



Shaping a World of Trust

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FOCUSED ON OUR CLIENTS, DRIVEN BY SOCIETY

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.

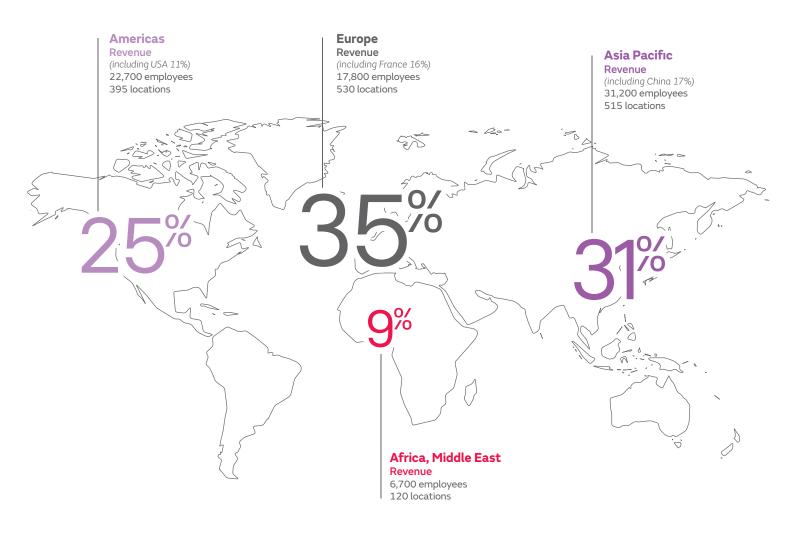
Today, we are capitalizing on our extensive expertise in quality, health and safety, environmental protection and social responsibility to better serve society's aspirations. Driven by society, we acknowledge the challenges of growing urbanization, anticipating the need for safer, smarter cities. We 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 VALUES, OUR ABSOLUTES



A GLOBAL PRESENCE







€5.1 bn



400,000 clients



78,000+



1,500+

in 140 countries



3,500 greements & accreditations

OUR 6 BUSINESSES



MARINE & OFFSHORE



AGRI-FOOD & COMMODITIES

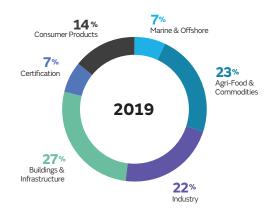


INDUSTRY

- 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. 1 in terms of the number of ships.
- 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.

- 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 responsability.

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



CERTIFICATION



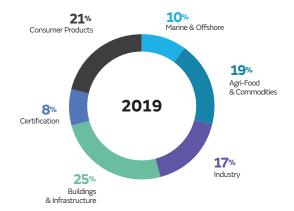
CONSUMER PRODUCTS

- 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.

- 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⁾: No. 2.

- 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⁽²⁾



⁽¹⁾ Global market position.

 $^{(2) \} Alternative \ performance \ indicator \ defined \ and \ reconciled \ with \ IFRS \ in section \ 5.6 \ of \ this \ Universal \ Registration \ Document.$



SHAPING A WORLD OF TRUST

- 1. Metals and minerals tested
- 2. Transport safety certified
- 3. Industrial processes verified
- 4. Water and air emissions measured
- **5.** Industrial and environmental risk monitored
- **6.** Timber legality and forest management certified
- 7. Imports and exports inspected
- 8. Ships classed and certified

- 9. Solidity verified
- **10.** Building code compliance verified under BIM
- 11. Fire safety inspected
- **12.** Quality, safety and environmental management systems verified
- 13. Energy performance certified
- 14. Food safety tested
- 15. Elevator and escalator safety inspected
- **16.** Fuel quality tested



- 17. Toy reliability tested
- **18.** Textiles and garments tested
- 19. Disabled access verified
- 20. Connected car safety certified
- **21.** Electronics supply chain and components verified
- **22.** Smartphone conformity and interoperability tested
- **23.** Automotive supply chain and components verified

- 24. Smartship cybersecurity verified
- **25.** Oil tested
- **26.** Risk and conformity assessed
- **27.** Safety and performance verified
- **28.** Railway maintenance and safety of equipment certified
- 29. Infrastructure monitored
- **30.** Agricultural products tested
- **31.** Animal welfare certified
- **32.** Food traceability monitored

OUR STRATEGY

OUR 5 STRATEGIC

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 THROUGH 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.



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

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, offering the Group an additional source of growth and helping 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⁾

Opex services (Oil & Gas, Power & Utilities, Chemicals) Build recurring

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⁾

2016-2020 AMBITION

Achieving the final year of the 2016-2020 ambition⁽²⁾ is no longer relevant in the context of the Covid-19 crisis.

The Group's strong fundamentals remain unchanged and clearly demonstrate the soundness of the ongoing strategy. Bureau Veritas will announce its next strategic plan in September 2020, anchored in the current trajectory which is proving to be very successful.

⁽¹⁾ Incremental revenue in 2020 versus 2015.

⁽²⁾ As a reminder, 2016-2020 financial ambition was as follows: Add €1.5 billion of incremental revenue by 2020 compared to 2015, based on the 2015 plan's initial exchange rates as presented at the October 2015 Investor Days, half organic and half through external growth; Reach 5% to 7% of organic growth by 2020; Achieve above 17% adjusted operating margin in 2020 at the 2015 plan's initial exchange rates as presented at the October 2015 Investor Days; Generate continuous high free cash flow.

OUR VALUE

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
- €1,322 million in equity



HUMAN CAPITAL

- Over 78,000 employees
- Qualified, highly-trained personnel in a supportive environment
- An inclusive culture: 20% of executive-level managers are women; more than 66% of employees are Generation Y
- 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

 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 VISION

 A "Business to Business to Society" service company which aims to build a relationship of trust between businesses, public authorities and clients.

OUR SERVICES

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



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

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

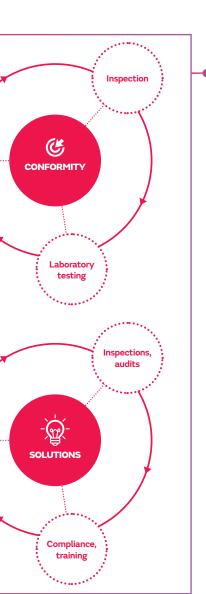
SPECIALIST PLAYERS MANDATED BY PUBLIC AUTHORITIES TO CONDUCT INSPECTIONS:

- Greater responsiveness to adapt to market imperatives
- Significant reduction in public spending
- (1) Cumulative annualized revenue.
- (2) Proposed dividend, subject to Shareholders' Meeting approval.

CREATION MODEL

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 ACHIEVEMENTS AND RESULTS



ECONOMIC CAPITAL

- 4.3% organic growth
- €46 million in acquisitions⁽¹⁾
- €0.56 dividend per share⁽²⁾



HUMAN CAPITAL

- Bureau Veritas ranked as a diversity leader by the Financial Times
- 19 training hours given per employee
- **14,954** hires under permanent (or similar) contracts
- Total accident rate down 51% 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 biodoversity
- Ecovadis "Gold" rating for environmental practices
- DJSI score of 75/100, compared with the industry average of 38/100
- "B" rating from the CDP, above the industry average (B-)
- €434 million in payroll charges
- Consolidated adjusted effective tax rate of 33.1%

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



OUR FINANCIAL AND NON-FI

OUR FINANCIAL KEY FIGURES

(as of December 31)

CHANGE IN CONSOLIDATED REVENUE,
TOTAL GROWTH AND ORGANIC GROWTH

In millions of euros and as a percentage

CHANGE IN OPERATING PROFIT, ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING MARGIN

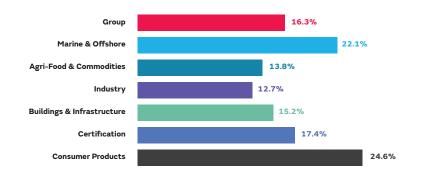
In millions of euros and as a percentage





ADJUSTED OPERATING MARGIN BY BUSINESS IN 2019

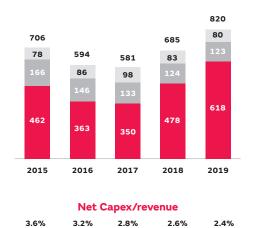
As a percentage



NANCIAL PERFORMANCE

CHANGE IN NET CASH GENERATED FROM OPERATING ACTIVITIES

In millions of euros



Free cash flow

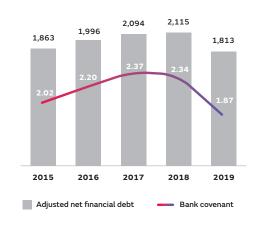
Net Capex⁽¹⁾

Interest paid

(1) Purchases of property, plant and equipment and intangible assets, net of disposals.

