

NON-FINANCIAL
2018
STATEMENT



BUREAU
VERITAS

NON-FINANCIAL STATEMENT

This is a free translation into English of the *Déclaration de Performance Extra-Financière 2018* report issued in French and is provided solely for the convenience of English speaking readers.



BUSINESS MODEL 2

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OUR ID

Our mission is to reduce risk, improve our clients' performance and help them innovate to meet society's challenges with confidence.

Bureau Veritas is a world leader in Testing, Inspection and Certification. Our mission is at the heart of key challenges: quality, health and safety, environmental protection and social responsibility. Through our wide range of expertise, impartiality and independence, we foster confidence between companies, public authorities and clients.

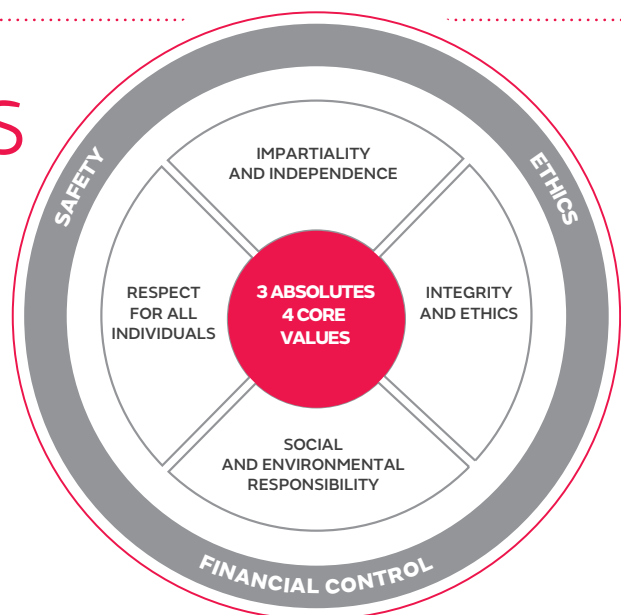
OUR MANIFESTO

Bureau Veritas is a "Business to Business to Society" service company, contributing to transforming the world we live in.

Today, we are capitalizing on our extensive expertise in quality, health and safety, environmental protection and social responsibility to better serve society's aspirations. Driven by society, we acknowledge the challenges of growing urbanization, anticipating the need for safer, smarter cities. We anticipate the expectations of an expanding global population, including the need for secure and reliable agricultural production. We understand the impact of climate change, working to ensure people worldwide have access to cleaner energy, while supporting our clients in the efficient management or conversion of their existing assets. We embrace digitalization, while mitigating the risks it brings and support the development of revolutionary materials and technologies.

Driven by society, we are working ever more closely with our clients, addressing today's crucial challenges and answering society's aspirations.

our CORE VALUES and ABSOLUTES




€4.8bn
in revenue (2018)

400,000
clients



75,000 +
employees

1,500+
offices & laboratories
in 140 countries


A GLOBAL PRESENCE

Americas

Revenue

(including USA 11%)
21,100 employees
440 locations

Europe

Revenue

(including France 16%)
17,600 employees
515 locations

Asia Pacific

Revenue

(including China 16%)
30,300 employees
475 locations

25%

35%

9%

31%

Africa, Middle East

Revenue

6,400 employees
100 locations

our 6 businesses



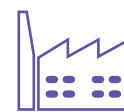
MARINE & OFFSHORE

- Vessels in service and under construction, offshore platforms and facilities, maritime equipment.
- Our role: Ensure safety at sea through ship and offshore platform classification services. Provide technical expertise to assess and manage risks and improve performance.
- Our market position⁽¹⁾: No. 2 in terms of the number of ships.



AGRI-FOOD & COMMODITIES

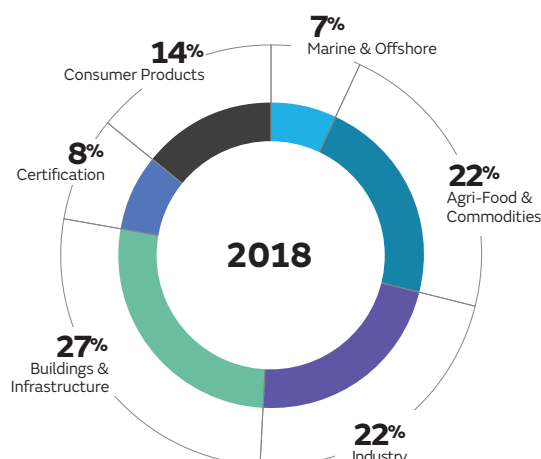
- Oil and petrochemicals, metals and minerals, coal, agricultural and food products, imported goods.
- Our role: Improve transparency, inspect the composition, quality and quantity of commodities throughout the value chain, from extraction to sale, and farm to fork. Facilitate international trade and protect citizens from poor quality products by verifying import conformity.
- Our market position⁽¹⁾: No. 3.



INDUSTRY

- Oil and gas, electricity, transportation (including automotive), manufacturing and processing industries.
- Our role: Ensure the safety, security, reliability and integrity of industrial assets throughout their life cycle, and assess their compliance with national, international and voluntary QHSE⁽²⁾ standards. Control quality and provide supply chain optimization assistance in the automotive industry.
- Our market position⁽¹⁾: market leader.

Revenue by business



(1) Global market position.

(2) Quality, health and safety, environmental protection and social responsibility.

Our businesses are organized by end market and ensure that our teams' expertise matches the needs of our clients in all sectors through a cross-business approach. Our client focus is global to reinforce our standing with large companies, but our service delivery is local.



BUILDINGS & INFRASTRUCTURE

- Residential and office buildings, industrial facilities, public infrastructure and equipment, in-service equipment in buildings and environmental analyses.
- Our role: Provide assurance that property assets and infrastructure in service or under construction are safe, energy efficient and comply with applicable regulations. Ensure business continuity and environmental protection by assessing the safety and efficiency of in-service installations and by analyzing air and water quality.
- Our market position⁽¹⁾: market leader.



CERTIFICATION

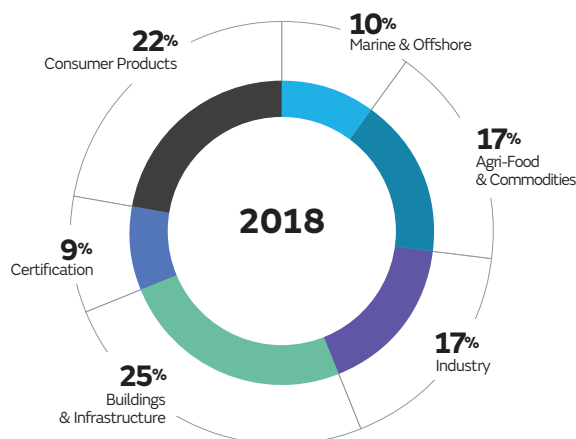
- International QHSE standards (mainly ISO), industry management systems (food, aerospace, automotive, etc.) and sustainable development (CSR, climate change).
- Our role: Certify that quality, health, safety and environmental management systems comply with applicable international, national or industry standards, or standards specific to large companies, in order to improve risk management and performance.
- Our market position⁽¹⁾: market leader.



CONSUMER PRODUCTS

- Textiles, toys, electronic devices, smart objects, jewelry, cosmetics, sports equipment and automotive spare parts.
- Our role: Test and verify consumer product conformity, quality, safety and performance, and improve supply chain efficiency.
- Our market position⁽¹⁾: No. 3.

Adjusted operating profit by business



(1) Global market position.

our strategy

our 5 strategic pillars

Expand market coverage through key Growth Initiatives. These are designed to help us further penetrate our traditional markets through a broader range of services and increase our exposure to sectors related to consumer spending.

Become the partner of choice of large international corporations for facilitating and securing their transactions and operations, drawing on more integrated global solutions.

Further deploy an efficient operating model to improve our own productivity and agility through internal initiatives and accelerated digitalization of our processes and services.

Balance our global footprint across three geographic areas: Europe/Middle East/Africa (EMEA), Americas and Asia Pacific. The Group will continue to expand and consolidate its geographic footprint in emerging markets, especially Asia and Africa.

Continue to play a leading role in TIC⁽¹⁾ market consolidation. In line with its successful model based on a combination of organic and external growth, Bureau Veritas will continue to acquire companies in key markets and geographies.



2 priority countries

Two specific countries will support the Group's growth: China and the United States. These are the world's largest markets for TIC services, alongside Europe where Bureau Veritas already enjoys a strong presence.

OUR MAIN NON-FINANCIAL TARGETS TOWARDS 2020



Health and Safety:

- Reduce accident rates by 50% (TAR, LTR)⁽²⁾



Inclusion:

- Achieve 25% female representation on the Group's executive management team



Environment⁽³⁾:

- Reduce CO₂ emissions by 10% per full-time equivalent employee
- Increase the use of renewable energies by 10%
- Achieve 75% of Group activities ISO 14001 certified

(1) TIC: Testing, Inspection and Certification.

(2) TAR: Total Accident Rate;
LTR: Lost Time Rate.

Compared to 2014 consolidated results.

(3) Compared to 2015 consolidated results.

We built our strategy around five pillars to capitalize on our strengths and further transform the Group in order to seize opportunities on fast-growing markets. It is designed to enhance Bureau Veritas' growth profile, resilience and profitability.

our **4** key drivers

Several transformation drivers will support the roll-out of our Growth Initiatives, as well as our social responsibility strategy: **human resources**, a **global approach to key account management**, our **Excellence@BV** program and **digitalization**.

our **5** key Growth Initiatives

Our growth enhancement strategy is built on initiatives in sectors where Bureau Veritas can leverage its expertise and global footprint. These initiatives address the major trends impacting the economy and society today. Together representing over one-third of the Group's revenue at end-2018, these five initiatives offer the Group an additional source of growth and help it achieve its diversification strategy.

1. **Buildings & Infrastructure**
Leverage leading global position in sizeable and growing markets. 2020 ambition: €350 million to €400 million⁽¹⁾
2. **Opex services (Oil & Gas, Power & Utilities, Chemicals)**
Build recurring business models in fragmented markets, offering strong outsourcing opportunities. 2020 ambition: €300 million to €350 million⁽¹⁾
3. **Agri-Food**
Expand in a large market driven by supply chain globalization, be recognized as a reference player. 2020 ambition: €250 million to €300 million⁽¹⁾
4. **Automotive**
Capitalize on key expertise in supply chain services, electronics and connectivity to become a recognized player. 2020 ambition: €130 million to €150 million⁽¹⁾
5. **SmartWorld**
Leverage our leading position and expertise, and address new needs arising from connectivity. 2020 ambition: €110 million to €150 million⁽¹⁾

OUR 2020 AMBITION



Adding €1.5 billion of incremental revenue by 2020 compared to 2015, based on the 2015 plan initial exchange rates⁽²⁾, half organic and half through external growth



Reaching 5% to 7% of organic growth by 2020



Achieving above 17% adjusted operating margin in 2020⁽³⁾



Generating continuous high free cash flow

(1) Incremental revenue in 2020 versus 2015.

(2) As presented at the October 2015 Investor Days.

(3) At the 2015 plan initial exchange rates, as presented at the October 2015 Investor Days.

our VALUE CREATION model

MEGATRENDS

Our approach to social and environmental challenges

GROWTH IN THE GLOBAL ECONOMY AND INTERNATIONAL TRADE, DEMOGRAPHIC GROWTH AND EMERGENCE OF MIDDLE CLASSES:

- Growing demand for safety, security, quality, and standards
- Increasing investment in infrastructure

USE OF MORE COMPLEX TECHNOLOGIES (IOT, AI, ETC.) AND SHORTER PRODUCT LIFE CYCLES:

- Increase in and subcontracting of testing
- Greater oversight of the supply chain and the number of subcontractors to be managed

PROTECTION OF GLOBAL BRANDS INCREASINGLY DIFFICULT:

- Importance of being recognized as a responsible corporate citizen going beyond regulatory requirements
- Proactive worldwide management of CSR and QHSE issues

SPECIALIST PLAYERS MANDATED BY PUBLIC AUTHORITIES TO CONDUCT INSPECTIONS:

- Greater responsiveness to adapt to market imperatives
- Significant reduction in public spending

our RESOURCES



ECONOMIC CAPITAL

- A long-standing majority shareholder and a widely-held free float
- A robust, balanced financial model underpinned by a long-term vision
- **€1,008 million** in equity



HUMAN CAPITAL

- **Over 75,000** employees
- Qualified, highly-trained personnel in a supportive environment
- An inclusive culture: **17%** of executive-level managers are women; more than **60%** of employees are millennials (18-38 years old)
- An entrepreneurial culture
- A global network of subcontractors



INDUSTRIAL CAPITAL

- A network spanning almost **140 countries**
- **More than 1,500** offices and laboratories



INTELLECTUAL CAPITAL

- A strong brand with a **190-year** track record
- **3,500** accreditations, approvals and authorizations
- Numerous alliances and partnerships with leading players
- Group wide digital transformation



SOCIETAL AND ENVIRONMENTAL CAPITAL

- Structured growth based on sustainable practices
- An idea of shared value creation at the heart of the growth strategy
- “Lean” management to develop a culture of ongoing performance improvement and a reduced carbon footprint
- Specific services to help businesses improve their CSR commitments

our PURPOSE

Our VISION

- A “Business to Business to Society” service company which aims to establish a relationship of trust between businesses, public authorities and clients.

Our MISSION

- To reduce our clients' risks, improve their performance and help them innovate to meet the challenges of quality, health, safety, environmental protection and social responsibility.

our SERVICES

Verification of conformity with regulations or self-imposed standards
(assets, products, systems)

Certification

Reference frameworks: international standards (e.g., ISO), regulations, self-imposed standards prepared with clients.

Technical assistance and regulatory support services
(assets, products, systems)

Performance improvement

(1) Cumulative annualized revenue.

(2) Dividend recommended to the Shareholders' Meeting.

(3) Awarded in France, Spain, Italy and Poland.

- Since it was founded in 1828, the Bureau Veritas brand has been synonymous with integrity, and represents an invaluable asset in a trust-based industry.



our ACHIEVEMENTS AND RESULTS



ECONOMIC CAPITAL

- **4.0%** organic growth
- **€85 million** in acquisitions⁽¹⁾
- **€0.56** dividend per share⁽²⁾



HUMAN CAPITAL

- Highly reputable employer brand, GEEIS⁽³⁾ label awarded for commitment to gender equality in the workplace
- **~17 training hours** given per employee
- **13,330** hires under permanent (or similar) contracts
- Total accident rate down **47%** since 2014
- **100%** of employees trained in ethical issues under the Compliance Program



INDUSTRIAL CAPITAL

- New sites opened, especially laboratories in the Asia Pacific region and the Americas



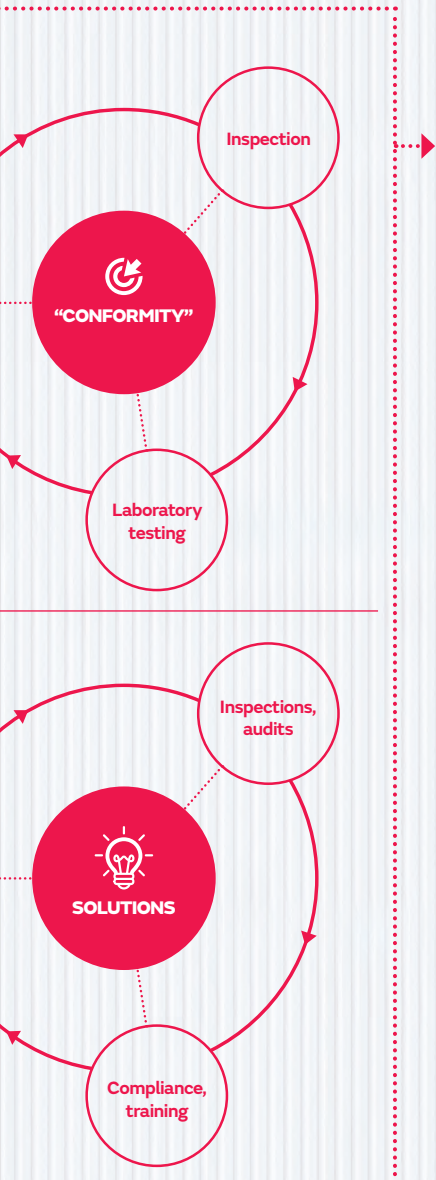
INTELLECTUAL CAPITAL

- Significant capacity for innovation with the launch of new services and global solutions
- Global deployment of digital solutions (3D, IoT, robotics, IA, e-commerce)
- Worldwide partnerships with leading technology players



SOCIETAL AND ENVIRONMENTAL CAPITAL

- Contributing to a safer, more trusting world
- **76%** of activities ISO 14001 certified
- Signatory of Act4Nature commitments to protecting biodiversity
- Ecovadis "Gold" rating (68/100) for environmental practices
- **"B" rating** from the CDP, above the industry average
- **€439 million** in payroll charges
- Consolidated adjusted effective tax rate of **33.3%**



value

CREATED FOR OUR CLIENTS

- **Improving risk management**
 - Managing QHSE risks
 - Managing reputation risks
- **Facilitating trade**
 - Compliance with national and international standards and regulations
 - Verification of quantity and quality of goods traded
- **Enhancing performance**
 - Operating, business, social and environmental performance
 - Improving product and service quality
 - Verifying implementation of commitments (sustainability, emissions reduction, etc.)

sharing

THE VALUE CREATED WITH OUR STAKEHOLDERS

€4.8^{bn}
in 2018
revenue

€1.4^{bn}
due to suppliers (purchases of goods and services) and subcontractors (engagements)

€2.0^{bn}
in wages, salaries and bonuses due to employees

€236^m
in taxes

€268^m
due to shareholders (dividends)

Acquisition-related expenses

€142^m
in acquisitions to drive our organic growth going forward

our governance

our BOARD OF DIRECTORS⁽¹⁾

12

Directors

93%  average attendance rate






67%  of Directors are independent

42%  of Directors are women

- | | | | |
|--|---|---|---|
| <p>1. Aldo Cardoso
INDEPENDENT
Chairman of the Board of Directors
Aged 62⁽⁴⁾ – French national
Director of companies</p> <p>2. André François-Poncet
Vice-Chairman of the Board of Directors
Aged 59⁽⁴⁾ – French national
Chairman of the Executive Board of Wendel</p> <p>3. Stéphane Bacquaert
Aged 47⁽⁴⁾ – French national
Managing Director of Wendel Africa and member of the Investment Committee of Wendel</p> | <p>4. Stéphanie Besnier
Aged 41⁽⁴⁾ – French national
Managing Director of Wendel</p> <p>5. Claude Ehlinger
Aged 56⁽⁴⁾ – Luxembourg national
Chief Executive Officer of Oranje-Nassau and Associate Director of Wendel</p> <p>6. Ana Giros Calpe
INDEPENDENT
Aged 44⁽⁴⁾ – Spanish national
Chief Executive Officer for Latin America and Executive Committee member at Suez</p> | <p>7. Ieda Gomes Yell
INDEPENDENT
Aged 62⁽⁴⁾ – British and Brazilian national
Consultant, Researcher</p> <p>8. Siân Herbert-Jones
INDEPENDENT
Aged 58⁽⁴⁾ – British national
Director of companies</p> <p>9. Pierre Hessler⁽²⁾
INDEPENDENT
Aged 75⁽⁴⁾ – French national
Consultant, Researcher</p> | <p>10. Pascal Lebard
INDEPENDENT
Aged 56⁽⁴⁾ – French national
Chairman and Chief Executive Officer of Sequana</p> <p>11. Philippe Lazare⁽³⁾
INDEPENDENT
Aged 62 – French national
Director</p> <p>12. Lucia Sinapi-Thomas
INDEPENDENT
Aged 54⁽⁴⁾ – French national
Executive Director,
Business Platforms of Capgemini</p> |
|--|---|---|---|

BOARD COMMITTEES⁽¹⁾

Committee members	 Audit & Risk Committee	 Nomination & Compensation Committee	 Strategy Committee
Aldo Cardoso	●	●	●
André François-Poncet			●
Stéphane Bacquaert			
Stéphanie Besnier	●		
Claude Ehlinger		●	●
Ana Giros Calpe		●	
Ieda Gomes Yell	●		●
Siân Herbert-Jones	●		
Pierre Hessler		●	●
Pascal Lebard		●	●
Philippe Lazare ⁽³⁾			
Lucia Sinapi-Thomas	●		

● Chairman ● Member

our EXECUTIVE COMMITTEE



Didier Michaud-Daniel
Chief Executive Officer

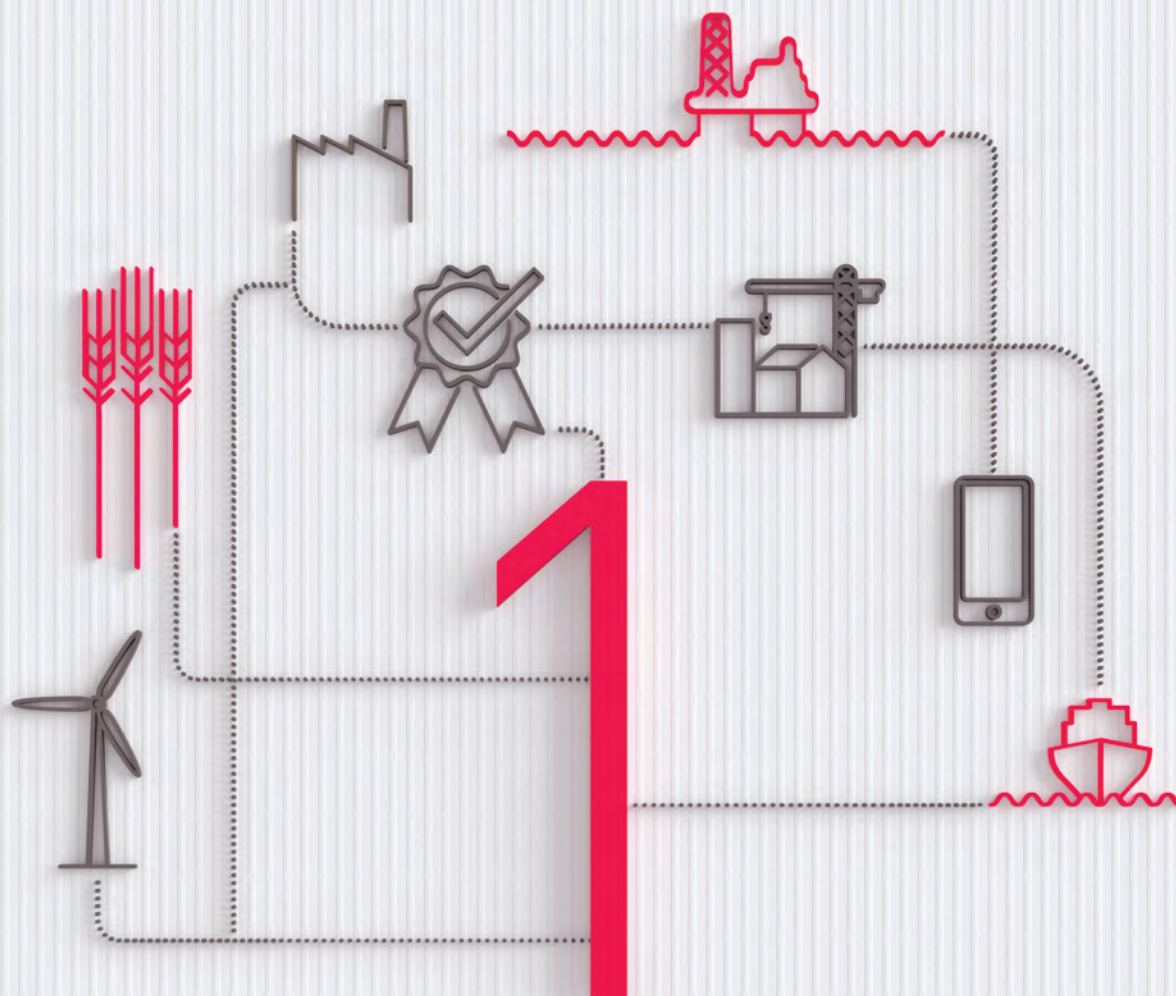
Didier Michaud-Daniel is assisted by an international team of men and women with broad-based skills and diverse backgrounds. They all share the desire to drive forward the Group's transformation, particularly in the digital domain, and have a strong client focus.

(1) As of February 27, 2019, the date on which the Board of Directors decided to convene the Shareholders' Meeting.

(2) Director whose term of office expires at the end of the Shareholders' Meeting of May 14, 2019 and is not up for renewal.

(3) Director co-opted by the Board of Directors and whose appointment the Shareholders' Meeting of May 14, 2019 will be asked to ratify.

(4) At December 31, 2018.



PRESENTATION OF THE GROUP

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1

Presentation of the Group 1.1 General overview of the Group

1.1 General overview of the Group

Mission

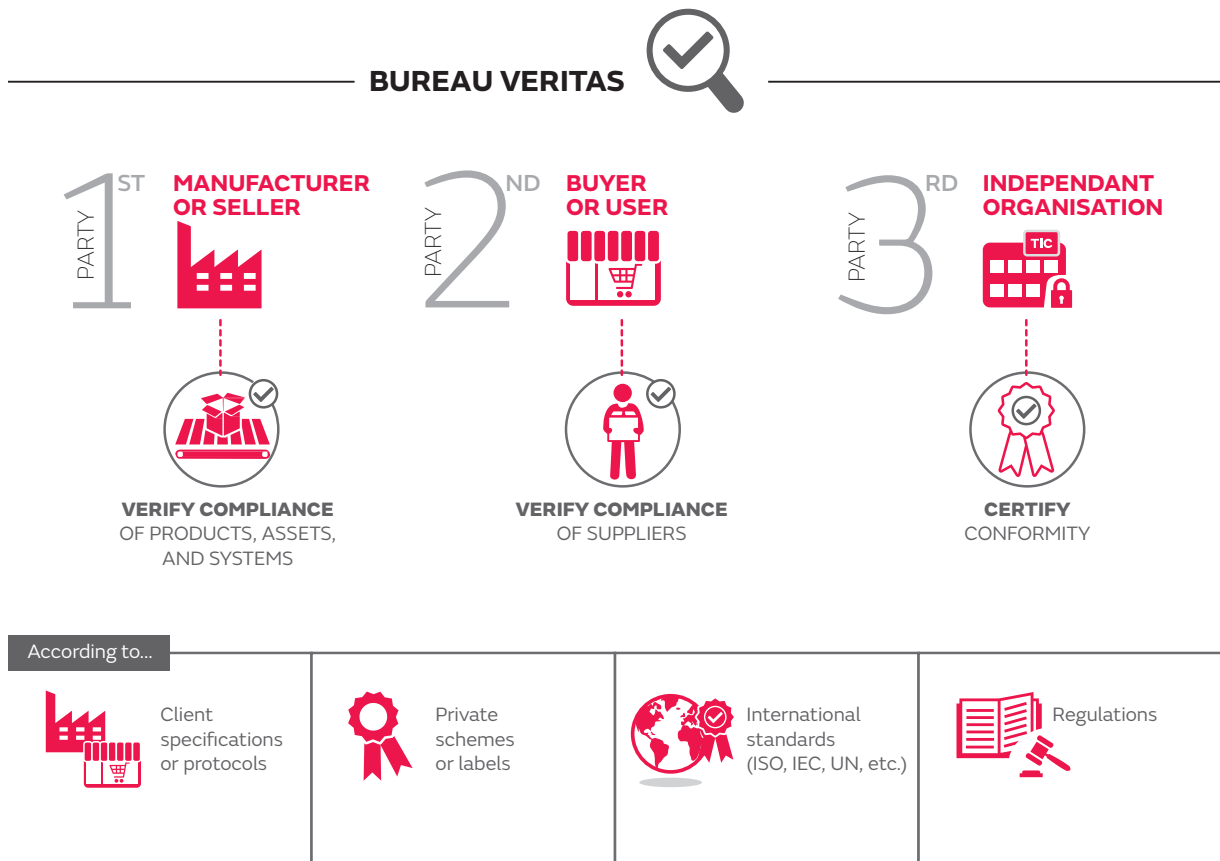
Bureau Veritas is a global leader in Testing, Inspection and Certification (“TIC”) services.

The Group’s mission is to reduce its clients’ risks, improve their performance and help them innovate to meet the challenges of quality, health, safety, environmental protection and social responsibility. Leveraging its renowned expertise, as well as its impartiality, integrity and independence, Bureau Veritas has helped build trust between companies, public authorities and consumers for the past 190 years.

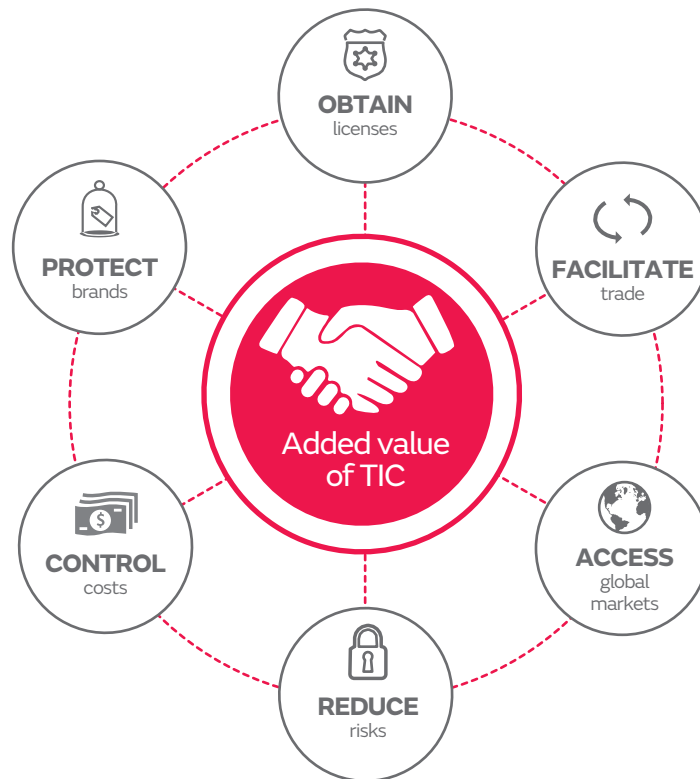
The services provided by Bureau Veritas are designed to ensure that products, assets and management systems conform to different standards and regulations in terms of quality, health,

safety, environmental protection and social responsibility (“QHSE”).

Depending on its clients’ needs and on applicable regulations, standards or contractual requirements, Bureau Veritas acts (i) as a “third party”, i.e., an independent body issuing reports and conformity certificates for products, assets, systems, services or organizations, (ii) as a “second party” on behalf of and upon the instructions of its clients to ensure better control of the supply chain, or (iii) as a “first party” on behalf of clients seeking to ensure that the products, assets, systems or services they are producing or selling meet the requisite standards.



The services delivered by Bureau Veritas cover six areas of value creation for its clients:



Obtaining a license to operate

Companies must be able to show that they are compliant with a large number of standards and regulations. Bureau Veritas offers them its in-depth knowledge of the standards applicable to their businesses, and as an independent third party, is able to verify their compliance. This allows them to conduct and develop their businesses in compliance with local and international regulatory requirements and to obtain and renew the licenses to operate issued by public authorities.

Facilitating trade

International trade relies among other things on third-party players who certify that the goods exchanged comply with the quality and quantities stipulated in the contract between the parties. Bureau Veritas plays a role in the trade process by testing materials, verifying that goods comply with contractual specifications and validating quantities. Exchanges of commodities, for example, are based on certificates issued by companies such as Bureau Veritas.

Accessing global markets

Capital goods or mass consumer products must comply with national and supranational standards before being sold on the market in a given country. These standards constitute technical trade barriers within the meaning of the WTO. Companies design and manufacture their products and equipment to meet the standards of several countries. In doing so, they call on Bureau Veritas to carry out tests, optimize their test plan and ultimately reduce the time-to-market.

Reducing risks

Managing risk in the areas of quality, health, safety, environment protection and social responsibility improves the efficiency and performance of organizations. Bureau Veritas helps its clients to identify and manage these risks, from project design to completion and decommissioning.

Keeping costs in check

Thanks to second- and third-party testing, inspection and auditing methods, companies can determine the actual condition of their assets and confidently launch new projects and products knowing that costs, timing and quality are under control. During the operational phase, inspections help optimize maintenance and the useful life of industrial equipment.

Protecting brands

The social network boom of recent years has prompted a fundamental change in how global brands are managed. Brands may quickly find themselves under fire due to a malfunction of one of the links in their supply or distribution chain. Bureau Veritas allows companies to improve their risk management, using analyses conducted by a reputed independent player.

Services

Bureau Veritas offers three main types of services:

- **laboratory and on-site testing and analyses** are designed to determine the characteristics of a product or material. The aim is to ensure that the products or materials have the required properties in terms of safety and quality and that they comply with specifications and applicable standards and regulations;
- **inspection** involves on-site verification that a product, asset or system meets specified criteria. Inspections cover a wide range of services designed to reduce risk, control quality, verify quantity and meet regulatory requirements. They include visual inspections, as well as verification of documents, manufacturing supervision and electronic, electrical, mechanical and software testing;
- **certification** attests to compliance with specific requirements and is delivered by an accredited body. It provides a guarantee from an independent third party that a product, service or management system meets specific standards. Certification enables companies to strengthen their reputation, access new markets or simply carry out their activities. Bureau Veritas offers certification services for management systems, products and people.

The Group's services cover:

- **assets**, such as:
 - ships, trains and planes,
 - buildings, infrastructure and networks,
 - power plants, refineries, pipelines and other industrial installations;
- **products**, such as:
 - consumer products – mass consumer electronics, textiles, toys, automotive and food products, and connected devices,
 - industrial equipment – pressure equipment, machines, electrical equipment,
 - commodities – oil, petrochemical products, minerals, metals and other commodities;
- **systems**, such as:
 - conventional QHSE management systems (ISO 9001, ISO 14001, OHSAS 18001, etc.),
 - sector-specific QHSE management systems (automotive, aeronautics, food, etc.),
 - supply chain management including audits of suppliers.

Clients

Bureau Veritas has a broad-based portfolio of more than 400,000 clients. The Group operates in a wide range of industries, including transportation and shipbuilding, the entire oil and gas value chain from exploration to supply, construction and civil engineering, power and utilities, consumer products and retail, aeronautics and rail, metals and mining industries, agri-food, government services, and automotive and chemicals.

At December 31, 2018, the ten biggest clients in terms of revenue generated during the year represented around 8% of the Group's consolidated revenue, while the biggest 25 clients accounted for 13%. This illustrates the diverse nature of the Group's revenue streams.

Organization

An increasingly global approach harnessing local execution capabilities in almost 140 countries

Present in almost 140 countries with numerous operations in every global region, the Group has historically used a decentralized management structure. This organization favors local decision-making and accountability to better meet its clients' needs.

However, in order to better capitalize on trends in the Group's markets, this autonomy will increasingly be paired with the development of a transversal operational approach and global business management based primarily on the Group's Global Service Lines. Bureau Veritas has also implemented control procedures and reporting rules applicable across the Group. These rules and procedures are regularly updated to ensure that they are in line with changes in Bureau Veritas' businesses, organization, processes and tools.

In addition, since the Group's growth is driven by acquisitions that involve integrating companies and teams with a wide variety of practices and policies, Bureau Veritas has set up specific internal procedures to ensure the successful integration of acquired companies.

Changes in the organization of the Group's businesses

Bureau Veritas continuously adapts its organization in order to better address the specific characteristics of some of its end markets, meet the constantly evolving needs of its clients, improve management of its geographic network and support its 2020 strategic plan.

Since 2016, the Group has adopted a leaner organization based around the following four divisions: 1) Marine & Offshore, 2) Consumer Products, 3) Government Services & International Trade, and 4) Commodities, Industry & Facilities (CIF). The CIF division includes five businesses: Commodities, Industry, Construction, Inspection & In-Service Verification and Certification.

The Group continued to adapt its organization in 2017. The Government Services & International Trade division was absorbed into the CIF division: government services and international trade were integrated into the Agri-Food & Commodities business, and automotive activities into the Industry business. In addition, most of the Inspection & In-Service Verification business was allocated to Construction & Infrastructure business, which now covers the entire asset lifecycle. The remaining Inspection & In-Service Verification business was allocated to Industry, depending on the end markets.

In the CIF division, Global Service Lines are responsible for the overall management of each business. Global Service Lines support day-to-day management through the CIF division's five main regional hubs: Southern and Western Europe, France and Africa, North America, Latin America and MAP (the Middle East, and Asia Pacific, including Russia, Turkey and the Caspian Sea region).

The CIF division, which accounts for almost 80% of the Group's revenue, is gradually adopting matrix-based organization aimed at:

- serving its clients globally;
- adapting to market trends by pooling high-level technical and IT capabilities;
- spreading best practices throughout the network; and
- benefiting from economies of scale to develop new products or invest in new tools.

In light of this new, more market-focused organization adopted since 2016, Bureau Veritas has revised its segment reporting. As of January 1, 2017, the Group reports on six businesses (as compared to eight previously): 1) Marine & Offshore, 2) Agri-Food & Commodities, 3) Industry, 4) Buildings & Infrastructure, 5) Certification and 6) Consumer Products. This change helps enhance the understanding of its business portfolio.

A brief outline of the six businesses is provided below. A more detailed description is given in section 1.6 – Presentation of business activities of this Non-Financial Statement.

Marine & Offshore

As a classification society, Bureau Veritas assesses vessels and offshore facilities for conformity with standards that mainly concern structural soundness and the reliability of on-board machinery. Bureau Veritas also provides vessel certification on behalf of flag administrations.

Agri-Food & Commodities

Bureau Veritas provides its clients with a comprehensive range of inspection, laboratory testing and certification services for all types of commodities, including oil and petrochemicals, metals and minerals, food and agri-commodities. Bureau Veritas provides assistance to government authorities, implementing programs to maximize revenues and check that imported products meet specified standards.

Industry

Bureau Veritas checks the reliability and integrity of industrial assets and their conformity with regulations. Services include conformity assessment, production monitoring, asset integrity management and equipment certification. Bureau Veritas also checks the integrity of industrial equipment and products through services such as non-destructive testing and materials analysis. Lastly, the Group provides the automotive sector with a range of services including technical controls, vehicle insurance damage inspections and logistics management.

Buildings & Infrastructure

The Group covers every stage in the buildings and infrastructure lifecycle, including capital expenditure (Capex) and operating expenditure (Opex) services.

In-Service Inspection & Verification (Opex services)

Bureau Veritas conducts recurrent inspections to assess in-service equipment (electrical installations, fire safety systems, elevators, lifting equipment and machinery) for compliance with applicable health and safety regulations or client-specific requirements.

Construction (mainly Capex services)

Bureau Veritas helps its clients manage all QHSE aspects of their construction projects, from design to completion. Missions involve assessing construction projects for compliance with technical standards, technical assistance, monitoring safety management during construction and providing asset management services.

Certification

As a certification body, Bureau Veritas certifies that the QHSE management systems utilized by clients comply with international standards (usually ISO), or national, segment or large company-specific standards.

Consumer Products

Bureau Veritas works with retailers and manufacturers of consumer products to assess their products and manufacturing processes for compliance with regulatory, quality and performance requirements. Bureau Veritas tests products, inspects merchandise, assesses factories and conducts audits of the entire supply chain.

Central leadership

Certain Group Executive Committee members are responsible for the Group's support functions.

Central support functions are represented on the Executive Committee by:

- Eduardo Camargo, Executive Vice-President Group Transformation & Business Development. Eduardo Camargo took up this office on February 1, 2019 but has been a member of the Executive Committee for 13 years. Within the scope of his recent appointment, he is responsible for reinforcing the Group's sales and client culture and for supporting the Group's

transformation, notably through digitalization and operational excellence. Eduardo Camargo is also in charge of acquisitions support. He will continue to serve as head of the Commodities, Industry & Facilities (CIF) division in Latin America, assisted on site by a manager for this region;

- François Chabas, Executive Vice-President and Chief Financial Officer, who has been effective since September 3, 2018. These functions were formerly filled by Nicolas Tissot, Executive Vice-President, Finance & Legal Affairs. François Chabas is in charge of finance, tax and investor relations;
- Helen Bradley, Executive Vice-President, who is responsible for Human Resources, who has been effective since June 1, 2018. These functions were formerly filled by Xavier Savigny, Executive Vice-President, who is responsible for Human Resources. Helen's responsibilities further extend to Quality, Health & Safety and Environment, Corporate Social Responsibility and External Affairs.

On August 31, 2018, Pascal Quint was appointed as Executive Vice-President, who is responsible for Risk & Compliance, and Group General Counsel. He is head of the Legal Affairs & Audit department and reports directly to the Chief Executive Officer.

1.2 Selected financial information

The tables below present information taken from the Group's audited consolidated financial statements for the financial years ended December 31, 2016, 2017 and 2018, which were prepared in accordance with IFRS.

This information should be read and considered in conjunction with the Group's audited consolidated financial statements and the notes thereto presented in section 5.1 – Consolidated financial statements and Chapter 4 – Management report of the 2018 Registration Document.

SELECTED INCOME STATEMENT DATA

(€ millions)	2018	2017	2016
Revenue	4,795.5	4,689.4	4,549.2
Adjusted operating profit ^(a)	758.0	745.5	734.9
Adjusted operating margin as a %	15.8%	15.9%	16.2%
Net financial expense	(93.2)	(103.7)	(86.5)
Net profit attributable to owners of the Company	332.6	308.0	319.4
ATTRIBUTABLE ADJUSTED NET PROFIT^{(A)(B)}	417.2	416.1	409.0

(a) Alternative performance indicators.

(b) Details of attributable adjusted net profit are provided in section 4.2.7 of the 2018 Registration Document.

RECONCILIATION OF OPERATING PROFIT WITH ADJUSTED OPERATING PROFIT

(€ millions)	2018	2017	2016
Operating profit	637.2	606.3	609.7
Amortization of intangible assets resulting from acquisitions	75.1	77.1	79.5
Restructuring costs	42.1	57.1	42.6
Acquisitions and disposals	3.6	5.0	3.1
Goodwill impairment	-	-	-
ADJUSTED OPERATING PROFIT (AOP)^(A)	758.0	745.5	734.9

(a) Alternative performance indicators.

SELECTED CASH FLOW DATA

(€ millions)	2018	2017	2016
Net cash generated from operating activities	685.5	581.2	594.4
Purchases of property, plant and equipment and intangible assets	(130.9)	(142.3)	(156.6)
Proceeds from sales of property, plant and equipment and intangible assets	6.8	8.9	10.7
Interest paid	(83.0)	(98.2)	(86.0)
FREE CASH FLOW^(A)	478.4	349.6	362.5

(a) Alternative performance indicators.

