

A low-angle, upward-looking photograph of several modern skyscrapers reaching towards a clear blue sky. The sun is visible in the upper left, creating a lens flare effect. In the foreground, the branches and bright yellow-green leaves of trees are visible, partially obscuring the buildings.

**2013**

**CORPORATE SOCIAL RESPONSIBILITY  
AND SUSTAINABLE DEVELOPMENT**

 **Nexans**

Global expert in cables and cabling systems



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As a signatory of the United Nations Global Compact for a responsible economy since 2008, Nexans is committed to upholding and promoting 10 fundamental principles regarding human rights, labor rights, environmental protection and the fight against corruption.



Since 2010, Nexans has been included in the Ethibel Excellence investment register. This selection is made following an in-depth analysis of performance in six areas: human rights, human resources, environment, community involvement, market conduct and corporate governance. As a member of the register, Nexans appears in two socially responsible investing (SRI) indices: ESI Excellence Europe and ESI Excellence Euro.



Nexans is a signatory of the Corporate Philanthropy Charter. Published in 2011 by the members of ADMICAL, the French network for corporate philanthropy, the Charter unites companies and beneficiaries in a shared vision of philanthropy and its guiding ethics and values.

# Message

## from the Chairman



Growing populations and rising living standards, urbanization, industrialization, and increasing mobility, trade and communication: as a result of all these factors, global energy consumption is likely to grow by nearly one third between now and 2035, while the demand for electricity is expected to surge at twice its current rate<sup>(1)</sup>. In order to meet this demand while reducing the impact on the environment, we will need to capture new resources, expand our use of renewable energy, provide for secure power transmission and distribution, and make our transportation, buildings and industry more energy-efficient.

For Nexans, this prospect offers multiple opportunities to highlight our expertise and stand out from our competitors by providing our customers with long-term cabling solutions and services. With that goal in mind, we are working alongside our customers to gain a better understanding of their needs, anticipate their future developments and intensify our own focus on innovation. A number of recent advances in high technology, such as umbilical cables, low-noise overhead transmission lines, superconducting cable and smart tools for networks, highlight the productivity of our research activities.

We are also cooperating more closely with our suppliers and customers to jointly develop sustainable solutions. We see many fruitful avenues for improvement: choosing the right cables for our customers so as to minimize energy impact, co-developing replacement components to prevent environmental or health hazards or eliminate supply chain disruptions, establishing vendor-managed inventories, reducing the environmental impact of reels.

At Nexans, the need for sustainable development is driving both progress and competitiveness. We are implementing cleaner and more economical production processes and reducing waste at the source by managing these processes more effectively.

The priority we have given to workplace safety—the top performance indicator at our plants—and the progress we have made, dividing the accident frequency rate by nearly 4 in four years, have instilled confidence and motivate us to go further. Similarly, our policies to encourage skills development and internal promotion help our employees to succeed in their careers and foster a commitment that is essential to ensuring long-term performance.

The newly established Nexans Foundation will help to build this commitment in every country where we operate. By supporting initiatives that give disadvantaged populations access to permanent electricity, the Foundation is mobilizing the Group's workforce behind a shared objective: participating in reducing "energy poverty" by providing access to electricity and drinking water, irrigation, improved healthcare and education.

(1) AIE World Energy Outlook 2012.

# Meeting

## essential needs

Access to energy and information, the safety of buildings and infrastructure, the mobility of people and goods: all of these are vital to development and quality of life.

### Nexans is one of the world's leading cable manufacturers

It helps to meet these essential needs with energy cables that carry and distribute electricity and data cables that convey the information needed to keep society running smoothly. Nexans is committed to satisfying these needs while maintaining the highest levels of performance, safety, and respect for people and the environment.

### 6 shared values

- ▶ Think customer
- ▶ Value people
- ▶ Commit to excellence
- ▶ Take action
- ▶ Be responsible
- ▶ Work globally

### 6 strategic priorities

- Reinforce our position in **attractive growing markets**

- Consolidate our positions in **mature markets** and maximize the value of **our assets**

- Drive differentiation combining **technology leadership and services** and leverage our widely **valued brand**

- Become a **customer-oriented company**

- Gain **competitiveness** through excellence in execution and **lowering costs**

- Engage **our talents** to drive mutual success

### 3 Group improvement programs

- ▶ Customer Orientation
- ▶ Nexans Excellence Way
- ▶ Competency Models



# The Group's markets

Nexans operates in the energy transmission and distribution, industry and building markets.

Nexans works with a wide range of businesses and provides solutions for the most complex applications and the most demanding environments. It offers a comprehensive response to the needs and expectations of customers in each market segment: network operators, energy producers, energy resource and mining companies, engineering firms, equipment and infrastructure manufacturers, builders, installers, wholesalers and distributors.



## TRANSMISSION, DISTRIBUTION AND OPERATORS

### Energy

Submarine, underground and overhead power transmission<sup>(1)</sup> and distribution<sup>(2)</sup> networks

### Telecommunications

Terrestrial and submarine copper and optical fiber networks

(1) High-voltage.

(2) Medium- and low-voltage.

## INDUSTRY

### Resources

Oil and gas, Renewable energy, Nuclear energy, Mining operations, Umbilicals

### Transportation

Aeronautics, Defense, Rolling stock, Railway networks, Shipbuilding

### Harnesses

Automotive and Industrial harnesses

### Other equipment

Machine tools, Automation, Medical, Handling

## DISTRIBUTORS AND INSTALLERS

### Building

Factories, Logistics centers, Shopping malls, Hospitals, Universities, Museums, Hotels, Offices, Residential, commercial and industrial premises, Airports, Data centers

### LANs (Local Area Networks)

Data, supervision and security networks

# 3 to 5 km

OF CABLES  
IN A CAR

# 650 km

OF CABLES  
IN AN AIRCRAFT

# 1,500 km

OF CABLES  
IN AN OIL RIG

# 3,000 km

OF CABLES  
IN A SHIP

# A global

## sustainable development initiative

Sharing of best practices, continuous progress, respect for people and the environment, employee training and development: Nexans and its workforce are committed to acting as a responsible company in each country where it operates and markets its products.

### North America

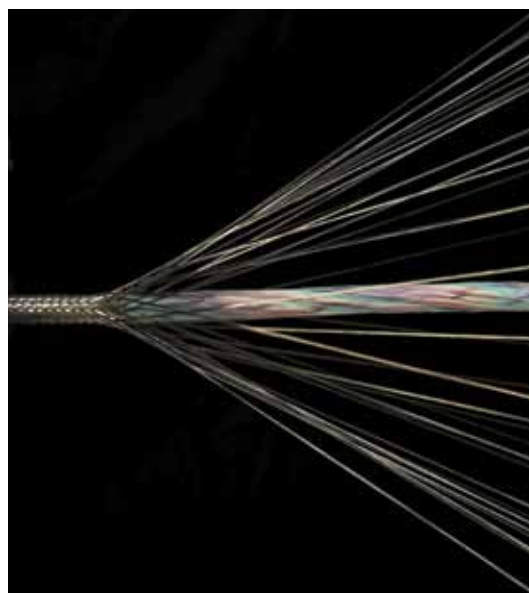
Canada  
Mexico  
United States

### Europe

Belgium  
Bulgaria  
Czech Republic  
Denmark  
France  
Germany  
Greece  
Italy  
Lithuania  
Norway  
Poland  
Romania  
Slovak Republic  
Spain  
Sweden  
Switzerland  
Ukraine  
United Kingdom

### South America

Argentina  
Brazil  
Chile  
Colombia  
Peru



### Ranked among the Top 30 most innovative French companies<sup>(1)</sup>

Nexans mobilizes for its customers:

- 600 engineers and technicians,
- 4 research centers,
- 75 million euros (2012 budget),
- 600 patent families in its portfolio (78 registered in 2012).

### Services throughout the value chain

- Design, production, installation, testing, training, services
- Studies, specifications, consulting, engineering and turnkey projects

### Business continuity

Call center, 24/7 technical assistance, emergency inventories and express deliveries

### Life cycle management

Life cycle analysis, ecodesign, product environmental profile, maintenance, renovation, optimization and recycling