CHANGE IN ADJUSTED NET FINANCIAL DEBT⁽¹⁾ AND BANK COVENANTS⁽²⁾

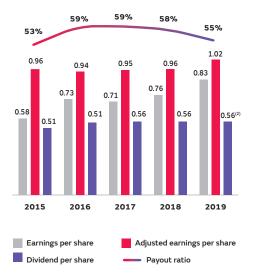
In millions of euros and multiples



- (1) Net financial debt after currency hedging instruments as defined in the bank ratio calculation.
- (2) Ratio of adjusted net financial debt divided by consolidated EBITDA (earnings before interest, tax, depreciation, amortization and provisions), adjusted for any entities acquired over the last 12 months. It should be less than 3.25.

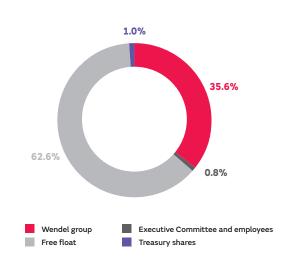
CHANGE IN EARNINGS PER SHARE⁽¹⁾, DIVIDEND PER SHARE AND PAYOUT RATIO

In euros and as a percentage



- (1) Calculated based on the weighted average number of shares over the year.
- (2) To be proposed to the Shareholders' Meeting called to approve the 2019 financial statements.

SIMPLIFIED OWNERSHIP STRUCTURE



Alternative performance indicators are defined and reconciled with IFRS in section 5.6 of this Universal Registration Document.

OUR NON-FINANCIAL KEY FIGURES

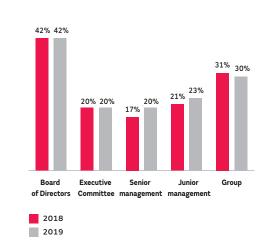
(as of December 31)

CHANGE IN HEADCOUNT

78,395 75.428 73,417 69,042 65 995 14,954 13,101 13.330 11,021 12,362 2015 2016 2017 2018 2019 Total headcount New hires (permanent contracts or similar)

CHANGE IN THE PROPORTION OF WOMEN WITHIN THE GROUP

As a percentage









Bureau Veritas' ranking in the Dow Jones Sustainability Indices (DJSI) for the Professional Services industry

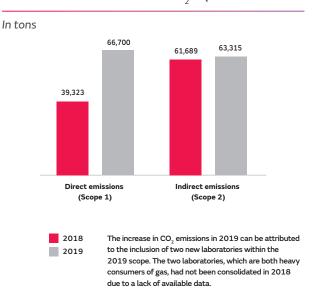


rating from the Carbon Disclosure Project (CDP), above the industry average (B-)

CHANGE IN SAFETY INDICATORS



CHANGE IN EMISSIONS OF CO, EQUIVALENT



 $For more information, see \ Chapter\ 2-Corporate\ social\ responsibility\ of\ this\ Universal\ Registration\ Document.$

OUR GOVERNANCE

OUR BOARD OF DIRECTORS(1)

12

95 % X average attendance rate

















1. Aldo CARDOSO INDEPENDENT

Chairman of the Board of Directors Aged 63⁽⁴⁾ – French national Director of companies

- André FRANÇOIS-PONCET
 Vice-Chairman of the Board
 of Directors
 Aged 60⁽⁴⁾ French national
 Chairman of the Executive Board
 of Wendel
- Jérôme MICHIELS⁽²⁾
 Aged 45⁽⁴⁾ French national
 Chief Financial Officer of Wendel
- **4. Stéphanie BESNIER**Aged 42⁽⁴⁾ French national
 Managing Director of Wendel
- Claude EHLINGER
 Aged 57⁽⁴⁾ Luxembourg national
 Senior Advisor of Wendel
- 6. Ana GIROS CALPE INDEPENDENT

Aged 45⁽⁴⁾ – Spanish national Chief Executive Officer for Latin America and Executive Committee member at Suez

- 7. Ieda Gomes YELL
 INDEPENDENT
 Aged 63⁽⁴⁾ British and Brazilian
 national
 Consultant. Researcher
- 8. Siân HERBERT-JONES
 INDEPENDENT
 Aged 59⁽⁴⁾ British national
 Director of companies

9. Frédéric SANCHEZ(3)

- INDEPENDENT
 Aged 59⁽⁴⁾ French national
 Chairman of Fives SAS
- 10. Pascal LEBARD INDEPENDENT

Aged 57⁽⁴⁾ – French national Chairman and Chief Executive Officer of Sequana

11. Philippe LAZARE
INDEPENDENT

Aged 63⁽⁴⁾ – French national Director of companies

12. Lucia SINAPI-THOMASINDEPENDENT
Aged 55⁽⁴⁾ – French national

Aged 55⁽⁴⁾ – French national Executive Director, Business Platforms of Capgemini

BOARD COMMITTEES(1)

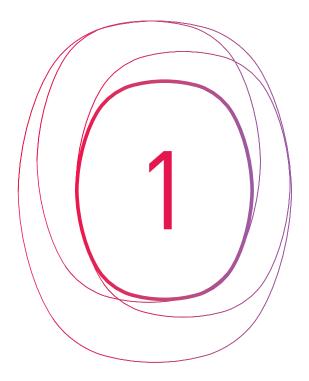
	@		İ
	Audit & Risk Committee	Nomination & Compensation Committee	Strategy Committee
Average attendance rate	100%	97%	97%
Members			
Aldo CARDOSO	•	•	•
André FRANÇOIS-PONCET			•
Jérôme MICHIELS ⁽²⁾	•		
Stéphanie BESNIER			•
Claude EHLINGER		•	
Ana GIROS CALPE		•	
leda GOMES YELL	•		
Siân HERBERT-JONES	•		
Frédéric SANCHEZ(3)			
Pascal LEBARD		•	•
Philippe LAZARE	•		
Lucia SINAPI-THOMAS		•	
Number of members	5	5	4
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) At the filing date of the 2019 Universal Registration Document.
- (2) Director co-opted by the Board of Directors on December 19, 2019 and whose appointment the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2019 will be asked to ratify.
- (3) Director appointed at the Shareholders' Meeting of May 14, 2019.
- (4) As of December 31, 2019.



PRESENTATION OF THE GROUP

1.1	General overview of the Group	18	1.5	Presentation of business activities
4.0		22	1.5.1	Marine & Offshore
1.2	History	23	1.5.2	Agri-Food & Commodities
			1.5.3	Industry
1.3	The TIC industry	25	1.5.4	Buildings & Infrastructure
1.3.1	A market worth an estimated €200 billion plus	25	1.5.5	Certification
1 2 2	•	27	1.5.6	Consumer Products
1.3.2	Evolving growth drivers			
1.3.3	High barriers to entry	27	1.6	Accreditations, approvals
1.3.4	Regional, national or global markets	28		and authorizations
				Marine & Offshore (M&O) division
1.4	Strategy and objectives	29		Commodities, Industry & Facilities (CIF)
1.4.1	Key competitive advantages	29		division
1.4.2	Five-pillar strategy	31		Consumer Products (CPS) division
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1.4.4	Two key markets: the United States	AFF	1.7	Research and development, innovation,
	and China	33		patents and licenses
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1.4.6	Acquisitions: an active and selective		1.0	illornation and management systems
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1.1 General overview of the Group

Mission

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

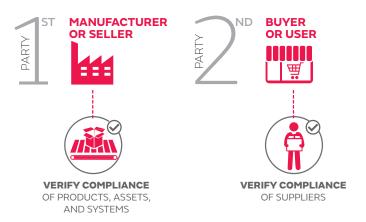
The Group's mission is to reduce its clients' risks, improve their performance and help them innovate to meet the challenges of quality, health, safety, environmental protection and social responsibility. Leveraging its renowned expertise, as well as its impartiality, integrity and independence, Bureau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

BUREAU VERITAS







According to...



Client specifications or protocols

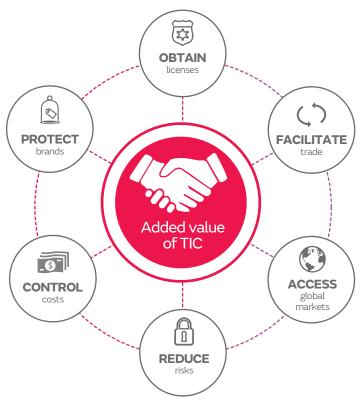


Private schemes or labels





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, ISO 45001, 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, automotive and chemicals.