1 Presentation of the Group

1.2 Selected financial information

SELECTED STATEMENT OF FINANCIAL POSITION DATA

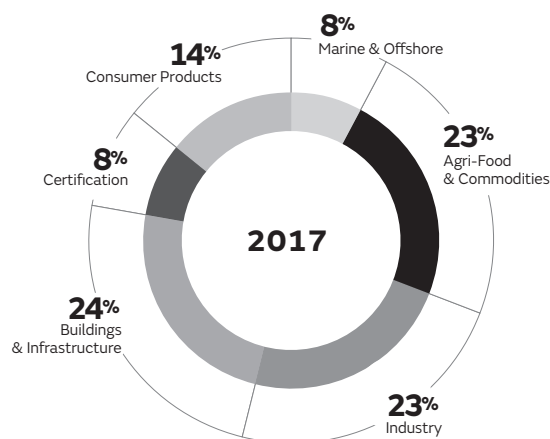
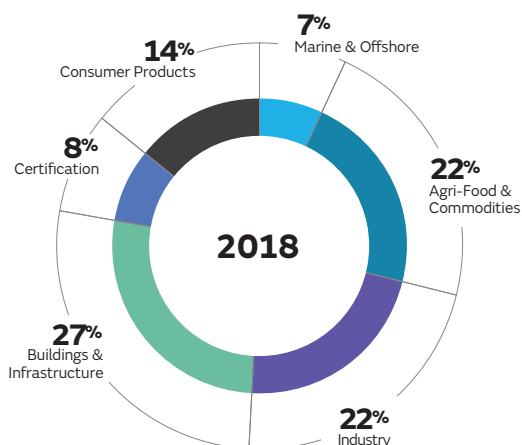
(€ millions)	2018	2017	2016
Total non-current assets	3,367.4	3,361.2	3,401.4
Total current assets	2,728.9	1,987.8	2,693.8
Total assets	6,096.3	5,350.2	6,095.2
Total equity	1,007.6	1,013.1	1,243.0
Total non-current liabilities	3,205.5	2,809.9	3,040.5
Total current liabilities	1,883.2	1,526.2	1,811.7
Total equity and liabilities	6,096.3	5,350.2	6,095.2
Net financial debt ^(a)	2,108.4	2,084.7	1,988.3
Currency hedging instruments (as per banking covenants)	6.7	9.7	8.1
ADJUSTED NET FINANCIAL DEBT^(b)	2,115.1	2,094.4	1,996.4

(a) Alternative performance indicators. Net financial debt is defined as the Group's total gross debt less marketable securities and similar receivables and cash and cash equivalents, as indicated in section 4.3.2 of the 2018 Registration Document.

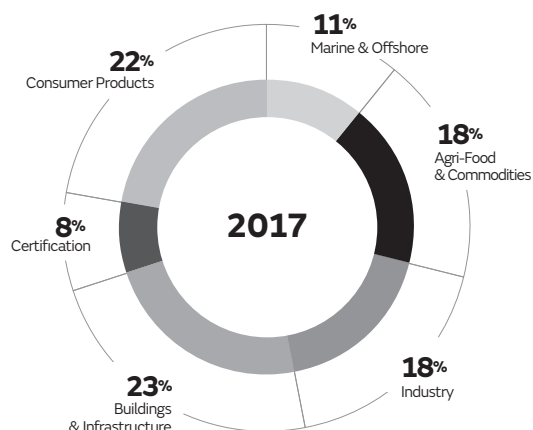
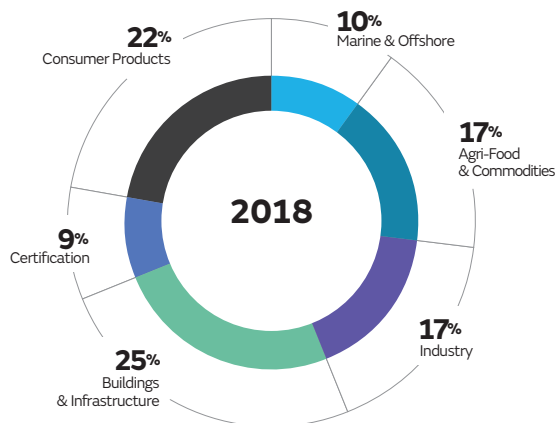
(b) Net financial debt after currency hedging instruments as defined in the calculation of bank covenants.

Revenue and adjusted operating profit by business

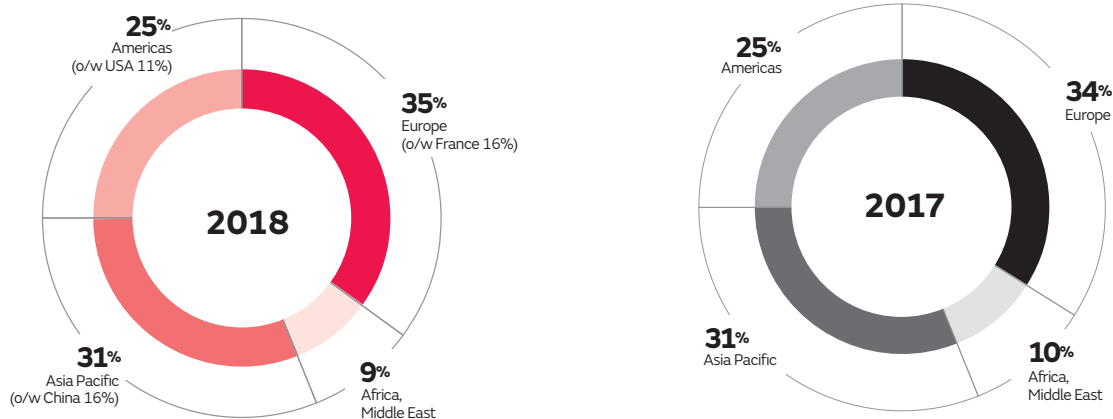
REVENUE



ADJUSTED OPERATING PROFIT



Revenue by geographic area



1.3 History

1828: Origins

The “Information Office for Maritime Insurance” was founded in Antwerp, Belgium, in 1828 to collect, verify and provide shipping underwriters with information on the condition of ships and equipment. Renamed Bureau Veritas, the Company transferred its registered office to Paris and built up an international network.

1920: Modern industrial revolution

The growing number of accidents during the construction boom that followed the First World War led to the introduction of a series of preventive measures. Bureau Veritas served as an important partner for industrial expansion and branched into new activities such as inspecting metal parts and equipment for the rail industry and conducting technical testing in the aeronautical, automotive and construction industries. Bureau Veritas opened its first laboratories near Paris to provide clients with metallurgical and chemical analyses and testing services for building materials.

1960: Technical progress

The 30-year post-WWII boom brought with it technical progress, growing urbanization and world trade. Bureau Veritas played an active role in modernizing shipbuilding standards for the classification of subsea vessels, the first nuclear-powered vessels and shipping hubs. The start of the computer era led to the use of more scientific methods. In construction, Bureau Veritas reinforced its expertise in the protection of people and goods and in energy efficiency.

1990: Diversification and worldwide expansion

As the world became increasingly globalized, economic players required traceability, transparency and technical consistency

across the international spectrum. To meet the needs of its clients, Bureau Veritas developed its Certification and Government Services businesses to evaluate management systems and supply chains. It also reinforced its network and opened offices in Africa, China and the United States. In the 1990s, a series of acquisitions helped give added impetus to the Group’s development. It acquired CEP in 1996, becoming the leader in compliance assessments for the construction industry in France. US-based companies ACTS (1998) and MTL (2001) specializing in consumer product testing added another business to the Group’s portfolio. Bureau Veritas also expanded its presence in the United States, the United Kingdom, Australia and Spain.

2007: Initial public offering (IPO)

Bureau Veritas was listed on Euronext Paris on October 24, 2007. This initial public offering was aimed at consolidating Bureau Veritas’ growth strategy by raising its profile, giving it access to new means of financing and forging loyalty among its employees.

2010: Development of the commodities business and in high-potential markets

Fast-growing countries are investing more in infrastructure and experiencing growing demand for quality, safety and reliability. After its acquisition of Inspectorate in 2010, Bureau Veritas became one of the world’s top three players in the commodities sector and continued to expand its geographic footprint. It became the leader of its sector in Canada following the acquisition of Maxxam in 2014 and carried out in parallel a series of acquisitions in the construction and consumer products industries in China.

2015: New strategic roadmap

The Group conducted in-depth analyses of its markets and defined a strategic roadmap through to 2020. The roadmap is based on key initiatives aimed at enhancing its growth profile, resilience and profitability. This strategy is primarily based on Growth Initiatives, development in two main markets (US and China), and four key drivers to support the roll-out of these initiatives: Human Resources, account management, Excellence@BV and digitalization.

2017: 2020 ambition reaffirmed

In December 2017, the Group organized a two-day Investor Days, during which it confirmed that the execution of its 2020 strategic

plan was well underway and had already delivered positive results. It showed that the five Growth Initiatives launched to boost the Group's development in Buildings & Infrastructure, Opex services, Agri-Food, Automotive and SmartWorld were reporting high single-digit growth and that the base business was now stabilizing after having been faced with challenging market conditions. Bureau Veritas highlighted that it had achieved 40% of its external growth ambition as outlined in its strategic roadmap through to 2020. It also announced that it was stepping up its digital transformation through key partnerships in order to bring its clients cutting-edge technologies in a wide range of areas such as inspection, predictive maintenance, data privacy and cybersecurity.

Changes in ownership structure

The Wendel group, co-shareholder of Bureau Veritas since 1995 with the Poincaré Investissements group, gradually acquired a controlling interest in Bureau Veritas in 2004.

The Wendel group and Poincaré Investissements respectively held 33.8% and 32.1% of the capital and voting rights of Bureau Veritas in 2004. The remainder was held by individual investors. On September 10, 2004, the Wendel group and the shareholders of Poincaré Investissements reached an agreement for the sale to Wendel of 100% of the capital of Poincaré Investissements. After this transaction was carried out at the end of 2004, the Wendel group held 65.9% of the capital and voting rights of Bureau Veritas.

In parallel to this acquisition, Wendel proposed that Bureau Veritas minority shareholders sell their interests under terms similar to those offered in connection with the acquisition of control. This private purchase and exchange offer enabled the Wendel group to increase its interest to 99% of the capital and voting rights of Bureau Veritas.

Bureau Veritas was listed on Euronext Paris on October 24, 2007. The offering, which comprised existing shares mainly sold by the Wendel group, amounted to €1,240 million, or around 31% of the capital of Bureau Veritas. On March 5, 2009, the Wendel group sold 11 million shares as part of a private placement. This transaction reduced Wendel's stake in Bureau Veritas from 62% to 52% of the capital. On March 6, 2015, the Wendel group sold 48 million shares⁽¹⁾ as part of a private placement. Following that transaction, the Wendel group held 40% of the capital and 56% of the voting rights of Bureau Veritas. On October 30, 2018, the Wendel group sold 21 million shares as part of a private placement. Following that transaction, the Wendel group held around 35% of the capital and 52% of the voting rights of Bureau Veritas.

At December 31, 2018, the Wendel group held 35.33% of the capital and 51.91% of the exercisable voting rights of Bureau Veritas.

(1) After the June 2013 four-for-one stock split.

1.4 The TIC industry

To the Group's knowledge, there is no comprehensive report covering or dealing with the markets in which it operates. As a result, and unless otherwise stated, the information presented in this section reflects the Group's estimates, which are provided for information purposes only and do not represent official data. The Group gives no assurance that a third party using other methods to collect, analyze or compile market data would obtain the same results. The Group's competitors may also define these markets differently.

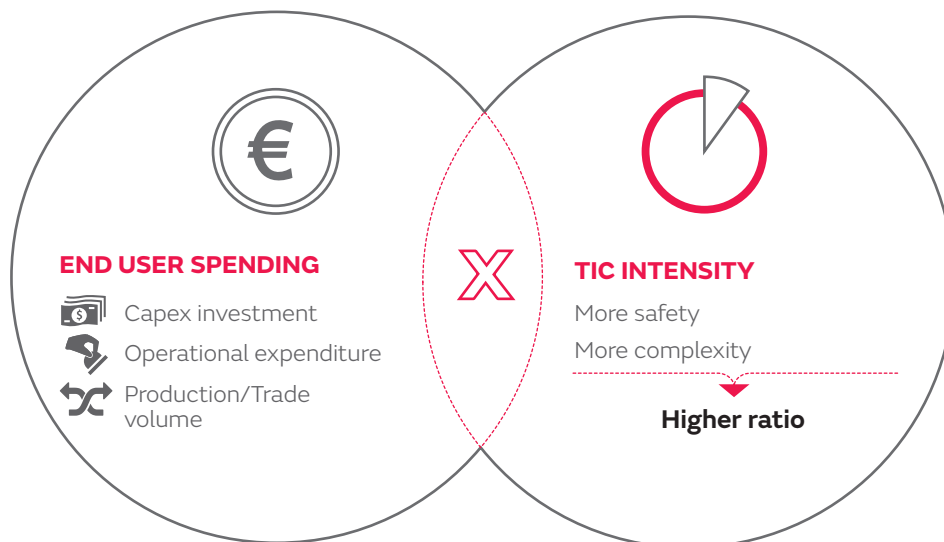
1.4.1 A market worth an estimated €200 billion plus

Inspection, certification and laboratory testing services in the areas of quality, health, safety, environmental protection, performance and social responsibility are commonly referred to as Testing, Inspection and Certification ("TIC"). TIC services encompass several types of tasks, including laboratory or on-site testing, management process audits, documentary checks, inspections across the entire supply chain and data consistency verification. These activities may be carried out on behalf of the end user or purchaser, independently of stakeholders or at the request of the manufacturer, or on behalf of public or private authorities. TIC services are called for at every stage of the supply chain and apply across all industries.

The overall TIC market depends on product and asset values and the associated risk. The TIC "intensity" corresponds to the proportion of the value of the product or asset allocated by the

manufacturer of the product or the operator of the asset to control activities. In general, the TIC intensity falls within a range of between 0.1% and 0.8% of the value of the product or asset. The total estimated value of the TIC market can be calculated by multiplying the TIC intensity by the amount spent by manufacturers, operators, and the buyers and sellers of goods and products.

On a short- and medium-term basis, the size of the market mainly varies in relation to inflation, global economic activity, investment and international trade. Applying the aforementioned approach, Bureau Veritas estimated the size of the global TIC market in 2015 at over €200 billion, based on external macroeconomic data such as investment volume per market, operational spending per market, the production value of goods and services, and the level of imports and exports.

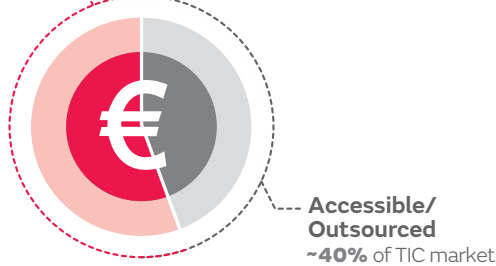


1 Presentation of the Group

1.4 The TIC industry

The TIC market
> €200BN

Government/
Insourced



The overall TIC market can be broken down into two segments:

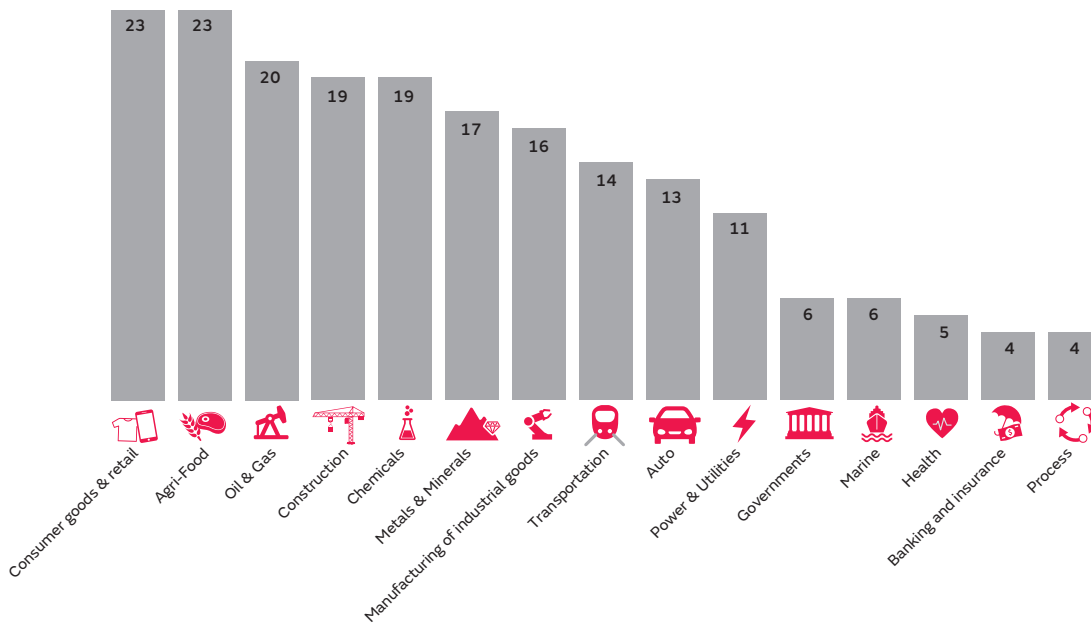
- the accessible (outsourced) market, where services are provided by specialized private organizations or firms, such as Bureau Veritas;
- the internal (insourced) market, where the companies themselves perform these services as part of quality control and assurance; along with the market served by public bodies and organizations such as customs, competition authorities, port authorities or industrial health and safety authorities.

The outsourced TIC market also depends on a country's administrative organization, whether or not it has a federal structure, and the industry concerned. Over time, these factors may have a significant impact on the size of the market, irrespective of the underlying macroeconomic conditions. The balance between insourcing and outsourcing therefore fluctuates from year to year, depending on the policies implemented by governments or changes in practices within industry sectors. This is the case in China, for example, where certain sectors are opening up gradually.

A breakdown in TIC by sector shows that the biggest markets are those relating to consumption, followed by oil and gas, construction, chemicals and mining. For Bureau Veritas, it is important to operate and enhance its presence in these markets.

The TIC market

In € billions



THE TIC MARKET

From a geographical point of view, the TIC market can be split into three main regions: Europe, the Americas and Asia. Bureau Veritas is present across all of these regions thanks to the investments it has made over the past 15 years. Going forward, the Group plans to bolster its positioning, particularly in the fastest-growing markets such as China and the United States.

1.4.2 Evolving growth drivers

TIC market growth is driven by six main factors:

- overall growth in the world economy and in international trade, which influences the expenditure volumes of Bureau Veritas clients;
- TIC intensity, corresponding to the proportion of the value of the product or asset allocated by the manufacturer of the product or the operator of the asset to control activities. This tends to be fairly stable in the short term but increases over the long term due to stricter standards and regulations;
- increased use of tests and inspections to facilitate and secure transactions and operations;
- subcontracting by businesses;
- privatization by government bodies;
- digitalization of the economy and of the service offer.

Global economic growth continues to influence the market

After a period of vigorous growth driven by globalization, economic growth in emerging countries and the commodities “super cycle”, the TIC market should grow at a more moderate pace going forward:

- (1) globalization of the world economy accelerated when China joined the WTO, with global trade growing at double the rate of global GDP growth on average. Since 2011, growth in global trade has slowed and in the next few years is expected to be around one time the growth in global GDP;
- (2) the commodities super cycle, which had begun in the early 2000s, is now at an end. Over the next few years, commodity prices are expected to remain low, leading to more modest growth in investments in new projects (capital expenditure) and in commodity trading volumes;
- (3) emerging countries will continue to spearhead growth, albeit at a less sustained pace. The growth gap between mature and emerging economies should narrow.

1.4.3 High barriers to entry

High barriers to entry make it difficult for new global players to emerge. These barriers concern the need to:

- have a **reputation for integrity and independence** in order to forge long-term partnerships with companies in managing their risks;
- obtain **authorizations and accreditations** in a large number of countries in order to do business. Obtaining an authorization or accreditation is a lengthy process. Acquiring a broad portfolio of authorizations and accreditations can therefore only be achieved over the long-term;
- have a **dense geographic network** at both local and international levels. Local network density is particularly

Long-term structural trends

Long-term structural trends (“megatrends”) should boost growth prospects in the TIC industry. Four such trends are particularly important:

- (1) the rise of the middle classes in emerging countries has led to an increase in the demand for safety and the corresponding safety standards, as well as infrastructure investments;
- (2) the use of more complex technologies, for example in the case of the Internet of Things, is increasing the number of tests that need to be carried out on each product and the number of subcontractors that need to be managed. Shorter product life cycles are encouraging companies to outsource a growing proportion of prototype testing and supply chain monitoring, so that they can be more responsive to market trends;
- (3) it is increasingly difficult to protect global brands, particularly in view of the surge in popularity of social media, where information can be shared in real time. In addition to regulatory compliance and the drive to be responsible players, companies now believe that proactive and global management of QHSE issues offers a way to create value and guarantee survival over the long-term;
- (4) public authorities are increasingly contracting out their control activities to specialized firms, which have the necessary flexibility to adapt to the constraints of the markets in which they operate, allowing them to considerably reduce their spending on such activities.

Bureau Veritas targets above-market growth by offering a range of innovative services that meet clients’ new demands, thereby increasing its market share in the fastest-growing sectors and regions, and seizing opportunities related to the outsourcing and privatization of certain markets.

important for rolling out the portfolio of services and benefiting from economies of scale. At the same time, an international network makes it possible to support global clients at all their facilities;

- offer a **broad spectrum of services and inspections**, particularly for key accounts, undertake certain large contracts and stand out from local players;
- boast **highly qualified technical experts**. The technical prowess and professionalism of the Group’s teams, give it a competitive edge by providing high value-added solutions;
- have an **internationally recognized brand**.

1.4.4 Regional, national or global markets

Many markets in which Bureau Veritas operates are still regional or national, but are becoming more global. There are also several hundred local or regional players specialized by activity or type of service, as well as a few global players. Some competitors are state-owned or quasi-state-owned organizations or are registered as associations. According to the Group's estimates, the five biggest industry players today account for less than 25% of the outsourced market.

The increasing globalization of certain TIC markets favors consolidation within the industry, with the support of major players able to position themselves to serve large companies

throughout the world and increase their presence on local markets.

In light of the Group's global network, its position as one of the world leaders in each of its businesses and its experience in carrying out acquisitions, Bureau Veritas is well placed to be one of the main actors in TIC consolidation. A more detailed description of the Group's acquisition strategy is provided in section 1.5.6 – Acquisitions: an active and selective external growth strategy of this Non-Financial Statement.

Business	Fragmentation	Competitive environment
Marine & Offshore	Medium	Twelve members of the International Association of Classification Societies (IACS) classify more than 90% of the global shipping fleet.
Agri-Food & Commodities		
Agri-Food	High	A few global players. A large number of local players.
Commodities	Medium	A few global players. A few regional groups and specialized local players.
Government services and international trade	Low	Four main players for government services.
Industry	High	A few large European or global players. A large number of highly specialized local players.
Buildings & Infrastructure	High	A few regional players. A large number of local players.
Certification	High	A few global players and quasi-state-owned national certification bodies, and many local players.
Consumer Products	Medium	A relatively concentrated market for toys, textiles and hardline products. Fragmented markets for electrical products and electronics.

1.5 Strategy and objectives

1.5.1 Key competitive advantages

An efficient international network

Bureau Veritas has an extensive global network of over 1,500 offices and laboratories in almost 140 countries.

This network is particularly well developed in leading industrialized countries (e.g., France, the United States, Canada, Japan, the United Kingdom, Spain, Italy and Australia), which have a strong regulatory background and where the Group is recognized for its technical expertise and innovative production models.

Bureau Veritas is also well established in key high-potential economies like China, Brazil, Chile, Colombia or India, where it has built solid growth platforms with a strong local presence over time. The Group continues to expand its presence in these regions by opening new offices and laboratories and systematically developing each of its businesses in these markets.

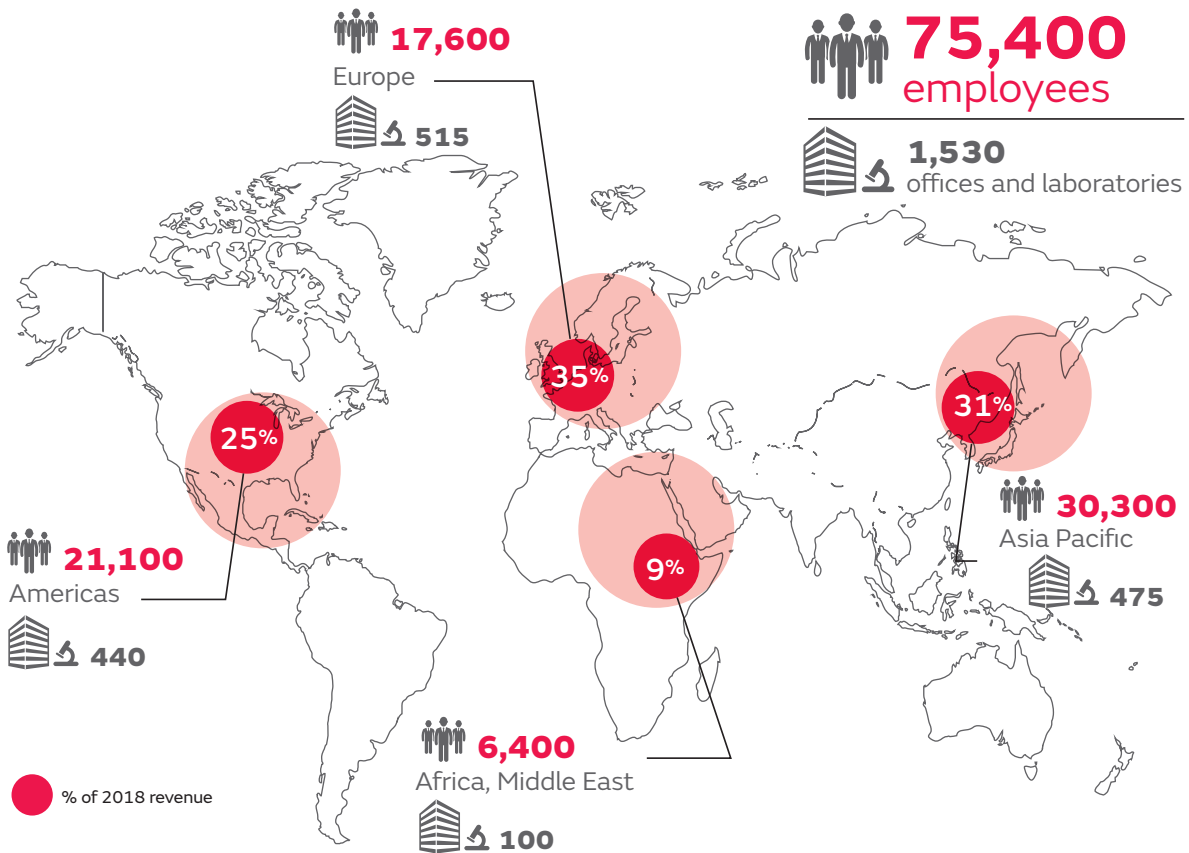
The Group's scale is one of its core assets, providing value and differentiation both commercially and operationally.

From a sales standpoint, its global network enables the Group to service key accounts (around one-quarter of the Group's revenue) and thereby win major international contracts, which represent a growing part of its activity.

From an operational standpoint, the Group improves its profitability by generating economies of scale resulting in particular from sharing offices, back-office functions and IT tools, and from amortizing the cost of developing and replicating new services and industrializing inspection processes over a larger base.

The organization into regional hubs located in key countries enables the Group to spread knowledge, technical support and sales teams across a given region.

In the future, the Group aims to strengthen this network organization around regional hubs enabling it to generate scale effects.



A strong brand image of technical expertise and integrity

Bureau Veritas has built its successful global business based on its long-standing reputation of technical expertise, high quality and integrity. This reputation is one of its most valuable assets and is a competitive advantage for the Group worldwide.

Technical expertise recognized by the authorities and by many accreditation bodies

Over the years, the Group has acquired skills and know-how in a large number of technical fields, as well as a broad knowledge of regulatory environments. Bureau Veritas is currently accredited as a second or third party by a large number of national and international delegating authorities and accreditation bodies. The Group constantly seeks to maintain, renew and extend its portfolio of accreditations and authorizations. It is subject to regular checks and audits by authorities and accreditation bodies to ensure that its procedures, the qualification of its personnel and its management systems comply with the requisite standards, norms, guidelines or regulations.

Quality and integrity embedded in the Group's culture and processes

Integrity, ethics, impartiality and independence are some of Bureau Veritas' core values and are central to its brand reputation and the value proposition for its clients.

These values are the focal point of the work carried out by the TIC profession in 2003 under the leadership of the International Federation of Inspection Agencies (IFIA), which led to the drafting of the Group's first Code of Ethics, published in October 2003.

A profitable, cash-generating growth model

Bureau Veritas' financial model has the following four characteristics:

- it is based on two growth drivers: organic growth and growth through acquisitions. Between 2007 and 2018, the Group posted weighted average annual revenue growth of 8%. A little less than half of this came from organic growth;
- it focuses on profitable growth: between 2007 and 2018, the adjusted operating margin remained above 16% on average;
- it generates significant, regular cash flow: between 2007 and 2018, the Group generated more than €300 million in free cash flow per year on average, including more than €400 million over the last five years;
- it is underpinned by the Group's strategy of strict cash allocation: net debt must be maintained well below bank ratios and the Group must be able to fund acquisitions and pay dividends.

1.5.2 Five-pillar strategy

To enhance its growth profile, resilience and profitability, the Group has built its strategy around five central pillars:

1. Expand market coverage through key Growth Initiatives

The Group will further penetrate its traditional markets through a broader range of services. It has identified several initiatives to achieve this objective, including Opex services (provided during the operational phase) in specific segments (Oil & Gas, Power & Utilities, Chemicals).

Bureau Veritas also plans to increase its exposure to sectors related to consumer spending through four initiatives targeting specific segments: Buildings & Infrastructure, Agri-Food, Automotive and SmartWorld.

2. Become the partner of choice for large international corporations to facilitate and secure their transactions and operations

Bureau Veritas is shifting towards more integrated and global solutions (combining inspections, audits, testing, data management), increasing the digital content of its services, and accelerating the roll-out of the key account management strategy launched in 2014.

3. Further deploy an efficient operating model to improve its agility and productivity

The Group is further developing internal initiatives such as Excellence@BV and continues to increase the digital content of its services. All initiatives are supported by the strong commitment of its people and endorsed by the Group's Human Resources & Corporate Social Responsibility strategy.

4. Balance its global footprint among three geographic areas (Europe/Middle East/Africa, Americas and Asia Pacific)

Bureau Veritas will take advantage of specific growth drivers in key selected geographies:

- Europe, which is the reference for issuing standards and regulations on quality, health, safety and the environment;
- the United States, which has a strong economic outlook and in which many Fortune 500 companies are headquartered, and which is still a highly fragmented market;
- China, with the gradual opening of the domestic TIC market.

The Group will continue to expand and reinforce its geographic footprint in developing markets.

5. Continue to play a leading role in TIC market consolidation

In line with its successful model based on a combination of organic and external growth, Bureau Veritas will continue to acquire small and mid-size companies in specific markets and geographies.

1.5.3 Initiatives to accelerate growth

At the end of 2015, to help sustain its growth, the Group identified the eight Growth Initiatives outlined below.

Given market trends and the contribution and potential of each of these eight Growth Initiatives, the Group decided in 2017 to focus its development efforts on just five of the original eight. Together amounting to around one-third of Group revenue at the end of 2018, these five initiatives will offer the Group an additional source of growth and help it achieve its diversification objectives.

1. Buildings & Infrastructure⁽¹⁾

The Group will benefit from its global leadership in this sizable and fast-growing market. It will further develop its activities in emerging markets where urbanization is leading to a surge in demand for infrastructure and transportation. More stringent regulations will also open up significant opportunities for TIC services. The Group will continue to develop innovative solutions and Opex services, both in mature and in emerging countries.

2. In-Service Inspection & Verification (Opex services) in specific markets: Oil & Gas, Power & Utilities, Chemicals⁽¹⁾

Bureau Veritas plans to develop its market share in Opex-related services for the Oil & Gas, Power & Utilities and Chemicals markets. The Group has identified these three markets on account of their common characteristics, i.e., a high degree of fragmentation, the outsourcing potential and the opportunity to build recurring business models. It will leverage its excellent reputation and expertise, in particular in Capex and product-related services.

3. Agri-Food⁽¹⁾

The TIC market for Agri-Food should see vigorous growth buoyed by the population increase, the globalization of the food supply chain, more stringent regulations and rising consumer demand for quality and traceability. The Group is already present across the entire supply chain, enjoying front-ranking positions in specific market segments, a global network and international accreditations. The Group plans to expand its geographic presence while enlarging its portfolio of services.

4. Automotive⁽¹⁾

The automotive market is having to contend with several deep-seated trends, including the relocation of production and consumption to emerging countries and the fundamental shift to “smart” cars and electric technologies. These trends will generate additional needs for TIC services. Bureau Veritas has built a robust presence in supply chain services, electronics and connectivity over the last five years. It aims to leverage these key areas of

expertise and further round out its portfolio of services to become a recognized player in this sector.

5. SmartWorld⁽¹⁾

The Internet of Things will impact every market in which Bureau Veritas operates. The number of connected devices is expected to grow exponentially for example, creating a significant market opportunity for equipment testing but also for new services related to connectivity and data security. Bureau Veritas will benefit from its leading position, expertise, and reputation in this segment.

6. Certification global contracts

The system certification market is still fragmented and is expected to consolidate as large international corporations increasingly entrust system certifications to a single certification body. Leveraging its global footprint, Bureau Veritas is ideally placed to address this new market need. With the implementation of key account management, Bureau Veritas' ambition is to strengthen its market share on global contracts.

7. Marine & Offshore

Bureau Veritas is one of the top players in the highly profitable Marine & Offshore business. Its resilient business model combining verification of newly constructed facilities and inspections of in-service facilities will continue to reduce its exposure to market cycles. Bureau Veritas' strategy is to develop its business in innovative services around energy efficiency and risk management, and to maintain its technological leadership.

8. Adjacent segments – retail and mining

Most retail and mining clients call on Bureau Veritas for just one type of service. The Group sees significant cross-selling opportunities in offering the full portfolio of asset- and product-related services to existing customers through key account management. The Group will diversify into recurring businesses and position itself as the provider of choice.

(1) Five initiatives refocused since January 1, 2017.

1.5.4 Two key markets: the United States and China

United States

As the world's economic powerhouse, the United States is a priority market for Bureau Veritas. Many global companies are headquartered in the United States and the TIC market in the country is estimated to be worth over €30 billion. Bureau Veritas has stepped up its expansion in the United States over the last few years, reporting a more than 2.5-fold increase in revenue. The country represented approximately 11% of total Group revenue in 2018.

The Group's strategy has three main focuses:

- bolstering its leading position in the Consumer Products, Oil & Gas, Construction and industrial equipment markets;
- expanding its activities in new market segments such as SmartWorld, Agri-Food, Aeronautics and Automotive;
- rolling out its Excellence@BV initiative with Lean management, shared service centers and pooled purchasing.

Since 2017, Bureau Veritas has expanded its presence in the United States. By acquiring Siemic, one of the main telecoms testing and certification bodies in the United States, Bureau Veritas has reinforced its position as leader in SmartWorld services and consolidated its strategic presence in Silicon Valley, in addition to the laboratories belonging to its subsidiary, 7layers. The acquisition of EMG expands Bureau Veritas' buildings and infrastructure service offering, strengthening the Group's position as a strategic partner for construction and renovation inspection,

quality assurance, asset management, periodic in-service inspection and project management. In addition, the acquisition of Primary Integration Solutions enables Bureau Veritas to offer a wide range of commissioning and operational risk management services for data center facilities. This market is developing rapidly in line with the production and use of data and the global demand for secure data storage.

China

China is one of the world's most dynamic countries, with buoyant demand for infrastructure, transport and energy. China's TIC market will potentially prove the biggest in the world. Today, only a fraction of this market is accessible, the majority being covered internally and by public services. Structural growth drivers (rise of the middle classes, increasing environmental awareness, ongoing improvement in local quality standards, etc.) are powerful catalysts for TIC demand and help open up the domestic market to international players.

The Group is already present in China through all of its businesses and is expanding its presence and regional coverage with the ultimate aim of becoming a front-ranking player in the domestic Chinese market. The two acquisitions carried out in 2016 and the acquisition finalized in 2017 are consistent with this strategy. At the end of 2018, China (including Hong Kong – Special Administrative Region) represented over 16% of Group revenue.

1.5.5 Four major factors

Human capital

Motivated and skilled employees

One of Bureau Veritas' greatest assets is its choice of employees. They are selected for their understanding of the local culture, their industrial, technical, operational or sales expertise, their passion for helping businesses effectively manage their risks, and their commitment to the Group's values.

With more than 75,000 employees, Bureau Veritas has an enriching mix of cultures and personalities. The Group continuously invests in its employees and takes staff training very seriously. Helping its teams to develop their professional skills has always been a priority.

An experienced management team

The consistency and experience of the management team have allowed the Group to develop a strong business culture founded on merit and initiative.

Key account management

Key account management is a strategic market segment for Bureau Veritas, covering some 130 major national and particularly international companies, selected among the Group's 400,000 clients. Key accounts represent around 25% of sales and offer above-average growth potential for the Group.

Since the needs of these clients are so specific, a key account management team has been in place since 2014, which is responsible for partnering the clients and offering them high-quality bespoke services. This dedicated team enables the services provided by the Group to these key accounts to be properly coordinated and clients to be informed of any technical and regulatory changes in the Group's testing, inspection and certification businesses. It also offers these clients access to Bureau Veritas' entire international network and divisional resources in order to best meet their broad spectrum of needs across the globe.

In 2018, initiatives were put in place to accelerate the key account management program at global and local levels. These were designed to step up the sharing of solutions based on global best practices in different regions across the world. Double-digit growth in certain accounts are a sign that these initiatives are already paying off.

Excellence@BV

To partner its strong growth and international development, Bureau Veritas launched a Lean management approach in 2012. The Lean management approach is based on process management and rounds out the Group's historical, experience-based business model. Lean management is an integral part of the Group's operating system in this new corporate culture, defined as an ongoing performance improvement approach. It is designed to generate productivity gains and cost savings and to make performance more robust and consistent. This culture of ongoing improvement gives Bureau Veritas the agility it needs to successfully navigate a constantly changing environment.

In practice, the Lean management approach is rolled out around two objectives:

- first, existing processes are re-engineered through value stream mapping. These maps simplify and harmonize processes, thereby generating productivity gains and overall performance sustainability;
- second, scorecards are deployed within its operating units. Scorecards enable the performance of operating units to be harmonized and therefore allow for proactive management of key indicators in order to obtain a high degree of flexibility and quality in a decentralized environment.

The Lean approach will help the Group meet its mid- to long-term objectives by improving its margin and designing processes able to manage expected growth. These optimized (efficient and attractive) processes can simplify post-acquisition integration.

The Lean approach takes the form of six strategic initiatives:

- the shift to digital solutions ("dematerialization") leverages new technologies in order to prevent employees from having to make physical trips for standard inspections;

- data management through configurators and optimized data architecture makes information systems more efficient;
- auto-notification enables information to be provided to clients in real time at each stage of the process;
- process re-engineering is a fundamental tool for adapting processes so that they best meet client needs in terms of cost, quality and timing by refocusing teams' efforts on value added;
- scheduling optimizes the time available to the teams so that they can complete the work requested by our clients; and
- route management helps optimize journey times for inspectors on the ground.

Other projects currently in progress are designed to improve purchasing management at Bureau Veritas with the aim of:

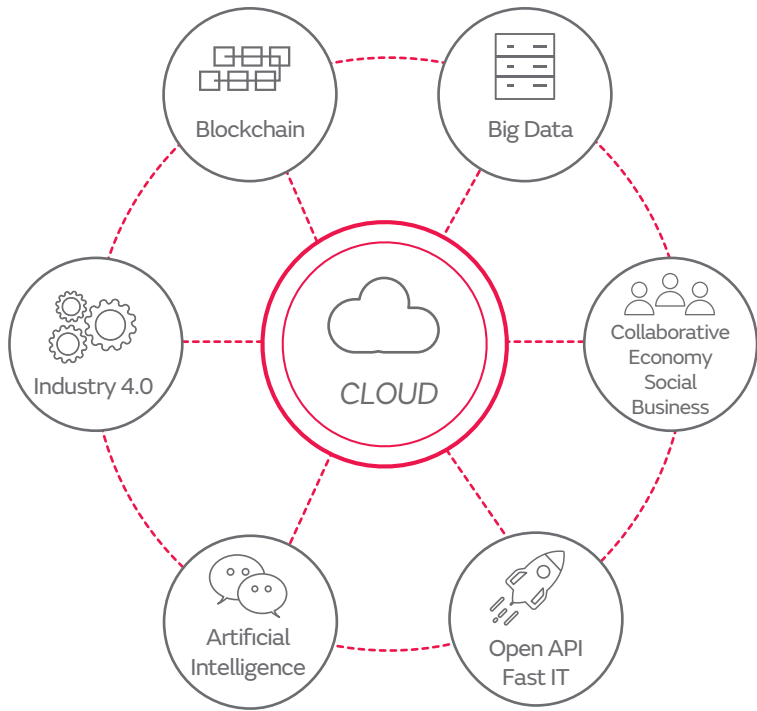
- (1) reducing the cost of the goods or services which Bureau Veritas buys, particularly by leveraging volumes through global contracts;
- (2) creating an actionable supplier database. This means reducing the number of suppliers and purchasing contracts put in place;
- (3) ensuring compliance with clearly formalized governance rules, both with respect to internal processes (e.g., segregation of duties between the purchaser and the referral agent) and external processes (e.g., ethical purchases).

The Group is also ramping up shared service centers in order to centralize support functions such as IT services, finance and human resources.

Digital@BV

Digitalization to improve efficiency and drive growth across all businesses

A number of digital technologies are currently disrupting the global economy and companies' operating models. These include cloud computing, artificial intelligence (AI), open application programming interface (API) and blockchain.



These technologies can be leveraged and become transformative for the Group's TIC activity as a whole if assimilated quickly with a clear view of the financial and growth ramifications at stake.

To that end, Bureau Veritas has integrated its digital transformation plan into its 2020 strategy and focused its digital strategy around three business priorities:

DIGITAL EFFICIENCY
Boost **profitability** of existing TIC services

Cost-efficient offer for core services

NEW DIGITAL OPERATING MODELS
Accelerate growth with alternative models

One-stop-shop

Conformity 4.0

Digital client engagement Technology-enabled services

NEW TIC DIGITAL SERVICES
Diversify in **new market segments**

Be compliant on new norms for digital financial products and models

Innovation program to incubate all new technologies

- **Digital efficiency** relates to the deployment of new digital tools in its field force to drive automation and productivity for the core Bureau Veritas services.
- **New digital operating models** aim to reinvent the way the Group delivers services using digital platforms to transform the client experience (e-commerce, marketplaces, etc.), as well as Industry 4.0 technologies such as the Industrial Internet of Things (IIoT) and artificial intelligence, to compile and exploit test and inspection data in different ways. The challenge here is to accelerate the Group's growth in the markets it serves.
- **New TIC digital services** enable Bureau Veritas to develop a new market for testing and certifying digital products and services, such as cybersecurity and personal data protection certification, sensors and connectivity testing.

Digital efficiency

To achieve its aims of improving operating and commercial efficiency, several major cross-functional programs support and drive vertical digitalization initiatives forward:

Digital collaboration platform

Bureau Veritas is currently rolling out a state-of-the-art cloud-based collaboration and communication platform (Microsoft Office 365) which is to be used by all Group entities. The platform will significantly reduce upstream work ahead of the launch of inter-entity initiatives and projects, and will significantly improve personal performance.

Integrated operating platform

Likewise, a unique, state-of-the-art cloud-based platform (Salesforce) is currently being rolled out across the Group. Salesforce has client relationship management (CRM) functions and above all, will help improve sales team efficiency and the management of key national and international accounts. The Salesforce platform will also enable integrated management of inspection activities in all fields. These activities are currently managed by a broad range of different applications.

Streamlined laboratory systems

Bureau Veritas is currently enjoying strong acquisition-led growth in its testing business, which has resulted in the coexistence of multiple Laboratory Information Management Systems (LIMS) and processes, making it difficult to assess the calibration and quality of testing services as a whole. Process automation is essential to enable the laboratories to have a fully online service (digital work orders and reports), thereby improving quality and lead times.

The Group is therefore working on harmonizing its systems across the globe, either by division and/or type of business. The Consumer Products division already works with an integrated system. For businesses related to Commodities, an internally developed platform now serves most laboratory activities. This initiative will be extended to include the Agri-Food segment in 2019.