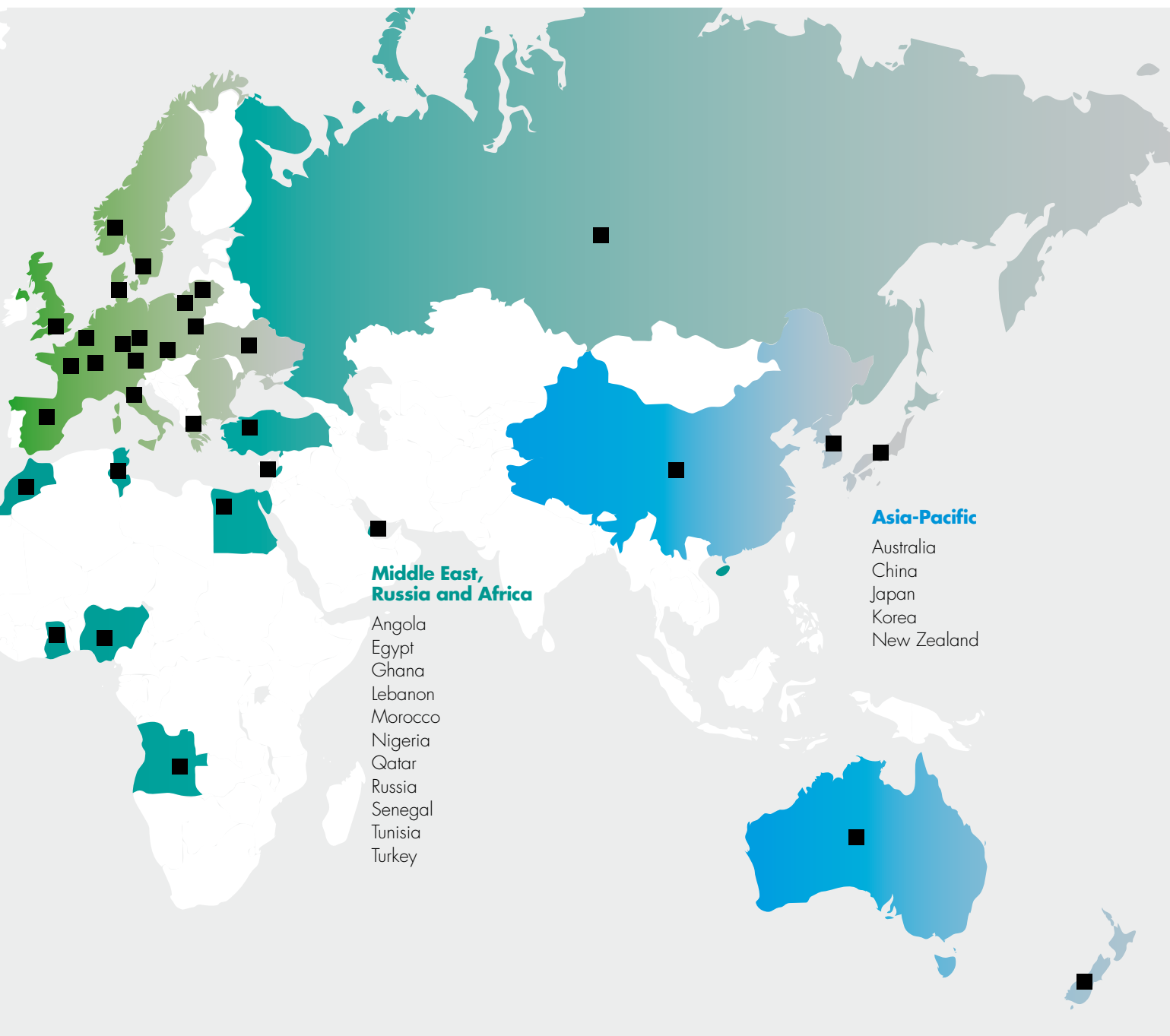
### 25,000 employees

- 324,000 training hours in 2012
- A 22.4% improvement in workplace safety in one year

### Solidarity and corporate sponsorship

Partner to Electricians Without Borders  
Sponsor of the Palace of Versailles

(1) French Patent Office (INPI), 2011.



## Worldwide commercial activities and industrial sites in 40 countries on 5 continents

75 plants enrolled in the Nexans Excellence Way program  
62 plants with ISO 14001 certification

2012 SALES

**7.2 billion euros** <sup>(3)</sup>

### 2012 sales breakdown by geographic area<sup>(1)</sup>



**56%** Europe  
**7%** Middle East, Russia and Africa  
**15%** North America  
**9%** South America  
**13%** Asia-Pacific

### 2012 sales breakdown by business<sup>(2)</sup>



**43%** Transmission, Distribution & Operators  
**25%** Industry  
**26%** Distributors & Installers  
**6%** Other activities

### Workforce distribution



**59%** Europe  
**12%** Middle East, Russia and Africa  
**12%** North America  
**9%** South America  
**8%** Asia-Pacific

(1) By origin, at constant non-ferrous metal prices. (2) At constant non-ferrous metal prices. (3) At current non-ferrous metal prices.



02

# Solutions





# Partners

for sustainable performance

The safety, reliability, longevity and energy efficiency of cables and cabling systems have a major impact on that of the infrastructure and buildings in which they are used.

Life cycle analyses can be used to determine, in accordance with a cable's use, the phases in its life cycle (manufacture, distribution, installation or use) that have a preponderant impact on the environment. Nexans is committed to reducing the impact of cable production, but it is also examining cable performance during use, based on cable applications and customer needs.



## **A customer-oriented company**

Nexans is developing a corporate culture centered on customer satisfaction in which each Group employee has a role to play, regardless of his or her job level or position. The purpose of the Customer Orientation program is to help the workforce achieve this objective.

The Group is modifying its organizational structure in order to be closer and more responsive to its customers and to spur innovation and build lasting, mutually profitable relationships. Each major account is assigned to a dedicated Nexans representative. Specialized teams assume responsibility for preparing tender proposals and for managing

major industrial and infrastructure projects, and can propose the most appropriate industrial and logistics solutions.

## **A structured approach**

From products to solutions, Nexans develops comprehensive offerings for every segment of the market. In the process, it capitalizes on its global expertise and captures the loyalty of its customers by fulfilling their expectations on a broader scale.

The Group's activities are conducted pursuant to ISO 9001 or 9002 quality assurance standards. Nexans relies on a shared customer relations management tool for tracking tenders along with production and delivery timetables

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In 2012, **98.1% of deliveries** by Nexans AmerCable were made by the scheduled date. Service quality is key to the success enjoyed by the subsidiary, which earns 60% of its sales through service contracts that include maintenance, repairs and replacement.

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in real time. All of its entities use common indicators for assessing their results in terms of quality and service, and customer satisfaction surveys have been standardized throughout the Group.

**A leader in the technology of the future**

As one of France’s Top 30 most innovative companies, Nexans maintains an ongoing policy of innovation in order to highlight its technological leadership and propose solutions for the future with regard to safety, energy and the environment.

The Group operates four research centers whose resources are available to each entity: a metallurgy research center in Lens, France; a rubber research center in Jincheon, South Korea; a research facility in Lyon, France devoted to other cross-linked materials and simulation; and a research center in Nuremberg, Germany, that studies extrusion processes and thermoplastic materials. Development work is conducted at centers specializing in individual products or technology.

Product managers work with technical personnel to comply with customer needs. Engineers on assignment at manufacturer sites in the automotive, aeronautics, shipbuilding and rail industries contribute to the development process by proposing the most appropriate cabling solutions.

Modeling and digital simulation are used to conduct faster, more economical and more comprehensive testing of fire resistance and mechanical and thermal behavior, as a means of speeding up product development. Nexans also has application centers, open to its customers, where cable performance can be tested and compared under actual service conditions.

**A productive R&D network**

	2010	2011	2012
Patents registered	75	89	78
Budget (in millions of euros)	71	75	75





### Managing the use of hazardous substances

The European Union's REACH<sup>(1)</sup> regulation on chemicals and their safe use was established to improve protection of public health and the environment.

Nexans has been preparing for these new challenges since the legislation came into effect in 2007. Under the direction of the Purchasing Department, the Group chose to respond in creative fashion, transforming the new regulatory requirements into new opportunities while rigorously complying with the REACH guidelines.

In that spirit, Nexans developed three key concepts that are managed on a daily basis by each of the production units in Europe. The Group encourages those units to:

- **Anticipate:** identify opportunities within the authorization process. Any substance that is added to the regulatory lists (candidate list, Annex XIV, Annex XVII) must rapidly dissipate in a way that, in most cases, is inevitable and irresistible.
- **Communicate:** exchange ideas internally in order to assess the impact of a potential substitution and the best way it can be performed. The Group can also communicate with upstream suppliers and downstream partners and potential users. The success or failure of a substitute substance will depend on the participation of all those involved.
- **Innovate:** seek out new substances that offer added value for products. Innovation that arises from the regulation is fully consistent with a sustainable development strategy. It provides Nexans with an opportunity to foster sustainability by improving personnel safety, reducing the impact on the environment and offering products that are safer for consumers.

Nexans is showing the way by complying with REACH in its cable manufacturing at the same time that it develops new products. The Group is aiming for 100% compliance while continuing to innovate tirelessly in order to replace chemical substances for the benefit of its partners and users.

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Customers are notified about product compliance by the European sales force, thanks to a special procedure implemented in response to **REACH<sup>(1)</sup>** and the Restriction of Hazardous Substances (**RoHS**) legislation.

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(1) Registration, Evaluation, Authorization and restriction of Chemicals, regulation 1907/2006/EC.





# Acting

## for a secure electrical power supply and the safety of people, goods and operations

Nexans provides solutions that contribute to reliable power transmission and distribution. Cables for deep sea, high pressure or extreme temperature applications; cables that offer fire resistance, corrosion prevention or the ability to withstand intense mechanical stress: the Group designs safe and durable cables for even the most demanding environments.



### INTERCONNECTING AND SECURING NETWORKS

As the global leader in underwater high-voltage cable, Nexans takes part in major cross-border interconnection projects, such as the Italy-Montenegro link, a record 300-million-euro contract the Group captured in 2012. These projects guarantee a secure supply of electricity and make optimal use of the installed production base. The Group commands exclusive know-how when it comes to underwater cables, improving the resistance to corrosion over a period of many decades. It operates one of the most powerful specialty vessels

in the world for laying underwater cables, and has designed robots for burying cable to protect them from fishing gear and drifting anchors.

