the main ethical risks identified by the Group, such as competition law, bribery, prevention of fraud, conflicts of interest, compliance with embargoes, prevention of money laundering and protection of personal data.

The Ethics Compliance Program is based on actions aiming to prevent, detect and handle any breaches. Each year, a specific set of actions is rolled out to reinforce or adapt prevention to new legal requirements or when a need is identified: the subject matter for the year's compulsory training is decided upon and the prevention procedures are updated. Efficiency is the general aim for this yearly plan, through continuously adapting our methods to prevent, detect and monitor the risks the Group faces in running its business. ETHIC Intelligence renewed Nexans' certification, demonstrating the quality of the Group's corruption prevention program.

GOVERNANCE

A Board of Directors committed to change

In a year marked by significant changes in the Group's management, Nexans drew on its values of expertise, vigilance and transparency to successfully navigate its way through 2018. This marks an opportunity to showcase the strength of our governance, ready to lead Nexans through its transformation.

Nexans' Board of Directors is responsible for ensuring Executive Management is successfully guiding the Group towards becoming the leader in advanced cabling and related services. In pursuit of this objective, the Chairman of the Board of Directors and the Chief Executive Officer maintain regular, constructive dialog to implement the strategic plan in the best interests of the Company and its stakeholders.

The Board ensures that Nexans engages fully with all its stakeholders, supplying the critical links for economic development and social life through innovative and sustainable solutions and services.

The Board of Directors supports Executive Management's initiatives regarding the energy and digital transition, which are perfectly in keeping with the megatrends

that will consolidate Nexans' status as a major player in tomorrow's world. The Board owes its success to its diversity and commitment. The skills and expertise of the 13 Board members in industry and technology, human resources and finance, coupled with their market knowledge, are valuable assets for Nexans' strategy. The Board is primarily made up of independent directors, and comprises four different nationalities.

This provides the company with an important international perspective and a deeper understanding of the wider market. Each year, an appraisal of the composition and operation of the Board of Directors is completed with a view to ensuring continuous improvement and the implementation of best governance practices.

The Board of Directors met 17 times in 2018, with an 88.8% attendance rate.

This coming year will be a year of transformation towards a New Nexans, a more streamlined, more agile and efficient organization, ideally positioned to meet its customers' needs and make the most of the solid long-term outlook for its markets.

Four preparatory committees

Accounts, Audit and Risk Committee

Comprising three members, two of whom are independent, this 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, Compensation and Corporate Governance Committee

This Committee is composed of five members appointed by the Board of Directors, three of whom are independent, including its chair.

Executive directors may take part in meetings on the compensation policy for senior-level managers or appointments. In addition, executive directors may be heard by the Committee before it deliberates on their compensation.

Strategy and Sustainable Development Committee

Reporting to the Board of Directors, this Committee's responsibilities include reviewing the Strategic Plan and following-up on the progress made in the most significant strategic initiatives. The Committee also reviews how the Group integrates sustainable development when defining its strategy.

Transformation Committee

The Transformation Committee was created for 2019, and had four members at January 1.

This Committee regularly reviews and monitors the deployment of the Group Transformation Plan. It will meet at least four times in 2019.

A report is issued after each meeting and the Committee reports on its activity to the Board of Directors.

Board of Directors (Membership at May 15, 2019)



Jean Mouton

Chairman of the Board

- Appointed as Chairman of the Board of Directors on May 15, 2019



Angéline Afanoukoé

Director representing employees

- Nexans Head of External Affairs



Marie-Cécile de Fougères

Director representing employee shareholders.