New digital operating models

The vertical Marine & Offshore and Consumer Products divisions were the first to develop and deploy digital platforms specifically tailored to their clients' businesses as from 2015. Following its launch in the vertical divisions in 2015, this strategy has since been extended to the Group's Growth Initiatives. It resulted in the following developments in 2018:

Marine & Offshore

- **End-to-end digitalized operating process:** thanks to a suite of online services and internally developed mobile applications, the Group's main operating processes in terms of mission planning, inspection and certification data input and client reporting, have now been fully digitalized. Certificates delivered systematically bear an electronic signature that can be verified online to ensure its authenticity.
- **3D classification and asset integrity management: VeristarAIM^{3D},** an online solution developed jointly with Dassault Systèmes, enables Bureau Veritas to manage all of the elements necessary for managing maritime asset integrity using 3D models. A 3D classification process has been developed, facilitating collaboration for users of VeristarAIM^{3D}. This process was rolled out on a large vessel for the first time in the world, on behalf of Naval Group.
- **Cybersecurity scorecards:** Bureau Veritas has developed a cybersecurity scorecard which has already been adopted by a number of shipowners for over 40 vessels. A suite of cyber risk management services has also been developed in this regard.

Consumer Products

- **InSpec by BV, an international e-commerce platform:** following the overhaul of **OneSource**, the Group's client portal, an e-commerce platform was launched in 2018 allowing the division's clients to verify the quality of their supplies through supplier inspections and audits. Thanks to InSpec, some of these audits can be performed in less than 24 hours.
- **Cybersecurity for connected products:** a range of automated cybersecurity tests has been developed in partnership with CEA-LIST. These tests enable automatic assessment of the risks and vulnerabilities of electronic products.

In 2018, similar efforts were rolled out in other Group markets, using the same digital strategy. The focus was nevertheless on the Growth Initiatives set out in the Group's 2020 strategic plan.

Buildings & Infrastructure

- **Project management assistance:** management support solutions for major construction projects initially developed in Brazil using **PRIManager**, were rolled out to 11 countries in 2018, covering over 100 clients. The roll-out of these solutions currently underway in China should further accelerate growth in the corresponding revenue.
- **Building Information Modeling (BIM) services:** the Group's adoption of **BIM** technology, which allows a comprehensive digital description of buildings or infrastructure, is currently supported by its adoption in many national regulations across the globe, where BIM is often a prerequisite for public sector projects. BIM is also seen by the industry as a major source of productivity gains. In this respect, the Group has developed significant BIM expertise in a Chinese center of excellence, and has set up a global partnership with the market leader of BIM Autodesk software. This three-pronged strategy focuses on:
 - (i) **core business transformation:** technical inspections and project management assistance increasingly use BIM technology, providing substantial efficiency gains,
 - (ii) **launch of BIM management services:** a third party with strong engineering expertise such as Bureau Veritas is needed to ensure optimal use of BIM technology, anticipate risks at each stage of a project, identify the most efficient solution from the outset, and minimize requests for change,
 - (iii) **launch of BIM-based asset management services:** after the construction phase, Bureau Veritas can ensure ongoing BIM compliance and optimal maintenance costs.

Industry: Opex services

- **Drone-based inspections** have increased sharply in different sectors and countries, leading to efficiency gains (substantial reduction in costs) and greater security for inspectors.
- The **Avitas Systems partnership** took shape, with the launch of **pilots** for a unique, highly innovative solution for inspecting electricity transmission and distribution networks in both urban and rural environments.
- **Digital twin implementation** services have grown considerably for different asset types, leading to better risk analysis, as well as new digital twin compliance services.

Agri-Food

- International deployment of an **integrated operating platform for agricultural commodities:** the **SurvAgri** platform, developed in Brazil, offers end-to-end digitalization of the Group's operations in this segment. Besides direct efficiency gains, this solution also allows new services to be marketed and implemented.
- **Drone or satellite-based culture supervision:** Bureau Veritas has developed a suite of new precision farming services using images captured by drones or satellites. These services enable cultures to be supervised and improved, while yields can be estimated more accurately.
- **Traceability solution based on blockchain technology:** together with Worldline (Atos group), Bureau Veritas has rolled out several pilot food traceability solutions based on blockchain technology under its **Origin** label. **Origin** defines common requirements for the industry, resulting in real-time traceability of products from farm to fork.

DataLab

Anticipating the hugely disruptive impact artificial intelligence is set to have in all industries, including Testing, Inspection and Certification segments, Bureau Veritas has set up an expert team of data scientists and data engineers. Their objective is to roll out artificial intelligence techniques in the Group's different departments. They have already developed several projects, notably for automated decision-making in laboratories.

Development of partnerships with digital players

The Group's strategy of teaming up with strong digital brands is designed to reinforce its credibility and commercial performance. Many different sectors are concerned, including Construction (**Autodesk**), Marine and Nuclear Power (**Dassault Systèmes**), and Industry (**Avitas Systems**, a GE Ventures company). These partnerships give the Group access to critical technology, as well as technical and commercial resources. Other partnerships, including **Worldline (an Atos subsidiary)** for blockchain, and **Microsoft** for artificial intelligence, focus on specific technologies. As well as accelerating the Group's digital transition, these alliances will enable Bureau Veritas to focus on creating value in its core verification-of-conformity business.

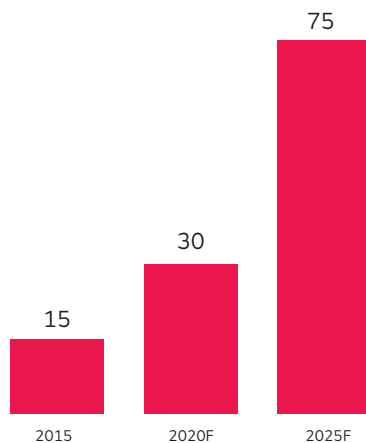
New Digital TIC Services

The separation between physical and digital assets is quickly disappearing as connected objects are deployed at an exponential rate. For instance, most cars are now connected and moving towards autonomy, leading to a number of new elements requiring

testing or certification, such as on-board connectivity, UX and sensor safety, telemetry and infotainment systems, cybersecurity and data privacy. Generally speaking, the growth of the connected objects markets is resulting in a host of new rules and regulations dealing with digital media and cyber risks.

EVOLUTION OF THE NUMBER OF IOT OBJECTS

(in billions)

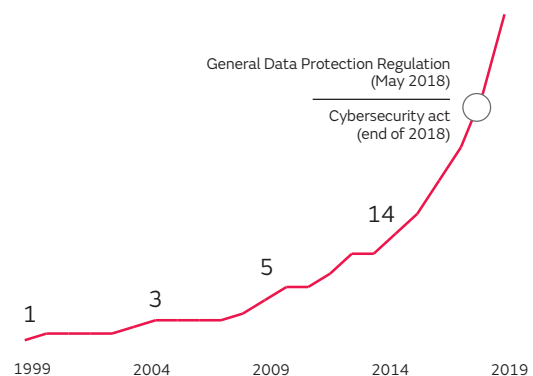


In this context, Bureau Veritas offers the market **management systems certification** which include cybersecurity:

- Bureau Veritas Certification is accredited to deliver **ISO 27000** and **IEC 62443** certification in terms of technical inspections, and has already delivered thousands of certificates across the globe;
- the Group is accredited to deliver the **Cyber Essentials** label, a UK scheme with significant traction in Europe;
- Bureau Veritas has built multiple guidelines on key digital topics (IoT, connectivity, etc.) that it has combined with a software analyzer built with the French Alternative Energies and Atomic Energy Commission (Commissariat à l'énergie atomique et aux énergies alternatives - CEA), a public government-funded research organization, to automatically analyze code quality;
- the Marine & Offshore division has developed and issued its cybersecurity standards for vessels with the additional **SYS-COM** class notation.

Data protection has become an essential market requirement. New standards and regulations have also been developed in this field, providing the Group with new service opportunities:

EVOLUTION OF THE NUMBER OF DIGITAL NORMS



- Bureau Veritas has developed a technical reference and certifications system to ensure protection of personal data as defined per the recent European Union General Data Protection Regulation (**GDPR**), and assesses and certifies Data Protection Officers to this end.

The Group has also carved out a front-ranking position in the testing of connected objects and systems thanks to several acquisitions made over the past few years (7layers, NCC, Siemic, ICTK), and to the strong ties forged with the world's major producers of connected objects. This is related to the SmartWorld Growth Initiative described in section 1.5.3 of this Non-Financial Statement.

Digital Innovation program

Besides these short-term business focuses, Bureau Veritas has built an innovation program to incubate less mature but no less promising technologies, such as artificial intelligence for laboratories, blockchain for traceability and trust in online trade, and augmented/virtual reality for remote inspection services.

1.5.6 Acquisitions: an active and selective external growth strategy

As a player in a highly fragmented market, Bureau Veritas positions itself as an active consolidating force in its industry. The Group's history has been shaped by numerous acquisitions that today allow it to enjoy front-ranking positions in many different countries and businesses.

Over the last ten years, the Group has made 85 acquisitions, representing aggregate cumulative revenue of over €1.3 billion. Acquisitions also represent an important part of its strategy and are expected to contribute significantly to its additional growth target through to 2020.

Acquisitions must meet criteria for the Group in terms of price, scale, profitability and value creation. While some acquisitions are aimed at developing new platforms (four acquisitions with revenue above €100 million carried out over the past 20 years, most of

which are described in section 1.3 – History in this chapter of the Non-Financial Statement), most are bolt-on acquisitions of smaller companies.

Acquisitions enable the Group to expand its portfolio of businesses and to:

- increase its presence in regions where it already operates by rounding out its business portfolio;
- gain a foothold in new regions;
- broaden the scope of its expertise.

In 2018, Bureau Veritas made six acquisitions, representing cumulative annual revenue of around €85 million.

1.5.7 2020 Ambition

Bureau Veritas' 2020 financial ambition is as follows:

- add €1.5 billion to the Group's revenue in 2020 compared to 2015, based on the initial 2015 plan exchange rates⁽¹⁾, half organic and half through external growth;
- reach 5% to 7% of organic growth by 2020;
- achieve above 17% adjusted operating margin in 2020⁽²⁾;
- generate continuous high free cash flow.

The Group is also committed to its non-financial performance, and measures its progress through the various indicators set out in Chapter 2 of this Non-Financial Statement. The main non-financial targets of Bureau Veritas for 2020 are as follows:

- **Health and Safety:** Safety is an absolute for Bureau Veritas which is aiming to be a company "without accident". By 2020, it aims to reduce accident rates by 50% (TAR: Total Accident Rate, LTR: Lost Time Rate)⁽³⁾;
- **Inclusion:** Achieve 25% of women in the Group's executive management team;
- **Environment⁽⁴⁾:** Reduce CO₂ emissions by 10% per full-time equivalent employee, increase the use of renewable energies by 10% and have 75% of the Group's businesses ISO 14001 certified (environmental management).

(1) As presented at the October 2015 Investor Days.

(2) At the 2015 plan initial exchange rates, as presented at the October 2015 Investor Days.

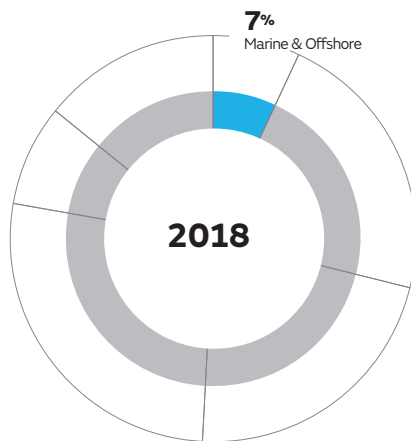
(3) Compared to 2014 consolidated results.

(4) Compared to 2015 consolidated results.

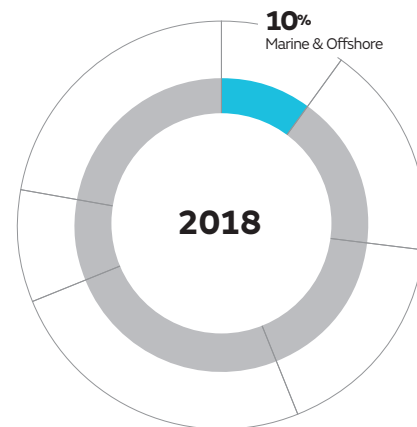
1.6 Presentation of business activities

1.6.1 Marine & Offshore

GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT



A portfolio of high value-added services for a loyal client base

Bureau Veritas classifies ships and offshore facilities by verifying their compliance with classification rules, mainly regarding structural soundness and the reliability of all related equipment. This mission is usually carried out together with the regulatory ("statutory") certification mission.

Class and regulatory certificates are essential for operating ships. Maritime insurance companies require such certificates to provide coverage, and port authorities regularly check that valid certificates exist when ships come into port. Similarly, keeping existing offshore facilities in compliance with safety and quality standards, as well as regulatory requirements is crucial for operators.

Marine & Offshore services are designed to help clients comply with regulations, reduce risk, increase asset lifecycles and ensure operational safety. The Group's services begin at the construction phase, approving drawings, inspecting materials and equipment, and surveying at the shipyard. During the operational life of the assets, Marine & Offshore experts make regular visits and offer a comprehensive range of technical services including asset integrity management. On behalf of its clients, Bureau Veritas monitors any changes in regulations, identifies applicable standards, manages the compliance process, reviews design and execution and liaises with the competent authorities.

The Group has also diversified into several complementary services for its Marine & Offshore clients, including loss adjusting

and risk assessment for the offshore industry (acquisition of MatthewsDaniel in 2014); marine accident investigations, pre- and post-salvage advice and the re-floating of vessels (acquisition of TMC Marine Ltd in 2016); and niche services to manage risk at sea during offshore operations or projects (acquisition of MAC).

In 2018, 39% of Marine & Offshore revenue was generated by the classification and certification of ships under construction and 61% was generated by the surveillance of ships in service and complementary services.

The Group is a member of the International Association of Classification Societies (IACS), which brings together the 12 largest international classification societies. They classify more than 90% of world tonnage, with the remaining fleet either not classed or classed by small classification companies operating mainly at the national level.

Worldwide network

To meet the needs of its clients, the Marine & Offshore network spans 90 countries. In addition to 18 local design approval offices located near its clients, the Group's network of 180 control stations gives it access to qualified surveyors in the world's largest ports. This means that visits can be conducted on demand and without the delays that could be detrimental to the ship's business and owner.

A highly diverse fleet classed by Bureau Veritas

Bureau Veritas ranks number two worldwide in terms of the number of classed ships and number six worldwide in terms of tonnage (source: Bureau Veritas estimates). The Group has recognized technical expertise in all segments of maritime transport (bulk carriers, oil and chemical tankers, container ships, gas carriers, passenger ships, warships and tugs) and offshore facilities for the exploration and development of both coastal and deep-water oil and gas fields (fixed and floating platforms, offshore support vessels, drill ships, subsea facilities). The fleet classed by Bureau Veritas is highly diverse, and the Group holds a leading position in the market for highly technical ships such as liquefied natural gas (LNG)-fueled vessels, LNG or liquefied petroleum gas (LPG) carriers, FPSO/FSO floating production systems, offshore oil platforms, cruise ships, ferries, and specialized ships.

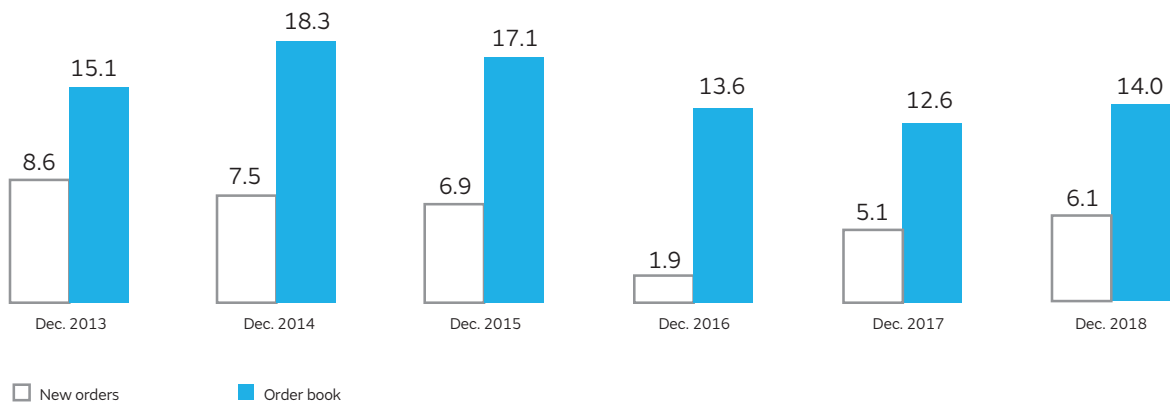
A diversified and loyal client base

The Group has several thousands of clients, and the largest represents 1.6% of the business segment's revenue. Key clients are:

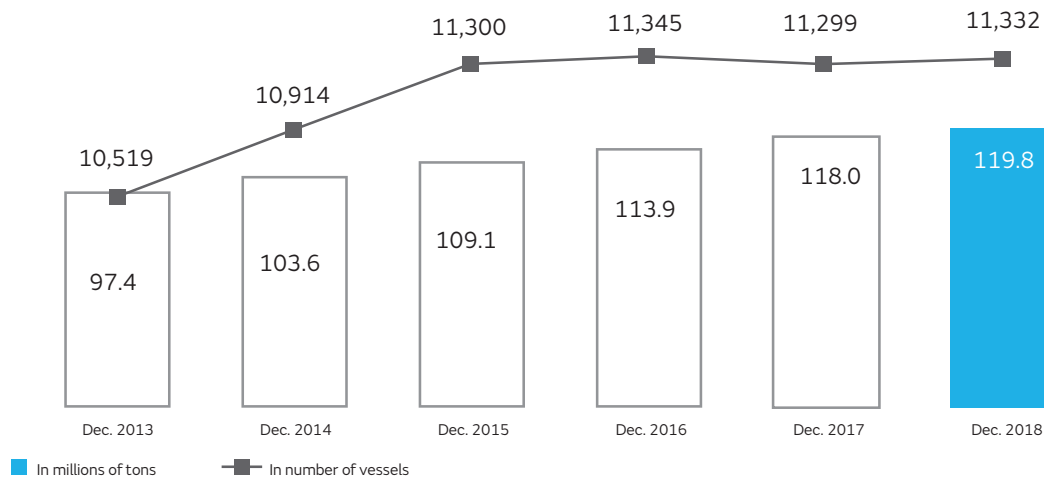
- shipyards and shipbuilders around the world;
- equipment and component manufacturers;
- shipowners;
- oil companies and Engineering, Procurement, Installation and Commissioning (EPIC) contractors involved in the construction and operation of offshore production units;
- insurance companies, P&I clubs⁽¹⁾ and lawyers.

Changes in the order book

in millions of gross registered tonnage (GRT)



Changes in the Group's in-service fleet



(1) Protection & Indemnity.

A changing market

A changing regulatory environment

International regulations applicable to maritime safety and environmental protection continue to evolve, providing classification companies with growth opportunities. These include:

- new regulations to reduce greenhouse gas emissions for new and existing ships in accordance with the international conventions adopted under the aegis of the International Maritime Organization (IMO) and the European Union. To respond to these regulatory requirements and to help shipowners reduce energy costs, Bureau Veritas has developed a range of dedicated services and tools;
- the 2004 convention on Ballast Water Management (BWM) adopted under the aegis of the IMO, which makes it mandatory to obtain approval for ballast water treatment systems and imposes changes in ship design. This regulation came into force at the beginning of September 2017;
- the Hong Kong international convention on ship recycling, which was adopted in May 2009 and will come into force 24 months after it has been ratified by 15 States. This should represent at least 40% of the gross tonnage of the global merchant vessel fleet;
- European ship recycling regulation, which came into force at the end of 2018 for new ships and is due to come into force as from the end of 2020 for existing vessels. It requires ships to have on board an inventory of hazardous materials (IHM);
- regulations applicable to ships for inland navigation transporting hazardous materials. Bureau Veritas is one of three classification societies recognized by the European Union;
- the new International Association of Classification Societies (IACS) unified requirement concerning on board use and application of computer-based systems, which came into force on July 1, 2016;
- a global move towards a “safety case” system which is emerging for the offshore industry and requires the expertise of an independent verification body;
- Regulation (EU) No. 2015/757 of the European Parliament and of the Council of the European Union dated April 29, 2015 on the monitoring, reporting and verification (MRV) of carbon dioxide emissions from maritime transport, which came into force on July 1, 2015. Monitoring plans were submitted for verification in 2017 while emissions reports are to be submitted for verification in 2019;
- the IMO Guidelines for Ships Operating in Polar Waters, or “Polar Code”, which came into effect on January 1, 2017;
- the IMO Data Collection System (DCS) regulation concerning carbon dioxide emissions from shipping activities, which will come into effect in 2019;
- Annex VI (amended) of the MARPOL convention, which reduces the maximum worldwide sulfur content of fuel oil used by ships to 0.50% (from 3.50% currently) as from January 1, 2020.

The market for the construction of new ships is showing encouraging signs of recovery

The market for the construction of new ships is cyclical. Until 2008, demand was buoyed by sustained growth in the global economy, the rise in the number of economic partners (China, Brazil, Russia, and India) and increasing distances between the main centers of production and consumption. All maritime transport was subsequently affected by the economic crisis that erupted in 2008. The global fleet’s tonnage capacity increased due to the delivery of orders placed before the crisis. This led to overcapacity in transport supply, in particular in the bulk carrier and container ship segments, and to a fall in freight rates.

After years shaped by low levels of new orders, the market rallied in 2013, buoyed by opportunistic orders placed as prices in shipyards fell, despite significant residual overcapacity in the market. 2014 and 2015 benefited from this rally, whereas 2016 saw a downturn in the cycle shaped by a slump in new orders. The level of orders bounced back in 2017, with contractual tonnage more than double that of the previous year. However, total order volumes remain sharply down on the average for the past 20 years.

In terms of orders, 2018 was a good year for Bureau Veritas as regards both volumes and market share. Orders for ships in 2018 were driven by gas, cruise and LNG-fueled vessel segments. Bureau Veritas was awarded several contracts for innovative vessels, including two LNG-fueled MSC World Class ships for MSC Cruises with capacity for 6,850 passengers, and a methane tanker operated by MOL intended to supply LNG to the nine 22,000 TEU mega container ships for CMA CGM (currently under construction in China). These two orders highlight Bureau Veritas’ frontranking position in the segment for LNG-fueled vessels. LNG is not the only alternative sustainable fuel, with demand for hybrid or fully electric vessels also on the rise. Bureau Veritas is involved in several projects in this field, such as the expedition icebreaker with hybrid fuel for Ponant, and hybrid electric ferries for BC Ferries. Bulk carrier and container activity also rallied in 2018, with the Group securing orders for several bulk carriers in the Ultramax and Kamsarmax class.

Upbeat sentiment was confirmed in the offshore sector in 2018, with a sharp rally in activity. The price for new ships declined and the number of new projects increased, particularly for floating production, storage and offloading units (FPSO) and for floating storage regasification units (FSRU). This increase should continue in 2019. Bureau Veritas won a respectable share of the market for Capex projects, particularly in the FPSO segment, securing five out of the ten orders placed in 2018. The offshore windfarm sector continues to generate attractive opportunities, with Bureau Veritas obtaining four offshore service vessels, including two with a hybrid propulsion system intended for Louis Dreyfus Armateurs.

Offshore operators and shipowners are under increasing pressure to control costs. Against this backdrop, Bureau Veritas is concentrating on two key areas:

- digitalization; and
- high value-added services.

Digitalization and the development of a high value-added service offering

Digital innovations focused on performance

Bureau Veritas Marine & Offshore continues its digital transformation. The Group offers its clients new services allowing them to address new challenges or risks, while at the same time leveraging digital opportunities to enhance client experience and its own operational efficiency.

In 2018, the Marine & Offshore business continued to digitalize its processes, launching a host of new tools intended to help clients comply with new environmental regulations. Bureau Veritas experts prepare a digital Inventory of Hazardous Materials (IHM) using an application available on PC, tablet or mobile phone and effective on board vessels, at shipyards or at the office. This application can also be made available to shipowners to create an inventory or for the purpose of future maintenance operations. This brings it into line with the European ship recycling regulation and with the Hong Kong convention. "My Fuel Consumption", another online platform, has also been developed to allow shipowners to submit their monitoring and fuel consumption or carbon emissions plan in compliance with the requirements of the European MRV and IMO-DCS regulations.

2018 saw the roll-out of electronic certificates throughout the network. Bureau Veritas also put in place a new tool helping to optimize inspection planning. This tool is intended to proactively optimize the timing and location of inspections for shipowners, offering them real-time visibility regarding the status of their requests.

Together with Naval Group, Bureau Veritas Marine & Offshore also launched a 3D classification process using Dassault Systèmes' 3DEXPERIENCE platform. The process uses a single 3D model to enable the direct exchange of digital information, reduce the number of necessary iterations, improve collaboration and thereby significantly reduce review times for approving a design. All comments and iterations can be tracked, acted upon and reviewed in real time.

Bureau Veritas is also actively studying new technologies, such as drones or remote video inspections, aimed at improving service lead times while reducing risks for inspectors and crews.

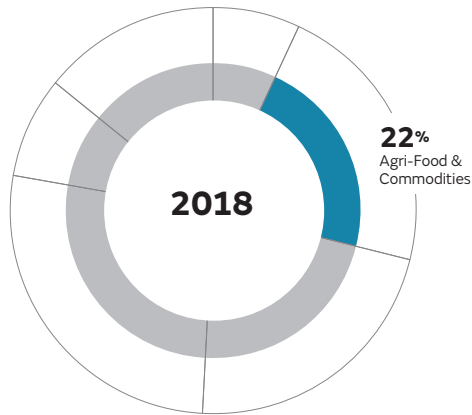
Partnering our clients beyond the regulatory and compliance field

Developing high value-added services remains an important avenue for growth for Bureau Veritas Marine & Offshore. These activities harnessing earlier acquisitions (HydrOcean, MatthewsDaniel, TMC Marine and MAC) have allowed the Group to widen its portfolio of services and increase the number of clients it is able to serve.

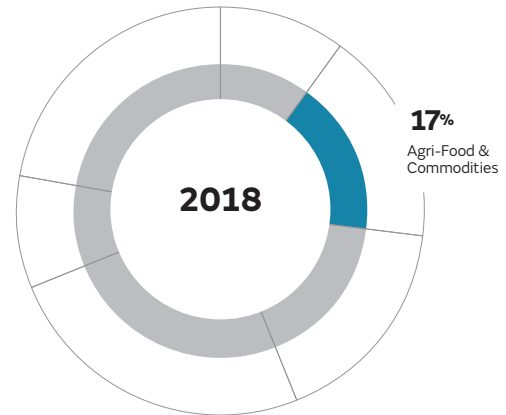
In 2018, the division launched **Bureau Veritas Solutions Marine & Offshore** to consolidate this range of services under a common banner. Objectives include providing stronger support to Group clients with regard to changes in regulations, particularly environmental regulations (identification of hazardous materials, management of ballast water, monitoring of emissions). These changes create new needs in terms of preparing relevant compliance strategies and optimizing the necessary measures to be rolled out. Lastly, Bureau Veritas Solutions Marine & Offshore looks to assist its clients during the shipbuilding phase (engineering, risk analysis) and throughout the life of the asset, using new digital tools.

1.6.2 Agri-Food & Commodities

GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT

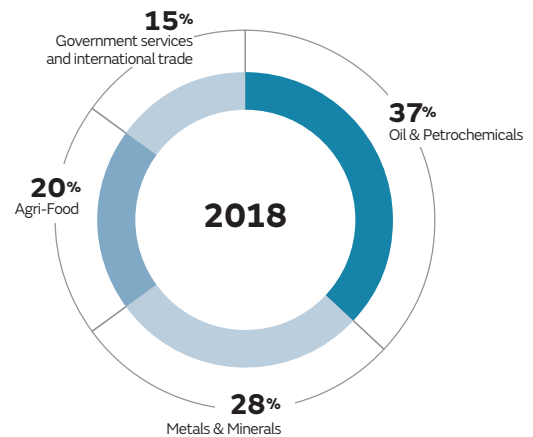


The Commodities business provides a wide range of inspection and laboratory testing services in three main market segments: Oil & Petrochemicals, Metals & Minerals (including coal) and Agri-Food. The Group has a diversified business portfolio covering all commodities at each stage of the production cycle (exploration, production and trade), and operates in many geographic regions. The Group also offers Single Window inspection services to governments (primarily in Africa) in order to facilitate and support the growth of international trade.

This balanced portfolio enables Bureau Veritas to weather cycles related to fluctuations in trading volumes and capital expenditure and to assist its clients throughout their projects, from exploration and production to shipping, processing and recycling. For Agri-Food, the Group works with blue chip clients of all the value chain, from harvesting grain and marine resources to manufacturing complex food products such as infant formula, and operating global foodservice brands. All the services offered by the Agri-Food & Commodities business also maximize the synergies within the Group across the global network of testing laboratories.

The Agri-Food & Commodities business is reported in the Group's CIF division, which is managed by Global Service Lines.

REVENUE BY BUSINESS SEGMENT



Oil & Petrochemicals

The Group provides inspection and laboratory testing services for all oil and petrochemical products, including crude oil, gasoline, light distillates, heavy distillates and petrochemicals.

The segment is mainly focused on the inspection and testing of bulk marine oil cargoes, generally during their transfer from production sites to the world's major oil refining and trading centers. Cargo inspection services can assist in providing assurance that valuable bulk commodities are delivered within contractually agreed specifications and limits, avoiding contamination and reducing losses.

The Group also offers laboratory testing services, which recently became an important growth area with oil refineries, pipeline managers and other market players now outsourcing these activities. Laboratory analysis by an independent body is an essential means by which oil industry players can be sure that products comply with industry standards.

The Group also offers its clients high value-added adjacent services such as crude oil assays, LPG services, cargo treatment, bunker quantity surveys, biofuel certification, lube oil analysis and measurement services. The acquisition of Maxxam has strengthened Bureau Veritas' position in natural gas, bitumen and oil sands analysis.

Most of the activity relates to trade volumes of oil and petrochemicals, which are dependent on the end consumption of these products. Maxxam's businesses are chiefly related to production volumes in the upstream and midstream segments, notably for oil sands.

Extensive global coverage and a key presence in major refining centers

The Group has a global network of laboratories and qualified Oil & Petrochemicals measurement and inspection experts.

The business is managed from three strategic locations: Houston, Singapore and London. These locations are major Oil & Petrochemicals trading centers and headquarters for many of the major oil companies and traders. Additional support is provided by other key locations in Moscow, Rotterdam, Shanghai, Geneva, Buenos Aires and Dubai. Maxxam's petroleum activities are managed from its base in Toronto, Canada, while the laboratories are located in the Alberta and Saskatchewan regions.

Metals & Minerals

The Metals & Minerals segment provides a wide range of inspection and laboratory testing services to the mining industry, covering all minerals (coal, iron ore, base metals, bauxite, gold and uranium) and metals (coke and steel, copper cathodes and bullion).

These services can be split into two categories:

Exploration and production-related services or "Upstream services" (around 60% of Metals & Minerals revenue)

The Group provides laboratory testing services, including sample preparation, geoanalytical testing along with metallurgy and mineral tests. These tests provide mining companies with crucial information at the different stages of their operations:

- during the exploration phase, business activity and sample volumes are supported by favorable long term outlook for key metal prices. At a local level they can also be strongly influenced by local currency exchange rate versus the US dollar. A positive outlook leads clients to increase spending on greenfield and brownfield exploration; to develop new mines or expand existing projects – all of these investment decisions require significant volumes of laboratory testing data;
- during the production phase, many mining companies have outsourced their recurrent testing requirements to Bureau Veritas. This often requires provision of sampling and testing services on location at the operating mine site to provide rapid turnaround of resource grade control and other production samples. Specialized metallurgical testing is also an important service, typically offered from Bureau Veritas' larger hub laboratories in Australia and Canada.

Inspection and testing services relating to international trade (around 40% of Metals & Minerals revenue)

Bureau Veritas is a market leader in the Metals and Minerals Trade sector. This covers the entire supply chain from the point at which a mineral leaves its original mine site through to the time when it becomes part of a manufactured product, and in some cases it extends into the recycling stage of the metal's life cycle.

This business is strongly linked to the physical movement of the traded commodities and the perceived risk level of the transaction.

Trade-related inspection and testing services verify and certify the quantity and quality of commodities as they move through the supply chain. Through these services, Bureau Veritas informs its clients how much metal is there, enabling them to agree on its commercial value. Major clients include traders, mining companies, smelters and metal refiners, thermal power generators, banks, finance providers, and recyclers.

Bureau Veritas' trade business is present in all the world's key locations, with eight strategic hubs in London, Singapore, Shanghai, Perth, Santiago, Lima, Vancouver and Houston. These locations are major trading centers and headquarters for many of the major mining companies, banks and traders. Additional support is provided by other key locations in Moscow, Rotterdam, Geneva, Jakarta, Johannesburg, and Dubai.

Leading-edge laboratories

Bureau Veritas has world-class facilities in all of its Metals & Minerals activities. The reputation for quality of service, technical excellence and innovation cultivated by the Group over the years allows Bureau Veritas to offer high quality service across all laboratories and inspection facilities around the globe.

Agri-Food

Bureau Veritas intends to be a leading provider of inspection and laboratory testing services to the agriculture and food industries, covering the entire supply chain, from farm to fork.

These services can be split into three categories:

Upstream agricultural services

Bureau Veritas provides inspection and testing services during the growth and harvesting stages of the agricultural crops. The Group is present in many of the world's main farming regions, providing clients with the data they need to make informed decisions, leading to more efficient growing practices and contributing to a more sustainable and productive agriculture supply chain.

Crop monitoring is a prime example of upstream agri services. The world is experiencing a new agricultural revolution with new seed varieties, crop protection technologies and digitalization driving big increases in the productivity of available farm land. Bureau Veritas is mapping planted areas using ground based investigations, supplemented by drone and satellite data. Bureau Veritas' data is provided to farmers, traders, banks and input suppliers enabling them to monitor the performance of their products and maximize the efficiency and payback.

Agricultural commodities inspection and testing

Agri-commodities include grains, oilseeds and vegetable oils, cotton, softs, animal feed, chemical feedstock and other by-products. Bureau Veritas' network and services cover origination to destination and all points in between.

Inspection services maximize control at every step in the supply chain, from inland production and storage sites, to export terminals, vessel hold and hatch surveys to loading and discharge supervision.

Grading and laboratory analyses determine product quality and phytosanitary condition.

Trade-related inspection and testing services verify and certify the quantity and quality of agri-commodities as they move through the supply chain. These services provide the Group's clients with data to enable them to agree on commercial value. Major clients include traders, buying organizations, banks and finance providers.

Bureau Veritas' agri-commodities trade business is present in all the world's key locations, with eight strategic hubs in London, Paris, Geneva, Sao Paulo, Moscow, Singapore, Shanghai and Houston. Additional support is provided by other key locations in Rotterdam and Dubai.

In Brazil, Bureau Veritas laboratories provide testing services to cotton producers, enabling farmers and cotton processors to establish the key parameters of fiber length, strength, micronaire and color grade – and agree commercial value for their production. The service is part of traceable sustainability programs offered to the grower, trade and retail industry.

Food inspection and testing

Key analyses chiefly cover veterinary drug residues, pesticides, heavy metals, organic contaminants, nutritional testing, allergens, colorants and dyes, GMOs, species identification, along with microbiological, chemical and environmental-type analyses for a series of foodstuffs. Bureau Veritas' global network of food testing laboratories provide both routine and high-end expert services to local and global customers on all continents.

Bureau Veritas' global network of food safety experts carry out visual inspections of finished food products for quality and quantity checks, making sure its clients' products are safe, healthy and fresh. The Group is also combining food safety and brand standards inspections in large retail and foodservice networks.

New innovative services, developed by Bureau Veritas in cooperation with selected key partners, are changing the way food safety and quality are approached throughout the food value chain. These digital solutions allow to improve traceability, transparency and safety in order to raise client and consumer trust levels.

Government services and international trade

A comprehensive and diversified portfolio of services

The Government services and international trade business provides merchandise inspection services (finished products, equipment, commodities) in connection with international trade transactions. These services are intended for governments (customs authorities, port authorities, standards organizations, etc.), exporters, importers, intermediaries, banks, and international organizations managing development aid programs (the European Union, the World Bank, and the International Monetary Fund).

In the context of these programs, the Verigates client portal enables foreign trade operators and government authorities to confidentially track inspection records step-by-step through to delivery of the certificate on a dedicated secured web platform available round-the-clock.

Bureau Veritas offers governments a range of services from Pre-Shipment Inspection (PSI) to contracts for inspection by scanner. These services are designed to guarantee due recovery of import taxes and also to fight illegal imports and terrorism. As mandatory PSI contracts are set to disappear in the short term, the Group offers governments Verification of Conformity (VOC) contracts of imported merchandise with existing regulations and standards, which are intended to prevent unfair competition and fraudulent imports of non-compliant, counterfeit or poor-quality products.

The Group also offers national Single Window foreign trade services, which are intended to facilitate and optimize the flow of import-export and transit or transshipment transactions by offering a secure electronic platform for customs and port communities aimed at the entire community of domestic stakeholders of international trade (public and private sectors).

Bureau Veritas is well positioned in Single Window services, which are intended to provide a paperless platform for administrative processes as part of the move towards online government services. These services cover many different sectors. Since 2017 for example, Bureau Veritas has developed a platform for contracting insurance policies and managing claims for retail clients in Armenia.

The Group is also engaged in consulting activities for European Union project funding.

In the field of international trade, Bureau Veritas provides a broad spectrum of inspection services. These services aim to offer independent inspections to verify the compliance and quantity of shipments (commodities, consumer products, equipment). Clients include governments, exporters, importers, intermediaries, banks, and international organizations managing development aid programs (the European Union, the World Bank and the International Monetary Fund).

A changing market

The increase in international trade since the early 1980s has generated strong demand for trade inspections and verifications.

However, due to new liberalization rules issued by the World Trade Organization and the reduction in customs duties in most countries, traditional PSI controls appear less strategic for the countries concerned and are gradually being replaced by Verification of Conformity (of products with standards) contracts.

The drivers of growth for this business are the increasing number of contracts for inspection by scanner, services related to the verification of products' conformity with standards, and other services related to facilitating trade, in particular the national Single Window.

Established presence with major companies and governments

Bureau Veritas enjoys long-standing relationships with the leading operators in the oil, mining, agri-food processing and retail industries, as well as with the leading commodity trading companies.

The Group is considered a global leader in government services, with recognized know-how and expertise in the market built up over more than 30 years.

Solid competitive advantages

The Group believes that its leading position is based on the following competitive advantages:

- a global presence, with significant exposure to key geographies and high-potential economies;
- strong leadership positions in all commodities segments with recognized multi-sector technical expertise;
- high-level technical laboratory capabilities in key locations;
- a dense and stable network of inspectors, laboratories and test centers, allowing a reduction in costs and project completion time;
- the ability to put in place new programs very quickly worldwide in the field of government services and international trade; and
- long-standing relationships and a good reputation with major players in the Commodities and Agri-Food sectors and with governments in the government services and international trade sectors.

There are also important synergies within the Group in terms of sharing the global network of testing laboratories, particularly between the Agri-Food & Commodities and Consumer Products segments.

A leading position built through acquisitions

Today, the market for commodities testing and inspection is fairly concentrated. Bureau Veritas has played an active role in the consolidation of this sector.

Since 2007, the Group's Commodities business has expanded through a series of acquisitions in Australia (CCI, Amdel), Chile (Cesmec, GeoAnalitica) and South Africa (Advanced Coal Technology). In September 2010, the Group took a decisive step with the acquisition of Inspectorate, a global leader in the inspection and analysis of commodities (oil, metals and minerals, and agricultural products). Following this acquisition, the Group gradually deepened its footprint in Canada (ACME Labs, OTI Canada Group) before becoming no. 1 in oil analysis services on this market with its acquisition of Maxxam Analytics finalized in 2014. In 2014, Bureau Veritas also continued to expand in North America after its acquisition of US-based Analysts Inc., a specialist in oil condition monitoring. In 2018, Bureau Veritas added to its oil analysis platform through the acquisition of a majority shareholding in Lubrication Management SL one of Europe's leading oil testing organisations from IK4-TEKNIKER.

Bureau Veritas believes it is ranked third worldwide in Oil & Petrochemicals inspection and testing and that it is one of two international operators offering the full range of inspection and testing services at all stages of the cycle (exploration, production, international trade) for all minerals.

Growth in the Agri-Food segment has been fueled by acquisitions. In 2016, the Group became the leader of the food testing market in Australia, following its acquisition of DTS which also strengthened its leadership in servicing the dairy industry. In late 2016, Kuhlmann Monitoramento Agrícola Ltda (KMA) was acquired, marking a move into the Brazilian upstream agri market. This was followed by the acquisition of the Schutter Group in March 2017. These two acquisitions helped move Bureau Veritas towards a leadership position in the important Brazilian agri-commodities market.

A strategy focused on geographic expansion and an enriched portfolio of services

The recent economic environment defined by low oil prices and a rise in trading of crude and refined products has been a boon to Oil & Petrochemicals product analysis. The Group continues to expand in this segment, reinforcing its market share in inspections and testing of marine cargo by deepening its geographic footprint and opening new sites. The Group's strategy is also to develop its laboratory testing for lube oil, marine fuel and natural gas, and to manage laboratories outsourced by clients.

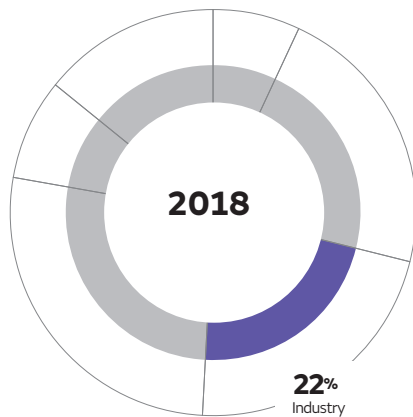
In the Metals & Minerals segment, Bureau Veritas' priority is still to provide a coherent, comprehensive offer, develop new services and optimize the Group's geographic presence. Its ambition is to increase its market share in trade-related inspections and in testing services through an expanded network leveraging its expertise and strong client relations.

In Agri-Food, the Group's aim is to become a world leading player, rounding out its offering to ensure it is present at every stage in the industry's supply chain. Bureau Veritas will strengthen and carve out positions at the world's biggest agri-commodity import and export locations, and also intends to develop its global network of high-level food testing laboratories. Bureau Veritas is presently the leading agri inspection business in Brazil, a world leader in rice inspections, and the market leader for food testing in Canada, Australia and South America. The Group is actively investing in new laboratory facilities in North America and Asia Pacific to support the growing demand of large clients for a comprehensive and global offer. The TIC market for Agri-Food should see vigorous growth driven by population increase, the globalization of the food supply chain, more stringent regulations and rising consumer demand in terms of quality and product traceability.

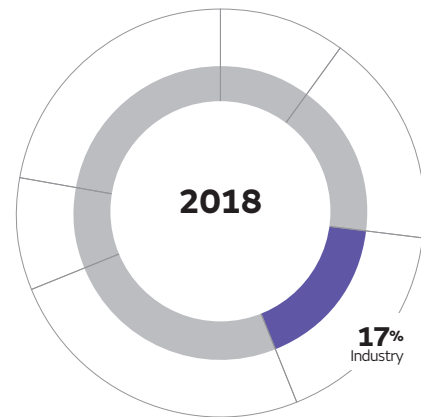
In terms of government services and international trade, the Group's strategy is based on supporting the transition to Single Windows. Recommendations by international organizations encourage governments to set up secure web platforms to restructure and simplify government services. Single Windows facilitate transactions and also deliver efficiency gains and cost savings. Bureau Veritas assists players in their modernization drive and helps them to manage change. Single Windows have been introduced as part of public-private partnerships.