Nexans produces high-performance composite conductors for overhead cable. On the outskirts of metropolitan areas, underground high-voltage networks are becoming increasingly common. These cables are delivered with high added value connection accessories. In 2012 the Group developed a number of especially innovative solutions in response to the heavy constraints imposed by urban environments.

### Protecting networks from faults

Nexans is the world leader in superconducting fault current limiters (SFCLs) that act as mega-circuit breakers for an individual industrial facility or power grid. It is coordinating ECCOFLOW, the European Union project to create a second-generation, multipurpose SFCL, in association with 13 partners.

Its goal is to identify the most cost-effective means of limiting the rise of fault currents in distribution networks—a major challenge at a time when networks are becoming increasingly interconnected.

In 2012, Nexans and American Superconductor Corporation (AMSC) introduced medium-voltage SFCLs designed for power grid operators in North America. This solution allows for an automatic response in less than two milliseconds to protect networks in the event of a short circuit.



### GAINING ACCESS TO NEW RESOURCES

The increasing scarcity of fossil fuels is prompting development of off-shore resources at greater depths that are more and more difficult to access. As the global leader in umbilical cables, Nexans equips underwater installations operating in the most demanding environments: deep-sea locations, areas of high pressure or extreme temperatures, harsh environments and extreme stress. Its cables include optical fiber, sensors and analyzers to monitor and control these installations.

In 2012, Nexans patented a new technology that reduces the amount of sheathing required and improves flexural strength. These new ENABLE® cables offer a significant competitive advantage as a result.

With its 2012 acquisition of AmerCable, North America's leading provider of cables for the oil and gas industry and mining equipment, the Group can offer an unmatched selection of products and services.

### ICEFLEX®: breakthrough technology

Thanks to its exclusive, patented ICEFLEX® technology, Nexans can provide cables that meet the special needs of vessels and platforms operating in the Arctic region. Designed for a wide range of onshore and offshore applications, ICEFLEX® renders these cables exceptionally fire-resistant and ensures impressive flexibility in temperatures as low as -50°C. ICEFLEX® cables are certified by Lloyd's Register. They are also resistant to ozone, UV rays, heat and corrosion and comply with all safety and environmental standards.

The Group also secures liquefied natural gas (LNG) transfers from floating liquefaction platforms using cryogenic cables able to withstand temperatures to -160°C.

### New solutions for mining operations

Nexans provides a range of cables and connection accessories designed to maximize safety in mines, especially in the event of fire or mine collapse.

In 2012 Nexans introduced a dynamic cable with insulation layers in different colors, to alert users to cable abrasion. When the red layer appears, the cable should be replaced in order to safeguard production and equipment.

In a similar spirit of protection, Nexans has developed an intelligent crane cable that relays status information, notably regarding tensile strength, while in operation. This system facilitates preventive maintenance and helps to prevent breakdowns and accidents.



### **FIRE RESISTANCE: INFIT® PERFORMANCE**

The Group's INFIT® insulation technology is a flexible material offering ease of handling, strippability and connectability that transforms into an insulating ceramic jacket upon contact with fire. The fire-resistant cables continue to operate at up to 1000 V at temperatures in excess of 1000°C. This technology—the subject of nine patents—offers both easy installation and considerable mechanical shock resistance while ensuring that fire safety systems (alarms, emergency lighting, elevators, pumps, public address systems and fans) continue to operate. INFIT® is used for other applications that require a high degree of fire resistance, notably in order to speed evacuation.

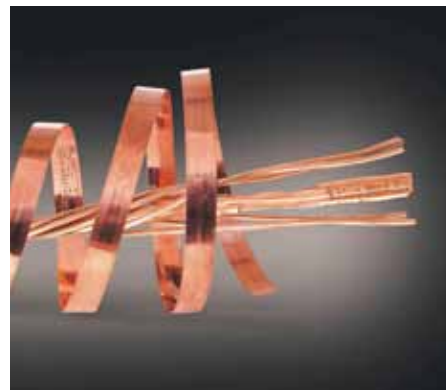
### **Multiple applications**

The ALSECURE® PREMIUM line of cables offers numerous applications for building use. In the event of a fire, these halogen-free, flame-retardant cables reduce opaque smoke and gas emissions, generate less heat and protect equipments and installations; moreover, they do not trigger any reaction on contact with dry ice or water that could damage the facilities. The purpose is to allow the continued operation of fire detection, alarm and emergency exit lighting systems.

These cables are especially useful in public buildings such as train stations, airports, museums, stadiums and concert halls, as well as for logistics and port terminals.

INFIT® technology is also used on FLAMEX® cables designed for rail rolling stock, subway systems and signaling systems as well as maritime vessels.

### **TWO ANTI-THEFT SOLUTIONS FOR RAIL SYSTEMS**



Nexans introduced two solutions in 2012 to combat the theft of copper cables, a problem that can disrupt rail system operations, including CORE-TAG®, which displays the name of the cable's owner on a fire-resistant copper tape that is intertwined with the conductor. This patented solution, which has already been adopted by the French railway network operator Réseau Ferré de France, can be used in any industry where cable theft is an issue.





# Saving \_\_\_\_\_

on energy and fostering the boom in renewable energy

Nexans is committed to meeting its customers' expectations by providing products that have less impact on the environment throughout their life cycle. Lighter-weight cables and resistance to heat build-up help to reduce consumption. At the same time, the Group is offering support for the sharp rise in renewable energy sources.

## CREATING MORE ECOFRIENDLY DESIGN

Design- and redesign-to-cost combine marketing, development and industrialization to determine a cable's exact performance level. They are used to strike the right balance between added value and the features most desired by the customer as well as technical, economical and industrial feasibility for the manufacturer. Ecodesign provides a tool for incorporating environmental factors into the equation.

Nexans uses life cycle analysis to measure a cable's impact on the environment, from the extraction of raw materials up to end-of-life disposal. The Group's EIME<sup>(1)</sup> software offers help in comparing the impact of each option. The use of non-polluting materials for cable insulation and connection fittings facilitates the process of scrapping those materials at the end of their lifespan.

Nexans was a pioneer in the world of recycling. Back in the 1970s it created a subsidiary to recycle its production scrap metal.

That company's resources were transferred to Recycable, which is 36% owned by Nexans alongside Sita. Recycable provides a complete end-of-life solution for recycling sheathes and cable metals. Nexans also offers its customers an ecofriendly solution for managing wooden reels that preserves more than 100,000 trees annually.

## Product environmental information

Nexans is a founding member of the PEP ecopassport<sup>®</sup> foundation, where its aim is to provide rigorous information about the environmental impact of electrical, electronic and climate-control products. The PEP environmental statement presents the results of the product's environmental impact assessment, as conducted using the Life Cycle Analysis (LCA) method. These PEP ecopassport<sup>®</sup> are used by Nexans customers, including public and private



developers active in designing sustainable buildings as well as customers preparing ecodesigned products and systems.

All the Product Environmental Profiles (PEPs) published by PEP ecopassport<sup>®</sup> members comply with the ISO 14025 and ISO 14040 standards. To date, more than 800 Nexans products have received a PEP ecopassport<sup>®</sup>. The list of products covered can be viewed on line at [www.pep-ecopassport.org](http://www.pep-ecopassport.org) and at the Nexans website for each country taking part in the initiative.

## Helping customers make the right choice

With the EcoCalculator, installers, designers and end users can select the best possible cable solution for their specific building application, in terms of cost-effectiveness and sustainability, simply by going online. The EcoCalculator evaluates a variety of solutions based on some primary criteria indicated by the user: energy efficiency, carbon footprint reduction and personal protection. It then suggests the most advantageous solution for limiting Joule effect losses during use. It supplies an estimate for kWh, CO<sub>2</sub> emissions and the possible savings, as well as the cable's estimated return on investment. If they are available, EcoCalculator can also propose halogen-free alternatives that reduce hazardous fume emissions and therefore make evacuation easier in the event of a fire.

## Nexans building cables certified by the Singapore Green Building Council

Nexans is the first cable manufacturer in the world to receive the highly coveted Singapore Green Building Council (SGBC) certification for its building cables. The certification covers cables for both commercial and residential buildings.

For further information:  
[www.nexans.com/sgbc](http://www.nexans.com/sgbc)

(1) Environmental Information & Management Explorer - Life Cycle Analysis software.



### **PRODUCING AND DISTRIBUTING GREENER ELECTRICITY**

Nexans helps its customers produce and distribute electricity from renewable sources by helping to make wind farms and photovoltaic installations more reliable and by connecting their output to the electrical grid.

#### **Turnkey solutions for wind energy**

The Group designs complete cabling systems for wind turbines of all sizes. Its high-performance WINDLINK® cables provide for secure production in any kind of weather. As a partner to some of the world's largest offshore wind projects, Nexans offers a variety of solutions for wind farm installations, including medium-voltage cables for connecting individual turbines, high-voltage underwater cables for transporting the total power output back to shore, fiber-optic cables to monitor the facilities and connection accessories for links to onshore or offshore transformer substations.

