

Corporate Social Responsibility

CSR@NEXANS

Stand-alone document



MARCH 2021, BASED ON 2020 RESULTS

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1. Nexans CSR Strategy and governance

CSR at Nexans is integrated into the Group strategic thinking through a dedicated governance: to steer its CSR ambitions, the Group has set up a dedicated governance structure overseen by the CSR Department, which reports to the Group’s Senior Corporate Vice President Human Resources, Communications & CSR, member of the Executive Committee.

The Group’s highest decision-making bodies, and operating and support departments are closely involved in CSR governance. This is reflected in the commitment to integrate CSR into its strategy through various committees (see figure 1). CSR goals are included into the variable portion of the Chief Executive Officer’s compensation. This attests to the strong commitment to incorporate CSR issues into Group strategy.



Figure 1 : CSR Governance

To define a CSR strategy that addresses major issues in today’s society, the Group conducted a materiality test based on the key CSR issues covered in ISO 26000 (similar to the SA 8000): human rights, labor relations, working conditions, environment, good business conduct, questions involving consumers and social engagement.

The Group has drawn up a CSR roadmap for 2020-2023 in which it has set three CSR priorities. The three priorities in Nexans’ CSR strategy break down into 9 ambitions corresponding to the issues that give rise to challenges and risks on which the Group is focusing its CSR efforts.




 <p>PEOPLE</p> <p>Looking after our people and building a diverse and inclusive workplace for all</p>	 <p>ENVIRONMENT</p> <p>Committing to reduce carbon impact on the planet in innovative ways</p>	 <p>ECOSYSTEM</p> <p>Sharing our values and the highest ethical standards with all stakeholders</p>
<ul style="list-style-type: none"> o WORKPLACE SAFETY Reduce the accident frequency rate, guarantee health, and safety on sites o HUMAN CAPITAL Promote diversity, build people who build business o CSR AWARENESS Motivate people to act on CSR issues 	<ul style="list-style-type: none"> o ENVIRONMENTAL MANAGEMENT Maintain a high level of environmental management at our production sites o CIRCULAR ECONOMY Continuously improve to reduce our environmental footprint. o CLIMATE Minimize our environmental impact. 	<ul style="list-style-type: none"> o BUSINESS ETHICS Value our business by acting in an ethical way as per our compliance program o STAKEHOLDERS Maintain a regular and constructive dialogue with our internal and external stakeholder o NEXANS FOUNDATION Help underprivileged communities to gain access to electricity

Figure 2 : CSR Roadmap

These three pillars being broken down into 9 ambitions linked to a set of KPI detailed into the URD.

2. Nexans' sites environmental certifications

As part of the continuous improvement approach Nexans undertook two additional steps of evaluation and certification of its environmental performance, supported on sites by a network of representatives:

- An external certification: ISO 14001;

→ In 2020, among the production sites, 67 sites were ISO 14001-certified, representing 86 % of industrial sites

> An internal label: EHP (Environment Highly Protected) which is not only an environmental management system, but also a management system of the environmental risks constituting a performance obligation for the sites, distinguishing it from the ISO14001. In 2015, Nexans defined the EHP² label, which applies more stringent criteria to aim for excellence. This label is awarded under the responsibility of the Group's Industrial Management Department further to the periodic audits made by certified internal auditors specifically.

→ 67 sites with EHP label, representing 87% of the Group's sites.

→ 5 sites with EHP² label, only two years since the launch of the label

In 2019, 95% of the Group's sites were covered by at least one environmental certification. The target set in the CSR roadmap is for 97% of its sites to be ISO 14001 certified by 2023 and 100% by 2030.

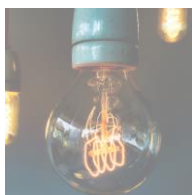
3. Reducing the Group's environmental footprint

We take actions to optimize the use of natural resources in our industrial activities - The Group's environmental action results are measured, analyzed and consolidated by the Group Operations Management Department through the environmental management system.



• Water

The cable manufacturing process involves the use of water for cooling operations. In order to limit this water consumption, the Group has invested in closed-loop cooling systems. To date, out of the 55 sites that use water for cooling, 52 have a recycling rate of over 75% (see EHP table in the URD). The sites with the highest water consumption are individually monitored and specific action plans have been put in place.



• Energy

Over 20% of the Group's environment-related investments in 2020 focused on making equipment and production lines more energy efficient, for example by replacing air compressors or cooling towers or installing highly energy-efficient motors.

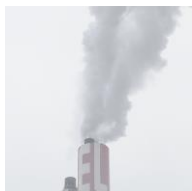
Several of the Group's factories, depending on local energy prices, have taken steps to replace traditional lighting with more energy-efficient LED lighting. Some countries already use renewable energy. For example:

- Cortailod (Switzerland) and Frameries (Belgium) have installed solar panels;
- Suzhou (China) has put in a solar heating system;
- Buizingen (Belgium) has installed two 2 MW wind turbines;
- the Lebanon site has installed solar panels that have been in operation since June 2017. The green energy they produce covered over 70% of the site's electricity consumption in 2020.