1.6.3 Industry

GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT



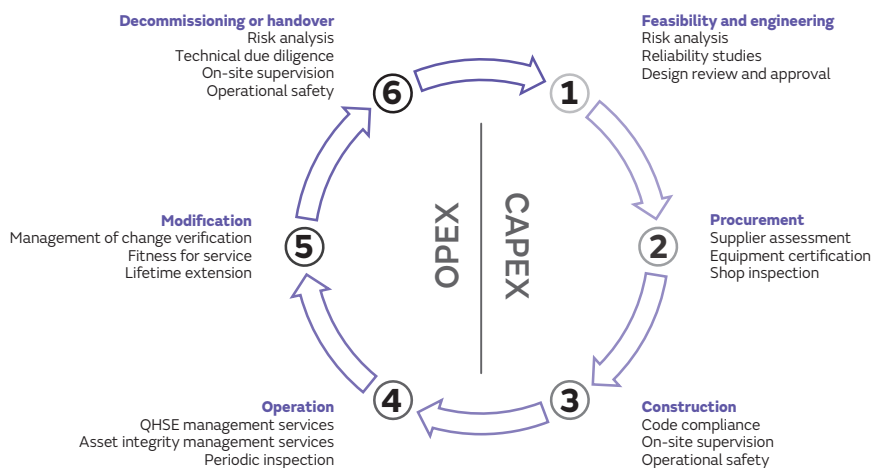
A portfolio of services covering the entire asset lifecycle

Bureau Veritas supports its industrial clients by conducting conformity assessments for equipment and processes throughout the entire life of any types of industrial facilities. This involves verifying the quality of equipment, the reliability and integrity of assets, the safety of processes and their compliance with client specifications, as well as with national and international regulations and standards.

The solutions offered by Bureau Veritas fall into four main categories:

- assistance for industrial projects during the engineering and construction phases (Capex), including design review, risk and safety studies, reliability studies, and shop and on-site inspections, from design to commissioning;

- independent third-party certification of equipment, facilities and projects, in accordance with regional, national or international regulations;
- services related to production continuity and asset integrity management during the operation phase (Opex) in order to optimize asset performance, reduce risk and minimize costs. These services include regulatory and voluntary inspections and audits during the operation of industrial facilities, asset management solutions, non-destructive testing during shut-downs, and measurement of fugitive emissions;
- HSE services for industry, technical training of staff, and the delivery of qualifications relating to technical standards and client specifications.



Broad coverage of industrial markets

Bureau Veritas' Industry services cover many different sectors, including Oil & Gas (upstream, midstream, downstream), representing around 37% of revenue in 2018, as well as Power & Utilities (nuclear, thermal and renewable energies, gas for urban supply, water supply systems and waste management), Chemicals and Processing (cement, paper, etc.), Manufacturing (equipment, machines and modules), Metals & Minerals, Transportation and Logistics (aeronautics, rail, terminals, port facilities, containers, etc.) and Automotive.

In the Automotive sector, Bureau Veritas offers a portfolio of services covering the entire supply chain, from automaker to end user (damage inspection on new vehicles, inventories of vehicles at car dealers and of agricultural machinery, mandatory technical inspections of used vehicles, vehicle insurance damage inspections, etc.).

A fairly diversified client base

Bureau Veritas serves a wide range of industrial firms across the value chain: asset owners and managers, engineering firms (EPIC contractors), construction sites and equipment manufacturers. The Group acts as an independent third-party player, second-party inspector, technical consultant or external contractor for managing the QHSE and code compliance aspects of a given project.

Bureau Veritas' clients are large international corporations operating worldwide and regional leaders of various sectors, as well as a considerable number of small local firms within each country. The Group provides an effective response to the needs of its clients through a targeted sales and marketing strategy, with the Group's global network ensuring that each client receives the same high-quality service. To deliver on its mission, Bureau Veritas has cutting-edge IT systems and tools, along with robust internal quality and risk management systems.

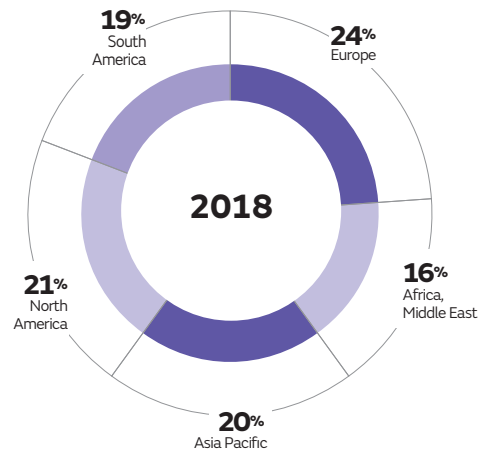
The Group's biggest client in its Industry business operates in the Oil & Gas sector and accounts for around 3% of divisional revenue.

A global presence and significant exposure to high-potential regions

Bureau Veritas' Industry business is present across the globe. The Group is active in all major industrial countries (France, Australia, the United States, Italy, the United Kingdom, Germany, the Netherlands, Spain, Japan, China, Latin America and the Middle East) and high-potential regions (India, Africa, South East Asia and the Caspian Sea countries).

The Industry business is reported in the Group's CIF division, which is managed by Global Service Lines.

REVENUE BY GEOGRAPHIC AREA



Key market growth factors

The market for TIC services for Industry is highly fragmented due to the diversity of end markets, and is defined by a large number of local firms and few large global players. The Group believes it was the world's leading provider of industrial inspection and certification services in 2018.

The factors Bureau Veritas sees as driving market growth are as follows:

- the number of industrial projects and the development of new regions and industries:** Bureau Veritas believes that investments in industrial facilities and infrastructure will remain significant, particularly in high-potential economies. Most sectors should benefit from this trend with the exception of Oil & Gas, which has seen a fall in exploration projects amid low prices. The development of new industries such as renewable energies, high-speed rail and urban transport also offers new growth opportunities for the TIC market;
- opportunities regarding existing assets (Opex services):** amid tighter financial conditions, industrial players are looking to prolong the life and use of their existing assets while reining in operating costs. Certain clients are reconsidering outsourcing control and inspection activities, thereby giving rise to new opportunities for growth. Industrial facilities are also equipping themselves with more and more sensors and IoT devices, opening doors to the TIC industry for new services. All sectors including Oil & Gas are benefiting from this trend;
- more and increasingly stringent regulations and standards** at both regional and international level, along with the globalized nature of the supply chain, are making the operational environment increasingly complex for industrial firms. Besides, Bureau Veritas strongly believes that it has an important role to play in emissions reduction and will therefore roll out its fugitive emissions monitoring services through the Group;

- **the growing emphasis placed on safety and environmental risks**, along with sustainable development issues in general, owing to their significant impact on a company's brands and reputation;
- **new digital tools/technology solutions** (sensors, drones and other robotics) such as a cloud-based platform combining automated data collection and artificial intelligence techniques to bring continuous industrial risk management/integrity assessment to a new level for asset owners. This means, in the coming years, that the industry will switch from prescriptive inspection and maintenance regimes to predictive ones.

A strategy focused on diversification, balancing Capex and Opex services, and more recurrent businesses

The Group will leverage its top-ranking position on the global market for inspection and asset management services for industry in order to continue diversifying its industry exposure and increasing its market share in Opex services.

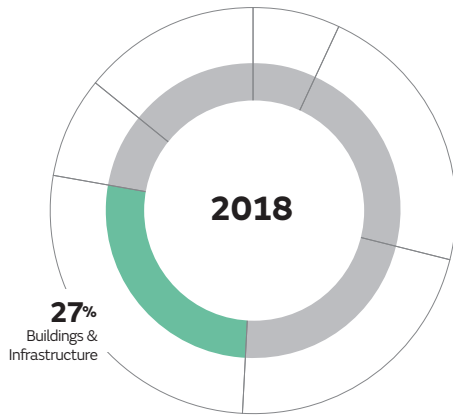
In terms of diversification, it has identified key markets such as Power & Utilities, Transport, Automotive and Chemicals, offering significant growth potential.

To improve the recurring nature of its businesses, Bureau Veritas has rolled out an initiative to develop Opex services, particularly for the Oil & Gas, Power & Utilities, and Chemicals sectors. To meet this objective, the Group will use and replicate the Capex/Opex model which it has successfully rolled out in other businesses, with key account management in particular helping to increase its market share with existing clients. New services related to digital asset management should also help capturing recurring business and securing long term client relationships.

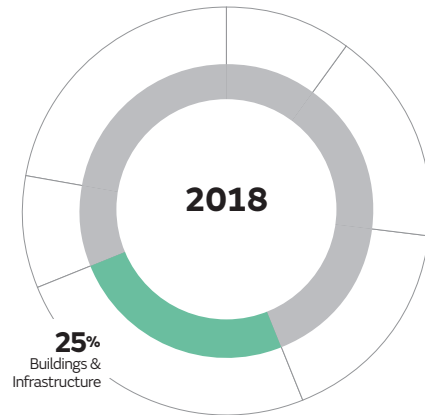
The automotive market is having to contend with several deep-seated trends, including the relocation of production and consumption to emerging countries and the fundamental shift to "smart" cars and electric technologies. These trends will generate additional needs for TIC services. Bureau Veritas has built a robust presence in supply chain services, electronics and connectivity over the last five years. It aims to leverage these key areas of expertise and further round out its portfolio of services to become a recognized player in this sector.

1.6.4 Buildings & Infrastructure

GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT



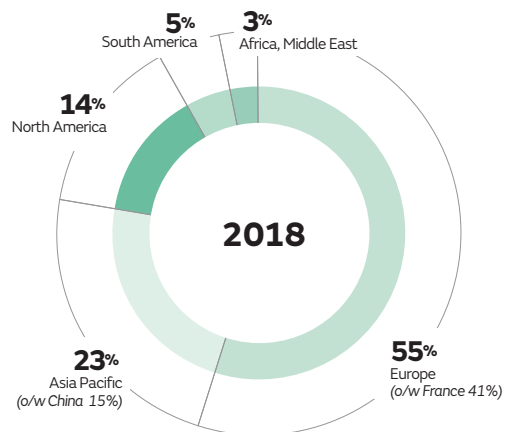
Bureau Veritas services in Buildings & Infrastructure cover the entire construction value chain. The Group's solutions are structured to support the life cycle of the different assets, from planning and design, through procurement of components, equipment and services to construction and operation. In other words, the Group is operating from the capital expenditure (Capex) through operational expenditure (Opex) phases.

In particular the Group's services comprise two main areas of specialization:

- "In-Service Inspection & Verification" (around 60% of divisional revenue) focusing on the periodic inspections required by regulations of the different equipment or assets, and on tests/diagnoses/monitoring services related to the Health & Safety of building occupants;
- "Construction services" (around 40% of divisional revenue) providing independent technical assistance, control and supervision in planning, design construction and operation stage. In-Service Inspection & Verification services are related to Opex while Construction services are mainly related to Capex.

The Buildings & Infrastructure business is reported in the Group's CIF division, which is managed by Global Service Lines.

REVENUE BY GEOGRAPHIC AREA



In-Service Inspection & Verification (Opex)

A portfolio of services aimed at improving the quality, safety and performance of buildings and infrastructure in operation

Bureau Veritas' mission is to provide independent assistance to clients such as asset owners, operators and managers, in order to help them attain their performance, safety and regulatory compliance objectives when operating their real estate assets, by reference to the best international practices.

Bureau Veritas designs a suite of services tailored to the needs of its clients and their environment (the type of parties involved, local regulations, operating and maintenance techniques), using the best inspection, testing, critical data analysis and online reporting tools. The Group has an international network of experts in various fields including structure, envelope, electrics, fire safety, air conditioning, heating, elevators and lifting equipment, pressure equipment, indoor air/water quality and acoustics. The In-Service Inspection & Verification services are recurrent, owing partly to the periodic inspections required by regulations and partly to the fact that the condition of an in-service real estate asset changes on an ongoing basis and therefore requires regular inspections. As a result, most of the Group's business comes from multi-year contracts or contracts that are renewed from year to year.

The service offering covers all types of buildings and facilities, particularly residential buildings, commercial buildings (offices, hotels, hospitals, stores and supermarkets, logistics warehouses, industrial buildings and multipurpose complexes) public buildings and sports and leisure facilities.

The service also includes inspections of all types of equipment and assets related to infrastructure segments like road, rail, port, logistics center and airport.

The Group has global coverage of in-service inspection and verification services. It mainly operates in mature countries (France, the United Kingdom, Spain, the United States and Japan), but has also developed an important presence in certain high-potential markets in recent years (China, Brazil, India and the United Arab Emirates).

World leader

The Group believes that it has a number of advantages that have enabled it to carve out a position as global leader of the In-Service Inspection & Verification market:

- it is able to provide a comprehensive offering both to local and international clients, leveraging its broad geographic coverage and the diverse technical capabilities of its local teams, which allow it to offer a full range of mandatory/voluntary inspection services;
- it is involved in the construction phase for certain assets, making it ideally placed for in-service work;
- it boasts unrivaled technical expertise based on leading-edge methodological tools and technologies. The use of an integrated suite of tools has raised the quality of the service provided to clients; and

- its established position in the market gives it access to historical data and statistics that are used to improve collective knowledge.

A market that benefits from structural growth drivers

The growing global market for In-Service Inspection & Verification is driven by:

- ongoing growth in global real estate;
- the growth of high-potential markets, where the emergence of the middle classes resulted in more demanding expectations in terms of quality of life and the performance of buildings and facilities;
- the development of new technologies for buildings and facilities and their operation; and
- the outsourcing by public authorities of certain mandatory building and facility inspections.

A strategy focused on geographic expansion, innovation and productivity gains

Continuing to improve the geographic balance

The Group has built a solid network in the main high-growth countries. It has developed its presence by supporting the international expansion of key international accounts and by offering solutions for local markets. These include developing voluntary services in the Chinese market for large global clients, fire safety inspections in shopping malls in Brazil, and factory inspections in India and South East Asia for the subcontractors of large international retailers. The business has also grown in the United States, Canada (with the consolidation of Maxxam's environment activities) and Japan (launch of periodic regulatory building inspections).

Developing services focused on performance management assistance for real estate assets

Bureau Veritas participates in projects that require data processing capacities (big data) and new systems that collect information using sensors and IoT. The Group has therefore adapted its knowledge-sharing, technical support and connected tablet reporting tools for its technicians and engineers, as well as for its clients, by making the data available online and interfacing it with maintenance management tools.

The Group is also developing specific inspection schemes based on Remote Connected Assistance Devices that are allowing its staff to interact with one another remotely and to improve the capacity of inspectors in the field.

Service quality excellence and improved profitability

Optimization of the services portfolio and the roll-out of Lean management has led to a significant improvement in the quality of

Construction (mainly “Capex”)

A portfolio of services aimed at improving the quality, safety and performance of construction projects

Bureau Veritas’ mission is to provide independent assistance to clients such as supervisory authorities, developers, investors, engineers and construction firms, and help them attain the quality, safety and performance objectives for their projects while complying with regulations and the best international standards.

Bureau Veritas builds a range of services tailored to the needs of its clients and their environment (project development, local regulations, design and construction techniques), combining the best design review and testing techniques for the production and pre-production phases and the best calculation, supervision and project management tools. The Group has an international network of experts in all infrastructure and buildings segments with high professional experience in several technical fields including geotechnics, foundations, cement, asphalt, steel, wood and mixed woods, seismology, vibration, fire safety, facades, vulnerability analysis, waterproofing, air conditioning, heating, electrics and elevators.

The portfolio of services covers all types of buildings and infrastructure, particularly residential buildings, commercial buildings (offices, hotels, hospitals, stores and supermarkets, logistics warehouses, industrial buildings, multipurpose complexes), public buildings, road and highway, rail, port and airport infrastructure, and sports and leisure facilities.

In order to limit exposure to the cyclical nature of construction markets, the Group is rebalancing its positioning between mature and high-potential countries, and has developed complementary asset management-related services such as building and infrastructure inspection and monitoring, technical and environmental audits, energy audits and assistance in obtaining “green” building certification. This strategy enabled the Group to mitigate the impact of the construction crisis in Europe and France, which remains one of the Group’s main markets.

Bureau Veritas operates in mature countries, France, the United States and Japan. It has also strongly expanded its presence in a number of high-potential markets such as China, India, Brazil, Singapore, Russia, the United Arab Emirates, Saudi Arabia and several countries in Africa.

In particular, China is today one of largest countries in Construction services for Bureau Veritas with more than 3,000 engineers and technicians located in 30 Chinese cities.

A global leader in compliance assessment for the construction market

Although local by definition, compliance assessment for the construction market reflects certain key global trends such as:

services and profitability in certain key countries. The aim is to continue these efforts and to deploy these best practices in all countries.

- the increasing urbanization of high-potential countries, which has given rise to “mega cities” and major infrastructure needs;
- the emergence of the middle classes in these countries, which has resulted in more demanding requirements in terms of quality of life and performance of buildings and facilities;
- stricter sustainable development requirements in mature economies;
- regulatory changes;
- new construction methods, particularly Building Information Modeling (BIM), prefabrication and increased automation of construction processes.

A strategy focused on improving the geographic balance of activities and developing an innovative portfolio of services

Bureau Veritas is currently a leading player in the construction market. To continue growing, it is rolling out the model it successfully developed in mature markets – particularly in Europe – to regions with high potential, and expanding its innovative service offering.

Geographic expansion supported by a strong record of acquisitions

The Group has built up a solid network in the main countries with strong growth potential. In China, the Group has developed regulated businesses thanks to its 2012 acquisition of Huaxia, its acquisitions of Shangdong Chengxin and Shanghai TJU Engineering Services in 2015, and its voluntary Project Management Assistance assignments. In 2016 and 2017, the Group further expanded its footprint in China, acquiring Chongqing Liansheng and Shanghai Project Management.

In 2014, the acquisition of Sistema PRI bolstered the Group’s presence on the facilities market in Brazil and has since helped this business expand into other South American countries.

The acquisition of INCA in Mexico at the end of 2017, allowed the Group to create a multidisciplinary B&I platform in northern Latin America, including also a high recognized specialization in both Capex and Opex highway services.

The Group’s position in the United States has also been strengthened with the acquisition of Primary Integration Solution in 2017, leader in building commissioning and operational risk management services for data center facilities. The Group is also publishing a guideline about certification of data centers.

Bureau Veritas has also reinforced its presence in Australia with the acquisition at the end of 2017 of McKenzie Group, the Australian leader in mandatory property compliance services.

In March 2018, Bureau Veritas acquired EMG (around €70 million in revenue), a provider of technical assessment and B&I project management assistance services in the United States. The latter: (i) brings the Group a new expertise with sizeable platform for technical assessment and project management assistance in the US and (ii) enhances its growth profile and resiliency by increasing its Opex exposure (90% of EMG revenue is Opex-related services).

An innovative portfolio of services tailored to new client requirements

Bureau Veritas has developed its portfolio of services in response to new client requirements regarding new technologies. The Group is involved in a number of projects designed using Building Information Modeling systems in both Europe and China and is adapting its services and internal tools to this collaborative design methodology.

In Europe and North America, Bureau Veritas has started developing a suite of digital solutions (icheck for Buildings), which allow architects/engineers to check themselves in real time the compliance of their design to various regulations (access for people with a disability, fire safety, etc.).

Assisted by its main clients, Bureau Veritas developed Building in One™, a cloud-based information exchange platform. This manages building-related data by creating a virtual building that can be accessed by all stakeholders in the property chain.

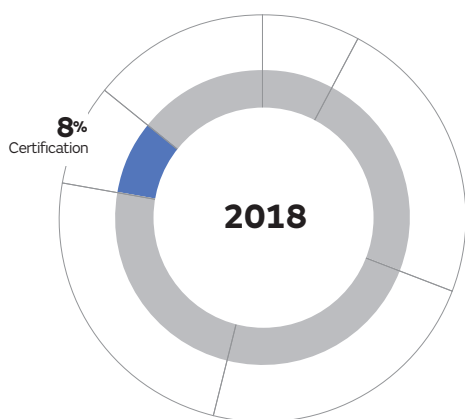
As for the infrastructure asset management services, the Group in Brazil is performing an integrated technical assistance to one of the largest highway concessionaire in the country for monitoring and controlling the status of the different assets comprising the highway infrastructure. Bureau Veritas’ advanced digital Project Management Assistance solution for large construction projects, PRIManager, is being rolled out in the key geographies of the Group’s network.

In the framework of the different assignments that Bureau Veritas is performing in the Grand Paris Express construction project. The Group is also carrying out specific services for the vulnerability assessment of the urban area affected by the construction of metro lines.

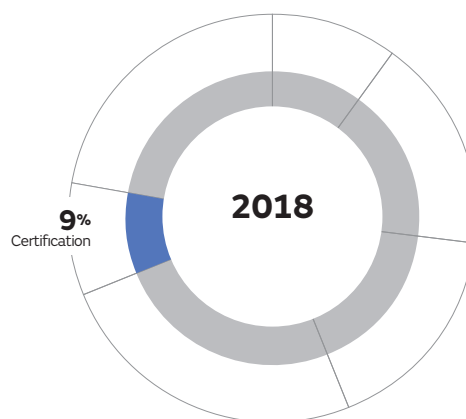
The Group is also developing its services for sustainable buildings. For example, a partnership agreement was signed with the US Green Building Council (USGBC), founder of the LEED™ certification system, in order to support its international development in fast growing countries.

1.6.5 Certification

GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT



A full range of customized audit and certification services

As a certification body, Bureau Veritas certifies that the management systems utilized by clients comply with international standards, usually ISO norms, or with national, segment or large company-specific standards.

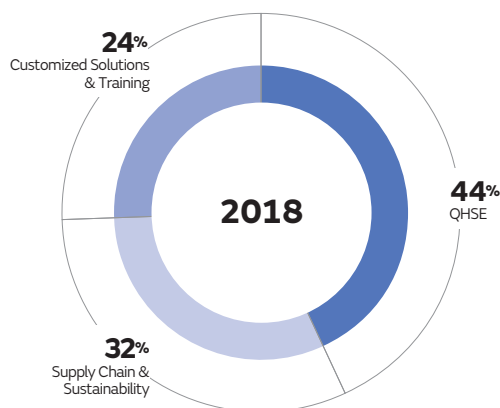
The Certification business provides a global and integrated offering, including:

- QHSE management system certification services: Quality (ISO 9001), Environment (ISO 14001), and Health and Safety (OHSAS 18001 and new ISO 45001:2018);

- certification in accordance with specific sector schemes, in particular for the automotive industry (ISO TS 16949, replaced by the IATF 16949 and new services for VDA 6.1, 6.2, 6.3), aeronautics (AS/EN 9100), rail (ISO/TS 22163), agri-food (BRC, IFS, ISO 22000, HACCP – management of food health and safety), the forestry/wood sector (FSC/PEFC), and health services. In France, Bureau Veritas also provides label certification services in the agri-food sector (e.g., Label Rouge, Agriculture Biologique (AB) and Origine France Garantie);

- Environment-related services: verification of sustainability practices in the fields of climate change (EU ETS, ISO 14064-1), energy management (ISO 50001), timber supply chain, biomass and biofuel sustainability (for the EU Directive on Renewable Energy), carbon footprinting (ISO 14067), social responsibility (SA 8000, ISO 26000) and assurance of sustainability reporting (AA 1000, GRI);
- Enterprise Risk services relating to emerging business risks include: Information Security (ISO 27001, ISO 27017, ISO 27018), Data Protection Certification (for GDPR and other regulations), Anti-Bribery (ISO 37001), Business Continuity (ISO 22301) and Asset Management (ISO 55001);
- Customized certification and second-party audits, based on social programs like SA8000 or SMETA for Social Responsibility or specific standards defined by clients to audit or certify their distribution network or suppliers' management systems;
- Training: accredited by the Chartered Quality Institute (CQI) and the International Register of Certificated Auditors (IRCA), the Certification business also offers training in quality, health and safety, environment, social responsibility, food safety, information security, business continuity and energy management.

REVENUE BY BUSINESS SEGMENT



A resilient market

The Certification market has seen steady growth in line with growth in the world economy since 2008, when QHSE standards were last revised. This is due to the fact that Certification covers a wide variety of sectors and has a significant development potential on account of a still-low penetration rate in the corporate market.

Certification is also a very resilient market. Most contracts run on a three-year cycle, with an initial audit phase during the first year

and further audits carried out during annual or semi-annual supervisory visits in the following two years. The certification process is generally renewed by the client for a new cycle after a period of three years. The average attrition rate observed for these three-year certification missions is low. It is less than 10% and mostly reflects clients who have discontinued their business, who no longer seek to be active in the markets for which certification was required or who have reduced and consolidated their numerous certification programs into one single program.

End of the transition to new QHSE and Transportation standards

Since September 2015, companies have been adapting their Management Systems to meet the new ISO 9001 and ISO 14001 standards, which bring more added value as they involve a company's entire management team, developing risk management and allowing for standards to be more easily assimilated. In 2017, transportation companies began their transition to the new IATF 16949 standard in the automotive industry, which replaced ISO TS 16949, the revised AS 9100 standard in the aeronautics industry, and the new ISO/TS 22163 standard in the rail industry. The transition period for all these standards ended on September 15, 2018. At the end of the transition period, 99.6% of Bureau Veritas clients had transitioned or were finalizing the transition process to the new standards.

The transition peaked in 2018 with 65% of transition audits carried out between January and September 2018, supporting Bureau Veritas Certification activity and financial performance with additional man-days necessary for transition audits. After the transition period in fourth-quarter 2018 and 2019, QHSE and Transportation Certification markets are expected to decline due to the absence of the transition man-days. In the Automotive market, the deceleration will be even stronger as transition audits were done as recertification, starting a new cycle with only surveillance audits until September 2020. The deployment of new services will help to mitigate these effects in 2019.

A diversified client portfolio

The Group manages a large volume of certificates (over 145,000 certificates currently valid) for three types of client:

- large international companies, most commonly for external certification assignments of their management systems covering all of their sites worldwide;
- large national companies seeking to improve their performance and enhance their reputation by certifying their management systems; and
- small and medium-sized companies for which management system certification may be a condition of access to export, public procurement, and high-volume markets.

The Certification portfolio is very diversified. The Group's biggest Certification client represents less than 1% of the business's revenue.

Market position

A front-ranking player

Bureau Veritas is a leader in Certification along with a few other global companies. The market is still very fragmented, with more than two-thirds of the world's Certification business conducted by local and/or small firms.

Thanks to its global presence, Bureau Veritas is ideally placed to help its clients develop in high-potential regions, particularly in Asia. The Certification business helps build company trust in these emerging markets upstream of the supply chain.

The Certification business is reported in the Group's CIF division, which is managed by Global Service Lines.

Bureau Veritas boasts strong competitive advantages:

- a broad, diverse offering covering all certification services, meeting needs specific to the main business sectors and providing innovative, customized solutions to companies wishing to improve their performance;
- a global, coherent network of qualified auditors in all major geographic regions, allowing Bureau Veritas to have critical mass in local markets, along with the ability to manage large-scale contracts through regional hubs;
- expertise universally acknowledged by over 50 national and international accreditation bodies;
- one-stop-shop offer: thanks to its very broad range of expertise, Bureau Veritas Certification simplifies management for the Certification contracts and most complex delivery projects (numerous sites, multiple standards, global accreditations, etc.);
- efficient report management tools, enabling clients to consult audit results for all of their sites throughout the world and monitor key indicators such as the number of audits already planned, non-compliances, certificates issued and invoicing; and
- a certification brand that is known and respected across the globe as a symbol of expertise and professionalism, enabling clients to enhance the image of their company and gain the confidence of their clients and partners.

A strategy focused on key accounts and new product development

Increase business with key accounts

The Certification market is still fragmented and is expected to consolidate as large international corporations entrust their system certifications to a limited number of certification bodies. The aim is to simplify and harmonize the certification process, obtain more visibility over their operations, better deploy and assimilate standards and reduce direct and indirect costs related to the audits.

Leveraging its global footprint, Bureau Veritas is ideally placed to address this new market need. Bureau Veritas is one of the few companies able to offer global certification to the main standards used by large international corporations.

Development of new products and services

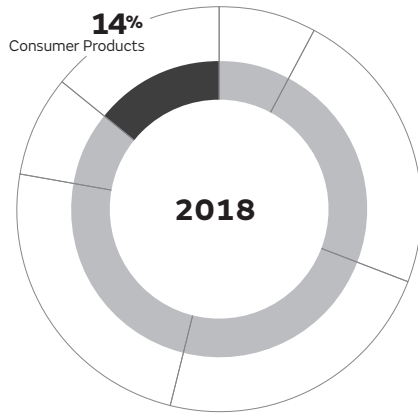
In March 2018, the International Standard Organization (ISO) released the ISO 45001:2018 management systems standard on Health & Safety. To assist its clients in implementing ISO 45001, Bureau Veritas developed bespoke client services which include online training, self-assessment tools and pre-audits in order to prepare and facilitate their migration from OHSAS 18001 to the new standard's requirements.

Other new products round out its existing offering in several critical areas. In risk management, the Group launched the Enterprise Risk portfolio including solutions for asset management, business continuity, and anti-bribery management systems. The Group's new offerings in the digital field include information security and protection of personal data linked to the recent European GDPR. In sustainable development, Bureau Veritas helps companies verify their energy efficiency, environmental footprint, responsible sourcing, greenhouse gas emissions, social responsibility commitments and sustainability reports.

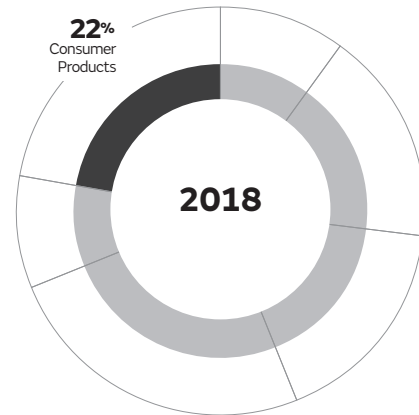
Bureau Veritas is also stepping up the drive to digitalize its services through several solutions. These include e-learning solutions for training services on the e-commerce platform allowing small and mid-sized business clients to purchase their certification services directly online and benefit from solutions tailored to their needs, and e-certificates, the new secure digital certificates from Bureau Veritas.

1.6.6 Consumer Products

GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT



A portfolio of services covering the entire consumer products manufacturing and supply chain

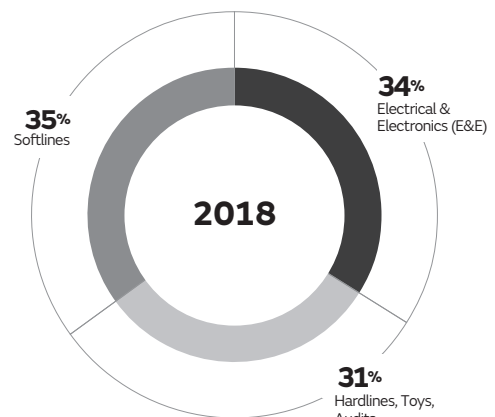
The Group provides quality management solutions and compliance assessment services for the consumer products manufacturing and supply chain. These solutions and services, which include inspection services, laboratory testing and product certification, as well as production site and social responsibility audits, are provided to retailers, vendors and manufacturers of consumer products.

These services are provided throughout the clients' manufacturing and supply chains to ensure that products offered to the market comply with regulatory safety standards or with voluntary or industry standards of quality and performance, including as regards connectivity and safety.

The main product categories include:

- textiles (clothing, leather goods, footwear);
- hardlines (furniture, sporting and leisure goods, office equipment and supplies, and toys);
- electrical products and electronics such as household appliances, wireless and smart devices (tablets, smart phones, applications and connected objects) and automotive products (parts, components and on-board systems).

REVENUE BY PRODUCT CATEGORY



The Group provides services:

- during a product's design and development stage: verification of product performance, advice on regulations and standards applicable in all countries across the globe, assistance in defining a quality assurance program;
- at the sourcing stage for materials and components: inspections and quality control tests for materials and components used in manufacturing the product;
- at the manufacturing stage: inspections and tests to assess regulatory compliance and product performance, as well as compliance of product packaging, factory audits with respect to quality systems and social responsibility; and
- at the distribution stage: tests and assessment of compliance with specifications and comparative tests with equivalent products.

A concentrated and loyal client base

The Group provides its services to retailers, manufacturers and brands across the globe, but mainly in the United States and Europe for products they source from Asia. Retailers in China, India and emerging countries in Latin America are also enjoying rapid growth, and the Group has recently developed its business with local clients and manufacturers in Asia.

Most of the revenue from this business is traditionally generated by some 100 key accounts. The 20 largest clients represented 25% of the revenue for this business in 2018.

Usually, the Group is accredited by a client-retailer as one of two or three inspection and testing companies (generally its major competitors) designated as an “approved supplier”. In this situation, manufacturers and vendors can choose which company will inspect and test their products.

A market driven by innovation and new regulations

The Group believes that the market will benefit from the following factors:

- the development of new products and technologies that will have to be tested;
- shorter product lifecycles and time-to-market, as demonstrated by the swift adoption of wireless/smart technologies and their emergence in all types of products;
- the continuing tendency of retailers to outsource quality control and product compliance assessment;
- stricter standards and regulations regarding health, safety, and environmental protection;
- the emergence of new requirements linked to wireless integration systems in terms of connectivity, interoperability, safety and quality of service;
- growing demand from middle-class consumers in emerging countries for safer, higher-quality products;
- the gradual opening up of previously unexploited markets (India and China) to foreign players;
- the migration of manufacturing facilities to South Asia (Bangladesh, India, Pakistan and Sri Lanka) and South East Asia (Cambodia, Indonesia, Malaysia, Myanmar, the Philippines and Vietnam).

In 2018, Bureau Veritas noted the escalation of tariffs between the United States and China. The Group is closely monitoring the situation and, thanks to its global network of laboratories, is entirely capable of assisting its clients with the possible relocation of their production units, as was the case previously in the textile industry, to Cambodia, Vietnam, Bangladesh and Turkey. The Group also sees the increase in tariffs as a major long-term opportunity. Its services would be that much more important to ensure that the quality of products be maintained at minimum levels in new supply chains. In addition, the Group is ideally positioned to take advantage of the increase in demand for TIC services on China’s domestic market. Measures have been taken to accelerate growth in this market, as well as in South Asia, South East Asia, Europe and Africa.

Leading positions in key market segments

The Group is one of the three world leaders in consumer products testing, with leadership positions in textiles, clothing and hardlines, including toys. More recently, the Group has strengthened its positions in the Electrical & Electronics segment, and more specifically in SmartWorld and wireless testing (mobiles, connected devices) and in the automotive sector.

A particularly robust presence in the US

The Group distinguishes itself from competitors by its robust presence in the United States and its deep penetration of the large US retailer market, which has resulted from the successful integration of two US companies: ACTS, the US leader for testing toys and products for children, acquired in 1998; and MTL, the US number one for testing fabrics and clothes, acquired in 2001.

Growth in market share in Europe

Business in Europe has grown significantly over the past few years, mainly in France, Germany and the United Kingdom, which have become important markets. The Group continues to expand its activities and offering in Europe to reinforce its client base and optimize its position in the toys and hardlines testing segment. In December 2015, Bureau Veritas strengthened its foothold in Italy following its acquisition of luxury product testing laboratory, Certest.

A growth strategy focused on domestic markets in Asia

To adapt to a market in Asia which is driven increasingly by domestic consumption rather than by exports, the Group has devised a plan to develop its activities on fast-growing domestic markets, particularly China. This means growing organically, such as with the 2016 opening of a test circuit for tires in China’s northern Zibo region, and through acquisitions, partnerships or joint ventures with local firms. Leveraging its leading position among global luxury brands, Certest also helps foster growth with international brands accessing emerging markets across Asia.

Unique supply chain quality management solutions

The Group believes that its “BV OneSource” service offering is a unique and innovative solution for clients seeking an integrated solution for global supply chain quality and information management. BV OneSource offers real-time tracking of the status of tests and inspections conducted on products and audits of facilities, as well as immediate access to applicable regulations and reports. This digital platform is an analytical tool that helps clients manage their risks, protect their brand and access better information on their sourcing.

A breakthrough in wireless technologies and SmartWorld

Innovation remains one of the key factors driving growth. The SmartWorld initiative was launched to address growth opportunities resulting from the exponential growth in the number of connected devices, as regards both equipment testing, as well as new connected services and data security.

Thanks to its acquisition of 7layers in Germany in January 2013, the Group became one of the world's leaders in wireless/smart technologies. Working hand-in-hand with a broad spectrum of industries involved in the continuous improvement and increased usage of wireless communications technologies, devices, services and applications for all facets of modern life. In early 2017, the Group strengthened its foothold on this market by acquiring Siemic, one of the main telecoms testing and certification bodies in the United States. In December 2017, Bureau Veritas acquired South Korea-based ICTK, enabling it to penetrate the fast-growing market for smart payment testing and certification services. Growth in this market is buoyed by strong consumer demand for contactless and mobile payment methods.

A new platform in the Automotive sector

The Automotive market is having to contend with several deep-seated trends, including the relocation of production and consumption to emerging countries and the fundamental shift to "smart" cars and electric technologies. These trends will generate additional needs for TIC services.

The majority stake acquired in VEO, a China-based automotive conformity assessment body, testifies to the Group's growth push, aimed at offering Chinese automakers and parts suppliers a genuine Single Window solution for both domestic and export markets. Bureau Veritas' acquisition of IPS Tokai Corporation in late 2017 provided it with its first laboratory in the technology testing market in Japan. The acquisition enabled the Group to help equipment manufacturers meet their compliance and performance requirements for current and future electric and connected vehicles.

1.7 Accreditations, approvals and authorizations

To conduct its business, the Group has numerous licenses to operate (“**Authorizations**”), which vary depending on the country or business concerned: accreditations, approvals, delegations of authority, official recognition, certifications or listings. These Authorizations may be issued by national governments, public or private authorities, and national or international organizations, as appropriate.

Marine & Offshore (M&O) division

The Group is a certified founding member of the International Association of Classification Societies (IACS), which brings together the 12 largest international classification societies. At European level, Bureau Veritas is a “recognized organization” under the European Regulation on classification societies and a “notified body” under the European Directive on marine equipment. Bureau Veritas currently holds more than 150 delegations of authority on behalf of national maritime authorities.

Commodities, Industry & Facilities (CIF) division

Industry & Facilities

The Group has more than 150 accreditations issued by numerous national and international accreditation organizations, including COFRAC in France, ENAC in Spain, UKAS and CQI in the United Kingdom, ANAB in the United States, JAS-ANZ and NATA in Australia and New Zealand, INMETRO in Brazil, ACCREDIA in Italy, DAkkS in Germany, RVA in the Netherlands, BELAC in Belgium, INN in Chile and DANAK in Denmark. These accreditations cover both its certification activities and its inspection and testing activities.

The Group is also a notified body under European Directives and holds more than 300 approvals, certifications, official acknowledgments and authorizations issued mainly by government organizations. The main international approvals concern pressure equipment, transportation equipment for dangerous goods, fire safety systems, electrical installations, agri-food products and environmental or health and safety occupational measures.

All such accreditations and approvals are regularly renewed upon expiration.

Each of the Group’s businesses has set up an organization dedicated to managing and monitoring these authorizations on a centralized basis, and the authorizations are subject to regular audits by the authorities concerned. Obtaining, renewing and maintaining these authorizations must be justified by qualitative and quantitative criteria concerning the independence, impartiality and professional capabilities of the beneficiaries, such as proof of (i) experience in the field concerned over a certain length of time, (ii) the existence of trained and qualified technical personnel, and (iii) a quality control system, as well as technical resources and methodologies that comply with applicable standards such as ISO/IEC 17020 for inspection companies, ISO/IEC 17021 for management system certification bodies or ISO/IEC 17065 for products and services certification, or those relating to testing and calibration laboratories (ISO/IEC 17025).

Commodities

The Group is a member of several industry organizations including the International Federation of Inspection Agencies (IFIA), the American Association of Analytical Chemists (AOAC), the American Chemical Society (ACS), the American Petroleum Institute (API), the American Society for Quality (ASQ), the American Society of Safety Engineers (ASSE), the American Society for Testing and Materials International (ASTM International), the National Conference on Weights and Measures (NCWM), the American Fuel & Petrochemical Manufacturers (AFPM), the Energy Institute (EI), and the International Organization for Standardization (ISO). Bureau Veritas is also a member of various ISO technical committees including those on iron ore, non-ferrous concentrates, ferroalloys, copper and copper alloys.

The Group is US-customs bonded and approved and is also accredited by the American Association of State Highway and Transportation Officials (AASHTO) for laboratory asphalt testing. Certain minerals laboratories are included as listed Samplers and Assayers by the London Metal Exchange (LME) and as Superintendents and Facilitators by the London Bullion Metals Association (LBMA). The Group is also approved as a “Good Delivery Supervising Company” by the London Platinum & Palladium Market (LPPM).

Key offices and laboratories involved into inspections of agri-commodities are accredited by the Federation of Oils, Seeds and Fats Associations (FOSFA) and the Grain & Feed Trade Association (GAFTA). Bureau Veritas is also accredited by the Sugar Association of London (SAL) and the Federation of Cocoa Commerce (FCC), as well as by a number of other relevant national and international associations and organizations in various countries.

Many of the Group’s laboratories are ISO 17025 accredited under various accreditation bodies including: National Association of Testing Authorities, Australia (NATA), Standards Council of Canada (SCC), American Association for Laboratory Accreditation (A2LA), Singapore Laboratory Accreditation Scheme (SINGLAS), United Kingdom Accreditation Services (UKAS), El Instituto Nacional de Normalización, Chile (INN), China National Laboratory

1

Presentation of the Group

1.8 Material contracts

Accreditation for Conformity Assessment (CNAS), and several others. Also, most of the Group's US laboratories are also registered under the US Environmental Protection Agency (EPA) to carry out testing on EPA-regulated fuels, including diesel and gasoline.

For government contracts, authorizations to conduct business are issued as delegations or concessions granted by national governments in contracts entered into with government authorities. As of December 31, 2018, the division had some 50 government contracts.

Several Group laboratories are recognized by governments for testing for Transportable Moisture Limit (TML); such governments include Australia, Belgium, Chile, Finland, Malaysia, Liberia, the Netherlands and Taiwan.

For its PSI (Pre-Shipment Inspection) and VOC (Verification of Conformity) activities, Bureau Veritas is ISO 17020-accredited by COFRAC (the French Accreditation Committee).

Consumer Products (CPS) division

The Group holds the following principal authorizations and accreditations: American Association for Laboratory Accreditation (A2LA), French Accreditation Committee (COFRAC), Zentralstelle der Länder für Sicherheitstechnik (ZLS), Hong Kong Laboratory Accreditation Scheme (HOKLAS), IEC System for Conformity Testing and Certification of Electrical Equipment (IECEE), National Environmental Laboratory Accreditation Program (NELAP), Singapore Laboratory Accreditation Scheme (SINGLAS), United Kingdom Accreditation Services (UKAS), China National Laboratory Accreditation for Conformity Assessment (CNAS), Deutsche Akkreditierungsstelle Chemie GmbH (DACH), Deutsche Akkreditierungsstelle GmbH (DAkkS), AKS Hannover, Japan Accreditation Board (JAB), National Accreditation Board for Testing and Calibration Laboratories (NABL), Pakistan National Accreditation Council (PNAC), Laboratory Accreditation Correlation and Evaluation (LACE), Komite Akreditasi Nasional

(KAN), Thai Industrial Standards Institute (TISI), Vietnam Laboratory Accreditation Scheme (VILAS), CTIA Authorized Testing Laboratory (CATL), PCS Type Certification Review Board (PTCRB), Global Certification Forum (GCF), Bluetooth Qualification Test Facility (BQTF), Bluetooth Qualification Expert (BQE), NFC Forum Authorized Test Laboratory, WiFi Alliance Authorized Test Laboratory, Federal Communications Commission (FCC), Industry Canada (IC), Car Connectivity Consortium (CCC), OmniAir Authorized Test Laboratory (OATL), LoRa Alliance Authorized Test House (ATH), Sigfox Accredited Test House, Thread Authorized Test Lab, Wireless Power Consortium for Qi certification (Qi), EMVCo Service Provider, Visa Recognized Testing Laboratory, Agence Nationale de Télécommunications du Brésil (ANATEL) and Institut National de Métrologie, Qualité et Technologies (INMETRO).