#### **Solar energy: a complete range of offerings**

Through its KEYLIOS® solutions, Nexans offers a comprehensive approach to connecting photovoltaic projects that is designed to provide maximum availability, safety, performance and longevity for each installation. It includes a life cycle and carbon footprint assessment for every recommended solution. Controlled tracking solutions can increase output by up to

40% by tilting each panel to reflect the position of the sun. Remote command/control systems can be used to monitor production in real time and provide for easier preventive maintenance.

### **POWER TRANSMISSION AND DISTRIBUTION: ON THE CUTTING EDGE OF SMART GRID TECHNOLOGY**

Smart grids are destined to revolutionize the way we produce, distribute and consume electricity. They offer an ecological advantage in three ways: they reduce line losses, limit reliance on more heavily polluting plants during peak consumption periods and take full advantage of installed production capacity from renewable energy. As an active participant in this development, Nexans is already proposing solutions with smart grids in mind.

#### **Smarter distribution networks with PLC**

Nexans offers a simple, robust and economical solution for helping power grid operators take advantage of smart monitoring and control capabilities. The G3-PLC (Power Line Communication) protocol provides for two-way PLC at both low and medium voltage, with a high data bandwidth that is Internet 2.0-compatible. Operators can then rely on their own electrical grid for integrated management of all distribution network devices, from production to consumption: they can not only capture smart meter consumption data, but also make most effective use

of remote power production from wind or solar installations and provide for remote monitoring and maintenance of the grid.

### **MAKING DATA CENTERS MORE ENERGY-EFFICIENT**

Operating 24/7 on applications that are often critical, large data centers consume as much energy as a medium-sized city in order to keep equipment cool. Nexans has developing cabling systems that set the standard, thanks to their small size, resistance to heat build-up and transmission capacity. Its connectors allow for future upgrades by supporting bandwidth of 40 Gbit/s and higher.

Nexans also provides intelligent real-time management of each customer's energy consumption and cooling needs, with a service that combines safety with energy efficiency. Its EMAC (Environmental Monitoring & Access Control) system determines the necessary capacity and future capacity trends, verifies the energy consumed by hosted customers, controls network access, monitors unauthorized connections, manages and plans loads, issues warnings in the event of a problem and proposes solutions.

### **TRANSPORTATION: WEIGHT REDUCTION AND NEW ENGINE TECHNOLOGY**

Transportation accounts for nearly one quarter of CO<sub>2</sub> emissions from human activity, and the number of vehicles on the planet is set to exceed 1.5 billion by 2030. Dwindling and increasingly costly fossil fuels and raw materials, coupled with a more stringent regulatory environment, are forcing manufacturers in the automotive, aeronautics, shipbuilding and rail industries to look for sustainable solutions. Nexans is contributing to their efforts to reduce the weight of transportation equipment in the framework of new hybrid and electric engines.

### **DATAGREEN®: an ultra-light alloy that is impressively energy-efficient**

This alloy can be used to produce control and data cables that offer equivalent performance to copper cables but are lighter, smaller and more energy-efficient, with a substantially reduced impact on the environment. These cables withstand temperatures exceeding 125°C and require very little energy to transmit the data needed for multimedia and onboard navigation equipment.

### **High resistance, a high degree of safety**

Nexans is contributing to automakers' objectives with halogen-free cables, slimmer and lighter cables with high-temperature insulation and flexible cables with high electromagnetic compatibility (EMC) for hybrid and electric vehicles. Installed in tight locations subject to intense temperatures, these cables can withstand 180°C for up to 3,000 hours and are built to create no interference liable to disrupt control and safety equipment.







# Preserving —

## natural environments, reducing environmental disruption

Nexans develops cabling solutions that help preserve landscapes and marine habitats and mitigate the negative impact and work involved, especially in increasingly stressed environments.

### **SUPPLYING POWER TO ISLANDS AND OIL PLATFORMS**

When islands and offshore platforms are supplied with electricity via underwater cable from the mainland, the use of pollution-producing generators can be avoided. Optical fiber can be combined with power cables to meet communication needs as well.

In 2012, Nexans was given the task of extending to Ibiza the high-voltage direct-current link established between Spain and the island of Majorca in 2011. This three-phase cable, 115 km in length and equipped with XLPE (reticulated polyethylene) insulation, will be laid at a depth of 750 meters, marking a double world record.

In Canada, Nexans will be supplying the new HVDC underwater cable that will carry the hydroelectric energy produced at Muskrat Falls in Labrador to Newfoundland via the Strait of Belle Isle.

### **Reducing CO<sub>2</sub> emissions at ports and airports**

Nexans provides connection systems to power berthed ships, so they can shut off their engines; moreover, hybrid connectors are used to meet their communication needs.

Similarly, the Group has developed 400 Hz power supply systems for aircraft that reduce their reliance on auxiliary combustion engines or highly polluting diesel generators while on the ground.

## **INNOVATIVE SOLUTIONS FOR URBAN POWER GRIDS AND OPTICAL NETWORKS**

Demand for electricity in urban areas is constantly growing, but operators seeking to install new overhead power lines are confronted with some major hurdles: the cost of land, safety clearance requirements, the delays inherent in obtaining authorization. Nexans has developed three innovative solutions to overcome these difficulties.

### **LO-SAG®: an aerial solution with a composite carbon core**

In Brazil, Nexans has been working with Light, the electric utility in Rio de Janeiro, to increase the capacity of existing power lines. Its solution: LO-SAG®, an overhead

line conductor with a composite carbon core wrapped in heat-resistant aluminum. It is significantly lighter and 50% stronger than a conventional conductor; moreover, the composite carbon core expands at one tenth the rate of steel when subjected to heat, so the lines can be used much more intensively. LO-SAG® can be adapted to the cable routes and towers already in place with just minor modifications, so project timeframes and costs are reduced.

Because of its low expansion rate, the conductor can be used with smaller pylons without compromising on safety. Furthermore, it is suitable for spans as long as 2.5 km across obstacles or rivers. All of these advantages have prompted interest from customers with widely different needs both in Brazil and worldwide.



### **AmpaCity: an underground superconductor system**

Superconducting cables transport five times more electricity than standard copper cables of the same diameter. Nexans has just demonstrated the viability of superconductor solutions with the AmpaCity project. Developed with RWE to replace a high-voltage cable in the German city of Essen, the prototype successfully passed its certification testing, and industrial production is now underway.

This medium-voltage system will include a one-kilometer 10 kV superconducting cable—the longest in the world—along with two end stations and a fault current limiter to protect the network from short-circuits. Despite the cable's cost, this solution is, on the whole, less expensive, safer and more efficient. The right of way is limited to a single cable; the superconducting link eliminates the need to install transformer stations in the city and does not create an electromagnetic field under normal operating conditions. This breakthrough holds the potential to revolutionize energy grids in the urban core.

### **KINOPTIC®: a high-capacity solution that reduces the need for civil engineering work**

As urban density grows, civil engineering work becomes more costly and complex, a trend that impedes installation of fiber optic cables up to end users (FTTH)<sup>(1)</sup>. Nexans is producing solutions that use rail lines, subway systems and wastewater networks along with rapid installation techniques, such as microcables that are air-blown over long distances inside existing pipes.

Shared use of FTTH infrastructure represents another potential solution, but this requires expanded capacity. In response, Nexans has expanded its KINOPTIC® product line to include a comprehensive, high-capacity cabling solution that includes up to 1008 optical fibers.

(1) Fiber To The Home.

# Facilitating

## installation, development and operations management

Nexans designs products and systems that can be installed quickly and easily, along with simple and economical solutions that encourage operators to expand their networks. It develops tailor-made services in order to win customer loyalty and stand out in the market.

### **FACILITATING THE WORK OF INSTALLERS**

EASYFIL® consists of three, four or five wires bundled within a single PVC binder. Only one crown is needed, and the multiple wires are laid as one but can be easily separated by hand for connection purposes. For cable installers in residential builders, the time savings can be as much as 50%.

The new hybrid cables in the MOTIONLINE® product line, designed for robotics equipment, include energy, data and signal transmission within a single cable, with the result that installations are more flexible and efficient.

For fiber-optic cable installation, Nexans also offers an integrated solution combining cables, components, distribution boxes and flexible subscriber outlets that requires little time to install.

### **PROVIDING ACCESS TO ELECTRICITY**

Lightweight, robust and easy to connect and recycle, overhead conductor lines made from aluminum alloy, such as AERO-Z®, can be installed quickly as part of a competitive, long-distance transit network, while keeping line losses to a minimum. This solution is well suited to the needs of emerging countries, where operators also welcome the antitheft cables available from Nexans. These can be used to restore power lines to underprivileged districts where electricity theft has hampered distribution.

### **REDUCING THE DIGITAL DIVIDE**

Nexans is developing solutions to make it easier to provide broadband service in isolated areas: optical-fiber underwater





cables for coastal areas, the use of robots to unwind optical cable on aerial high-voltage lines in the countryside, and a new aerial extractible cable system for FTTH deployment of fiber-optic cable in rural areas. This scalable system can be installed on existing pylons at a highly attractive cost.

## VALUE-ADDED SERVICES

### • Inventory management

Customers enjoy the use of an extranet that gives them access to a range of special services, such as available inventories, order status reports and customized documents and information.