At December 31, 2019, the ten biggest clients in terms of revenue generated during the year represented around 7% of the Group's consolidated revenue, while the biggest 25 clients accounted for around 12%. 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 to form the new Buildings & 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 1.5 – Presentation of business activities of this Universal Registration Document.

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. 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. In addition, he serves 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, is in charge of finance, tax and investor relations;
- Helen Bradley, Executive Vice-President in charge of Human Resources as well as Quality, Health & Safety and Environment, Corporate Social Responsibility and External Affairs.

Lastly, Pascal Quint, Executive Vice-President, is responsible for Risk & Compliance and is the Group General Counsel. He is head of the Legal Affairs & Audit department and reports directly to the Chief Executive Officer.

1.2 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 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 $\pounds1,240$ 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, 2019, the Wendel group held 35.57% of the capital and 51.67% of the exercisable voting rights of Bureau Veritas

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

1.3 The TIC industry

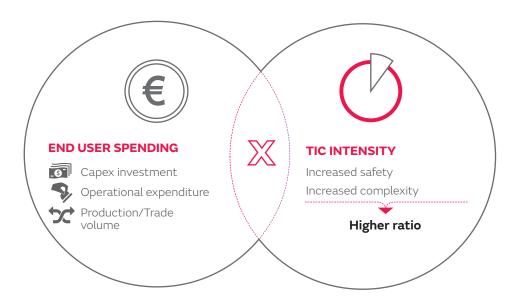
To the Group's knowledge, there is no comprehensive report covering or dealing with the markets in which it operates. As a result, and unless otherwise stated, the information presented in this section reflects the Group's estimates, which are provided for information purposes only and do not represent 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.

1.3.1 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.

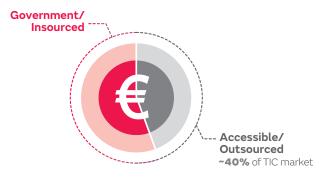
The overall TIC market depends on product and asset values and the associated risk. The TIC "intensity" corresponds to the proportion of the value of the product or asset allocated by the manufacturer of the product or the operator of the asset to control activities. In general, the TIC intensity falls 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.



1.3 The TIC industry

The TIC market > €200BN



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

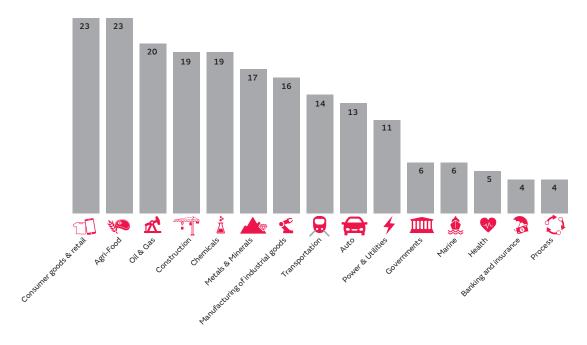
- the accessible (outsourced) market, where services are provided by specialized private organizations or firms, such as Bureau Veritas;
- the internal (insourced) market, where the companies themselves perform these services as part of quality control and assurance; along with the market served by public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



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.

1.3.2 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.

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.

1.3.3 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
- 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.

1.3 The TIC industry

1.3.4 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 1.4.6 – Acquisitions: an active and selective external growth strategy of this Universal Registration Document.

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	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.			

1.4 Strategy and objectives

1.4.1 Key competitive advantages

An efficient international network

Bureau Veritas has an extensive global network of more than 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.

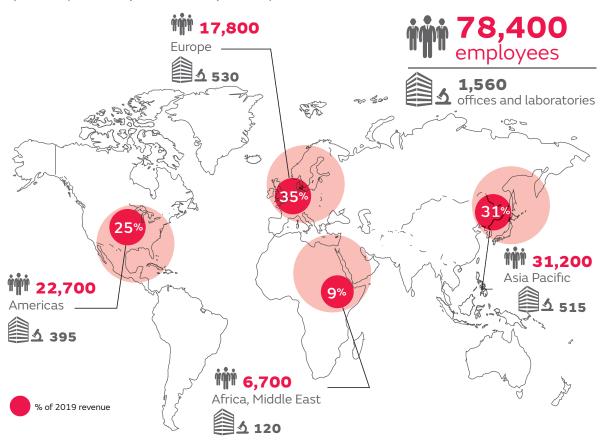
From a sales standpoint, its global network enables the Group to service key accounts (around one-quarter of the Group's revenue)

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 TIC Council (the international association representing independent testing, inspection and certification companies), 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 2019, 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 2019, the adjusted operating margin remained above 16% on average;
- it generates significant, regular cash flow: between 2007 and 2019, the Group generated close to €350 million in free cash flow per year on average, including more than €450 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

1.4.2 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.

1.4.3 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. In 2019, the Group stopped reporting on the performance of these initiatives separately. They are now fully integrated into Bureau Veritas' various business activities. However, they continue to 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.

1.4.4 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 12% of total Group revenue in 2019.

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 2019, China (including Hong Kong – Special Administrative Region) represented almost 17% of Group revenue.

1.4.5 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 78,000 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 one-quarter 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 2019, the key account management program continued to be stepped up at local, regional and global levels. The initiative aimed at replicating best practices in different regions paid off, driving growth in local accounts in particular. Global knowledge-sharing has helped to create new value propositions for the Group's key accounts and has unlocked new growth potential for Bureau Veritas.

Initiatives were rolled out for global key accounts to further develop Bureau Veritas' leadership in delivering global contracts in many different countries and locations, as well as to engage more fully in innovation and development of integrated solutions.

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.

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

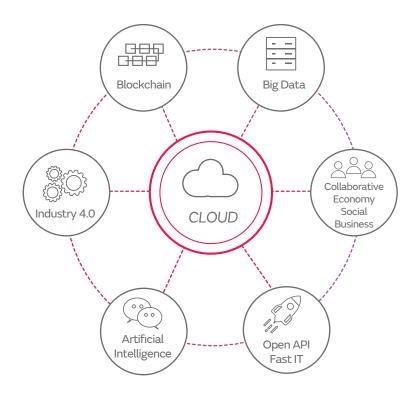
- reducing the cost of the goods or services which Bureau Veritas buys, particularly by leveraging volumes through global contracts;
- (2) creating an actionable supplier database. This means reducing the number of suppliers and purchasing contracts put in place;
- (3) ensuring compliance with clearly 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

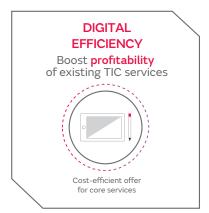
Digitalization to improve efficiency and drive growth across all businesses

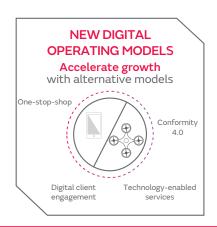
A number of digital technologies are currently disrupting the global economy and companies' operating models. These include cloud computing, artificial intelligence (AI), open application programming interface (API) and blockchain.



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:







Innovation program to incubate all new technologies

1.4 Strategy and objectives

- 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 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 was 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 2019:

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: Bureau
 Veritas continues to roll out VeristarAIM^{3D}, the online solution
 developed jointly with Dassault Systèmes, with both marine
 and offshore assets now covered. This solution enables Bureau
 Veritas to manage all of the elements necessary for managing
 maritime asset integrity using 3D models. The 3D classification
 process for new vessels is now also increasingly used for large
 vessels
- Cybersecurity scorecards: Bureau Veritas has developed a cybersecurity scorecard, which has already been adopted by a number of shipowners. A suite of cyber risk management services has also been developed in this regard.
- "Data" strategy: the Marine & Offshore division has defined a data assessment strategy and launched new projects in this area. These include a number of initiatives using artificial intelligence supported by the Group's DataLab.

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 allowing the division's clients to verify the quality of their supplies through supplier inspections.
- 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.

These digitalization efforts have also benefited the Strategic Growth Initiatives set out in the 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 more than ten countries in 2019. The recent roll-out of these solutions 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

1.4 Strategy and objectives

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.
- 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: 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.

Datal ab

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 different services offered by the Group. The team has already put in place a number of solutions aimed at enhancing service quality and efficiency in laboratories. These solutions also concern visual inspection assistance, predictive risk management for assets, and document assessments.