Each of the Group's businesses has put in place a dedicated organization for managing and monitoring these authorizations on a centralized basis, and the authorizations are subject to regular audits by the authorities concerned. Obtaining, renewing and maintaining these authorizations must be justified by qualitative and quantitative criteria concerning the independence, impartiality and professional capabilities of the beneficiaries, such as proof of experience in the field concerned over a certain length of time, the existence of trained and qualified technical personnel, and an internal quality control system conforming to applicable standards, such as the EN 4005 standard for inspection companies.

1.8 Material contracts

In light of the nature of its business, as of the date of the 2018 Registration Document the Company has not entered into material contracts other than those entered into in the ordinary course of business, with the exception of the borrowings described in the cash flows and sources of financing section in Chapter 4 – Management report of the 2018 Registration Document.

1.9 Research and development, innovation, patents and licenses

As part of its research and innovation strategy, the Group carries out experimental development activities on strategic projects that aim to bolster its positioning or enable it to capture new markets.

The Group's R&D strategy is rolled down through:

- a research partnership with the French Alternative Energies and Atomic Energy Commission (CEA), with which or so projects are carried out each year on issues as varied as cybersecurity, smart grids and IoT;
- its membership of the Factory Lab innovation platform, which is a cluster of public research laboratories, global industry leaders and companies developing innovative technologies. The Lab looks at areas such as the factory of the future, physical and cognitive assistance for operators, and process/testing automation;
- contracts with innovative technology start-ups and industry players to develop common interest projects such as remote assistance and support;
- its involvement in the work of the European Cyber Security Organisation (ECSO) within the context of an EU-driven public-private partnership to define the technological roadmap for the cybersecurity sector;

- its partnership with industrial joint research centers like IRT Jules Verne and with academic laboratories such as that of École centrale de Nantes for developing digital solutions for innovative hydrodynamic studies;
- its involvement in subsidized joint projects, notably those financed by the Single Interministerial Fund, and its replies to European calls for projects;
- its participation in the IEC System as regards the development of new certification schemes relating to equipment for use in renewable energy applications;
- the shift of its businesses and solutions to digital media, with the development of future inspectors and inspection services.

The Group is eligible for the research tax credit in France within the framework of its business activities. This tax credit is similar to a subsidy in that it is refundable even if it exceeds the amount of tax payable. Accordingly, it is included in current operating profit.

A €3.5 million research tax credit was recognized as a subsidy in the 2018 consolidated financial statements.

A total of €13.0 million in research and development costs relating mainly to the Marine & Offshore business was recognized under expenses in 2018.

1.10 Information and management systems

The Group's IT department is responsible for:

- defining the Group's technological architecture by outlining the standards applicable to all businesses and regions in terms of software application development and network infrastructure;
- selecting, implementing, deploying and maintaining integrated cross-functional solutions in all operating units (email, collaboration tools, ERP finance, client relationship management, human resources and production systems, etc.);
- guaranteeing the availability and security of the infrastructure and integrated solutions used by the Group; and
- managing the Group's overall relationship with its main suppliers of equipment, software and telecommunications services.

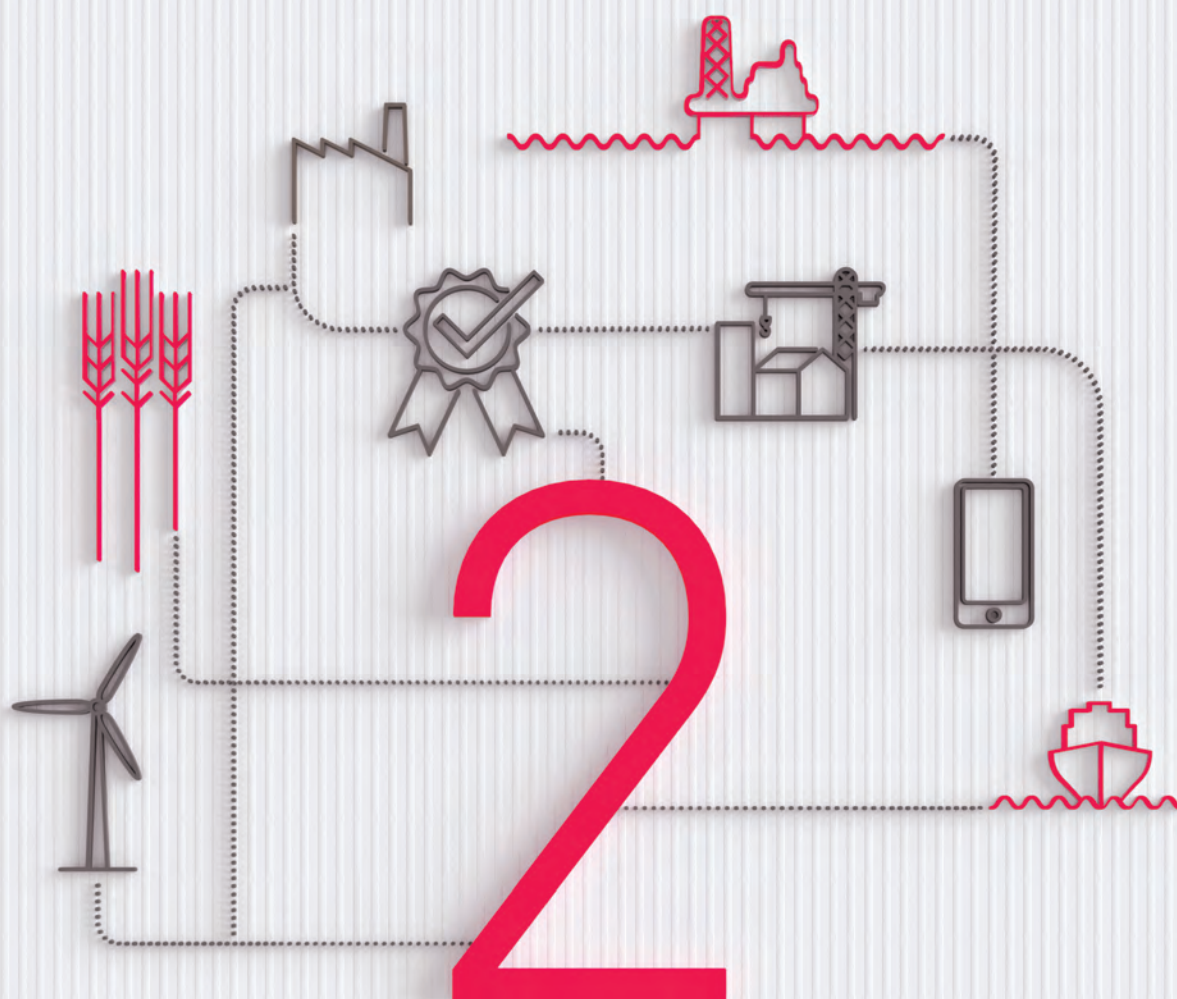
Management is organized around four Regional Shared Services Centers: in Nantes (France) for the Europe, Middle East and Africa region and cross-functional solutions; in Hong Kong for the Asia region; in Melbourne for the Pacific region; and in Buffalo, New York, for the Americas region. These shared services centers manage the infrastructure for the global network and provide different support services (help desks, hosting, support, etc.) to countries in their respective regions.

A Global Shared Services Center has also been set up in Noida (India) with the aim of pooling certain cross-functional operational support processes.

In 2018, operating expenses and running costs for the Group's information systems represented around 3% of the Group's consolidated revenue.

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This chapter, as well as the business model and the chapter 1 – Presentation of the Group, include the “Non-Financial Statement” (“NFS”). This allows Bureau Veritas to better meet the new regulatory requirements outlined below.

The regulations taken into account in preparing this chapter include:

- European Directive 2014/95/EU of October 22, 2014 as regards the disclosure of non-financial information;
- the implementing decree transposing European Directive no. 2017-1265 of August 9, 2017 into French law;
- French Law no. 2017-399 of March 27, 2017 on the duty of care of parent companies and subcontracting companies;
- the French Law on transparency, the fight against corruption and the modernization of the economy (law known as “Sapin II”).

Given the late publication of:

- French Law no. 2018-898 of October 23, 2018 concerning the fight against tax evasion;

French Law no. 2018-938 of October 30, 2018 concerning the fight against food insecurity, respect for animal welfare, and responsible, fair and sustainable food;

the Group was unable to address these issues and incorporate them into its CSR risk analysis. They will be addressed in the next financial year.

Although the compilation of CSR data has not significantly changed, the way in which it is presented is new. The main changes are as described below:

- presentation of the “business model”, which is a systematic, concise representation of the source of the Company’s added value and a description of how it shares that added value with its different stakeholders (presented in the preamble to this document);
- analysis of major risks: unlike Grenelle II legislation that required companies to report on 42 issues using a materiality matrix, the Non-Financial Statement is primarily based on a risk analysis. Accordingly, data is only presented for issues that represent major risks;

- policy and action plans are now specified for each major risk;
- performance indicators and measures will be specified for each risk, enabling the implementation and effectiveness of the action plans to be monitored.

The requirements of articles L. 225-102-1 and R. 225-104 to R. 225-105-2 of the French Commercial Code (*Code du Commerce*) regarding the transposition into French law of the European Directive on the disclosure of non-financial information, forming the basis of the Company’s Non-Financial Statement, are addressed in the following chapters:

- the business model is presented in the introduction (page 2 et seq. of this Non-Financial Statement) and in sections 1.1 to 1.10 hereof;
- the analysis of major risks facing the Group is included in section 1.11 of the 2018 Registration Document, while section 2.1.5 of this Non-Financial Statement describes risks and opportunities of a non-financial nature;
- the policies, action plans and follow-up indicators are presented in the sections discussing non-financial risks:
 - integrity (section 2.2.1),
 - client relations (section 2.2.2),
 - supply chain management (section 2.2.3),
 - human rights (section 2.2.4),
 - cybersecurity (section 2.2.5),
 - data protection (section 2.2.5),
 - employee engagement (section 2.3),
 - health and safety (section 2.4),
 - environment and climate (section 2.5),
 - CSR contribution to society (section 2.6.1).

The highlights described in these chapters include:

- alignment of CSR initiatives with the United Nations’ Sustainable Development Goals (section 2.1.3);
- strengthening the CSR organization (section 2.1.4);
- conduct of an analysis of non-financial risks and opportunities (section 2.1.5);
- preparation of a Partner Code of Conduct (section 2.2.3);
- publication of a Human Rights policy (section 2.2.4);
- Bureau Veritas’ commitment to protect biodiversity (section 2.5.5);
- launch of initiatives to help clients enhance their CSR commitment (section 2.6.1);
- presentation of a duty of care plan (section 2.7).

2.1 Non-financial vision, risks and challenges

2.1.1 Mission of Bureau Veritas

As a “Business to Business to Society” services company, the Group’s role is to **establish a relationship of trust between businesses, public authorities and consumers.**

Promoting trust

Bureau Veritas’ mission is to reduce its clients’ risks, improve their performance and help them innovate to meet the challenges of quality, health and safety, environmental protection and social responsibility.

Since it was founded in 1828, the Bureau Veritas brand has been synonymous with integrity, and represents an invaluable asset in an industry based on trust. Today, the Group continues to work to improve trust between businesses, consumers and public authorities.

A “Business to Business to Society” services company

Today, the Group is capitalizing on its extensive experience to better serve society’s aspirations.

Driven by society, Bureau Veritas acknowledges the challenges of growing urbanization, anticipating the need for safer, smarter cities. The Group anticipates the expectations of an expanding global population, including the need for safe and reliable agricultural production. Bureau Veritas understands the impact of climate change, working to ensure people worldwide have access to cleaner energy while supporting its clients in the efficient management or conversion of their existing assets. We embrace digitalization while mitigating the risks it brings.

2.1.2 Bureau Veritas’ CSR commitment

Bureau Veritas’ commitment to Corporate Social Responsibility (CSR) issues reflects its wish to play its part in efforts that each company and citizen should make to address society’s social and environmental challenges. Besides its compliance with CSR regulations, Bureau Veritas also seeks to meet the needs of its clients, end consumers and all its stakeholders.

Owing to the nature of its services, Bureau Veritas has a direct and indirect impact on CSR issues:

- directly, in each of its businesses, entities, subsidiaries and regions:

Bureau Veritas is entering a new era

Driven by society, the Group is working ever more closely with its clients, addressing today’s crucial challenges and answering society’s aspirations.

Since its inception, Bureau Veritas has always supported its clients in mitigating risks through its expertise in quality, health and safety, and environmental fields, as well as in data protection and technological progress.

As an independent party, Bureau Veritas helps to build trust between governments, companies and citizens, who represent the foundation of our society.

Complex and interlinked forces are transforming our economies, shaped by growing urbanization, booming demographics, the shift towards greener energy, a digital transformation through artificial intelligence, data fusion and machine learning, to name but a few.

The Group sees that this shift in the playing field is profoundly reshaping the face of Bureau Veritas and the way it addresses its clients’ needs and helps them meet their challenges. Bureau Veritas is entering a new phase of its development, with the ultimate goal of meeting society’s deepest aspirations while addressing its clients’ existing and future challenges. Leveraging their expertise and experience, Bureau Veritas employees around the world represent the Group’s most important asset in generating value for its clients.

The Group’s employees are proud to see how each day, their work has a positive impact on the lives of millions of people around the world. Bureau Veritas’ success belongs to them.

- indirectly, Bureau Veritas offers a broad range of services aimed at improving the impact its clients have in terms of health and safety, security, environment and sustainable development.

The Group firmly believes that its actions in this respect are helping to prepare for the future in the best interests of its shareholders.

This view is echoed in the commitment to social and environmental issues expressed by the Chairman of Bureau Veritas’ Board of Directors and the Group’s Chief Executive Officer, as set out below.



BUREAU VERITAS COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is a strong commitment of Bureau Veritas. It complements our absolutes and our fundamental values.

CSR is embedded in our purpose and corresponds to our will to act in a responsible and sustainable way. Our mission and the nature of our services allow us to serve the society by reinforcing safety, improving quality and protecting the environment.

As a leader of our market sector we want to be exemplary. In 2018, five key actions were initiated to accelerate our CSR program. We have:

- Reinforced our central and regional CSR organization
- Reduced by 18% our total accident rate
- Reduced by 4% our laboratory energy consumption
- Launched a project for biodiversity protection
- Intensified our actions for inclusion and diversity

Bureau Veritas remains mobilized with each of its employees to continue the improvement of its social and environmental impacts, notably through environmental protection, biodiversity conservation, defense of Human Rights, respect for ethics, health and safety.

We want Bureau Veritas to remain a model of company, responsible and committed towards the Society.

At Bureau Veritas, Corporate Social Responsibility is an integral part of our values.

Together, employees, clients and suppliers, let's be committed to our future.

Aldo Cardoso
Chairman of the Board

Didier Michaud-Daniel
Chief Executive Officer

2.1.3 A CSR strategy aligned with the UN’s Sustainable Development Goals

CSR at the heart of our core values and “absolutes”

The expertise and know-how of Bureau Veritas teams, along with the core values that are shared by all staff and underpin the Group’s corporate culture, reinforced by three “absolutes” rooted in Group practices, are decisive in helping to protect the brand’s image and the Group’s reputation, as well as in driving value creation over the long term.



A CSR strategy that supports the Group’s clients

Through its activities, Bureau Veritas supports its clients with its CSR strategies in terms of safety and security, the environment, human rights, ethical conduct and sustainable development more generally (see section 2.6.1).

range of local initiatives, including for example food collection, environmental protection and support for women on the street (see section 2.6.2).

A community-minded CSR strategy

Bureau Veritas has launched “Be part of it”, a community-minded initiative in which it acts alongside its employees in providing help to the most disadvantaged. “Be part of it” encompasses a broad

A CSR strategy aligned with the UN’s Sustainable Development Goals

Bureau Veritas’ CSR strategy acts for our future and is consistent with its mission and strategic goals.

Bureau Veritas has chosen to act in accordance with the UN’s Sustainable Development Goals in order to promote prosperity and protect our planet.

SUSTAINABLE DEVELOPMENT GOALS



Through its direct action and the services it provides, Bureau Veritas is active in all areas covered by the Sustainable Development Goals, as can be seen below:

	Goals	Example of local initiatives	Example of services
	End poverty in all its forms everywhere	Creation of local jobs Local purchases "Be part of it" program collection of products for those in need	Certification of nongovernmental organizations (NGOs) Inspection of agricultural crops Social audits
	Zero hunger, achieve food security, improve nutrition and promote sustainable agriculture	"Be part of it" program for food collection for food banks	Food certification and tests System certification Product origin and traceability
	Ensure healthy living and promote well-being for all at all ages	"Be part of it" program for the collection of sanitary products for women on the street, for blood donations "Global Partnership" program	Certification of medical devices Cosmetics inspections Inspection of airborne emissions Monitoring of automotive emissions
	Ensure inclusive and quality educational equity and promote lifelong learning opportunities for all	BV Academy "My Learning" program Partnership with Chemins d'Avenir to help young people from marginalized regions of France	Health and safety training Environment training
	Achieve gender equality and empower all women and girls	Human Rights policy "Gender equality" program Inclusiveness program Partner Code of Conduct	Gender equality certification Diversity certification
	Ensure access to water and sustainably	Human rights policy Partner Code of Conduct	Water sanitation plant inspections Water supply network inspection Sustainable plastics certification HSE impact assessments

Corporate Social Responsibility

2.1 Non-financial vision, risks and challenges

2

	Goals	Example of local initiatives	Example of services
	Ensure access to affordable reliable, sustainable and modern energies	Energy performance of buildings Purchase of renewable energy	CO ₂ emissions certification Certification of solar and wind farms Certification of energy performance
	Promote inclusive and sustainable economic growth, employment and decent work for all	Human Rights policy Safety and security “absolutes” client relationship management Well-being at work Partner Code of Conduct	Social audits HSE audits and certifications Business continuity
	Build resilient infrastructure, promote sustainable industrialization and foster innovation	Innovation projects Construction of sustainable laboratories	Infrastructure checks Inspection of industrial facilities Certification of industrial equipment
	Reduce inequality within and among countries	Human rights policy “Inclusion” program “Be part of it” program Regional investment Partner Code of Conduct “Global partnership” program	Gender equality certification Diversity certification
	Make cities and communities inclusive, safe, resilient and sustainable	Building energy performance Well-being at work “Be part of it” program	Building permits Building design review Green building certification Inspection of facilities Inspection of smart cities
	Ensure sustainable consumption and production	CSR commitment Waste recycling	Support for eco-design Support for the circular economy Consumer products testing
	Take urgent action to combat climate change	Reduce CO ₂ emissions Climate risk management	GHG and CO ₂ emissions reduction Energy management certification change and its impacts Reduction of unintentional emissions Life cycle analyses
	Conserve and sustainably use oceans, seas and marine resources	“Be part of it” program to collect plastic	Sea water quality certification Responsible fishing certification Ship certification Control of effluent
	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	Member of Act4Nature Environmental management system “Be part of it” program for tree planting Partner Code of Conduct	FSC timber certification Biodiversity impact assessments Agricultural product testing Control of airborne emissions Control of waste management GHG certification (CDM, JI, etc.) Carbon footprint certification
	Promote peaceful and inclusive sustainable development, provide access to justice for all and build institutions at all level	Human Rights policy Code of Ethics Partner Code of Conduct	Social audits CSR management certification Partner societies for CSR reporting verification
	Revitalize the global sustainable development	Partner Code of Conduct	Responsible supplier program partnership for CSR reporting verification CSR management certification

The “Be part of it” program draws together the Group’s philanthropic initiatives.

The “My Learning” program covers e-learning tools and content.

The “Global Partnership” program concerns employee benefits offered by the Group.

The “Gender equality” program strives to achieve equal opportunities for men and women.

The “Inclusion” program draws together the Group’s inclusiveness policies and initiatives.

2.1.4 CSR oversight

Bureau Veritas' CSR organization was strengthened in 2018 with the aim of improving the coordination and oversight of initiatives set up within the Group, while joining forces with internal stakeholders concerned with developing and applying the Group's CSR policy.

At the Board of Directors' level, the Audit & Risk Committee applies the Group's CSR policy, performs in-depth reviews of major risks and ensures that an appropriate policy is rolled out.

At the executive level, the Group's Executive Committee, under the responsibility of the Group Human Resources Director and Director of Corporate & External Affairs, defines the Group's CSR vision and strategy, and approves and publishes the CSR policy, procedures and key indicators.

A CSR Executive Committee was set up in mid-2018 and includes the Directors of Human Resources, Legal Affairs & Audit, France & Africa, Asia Pacific and the Middle East, and Corporate & External Affairs. The role of the Committee is to prepare the Group's CSR strategy and policies.

A dedicated organization has been set up at the level of the corporate support departments, led by a CSR Steering Committee.

This Committee, which reports to the Corporate & External Affairs Director, comprises representatives from the Legal Affairs & Audit, Human Resources, Strategy, Purchasing and Health, Safety & Environment (HSE) departments. Each issue is monitored by the relevant corporate support department:

- ethical conduct is monitored by the Legal Affairs & Audit department;
- recruitment, inclusiveness and labor relations fall under the responsibility of the Human Resources (HR) department;
- health, safety, security and the environment are managed by the Quality, Health & Safety, Security and Environment department;
- supplier compliance is managed by the Purchasing department; and
- corporate social responsibility and human rights are managed by the Corporate & External Affairs department.

At operating group level, CSR correspondents have been appointed to coordinate local CSR initiatives and ensure that the Group's CSR policies are duly implemented.

2.1.5 Non-financial risks and opportunities

Bureau Veritas analyzed its non-financial risks and opportunities so as to focus its actions on the most important risks and opportunities. Each operating department reported on its risk factors using a groupwide approach devised by the Risk department. The reports were then consolidated and pooled. The impact, frequency and degree of management for each risk were then quantified, enabling the Group to identify major risks and opportunities.

This risk map was then supplemented by a CSR analysis conducted by the CSR Steering Committee, resulting in the inclusion of four new specific CSR topics that did not feature in the Group's general risk map. Three topics are risks relating to human rights, the environment and climate. The fourth is an opportunity related to the sale of CSR services.

A total of 10 major risks and 1 opportunity were identified. These are presented below, together with a reference to the chapters in which they are discussed in more detail:

- risks related to operations:
 1. integrity (section 2.2.1),
 2. client relations (section 2.2.2),
 3. supply chain (section 2.2.3),
 4. human rights (section 2.2.4),
 5. cybersecurity (section 2.2.5),
 6. data protection (section 2.2.5);
- risks related to employee engagement (section 2.3);
- risks related to health and safety (section 2.4);
- risks related to environment and to climate (section 2.5);
- opportunities related to CSR services (section 2.6.1).

Bureau Veritas has defined a policy, action plan, indicators and targets for the ten risks and one opportunity identified.

2.1.6 Stakeholders

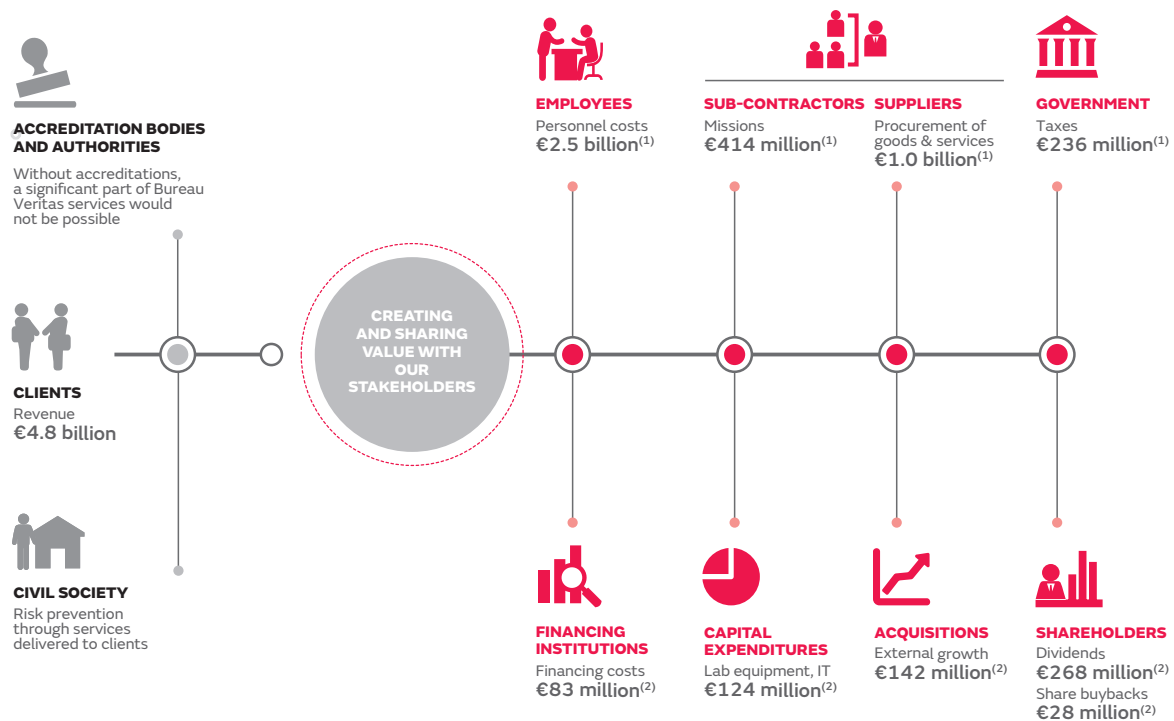
The Group's main stakeholders are employees, shareholders, clients, suppliers and subcontractors, as well as accreditation bodies, governments, public authorities and society at large.

The economic performance shared with Bureau Veritas' stakeholders and the manner in which the Group interacts with those stakeholders are set out in the tables below.

A Young Employees Committee was set up to take into account the expectations of younger generations in defining the Group's strategy. This Committee was asked to compile information on








young employees' expectations in terms of Bureau Veritas' CSR commitment. A total of 28 young people from across the globe representing all of the Group's businesses sit on this Committee, known as "START". As it was being set up in 2018, the Committee will put forward its recommendations in 2019.

A CSR Focus Committee is currently being set up and will group together clients from different industries along with CSR experts, representatives from civil society (associations, NGOs, etc.) and investors. This Committee will be launched in 2019.



(1) 2018 P&L impact.
(2) 2018 cash impact.
(3) Adjusted net debt.

DIALOGUE WITH STAKEHOLDERS:

STAKEHOLDERS	EXPECTATIONS	BASIS FOR DIALOGUE
SOCIETY 	<ul style="list-style-type: none"> → Improve quality → Reduce risk → Protect the environment → Human rights and ethical conduct → Consumer protection 	<ul style="list-style-type: none"> → CSR Focus Committee → Fairs and exhibitions
CLIENTS 	<ul style="list-style-type: none"> → Ethical conduct → Service quality → Operational excellence → Occupational health and safety 	<ul style="list-style-type: none"> → Satisfaction surveys → Technical/sales meetings → Client seminars → CSR Focus Committee
SHAREHOLDERS AND INVESTORS 	<ul style="list-style-type: none"> → Reduce CSR risks → Financial performance → CSR commitment 	<ul style="list-style-type: none"> → CSR Focus Committee → Board of Directors → Investor meetings
EMPLOYEES 	<ul style="list-style-type: none"> → Training and development → Occupational health and safety → Well-being at work → Ethical conduct → Diversity and inclusiveness 	<ul style="list-style-type: none"> → Annual evaluations → Department meetings → Alert hotline → START Young Employees Committee
ACCREDITATION BODIES 	<ul style="list-style-type: none"> → Operational excellence → Ethical conduct 	<ul style="list-style-type: none"> → Accreditation audits
PARTNERS (SUBCONTRACTORS, SUPPLIERS, SALES INTERMEDIARIES, JVS) 	<ul style="list-style-type: none"> → Occupational health and safety → Fair pay → Long-term business relations 	<ul style="list-style-type: none"> → General purchasing terms and conditions → Partner Code of Conduct → Evaluations → Alert hotline
GOVERNMENTS AND PUBLIC AUTHORITIES 	<ul style="list-style-type: none"> → Develop the economy → Create jobs → Respect for the environment and security → Comply with laws and regulations 	<ul style="list-style-type: none"> → Relations with governmental authorities → Relations with the European Commission → Group Compliance Program

2.2 Governance and operational excellence

2.2.1 Ethics, an “absolute”

Initiatives rolled out to reduce “Integrity” risk

Group Code of Ethics

The Group’s Code of Ethics sets forth the values, principles, and rules on which the Group bases its development and sustainable growth and build relationships of trust with its clients, employees and business partners.

The Code of Ethics applies to all Group employees and complies with the requirements of the International Federation of Inspection Agencies (IFIA).

It has four core principles:

- (I) the Code of Ethics must be applied rigorously;
- (II) our conduct must always be governed by the principles of transparency, honesty and fairness;
- (III) we are committed to fully complying with the laws and regulations of the countries in which we operate;
- (IV) we are committed to fighting corruption.

Complying with these values and ethical principles has become a source of pride for all employees, who must ensure that their day-to-day decisions are taken in compliance with the Code of Ethics. Disciplinary measures that may lead to dismissal may be taken against any Bureau Veritas employee who fails to comply with the principles and rules set out in the Code of Ethics.

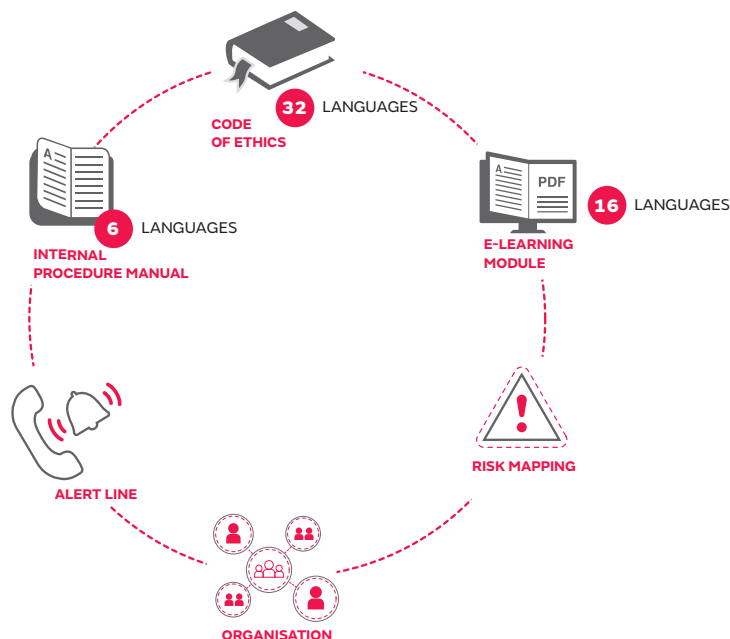
Similarly, the Group’s business partners such as intermediaries, subcontractors, joint-venture partners and key suppliers are also required to take note of and commit in writing to act in compliance with the Code of Ethics when dealing with Bureau Veritas.

In 2019, the Group plans to provide its employees with an updated version of its Code of Ethics reflecting recent changes in legislation, in particular the French law of December 9, 2016 (“Sapin II”), and to publish a Code of Conduct for its commercial partners who will be required to comply with that Code of Conduct in any business dealings with the Group.

Group Compliance Program

Worldwide program

The Group’s compliance program (the “Compliance Program”) covers the Group’s Code of Ethics, a manual of internal procedures, a worldwide compulsory training program for all staff (available primarily as an e-learning module and supplemented by local training and awareness-raising initiatives), a whistleblowing procedure for internal and external ethics violations, a risk mapping process, internal and/or external assessment procedures for commercial partners coupled with an information database and sample contracts, accounting control procedures with the allocation of specific accounts for regulated transactions (gifts, donations, etc.), the annual certification of guidance frameworks and regular control and assessment processes, which are mainly conducted via an annual self-assessment campaign and rounded out by internal and external audits.



In 2016, the e-learning module pertaining to the Compliance Program was transferred to the Group's dedicated "My Learning" platform in order to enhance and facilitate its worldwide deployment. A new version of the e-learning module will be developed in 2019, notably to take into account changes in the Code of Ethics.

The Compliance Program is rolled out by a dedicated global network of Human Resources managers. A quarterly reporting system has been set up to ensure that all employees receive training on the Code of Ethics; new recruits have one month in which to complete this training.

Regularly reinforced procedures

The fourth version of the Code of Ethics, which will be updated in 2019, is available on the Bureau Veritas website at the following address: <https://www.group.bureauveritas.com>.

Through dedicated internal rules and procedures, the Group controls notably the selection of its commercial partners (intermediaries, joint-venture partners, subcontractors, main suppliers) and the integrity of their actions, prohibits certain transactions, such as facilitation payments and kickbacks, and restricts others, such as donations to charitable organizations, sponsorships and gifts.

The measures adopted to fight both corruption and harassment and to comply with anti-trust rules and international economic sanctions are regularly improved. This is done by reviewing internal rules and procedures, dispensing additional training and sending regular alerts through the Group's network of Compliance Officers.

Each operating unit has a dedicated manual covering its own specific legal, risk management and ethics issues designed to assist operating managers to act in compliance with the rules applicable to the Group as a whole.

In carrying out its business, the Group rolls out specific operational procedures for its inspectors and auditors to ensure the integrity and impartiality of its services.

Monitoring the implementation of the Compliance Program

An organization with dedicated resources

The Group's Compliance Officer (hereafter referred to as the "Compliance Officer") is the Group's General Counsel and head of the Group's Legal Affairs & Audit department. He or she defines, implements and oversees the Compliance Program, assisted by a network of Compliance Officers within each operating group.

The Group's Ethics Committee, whose members are appointed by the Company's Board of Directors, comprises the Chief Executive Officer, Chief Financial Officer, HR Director and Compliance Officer. The Committee meets at least once a year and whenever necessary. It oversees the implementation of the Compliance Program and deals with all ethical issues submitted by the Group Compliance Officer. The Group Compliance Officer reports the violations he or she is aware of and provides the Committee with a full yearly report on the implementation and monitoring of the Compliance Program.

Every six months, the Group Compliance Officer provides the Company's Audit & Risk Committee with a report on compliance.

The Compliance Officer also prepares a report for the Board, which has final decision-making authority.

In addition, the legal representative of each legal entity (subsidiary or branch) is responsible for the application of the Code of Ethics and the Compliance Program by the employees falling within his or her authority. To this end, he or she is required to provide a copy of the Code of Ethics to all of his or her employees, to ensure that they are trained, to inform them of their duties in simple, practical and concrete terms, and to make them aware that any violation of the Code of Ethics constitutes a serious breach of their professional obligations likely to result in disciplinary measures.

Global annual assessments

Each year the Group carries out a compliance assessment on the basis of a questionnaire. As a result of this process, a declaration is issued by the legal representatives of each entity.

These declarations are then consolidated at the level of each operating group, after which an annual declaration of compliance is signed by each Executive Committee member responsible for an operating group. These declarations of compliance are sent to the Compliance Officer who issues on this basis an annual report which is provided to the Ethics Committee, and subsequently to the Audit & Risk Committee.

Complying with Bureau Veritas' ethical principles and rules is also taken into account in managers' annual evaluations. Each manager is required to confirm compliance with the Group's ethical standards during his or her annual evaluation. Questions, claims or comments from third parties concerning the Code of Ethics may also be sent directly to the Compliance Officer.

Regular internal and external audits

Compliance with the Code of Ethics is periodically reviewed by internal auditors, who report their findings to the Compliance Officer and to the Audit & Risk Committee. Compliance auditing is one of the main cycles and procedures covered by the Group's Internal Audit & Acquisitions Services department.

In addition, the Compliance Program is subject to a yearly external audit by an independent audit firm, which issues a certificate of compliance to the Compliance Officer, who subsequently sends it to the Compliance Committee of the International Federation of Inspection Agencies (IFIA). Each year, the Compliance Officer presents the findings of this audit to the Executive Committee and subsequently to the Audit & Risk Committee.

Centralized and systematic processing of complaints through a professional whistleblowing hotline

If a Group employee has a question or faces an issue relating to the implementation or interpretation of the Compliance Program, he or she may contact the local Compliance Officer or ask his or her local managers for advice.

If no satisfactory solution is forthcoming and if the employee is reluctant to discuss this matter with his or her superior or if the other procedures for handling individual complaints are not applicable, the employee can follow the whistleblowing procedure dedicated to ethical issues either by directly contacting the Compliance Officer through the internal whistleblowing hotline or by contacting the external professional whistleblowing hotline. On his or her request, the matter will be treated confidentially and the identity of the employee will not be disclosed as far as possible.

2.2.2 Client relationships are an overwhelming priority at Bureau Veritas

Initiatives rolled out to reduce “client relationship” risk

Description of risk

The nature of the services provided by Bureau Veritas systematically brings clients into contact with the Group’s operational, sales, management or support teams. In this respect, a high-quality client relationship at all levels of the value chain is essential to secure client satisfaction.

Poor quality initiatives, regardless of where they occur on the value chain, can affect the quality of the services provided, along with client satisfaction and the relationship with the client itself. Situations exposing the Group to risk include:

- a lack of availability and responsiveness in dealing with clients’ needs;
- failing to understand clients’ needs or inappropriately advising clients in an attempt to meet their needs;
- providing poor quality services (excessively long assignment period, insufficient expertise, reporting inaccuracies, etc.);
- failing to provide post assignment follow-up in order to explain findings.

A poor client relationship often results in the loss of a client and a bad reputation which could spread to other clients.

client satisfaction is a major concern at Bureau Veritas and is at the heart of its management approach. Besides day-to-day dealings between Bureau Veritas teams and their clients, a client satisfaction survey is conducted at least once a year. Results at local and global level enable Bureau Veritas to continue improving the satisfaction levels of all of its clients.

Action plan

A “Lean Management” approach and an operating model designed for excellence

To support its growth and international development, since 2012 Bureau Veritas has adopted a “Lean Management” approach (see section 1.5.5 of this Non-Financial Statement). “Lean Management” can be defined as an ongoing performance improvement approach.

As part of the strategic plan for 2020, six transformation initiatives were launched focusing on the Group’s operating fundamentals:

1. re-engineering;
2. planning;
3. optimization of travel time;
4. data management;
5. assignment progress follow-up;
6. electronic migration of assignments and reports.

These initiatives have led the operating and administrative teams to rethink their way of working, and have enabled them to identify areas for improvement in their particular organization.

“Lean Management” is a way of changing and improving processes before rolling out digital solutions, in order to optimize their impact.

The improvements and solutions implemented through “Lean Management” projects reduce work times and optimize travel with a view to improving the services provided to the clients.

In terms of day-to-day work, “Lean Management” fosters teamwork and helps create a pleasant work environment thanks to a coherent allocation of roles and responsibilities. It also plays a role in the ongoing improvement of Bureau Veritas’ relations with its clients by providing solutions that meet clients’ needs and expectations.

A quality management system

Operational excellence requires a quality management system that underpins the Group’s organization and allows Bureau Veritas to disseminate the same standards across the globe and in each of its businesses.

The Group’s quality policy is focused on four areas:

- providing Bureau Veritas clients with premium service, ensuring efficiency and integrity;
- satisfying stakeholder expectations;
- managing risks; and
- incorporating continuous improvement into each employee’s daily activities.

The quality of the Group’s operations is monitored both by the Quality department and by the Technical, Quality and Risk (TQR) department.

1. The Quality department manages the overall quality management system adopted by all divisions. It is responsible for developing documentation for the quality management system and for ensuring compliance with quality processes across the Group. The department organizes internal audits to ensure that practices comply with the Group’s quality system and with the requirements of ISO 9001. It also puts into place remedial action plans. Each year, the operating entities review the quality management system falling within their remit. These reviews are generally consolidated in a review carried out at Senior Management level. This management system has been certified to ISO 9001 by an accredited independent international body (outside the Group’s Certification business).
2. The TQR (Technical, Quality and Risk) department is responsible for ensuring that missions are compliant with the technical and organizational standards laid down by supervisory authorities such as government ministries and accreditation bodies, and with customary standards and practices in the TIC sector. The department validates the approach and methodology used in the Group’s assignments and the requisite skills needed for those involved. It conducts audits to ensure that these requirements are duly met. The TQR department is consulted upstream in order to verify conformity of complex service offers and to ensure the Group is able to perform those services to the level expected by the client and with an acceptable level of risk for the Bureau Veritas Group.

The Quality and TQR departments are assisted by structural networks of Quality and TQR managers. The compliance of the Group’s processes with regulatory requirements and with the requirements laid down by accreditation bodies and by its clients, as well as the continuous improvement of these processes, allows Bureau Veritas to deliver high-quality services to its clients across the globe.

Performance indicators

Client satisfaction surveys are organized locally for each business. More than 284,000 questionnaires were sent out in 2018. With a response rate of almost 10%, the Group could analyze client satisfaction. Its analysis vindicated the focuses of its continuous improvement strategy. Bureau Veritas closely monitors the overall level of satisfaction, which came out at 86%.

In addition to client satisfaction, in 2018 the Group rolled out a client complaint management solution across all of its entities. Providing end-to-end traceability, this solution involves all stakeholders in the complaints handling process. It also strives to

identify the root causes of the complaints and effective remedial action plans.

These data represent an important input for management's review of entities certified to ISO 9001 (92% of Group entities) and for the Group management review organized each year with Bureau Veritas' Senior Management team.

Bureau Veritas also has many other sources for collecting data on client satisfaction including mailing, other questionnaires and meetings. A project to standardize measures of client satisfaction will be launched in 2019, with gradual roll-out of a "Net Promoter Score" (NPS) approach.

2.2.3 Supply chain management

Initiatives rolled out to reduce "Supply chain management" risk

Bureau Veritas' supply chain is based on four key players, known as "Partners": suppliers, subcontractors, sales agents and co-contractors.

- suppliers are companies supplying goods or services that are not directly incorporated in the services provided by Bureau Veritas. These include for example purchases of car rental services, business travel, audit, training, inspection equipment, laboratory products, IT equipment and so on;
- subcontractors are companies or individuals from which Bureau Veritas purchases services carried out on behalf of its clients. This relates for example to certification audit, industrial inspection and change management services;
- sales agents are companies or individuals that refer business to the Group or act as sponsors representing Bureau Veritas or helping it to develop in certain countries and/or on certain markets;
- co-contractors are companies with which Bureau Veritas carries out an assignment.

Description of risk

There are four main risks related to the Group's supply chain:

- non-compliance by the partner with regulations, accreditation rules or contractual requirements;
- non-compliance with applicable legislation (particularly in terms of ethical conduct, corruption, conflicts of interest, fraud, unfair competition, data protection, economic sanctions, etc.);
- quality issues or negligence of a partner that could lead to an interruption in a service, a dispute or the loss of a client;
- the loss of licenses to operate (LTOs).

These risks are mitigated by various measures, such as:

- using general conditions of purchase and standard contracts with the Group's partners;
- providing subcontractors with the Bureau Veritas Code of Ethics;
- performing internal audits looking at subcontractor management as part of the quality management system;
- putting in place commitment committees to assess risks relating to the Group's main contracts with its clients.

Group Purchasing department

The Purchasing department primarily has dealings with suppliers as well as subcontractors, for which it liaises with the internal departments responsible for management on a daily basis. The Purchasing department has three main objectives:

- optimizing commitments with suppliers;
- ensuring compliance with governance rules, with respect to both internal and external processes;
- managing procurement risks.