For distributors and major installers, Nexans offers consolidated deliveries of cables and accessories as well as vendor management of cable supplies to prevent shortages. It can also manage consignment inventories at customer sites for telecom operators, mining firms, rolling stock manufacturers.

### • Installation-ready equipment

The Group is developing “just-in-time, ready-to-lay” delivery services with cables that are pre-cut to the specified lengths, notably for shipbuilding and major works projects. It supplies complete sets of connection accessories to wind power manufacturers and data centers, as well as harnesses for automakers, aeronautics firms and manufacturers of rail rolling stock.



### • Assistance and troubleshooting

Given the increasing number of critical applications, preventing any disruptions to the power supply is vital. With Nexans Premium support, network operators can contact high-voltage experts directly at any time. They also gain access to

emergency inventory for cables and connection accessories as well as an international express delivery service. Similar services, including repairs, are available for mine operators and oil and gas platforms from Nexans AmerCable, a worldwide specialist in these areas.

### Turnkey lines for network operators

This offering includes engineering, cables, accessories, laying, installation, site supervision and testing; the line can include both overhead and buried cables.

Nexans has signed partnership agreements with construction and installation contractors to provide this all-inclusive offer.



03

# Actions



# Acting —

## responsibly as a manufacturer

As a signatory of the United Nations Global Compact since 2008, Nexans is committed to upholding and promoting 10 fundamental principles regarding human rights, labor rights, environmental protection and the fight against corruption. It incorporates these principles into its strategy and management.

### The Nexans Code of Ethics and Business Conduct

is distributed to all employees. It is available in 16 languages on the Group Internet and Intranet sites.

The CSR<sup>(1)</sup> Committee determines the future direction of the Nexans sustainable development policy. It includes members of the Executive Committee as well as representatives from the Group's major departments, and meets twice a year under the direction of the Chairman and Chief Executive Officer. Two expert committees, the Governance and Social Committee and the Environment and Products Committee, oversee and coordinate the implementation of projects.

### A shared ethic

The Code of Ethics and Business Conduct sets out the principles that the Group's employees must abide by in their professional activity.

Compliance with the Code is the responsibility of senior management and evaluated as part of the Group audit. Training courses ensure that the importance of the Code is fully understood by the workforce. A procedure is in place for handling any violations of the Code that may be reported.

The selection of and relations with agents, consultants and international distributors are strictly governed. The managers and employees involved in this process are made aware of the need to prevent corruption. Employees also receive training in compliance with applicable antitrust laws and regulations, to prevent any risks to which they may be exposed in the course of their day-to-day activities.

(1) Corporate Social Responsibility.



At the initiative of the CSR and Internal Audit departments, all of the Group's country managers conducted a **self-assessment of their knowledge of and compliance** with the 10 principles in the Global Compact during 2012.





# Production

## & practices

Nexans maintains a policy of continuous improvement and innovation in order to make optimal use of natural resources and reduce its environmental footprint.

### 66% of the Group's industrial sites are ISO 14001-certified

	2010	2011	2012
Number of sites monitored	92	92	94
ISO 14001	54	56	62
EHP <sup>(2)</sup>	67	71	72

#### Training for excellence

Safety, employee involvement, continuous progress, environmental protection, long-term performance, community relations: these are just some of the issues addressed in the highly comprehensive training to be given to all plant directors by the end of 2013. The 12-day course covers 33 topics, including CSR, stakeholder relations and the environment.

### RIGOROUS ENVIRONMENTAL MANAGEMENT

The Industrial Department oversees the environmental policy at each production unit. The Nexans environmental management system (EMS) is applied at all of its industrial sites, consistent with the ISO 14001 standard. The EMS is based on risk assessment, training in best practices, attentive monitoring of results at each site, continuous improvement programs and audits.

A Group Environment Manual sets out the objectives, procedures, crisis management plans and available resources for each site. All this information is available on a dedicated intranet site that can be used to exchange best practices. Employees receive regular information in the Group's environmental policy and are encouraged to take an active role.

### Continuous improvement

Each year, the Group's HSE<sup>(1)</sup> Department conducts an environmental evaluation and audit of each site.

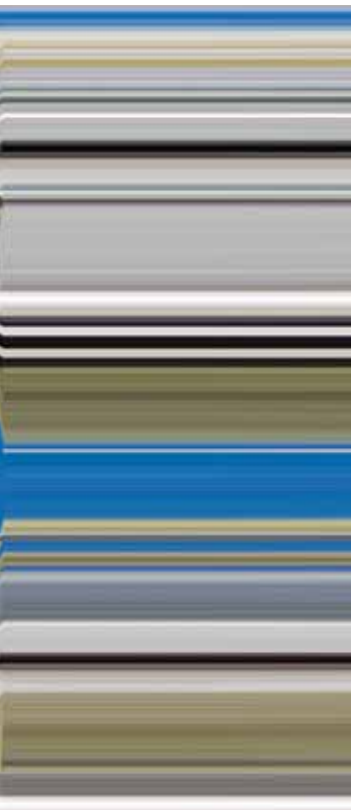
The scoring grid is updated annually to reflect regulatory changes and targeted areas for improvement.

These audits verify that each site is in proper compliance with Group standards and is taking preventive action to address the risks inherent in the site's operations. The internal EHP<sup>(2)</sup> label is awarded to units that are

**6.9 million euros** devoted to the environment in 2012, including **2.1 million euros** in investment

(1) Health, Safety & Environment.

(2) Environment Highly Protected.



fulfilling these obligations. Any corrective action required is incorporated into a three-year plan for the facility.

In order to obtain the EHP label, sites must be free of PCBs and must not have any hazardous liquids in unprotected storage; moreover, they must recycle at least 50% of the cooling water they consume, monitor effluent quality and maintain a waste sorting and reduction policy as well as an environmental crisis management plan. Of 19 sites audited in 2012, 16 obtained the EHP label.

### **MAKING OPTIMAL USE OF RESOURCES**

Two global programs focusing on industrial and technical performance are helping the Group manage and reduce its consumption of energy and raw materials.

Nexans Excellence Way, launched in 2009, is designed to mobilize the workforce behind standardized best practices deployed Group-wide, with ambitious targets for safety, consumption, inventory management,



quality and service. 75 plants are enrolled in the program, including 11 plants that signed on in 2011. The initiative is gradually being expanded to include purchasing, logistics and supply chain management.

Nexans Excellence Technologies, in place since 2011, involves 10 technological networks established among plants with common concerns, with the aim of identifying the most efficient equipment and processes and encouraging faster dissemination of technical innovations.

The global partnership forged with Bureau Veritas regarding audits and industrial certifications is also helping to establish best practices in quality, safety and the environment throughout the Group.

#### **A green greenfield**

The extra-high-voltage cable plant now under construction in South Carolina, in the United States, is being equipped with the best technology available for minimizing its environmental impact, including building insulation, water recycling, low-consumption lighting and energy meters.

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**86 best practices** presented during the 2012 Industrial Days

**15% reduction in product returns in 2012** thanks to improvements in quality

**85% of sites** recycle more than 75% of the cooling water they use

**15,700 metric tons** of cable scrap recycled

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### **Progress through measurements and common standards**

By monitoring consumption, ensuring that proven practices are adopted Group-wide, and managing both processes and day-to-day performance, Nexans can reduce overconsumption and scrapped production through quality improvement. Production waste, such as PVC purge scrap, is reintroduced into the production process or recovered for recycling.

#### **Reducing energy consumption by 10% over three years**

An energy efficiency plan has been adopted for 16 plants, representing half of the Group's total energy consumption. Under the plan, process and equipment energy efficiency is being calibrated at each plant. Air compressors and motors are being replaced with equipment that consumes less energy. Audits and other methods for measuring consumption are used to verify that utility networks are operating properly and to choose the most efficient lighting, heating and air conditioning solutions.

Each plant monitors its greenhouse-gas emissions from energy consumption, waste management and fugitive emissions and takes action accordingly.

#### **Reducing water consumption by 15% over three years**

Cable production consumes a significant amount of water: an average of 3.9 cu.m per metric ton produced, principally for cooling purposes. Nexans is investing in closed-circuit equipment to reduce the amount of water it draws from the environment. The sites with the heaviest consumption have committed to action plans and are monitored especially closely. The Group is currently conducting an analysis of each plant's risk of a water shortage.





# Purchasing

## & distribution

Nexans is enlisting the help of its suppliers in pursuing its sustainable development initiative. Moreover, it is improving its logistics and developing services that enhance customer satisfaction and at the same time reduce the Group's environmental footprint.

### **Air travel: offsetting our emissions**

In 2012, Nexans employees logged more than 64 million kilometers by air in work-related travel. Since 2010, Nexans has been offsetting the corresponding CO<sub>2</sub> emissions by lending support to the Uchindile-Mapanda reforestation project in Tanzania. Nearly 11,000 hectares of degraded land have been reforested with pine, eucalyptus and native species to promote biodiversity. Ten percent of the funds generated are allocated to improving living conditions in local villages; the residents themselves decide how the money will be spent.

### **A RESPONSIBLE SOURCING POLICY**

Nexans develops relationships with its suppliers based on trust, mutual benefit and high quality standards. Suppliers are invited to sign the Supplier Social Responsibility Charter that explicitly refers to the principles of the Global Compact and the fundamental texts of the International Labor Organization.