Development of partnerships with digital players

Partnerships established before 2019 with major digital players (Dassault Systèmes in marine and nuclear power, Autodesk in construction, Worldline in blockchain technology, Microsoft in artificial intelligence) continued to pay dividends, driving the development of digital services for the Group's clients.

New partnerships were also signed during the year with digital platforms specialized in certain markets, enabling the Group's clients to benefit from the swift deployment of new services. These include:

- a partnership with Ergoss for a flight data analysis service aimed at optimizing flight safety management;
- a partnership with Cornis to offer advanced blade inspection services for wind turbines using Cornis' AI technology;
- a partnership with OSMOS (EREN group) to create integrated structural health inspection and monitoring services based on OSMOS' unique optic fiber-based strain sensors.

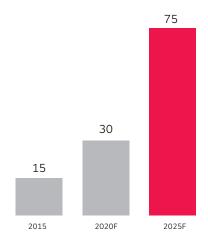
New Digital TIC Services

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 market is resulting in a host of new rules and regulations dealing with digital media and cyber risks.

CHANGE IN THE NUMBER OF IOT OBJECTS

(in billions)

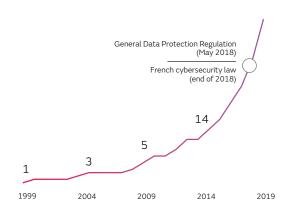


In this context, Bureau Veritas offers the market management systems certification, which include cybersecurity:

- 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 ships 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:

CHANGE IN THE NUMBER OF DIGITAL STANDARDS



 Bureau Veritas has developed a technical reference and certifications system to ensure protection of personal data as defined per the 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 1.4.3 of this Universal Registration Document.

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.

1.4.6 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 $\[mathebox{\in} 1.4\]$ billion. Acquisitions also represent an important part of its strategy and will 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 1.2 – History in this chapter of the Universal Registration Document), 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 2019, Bureau Veritas undertook five transactions, which support its Agri-Food and Buildings & Infrastructure Growth Initiatives and represent cumulative annual revenue of €46 million.

1.4.7 2016-2020 Ambition

Achieving the final year of the 2016-2020 ambition⁽¹⁾ is no longer relevant in the context of the Covid-19 crisis.

The Group's strong fundamentals remain unchanged and clearly demonstrate the soundness of the ongoing strategy. Bureau Veritas will announce its next strategic plan in September 2020, anchored in the current trajectory which is proving to be very successful.

The Group remains committed to its non-financial performance, which is measured using several indicators described in Chapter 2 of this Universal Registration Document. 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)⁽²⁾;
- <u>Inclusion</u>: Achieve 25% of women in 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% and have 75% of the Group's businesses ISO 14001 certified (environmental management).

(1) As a reminder, 2016-2020 financial ambition was as follows:

- Add €1.5 billion of incremental revenue based on the 2015 plan's initial exchange rates as presented at the October 2015 Investor Days, half
 organic and half through external growth;
- Reach 5% to 7% of organic growth by 2020;
- Achieve above 17% adjusted operating margin in 2020 at the 2015 plan's initial exchange rates as presented at the October 2015 Investor Days;
- Generate continuous high free cash flow.
- (2) Compared to 2014 consolidated results.
- (3) Compared to 2015 consolidated results.

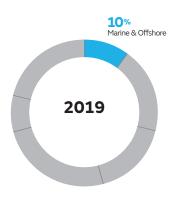
1.5 Presentation of business activities

1.5.1 Marine & Offshore

GROUP REVENUE

7% Marine & Offshore 2019

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 2019, 40% of Marine & Offshore revenue was generated by the classification and certification of ships under construction and 60% 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 1.4% of the business segment's revenue. Key clients are:

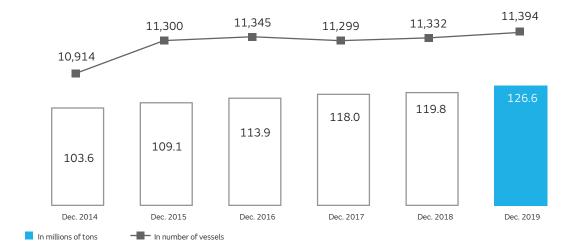
- shipyards and shipbuilders around the world;
- equipment and component manufacturers;
- shipowners;
- oil companies and Engineering, Procurement, Installation and Commissioning (EPIC) contractors involved in the construction and operation of offshore production units;
- insurance companies, P&I⁽¹⁾ clubs 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 came into effect in 2019;
- Annex VI (amended) of the MARPOL convention, which reduced the maximum worldwide sulfur content of fuel oil used by ships to 0.50% (from 3.50% previously) 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 doubling that of the previous year. This positive trend was confirmed in 2018, with an improvement over 2017 levels. However, total order volumes remain sharply down on the average for the past 20 years.

Volatility and uncertainty dominated 2019, with declining worldwide economic demand and geopolitical risks affecting both maritime and offshore markets. In Marine, this took a heavy toll on new orders across the globe. Shipowners faced sharp fluctuations in charter prices for oil tankers and dry bulk carriers, as well as uncertainty as to the best response to the OMI 2020 regulation, which limits sulfur content in fuel oil used on board ships. The resulting "wait-and-see" attitude affected new orders. Bureau Veritas expects that the market will return to growth in the second half of 2020, once visibility over prices for IMO-compliant low-sulfur fuel has increased and shipowners can make informed choices about their response going forward.

However, orders taken by Bureau Veritas in 2019 were above market levels in terms of both volume and market share. New orders increased thanks to the Group's positioning in the fastest-growing market segments such as gas carriers, passenger ships including expedition cruises and eco-friendly ferries, and all types of vessels powered by LNG or other proprietary propulsion solutions. Bureau Veritas thereby confirmed its dominant position in LNG-fueled and LNG bunkering vessels. Regular transfers of class also helped boost demand.

Offshore markets saw volatility in oil prices but stability in investments, confirming the cautious optimism observed by Bureau Veritas at the beginning of the year. The offshore windfarm sector continued to generate attractive opportunities, with Bureau Veritas securing two projects with Jan de Nul, including one for a state-of-the-art offshore jack-up installation vessel.

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 2019, the Marine & Offshore business continued to digitalize, launching new solutions such as Veristar Equipment, a digital platform that simplifies the equipment certification process, and Optimum Survey Planning, which optimizes client survey planning and visits. Bureau Veritas also continued to develop its existing digital solutions, notably helping its clients to comply with new environmental regulations.

The year also saw the roll-out of electronic certificates for all facilities that have opted for the solution. Bureau Veritas issued more than 1,500 electronic certificates in 2019.

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. The pilot design review phase with Naval Group was completed in 2019, and the 3D classification process is now focused on construction. Other pilot projects are in progress in Europe and Asia.

The Group 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 the Group's 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.

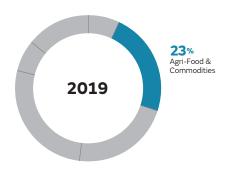
2019 was the first full year of operations for Bureau Veritas Solutions. This company's clear business purpose – to provide technical advice, asset management and insurance – has won over the Group's clients. Bureau Veritas has reported strong, growing demand for services, as shipowners and operators look to experts to improve the performance of their assets.

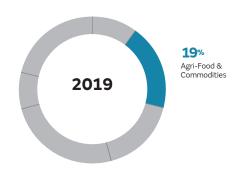
1.5 Presentation of business activities

1.5.2 Agri-Food & Commodities

GROUP REVENUE

GROUP ADJUSTED OPERATING PROFIT



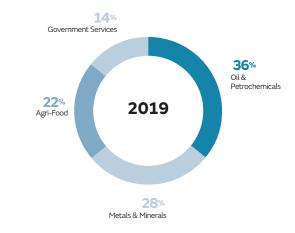


The Commodities business provides a wide range of inspection and laboratory testing services in three main market segments: Oil & Petrochemicals, Metals & Minerals (including coal) and Agri-Food. The Group has a diversified business portfolio covering all commodities at each stage of the production cycle (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, as well as operating global foodservice and retail 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 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 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 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 and quality 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 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 and metals industries, covering raw materials coal, iron ore, base metals, bauxite, gold, uranium and processed products, 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

A comprehensive and diversified portfolio of services

The Government services 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.

1.5 Presentation of business activities

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. However, as mandatory PSI contracts are set to disappear in the short term, the Group offers governments mainly 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. This service (VOC) now

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).

represents the main part of revenue generated from Government

Lastly, the Group is also positioned in public service delegation contracts, such as the theory test for driving license applicants in France (Code'nGO!) or control of gas stations for metering and quality.