The objectives of the Purchasing department reflect these three concerns:

- achieving cost savings by consolidating needs as far as possible at the appropriate level, pooling expertise and resources, and sharing experience. The cost savings target is achieved not only by systematically seeking to identify the "right price" but also by adopting a "responsible consumption" attitude with the Purchasing department's internal clients. This can be done both by ensuring that they systematically use listed suppliers and contracts in place, and by ensuring that they are used reasonably and efficiently with the aim of minimizing and managing consumption;
- reducing the number of suppliers in order to enable Bureau Veritas to manage and track relations with its suppliers as effectively as possible;
- putting in place a risk management approach.

As purchasing and subcontracting account for a large proportion of Bureau Veritas' total expenses and business, it is essential to pay close attention to relationships with subcontractors and suppliers as regards the sustainable development strategy adopted by the Group vis-à-vis these stakeholders.

Details of suppliers and subcontractors

Partners	Role	% of 2018 revenue	CSR issues taken into account
Operational subcontractors	Technical personnel not on the Bureau Veritas payroll, used in addition to the Group's salaried headcount	8.6%	Personnel selection, supervision, training when and where necessary and possible
Suppliers	Companies supplying the materials used by Bureau Veritas personnel to carry out its work (laboratory equipment, measuring equipment, individual protection equipment, etc.), equipment or services such as lease of offices, telecommunications, hardware and software, travel services and vehicles for work-related travel	20.9%	General conditions of purchase referencing the applicable Bureau Veritas Code of Ethics, specifying the expected degree of equipment safety, the necessary respect for human rights, the implementation of a travel policy and a policy to reduce CO ₂ and vehicle emissions; use of EcoVadis to evaluate suppliers on CSR issues

2018 highlights

To effectively address changes and challenges facing the Purchasing department, 2018 was shaped by a number of major achievements aimed at transforming purchasing within Bureau Veritas over the long term.

These achievements relate to the four main strategic goals defined in the Group's 2020 strategic plan:

- "Best Value": spend less;
- "Best Ways": spend better;
- "Best Behaviors": manage risks more effectively;
- "People": train and inform the right "players".

The Group's purchasing policy was adjusted at the end of 2018 in this respect, seeking to reaffirm and explain certain key aspects of the department:

- vision and mission, organization, governance, planning;
- key responsibilities: sourcing, transaction processes, supplier relationship management;
- management of procurement risks, including CSR and compliance risks.

The Group's purchasing policy is supported by the necessary tools and procedures within the Bureau Veritas Group (e.g., standard contracts, risk matrix, segregation of duties based on clearly defined roles and responsibilities, etc.). It will be gradually rolled out and communicated throughout the organization through to 2021, at the same time as the new ERP system is also rolled out (Project FLEX – see below), factoring in specific local features and adaptations as required by legal or organizational imperatives.

At the same time as changes were made to its purchasing policy, the Group stepped up work on a major ERP overhaul with the roll-out of Project FLEX. This project has a particular impact on the Procure to Pay (P2P) value chain, which covers purchase orders through to payments to suppliers of goods and services. Improvements in the P2P value chain are supported by changes in procurement procedures taken up in the Group's purchasing policy.

The new P2P module in Project FLEX will notably allow:

- relations with Bureau Veritas suppliers to be enhanced while significantly reducing the size of the Group's supplier database and facilitating supplier database supervision;
- analytical capabilities to be developed (dashboards, expenditure, etc.) with a view to reinforcing the Group's capacity for negotiation at both local and global level;
- the Group's main purchasing procedures to be respected and the segregation of duties to be guaranteed (e.g., between purchasers and the accounts payable department).

The Project FLEX P2P module will be gradually rolled out across Bureau Veritas through to 2021 and will support the Group's new purchasing policy.

In a fast-changing environment, managing procurement-related risks is an important role of the Purchasing department. As well as developing rules, standards and laws on risk management and oversight, particularly in the field of CSR, it is essential that these risks are identified and managed.

The main laws and rules applicable to Bureau Veritas include CSR Directive 2015/95, the anti-corruption "Sapin II" law, the law regarding the duty of care of parent companies and the EU General Data Protection Regulation (GDPR).

The Purchasing department at Bureau Veritas works with the Group's main corporate departments (Legal, Risk & Compliance, Assurance, Risk, QHSSE, HR, IT, Internal Audit) in order to identify, anticipate and manage these risks as effectively as possible.

As part of this cooperation, a map of the main procurement risks was drawn up in 2018 around eight main topics. The Group's goal is to establish and gradually put in place specific action plans for these risks, depending on the potential impact and complexity of each. The eight topics are:

- Organization;
- Operations;
- Finance;
- Legal, Risk & Compliance;
- CSR;
- Competition;
- Data protection;
- Context (geopolitical, local, etc.).

Regarding data protection for example, a specific action plan has been drawn up by the IT Security department incorporating specific tools and procedures for buyers within the Group. Details of these action plans are provided in section 2.2.4 of this Non-Financial Statement.

Along the same lines, Bureau Veritas continued its initiatives in 2018 to evaluate suppliers' CSR practices and associated risks.

Evaluation of suppliers' CSR practices

In 2014, Bureau Veritas launched a continuous purchasing improvement program from a CSR perspective. The Group teamed up with ECOVADIS, an independent platform evaluating suppliers in terms of sustainable development and CSR, and identified the following goals:

- demonstrate Bureau Veritas' commitment to sustainable development across the entire supply chain;
- systematically evaluate key suppliers on CSR issues;
- help suppliers improve their environmental and social performance.

ECOVADIS uses 21 criteria when evaluating suppliers, based on four main themes: environment, fair working conditions, business

ethics and responsible procurement. In all, 45 suppliers were evaluated as part of the first campaign launched in 2014.

To date, 120 suppliers have been evaluated by ECOVADIS and 10 additional suppliers are in the process of being evaluated. Out of these 120 suppliers, 71% have been reevaluated and 58% of them have improved their evaluation results.

Action plans

Initiatives launched in 2018 that will be continued in 2019 include the preparation of a Partner Code of Conduct (PCC) covering Bureau Veritas' requirements in terms of ethical conduct, safety and security, environment, human rights and data protection.

The Code of Conduct will be gradually rolled out to all of the Group's partners, starting with those representing the most significant risks in 2019.

General terms and conditions and standard contracts applicable to partners will gradually be adapted to incorporate PCC requirements.

A CSR page has been created on the Bureau Veritas website, providing partners with the Code of Conduct.

2.2.4 Human rights

Initiatives rolled out to reduce "Human rights" risk

Description of risk

The main risk identified by Bureau Veritas is failure to comply with the Group's human rights policy, particularly as regards the elimination of discrimination and support for diversity and inclusiveness. These two aspects are at the heart of the Group's Human Resources policy and are detailed in section 2.3 of this Non-Financial Statement.

This risk is also significant for Bureau Veritas partners, as described in section 2.7, where the Duty of Care plan is presented, which has been drawn up for the most identifiable risks.

Action plan

Respect for human rights underpins Bureau Veritas' core values

Bureau Veritas strives to promote and respect human rights regardless of the countries in which it operates or the business in which it is engaged. It has published a Human Rights policy based on international standards and recommendations, covering the following topics:

- freedom of association;
- fight against human trafficking and forced labor;
- prevention of child labor;
- elimination of discrimination;

- support for diversity and inclusiveness;
- safety at work;
- protection of privacy;

The Human Rights policy should be considered in conjunction with the Code of Ethics and the four core values of Bureau Veritas, namely:

- integrity and ethics;
- impartiality and independence;
- respect for all individuals;
- corporate Social Responsibility;

The policy applies to all employees and all partners – subcontractors, suppliers, sales agents and co-contractors.

Bureau Veritas has a whistleblowing mechanism in place with a specific hotline number and email address.

The Human Rights policy has been circulated among all employees through the Group's intranet sites and a specific information briefing organized in each country. The policy will gradually be communicated to all Bureau Veritas partners through the general terms and conditions of purchase and its Partner Code of Conduct (PCC).

Performance indicators

The Human Rights policy was rolled out to management in 2018. It has been translated into five languages and was circulated to all employees in January 2019 via the different operating units.

2.2.5 Cybersecurity and data protection

Initiatives rolled out to reduce “Cybersecurity and data protection” risks

Description of risk

Information systems and digital solutions are key to developing the Group’s strategy and growth going forward.

Faced with continually evolving threats and increasing digital exposure, protecting clients’ confidential data is a major concern for the Group. Bureau Veritas also seeks to protect the Group’s businesses and expertise, ensure compliance with laws and regulations, and protect the Group’s strategic and financial data.

Cybersecurity and data protection are neither new nor recent concerns for Bureau Veritas. However, given the acceleration in the digitalization of the Group’s businesses, Bureau Veritas decided to lend a sharper focus to these two areas as from the end of 2016. This resulted in the creation of a specific governance structure and corporate department in 2017.

1. Information systems security and operating policies

Bureau Veritas has a groupwide strategy based on ISO 27001 that ensures it is aligned with market expectations in the context of a standardized, auditable framework. It has also designed specific operating policies in this regard. These policies will be rolled down into operating measures, processes and techniques.

To ensure compliance with GDPR, the Group established an identical framework for all entities, featuring 68 legal and technical measures. This framework is applicable to all of the Group’s applications. It was devised jointly by the Legal Affairs & Audit department together with the Data Protection Officer (DPO) appointed in January 2018, and by the CIO together with the IT Security department.

Key applications containing employee data are now closely monitored after a specific governance structure was set up in January 2017. Action and compliance plans are managed by Group entities and by DPO and IT Security central teams.

Action plan

The action plan outlined below addresses “Cybersecurity” and “Data protection” risks.

IT security is based on four pillars:

1. a Group IT security strategy together with operating policies,
2. operating controls, processes and practices,
3. experts and increased resources in 2019,
4. specialist technologies aligned with the Group’s digital strategy;

and a combination of two approaches:

- (I) a compliance approach based on ISO 27001 and the General Data Protection Regulation (GDPR),
- (II) technological expertise maximizing the Group’s capacity for identifying and addressing cyber threats and attacks.

The Group has also put in place a charter defining the rights and responsibilities of users, employees and partners in terms of cybersecurity and data protection. E-learning content to support these initiatives was also launched in 2018, with the ultimate aim of covering all employees.

	2018	2019	2020
Number of training sessions given	1,500	50,000	74,000

More than 300 applications rolled out before 2018 are monitored and regularly assessed in this respect. Furthermore, thanks to the “Security by Design” mechanism described below, new projects also comply with GDPR as from inception, thereby meeting the key “Privacy by Design” principle.

The Group achieved its aim of putting in place internal audits in this area by the end of 2018. These audits verify software teams’ compliance with applicable regulations. Any discrepancies are noted in a report and the project teams provided with remedial action plans which they must then carry out.

	2018	2019	2020
Number of audits performed	5	20	20

2. Operating controls, processes and practices

Several measures have been designed to bring IT security on board the Group's business and digital processes:

- the "Security by Design" approach applies to digital projects and covers all of project phases, from design to production support;
- toolkits have been created for various functions, including: purchasing and subcontractor management with the introduction of a Security Assurance Plan; application development; and more robust servers for IT administrators:
 - GDPR compliance framework,
 - governance and management based on risk and performance indicators,
 - broader role of Company directories for access and identity management (AD/LDAP);
- introduction of quality and security controls for applications and databases: risk analysis (EBIOS approach), vulnerability scans, code audits, external audits and penetration testing for critical, sensitive applications;
- business continuity: introduction of business continuity plans for critical IT services. These contingency plans are designed to enable operations to be resumed within 24 hours and to reduce the period of data loss to a maximum of two hours.

	2018	2017	2016
Vulnerability scans completed	51	33	16

3. Dedicated teams

The Group's target is to gradually scale up IT hardware expenditure invested in cybersecurity and data protection, to reach at least 5% by 2021.

A specific organization set up in 2017 is working closely alongside both the IT department and all Group divisions. It is responsible for rolling out all organizational, technical and process-based measures designed to protect property and data, identify threats and attacks, and formulate a response to any incidents that may occur. This organization reports directly to the Group's IT department.

In addition to central teams, IT Security correspondents are currently being appointed in each Group division. These IT Security correspondents will ensure that entities' decisions and practices are duly aligned with the Group's policies and standards.

IT security is managed by internal teams of Group experts in France and India. As from 2019, external experts will reinforce the Group's oversight and incident response capabilities.

4. Specialized and evolving technologies

As well as an effective perimeter security system which has been in effect for several years now, the priority today is to put in place new technologies that can improve the Group's protection, detection and reaction capabilities.

Examples include advanced protection of property and equipment (servers, PCs); centralized and filtered management of IT journals enabling information to be fed into the Group's incident alert application (SIEM); definition of architecture and standards for cloud-based operations (AWS, Azure); provision of a cyber ranking solution enabling the Group to anticipate and identify vulnerabilities across its entire network and in all of its regions; and the capabilities developed internally within the Group for auditing code and scanning application vulnerabilities.

(I) Compliance approach

The Group refers to ISO 27001 and related guidance as its framework and goal. This should lead to certain Group entities and organizations being certified to the standard by 2021 on the basis of criticality and strategic criteria.

Bureau Veritas also looks to ensure that its IT security practices comply with its contractual obligations and with applicable laws and regulations. It works to involve all of the players necessary for implementing corrective and remedial measures.

The program is based on three major areas: (i) governance and control, with the appointment of dedicated correspondents in each division; (ii) a centralized roadmap aimed at ensuring coherent and consistent security processes and technologies; and (iii) concerted, groupwide management of business and client needs, particularly IT project assistance and management of client requests within the scope of tender offers or audits.

Particular attention is paid to purchases and services provided, especially as regards data protection. A toolkit has been developed together with the Group Purchasing department, containing a security assurance plan, applicable clauses and other tools designed for buyers and managers of contracts with service providers.

(II) Technology-based approach

The Group's strategy of putting in place robust, high-performing SaaS-type solutions improves security. These include the suite of messaging and collaboration solutions, and the centralized CRM solution to replace the numerous older applications existing within the Group. This strategy also helps to address obsolescence issues and the resulting management of upgrades and vulnerabilities.

Another aspect concerns network security and partitioning. The technologies deployed in the Group over the past two years limit the risk of multiple threats and attacks as far as possible. Screening, detection and response solutions gradually provide more robust coverage for the Group's critical applications, infrastructure and data centers.

Lastly, the Group also intends to commission external technical audits more regularly, thereby allowing it to improve its level of protection and robustness on an ongoing basis. Such audits cover critical assets as well as sensitive components of the Group's organization such as acquisitions.

2.3 Employee engagement

Initiatives rolled out to reduce “Employee engagement” risk

Description of risk

As a services company, the men and women working at Bureau Veritas, chiefly engineers, technicians and other personnel skilled in quality, health and safety, security, environmental protection and social responsibility, are the Group’s most important asset in an increasingly competitive market.

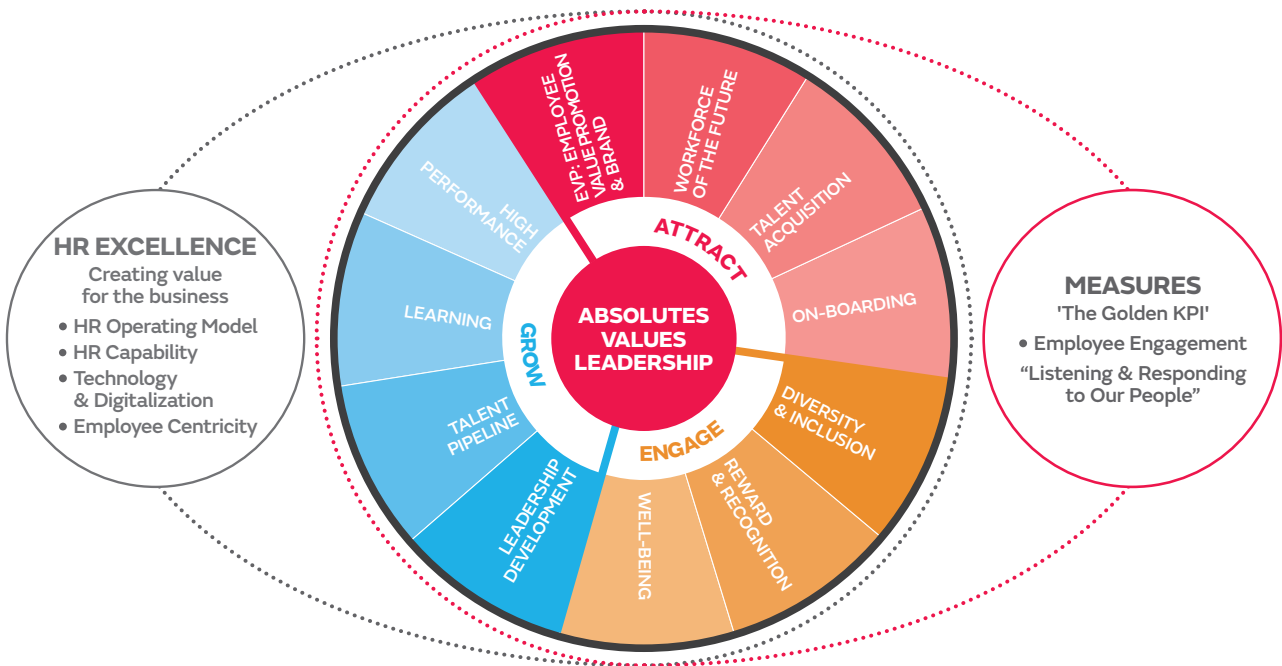
Management of HR risks is a key part of risk management at Bureau Veritas. Challenges include ensuring that new recruits are highly qualified and have diverse backgrounds, which helps to forge an attractive employer brand. Other challenges include securing employee engagement, which guarantees employee stability but above all the highest quality of service.

The Group’s HR approach therefore looks to motivate and engage employees as well as to create a climate of trust in which

employees can perform to their best ability and feel personally satisfied in an engaging, motivating environment. It does this by creating many opportunities for development, training and mobility throughout its employees’ careers. In an inclusive environment that promotes the well-being of its employees, Bureau Veritas also encourages their capacity for innovation, a decisive competitive factor enabling the Group to adapt to technological change and offer innovative solutions to its clients.

Action plan

In 2018, the Group formalized and structured all of its HR goals within a common framework focused primarily on value creation. Employee well-being and development are at the heart of the Group’s HR strategy.



Together with all members of its HR network, the Group's HR department has identified five major HR goals.



The aim is to provide a common vision of the way forward in the context of a decentralized environment. Although HR policies and processes are defined by Bureau Veritas, local HR teams are

responsible for their implementation so that local particularities and challenges can be addressed most effectively.

2.3.1 Attracting and retaining talent

Bureau Veritas' dynamic strategy of attracting and retaining talent supports its growth objectives. This strategy is key to the Group's long-term development in an increasingly competitive market. The Group's success essentially depends on employee

performance and on the opportunities employees are offered to develop their skills throughout their career at Bureau Veritas.

Bureau Veritas therefore monitors changes in its headcount and the aggregate and voluntary attrition rates at the level of its local entities.

	2018	2017	2016
New hires ^(a)	13,330	13,101	12,362
Acquisitions	286	2,541	1,869
Layoffs	4,468	4,558	5,648
Voluntary departures	8,709	8,294	8,366

(a) Permanent contracts (or similar)

The specific reasons for which employees leave the Group are identified locally and discussed during exit interviews held by local HR teams. Bureau Veritas analyzes these factors to tailor its HR management policies to the labor market's local context and requirements.

An active and modern recruitment and integration policy

At December 31, 2018, the Group had 75,428 employees, an increase of 2.7% compared with the end of 2017.

To support its growth, the Group strives to pursue an active and modern recruitment policy by offering a wide range of career opportunities to its current and/or future employees in terms of business diversity and geographical mobility:

- since 2014, the Group has been honing and stepping up its presence on social media by developing an active global profile and regularly reporting on its activities on LinkedIn, Facebook and Twitter. Videos, employee testimonials and a broad range of employment opportunities are also posted online;
- in 2018, Bureau Veritas also launched a new-look, modern website with a more attractive careers page allowing potential candidates to learn about the Group's values and culture and giving them an overview of its main businesses;
- at the same time, the Group continues to develop its partnerships with leading engineering and business schools and with universities by participating in forums or sponsoring special events;
- it has set up a single recruitment platform in the 26 countries in which it operates, facilitating access to job opportunities for all and meeting both external recruitment and internal mobility goals.

Changes in Bureau Veritas headcount by major geographic area are closely related to changes in the markets in which the Group operates.

(number of employees)	December 2018	December 2017	December 2016
Europe	15,560	15,776	15,160
o/w France	7,757	7,967	7,683
Africa, Middle East and Eastern Europe	9,109	8,739	8,535
Americas	21,131	20,512	19,058
Asia Pacific	29,628	28,390	26,289
TOTAL HEADCOUNT	75,428	73,417	69,042

The Group continues to expand and saw a rise in headcount in 2018, particularly in the major regions in which it operates:

- Asia, especially China (up 3%) and India (up 7%); and
- South America, especially Brazil (up 8%) and Colombia (up 3%).

Employee integration

To support an active recruitment policy and its dynamic acquisition-led growth, Bureau Veritas strives to give its new employees a professional and efficient welcome by enabling them to rapidly assume their new duties and feel comfortable in their new environment. New recruits are invited to log on to “My Learning”, the Group’s e-learning platform, and to follow the Group’s induction programs, in addition to an induction process provided at the local level:

- “Discovering Bureau Veritas”, the Group’s onboarding program, which presents the Group’s organization and culture;
- “Cardinal Safety Rules”, a program explaining the fundamental rules of workplace safety;
- “Bureau Veritas Compliance Program”, which provides training regarding the Code of Ethics and the Compliance Program.

Whenever the Group acquires new companies, it makes the welcome and integration of the related employees a priority, in a bid to mitigate the risk of losing skills and expertise. To be as close as possible to this new workforce, the integration plan is defined locally and aligned with the acquired company’s specific situation, environment and characteristics.

Nurturing and retaining talent

Talent identification and support

At December 31, 2018, the Group had 1,619 managers.

The average age of these managers is 49. This relatively high average age can be explained by the high degree of expertise required by the Group’s specific and complex businesses. Owing to this, Bureau Veritas works to establish formal succession plans covering all of its managers.

Since 2012, through its “Leadership Review” process, the HR department has identified potential successors for managerial positions and set up a specific career transition review for these positions. In 2018, 201 executive positions were reviewed at Bureau Veritas’ headquarters together with the Group’s Chief Executive Officer, and 1,210 positions were reviewed by the regional operating departments concerned. The high-performing employees identified as successors are then specifically monitored at Group or local level in order to prepare them for their future role.

For example, systematic training courses have been set up in France. All new managers follow a training program focused on three main areas: management, sales fundamentals and best management practices.

In 2018, the Group also sought to identify high-potential employees among its managers who it believed had the ability to fill executive and/or managerial positions in the medium to long term. The “Talent” strategy was revisited in 2018 and is based on two pillars:

- the idea that every employee can be a “talent” if he or she performs in line with expectations and acts in accordance with the Group’s values by showing the requisite leadership qualities;
- the identification of specific employee populations who will gradually follow a specially designed career path to accelerate their professional development.

Promoting internal mobility

Its broad geographical presence across the world and the diversity of its businesses and sectors of activity allow Bureau Veritas to have an internal mobility policy that is a strong driver of personal development for its employees.

This policy is rolled out through four measures:

- performance interviews: employees are invited to discuss how they wish to evolve within the Group over the subsequent 18 months (geographic or professional mobility). These goals are then discussed and adjusted by the employee and his/her manager during the individual interview;
- position reviews: internal mobility for the Group’s executive functions is promoted through a formalized Group-level process that systematically reviews the position and individual profile and therefore enables greater responsiveness to the Group’s operating priorities;
- recruitment: all job offers are first advertised internally;
- internal communication: appointments to new positions and promotions are announced via the Group’s “Connections” platform.

Creating a performance-driven culture

The growth and success of Bureau Veritas are closely linked to the performance of all of its employees.

Creating a performance-driven culture implies that all employees adopt the Company’s corporate vision and project. Under the impetus of the HR department, the Group is currently looking at ways to foster employee engagement and create a stimulating work environment in which employees feel valued and empowered.

Motivating employees through compensation

International compensation surveys are carried out regularly by the Group HR department to ensure that Bureau Veritas continues to be well positioned, enabling it to both attract the best candidates and to compensate employees according to their level of commitment and performance.

Managers are closely associated with the Group's growth through bonus schemes that take into account their individual performance and the performance of the Group as a whole.

Bureau Veritas promotes loyalty among some of its managers through a system of stock options and/or performance shares as part of a long-term incentive plan. The stock option and performance share plans implemented by the Company are detailed in sections 3.3.3 and 3.3.4 of the 2018 Registration Document.

In addition, a Group savings plan has been in place within the Group since 2007 (see section 2.3.3 of this Non-Financial Statement).

Employees of the Company and its French subsidiaries also benefit from profit-sharing agreements. Information related to these agreements can be found in section 2.3.3 of this Non-Financial Statement.

Information relating to personnel costs can be found in Note 8 to the consolidated financial statements – Operating income and expense, provided in section 5.1 of the 2018 Registration Document.

Becoming a learning organization

Development and training are key aspects of the Group's HR strategy.

As well as guaranteeing all employees a certain degree of technical expertise commensurate with its businesses, Bureau Veritas' strategy is to offer a learning corporate environment to all which encourages the acquisition of new skills and is driven by a culture of feedback.

Based on 100% of its workforce, Bureau Veritas recorded a total of 1,273,381 hours of training in 2018, representing an average of 16.8 training hours per employee for this year.

Technical upskilling and accreditations

Bureau Veritas operates in a large number of technical fields and its technical training offer is therefore very diverse. Technical training is necessary so that employees can work with full knowledge of standards and regulations, inspection methods (sampling, analysis, non-destructive tests, measurements, etc.), the technical characteristics of the items inspected (products, processes, equipment, etc.) and safety standards.

The technical departments of each operating group and division also monitor employees' qualifications. At each stage of the process, employees' skills are assessed by these departments and are also audited by accreditation bodies (COFRAC, IACS, UKAS, etc.).

Employee development

Bureau Veritas wants to expand the range of learning tools offered to its employees in order to support their development throughout their career. Several initiatives developed by local entities were implemented in 2018. For its part, the Group has focused its efforts on the online digital training platform, offering new functionalities and rounding out the existing training catalog, notably with a "micro-learning" course.

Training programs and regional development

- In 2018, Bureau Veritas' European Development Center launched in 2016 became the European Development Center for Europe and Africa. This program is designed to enable preselected high-performing employees to develop managerial skills in an international environment in line with Bureau Veritas' culture, and to encourage knowledge and information sharing. This one-year program alternates between seminar periods, mentoring and remote working periods. In 2017, 12 European employees identified as high potentials benefited from this training. In 2018, 20 other participants joined the program.
- In France and Africa, the Group created the "Innovation Ambassador France Africa" program, the aim of which is to identify and extend innovative practices that exist in France and Africa to the different areas of the Company (technical, organization, sales, etc.). As part of training and development, preselected ambassadors are invited to describe and report on local best practices during meetings. Ambassadors are then responsible for discussing any best practices they have learnt about with their colleagues. In 2018, the HR department rolled down this program to its HR network with a view to an early-2019 launch.
- In Latin America, the "Conscious Leadership" program covering four countries (Mexico, Peru, Colombia and Ecuador) was launched to raise the awareness of high-potential employees to team management and its benefits for the Group's overall performance. The program, which focuses on the three virtues of accountability, procedure and collaboration, was divided into 12 virtual lessons and 4 classroom sessions (one per country). It covered 61 high-potential employees from Latin America, who together reflected on the key strategic skills required in their role as leader. The sessions also helped develop their emotional intelligence. "Conscious Leadership" rallied the high-potential employees around the key management concept of teams, and helped improve communication within the respective teams themselves.
- In South Asia, Bureau Veritas launched a leadership development program for 130 high-potential managers and supervisors, with four major focuses:
 - (1) Creating trust within teams;
 - (2) Developing emotional intelligence;
 - (3) Developing others; and
 - (4) Creating a trusting relationship with Bureau Veritas clients. The program has been mainly rolled out in Australia, India, Indonesia, Malaysia, Thailand, Vietnam and Singapore.

Training for all: My Learning

Through “My Learning”, a single training platform for all Group employees, the e-learning offer, initially focused on technical matters, has been broadened to include training on cross-cutting subjects in order to develop the managerial culture. To help its employees evolve in a learning culture and encourage them to be actors in their own development are the core components of Bureau Veritas’ digitalized training strategy.

A management awareness campaign launched in 2018 with the slogan “2 minutes for my development” aims to encourage managers to regularly follow micro-learning-type training courses on professional development and performance. This offer was structured around three managerial modules: manager (first level), manager coach and inclusive manager.

Bureau Veritas also offered its managers and high-potential employees “serious game”-type training. Two subjects were selected: negotiation and management. Trainees are immersed in an extraordinary story which then serves as a basis for their learning. A system of “gamification” and classification of participants helps create genuine interaction between trainees.

The “Accelerate” program offered to high-potential employees takes up critical leadership qualities such as problem solving, strategic thinking and innovation and aims to provide development and professional support throughout employees’ career path. This 90-minute program features 13 video clips on different subjects and ends with a quiz to validate what the trainee has learned. Additional subjects can also be added to the program. A total of 2,000 employees have followed the course.

Lastly, as part of the annual performance review, all Group managers had an online module to complete that covered two key subjects: “Giving feedback” and “Establishing SMART objectives”, which aimed to provide them with effective support for their annual performance reviews.

Pilot 360 questionnaire

Developing a feedback culture was one of the Group’s priorities in 2018. The pilot 360 questionnaire was given to 45 leaders and managers across the globe to help support high-potential Bureau Veritas managers with their development based on comprehensive, specific feedback.

The aim is to prepare the managers to address the challenges of tomorrow and thereby ensure that they have the key skills needed to implement the Group’s next strategic plan, covering 2020-2025. Based on meetings and a workshop, 19 key skills were identified as key for Bureau Veritas leaders. The 360 questionnaire was based on these skills and helped identify two to three areas for development for each participant.

Building a strong employer brand

Bureau Veritas seeks to maintain a strong, attractive brand image. It received several awards in 2018:

- in the United Kingdom, Bureau Veritas was awarded Britain’s Top Employers label for the seventh year in a row. This certification was awarded by an independent organization (CRF Institute) in recognition of the excellent working conditions provided by Bureau Veritas;
- for the third year in a row, Bureau Veritas received the United Kingdom’s Gold award from Prince William, the Duke of Cambridge, in recognition of its induction program in favor of British army veterans. The Group has in fact committed to supporting the armed forces community by recruiting army veterans and giving them the opportunity to build a second career;
- in Hong Kong, for the third year running, Bureau Veritas received the Good Mandatory Provident Fund Employer award granted to companies with the most exemplary pension benefits programs for their employees;
- in the Middle East, Bureau Veritas collected the Gulf Cooperation Council Best Employer Brand 2018 for the exemplary degree of commitment shown by its existing teams.

Men and women working for Bureau Veritas proudly serve the general interest each day by helping to reduce social risks. Bureau Veritas wants to promote this commitment and to modernize its image, particularly among the younger generations who wish to join the Group and are looking for meaningful careers.

In this respect, Bureau Veritas launched an employer brand creation project in 2018, sponsored by the Executive Committee and in partnership with an external advertising agency. The aim is to attract target candidates while enhancing Bureau Veritas’ image on the TIC market. The project also seeks to foster loyalty among employees and deepen their commitment.

The first phase of this project involved compiling in-house information from interviews, workshops and audits of existing resources, along with external information from benchmarking social networks and companies identified as relevant to the project. A “Blue Ocean” strategy was adopted in order to position Bureau Veritas in an environment with little or no competition, pursuing differentiation by capitalizing on its strong values and creating new attractive features for potential candidates.

The Group’s new-look employer brand will be finalized in February 2019 and will then be rolled out both within and outside the Group.

2.3.2 An inclusive environment



Diversity is an integral part of Bureau Veritas' history, culture and identity. The Group developed through many different acquisitions and draws together men and women of diverse cultures, nationalities, education, business backgrounds, religions, age, etc. With operations in 140 countries, there are over 50 different languages spoken within the Group.

Promoting inclusiveness is key and is one of the Group's main priorities as the Company grows and develops new businesses in an environment undergoing deep structural change where remaining at the forefront of industrial innovation is essential for success. The future partly depends on the capability of the Group as a whole to reflect the diversity of global markets.

An inclusive culture enables each and every employee to reach his or her full potential. Inclusiveness goes beyond diversity alone, since it implies that the values that the Company upholds enable all forms of diversity – age, gender, geographic origin – to express themselves and work effectively.

The Group wants this spirit of inclusiveness to be a strong part of its culture for all of its employees.

In 2016, Bureau Veritas officially launched its inclusion strategy, which is both global and comprehensive:

- global, because the strategy provides Bureau Veritas' 140 host countries with a shared framework known as "Gender plus one". This program aims to help each operating group and division focus on two issues:
 - improve the gender balance within its teams, and particularly within senior management,
 - define and implement an additional inclusion initiative covering a scope aligned with local priorities;
- comprehensive, because the strategy aims to promote the broadest possible range of profiles within the Group and to unlock the potential of all team members by creating a working environment that encourages each person to express their ideas or comments as regards improving the Group's performance.

The Group has since been implementing the recommendations that were presented to the CEO at the end of 2016 by the Inclusion Advisory Board, a Steering Committee created in early 2016 and made up of 11 Senior Executives. The Group's Executive Committee and its 140 most senior managers have all since had an inclusion-related objective among their annual objectives.

On-the-ground initiatives are wide-ranging and are enhanced each year. They include for example inclusion webinars for HR members (with a focus on recruitment issues), inclusion awareness-raising for managers and a poster campaign in the United States.

Diversity is particularly in evidence today through the composition of Bureau Veritas' Executive Committee, where 50% of members are foreign citizens.

Countering discrimination

Respect for all individuals is one of the Group's core values. By joining Bureau Veritas, all employees agree to respect differences, which excludes any form of discrimination related to nationality, ethnic origin, age, gender, religious or political belief, sexual orientation and so on. Bureau Veritas endeavors to constantly encourage and reinforce diversity within its teams, which is considered as a source of enrichment and success and a key component for innovation.

In 2018, the Group published its Human Rights policy, which aims to eliminate any form of discrimination whatsoever and to promote, respect and protect human rights, regardless of the country in which the Group operates (see section 2.2.4 of this Non-Financial Statement).

In the Group recruitment policy launched in 2016 and reissued in 2018, Bureau Veritas strives to guarantee equal opportunities in the workplace, fairness, diversity and objectivity in all of its recruitment processes.

Other Diversity policies at local level reinforce the recruitment policy and help take into account the specific characteristics of each culture. Employee handbooks describing anti-discrimination policies are distributed to employees in several countries in order to raise awareness of these issues.

Promoting a better gender balance

For Bureau Veritas, gender balance is a driver of progress. Women remain insufficiently represented overall and particularly in senior management positions and governing bodies.

Among the Group's worldwide headcount at the end of 2018, 69% were men and 31% women.

In line with the launch of its "Gender plus one" program in 2016, the Group strongly supports initiatives aimed at increasing the proportion of women within its workforce. The first signs of progress are already apparent, particularly among its senior management:

- at December 31, 2018, the percentage of women in senior management was 16.5%. This rate has been continually increasing for the past two years (12% in 2016, 14.5% in 2017) and is consistent with the Group's policy, which is targeting 25% of women in senior management positions by the end of 2020. This ambitious goal has been widely communicated internally. In the interim, Bureau Veritas has set itself a target percentage of 20% of women in senior management positions by 2019. Women make up 21% of junior management positions, up 2% compared to 2017.

- in 2018, women represented 26% of the potential successors identified for the Group's senior management positions. Last year, this figure was 23%. This indicator and its change over time are being closely monitored at Group level.
- at Executive Committee level, Helen Bradley, Executive Vice-President in charge of Human Resources, joined Bureau Veritas in 2018. Helen Bradley is the second woman on the Group Executive Committee alongside Natalia Shuman, Executive Vice-President North America for the CIF division, who joined the Committee in 2017. At December 31, 2018, women made up 20% of the Executive Committee.

A wide variety of local initiatives are in place to help achieve this ambitious goal. For example:

- in France, the talent and development groups identified in the processes initiated by HR systematically represent a perfect balance between men and women;
- in Europe, the Group completed a certification process for the GEEIS (Gender Equality European and International Standard) label in four key countries: France, Spain, Italy and Poland. The aim of this standardization process is to guarantee that an active gender equality policy is in place in the audited countries. Criteria considered include specific HR policies in place, the number of resources assigned thereto, awareness-raising and training initiatives for employees and the standardization of best practices. On completion of this process in October 2018, France, Spain, Italy and Poland were awarded GEEIS certification at an official ceremony. The label is valid for four years and the countries concerned will be re-audited in 2020 after a period of two years, to ensure that the initiatives set up remain in place;
- in South Africa, Bureau Veritas celebrated International Women's Day by inviting Yvonne Busisiewe Kgame, a renowned speaker and lecturer, to give an inspiring talk to employees about personal development focused on women.

Enrichment through difference

Disability

Bureau Veritas seeks to create favorable conditions allowing people with disabilities to have access to employment.

In France, ever since Bureau Veritas SA received accreditation from the DIRECCTE (Regional directorate for companies, competition, consumption, work and employment) for its agreement on employment of persons with disabilities in 2014, HR teams have been pursuing their initiatives to train and raise awareness among employees in France. These actions include internal communication campaigns with brochures and posters, work with expert consultants, recruitment campaigns on specialized sites such as Réseau handicap and Agefiph, and/or participation in employment fairs organized by FEDEEH, the student federation for working and studying with a disability.

In 2018, the employment rate for people with disabilities in France was 1.84%, down slightly from 2% in 2017. Bureau Veritas France nevertheless continues to monitor the situation and regularly launches recruitment initiatives targeting people with disabilities.

In June 2018, 50 employees in France participated in the Challenge du Monde des Grandes Écoles, which gathers together students and blue-chip companies for a big celebration focused on sport. The event works to promote the integration of people with

disabilities, offering them an opportunity to meet with businesses and take part in sports events. In South Africa in 2018, Bureau Veritas joined forces with a training company for people with disabilities, offering a work placement in its existing teams for some 20 students with disabilities.

Getting the most from age diversity

At December 31, 2018, the average age of the Bureau Veritas workforce worldwide was 36. This figure applies to a zone covering 98.5% of the Group's workforce.

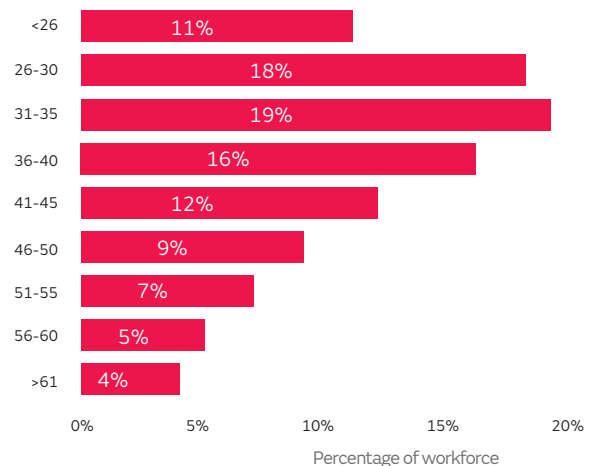
Millennials (18-38 years old) represent more than 60% of the workforce. The Group is striving to attract and develop "tomorrow's managers" through its dynamic policy of career management and its ongoing digital transformation.

In addition, the operating groups and divisions are implementing initiatives to promote age diversity in accordance with local conditions.

For example:

- in France, recruitment teams strive to create a pool of young talent. In 2018, employees recruited on work-study contracts represented 12% of all new hires. In addition, 44% of all new hires on permanent contracts in 2018 concerned people under 30, a 6% increase over two years;
- in the United Kingdom, to retain and protect its oldest employees, Bureau Veritas offers them numerous possibilities to organize their work by giving them a role as mentors or consultants or by offering them part-time work solutions. Since 2012, Bureau Veritas United Kingdom has also participated in a program that gives veterans an opportunity to continue their career paths in a corporate setting.

Age bracket



Inclusive academic policy

Bureau Veritas primarily seeks to recruit passionate, committed people regardless of whether they have a university background or come from a prestigious graduate school. This inclusive academic policy gives the Group access to a wider, bolder and more creative talent pool.

In South Africa, Bureau Veritas has set up a scholarship program to enable some of its employees to gain formal government-backed qualifications.

2.3.3 Promoting a high-quality working environment

Bureau Veritas wants to offer its employees a high-quality working environment in the broadest sense of the term. Welfare protection and constructive labor relations have been identified as two important aspects of a high-quality working environment.

Promoting extensive welfare protection worldwide

Welfare protection for employees is essential for employee well-being at work, itself a decisive factor in the success of any business.

To this end, Bureau Veritas launched a global employee benefit partnership project in early 2018 aimed at leveraging economic of scale to purchase welfare benefits worldwide using one or two service providers. The resulting cost savings are to be invested in well-being at work programs and in improving healthcare safety nets for all employees.

This initiative also allows the Group to manage these programs on a centralized basis, affording it greater visibility over local employee benefits, policy conditions and claims. In this way, Bureau Veritas can ensure that there are no gaps in coverage and that its worldwide employee benefits are adequate and consistent in view of local situations.

The initiative sets out to improve the quality of health cover and to develop well-being at work through several programs:

- **individual well-being:** services offered to raise employees' awareness of their own health (personal coaching, smartphone hub/app, follow-ups, etc.);
- **collective well-being:** services offered at organizational/country/entity level consisting of interactive sessions covering a wide range of subjects using different approaches (presence of onsite specialists, lunchtime seminars, etc.);
- **life crisis management:** support offered to employees at difficult periods of their life, helping to engineer a swift recovery on both a personal and professional level;
- **organizational performance:** programs offered for employees in both an individual and collective capacity, aimed at improving employee confidence and potential through different angles (conflict management, change enablement, mental well-being, domestic violence, respect, communication, alcohol, child education, etc.).

The Group has set up a three-phase process for the roll-out of these programs in order to provide employees with the best possible protection.

Phase 1: Leveraging existing coverage

Based on the map of claims (and their causes) drawn up in the context of the "Global Partnership" program, a data management tool will be put in place to enable the Group to regularly monitor existing coverage under all Group insurance policies.

Phase 2: Aligning needs

A well-being management program is established through education, awareness-raising, and changes in behavior. Email campaigns and webcasts are just two examples of the tools

necessary to ensure the program is a success. Individual medical profiles could be created via employee profiles in "SuccessFactors" (the Group's HR IT system), collating data on smoking, weight and food habits.

Phase 3: Creating value

This involves creating a sense of belonging and a strong employer brand by promoting applications developed within Bureau Veritas such as a link with existing fitness apps, scans of nutritional content of menus on offer at the canteen, and so on.

In 2018, Bureau Veritas launched the first part of phase 1 in Argentina, Australia, Brazil, China, Colombia, Hong Kong, India, Ireland, Singapore, Spain, Portugal, Taiwan, United Arab Emirates, the United Kingdom, the United States and Vietnam. The initiatives described in phase 2, which were also launched in 2018, are currently being rolled out in the United Kingdom, Spain and India.

Employee safety and security at all times

Bureau Veritas has defined employee safety and security as an "absolute".

The Group has set itself a "zero accidents" target, insofar as its expansion into new countries and new industries raises significant challenges. Employee safety and security is a priority for the Group, which has devised a strategy aimed at ensuring the physical safety of its employees at any time, in any place, and in any situation (see further details of this strategy in section 2.4 of this Non-Financial Statement).