21% of electricity purchased by the following sites is from renewable energy sources: Bohain (France), Buizingen, Elouges, Erembodegem (Belgium), Grimsas (Sweden), Offida (Italy), Ksar Hellal (Tunisia), Montreal (Canada), Lilydale (Australia), New Plymouth (New Zealand), Halden and Rognan (Norway).



At the end of 2020, the Group joined the Climate Group's RE100 initiative and pledges to achieve 100% renewable electricity by 2030. RE100 is a global initiative bringing together the world's most powerful businesses driving the transition to 100% renewable electricity.

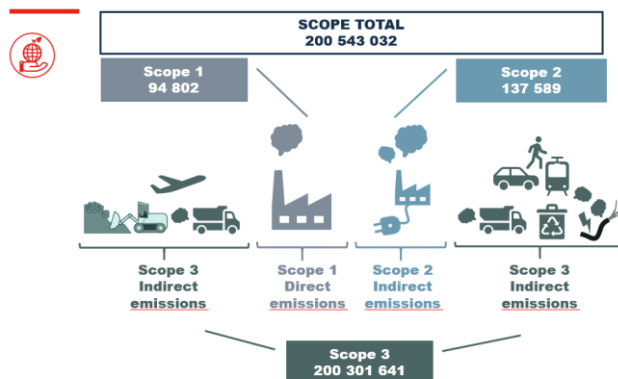


• **Greenhouse gas emissions – Carbon Footprint**

We reduce our impact on greenhouse gas emissions - Due to the low carbon intensity of its operations, the Group is not subject to European carbon emissions quotas but, in its support for the climate, it measures its emissions of greenhouse gases (GHGs) annually on a worldwide basis via the following indicators:

- Emissions related to the use of fossil fuels and fugitive GHG (emissions (**scope 1**))
- Indirect emissions related to the purchase of electricity and steam (**scope 2**)
- all emissions upstream and downstream of our business operations (**scope 3**) were assessed and measured using the Group’s methodology, which has been approved by external experts (Carbone4 consulting firm).

Nexans Carbon Footprint 2020 (ton CO2 eq)



Source : Nexans URD 2020 (on-going)

Figure 3 : Nexans Carbon Footprint 2020



• **Waste - Recycling – Recycled materials into cables.**

Within the Group, **circular economy policy focuses on:**

- increasing the use of recycled materials in products from internal or external sources;
- reducing the amount of raw materials used in products;
- providing recycling services to customers



In late 2017, the Group launched Nexans Recycling Services, which enables its customers and partners to recover and dispose of their waste copper and aluminum cables. This turnkey service not only provides Group customers with an eco-friendly solution for recovering waste cable from their operations, enabling them to benefit from the Group’s expertise in this area, but also actively contributes to developing the circular economy in the cable industry. In 2020, around 200 tons of obsolete or waste cable from various worksites was recycled.

4. Nexans contribution to Carbon neutrality by 2030

Nexans is fully aware of its responsibility to electrification and is operationally committed to achieving this goal, that is why the company announced its contribution to carbon neutrality by 2030 through a clearly defined roadmap : 4.2% average annual reduction of company greenhouse gas emissions.

[Link to the Press Release](#)

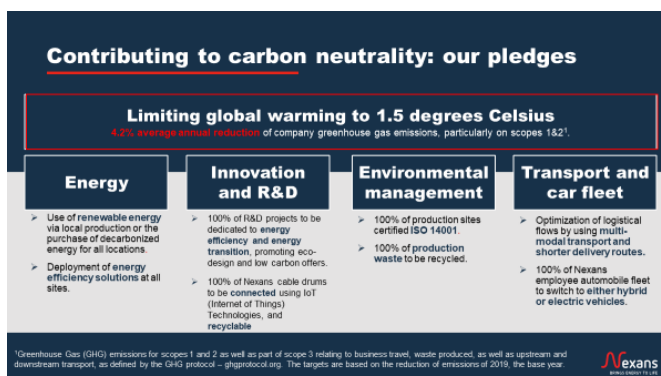


Figure 4 : Climate Pledge

5. Reducing product environmental footprint

We innovate for our customer to limit the impact of our products on the environment - Environmental protection involves implementing circular economy principles at the Group level. This involves moving from a linear, “take, make, dispose” consumption pattern (removal of resources, manufacturing, product use, end-of-life processes and waste management) to a circular approach, modeled after the natural cycles in ecosystems. Nexans innovates to promote a circular economy, for instance:

- Designs the cable considering its environmental impacts during its whole lifecycle [Eco-Design]
- Helps the customer choose the more ecological solution [Eco-Calculator]
- Works on increasing the lifetime of its products

We can provide the carbon footprint of a product along its whole life-cycle - Nexans France co-founded and has been a member of the PEPecopassport® organization since 2010. This program is based on type III environmental declarations in application of ISO 14025 which present quantified information and measure environmental impacts at every stage in the life cycle of a product, covering the extraction of raw materials used in its composition, treatment, manufacturing, distribution, use, repair, maintenance and scrapping or recycling.