The primary raw materials used by the Group are copper, aluminum and plastics (polyethylene, PVC, etc.).

By staying abreast of new technology and remaining open to supplier innovation, the Group can identify equipment, materials and services that will improve quality, make Nexans more competitive and help its offerings stand out in the marketplace.

Nexans is strengthening its partnerships with key suppliers in order to ensure a secure supply of materials and enter into joint development projects with selected partner suppliers. At the same time it is seeking out new suppliers, in order to



diversify its sourcing and reduce its costs, and expanding its local supply network in response to customer expectations and to cement its presence in the region.

Nexans aims to develop balanced, long-term relationships with its suppliers. With that end in mind, it enters into group contracts that enhance cooperation between supplier and customer and help establish better purchasing and payment terms; moreover, these contracts help the parties involved gain added visibility.

### **REDUCING ITS IMPACT ON THE ENVIRONMENT**

Suppliers of raw materials contribute to the Group's compliance with the European Union's REACH regulation<sup>(1)</sup>, which requires transparency of information throughout the entire supply chain.

The Group is expanding its purchases of more ecofriendly products, especially in the areas of packaging and transportation: reels, pallets, boxes, company vehicles, transportation services, etc.

With regard to logistics, it focuses its efforts on optimum truck loading rates, allocation of last-minute deliveries, the use of inland and sea transportation whenever possible, and reel management.

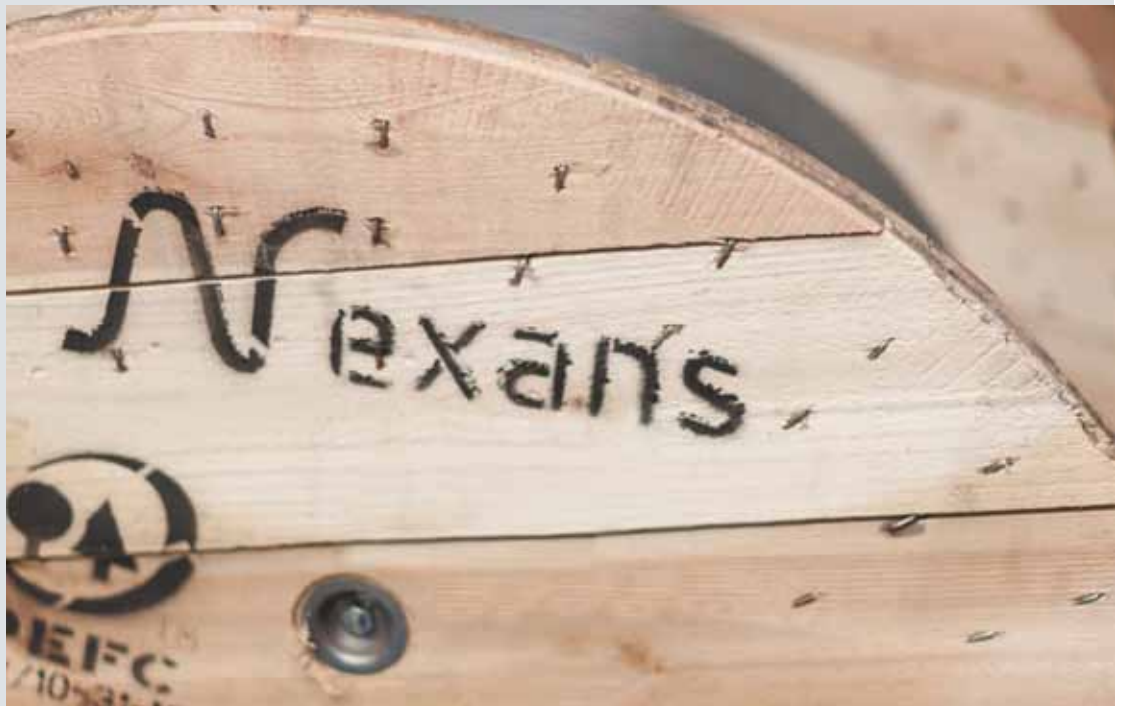
Grouped deliveries and vendor-managed inventories help to reduce travel distances as well as fuel consumption and CO<sub>2</sub> emissions.

(1) Registration, Evaluation, Authorisation and Restriction of Chemicals regulation 1907/2006/EC.

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**63% of the Group's suppliers, representing 80% of its purchases, have signed the Nexans CSR Charter.**

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#### **Ecofriendly reels: 100,000 trees preserved**

In 2010 Nexans became the first cable manufacturer to acquire reels produced from sustainably managed, PEFC- or FSC-certified forests. To reaffirm its commitment, the Group has set up a program to collect and reuse wooden reels: to date, more than 280,000 reels have been reused at least once or as many as five times. The savings totals more than 94,000 m<sup>3</sup> of sawn wood, equivalent to 45 hectares of forest. The benefits to customers are apparent as well: they gain storage space and no longer bear the cost of disposing of used reels. The use of secondhand pallets and recycled cardboard is added evidence of Nexans' commitment to environmentally friendly packaging.



# Skills

## ■ & commitments

Nexans employees share common values of performance and responsibility, as part of a company that gives its workforce the tools to grow and succeed and that recognizes their contributions.

### ENSURING SAFETY IN THE WORKPLACE

Workplace safety is the most important indicator in each plant's monthly performance record. Nexans wants to make each employee a force for safety. A proactive initiative was introduced in 2009, with management playing a prominent role. It includes shared,

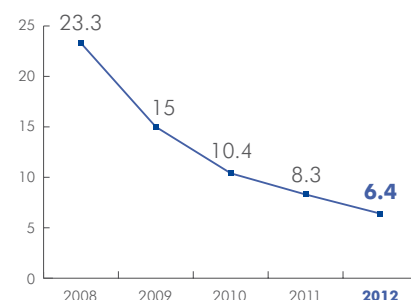
standardized tools, training activities, improvement plans in each country, special action plans for underperforming sites, Safety Day events held at each site and Safety Awards presented in recognition of results achieved. This campaign has borne fruit: the accident frequency rate has been divided by 3.6 in four years.

#### Workplace safety

Overall accident frequency rate (temporary employees included)<sup>(1)</sup>

- **Result: down 22.4% from 2011**
- **Objective: an additional reduction of 30% each year**

(1) Number of workplace accidents with lost time of more than 24 hours per million hours worked.





#### The basic safety tools:

- The Job Safety Analysis determines the safest operating methods for each position, with active input from production personnel.
- The Safe Unsafe Act identifies hazardous situations and high-risk behavior based on attentive observation.
- Safety Proactivity measures day-to-day commitment to accident prevention.
- The Alert Management System, introduced in 2012, serves as an international forum for discussing problems and solutions related to safety and quality.




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**In Germany,** the Mönchengladbach plant received an award from its health insurer for its achievements in risk prevention and the improvement of working conditions.

**In China,** each employee received a health and safety handbook in 2012, signed by the Executive Vice President for the Asia-Pacific Area.

**In Colombia,** the Bucaramanga plant received the Ganador Award for having the best health and safety performance out of 57 participating companies.

**In France,** a three-year agreement on preventing hardship at work was signed in 2012. The preventive measures relate to load handling, painful physical positions and night work.

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## EXPANDING SKILLS

Nexans wants to ensure that, throughout their career, its employees have access to the training they need in order to carry out their responsibilities and maintain their employability.

The Group has established a managerial competency model and functional competency models, applicable worldwide, that provide guidelines for recruitment, career development and training.

Skills appraisals, independent of the annual performance review, are held between each employee and his or her supervisor, to evaluate the employee's skills levels based on a common model and to develop an appropriate development and training plan.





### **Nexans University: 6,500 employees trained in 2012**

Designed by Nexans for Nexans and its employees, Nexans University plays a key role. It promotes the sharing of knowledge, technical expertise and best practices, and fosters the development of a shared, global culture. Since it was founded, a total of 450 employees have helped to design and teach the institution's training courses. It now offers 84 classes in 10 languages, including 20 courses that are available online.

### **Promoting talents**

To promote employee career paths within the Group, open positions are posted on the shared Group intranet. Each country maintains a process for identifying talented local employees and developing local succession plans based on competency models. A mobility charter ensures that expatriates within the Group receive equal treatment regardless of their country of origin.



### **324,800 training hours in 2012**

- 31% Health and safety
- 22% Technical skills
- 12% Languages
- 9% Management
- 6% Personal development
- 4% Quality
- 3% Information systems
- 14% Other

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**Nexans University** received a Bronze Award for Best Innovative Corporate University from the Global Council of Corporate Universities in March 2013.

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### **Partner to ESPCI ParisTech<sup>(1)</sup> in France and Liaocheng University in China**

Nexans sponsored the 130<sup>th</sup> graduating class from ESPCI ParisTech, ranked among the top 10 engineering schools in France, and has also signed a scientific partnership agreement with the institution. For its part, Nexans Yanggu New Rihui is hosting internships and training opportunities for students from Liaocheng University.

(1) ESPCI: City of Paris Industrial Physics and Chemistry Higher educational Institution.