The Group is 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
- long-standing relationships and a good reputation with major players in the Commodities and Agri-Food sectors and with governments in the government services 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 organizations from IK4-TEKNIKER.

Presentation of the Group

1.5 Presentation of business activities

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. In 2018 and 2019, Bureau Veritas continued to expand its geographic footprint in Asia by acquiring Shandong Cigna Detection Technologies and Shenzhen Total Test Technologies in China, Permulab in Malaysia as well as Food and Environmental Analysis Center (FEAC) in Japan. Bureau Veritas advanced its leading position in Africa with the acquisition of Labomag in Morocco. In 2019, the creation of the Bureau Veritas Asure Quality joint venture allowed the Group to consolidate its leading position in South East Asia, thanks to a highly integrated network of labs in Singapore, Malaysia, Vietnam and Thailand. The Group also acquired Q Certificazioni (around €2 million in revenue), an independent certification body specializing in organic food certification, based in Italy. Throughout this period, the growth of Bureau Veritas in Agri-Food was also fueled by solid organic growth on a global scale, demonstrating the Group's ability to accelerate the growth of the acquired testing platforms.

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.

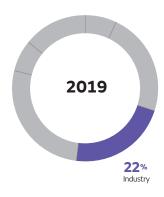
In Agri-Food, the Group's aim is to become a world leading player, rounding out its offering to ensure it is present at every stage in the industry's supply chain. Bureau Veritas will strengthen and carve out positions at the world's biggest agri-commodity import and export locations, and also intends 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, South East Asia, and South America. The Group is actively investing in new laboratory facilities in North America and China 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.

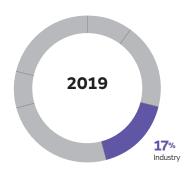
In terms of government services, the Group's strategy is based on supporting the transition to Single Windows as per recommendations by international organizations encourage governments to set up secure web platforms to restructure and simplify government services. It also aims to develop public service delegation contracts in order to optimize State resources (for example: the Code'nGO! theory test website for driving license applicants) and improve the tax collection process (for example, gas station controls).

1.5.3 Industry

GROUP REVENUE

GROUP ADJUSTED OPERATING PROFIT





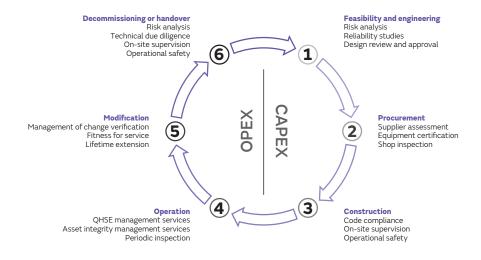
A portfolio of services covering the entire asset lifecycle

Bureau Veritas supports its industrial clients by conducting conformity assessments for equipment, assets and processes throughout the entire life of any types of industrial facilities. This involves assessing the conformity 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:

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

- independent third-party certification of equipment, facilities and projects, in accordance with regional, national or international regulations and standards;
- 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 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 36% of revenue in 2019, 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 operators, engineering firms (EPIC contractors), construction companies 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.

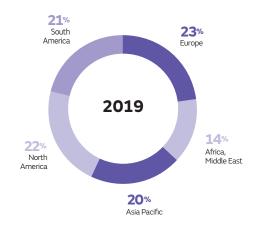
The Group's biggest client in its Industry business operates in the Oil & Gas sector and accounts for around 4% of divisional revenue.

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 2019.

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 including Oil & Gas, which has seen recovery in exploration & production and downstream sector projects. 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.

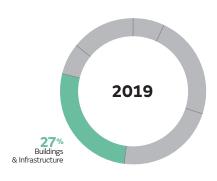
To improve the recurring nature of its businesses, Bureau Veritas has rolled out an initiative to develop Opex services, particularly for the Oil & Gas, Power & Utilities, and Chemicals sectors. To meet this objective, the Group will use and replicate the Capex/Opex model which it has successfully rolled 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.

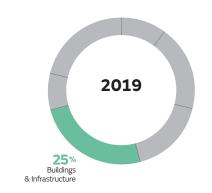
The automotive market is having to contend with several deep-seated trends, including the relocation of production and consumption to emerging countries and the fundamental shift to "smart" cars and electric technologies. These trends will generate additional needs for TIC services. Bureau Veritas has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

1.5.4 Buildings & Infrastructure

GROUP REVENUE

GROUP ADJUSTED OPERATING PROFIT





Bureau Veritas services in Buildings & Infrastructure cover the entire life cycle of the different assets, from planning and design, through procurement of components, equipment and services to construction and operation and Project Management. In other words, the Group is operating from the capital expenditure (Capex) through operational expenditure (Opex) phases.

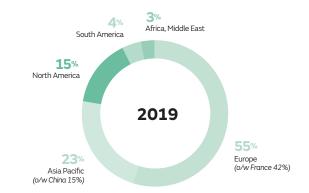
In particular the Group's services comprise two main areas of specialization:

- "In-Service Inspection & Verification" (around 55% of divisional revenue) focusing on the periodic inspections required by regulations of the different equipment or assets, on tests/diagnoses/monitoring services related to the Health & Safety of building occupants, and on asset management solutions to optimize properties management;
- "Construction services" (around 45% of divisional revenue) providing independent technical assistance, control and supervision at the planning, design construction and operation stages, as well as project management assistance.

"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 reach 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.

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

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, architects, 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 the 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: $\frac{1}{2} \int_{-\infty}^{\infty} \frac{1}{2} \left(\frac{1}{2} \int_{-\infty}^{\infty} \frac{1}{2} \left($

- 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.

Following the late-2017 acquisition of Mexican company INCA, the Group has created a multidisciplinary B&I platform in northern Latin America, including a highly 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 new expertise with a sizeable platform for technical assessment and project management assistance in the United States and (ii) enhances its growth profile and resiliency by increasing its Opex exposure (90% of EMG's revenue comes from Opex-related services).

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In 2019, the Group remained active in terms of acquisitions with the acquisition of Capital Energy (€23 million in revenue), a company providing consulting and support services for white certificate eligible projects in France. Its customer base comprises energy suppliers and large retailers. Capital Energy also helps housing associations, local authorities, industry, and building contractors to implement energy efficiency programs. The Group also acquired Owen Group (€7 million in revenue), a US regional leader in buildings and infrastructure compliance services including ADA accessibility compliance, deferred maintenance compliance, commissioning, and code compliance.

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 in real time the compliance of their design with various regulations (access for people with disabilities, fire safety, etc.).

Assisted by its main clients, Bureau Veritas developed Building in One^{TM} , 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.

As part of the various assignments that Bureau Veritas is performing within the Grand Paris Express construction project, the Group is carrying out specific services for the vulnerability assessment of the urban area affected by the construction of metro lines.

1.5.5 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.

 QHSE management system certification services: Quality (ISO 9001), Environment (ISO 14001), and Health and Safety (OHSAS 18001 – currently migrating to the new ISO 45001:2018 standard);

- certification in accordance with specific sector schemes, in particular for the automotive industry (IATF 16949 as well as new services for VDA 6.1, 6.2, 6.3 and TISAX for cybersecurity), aeronautics (AS/EN 9100), rail (IRIS ISO/TS 22163), Agri-Food (BRC, IFS, ISO 22000, HACCP management of food health and safety), the forestry 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), Personal Data Protection Certification (for ISO 27701, 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 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 offers training for companies in quality, health and safety, environment, social responsibility, food safety, information security, business continuity and energy management, as well as certification for individuals in technical and regulatory matters.

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.

A return to growth for QHSE Certification services

In September 2018, the transitional period ended for the new quality (ISO 9001:2015) and environmental (ISO 14001:2015) management standards, and for the quality management standards in the automotive (IATF 16949), aeronautics (AS 9100) and rail (ISO/TS 22163) industries. This marked the end of an intensive period of activity in supporting corporate clients with the transition and with the replacement of a large number of certificates.

As a result, there was a sharp decline in business relating to these standards in 2019, with a lower number of audit days and activity restricted to monitoring audits, notably in the automotive segment.

Following this downturn in activity over the first nine months of 2019, the Quality and Environmental Certification business returned to growth in October, confirming forecasts of a pick-up in Certification activity in the last quarter of 2019. The strategy of developing and deploying new services did however help to mitigate the impact of the 2018 transition in 2019, and the Certification business continues to enjoy underlying growth.