Promoting constructive labor relations

Work organization

HR Directors are responsible for organizing working time in compliance with local regulations. Due to the diversity of the Group's businesses, a different work organization is adopted for each business sector, depending on whether its employees are sedentary (laboratory) or mobile (inspection).

Working hours vary depending on the country and the applicable laws.

As an example, 523 employees of the Group in France worked part time in 2018, representing 7.12% of its workforce in the country.

Absenteeism

Absenteeism is monitored by local HR departments in accordance with local labor laws.

Out of the Group's total headcount, the absenteeism rate for 2018 was 1.2%. This rate takes into account the total number of days of absence that cannot be planned in advance (due to illness, workplace accidents, or unauthorized absences) to get a better view of the level of employee commitment.

For 2019, Bureau Veritas has set itself an annual goal of 2% absenteeism, below which absenteeism is not deemed critical for the Group.

Labor relations

The Group has set up employee representative bodies within most of its entities and strives to ensure that they function effectively.

Bureau Veritas has identified that 80% of its employees are covered by employee representative bodies and/or collective bargaining agreements. The remaining 20% of employees are

located in smaller countries for which information was not consolidated at Group level.

More generally, Bureau Veritas also encourages communication, exchanges of ideas and opinion gathering, for example via notice boards, HR networks, suggestion boxes, exit interviews, ethics correspondents, accident prevention committees, monthly personnel meetings and an open door policy.

Employee representative bodies	Such bodies exist in most of Bureau Veritas' key countries: Canada, China, France, Spain, Italy, the United States, Japan, Germany, the Netherlands, Belgium, Czech Republic, Australia, Singapore, India, Thailand, Malaysia, Russia, Ukraine and most African countries (Senegal, Mali, Côte d'Ivoire, Benin, Togo, Gabon, Congo, Angola and South Africa). They take various forms depending on local legislation and the size of the workforce. They are generally made up of employee delegates, works councils, health and safety and working conditions committees (CHSCTs), union representatives, etc.
Committees	Employee committees have been set up in Singapore, Vietnam, the United States, Germany, Spain, France, Belgium, the United Kingdom and Canada. In China, a discussion meeting open to all personnel is held each year to enable a dialogue with employees on subjects such as training and career development.
European Works Council	The European Works Council facilitates information and consultation with employees on transnational issues and represents a strong channel for constructive labor relations. The terms of office were renewed in early 2017. The Council currently has 29 representatives from European countries. It is kept informed of the Group's economic and financial situation and the likely trends in its businesses and divestments. It is also consulted on the employment situation and trends, investments, significant changes in organization, the introduction of new working methods or new production processes, mergers or discontinued operations, and large-scale redundancies.
Collective agreements	Collective agreements covering key HR issues (organization of working hours, compensation policy, working conditions, etc.) have been signed in Bureau Veritas' main markets: Argentina, Australia, Brazil, Canada, Chile, France, India, Italy, Mexico, the Netherlands, Peru, Russia, Singapore, Spain, Ukraine and Vietnam. There are 14 company agreements currently in force within Bureau Veritas SA. These agreements set out the conditions for labor relations, describe the modus operandi for employee representative bodies, and address a variety of other issues such as health care costs and personal insurance. With respect to workplace health and safety, over 40 committees have been identified, created further to local requirements or OHSAS 18001 certification initiatives providing for employees' participation and consultation. No additional agreements arose out of these committees in 2018.

Profit-sharing agreements

The profit-sharing agreements described below do not cover Bureau Veritas SA and its subsidiaries outside of France.

A triennial profit-sharing agreement was signed on December 22, 2016 covering 2017, 2018 and 2019 for the six subsidiaries resulting from the legal reorganization carried out in France on December 31, 2016.

Statutory profit-sharing

Regardless of seniority, all the employees of the six subsidiaries in France are entitled to participate in the special reserve calculated pursuant to the statutory method set forth in article L. 3324-1 of the French Labor Code (*Code du travail*).

In 2018, statutory profit-sharing represents €10,159,613 for a total of 7,456 beneficiaries.

Contractual profit-sharing

The employees of the Company's six subsidiaries in France who have worked for the Group for more than three months are entitled to contractual profit-sharing proportional to their seniority.

	2018	2017	2016
Number of beneficiaries	7,456	7,458	7,005
TOTAL CONTRACTUAL PROFIT-SHARING (IN EUROS)	5,067,554	7,024,162	2,989,972

Group savings plan

An agreement to convert the Company savings plan into a Group savings plan was signed with the Works Council on July 19, 2007, enabling all Group companies that are related companies within the meaning of article L. 3332-15, paragraph 2, of the French Labor Code to join the Group savings plan.

The Group Savings Plan comprises seven mutual funds in which €152,161,902 were invested as of December 31, 2018.

Bureau Veritas contributes to the savings of its employees by paying a top-up contribution into the Group savings plan up to a maximum of €1,525 per employee per calendar year.

Creating a modern, digital working environment

Bureau Veritas was ahead of the game in terms of digitalization, putting employee well-being and development at the heart of its digital strategy:

- in December 2013, Bureau Veritas' Executive Committee approved the initiative to acquire an integrated Human Resources Information System (HRIS) in order to optimize the quality and volume of data for all employees and to manage all Human Resources-related processes through a single platform.

At the end of 2017, the Group rolled out the "Success Factors" solution in all of the countries in which it is based. Through this tool, the Group endeavors to harmonize and simplify its processes and reduce processing times for administrative tasks to allow staff to spend more time on higher value-added activities such as identifying or recruiting talented professionals, career development, internal mobility, and so on. HRIS implementation within Bureau Veritas helps reinforce the role of HR, which is a crucial partner for Group management;

- in 2018, Bureau Veritas also introduced "PeopleDoc", a global solution offering a high quality of service to Group employees. Employees now have direct access to a database containing HR documentation; their requests are handled and addressed centrally, enabling more efficient processing and a quicker response time. Employees also each have a digital safe storing all of their personal documents (pay slips, employment contract, etc.). This tool was set up for all employees in France and will be gradually rolled out to other major countries where the Group operates;
- in 2018, the Group also launched the roll-out of the Microsoft Office 365 suite of services, allowing employees to work more easily in teams, share and co-edit documents, take part in telephone conferences and connect to the network more easily from their mobile phones. These new services have been put in place for employees of the Group in Europe and Africa and will be gradually rolled out to all Group employees in the coming year.

Promotion of and compliance with the fundamental conventions of the International Labour Organization

Bureau Veritas endeavors to comply with and promote the fundamental conventions of the International Labour Organization (ILO) in all the countries in which it operates.

The ILO's fundamental conventions cover various topics, including respect for freedom of association and collective bargaining, the elimination of discrimination in respect of employment and occupation, the abolition of forced labor, and the abolition of child labor.

2.4 Health and safety

Initiatives rolled out to reduce the “Occupational health and safety” risk

Ensuring the physical safety of Group employees at any time, in any place, and in any situation

Description of risk

Occupational health and safety risk is unique at Bureau Veritas insofar as most of the Group’s inspection services are conducted at the premises of its clients or their suppliers, at sites that Bureau Veritas does not necessarily know and which are not always free from risk. This increases the risks to which the Group’s employees are exposed, particularly when the sites in question do not have their own safety/security plans.

A high degree of risk also exists in specific situations such as assignments carried out in confined spaces, situations with exposure to ionizing radiation, and assignments at sea on ships or offshore rigs.

Action plan

For Bureau Veritas, safety is an “absolute”, a non-negotiable priority without which the business could not continue.

The CSR risk map has highlighted a health and safety risk for all Bureau Veritas employees. The action plan to manage this risk is included within the “Safety is our responsibility” project.

A project targeting continuous improvement in health and safety was set up as part of Bureau Veritas’ 2020 strategic plan. The Group’s strategy is clear and it strives to improve its performance on three key indicators year after year as part of its “Safety is our responsibility” project:

- total accident rate (with and without lost time), or Total Accident Rate (TAR);
- frequency of lost time accidents, or Lost Time Rate (LTR);
- severity of accidents, or Accident Severity Rate (ASR);

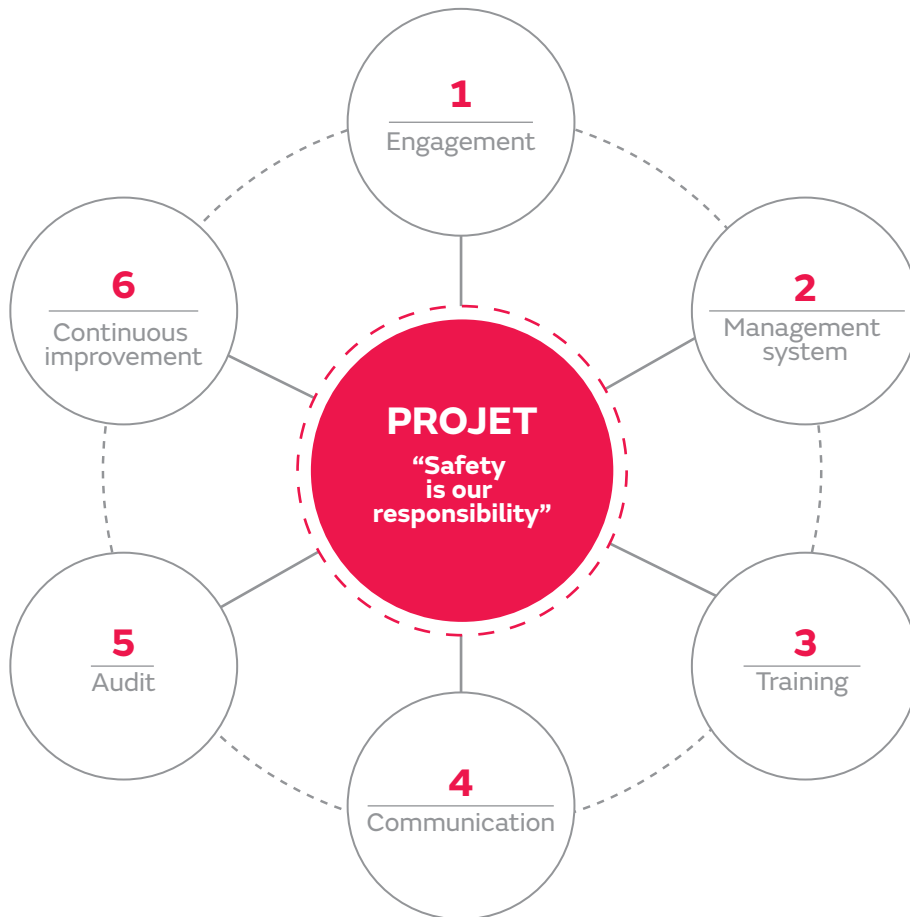
The Group’s aim is to halve these accident rates by 2020 (TAR and LTR based on consolidated results at end-2014).

The Group’s safety culture, driven by the goal of being a zero-accident company, is a key focus. The Group’s expansion into new countries and industrial sectors gives rise to many challenges. These challenges have been addressed by Bureau Veritas thanks to the unwavering commitment of its management and the expertise of its Health, Safety and Environment (HSE) managers. Since 2015, when the Group’s first series of reliable indicators were established, the number of accidents has fallen sharply.

“Safety is our responsibility”

2018 saw work on the “Safety is our responsibility” project continue, aimed at improving the quality of Group health and safety reporting, reducing risk in the Group’s operations, reducing the accident rate, securing continued management involvement in the security policy and also training employees in day-to-day health and safety issues.

“Safety is our responsibility” is based on six key areas:



The Group’s HSE policy has been defined in light of the following challenges:

- successful integration of a large number of new employees each year into a growing Group;
- harmonization of local HSE practices in an international network of 140 countries;
- performance of a wide range of activities that carry different HSE risks;
- missions on client sites in working environments that the Group cannot control; and
- protection against the risk of road accidents during work-related travel.

A local and global HSE organization

Bureau Veritas has put in place the following HSE organization in order to provide effective management at Group level and consistent local implementation of objectives, programs and practices.

The strength of this organization lies in the balance between its network and the importance of its activities.

Title	Role and responsibilities
Chief Executive Officer	Responsible for safety and security for the entire Bureau Veritas Group.
Executive Vice-President, Corporate Affairs	Responsible for defining the QHSSE (Quality, Health & Safety, Security and Environment) strategy under the aegis of the CEO and the Executive Committee.
QHSSE director	Recommends and rolls out the QHSSE strategy.
HSSE Steering Committee	Helps to define the Group's HSSE strategy, and more specifically to select prevention campaigns. Monitors performance and progress on objectives defined in the BV 2020 strategic plan.
CSR Steering Committee	Helps to define the Group's HSSE strategy, of which environmental issues are an integral part. Monitors performance and progress on objectives defined in the BV 2020 strategic plan, including QHSSE objectives.
HSSE managers	Implement HSSE policies, factor in the local constraints associated with the Group's various businesses, languages, cultures and regulatory environments.
HSSE network	Reviews HSSE performance during quarterly steering committees in order to set clear directions for HSSE objectives and programs; participates in the development and implementation of new tools in order to share best practices.
Ionizing Radiation Safety Committee	Ensures that all activities using ionizing radiation equipment under Bureau Veritas' responsibility deliver their services safely.

2.4.1 Safety commitment

Strong and unwavering commitment of the Group's Senior Management

Security is an "absolute" at Bureau Veritas. Each Executive Committee meeting and operating review start with a follow-up of the safety and security performance of the scope concerned. The Group's performance is monitored each year in light of the 2020 strategic plan by the QHSSE department in order to set objectives for the coming year. The three key indicators for the Group's leadership are:

- "Safety walks" carried out by managers;
- organization of safety and security briefings;
- review of each serious accident by the person responsible for the scope concerned as well as the Group Executive Vice-President in charge of QHSSE.

More than 1,244 safety walks in 2018 by managers in France

To complement this initiative, certain scopes have defined individual security targets as part of managers' annual bonuses.

In 2018, Bureau Veritas rolled out its QESIS (Quality, Environment, Health & Safety System) App for mobiles. In 2019, Bureau Veritas will roll out a new module enabling all safety walks to be recorded.

In signing an HSSE statement, the Group's Senior Management has undertaken to enshrine safety at work, along with health and environmental issues, within the core values of the corporate culture. This clear undertaking reflects the Group's long-term commitment to continuously improve its HSSE performance.

This statement includes the following commitments:

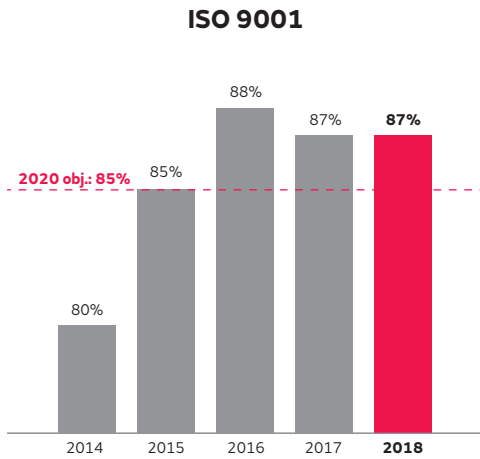
1. provide a safe workplace and safe working methods to prevent accidents and injuries to Group employees;
2. prevent pollution, minimize energy consumption and waste and protect biodiversity;
3. increase Bureau Veritas employees' HSE awareness and safe behavior;
4. comply with all relevant HSE legislation (regulations, internal policies, client requirements and other applicable requirements).

These commitments are also reflected in the active participation of the Group's Senior Management in the analysis of serious accidents, in the conduct of specific HSE reviews, the setting of HSE certification objectives and the quarterly monitoring of performance indicators and action plans.

A video outlining this commitment was made and circulated among all employees. In it, Bureau Veritas' Chief Executive Officer sets out his vision, commitment and expectations in terms of safety and security.

Since September 2018, this video has been an integral part of the welcome kit given to each new employee when joining Bureau Veritas. The video is available in the seven most commonly used languages within the Group.

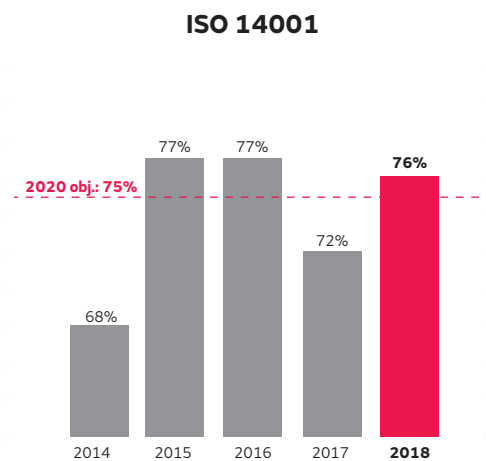
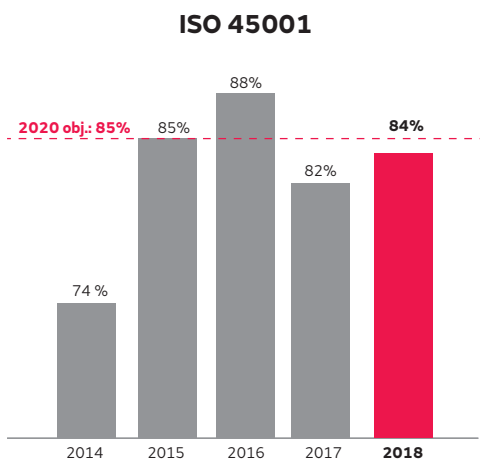
2.4.2 Management system



Bureau Veritas has had an integrated management system for many years now. The system guarantees that common practices will be shared across the globe and incorporates ISO 9001 quality management, OHSAS 18001/ISO 45001 health and safety management and ISO 14001 environmental management standards.

In 2018, a project was carried out to improve the management system and incorporate ISO 45001. More than 25 working groups enabled Bureau Veritas to strengthen its processes while retaining its focus on reducing and managing risk.

The Group is seeking to obtain certification for its management system in all entities with more than 200 employees. Group entities under this threshold are nevertheless required to comply with specific Bureau Veritas standards even though certification is not the goal.



These figures present Group certifications outside the Certification business, which receives specific accreditations, and excluding companies acquired in 2018, which have one year within which to roll out the Group's management system and be covered by Bureau Veritas Certification. Some acquired companies have their own certification. Since the calculation of the number of employees covered by an environmental management system includes rough estimates, the indicator showing the percentage of businesses certified to ISO 14001 should be interpreted as guidance only.

2.4.3 Training

Training in health and safety, security and environmental issues is a top priority at Bureau Veritas. A training catalog has been developed allowing each employee to source information and be trained to manage HSSE issues. These training courses take the form of e-learning sessions, talks or classroom-based training.

In light of the Group's growth and its training needs, in mid-2018 the Group HR department set up a mandatory training process to be completed by all new recruits during their induction phase. Since September 2018, all new Group employees therefore receive the "Welcome On-Boarding Package". This package includes:

- a video featuring the Chief Executive Officer's presentation of safety and security challenges at Bureau Veritas;
- the e-learning module explaining the cardinal safety rules.

This induction training is supplemented with specific modules that are defined by each country based on the risks employees may be exposed to when performing their duties and in accordance with regulatory requirements. Training is provided with respect to the entry into confined spaces, working at heights, first aid, use of firefighting equipment, handling of pressurized cylinders and preventive action, as well as many other topics. Training leading to a certification is also provided for the members of the HSE network on HSE management systems, applicable standards, internal audits and accident investigations.

12,000 hours of classroom-based safety and security training given in France in 2018

2,000 training sessions taken on rootcause analysis since 2016

"My Learning" e-learning platform

Substantial resources were allocated by HSE teams so that all training courses available at Group level could be incorporated into the My Learning global platform. A total of 15 modules were configured in several languages, some 200 local administrators identified and trained, automatic reports created and best practices exchanged with other Group entities using this platform. As a result, more than 30 HSE courses have been posted online since 2015.

This platform, available to all the Group's employees, offers multilingual training modules on health, safety and environmental issues such as the Cardinal Safety Rules, the handling of chemical products, working at heights, defensive driving for two and four-wheeled vehicles, eco-driving and the handling of gas cylinders. Specifically-designed modules are also made available to the managers and concern measures the managers must take with respect to personal protection equipment, ionizing radiation, working at heights and the entry into confined spaces.

93,000 HSE e-learning sessions taken in 2018

30,000 e-learning training hours followed in 2018

In 2019, new sessions will be added to the HSSE training catalog in order to address risk analysis issues within the Group as well as the expectations of Bureau Veritas employees. The following topics will be covered in the next few months:

- business travel and safety/security;
- work environment (brightness, noise, air quality, humidity, temperature, teleworking and well-being at work);
- leadership and safety/security for managers.

As part of the Integrated Management System continuous improvement project and in line with changes in standards, the Group established an HSSE training and skills management policy in late 2018. This policy defines the mandatory and recommended training to be followed by each employee population.

All HSE managers received ISO 45001 training in 2018

2.4.4 Communication

Each year, Bureau Veritas runs two safety and security campaigns to raise employee awareness of safety and security issues as well as other specific topics. These campaigns are rolled out locally by QHSSE departments to achieve 100% coverage. In 2018, the two campaigns focused on:

- Cardinal Safety Rules;
- dangerous situations, near-accidents and the right to say no.

Cardinal Safety Rules

The Cardinal Safety Rules define the fundamental safety rules at Bureau Veritas. These rules were enhanced in 2017 in order to

make them more specific and clearer for all of the Group's employees. An e-learning module was designed to support the implementation of these changes and must be completed by each new employee during the induction process. To help everyone understand these rules, they have been translated into 13 languages.

More than 60,000 employees were trained in the Cardinal Safety Rules in 2018.

At present, the Cardinal Safety Rules cover three major areas, as shown below.



Dangerous situations, near-accidents and the right to say no

A second campaign was launched in the third quarter to provide broader support to Group employees in identifying dangerous situations and in applying their right to say no, as well as to highlight the importance of feedback from the ground. Based on such feedback, QHSSE departments can continuously improve and upgrade processes, adapt risk analyses, strengthen protective measures and introduce pertinent training.

This campaign was translated into 17 languages.

Security alerts

In addition to these worldwide campaigns, a host of other initiatives are carried out locally or at Group level. In this respect, there were over ten security alerts within the Group in 2018 following analyses of the root causes of serious accidents. These alerts are designed to remind all employees of the rules to follow and the best practices to adopt.

Safety briefings

Safety briefings are a key preventive measure for accidents and are part of the Group's internal processes.

These management-led discussions help remind employees of the importance of safety in their day-to-day work, highlight areas of business requiring particular vigilance and help develop an open dialog about these issues with employees. For employees, the safety briefings are an opportunity to share any doubts or suggestions for improvement they may have and are an important link in the knowledge chain.

In 2018, the Group set the goal of ensuring that each employee participated in at least six safety briefings per year. This goal was achieved to differing degrees across the Group, depending on the maturity of the entity in question.

More than 2,200 QHSSE briefings were conducted in France in 2018

2.4.5 Audit

In addition to the external audits conducted by the Group's clients or by an independent third party enabling Bureau Veritas to be certified to ISO 9001, OHSAS 18001, ISO 14001, ISO 17020 and ISO 17025, the QHSSE department also establishes a three-yearly internal audit program. More than 61 audits were performed in 2018 by the Group's pool of internal auditors.

These internal audits verify compliance with Bureau Veritas processes and also help promote best practices.

In 2018, the QESIS app was rolled out worldwide. The app provides audit program traceability and makes a record of all incidents along with an analysis of their causes and the corresponding action plans.

61 QHSSE audits performed by the 17 QHSSE auditors	1,370 audits in 2018 versus 800 in 2017	Non-compliance cases following a certification audit reduced by 274%	Best practices identified up by more than 300%
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2.4.6 Continuous improvement

The strategy of ongoing improvement is defined at all levels of the Group. This strategy headed up by the QHSSE departments is paying off and is enabling Bureau Veritas to deliver a positive performance along with ambitious but realistic safety and security goals.

Digitalization

Feedback from the ground is critical in aligning the management system with the Group's operating needs. This is why Bureau Veritas rolled out its mobile app in 17 languages in 2018, allowing employees to:

- report a dangerous situation or near-accident;
- analyze risks before carrying out their assignment ("2 mins for my safety");
- analyze risks before undertaking any international business travel ("2 mins for my security");
- record any safety walks completed;
- trace any security inspections.



Analyzing the root causes of an accident

Analyzing the root causes of an accident is an essential factor of improvement and prevention. The internal accident investigation procedure was changed in 2015 to incorporate more effective tools for the identification of root causes and the determination of appropriate long-term corrective and preventive measures. An e-learning module has also been developed to support this change and was rolled out in the second quarter of 2017 to all the relevant people who perform accident analyses.

The causes of the most serious accidents, 56 in 2018, were analyzed by the management of the concerned entities together with the Group QHSSE department and Senior Management in order to raise managers' awareness of this approach. The three main types of accidents are slips and falls, accidents with handling equipment and road accidents. These three categories represented 60% of accidents within the Group in 2018. The two main causes of accidents are a lack of attention and failure to comply with working methods. These causes accounted for over half of accidents.

Security surveys

Various Bureau Veritas Group entities ask their employees to identify avenues for improvement in terms of safety and security risk management.

For example, in addition to Company initiatives launched several years ago to improve employee safety and security, in 2018 the Marine & Offshore division took measures aimed at assessing the safety culture and the view of its operations experts on the conditions in which the corresponding rules were implemented. These measures were based on a survey conducted by a specialist organization adapted to the businesses concerned.

Responses were collected from 71% of the employees concerned, confirming their deep-seated commitment to the measures taken, demonstrating their keen interest in issues regarding their safety and working conditions. The response rate also corroborates the findings of the survey.

The survey also made it possible to benchmark the Company's performance against the average for the industry, covering 245 companies and 160,000 employees. In each of the areas looked at, the survey found that the Group's Marine & Offshore division performed better than the industry average.

Responses supplied by the participating employees helped identify avenues for improvement which are subsequently taken up in action plans following in-house consultation. These action plans are currently being rolled out.

In light of the interest expressed in the survey and its findings, a similar exercise will be carried out at regular intervals within the scope of the ongoing improvement in the Group's safety and security culture and its implementation throughout the Marine & Offshore division.

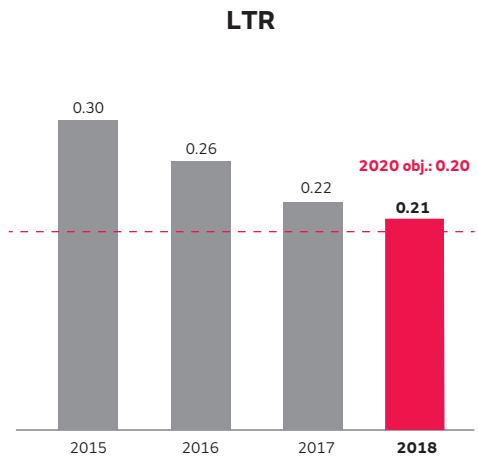
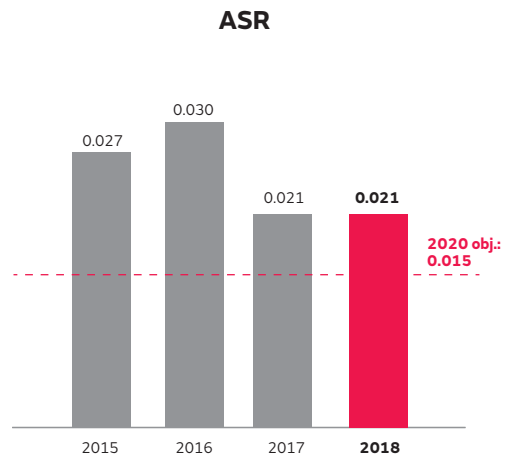
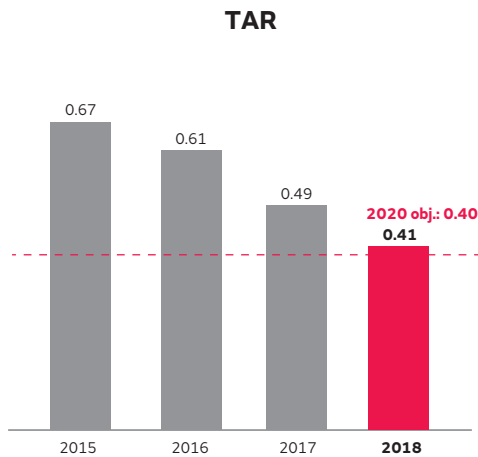
This best practice is shared and strongly encouraged across the Group.

Performance indicators

7,500 near-accidents reported in 2018: up 300% on 2015

To allow it to more closely monitor key performance indicators in terms of safety and security, Bureau Veritas has improved the corresponding IT systems. The QESIS and Business Intelligence tools were linked up in 2018, allowing the Group's key performance indicators to be updated on a daily basis.

5,000 Unsafe Conditions (UC) reported in 2018: up 300% on 2015



Since 2014, the Total Accident Rate (TAR) has fallen by 47% and the Lost Time Rate (LTR) by 51%, while the Accident Severity Rate (ASR) has been reduced by 32%. Nevertheless, we deeply regret the three fatal accidents that occurred in 2018, two of which were road accidents.

Since the implementation of its 2020 strategy and its "Safety is our responsibility" project, the Group has continued to make overall progress. This is also thanks to the programs put in place to improve the analysis of root causes and the effectiveness of the measures adopted, as well as the day-to-day input of line management. In 2018, all accidents categorized as "serious" according to the Group's own criteria were closely monitored: the analysis of the accidents and the related action plans were reviewed by the HSE department and then presented by the line management to their superiors at a specific meeting. This information is also provided to the Bureau Veritas' Chief Executive Officer during quarterly operating reviews. All Bureau Veritas managers were given a safety management guide by their line managers or their HSE organization at their annual evaluations or during a meeting on these issues. This guide constitutes the basis for understanding the role of management in deploying the safety culture.

TAR: Number of accidents with and without lost time x 200,000/Number of hours worked.

LTR: Number of accidents with lost time x 200,000/Number of hours worked.

ASR: Number of days lost x 1,000/Number of hours worked.

2.5 Environment and climate

Initiatives rolled out to reduce “Environmental and climate” risk

Reduce our environmental footprint, adapt to climate change and protect biodiversity

Description of risk

Based on the Group’s CSR risk analysis, two risks are associated with this topic:

- **Environmental risk:** Bureau Veritas is exposed to environmental risks, since its businesses can impact the environment in the form of pollution, CO₂ emissions, and so on;
- **Climate change risk:** climate change can lead to more frequent extreme weather such as flooding, fires or excessive temperatures. Indirectly, this may affect the businesses of the Group’s clients and have an impact on its own business operations.

As Bureau Veritas is a services company, environmental and climate change risks are not considered major risks for the Group. In its wish to lead by example, however, Bureau Veritas has decided to address these risks. As environmental and climate change risks are extremely significant for many of the Group’s

clients with industrial operations, Bureau Veritas considers them as opportunities insofar as it offers its clients services that help them reduce such risks (see section 2.6.1).

The environmental measures described below represent Bureau Veritas’ action plan to reduce the Group’s environmental footprint and/or the severity of the risks mentioned above. Indicators exist for tracking the effectiveness of these mitigation measures.

The growth of Bureau Veritas has also had an impact on its environmental footprint, mainly in terms of electricity consumption and CO₂ emissions which are linked to work-related travel. Bureau Veritas has developed internal programs to reduce the impact of the Company’s carbon footprint.

Bureau Veritas’ environmental policy applies to all its activities. The Group sets annual targets for reducing the environmental impact and implements specific programs to reduce its most significant environmental impacts. Several action plans have been implemented since 2015. As part of the 2020 strategic plan, the environmental policy identified three key objectives (compared to the 2015 consolidated results):

Reduce CO₂ emissions by 10% per full-time equivalent employee by 2020	Increase the use of renewable energies by 10%	Have 75% of Group businesses certified to ISO 14001
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Reduction of CO₂ emissions

Given the nature of the Group’s activity as a service provider, its environmental impact is fairly limited. The sources of Bureau Veritas’ CO₂ emissions were mapped in 2008 through full carbon audits of a representative sample using the carbon footprint methodology created in 2004 by France Bilan Carbone.

The results showed that 98% of Bureau Veritas’ total CO₂ emissions stemmed from work-related travel, the consumption of energy, paper and water, leaks of ozone-depleting substances and waste generation. The breakdown of CO₂ emissions among these different sources varies according to the nature of the task performed within the Group. Work-related travel was the main source of CO₂ emissions for inspection and office activities, for example, while energy consumption was the main source of CO₂ emissions for laboratories.

Based on these findings, the Group-led environmental programs and tools focused on these six sources while requesting more detailed reports on the data related to work-related travel and energy consumption.

The overall picture remains valid despite the Group’s growth and the increase in laboratory activities.

As a result, Bureau Veritas is determined to minimize its normative energy consumption and carbon footprint linked to work-related travel. In order to do so, the Group sets annual objectives.

The Group’s environmental indicators are calculated using the Environmental and Carbon Reporting tool.

The environmental data for 2018 cover the period from October 1, 2017 to September 30, 2018.

Helping clients to reduce their environmental impact

Bureau Veritas offers a range of services enabling its clients to reduce their environmental footprint. These are detailed in section 2.6.1 of this Non-Financial Statement.

Provisions and guarantees

Provisions and guarantees for environmental risks are monitored at local level depending on the potential impact of Bureau Veritas' activities. In addition, the Group has taken out insurance coverage for all of its business activities (see section 1.13 of the 2018 Registration Document).

Noise and other forms of pollution

Noise and other forms of pollution related to the Group's activities are monitored in accordance with applicable local regulations;

Due to the nature of its service businesses, Bureau Veritas causes little noise pollution in the local communities in which it is present. However, where excessive noise is identified, e.g., at laboratories carrying out resistance tests on concrete or metal parts, appropriate sound insulation has been installed and protective measures are taken for the personnel concerned.

Climate change

Climate change can have many different consequences for Bureau Veritas' operations. In addition to measures taken to reduce the Group's impact on climate change, Bureau Veritas decided to identify areas of risk across the globe. Climate change can lead to more frequent extreme weather such as flooding, fires or excessive temperatures, which can impact the continuity of the Group's businesses. To address this risk, certain entities located in high-risk areas have put in place business continuity plans. Some of these plans were tested in 2018.

The due diligence process for acquisitions now includes questions regarding the acquired company's exposure to the impact of climate change. This allows an action plan to be drawn up when the company is absorbed into the Group. Bureau Veritas has identified the main areas of its business impacting climate change and aims to eliminate non-essential emissions and reduce the emissions needed for the Group's development.

2.5.1 Energy management

To achieve the targets set by the Group, local action plans have been rolled out, documented and communicated. These action plans may be persuasive (information campaigns), behavioral (regulated watering, careful control of indoor temperatures, optimized lighting) or managerial (procedures, management systems).

Bureau Veritas laboratories

Eighty percent of the total volume of electricity consumed by the Group is attributable to the laboratories, and the remaining 20% attributable to offices. Bureau Veritas has chosen to focus on data linked to the electricity and gas consumption of laboratory activities in laboratories with more than 25 people.

In 2018, reliable data for electricity consumption were collected for premises attributable to 93% of staff and to 94% of Group laboratories with more than 25 people.

The following energy-related data consolidate the data on electricity and gas consumption. The increase between 2009 and 2010 is due to the acquisition of various laboratories in North America.

Energy in MWh/person/year	2018	2017	2016	2015
Laboratories	10	9	6.9	6.5

The table below shows the gross electricity consumption for Group laboratories between 2015 and 2018:

Energy in MWh	2018	2017	2016	2015
Laboratories	190,360	175,172	121,789	112,996

CO₂ emissions

The BV Carbon tool developed internally in 2009 to measure the Group's CO₂ emissions and assess the effectiveness of environmental programs has been consolidated within the Environmental and Carbon Reporting tool since 2014.

The following emission scopes are taken into account:

- Scope 1 – Direct emissions: sum of direct emissions resulting from burning fossil fuels such as oil and gas or from resources owned or controlled by the Group;
- Scope 2 – Indirect emissions: sum of indirect emissions arising from the purchase or production of electricity;
- Scope 3 – Other emissions: sum of all other indirect emissions including work-related travel.

By analyzing available data, energy consumption can be identified as one of the two areas of the business generating the majority of the Group's CO₂ emissions.

Work-related travel is the second largest contributor to CO₂ emissions. In 2018, reliable consolidated data on the offices' carbon footprint resulting from work-related travel was monitored for 97% of the staff in Group offices with more than 50 people and for 88% of Group offices with more than 50 people.

In view of the volume of CO₂ emissions resulting from work-related travel undertaken by office staff as compared to laboratory staff, Bureau Veritas has chosen to focus on office data for offices with more than 50 people.

The initiatives described above, put in place in Group offices to reduce energy consumption, should allow Bureau Veritas to continue reducing its CO₂ emissions.

GROUP CO₂ EMISSIONS ARISING FROM ENERGY CONSUMPTION

Energy	Tons of CO ₂ /person 2018	Tons of CO ₂ /person 2017	Tons of CO ₂ /person 2016	Tons of CO ₂ /person 2015
Laboratories	3.14	3.48	3.10	3.07

Initiatives to improve energy efficiency in Bureau Veritas buildings

LEED certification for Group buildings

LEED certification (Leadership in Energy and Environmental Design) changes the way in which buildings are designed, built, maintained and managed across the globe. The benefits of LEED certification include:

- LEED helps organizations to reduce costs, save energy, reduce water consumption and encourage innovation;
- LEED-certified buildings are cheaper to run, with up to 40% lower energy and water costs; and
- LEED buildings take into account the site on which they are built, the materials used, the water and energy consumed, the human experience involved and the health and safety of their occupants.

In a LEED-certified building, the benefits include 31% energy savings, 52% drinking water savings and the avoidance of 95% of building waste (source: <https://new.usgbc.org>). These benefits are the result of a number of different measures, including the use of more energy efficient heating, ventilation, air conditioning and lighting equipment, the adoption of paler flooring to reduce the heat island effect, the use of more efficient flow facilities, the installation of meters to track consumption and identify possible additional savings or even the introduction of larger windows to let in more light.

At December 31, 2018, ten of Bureau Veritas' buildings had obtained LEED certification, mainly in Asia.

LED lighting project

Using less energy is one of the main ways of reducing CO₂ emissions. LED lighting offers many benefits including increased energy performance, reduced waste and longer life. LED lighting is more efficient than traditional lighting such as fluorescent lights and light bulbs: 95% of LED energy is converted into light with only 5% wasted in the form of heat. A typical 84-watt fluorescent light can be replaced by a 36-watt LED light with the same energy output.

The introduction of LED lighting in Bureau Veritas' Consumer Products division has resulted in energy savings of 55% and in the reduction of waste production and necessary maintenance. LED lighting has already been fitted in one-fifth of Consumer Products laboratories worldwide.

Green energy

Using renewable energies is also a way of reducing CO₂ emissions. An increasing number of suppliers include renewable energies in their service offering. Bureau Veritas works actively to use green energy wherever available.

In Italy for example, purchasing and QHSSE teams launched a program in 2015 aimed at using only green electricity. This goal was already achieved in 2018, with programs to be launched throughout the Group.

2.5.2 Fuel management

GROUP CO₂ EMISSIONS ARISING FROM WORK-RELATED TRAVEL – OFFICES

Work-related travel	Tons of CO ₂ /person 2018	Tons of CO ₂ /person 2017	Tons of CO ₂ /person 2016	Tons of CO ₂ /person 2015
Offices	1.94	2.09	2.35	2.46

Data related to work-related travels shown above include data linked to the use of cars (corporate, rental and leased vehicles), motorbikes and scooters, flights (short, medium and long-haul) and train travels. Commuting is not included.

The 2020 target is to reduce transportation-related CO₂ emissions by 20% per capita.

Since the calculation of CO₂ emissions involves rough estimates, analyses of trends in CO₂ emissions per person are not deemed to be relevant for the time being.

Streamlining work-related travel

Bureau Veritas' businesses involve numerous visits to clients' premises, resulting in high levels of fuel consumption.

To contribute to the overall objective of reducing the Group's carbon footprint, initiatives have been in place within Bureau Veritas for many years now to reduce CO₂ emissions from its car fleet.

Depending on culture and usage across the globe, regular reviews of car fleet policies for company vehicles aim to reduce emissions per kilometer among other objectives. In France for example, teams are putting in place a program aimed at replacing vehicles which are more than three years old with more fuel-efficient vehicles in order to reduce average fuel consumption. This will reduce the emissions resulting from work-related travel. At December 31, 2018, theoretical average emissions relating to the car fleet policy in France were below 100 g of CO₂ per km.

9,000 vehicles in the Bureau Veritas fleet

There are 9,000 vehicles in the Bureau Veritas fleet. In order to reduce their CO₂ emissions, local initiatives have been put in place, mainly in Europe, Australia and Latin America.

Bureau Veritas Spain is also working to reduce the CO₂ emissions from its car fleet. In a pilot initiative launched a few months ago, the registered office acquired two iOn models in order to promote

sustainable mobility among its employees. This means modernizing the Spanish fleet and incorporating new, more ecological, sustainable and cleaner vehicles. Bureau Veritas Spain will step up efforts in this area with the aim of promoting respect for the environment and reinforcing its corporate values and role as a responsible corporate citizen. Bureau Veritas is aware of the importance of continuing to develop initiatives in the areas of quality, health and safety, security and the environment, and having a positive impact on society.

Innovative solutions for reducing work-related travel

To limit work-related travel for its employees, Bureau Veritas has put in place various technological solutions allowing for a richer video and telephone conference experience. Three main tools were used in this respect: Polycom, Zoom and GoToMeeting.

In 2018, more than 140 Bureau Veritas meeting rooms across the globe were equipped with video conferencing facilities and more than 30,000 video conferences took place.

In 2019, the focus shifted, with all employees offered a single global platform designed to forge stronger links across the work environment. The aim is to more actively promote this way of working, which drastically reduces the number of work-related journeys and Bureau Veritas' carbon footprint.

Eco-driving training for employees

Raising employee awareness through training is also an integral part of the Group's program to reduce emissions resulting from work-related travel. The Group has designed an e-learning training module on the topic of eco-driving. This module recalls driving techniques that help decrease fuel consumption as well as reduce stress at the wheel and hence the risk of accidents.

In 2018, employees took 9,880 e-learning sessions.

2.5.3 Waste management

Potential pollution resulting from the Group's office, inspection and laboratory activities is described in the table below. Compliance with requirements in terms of pollution is verified by local authorities and by ISO 14001 certification bodies.

Business	Potential pollution	Examples of action plans carried out
Offices and inspections	Air conditioning equipment in offices, which may provoke refrigerant gas leaks Use of cars to travel to client premises	Appropriate maintenance contracts Recent vehicle fleet with low CO ₂ emissions and training in eco-driving
Laboratories	Air conditioning equipment in laboratories that may provoke refrigerant gas leaks Testing equipment that may generate polluting atmospheric emissions Use of cars to travel to client premises Storage of chemical products and hazardous waste	Appropriate maintenance contracts Technical equipment to monitor emissions and procurement of necessary permits, regular emissions checks Recent vehicle fleet and training in eco-driving Dedicated storage areas equipped with appropriate retention tanks and necessary control procedures

Measures for the prevention, recycling and removal of waste

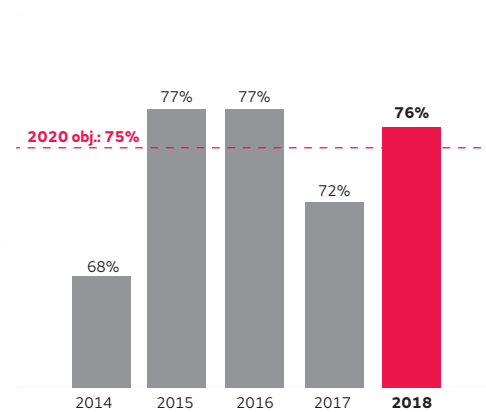
The nature of Bureau Veritas' activities means that its main waste product in terms of volume is paper. In order to limit its consumption and reduce the waste generated, several initiatives have been set up within various Group entities regarding the generation of electronic reports, as well as electronic printing and archiving when permitted by clients and applicable regulations. Bureau Veritas is working towards its paperless goal for the Consumer Products business (reduction of paper consumption, storage and shipment).