### **ATTRACTING AND KEEPING TALENTED EMPLOYEES**

Each year, Nexans recruits recent graduates from engineering and business schools and universities in order to create a pool of talent and train its future managers. These young employees help to implement the Group's policies and procedures and are trained to take on operational responsibilities worldwide.

Nexans strives to be a place of learning, where manufacturing expertise and skills are passed on from generation to generation. Apprenticeship and work-study programs are widely used in France, Germany, Switzerland, northern Europe and Australia. Other countries, such as China and Morocco, make significant use of mentoring and tutoring.



## DIVERSITY & EQUITY

Nexans acts to build a more diverse workforce that reflects the countries and communities in which it operates. It provides for equal opportunity and ensures that recruitment, remuneration, promotion and job retention decisions are based on employees' skills, aptitude and results.

In 2012 the Group signed an agreement in France on the subject of gender equality in the workplace. Nexans is committed to fostering a gender-balanced workforce through its hiring and promotions, to ensuring that men and women are treated equally with regard to compensation and career development.

In several countries, older employees are entitled to modify their working arrangements as they prepare for retirement. Their options include a gradual reduction of hours as well as training periods for passing on their knowledge.

The Group also makes every effort to keep disabled employees in the workplace, by guaranteeing appropriate working conditions. At the end of 2012 Nexans directly employed 334 disabled workers<sup>(1)</sup>.

## ENCOURAGING A COMMITMENT

Nexans maintains a policy of equitable, attractive remuneration and contributes to the welfare of all its employees through health, life, disability and retirement insurance, at a level of commitment that reflects its social responsibility.

It develops profit-sharing arrangements tailored to local conditions and encourages shareholding among its employees by means of performance action plans, free share allocations and international employee shareholding programs.

Act 2012, the Group's fifth employee shareholding plan in 10 years, has been offered to nearly 17,000 employees in 24 countries.

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**Group employees** held 4.3% of Nexans capital at year-end 2012. Since May 2012 the Board of Directors of Nexans includes a director representing employee shareholders.

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## A CONSTRUCTIVE WORKPLACE DIALOGUE

Workplace relations are based on respect and dialogue. The majority of sites have authorized union representatives, and the Group maintains a quality dialogue with its workplace partners founded on a shared desire for communication and formal agreement. In 2012, 95 collective agreements were signed in 13 countries.

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**Newco, the Nexans European Work Council**, is celebrating its 10<sup>th</sup> year of existence in 2013. Representing employees from eight European countries, it meets twice a year and is chaired by the Group's Chairman and CEO.

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**For more information, refer to the 2012 Registration Document at [www.nexans.com/2012rd](http://www.nexans.com/2012rd)**

(1) This figure reflects legislation in each country; some countries prohibit the publication of this information.

# Solidarity

## & sponsorship

Nexans uses its skills and its cables to promote a shared heritage and provide access to energy among the most underprivileged members of society. It encourages each site to become actively involved in the local community and contribute to projects that aid community members.

### **Nexans joins ADMICAL**

In 2012 Nexans signed the Corporate Philanthropy Charter established by the French association ADMICAL, in which it pledges to uphold ethical principles in its sponsorship activities.

### **Providing books of hope**

At Nexans Yanggu New Rihui, the Group's newly acquired company in China, employees donated a library of more than 2,500 books to a primary school near the site that counts numerous children of migrant farm workers among its students.

### **CREATING EASIER ACCESS TO ENERGY**

More than a billion people worldwide have no access to electricity, which is critical to human, economic and social development. Nexans is a partner to Electricians Without Borders (ESF), which provides energy access to the most disadvantaged communities to enable their future development. ESF gives preference to local resources and ecofriendly technology, and provides local training in the skills needed to build and maintain these energy facilities. It also acts in crisis situations to provide electricity to health clinics and relocation camps.

In 2011 Nexans signed a three-year sponsorship agreement with ESF in which it pledged to supply half the organization's cabling needs during the period, valued at

300,000 euros. As part of this relationship, the Group has helped to provide electricity to hospitals, clinics and schools in Benin, Burkina Faso, Chad, Congo, Ethiopia, Niger, Somalia and Togo. It has also lent support for electrification of rural villages in Laos and Madagascar and, currently, the Amazonian forests of Peru.

### **A SPONSOR TO THE PALACE OF VERSAILLES**

Thanks to the Grand Versailles project, the Palace and Park of Versailles—a UNESCO World Heritage Site—are being restored to their original magnificence. As a partner in the renovation of the building's electrical networks since 2007, Nexans is lending its expertise to the project and has donated the necessary cabling for energy and





communication. The Group's goal is to preserve an exceptional piece of French heritage and ensure the safety of the 4 million people who visit Versailles each year. The second phase of the Grand Versailles master plan was launched in 2012; the work is scheduled for completion in 2017.

### **A MAJOR SUPPORTER OF THE LOUVRE-LENS**

Nexans provided all of the energy and data cables used in the new Louvre museum in the city of Lens, located in the heart of the former coal mining region of northern France. Its aim was to contribute to long-term economic and employment vitality in a region that hosts the Group's global research center for metallurgy as well as its production of conductive wiring. This world-class museum, which opened its doors in December 2012, attracted nearly 332,000 visitors from 60 countries in its first 100 days. Louvre-Lens is a highly innovative institution that uses state-of-the-art technology to present

and preserve the artworks and ensure their safety and that of the visiting public. Advanced solutions from Nexans have helped the museum capture France's HEQ<sup>(1)</sup> certification.

### **INVESTING IN COMMUNITY PROJECTS**

At each of its sites, Nexans and its employees join forces for numerous community projects. Much of their attention is focused on improving living conditions for underprivileged children and providing education and training to young people.

Through initiatives such as donating equipment to schools, conducting classroom training and plant tours, offering internship opportunities and academic and research scholarships, and sponsoring disadvantaged youths, the Group helps young people prepare for their future, become familiar with the business world and develop their potential at all levels of training.

(1) High Environmental Quality.



### **NEXANS ESTABLISHES A FOUNDATION**

In early 2013, Nexans announced the creation of its corporate foundation. As a reflection of the Group's desire to make a long-term commitment, the Nexans Foundation will provide a common framework for the Group's corporate initiatives around the world.

Energy is, naturally, a priority concern. The foundation will lend support to general-interest projects that help to reduce fuel and energy poverty worldwide.

It will also spearhead and expand Nexans' sponsorship of the Palace of Versailles, so as to give underprivileged communities an opportunity to discover the remarkable collections on view at the site.



#### **Call for projects**

The Nexans Foundation launched its first call for projects in April 2013. Its goal is to provide backing for community initiatives designed to reduce energy poverty both in France and worldwide, with an emphasis on organizations that work directly in the field, active participation by beneficiaries, and measurable, long-term solutions. This call for projects is reserved for French associations and international NGOs. [www.fondationnexans.com](http://www.fondationnexans.com)

# Governance

## & risks

The Board of Directors provides for quality corporate governance focused on sustained improvement. Nexans strives to develop a trust relationship with its shareholders and financial partners.

### AN ACTIVE, INVOLVED BOARD OF DIRECTORS

The Nexans Board of Directors met on nine occasions in 2012, with an average attendance rate of nearly 90%. It had 14 members as of mid-May 2013, including four women. Eight directors are independent as defined by the AFEP-MEDEF Code of Corporate Governance. Three directors were proposed by Chile's Madeco Group, Nexans' primary shareholder; in addition, since 2012 one director represents employee shareholders.

The statutory term of office for directors is four years and may be renewed.

### An annual assessment

The Board of Directors is governed by internal regulations that are regularly updated to incorporate the recommendations of the AFEP-MEDEF Code of Corporate Governance. In 2012, the rules of professional ethics incumbent on board members were formally enshrined in a Directors' Charter appended to the internal regulations.

Since 2003 the Board has evaluated its operation each year, either by means of a self-assessment questionnaire completed by each board member or through an evaluation conducted by outside consultants. The findings from these evaluations are presented to the Board of Directors and give rise to recommendations that are subsequently implemented.

The Chairmen of the advisory committees to the Board of Directors may request a meeting of the Board on the basis of an agenda they have prepared.



**A\_ Frédéric Vincent**  
Chairman and CEO of Nexans

**B\_ Robert Brunck<sup>(1)</sup>**  
Chairman of the Board of Directors of CGGVeritas

**C\_ Georges Chodron de Courcel**  
Chief Operating Officer of BNP Paribas and member of the Executive Committee

**D\_ Cyrille Duval<sup>(1)</sup>**  
General Secretary of Eramet Alliages

**E\_ Jérôme Gallot<sup>(1)</sup>**  
Advisor to the Chairman of Veolia Environnement

**F\_ Véronique Guillot-Pelpel<sup>(1)</sup>**  
Judge at the Paris Commercial Court

**G\_ Colette Lewiner<sup>(1)</sup>**  
Advisor to the Chairman of Capgemini

**H\_ François Polge de Combret<sup>(1)</sup>**  
Has held various financial positions with the French Administration before joining several corporate banks

**I\_ Andrónico Luksic Craig<sup>(2)</sup>**  
Chairman of the Board of Directors of Quiñenco<sup>(3)</sup>  
Director of Madeco<sup>(3)</sup>

**J\_ Francisco Pérez Mackenna<sup>(2)</sup>**  
Chief Executive Officer of Quiñenco<sup>(3)</sup>  
Director of Madeco<sup>(3)</sup>

**K\_ Hubert Porte<sup>(2)</sup>**  
Executive Chairman of Ecus Administradora General de Fondos S.A. investment company<sup>(3)</sup>

**L\_ Mouna Sepehri<sup>(1)</sup>**  
Executive Vice President, Office of the CEO at Renault and member of the Executive Committee

**M\_ Nicolas de Tavernost<sup>(1)</sup>**  
Chairman of the Management Board of the M6 group

**N\_ Lena Wujek**  
(Director representing employee shareholders)  
Member of the Supervisory Board of the "FCPE Actionariat Nexans" and Nexans Group employee

## A new advisory committee

The Accounts and Audit Committee and the Appointments, Compensation and Corporate Governance Committee assist the Board of Directors in its decision-making. Each of these committees met on five occasions in 2012.