In the automotive segment, business remained sluggish since the transition audits related to certification replacements. This means that the high level of business reported in 2018 will be followed by a two-year cycle essentially comprising less profitable surveillance audits. This is expected to affect the QHSE Certification business until September 2020, after which demand is expected to rally.

A diversified client portfolio

The Group manages a large volume of certificates (over 148,000 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 70 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 digital products and services

Other new products round out its existing offering in several critical areas. In risk management, the Group continues to develop 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 and the new ISO 27701:2019 standard on privacy information management.

In the automotive sector, Bureau Veritas now offers TISAX (Trusted Information Security Assessment Exchange) certification, which was created at the initiative of the German Association of the Automotive Industry (VDA). This Information Security Management System (ISMS) enables automotive companies to exchange data securely and is wholly adapted to industry requirements.

Digitalization has also been stepped up in the field of training, with the Group now offering several VCR (virtual classroom), e-learning and hybrid skills-building training programs. To support the new Certification training initiatives, the Group is investing in and deploying an online management, sales and payment platform for its training programs in many different countries. This platform can be used by companies to purchase the online training and certification services best suited to their needs.

Bureau Veritas is also rolling out an e-certificate platform. The validity of these new, secure digital certificates can be verified on the platform in just one click thanks to a QR code.

New Sustainable Development and Corporate Social Responsibility (CSR) services

In Sustainable Development, Bureau Veritas helps companies verify their energy efficiency, carbon and environmental footprint, greenhouse gas emissions, social responsibility commitments and sustainability reports.

In May 2019, Bureau Veritas was one of the first Certification companies accredited by UKAS for the Carbon Offsetting & Reduction Scheme for International Aviation (CORSIA). This program was developed by the UN specialized agency International Civil Aviation Organization (ICAO) to reduce $\rm CO_2$ emissions from air traffic by some 2.5 billion metric tons. Already widely recognized across the aeronautics industry, this accreditation enables Bureau Veritas to support airline companies in verifying their carbon emissions as from 2020, and in reducing their emissions or purchasing carbon offset credits as from 2021.

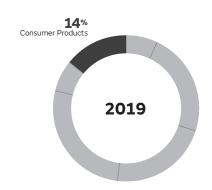
At its Sustainable Development Week in June 2019, Bureau Veritas launched Circular+, a series of audit and certification services focused on resource conservation, materials recycling, environmental management, optimized energy consumption and the reduction in greenhouse gas emissions. Critical to sustainable development, these services support companies in reviewing their business models and moving towards a more virtuous circular economy model.

In CSR, Bureau Veritas continues to invest in social accountability audits such as SA 8000 managed by Social Accountability

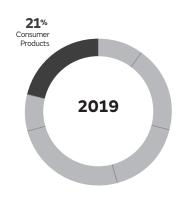
International (SAI) and the four-pillar audits designed by Sedex Members Ethical Trade Audit (SMETA), which focus on social, security, environmental and ethical practices. Bureau Veritas is also developing new services in the field of responsible sourcing, with the Aluminium Stewardship Initiative (ASI) and Responsible Minerals Initiatives (RMI) in metals and minerals, Together for Sustainability in Chemicals, and the Pharmaceutical Supply Chain Initiative (PSCI) and Excipients (EXCIPACT) in Pharmaceuticals.

1.5.6 Consumer Products

GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT



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

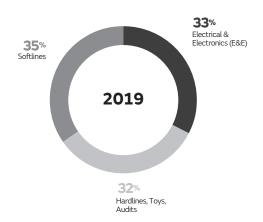
The Group provides quality management solutions and compliance assessment services for the consumer products manufacturing and supply chain. These solutions and services, which include inspection services, laboratory testing and product certification, as well as production site and social responsibility 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:

- softlines (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;

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- 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 2019.

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).

Since 2018, Bureau Veritas has 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 relocation of their production units, as is the case 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 Italy, 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 textiles and hardlines segment.

A growth strategy focused on domestic markets in Asia

To adapt to a market in Asia that 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, as well as through acquisitions, partnerships or joint ventures with local firms. Leveraging its leading position among global luxury brands, BV CPS Italy/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 equipment testing, 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.

In 2019, the Group invested in 5G to support business development in wireless/smart technologies and their emergence in all types of products of the Internet of Things. Test platforms in Asia (China, South Korea) are currently being set up and will be operational during the first half of 2020.

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.

Thanks to its acquisitions of VEO and IPS Tokai Corporation and through internal investments, Bureau Veritas has technology testing laboratories in Asia, Europe and North America. This puts the Group in good stead to help automotive suppliers meet their compliance and performance requirements for on-board electronics (navigation, music, safety and infotainment systems), as well as current and future electric and connected vehicles.

1.6 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, ANSI/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.

Commodities

The Group is a member of several industry organizations including the TIC Council (international association representing independent TIC companies), 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), 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 and inspections. 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), the Grain & Feed Trade Association (GAFTA) and the ICA (International Cotton Association). 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 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, 2019, the Government services business had some 40 government contracts.

Presentation of the Group

1.6 Accreditations, approvals and authorizations

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, the Brazilian National Telecommunications Agency (ANATEL) and the Brazilian National Institute of Metrology, Quality and Technology (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, the existence of trained and qualified technical personnel, technical resources and methodologies, proof of a quality management that complies with applicable standards such as ISO/IEC 17020 for inspection companies, ISO/IEC 17021 for management system certification bodies, ISO/IEC 17065 for products and services certification, or ISO/CEI 17024 for personnel certification, or those relating to testing and calibration laboratories (ISO/IEC 17025).

1.7 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, and additive manufacturing;
- 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 $\ensuremath{\in} 2.7$ million research tax credit was recognized as a subsidy in the 2019 consolidated financial statements.

A total of €9.9 million in research and development costs relating mainly to the Marine & Offshore business was recognized under expenses in 2019.

1.8 Information and management systems

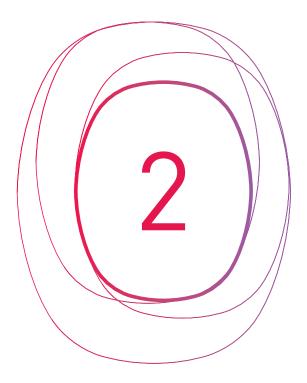
The Group's IT department is responsible for:

- 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.

The department is organized into six Regional Shared Services Centers, covering North America, Latin America, Europe, France/Africa, Asia and the Middle East/Pacific. These shared services centers provide different support services (network, 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 2019, operating expenses and running costs for the Group's information systems represented around 3% of the Group's consolidated revenue.



NES AFR CORPORATE SOCIAL RESPONSIBILITY

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2.1 Sustainability is at the heart of our business

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, social responsibility and compliance.

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.

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 the society.

Complex and interlinked forces are transforming the 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.

2.1.2 Bureau Veritas' sustainability values and commitments

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;
- 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 SOCIAL AND ENVIRONMENTAL ENGAGEMENT

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 2019, five key actions were initiated to accelerate our CSR program. We have:

- Updated our fundamental values, with CSR at the heart of our priorities. It is the DNA which
 groups our employees,
- Accelerated our actions to be an inclusive and gender balanced company and published a new Inclusion policy applicable in all our organization,
- Continued our efforts to improve our employee safety. We have reinforced our manager safety leadership and our employee accountability. Safety remains one of our 3 absolutes.
- Accelerated our efforts for the environment, joining the French pledge for climate with more than 100 large companies,
- Mobilized our suppliers to align them with our values for ethic, safety, environment and human rights,
- Enlarged our service portfolio to better assist our clients in their CSR program.

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, supporting the UN Sustainable Development Goals.

Aldo Cardoso

Président du Conseil d'Administration

Didier Michaud-Daniel Directeur Général

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Further details on the Group's ESG (Environment, Social, Governance) commitments and policies can be found on the CSR pages of the Bureau Veritas website by clicking on the following link: https://group.bureauveritas.com/group/corporate-social-responsibility/policies.

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

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 (safety, ethics and financial control), are decisive in helping to protect the brand's image and the Group's reputation, as well as in driving value creation.

Bureau Veritas' CSR strategy acts for the 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 the planet.







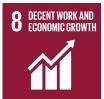
































Thanks to its mission as a "Business to Business to Society" company and the large number of markets and clients it serves, Bureau Veritas makes a positive contribution to all Sustainable Development Goals.

However, the Group's priorities are:



Goal 3: Good health and well-beingEnsure healthy living and promote well-being for all at all ages.
This is the primary aim of the Group's risk prevention actions.