Other types of waste such as cardboard, plastic, glass, batteries, light bulbs, as well as waste resulting from electrical and electronic equipment, chemicals and mineral samples arising from laboratory tests carried out by the Group, are measured and managed in accordance with local regulations requiring that they be disposed of by specialized companies.

Due to the growing importance of the Group's laboratory activities, waste reporting has been improved in order to better measure the information reported and ensure its reliability.

Lastly, ISO 14001 certification guarantees good management of the environment and of the waste produced by Bureau Veritas' business activities. Accordingly, the Group has set itself the goal to having 75% of its business activities certified to ISO 14001 by 2020.

ISO 14001



Since the calculation of the number of employees covered by an environmental management system involves rough estimates, the indicator showing the percentage of businesses certified to ISO 14001 should be interpreted as guidance only.

2.5.4 Involving employees

Involving all employees

Since 2009, Bureau Veritas has celebrated World Environment Day every June 5 around the theme announced by the United Nations (UN). For this event, the Group's Quality, Health & Safety, Security and Environment department asks employees to organize initiatives to reduce their environmental impact. The involvement of all employees in this ongoing effort to improve environmental protection is celebrated with an in-house competition. A selection committee meets to examine and evaluate each project submitted.

For the last few years, more than 100 action programs have been implemented, with an ever greater number of participants.

More than 350 action programs since 2015

43,000 employees on average involved in action programs

The best action programs receive a trophy.

In 2017, four trophies were awarded in the Creativity, Education and Social Media categories in addition to the category representing the year's theme, "Connecting People to Nature".

In 2018, the UN's chosen theme was plastic. The Group continues to promote locally managed projects. Whether in Europe, Latin America, Canada or Asia, numerous local initiatives have given employees the opportunity to get involved.

Examples of initiatives carried out in 2018 in India, which hosted the 2018 World Environment Day:

- Bureau Veritas India, whose Mumbai office is home to some 800 employees, chose to support the cause by taking part in the Dadar Beach Clean-Up Drive in association with the Jay Foundation, organized on June 3 in connection with the World Environment Day. In all, 35 employees volunteered for the beach clean-up;
- in the "Road Clean Up Drive" organized on June 5 by 45 employees at 72 Business Park, Andheri, employees helped to collect plastic in the city over a week-long period. The event also gave rise to a best photo competition aimed at raising awareness among the widest possible population.

2.5.5 Biodiversity



Alongside the French government and companies taking part in "Act4nature", Bureau Veritas confirmed its commitment to protecting biodiversity by signing the Act4Nature's 10 commitments and publishing its action plan in May 2018.

Joint commitments:

1. **embed biodiversity in our corporate strategy** based on available scientific knowledge;
2. **talk to all of our stakeholders** about their expectations, our impacts, our actions and our progress;
3. **assess the different aspects of biodiversity that concern us** using direct and indirect indicators of impacts, risks and progress and, when relevant for decisions, assess our impact from a business point of view and our dependence on the proper functioning of ecosystems;
4. **promote the gradual inclusion of biodiversity in decisions throughout our value chains**, from raw material production to end of product life after use by consumers;
5. **first avoid, then reduce and lastly offset our environmental impact, with the aim of achieving zero net biodiversity loss and even a net biodiversity gain** in our business activities and major regions, taking into account the need for ecosystems to adapt to climate change;
6. **focus on developing nature-based solutions**, ensuring that solution implementation is scientifically grounded and beneficial for biodiversity, notably by promoting a degree of variety in these solutions;
7. **embed biodiversity in any discussions with public authorities**, to support the inclusion of this issue in public policies; where we are invited to, **contribute to nationwide biodiversity strategies** for the countries in which we operate;

8. **raise employee awareness and train our employees** in biodiversity and its relationship to their businesses; **promote and encourage their initiatives** to protect nature and reward these initiatives and practices;
9. **mobilize resources** and establish appropriate partnerships to support our concrete actions; provide follow-up;
10. **publicly report on our implementation of these commitments** and of the individual commitments detailed below.

Bureau Veritas has also committed to other initiatives, illustrating its desire to act effectively with its employees, suppliers and clients to reduce the impact on biodiversity.

Protecting biodiversity and the environment is written into the very DNA of Bureau Veritas, whose mission is to ensure that operations, assets and products conform to standards on quality, safety, security, environmental protection and social responsibility.

Bureau Veritas helps its clients achieve compliance with regulatory requirements and improve their performance. Through their expertise and their dealings with clients, each day the men and women at Bureau Veritas act in the service of major CSR issues such as biodiversity and environmental protection.

Illustrating this commitment, a variety of projects have been launched within Bureau Veritas. In Brazil, 35 Group employees took part in a reforestation project, planting 2,500 trees in the Pinhais region. Many different tree species were planted, including *Eugenia aggregata*, *Handroanthus albus*, *Eugenia uniflora*, *Plinia cauliflora* and *Psidium cattleianum*.

A campaign was run at the same time to raise the awareness of all Bureau Veritas Brazil employees.

Other projects were also undertaken in 2018 covering reforestation, participation in the World Clean-Up Day and awareness-raising initiatives for the protection of biodiversity.

2.5.6 Information and communication technologies

The growth of Bureau Veritas has led to an increase in the volume of data, emails, and digital services used, and consequently to an impact on the Group's IT capacity requirements.

For the past few years, the Group IT department has been focused on three major areas to reduce its environmental impact:

- reducing energy used by data centers;
- reducing energy used by computing equipment;
- devising innovative solutions for reducing work-related travel.

Data centers

To meet the challenges resulting from the Group's growth, the IT department has used three main data centers for many years, located in France, Hong Kong and the United States.

Data centers are big consumers of energy and hence a source of significant CO₂ emissions. The following actions have been analyzed as a means of reducing CO₂ emissions:

- data center streamlining;
- server virtualization;
- cloud migration.

Different projects have been carried out helping to considerably reduce Bureau Veritas' footprint. In France for example, the virtualization of many servers reduced the number of servers by 1,300 and helped save 353 tons of CO₂ in 2018, the equivalent of 250 Paris-Shanghai return flights. Similar projects have been undertaken in the United States.

By 2020, the aim is to save even more energy by migrating data centers into the cloud. Based on a survey conducted by Amazon, cloud migration combines just the right amount of energy with a cleaner energy mix, enabling CO₂ emissions to be slashed by 88%.

Management of computing equipment

Since 2011, the IT department has streamlined its computing equipment in order to reduce the energy consumed by desktop and portable PCs and tablets provided to Bureau Veritas employees.

The theoretical average energy consumed by Bureau Veritas computing equipment has been reduced by 40% since 2011 and stood at 54 kWh/year in 2018.

The turnover rate for computing equipment has resulted in significant energy savings. The average energy consumed by computing equipment was 53 kWh/year in 2018, down from 108 kWh/year in 2011. Bureau Veritas is aiming to reach 50 kWh/year for its computing equipment by 2020.

2.5.7 Evaluations and partnerships

A recognized environmental commitment

Since 2009, the Group has voluntarily had all of its environmental practices and its overall CSR program evaluated by the ECOVADIS agency along with the Carbon Disclosure Project and the Dow Jones Sustainability Index.



ECOVADIS is an independent non-financial rating agency that annually evaluates labor practices, environmental protection initiatives, business ethics and the implementation of responsible criteria in the acquisition of companies operating in all business sectors. For some of the Group's largest clients, a supplier's evaluation by ECOVADIS is a prerequisite for becoming an approved supplier.

Since 2016, the Bureau Veritas Group has been awarded a 68/100 rating, thanks to which it maintains its "Gold" commitment level.



CDP, formerly known as the Carbon Disclosure Project, is a not-for-profit charity that evaluates the impact of the world's major publicly traded companies on climate change. CDP analyzes data published by each company, based on which it assigns scores for environmental performance. More than 650 investors holding over 87,000 billion assets request information on climate change, water and forests. Bureau Veritas has been involved in this non-financial evaluation for many years now.

In 2018, the Group was again evaluated and awarded a score of B, placing it above the average for its industry.

Bureau Veritas committed to driving CSR forward

As a member of several different organizations, Bureau Veritas works to promote CSR, to bring discussions about changes in CSR issues to organizations and to offer the necessary advice to companies wishing to assess and reduce their environmental footprint. The Group takes an active role in events organized by AFEP (French association of private companies) through its CSR Club, and also by the International Federation of Inspection Agencies (IFIA).

2.6 Society

2.6.1 Serving the general interest

Initiatives rolled out to reduce the “CSR contribution to society” risk

Bureau Veritas’ CSR contribution to society is an opportunity. Through its business, the Group helps many companies improve their social commitment and to reduce their environmental footprint on a daily basis.

In parallel, Bureau Veritas asks its partners to be committed CSR players, as described in section 2.7 of this Non-Financial Statement, and a duty of care plan has been drawn up for this purpose.

CSR at the heart of our business

By nature, most Bureau Veritas services contribute to CSR. The Group helps companies to reduce their risks and improve their performance in terms of safety and security, quality, environment and sustainable development.

Faced with the growing commitment to CSR issues, Bureau Veritas has enriched its range of services by developing a specific CSR solution to assist clients in putting in place responsible and sustainable CSR policies.

Indirectly through its clients, CSR therefore provides Bureau Veritas with an opportunity to create value for its clients and for society at large.

The development of CSR solutions is an important aspect of the Group’s development strategy and one of the drivers of its operating efficiency model. It uses its expertise to foster sustainable, inclusive, transparent growth, helping to maintain trust in a fast-changing environment.

By helping its clients to protect their brands, manage their risks and improve their performance, Bureau Veritas serves the general interest.

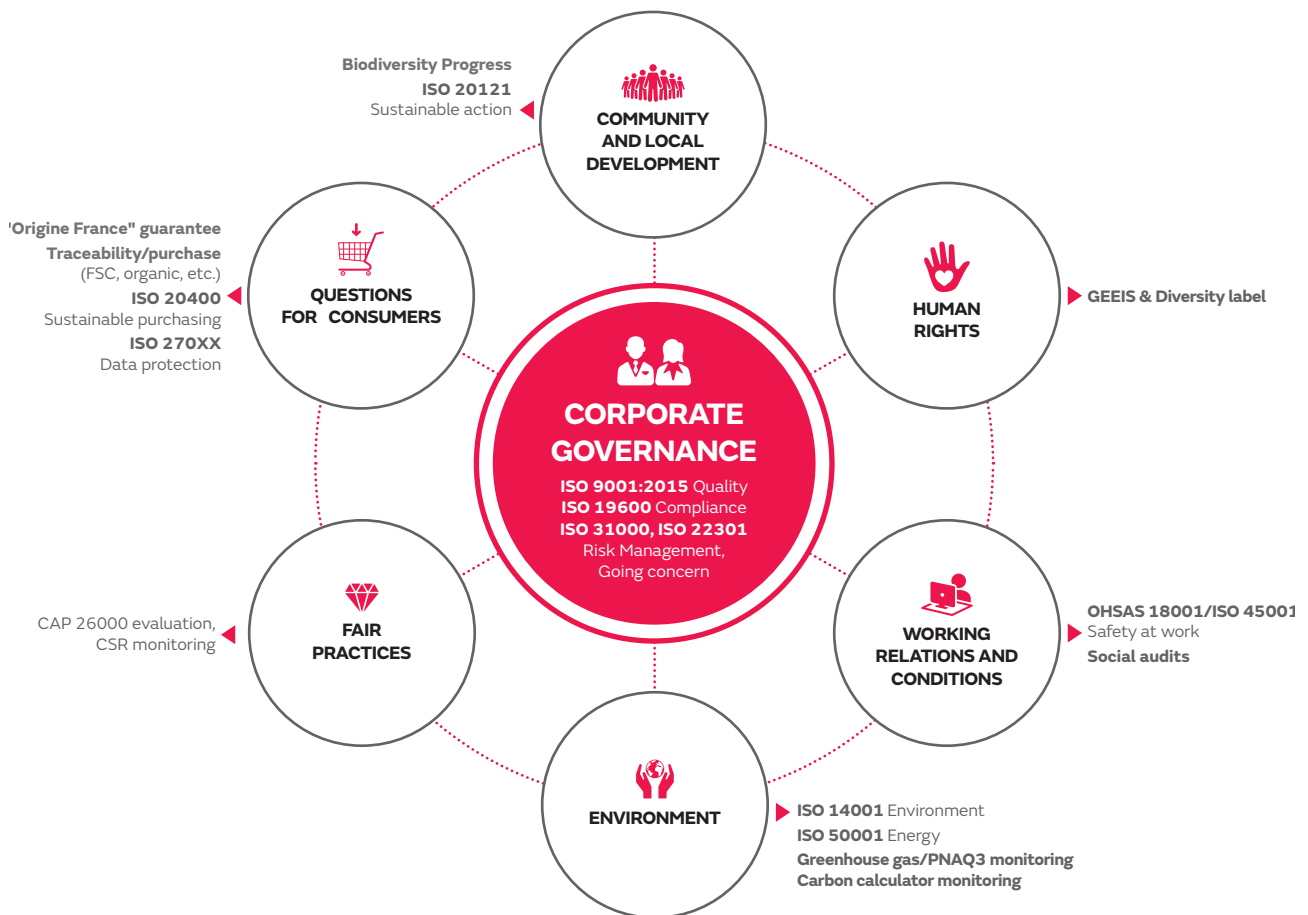
Bureau Veritas acts in the general interest in accordance with the following commitments to:

- identify and reduce risks for the benefit of the public and economic spheres, consumers and end users, and society in general;
- comply with its Code of Ethics which includes, in particular, rules relating to independence, integrity and impartiality in providing objective and impartial, unbiased professional opinions;
- promote local initiatives in response to local problems.

CSR services

A significant proportion of services provided by Bureau Veritas are aligned with the UN's Sustainable Development Goals. The table set out in section 2.1.2 provides a list of the main services corresponding to each goal.

However, some services contribute more naturally in helping companies transform their operations by improving their CSR impacts. The table below shows the Group's main audit and certification services concerned.



How the services provided by Bureau Veritas contribute to CSR

Any organization looking to improve its long-term Corporate Social Responsibility performance needs to adopt a strict approach generally involving the identification and analysis of risks and their impacts for the Company. This should be done before putting in place the appropriate risk management programs and selecting the indicators to be monitored in order to track progress over time.

Bureau Veritas assists its corporate clients across the globe in putting in place CSR programs by certifying management systems in accordance with recognized independent standards.

Bureau Veritas has developed a suite of process and management system audit services to help companies manage their CSR impacts and move towards a circular economy-type model. In this circular economy model, resources and waste are reduced as far as possible and when a product reaches the end of its life, it is reused or its materials are recycled to create even more value. The circular economy business model was adopted by the European Union in the form of its Circular Economy Package, in force since July 2018.

Towards a circular economy

The services developed by Bureau Veritas provide companies with a framework in which to rethink their processes step by step, gradually moving them towards a circular economy.

ISO 14001 on environmental management is a key aspect of this approach. The standard promotes a particular view of the life cycle of products and services and provides a framework in which to analyze impacts, helping the business to move towards a circular economy. Bureau Veritas manages more than 20,000 ISO 14001 certificates which were delivered to its clients by December 31, 2018.

Specific certification systems cover three main components of production: resource management; the environmental impacts of production and trade, including energy consumption and greenhouse gas emissions; and social impacts, including health and safety and the supply chain. The Group also verifies data and reports to help companies become transparent.

Managing natural resources

The supply chains for metals and minerals have become increasingly globalized and complex, making it difficult to trace the origin of the raw materials. As part of their CSR strategy, companies look to manage the social and environmental impacts of these resources throughout their life cycle, from extraction and processing through to reuse and recycling. Major CSR risks are (i) human rights risks, which cover child and forced labor, and (ii) environmental risks, covering water pollution and atmospheric emissions.

Modern supply chains are complex and highly globalized, making it difficult for companies to identify the origin of high-risk materials such as metals and minerals. Companies wish to improve their CSR performance as regards these materials: they seek to manage the environmental and social impacts resulting from the extraction and handling of the materials, which can range from child or forced labor to water and air pollution. They must also identify possibilities for reusing these precious, finite resources.

Worldwide, Bureau Veritas has over 3,400 CSR auditors and is therefore able to assist companies in certifying a broad range of materials management schemes. For example, Bureau Veritas is able to certify companies to the Aluminium Stewardship Initiative, and can also conduct 3TG audits for standards on precious metals used in the consumer electronics industry. Bureau Veritas is also one of the leading organizations for the certification of timber products. In all, Bureau Veritas Certification conducted over 47,500 audits on environmental management and social responsibility in 2018.

Environmental impacts

Following on from the commitments set out in the Paris Climate Accord to keep global warming below 2°C, governments and businesses are focusing on reducing their energy consumption and greenhouse gas emissions, with a particular emphasis on CO₂. Companies need specific ways of understanding and optimizing their energy consumption so that they can reduce their emissions.

Bureau Veritas supports clients' energy management efforts through ISO 50001 certification, audits and training. Demand for ISO 50001 certification is growing fast and the standard has been adopted across the globe. Bureau Veritas has reported average annual ISO 50001-linked growth of 50% since 2010.

Bureau Veritas also verifies greenhouse gas emissions for the EU's emissions trading system (EUETS) and for voluntary GHG emissions inventories. Bureau Veritas also validates and verifies carbon offsetting based on voluntary programs, including projects falling within the scope of climate obligations for carbon finance.

Social impacts

Companies have to contend with a number of social risks. Two of the most important are health and safety and ensuring compliance with ethical rules and working practices throughout the supply chain.

Bureau Veritas was among the first certification bodies to be accredited for the new ISO 45001:2018 occupational health and safety standard in July 2018, following its publication in March. Bureau Veritas can deploy 2,150 auditors across the globe to support companies in applying the new standard, which is designed to protect both employees and business owners.

The Group also supports companies in addressing risks upstream of the supply chain through ethical trade and social responsibility certification audits. These audits address a broad spectrum of risks, from child and forced labor to remuneration and working hours. In 2018, Bureau Veritas Certification conducted 20,000 days of social audits in many different industries.

Verification and assurance

Companies must ensure that the information and indicators they use to track their CSR performance are reliable, representative, true and fair. Using guidelines such as the Global Reporting Initiative (GRI) and the AA 1000 Assurance Standard and having their CSR reports audited allows companies to demonstrate the true and fair nature of their claims.

In 2018, Bureau Veritas Certification conducted more than 600 audits and certified over 80 companies, helping to highlight their commitment to conservation, environmental protection and social responsibility. As a certification body, Bureau Veritas certifies that the management systems utilized by clients comply with international standards, usually ISO, or with national or industry standards or standards specific to large companies.

Action plan

The action plan to develop the CSR offer includes the following:

- enrich and update the catalog of CSR services, incorporating all testing and certification services;
- train the Group's client-facing employees in Bureau Veritas' CSR offer;
- offer clients a series of CSR awareness-raising initiatives and training;
- enhance external communication and marketing to highlight this CSR offer;
- track trends in orders and revenue generated by these CSR services.

Performance indicators

The performance indicator published this year is revenue growth for CSR certification activities related to sustainable development, environment, safety and security. These activities accounted for 27% of Certification revenue.

Revenue generated by these activities in 2018 was 5% higher than in 2017.

2.6.2 Community engagement

Supporting local development

The Group has a strong international presence.

This makes it possible to provide a “one stop” response to clients that generally operate around the globe. However, the Group’s presence on the ground, its understanding of the local language and dialects and the availability of its employees are what allows it to really understand the human issues at local level. This is how Bureau Veritas is able to provide effective local solutions with global support.

The Group’s highly decentralized organization favors local hiring in the 140 countries in which it does business. In this way, Bureau Veritas helps to further socio-economic development in the countries in which it operates, including through its network of local suppliers and partners.

The Group takes care to ensure that each of its 1,530 offices and laboratories across the globe develops local skills and expertise in partnership with the authorities and the stakeholders concerned.

Action for the community

The community initiatives rolled out by Bureau Veritas are decided locally in each of the 140 countries in which the Group does business. They are part of the more general “Be part of it” program.

More than 150 local initiatives were organized in 2018 in the form of skills sponsorship and donations, mainly in the fields of health, education and the environment. The initiatives include:

- environment:
 - tree planting (Latin America),
 - plastic waste collection (India),
 - park clean-ups (Asia), etc.;
- health:
 - skills sponsorship and outreach tournaments for not-for-profit associations for people with disabilities (Europe),
 - food collection for food banks (Asia, Americas, etc.),
 - help for women on the street (Africa, France, etc.), donations for the homeless (Americas), etc.;
- education:
 - support and donations for associations helping disadvantaged young people (France, Australia, Africa, Americas, etc.),
 - mentoring for young unemployed people (France),
 - donations to associations promoting the education of young girls (Africa).

2.7 Duty of care plan

Bureau Veritas has put in place a duty of care plan in compliance with French Law no. 2017-399 of March 27, 2017 on the duty of care of parent companies and subcontracting companies.

This duty of care plan aims to cover all of Bureau Veritas' businesses and all of its subsidiaries and controlled companies, as well as those of its subcontractors and suppliers with which it has long-standing business relationships. The plan includes measures to identify and prevent risks of serious infringements to human rights and fundamental freedoms, the health and safety of persons as well as the environment.

The duty of care plan includes the following five measures:

- a risk map that identifies, analyzes and ranks risks;

2.7.1 Governance

Bureau Veritas has put in place specific governance arrangements for preparing and tracking the implementation of the plan.

A Duty of Care Steering Committee has been set up under the responsibility of Group CSR Director, comprising representatives from the following Group departments:

- QHSE, for issues relating to health and safety and the environment;
- HR, for training, inclusiveness and the working environment;
- Purchasing, for all purchasing-related issues;
- CSR, for issues relating to basic freedoms and human rights;

2.7.2 Risk mapping

The Group's main risks were identified using a three-phase approach:

- issues related to duty of care were integrated into the risk maps drawn up by the Group in 2017 and revised in 2018;
- a specific analysis was performed in-house to assess the most significant risks for the Group:
 - major human rights risks were identified using the UN's Human Development Index published in March 2018 and taking into account the map on children's rights worldwide published by *Humanium*. For suppliers, this approach was

- procedures to regularly assess, in accordance with the risk map, the situation of subsidiaries, subcontractors or suppliers with whom the Company maintains an established business relationship;
- appropriate actions to mitigate risks or prevent serious violations;
- a whistleblowing mechanism that collects signals of potential or actual risks, developed in partnership with the trade union organizations of the concerned company;
- a monitoring system to follow up the measures implemented and assess their effectiveness.

This section reports on the implementation of the duty of care plan at the end of 2018.

- IT security, for data protection issues.

The Committee works closely alongside the Legal Affairs & Audit department.




Bureau Veritas' policy regarding its partners (suppliers, subcontractors, sales agents and co-contractors) is defined in the Partner Code of Conduct which covers the Group's requirements in terms of ethics, security, the environment and human rights.

The policy applicable to its employees is set out in various documents, including the Code of Ethics, the Cardinal Safety Rules, the Environmental policy and the Human Rights policy.

supplemented by a detailed analysis of risk for each category of purchases,

- major environmental risks were identified based on environmental impact assessment of the business activities carried out by the Group and its subcontractors. Owing to the low environmental risk associated with most of its businesses, the major risks only concern laboratories for their treatment of waste,
- major safety and security risks were identified in all countries reporting a significant number of serious accidents in 2018, both within Bureau Veritas and at its subcontractors;

- an external review was performed by a specialist independent firm to identify priority issues. This review was carried out through audits, reviews of documentation, interviews with the departments concerned and cross-checks with external statistical data bases, namely the Social Hotspots DataBase (SHDB). The SHDB grades risks on a scale of 1 to 4. The average risk score was calculated for each category and only risks graded 3 or higher with associated purchase volumes of over €10 million in 2018 are shown in the table below:

	SIGNIFICANT RISKS	BUREAU VERITAS	JV PARTNERS	SUBCONTRACTORS	SUPPLIERS	INTERMEDIARIES
 HUMAN RIGHTS	FREEDOM OF ASSOCIATION	Asia - USA Middle East		UAE China - USA	China - USA Office services	
	WORKING HOURS			China - South Korea Japan UK - UAE	China Office services	
	SOCIAL BENEFITS			USA	USA Office services	
 ENVIRONMENT	WASTE MANAGEMENT SOIL POLLUTION	Laboratories		Laboratories	Chemicals	
 HEALTH & SAFETY	WORK ACCIDENTS	India - Vietnam Brazil - Argentina France	China	France - Brazil	Brazil - France Office services	

RISK LEVELS:

□ Low risk ■ Moderate risk ■ Medium risk ■ High risk

Source: Social Hotspot Data Base.

On the basis of the above, Bureau Veritas has begun to prepare and implement appropriate actions for reducing risks or preventing serious violations.

2.7.3 Action plan for Bureau Veritas

The initiatives launched in 2018 for employees are described in the corresponding sections of this Non-Financial Statement:

- health and safety: section 2.4;
- environment: section 2.5;
- human rights: section 2.2.4.

A specific action plan was launched in 2018, covering for example:

- safety and security:
 - launch of training for employees on the Group's "absolutes" (Ethics, Safety and Financial Control),
 - creation and roll-out of a new training module on the Group's Cardinal Safety Rules, incorporated into the compulsory induction program for all employees,
 - audit of safety organizations and processes in China, the US and France;
 - publication of a new Human Rights policy that has been circulated among all employees;
 - follow-up of the "Inclusion@BV" program.

2.7.4 Action plans for suppliers and subcontractors

Risks associated with subcontractors and suppliers were incorporated within the Group's risk map (section 2.1.3.); the three sections on Health, Safety and Security (section 2.4), Environment (section 2.5) and Human Rights (section 2.2.4) all deal with the specific policies applicable to subcontractors and suppliers.

Bureau Veritas drew up a Partner Code of Conduct in 2018. This will be progressively rolled out as from 2019.

Reference to this Code will gradually be included in standard contracts with partners and in the Group's general terms and conditions of purchase.

Action plans for subcontractors

The most critical topics for the Group's subcontractors, which correspond to two of the Group's three "absolutes", are ethics and health, safety and security.

Concerning human rights, subcontractors are required to comply with the Human Rights policy formulated by the Group in its **Partner Code of Conduct**, which also covers ethics, health, safety and security and environmental issues. The Code of Conduct will be sent first in early 2019 to subcontractors in the high-risk country mentioned in the table in section 2.7.2.

Concerning health, safety and security, the Group ensures that subcontractors comply with Bureau Veritas' health and safety rules, although subcontractors remain responsible for their own safety. This program is described in further detail in section 2.4.2.

An action plan was launched and includes the following initiatives:

- subcontractors are systematically informed of applicable health, safety and security requirements for all Group assignments, including when these incorporate additional requirements imposed by the client or site of work;
- all serious accidents with subcontractors involved in Bureau Veritas assignments are reported and followed up through a root cause analysis. In 2018, only one serious accident was reported, in Ukraine;
- safety and security instructions and safety campaigns prepared by Bureau Veritas for its employees are communicated to the subcontractors concerned.

Based on an analysis of accidents involving subcontractors in 2018, subcontractors conducting inspections of raw materials are a high-risk category on which the Group has decided to focus. An initiative will be launched by the HSE network in the first quarter of 2019 to reiterate the Group's safety and security rules and verify that they are duly applied and complied with.

Concerning the environment, subcontractors operating in environmental analysis laboratories will be closely monitored in terms of waste treatment, airborne emissions and liquid discharge.

A specific initiative will be launched by the HSE network in this respect in 2019.

Action plans for suppliers

In 2014, Bureau Veritas launched a continuous Purchasing improvement program from a CSR perspective. The actions undertaken in this area, including the work carried out with ECOVADIS, an independent platform evaluating suppliers in terms of sustainable development and Corporate Social Responsibility, are detailed in section 2.2.3.

In addition, in 2018 the Group Purchasing department revised the general purchasing risk map and, within this framework, defined a strategy for managing such risks. Among the risks identified, particular attention was given to corruption and CSR risks for which an action plan was defined with a view to risk mitigation.

A specific action plan was launched in 2018 as part of the deployment of the action plan, including in particular the insertion of CSR clauses in contracts and general terms and conditions of purchase, and the integration of the purchasing process in the Integrated Management System (IMS). This plan will be rolled out gradually in 2019 and 2020.

Concerning human rights, the risk analysis identified cleaning, maintenance and security service providers as a priority focus. Targeted initiatives will be launched in 2019 to provide the relevant service providers with the Bureau Veritas' Partner Code of Conduct.

Concerning health, safety and security, no major risks were identified. The Group will ensure that staff employed by suppliers and service providers on its sites comply with the safety and security rules applicable to Bureau Veritas' own employees. Compliance will be verified by site managers assisted by the HSE network.

Concerning the environment, suppliers of chemical products for the Group's laboratories and waste collection companies will be especially monitored. Targeted initiatives will be launched in 2019 to provide the relevant service providers with Bureau Veritas' Partner Code of Conduct.

2.7.5 Indicators and results

Indicators are defined differently, depending on whether the duty of care plan is being monitored for employees or partners. Indicators will be gradually introduced.

They are detailed in each of the following sections: Health and safety (section 2.4), Environment (section 2.5) and Human rights (section 2.2.4).

The main indicator, results for 2018 and goals for 2019 applicable to each topic are outlined in the table below:

Topic	Bureau Veritas			Suppliers and subcontractors		
	KPI	2018 results	2019 goals	KPI	2018 results	2019 goals
Health, safety and security	TAR	0.41	0.40	New stakeholders having received the PCC	N/A	50%
Environment	Transportation-related CO ₂ emissions (t/person)	1.94	1.75	New stakeholders having received the PCC	N/A	50%
Human rights	New stakeholders having received the policy	-	100%	New stakeholders having received the PCC	N/A	50%

2.7.6 Whistleblowing mechanism

The whistleblowing mechanism put into place as part of the Group's Compliance Program (see details of this whistleblowing mechanism in section 2.2.1 of this Non-Financial Statement) will be gradually extended to all of the areas covered by the duty of care law.

The opening of the whistleblowing line to suppliers and to subcontractors is in progress.

2.8 Information compilation methodology

Labor-related information

Bureau Veritas SA's social audit is available at the registered office upon request.

The information published in this document is mainly taken from the Group's HR reporting system. It is published and submitted on a monthly basis to Executive Committee members and to the HR departments of the various operating groups. Within the Group HR department, a reporting team is in charge of verifying and publishing these data in conjunction with the local managers.

An annual survey is also conducted among the HR Directors of the operating groups to compile the relevant qualitative information presented in section 2.3 of this chapter.

Scope of consolidation

The HR data are continuously updated in the Group HR information system (HRIS), except for the training indicators, which are updated by the local teams and are reported on a quarterly basis.

Workforce data are provided on a Group-scope basis.

Training data and data on absenteeism cover 100% of the Group's workforce.

For data on training hours and hours worked/absenteeism, the Group respectively uses a rolling three-month and rolling one-month period for the reporting. Training data for 2018 therefore relates to the period between October 1, 2017 and September 30, 2018, while data on hours worked and absenteeism for 2018 covers the period between December 1, 2017 and November 30, 2018.

Other data are not reported on a rolling basis and cover the full 2018 calendar year.

The data on the profit-sharing agreements extend beyond Bureau Veritas SA and cover the Company's six French subsidiaries: Bureau Veritas Services, Bureau Veritas Services France, Bureau Veritas Exploitation, Bureau Veritas Construction, Bureau Veritas GSIT and Bureau Veritas Marine & Offshore.

Documentation and training for users

Detailed, regularly updated documentation is available in the Group's IT systems. Each new user and/or contributor to HR reporting must complete training on how to collect and enter data, as well as on the online consultation of indicators. This training is provided by the Group HR department.

Health, Safety and Environment (HSE)

In the absence of recognized public standards for inspection operations, Bureau Veritas has defined its own set of HSE indicators including specific definitions, scopes and methods of consolidation, responsibilities, and information verification.

These indicators are described in the manuals for the areas in question (HSE). They are regularly updated in order to take into account the introduction of additional programs and any changes in the scope (program extended to existing entities, integration of new acquisitions).

Information gathering

HSE indicators fall under the responsibility of the HSE department, which relies on the data provided by the network and the IT systems.

HSE indicators are input by Group entities using an online tool.

Data on accidents are registered in real time. Details about the registration methodology can be found in section 2.4.6 of this chapter.

Environmental indicators are input through a single reporting process known as "Environmental and Carbon Reporting" (see below for more details).

Scope and methods of consolidation

HSE indicators are consolidated at Group level or within specific programs. The indicated exclusions concern entities for which data for the previous year are not available or are not reliable, as well as entities acquired in the previous year. Moreover, to ensure that the data collected are consistent, the indicators are only consolidated from the second year of data reporting.

Energy consumption includes the consumption of electricity used in buildings and processes.

The number of employees used in the calculation of health, safety and environment indicators is based on the quarterly average number of employees.

By default, the number of hours used to calculate the frequency and severity rates is set at 160 per month and per employee.

Since 2014, in order to facilitate and improve reporting on the main environmental impacts and CO₂ emissions, Bureau Veritas has used a single tool called "Environmental and Carbon Reporting". A note on methodology has also been prepared to serve as guidance for those reporting information.

Each entity must report annually on energy, paper and water consumption, waste generation and work-related travel and every other year on ozone-depleting substances. Exceptions are provided for in the reporting procedure in the following cases:

- data cannot be obtained because they are included in the overall rental charge, there is no meter installed, and it would be too costly to put one in place;
- newly acquired entities have two years to improve their data reporting, so that they can begin with pilot sites and then roll out the reporting process to the entire entity.

In order to ensure that the data reported by newly acquired entities are consistent with the Group's processes, the first reporting year is documented but the data are not included in the Group's consolidated results.

In this report:

- the health and safety data cover 2018 in its entirety (from January 1 to December 31, 2018). The number of employees used in the calculation of health and safety indicators is based on employees in November 2018;
- the environmental data are those for the year 2018 (from October 1, 2017 to September 30, 2018).

Any entity whose annual data cannot be reliably verified is excluded from the Group's consolidated results in accordance with the internal control process.

Indicators that are not relevant to Bureau Veritas' businesses

Bureau Veritas' operations are not affected by the adaptation to the consequences of climate change and measures for protecting or increasing biodiversity, and are carried out in compliance with the relevant local regulations. With respect to the Group's portfolio of services, these areas have business potential. For example, the Group has carried out a project to define a framework for preparing business continuity plans in accordance with ISO 22301, as required by regulations in certain countries.

The business activities of Bureau Veritas do not involve the use of soil or land, apart from the use of the buildings which the Group usually leases as a tenant. They do not involve the consumption of raw materials except fuel, more details of which are provided in section 2.5.2 along with the measures taken to improve fuel efficiency.

The Group's business activities do not involve the use of water, except water consumed by employees and during certain testing processes in laboratories. Its business activities are carried out in compliance with the relevant local standards and regulations on water consumption and discharge. As part of ISO 14001 certification, water consumption is monitored in those businesses in which it is considered significant, and measures are adopted to reduce and optimize consumption.

Lastly, the Group's business activities did not generate any significant food waste.

2.9 Cross-reference index

With articles L. 225-102-1, R. 225-104 et seq. of the French Commercial Code

The following table indicates the chapters of this Non-Financial Statement that correspond to the information required in the Non-Financial Statement as specified in article R225-105 of the French Commercial Code.

	Section(s)	Page(s)
1. Labor-related information		
a) Employees		
● Total headcount and breakdown of employees by gender, age and geographic area	2.3.1, 2.3.2	80-83, 84-85
● Hirings and layoffs	2.3.1	80
● Remuneration and changes in remuneration	2.3.1, 2.3.3	82, 87-88
b) Work organization		
● Organization of working time	2.3.3	86
● Absenteeism	2.3.3	86
c) Health and safety		
● Health and safety conditions in the workplace	2.4	89-96
● Accidents at work, in particular, their frequency and severity, and work-related illnesses	2.4	89-96
d) Labor relations		
● The organization of labor relations, notably procedures for informing, consulting and negotiating with employees	2.3.3	86-87
● The status of collective agreements, particularly as regards health and safety in the workplace	2.3.3	86-87
e) Training		
● Training policies put in place, particularly in terms of environmental protection	2.3.1, 2.4.3, 2.5	80-83, 93, 97-103
● Total number of training hours	2.3.1	82
f) Equal treatment		
● Measures to promote gender equality	2.3.2	84-85
● Measures to promote the employment and inclusion of people with disabilities	2.3.2	85
● Anti-discrimination policy	2.3.2	84
2. Environmental information		
a) General environment policy		
● Organization of the Company to take into account environmental issues, and if applicable, environmental assessment or certification approaches	2.5	97-103
● Resources allocated to the prevention of environmental risks and pollution	2.4.3, 2.5	93, 97-103
● Provisions and guarantees for environmental risks, provided that this information does not cause serious harm to the Company in an ongoing dispute	2.5	98
b) Pollution		
● Measures to prevent, reduce or address air, water or soil pollution having a serious impact on the environment	2.5.3	101
● Consideration of all forms of pollution specific to an activity, particularly noise and light pollution	2.5	98
c) Circular economy		
i) Waste management and prevention		
● Measures to prevent, recycle, reuse, recover and remove waste	2.5.3	101
● Measures to fight against food waste	N/A	

2. Environmental information	Section(s)	Page(s)
<i>ii) Sustainable use of resources:</i>		
● Water consumption and water supply in accordance with local restrictions	N/A	
● Consumption of commodities and measures taken to use them more efficiently	N/A	
● Consumption of energy and measures taken to improve energy efficiency and increase the use of renewable energies	2.5.1	98-99
● Use of soil	N/A	
d) Climate change		
● Material sources of greenhouse gas emissions generated by the Company's operations and notably by the use of goods and services produced by the Company	2.5.1, 2.5.2	98-99, 100
● Measures taken to adapt to the consequences of climate change	2.5	97-103
● Voluntary mid- and long-term reduction targets set to cut greenhouse gas emissions and the resources put in place to achieve this	2.5.1, 2.5.2	98-99, 100
e) Protection of biodiversity		
● Measures taken to preserve or develop biodiversity	2.5.5	102

3. Societal information	Section(s)	Page(s)
a) Corporate social commitments for sustainable development		
● Impact of the Company's business in terms of employment and regional development	2.1	63-70
● Impact of the Company's business in terms of local or neighboring communities	2.3.2, 2.6	84-85, 104-107
● Relations with Company stakeholders and conditions for dialogue with these persons/organizations	2.1.6, 2.6.2	69-70, 107
● Partnership or sponsorship initiatives	2.6.2	107
b) Subcontractors and suppliers		
● The inclusion of social and environmental issues in purchasing policies	2.2.3, 2.7	74-76, 108-111
● The inclusion of corporate social and environmental responsibility in dealings with suppliers and subcontractors	2.2.3, 2.7	74-76, 108-111
c) Fair practices: measures to protect the health and safety of consumers		
1. Information on the fight against corruption. Measures taken to prevent corruption	2.2.1	71-72
2. Information on human rights initiatives		
a) Promotion and compliance with the fundamental conventions of the International Labor Organization in relation to:		
● Respect for freedom of association and the right to collective bargaining	2.2.4, 2.3.3	76, 88
● Elimination of discrimination in respect of employment and occupation	2.2.4, 2.3.3	76, 88
● Elimination of forced labor	2.2.4, 2.3.3	76, 88
● Abolition of child labor	2.2.4, 2.3.3	76, 88
b) Other measures implemented in respect of human rights	2.2.4, 2.3.2	76, 84-85

2.10 Opinion of the independent third party

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Independent third party's report on the Non-Financial Statement provided in the management report

For the year ended December 31, 2018

To the Shareholders,

In our capacity as independent third party accredited by COFRAC under number 3-1050 (whose scope is available at www.cofrac.fr) and as a member of the network of one of the Statutory Auditors of Bureau Veritas (hereinafter the "entity"), we hereby report to you on the consolidated Non-Financial Statement for the year ended December 31, 2018 (hereinafter the "Statement"), included in the management report pursuant to the legal and regulatory provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

The entity's responsibility

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented in light of those risks and the outcome of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available on request from the entity's registered office.

Independence and quality control

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with ethical requirements, French professional standards and applicable legal and regulatory requirements.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a limited assurance conclusion on:

- the consistency of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105, I, 3 and II of the French Commercial Code, i.e., the outcome of the policies, including key performance indicators, and the measures implemented in light of the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation;

- the consistency of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional standards applicable in France to such engagements, as well as with ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

Our procedures allowed us to assess the consistency of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the main labor and environmental risks associated with their activities and, where applicable, the impact of these risks on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of labor and environmental information set out in article L. 225-102-1 III, as well as information regarding compliance with human rights and the anti-corruption and tax evasion legislation;
- we verified that the Statement includes an explanation for the absence of the information required under article L. 225-102-1 III, 2;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant in light of the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;

- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
 - we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with article L. 233-16, within the limitations set out in the Statement;
 - we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
 - for the key performance indicators and other quantitative results that we considered to be the most important and are presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities, comprising Maxxam, BVQI Morocco, CYBRA Brazil (BV DO Brazil and Inspectorate do Brasil Inspecoes Ltda), CIF China (Bureau Veritas Investment Shanghai Co Ltd, Shandong Chengxin Engineering Consulting, Chongqing Liansheng Construction Project and Shanghai Construction Project Management).
- These entities cover between 12% and 15% of the consolidated data selected for these tests (12% of total CO₂ emissions resulting from energy consumption and business travel; 15% of employees);
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important and that are presented in Appendix 1;
 - we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities;

- We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of five people between September 2018 and February 2019 and took a total of around 12 weeks.

We conducted seven interviews with the people responsible for preparing the Statement, representing the HR, Quality, Health and Safety, Security and Environment, Purchasing, Data Protection and Legal Affairs departments.

Conclusion

Based on our work, we did not identify any material misstatements causing us to believe that the Statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly and in accordance with the Guidelines.

Comments

Without qualifying the opinion expressed above, and pursuant to article A. 225-3 of the French Commercial Code, we have the following comments to make:

We noted that the new Human Rights and Environment policies and the Partner Code of Conduct have been recently drawn up and had not yet been fully rolled out at the date of our work.

Furthermore, the data published on changes in headcount are not expressed in the form of key performance indicators at Group level (aggregate/voluntary attrition rates).

Paris-La Défense, March 11, 2019

The independent third party
ERNST & YOUNG et Associés

Éric Duvaud
Partner, Sustainable Development

Jean-François Bélorgey
Partner

APPENDIX 1: INFORMATION CONSIDERED TO BE THE MOST IMPORTANT

Labor-related information

<i>Quantitative information (including key performance indicators)</i>	<i>Qualitative information (measures and outcomes)</i>
Total headcount	Leadership review process
Hirings and layoffs	Inclusiveness program
% female representation on the Group's Senior Management team	Recruitment policy

Health and safety and environmental information

<i>Quantitative information (including key performance indicators)</i>	<i>Qualitative information (measures and outcomes)</i>
LTR: Lost Time Rate (frequency of lost time accidents)	QESIS software roll-out
ASR: Accident Severity Rate	Environmental management system
TAR: Total Accident Rate	
Tons of CO ₂ emissions per capita (resulting from energy consumed by laboratories and from work-related travel for offices)	
% businesses certified to ISO 14001	

Societal information

<i>Quantitative information (including key performance indicators)</i>	<i>Qualitative information (measures and outcomes)</i>
	Local measures of client satisfaction
	Organization of information systems security
	Compliance Program
	Human rights initiatives (particularly with subcontractors)

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