- Industry & Solutions Europe Customer Service Manager EPC⁽⁵⁾ and Operators at Nexans



Marc Grynberg⁽¹⁾

Independent Director

- Chief Executive Officer of Umicore



Oscar Hasbún Martínez⁽¹⁾

Director proposed by shareholder Invexans Limited (UK), Quiñenco Group

- Chief Executive Officer of CSAV



Anne-Sophie Hérelle

Permanent representative of Bpifrance Participations

- Member of the Executive Committee of Bpifrance Capital Development



Anne Lebel

Lead Independent Director since March 19, 2019

- Chief Human Resources Officer of Natixis
- Chair of the Appointments, Compensation and Corporate Governance Committee



Fanny Lefier⁽²⁾

Independent Director since October 1, 2018

- Co-founder of Geneo Capital Entrepreneur
- Chair of the Strategy and Sustainable Development Committee



Colette Lewiner⁽³⁾

Independent Director

- Advisor to the Chairman of Capgemini



Andrónico Luksic Craig

Director proposed by Invexans Limited (UK) (Quiñenco group)

- Chairman of the Board of Directors of Quiñenco



Francisco Pérez Mackenna⁽²⁾⁽³⁾

Director proposed by Invexans Limited (UK) (Quiñenco group)

- Chief Executive Officer of Quiñenco



Hubert Porte⁽⁴⁾

Independent Director since January 29, 2019

- Advisor to the Chairman of Capgemini



Kathleen Wantz-O'Rourke⁽¹⁾⁽⁴⁾

Independent Director

- Group Executive Director Finance & Legal, Keolis

For the full presentation of the Board of Directors, see our website <https://www.nexans.com/en/finance/Corporate-Governance.htm>

(1) Member of the Transformation Committee since January 1, 2019

(2) Member of the Appointments, Compensation and Corporate Governance Committee

(3) Member of the Strategy and Sustainable Development Committee

(4) Member of the Accounts, Audit and Risk Committee

(5) EPC = Engineering, Procurement and Consulting

BOARD OF DIRECTORS

Committee-based Group management

WHO ARE THE DIRECTORS?





WHAT TRAINING DO THEY RECEIVE?

Directors follow a fully-fledged integration 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.

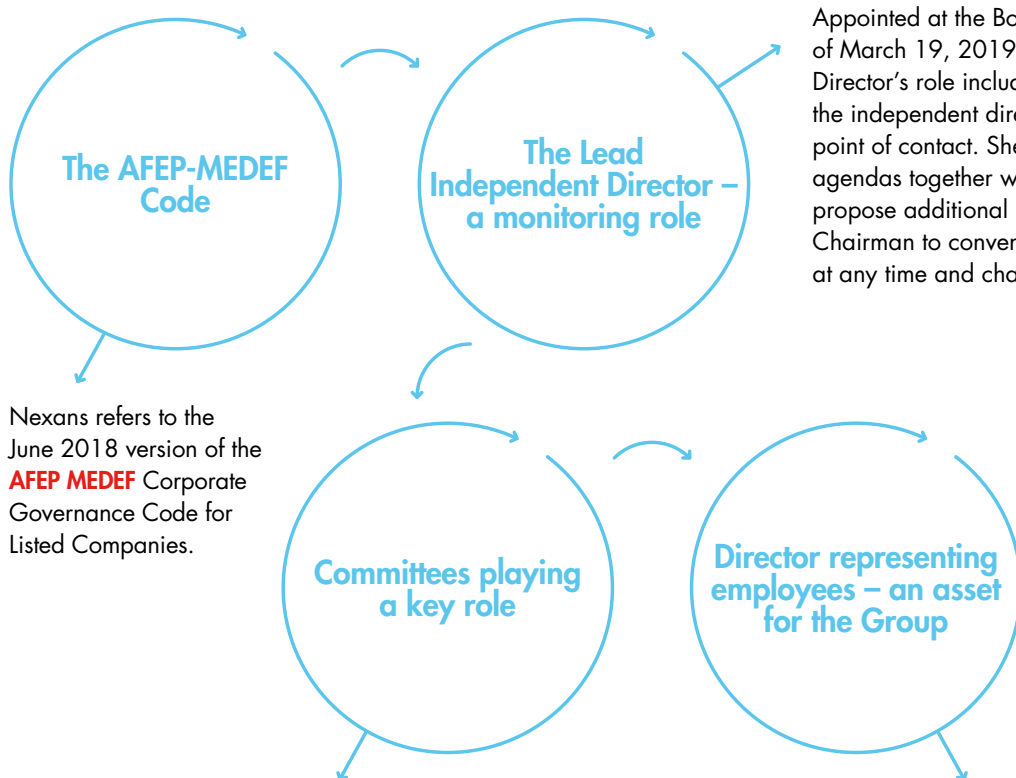


HOW ARE THEY ASSESSED?