Figure 5 : Illustration PEP EcoPasseport <http://www.pep-ecopassport.org/>

6. Nexans non-financial rating and evaluation

The CSR performance of the Group is regularly measured and recognized by its stakeholders, in particular non-financial rating agencies

The strength of its CSR performance was affirmed in 2020, as assessed by:

- **ISS Oekom:** B- rating maintained (the best rating in the industry is B), enabling the Group to keep its “Prime” status.
- **CDP (Carbon Disclosure Project):** A-rating (versus A in 2019). By joining the Climate A list, the Nexans Group is one of the 273 companies selected out of the 5,800 organizations that disclosed their data.
- **EcoVadis:** Improvement in the Advanced rating with a score of 78% (74% in 2019), earning the Group the EcoVadis Platinum level CSR recognition medal. The Group now ranks among the top 1% of companies assessed by EcoVadis.
- **Sustainalytics:** Rating of 73% (up from 71% in 2019), ranking the Group 9th out of 43 in its industry.
- **MSCI:** BBB rating maintained, ranking the Group in the top four in its industry.



Figure 6 : CSR Performance

7. Global Compact & Human Rights



As a member of the United Nations Global Compact, Nexans is committed to supporting and implementing ten universally-accepted principles in the areas of human rights, labor, the environment and anti-corruption. Through its adherence to the Ten Principles of the Global Compact, Nexans demonstrates its strong support for freedom of association and collective bargaining as universal fundamental rights. Nexans employees agree to uphold local legislation at all times in every country where the Group operates and to develop the best internal labor standards for its employees.

8. Business Ethics & Fair Practices



The Code of Ethics and Business Conduct remains the Group's shared set of standards that applies to all its employees around the world. This Code of Ethics and Business Conduct is derived from the Ten Principles of the UN Global Compact, the Universal Declaration of Human Rights and international labor standards, especially those concerning forced labor and child labor.

Whistleblowing – Alert system for everyone

The whistleblowing system, is available for all Group employees and anyone outside the Group to report any violations of the Group's Code of Ethics and Business Conduct safely and anonymously. This includes potential failure to meet CSR commitments, made in the areas of the environment, health, safety, and human rights.

9. Duty of care plan - Sustainable Purchasing – Conflict Minerals

Based on the **Group's risk mapping** conducted in 2019, the key development area for the 2020 Duty of care plan was to strengthen the **Group's sustainable purchasing policy**.

An action plan was defined in 2020 to work towards that goal. This action plan to strengthen the Group's sustainable purchasing policy was rolled out at the end of 2020, with the update of the **Supplier CSR Charter** and **Supplier CSR risk mapping**. On-site audits were also conducted by independent, internationally recognized audit firms.



Figure 6 : Supplier CSR Charter

Conflict Minerals:

As the Group is not listed on any U.S. stock exchange, it is not required to comply with the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act on conflict minerals (Democratic Republic of the Congo and adjoining countries). However, the Group follows OECD guidance on minerals from conflict-affected and high-risk areas. Due to the sale of its German metallurgy business in 2020, the Group may not be subject to EU Regulation 2017/821 on conflict minerals depending on its 2021 purchase volumes.

Even so, the Group takes **the rules governing conflict minerals seriously**, in line with its CSR commitments, especially to the United Nations Global Compact, and is committed to voluntarily complying with these rules.

As such, it has implemented a procedure to address this issue within its own supply chain and address its customers' inquiries.

In addition, the Group confirms that it will continue to apply its **duty of care policy** to conflict minerals in the future, notwithstanding the amount purchased.

Of the four minerals governed by the regulations (gold, tin, tungsten and tantalum), the Group only purchases tin.

10. Nexans Foundation

“Since its creation in 2013, the Nexans Foundation has contributed to the development of the electrification of regions experiencing energy poverty.” With an annual budget of €300,000, the Nexans Foundation has already supported 122 projects in 38 countries in partnership with 62 organizations bringing electrical power to nearly 1,800,000 people.

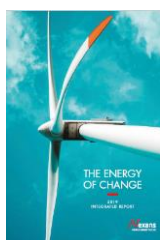


11. To know more about CSR at Nexans



Universal Registration Document 2019 (URD 2020 on-going)

This pdf document, the URD is “THE” reference document, including all the answers needed. It includes the non-financial performance statement and the CSR information in the chapter 4 (Pages 111-164). The chapter 4 is an equivalent of a CSR Report/Sustainability Report. It is available in English and French.



Integrated Report 2019

This pdf document, the integrated report, is a more specific document with a long term view about Nexans actions. It is available in English and French.

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