Five other goals also provide a strong focus:



Goal 7: Affordable and clean energy
Ensure access to affordable, reliable, sustainable and modern energy for all. (through the Buildings & Infrastructure and Industry businesses)



Goal 9: Industry, innovation and infrastructure

Build resilient infrastructure, promote sustainable Industrialization and foster innovation. (through the Industry, Buildings & Infrastructure and Marine & Offshore businesses)



Goal 11: Sustainable cities and communities

Make cities and communities inclusive, safe, resilient and sustainable. (through the Buildings & Infrastructure business)



Goal 12: Responsible consumption and production

Ensure sustainable consumption and production. (through the Agri-Food & Commodities and Consumer Products businesses)



Goal 13: Climate action

Take urgent action to combat climate change. (through the Certification business)

The Group has also committed to respecting the ten principles of the UN's Global Compact, which are derived from:



- the Universal Declaration of Human Rights.
- the ILO Declaration on Fundamental Principles and Rights at Work.
 the International Labour Organization.
 the Rio Declaration on Environment and Development.

- the United Nations Convention against Corruption.

The ten Global Compact principles applied by Bureau Veritas are as follows:

Human rights

- Businesses should support and respect the protection of internationally proclaimed human rights; and
- Make sure that they are not complicit in human rights 2. abuses.

Labour

- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4. The elimination of all forms of forced and compulsory labor;
- 5. The effective abolition of child labor; and
- The elimination of discrimination in respect of employment and occupation.

Environment

- Businesses should support a precautionary approach to environmental challenges;
- Undertake initiatives to promote greater environmental 8. responsibility; and
- Encourage the development and diffusion of environmentally friendly technologies.

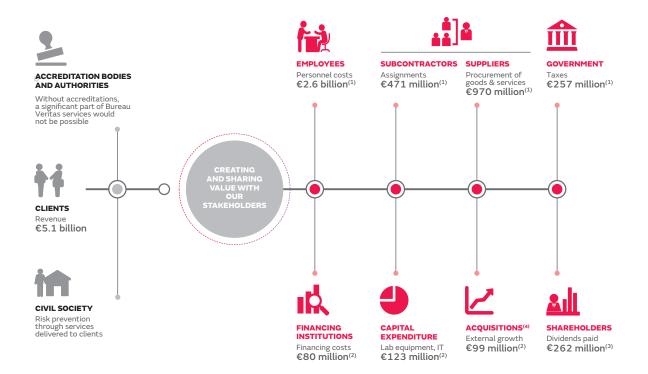
Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Stakeholders 2.1.4

The Group's main stakeholders are its 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:



-) 2019 P&L impact.) 2019 cash impact.) 2019 equity impact. Acquisitions of subsidaries (net of disposals of businesses) and repayment of amounts owed to shareholders.

DIALOGUE WITH STAKEHOLDERS

STAKEHOLDERS	EXPECTATIONS	BASIS FOR DIALOGUE
SOCIETY	 Improve quality Reduce risk Protect the environment Human rights and ethical conduct Consumer protection 	 → CSR Focus Committee → Fairs and exhibitions → Website and publications
CLIENTS	 Ethical conduct Service quality Operational excellence Occupational health and safety Cybersecurity 	 → Satisfaction surveys → Technical/sales meetings → Client seminars → CSR Focus Committee
SHAREHOLDERS AND INVESTORS	→ Reduce CSR risks→ Financial performance→ CSR commitment	 → CSR Focus Committee → Board of Directors → Investor meetings
EMPLOYEES	 Training and development Occupational health and safety Well-being at work Ethical conduct Diversity and inclusiveness 	 → Annual evaluations → Department meetings → Alert hotline → START Young Employees Committee → Code of Ethics and policies
ACCREDITATION BODIES	→ Operational excellence→ Ethical conduct	→ Accreditation audits
PARTNERS (SUBCONTRACTORS, SUPPLIERS, SALES INTERMEDIARIES, JVS)	 → Occupational health and safety → Fair pay → Long-term business relations 	 → General purchasing terms and conditions → Partner Code of Conduct → Evaluations → Alert hotline
GOVERNMENTS AND PUBLIC AUTHORITIES	 → Develop the economy → Create jobs → Respect for the environment and security → Comply with laws and regulations 	→ Relations with governmental authorities → Relations with the European Commission → Group Compliance Program

A Young Employees Committee was set up to take into account the expectations of younger generations in defining the Group's strategy. This Committee, known as "START" and composed of 28 young people from around the globe representing all of the Group's businesses, was asked to compile information on young employees' expectations in terms of Bureau Veritas' CSR commitment. START submitted its findings, emphasizing the importance of CSR in the Group's strategy through actions to be taken to improve its social and environmental impact and new missions designed to support clients with their own CSR challenges.

A CSR Focus Committee with eight independent members was set up in 2019, comprising clients from different industries, CSR experts, representatives from civil society (associations, NGOs, etc.), investors and non-financial analysts.

The Committee's brief is to outline its expectations in terms of Bureau Veritas' CSR policy. This involves assessing the nature and critical importance of non-financial risks and opportunities, especially in terms of impacts on the environment and people connected to its businesses, and of its initiatives designed to help its clients improve their own sustainability footprint. The Committee met for the first time in February 2020.

2.1.5 Bureau Veritas' impact on society

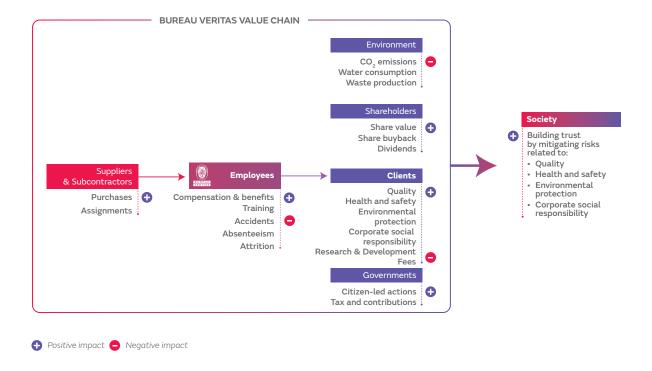
For this first year, Bureau Veritas developed an approach enabling it to assess the quantitative impact of its activities on all of its stakeholders, including civil society.

This approach is based on an assessment of the positive and negative impacts of the Group's activities on each of its

stakeholders, as shown below. Social, environmental and economic impacts are taken into account.

This approach may be modified in 2020 to include any improvements that could make it more accurate.

Value chain and qualitative impacts

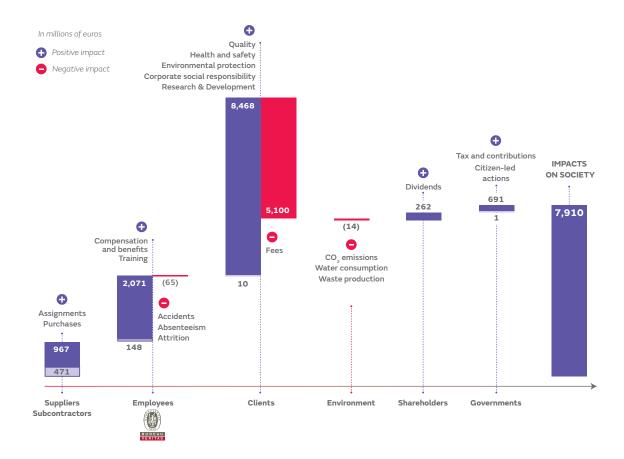


In this approach, the quantitative impact on clients is calculated on the basis of the estimated reduction in clients' poor quality costs (PQC) due to Bureau Veritas' work. This estimate is weighted for each activity, depending on the proportion of tests performed by Bureau Veritas. To calculate the environmental impact, the price of a ton of carbon was estimated at €40. To calculate the safety impact (accidents), only lost-time accidents were considered, taking into account the direct and indirect costs of these accidents.

Quantitative impacts on society

Based on the assessment of each of these qualitative impacts, Bureau Veritas has a positive net impact of \in 7,910 million on civil society, as detailed below. This represents an improvement of 3% on the positive net impact of \in 7,718 million in 2018.

Value created for clients rose 6%, as calculated using a comparable approach, at €8,468 million.



In addition, Bureau Veritas' impact on society also has a significant sustainability component, given the wide range of services designed to support companies with their social and environmental projects (see sub-section 2.3.1.6 – CSR services).

2.1.6 CSR governance and organization

CSR at Bureau Veritas falls under the responsibility of Marc Boissonnet as Executive Vice-President, External & Corporate Affairs. It is organized according to a matrix-based structure and is represented within all of the Group's support functions as well as all operating entities. This structure enables Bureau Veritas to bring the appropriate expertise to bear on each CSR issue, while monitoring the constraints and needs of each operating entity.