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 2018, among the areas for improvement mentioned were the strategic alignment of the various stakeholders, the balance between short and long terms, the succession plan approach and the adoption of English as the working language during Board meetings.



Appointed at the Board of Directors' meeting of March 19, 2019, the Lead Independent Director's role includes conducting meetings of the independent directors, for whom she is the point of contact. She reviews Board meeting agendas together with the Chairman and may propose additional items. She may ask the Chairman to convene a meeting of the Board at any time and chair meetings in his absence.

Nexans refers to the June 2018 version of the **AFEP MEDEF** Corporate Governance Code for Listed Companies.

The Board of Directors has set up four committees:

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

Committee highlights in 2018 included reviewing new accounting standards, risk management, the "Act 2018" employee share ownership plan, the Group's policy and actions relating to CSR, as well as monitoring the deployment of the Nexans Transformation Plan.

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

FINANCIAL

	2018	2017	2016	2015
INCOME STATEMENT in €M				
Sales at current metal prices	6,490	6,370	5,814	6,239
SALES AT CONSTANT METAL PRICES	4,409	4,571	4,431	4,604
Margin on variable costs	1,363	1,458	1,432	1,428
<i>Margin rate⁽¹⁾</i>	30.9%	31.9%	32.3%	31%
Indirect costs	(1,038)	(1,047)	(1,057)	(1,095)
EBITDA⁽²⁾	325	411	375	333
<i>EBITDA rate⁽¹⁾</i>	7.4%	9.0%	8.5%	7.2%
Impairment	(137)	(139)	(133)	(138)
OPERATING MARGIN	188	272	242	195
<i>Operating margin rate⁽¹⁾</i>	4.3%	6.0%	5.5%	4.2%
Restructuring costs	(53)	(37)	(33)	(100)
Others	(23)	47	(24)	(161)
OPERATING INCOME	112	281	185	(66)
Cost of debt (net)	(56)	(62)	(88)	(105)
INCOME BEFORE TAXES	56	219	97	(171)
Income taxes	(44)	(91)	(37)	(25)
NET INCOME FROM OPERATIONS	13	127	60	(196)
NET INCOME GROUP SHARE	125	125	61	(194)

	2018	2017	2016	2015
FROM OPERATING MARGIN TO OPERATING INCOME in €M				
Core exposure impact	(15)	64	(6)	(52)
Restructuring costs	(53)	(37)	(33)	(100)
Net asset impairment	(44)	(8)	(8)	(129)
Provision for antitrust investigation	(1)	(6)	(20)	36
Changes in fair value of ferrous metal derivatives		0	12	(3)
Proceeds from disposals	44			
Other	(23)	(4)	(2)	(13)
ADJUSTMENTS TO OPERATING MARGIN	(76)	9	(57)	(261)

(1) % of sales at constant metal prices.

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

	2018	2017	2016	2015
BALANCE SHEET in €M				
Long term fixed assets	1,608	1,633	1,661	1,643
- Goodwill	243	236	254	250
Deferred tax assets	162	135	180	192
NON-CURRENT ASSETS	1,770	1,767	1,840	1,835
Working capital	556	703	581	405
TOTAL TO BE FINANCED	2,327	2,471	2,421	2,240
Net debt	330	332	211	201
Reserves	510	560	641	690
Of which:				
- restructuring costs	34	48	81	128
- pension and retirement	363	387	430	453
Deferred tax liabilities	109	103	90	84
Non-current liabilities	11	3	10	38
Shareholders' equity and minority interests	1,367	1,472	1,469	1,227
TOTAL FINANCING	2,327	2,471	2,421	2,240