A new advisory committee was created in February 2013: the Strategic Committee. It is responsible for examining the three-year strategic plan and for monitoring the progress of the Group's most important strategic initiatives on a yearly basis.

## RISK MANAGEMENT

Nexans has established a Risk Management program designed to prevent and manage risks inherent to its business that have the potential to affect people, the environment, its assets or its reputation or to prevent the Group from fulfilling its objectives. The program enables the Group to identify the risks to which it is exposed and to manage those risks more effectively in order to pursue its corporate strategy.

The Risk Management process is one of continuous improvement, beginning with the definition of the Group's strategy and culminating in the successful deployment of that strategy. It addresses all of the risks surrounding the Group's activities past, present and future.

This ongoing risk identification process is reinforced by targeted mapping of major risks, both at Group level and at individual installations.

The Risk Management Department is responsible for implementing the risk mapping tool within each country and business group and ensuring that it is properly used by management. It also verifies the efficacy of crisis alert and management procedures, which were the subject of a simulation exercise in 2012.

## QUALITY INFORMATION

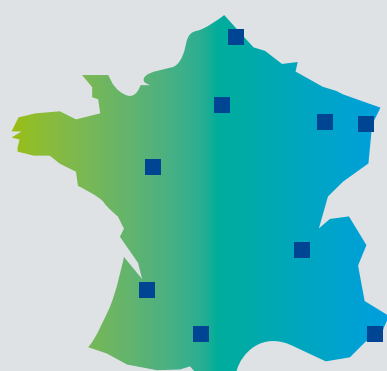
Nexans is traded on the NYSE Euronext Paris exchange and is committed to establishing a quality dialogue with its shareholders. The Group regularly consults its shareholders to gain a better understanding of their information expectations.

In 2012 it established a Shareholder E-Club in response to suggestions received in 2011. The E-Club offers reports and video interviews with Group managers to help shareholders learn more about the Group, its initiatives and its business activities.

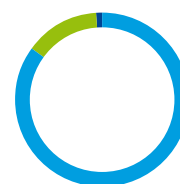
In 2012, as in the previous year, Nexans corporate website was rated among first<sup>(4)</sup> companies on the SBF 120 index for the quality of its shareholder information.

(4) Annual ranking of *Le Revenu* magazine, July 13, 2012.

### Nexans reaches out to its individual shareholders



### Breakdown of capital as of December 31, 2012



- Institutional investors: **85%** including:
  - Madeco Group (Chile): approximately 22.5%
  - FSI (France): 5.5%
  - Dodge & Cox (United States): 5.2%
  - Manning & Napier (United States): 5.1%
  - Third Avenue Management (United States): 5.1%
- Individual shareholders and employee shareholders: **14%**
- Unidentified: **1%**

- (1) Independent directors.  
(2) Directors proposed by the Madeco Group.  
(3) Positions held in foreign companies or foreign institutions.

For detailed profiles go to:  
[www.nexans.com/board](http://www.nexans.com/board)

According to an Ernst & Young study conducted in 2012 on corporate governance practices, Nexans performs in the top 7% of SBF 120 companies on governance criteria, with a score of 7.5 out of 10.



# External Verification

The completeness of the information provided pursuant to Article R. 225-105-2 of the French Commercial Code and selected relevant indicators have been verified by outside auditors. These indicators are identified by the ✓ symbol.

## Social data

		2012	2011
<b>Total headcount</b>	✓	<b>25,080</b>	<b>24,561</b>
Europe		14,752	14,896
Asia-Pacific		2,022	2,214
North America		3,100	2,395
South America		2,262	2,309
Middle East, Russia, Africa		2,944	2,747
<b>Headcount Cable Business</b>		<b>18,306</b>	<b>18,026</b>
% female employee	✓	15.10%	15.19%
% female managers (into manager population)		21%	19%
Average age		42.7 years	42.4 years
Average length of service		12.8 years	12.8 years
% temporary employees		6.90%	6.70%
Disabled employees		334	323
<b>Employment data</b>			
Natural departures		-1,707	-1,704
Restructurings	✓	-332	-554
New hires	✓	1,846	2,269
Impact of changes in Group structure		485	10
Transfers		-4	-2
Employee turnover rate <sup>(1)</sup>		6.3%	8.6%
Overtime rate <sup>(2)</sup>		5.7%	6.5%
Part-time contracts		452	419
% fixed-term contracts	✓	5.7%	6.5%
Absenteeism rate	✓	4.67%	4.27%
<b>Health and Safety</b>			
Workplace accident frequency rate <sup>(3)</sup>	✓	6.4	8.3
Number of sites with a zero accident		28	30
Workplace accident severity rate <sup>(4)</sup>	✓	0.3	0.4
<b>Training</b>			
Total number of training hours	✓	293,292	379,000
<b>Labor relations</b>			
Number of collective agreements signed across countries	✓	95	> 90
<b>Headcount Harnesses Business</b>		<b>6,774</b>	<b>6,535</b>
Europe		4,681	4,840
North America		1,252	1,049
Middle East, Russia, Africa		841	646
% female overall employees	✓	62%	63%
% female managers (into manager population)		25.4%	35%
Average age		34.6 years	34.3 years
Average length of service		3.6 years	3.9 years
<b>Employment data</b>			
Natural departures		-2,331	-2,078
Restructuring	✓	0	0
New hires	✓	2,570	2,972
Impact of changes in Group structure		0	0
Transfers		0	0
<b>Health and Safety</b>			
Workplace accident frequency rate <sup>(3)</sup>	✓	1.8	4.5
Workplace accident severity rate <sup>(4)</sup>	✓	0.03	0.09
<b>Training</b>			
Total number of training hours	✓	31,522	13,785

(1) Personnel turnover rate = number of departures (resignations, contract expirations, individual terminations, death) excluding departures due to retirement, restructurings, business disposals and employee mobility transfers/average headcount x 100.

(2) Overtime rate = number of overtime hours worked/total number of hours worked.

(3) 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.

(4) Workplace accident severity rate = total number of lost work days (due to accident at work) / total number of hours worked x 1,000.

## Environmental data

		2012	2011
<b>Number of sites monitored</b>		<b>94</b>	<b>92</b>
<b>CONSOMMATIONS DE MATIÈRES PREMIÈRES</b>			
Energy purchased		1,454,155 MWh	1,442,089 MWh
of which electricity	✓	830,138 MWh	842,225 MWh
of which fuel oil	✓	93,406 MWh	75,786 MWh
of which gas	✓	513,249 MWh	523,049 MWh
Water consumption	✓	2,984,044 m <sup>3</sup>	3,011,044 m <sup>3</sup>
Solvent purchased	✓	579 t	757 t
Copper purchased	✓	492,000 t	468,000 t
Aluminum purchased	✓	148,000 t	155,000 t
<b>WASTES AND EMISSIONS</b>			
Waste tonnage	✓	104,458 t	99,337 t
of which hazardous wastes		5,776 t	7,166 t
CO <sub>2</sub> emissions <sup>(1)</sup>		442,000 t eq CO <sub>2</sub>	416,000 t eq CO <sub>2</sub>
<b>MANAGEMENT</b>			
Number of ISO 14001 certified sites		62	56
% of ISO 14001 certified sites	✓	66	61

(1) Direct and certain indirects emissions of CO<sub>2</sub> (from electricity and steam consumption, power line losses, use of fossil fuels, fugitives emissions and wastes treatment). Change of calculation methodology in 2012.



2012 Annual Report



2012 Registration Document



2013 Corporate Social Responsibility

## Nexans has launched a new website!



Nexans' new website provides fast, easy access to all the information that visitors are looking for regarding the Group's products, solutions and financial information.

[www.nexans.com](http://www.nexans.com)

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### For further information

Nexans' corporate and financial publications may be accessed directly at [www.nexans.com](http://www.nexans.com) or may be requested from:

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Nexans is one of the leading cable manufacturers in the world. The Group is a major player in the energy sector and operates in the energy transmission and distribution, industry and building markets. Nexans works with a wide range of businesses and provides solutions for the most complex applications and the most demanding environments, developing comprehensive offerings for each market segment to meet its customers' needs. Its services cover the entire value chain: analysis, design, production, installation, training, related services, and monitoring and control of facilities. With its technological leadership, worldwide expertise and local presence, Nexans satisfies essential needs while aiming to offer the highest levels of performance, safety, and respect for people and the environment.

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