ENVIRONMENTAL

	2018	2017	2016	2015
SITE MANAGEMENT				
Number of sites monitored	88	88	85	90
Number of ISO 14001 certified sites	66	66	65	66
% of ISO 14001 certified sites	75%	75%	76%	73%
Number of EHP ⁽¹⁾ certified sites	78	78	72	72
% of EHP certified sites	89%	89%	85%	80%
ENERGY				
Energy purchased (MWh)	1,181,197	1,174,576	1,235,928	1,218,955
- o/w electricity (MWh)	696,232	689,309	699,377	732,011
- o/w fuel oil (MWh)	58,398	64,411	62,004	78,186
- o/w gas (MWh)	414,642	407,852	461,010	393,143
- o/w steam (MWh)	11,924	13,004	13,536	15,615
WATER				
Water consumption (m ³)	2,319,212	2,299,150	2,080,471	2,272,977
CONSUMPTION				
Copper consumption (tonnes) ⁽²⁾	495,000	460,000	470,000	445,000
Aluminum consumption (tonnes) ⁽²⁾	105,000	103,000	110,000	113,000
Solvent purchased (tonnes)	452	476	433	460
WASTE				
Waste tonnage (tonnes)	93,507	87,014	80,123	84,832
- o/w hazardous waste (tonnes)	5,074	10,152	5,048	5,368
GHG EMISSIONS (Scopes 1-2-3)⁽³⁾				
GHG emissions (tonnes CO ₂ eq.)	228,443,990	201,776,239	407,973	411,396
- o/w scope 1 (tonnes CO ₂ eq.)	125,427	130,598	139,910	139,353
- o/w scope 2 (tonnes CO ₂ eq.)	239,170	232,073	233,904	234,794
- o/w scope 3 (tonnes CO ₂ eq.)	228,079,393	201,413,568	34,159	37,248

(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.

SOCIAL

	2018	2017	2016	2015
NEXANS GROUP				
TOTAL HEADCOUNT	27,058	26,308	26,258	26,607
- Europe	15,448	15,272	14,849	15,194
- Asia-Pacific	2,414	2,737	2,882	2,707
- North America	3,470	3,441	3,227	3,415
- South America	1,369	1,389	1,540	1,585
- Middle East, Russia, Africa	4,357	3,569	3,760	3,706
CABLES BUSINESS				
HEADCOUNT CABLES BUSINESS	15,930	16,111	16,329	16,606
% female employees	16%	16%	16%	16%
% female managers (out of manager population)	23%	22%	23%	22%
Average age (in years)	43.8	43.6	43.5	43.5
Average length of service (in years)	12.7	13.1	13.1	13.1
% Temporary employees	7.0%	6.8%	5.2%	8.5%
Disabled employees ⁽¹⁾	314	329	365	333
EMPLOYMENT DATA				
New hires	1,727	1,678	1,488	2,289
Employee turnover rate ⁽²⁾	10.6%	9.3%	8.4%	7.9%
Part-time contracts	394	389	394	477
% Fixed-term contracts	6.6%	7.8%	8.9%	7.9%
Absenteeism rate	4.8%	4.4%	4.6%	5.2%
SAFETY				
Global workplace accident frequency rate ⁽³⁾	3.15	3.03	2.62	2.75
Number of sites with a zero accident rate	42	35	34	35
Global workplace accident severity rate ⁽⁴⁾	0.23	0.17	0.18	0.18
TRAINING				
Total number of training hours	283,646	258,078	233,029	237,087
HARNESSES BUSINESS				
HEADCOUNT, HARNESSES BUSINESS	11,128	10,197	9,929	10,001
% female employees	60%	59%	59%	60%
% female managers (out of manager population)	20%	20%	19%	15%
Average age (in years)	34.5	34.5	34.2	33.9
SAFETY				
Global workplace accident frequency rate ⁽³⁾	0.29	0.27	0.44	0.9
Global workplace accident severity rate ⁽⁴⁾	0.00	0.00	0.01	0.01
TRAINING				
Total number of training hours	319,655	72,275	127,061	49,444

(1) This figure does not take into account countries where this information is not disclosed due to local regulation. In 2017, the number of disabled employees was 329 and not 304.

(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 2016 and 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. This rate concerns internal and external employees.

(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. This rate concerns internal and external employees.