BOARD OF DIRECTORS CSR FOCUS COMMITTEE CSR DEPARTMENT The Board of Directors and its The Group Executive Committee, The CSR Focus Committee outlines Committees monitor the Group's under the responsibility of the Group its expectations in terms of Bureau CSR policy. More specifically, they Human Resources Director and Veritas' CSR policy. review major risks and ensure that Director of Corporate & External It assesses the nature and an appropriate policy has been Affairs, defines the Group's CSR materiality of non-financial risks and vision and strategy, and approves and implemented. opportunities related to the Group's publishes the CSR policy, procedures operations, especially in terms of and key indicators. impacts on the environment and on people, and in order to help clients improve their own sustainability footprint. **CSR EXECUTIVE COMMITTEE CSR OPERATIONS COMMITTEE CSR STEERING COMMITTEE** The CSR Executive Committee CSR correspondents have been A dedicated CSR organization has includes the Directors of Human appointed in each operating group, been set up, led by a CSR Steering Resources, Legal Affairs & Audit, forming the CSR Operations Committee. France & Africa, Asia Pacific and the Committee. This Committee comprises Middle East, and Corporate & External This Committee coordinates local representatives from the Legal Affairs & Audit, Human Resources, CSR initiatives and ensures that the Strategy, Purchasing, and Health, It prepares the Group's CSR strategy Group's policies are duly implemented Safety, Security & Environment (HSSE) and policies. within the operating groups. departments. It devises the Group's CSR policies and is responsible for the deployment of those policies within support functions, assisted by the regional correspondent networks. **EMPLOYEES** Employees apply the Group's CSR policies and take part in CSR projects.

2.1.7 Key achievements in 2019

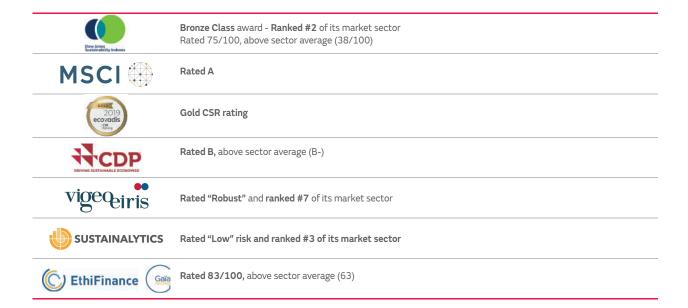
In 2019, seven major initiatives were launched to accelerate the Group's CSR program:

- establishment of a CSR Focus Committee comprising external stakeholders (see section 2.1.4 – Stakeholders);
- revision of the Group's core values, placing CSR at the heart of its concerns. CSR is the DNA around which the Group wishes to unite all of its employees (see sub-section 2.3.2.1 – Talent management);
- acceleration of efforts to create a fairer, more inclusive company. Bureau Veritas has rolled out an inclusiveness policy applicable to the entire organization (see sub-section 2.3.2.2 – An inclusive culture and diverse workplace);
- continuation of efforts to improve employee safety. The Group has strengthened leadership skills among its managers and employee accountability (see sub-section 2.3.2.4 – Health and safety);
- continuation of environmental efforts, adhering to the climate commitment alongside France's 100 largest companies. The Group published a new policy aimed at reducing its environmental footprint in terms of CO₂ emissions, water consumption and waste production (see sub-section 2.3.3.1 – Combating climate change and adapting to its consequences);
- efforts to ensure that suppliers were aligned with its values in terms of ethical conduct, safety and security, environment and human rights, through a new Business Partner Code of Conduct (see section 2.4.1 – Governance and policies of the duty of care plan);
- enhanced range of CSR services drawing on Environmental, Social and Governance (ESG) aspects to better support clients with their CSR strategy. This includes the launch of "Circular+", a new certification service for the circular economy (see sub-section 2.3.1.6 – CSR services).

2.1.8 Assessments, ratings and rewards

List of CSR assessments, ratings and rewards received in 2019

Bureau Veritas' ratings by rating agencies all improved sharply in 2019. Bureau Veritas is ranked second in the Dow Jones Sustainability – RobecoSAM index and is now included in the Europe and Global indices.



Corporate Social Responsibility

2.1 Sustainability is at the heart of our business

It collected various prizes from its clients or local professional organizations for service quality, safety, ethical conduct, working conditions and employment, as illustrated below:



Bureau Veritas was awarded the "Grand Prix de la Transparence 2019" in the 'Registration Document Clarity' category, recognizing the quality and transparency of its Registration Document.



Bureau Veritas was included in the Financial Times list of "Diversity leaders 2020".



Bureau Veritas UK is one of the select organizations to achieve the Top Employers United Kingdom 2019 Certification and be officially recognized as a leading employer for the seventh consecutive year.



Bureau Veritas UK achieved the Gold Medal award for the seventh consecutive year and the Fleet Safety Gold award by the Royal Society for the Prevention of Accidents (RoSPA).



Bureau Veritas France was listed among the "Best employers in France 2019".



Bureau Veritas China won the "Top human resources management" award 2019.



Bureau Veritas Hungary has been awarded the Business Ethics Award in the multinational company category for its commitment to sustainable and ethical principles.

AWARDS FROM CLIENTS

A large number of Bureau Veritas entities have received awards from clients or national associations to recognize their engagement and their performance in Safety, Quality, Environment and Ethics.

2.2 Main non-financial risks and opportunities

2.2.1 Definition and methodology

Bureau Veritas analyzed its non-financial risks and opportunities in order to focus its actions on the areas considered most important. 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 quantified, enabling the Group to identify major risks and opportunities.

This risk map was 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.

These risks and opportunities were reviewed and confirmed by the CSR Steering Committee, which groups the heads of the Group's support functions. The risks and opportunities were also validated by Bureau Veritas Executive Management.

2.2.2 Main risks and opportunities

A total of 13 major risks and one opportunity were identified. These are presented below, together with a reference to the sections in which they are discussed in more detail. Bureau Veritas has defined a policy, action plan, indicators and targets for each of these risks and opportunities. Further details on all policies can be found on the CSR pages of the Bureau Veritas website. They can also be accessed by clicking on the following link: https://group.bureauveritas.com/group/corporate-social-responsibility/policies.

	Risks and opportunities	Section/ Sub-section	Policies	Actions	2020 objectives
Operation	onal excellence				
1	Ethics	2.3.1.1	Code of Ethics.	Take decisions in line with the Group's ethical rules and principles, particularly in terms of preventing corruption.	 100% of employees trained in the Code of Ethics.
2	Client relations	2.3.1.2	Quality policy.	Guarantee the high quality	Net Promoter Score (NPS)
			"Client experience	of services, reports and certificates.	above 45. 85% of sites certified to
			management" policy. Quality procedures.		ISO 9001.
	Committee to the fire	2212	, , , ,	Francisco de la constanción de	DDOO -i
3	Supply chain management		General purchasing terms and conditions.	Ensure partners comply with Bureau Veritas values.	 BPCC signed by all new partners.
			Business Partner Code of Conduct (BPCC).		
			Partner health & safety and environment manual.		
4	Cybersecurity and data	,	IS/IT Charter.	Ensure Group robustness and client data protection.	• 100% of employees trained.
	protection		"Personal data protection" policy.		
5	Innovation	2.3.1.5	Service line action plans.	Adapt offer to emerging market needs.	
6	CSR services	2.3.1.6	New CSR services portfolio.	Support clients with their CSR strategies.	 Increase CSR services as a % of total services to 10%.
Human d	capital				
7	Talent management	ement 2.3.2.1	Employee Value Proposition	Attract, nurture and retain talent.	Improved employee
			"My Performance" –		engagement score each year.
			"My Development".		<15% voluntary attrition.
			Group talent strategy.		

	Risks and opportunities	Section/ Sub-section	Policies	Actions	2020 objectives
8	Inclusive and diverse	2.3.2.2	BV Values.	Develop equal opportunities	• 100% of managers trained.
	workplace		BV Leadership expectations.	and promote inclusiveness and diversity.	
			"Inclusiveness" policy.	and diversity.	
9	Respect for human rights	2.3.2.3	"Human Rights" policy.	Ensure Bureau Veritas' operations across the globe comply with human rights.	 100% of entities comply with the Human Rights policy.
10	Health and safety	2.3.2.4	Safety policy.	Ensure the health and safety	 Reduce TAR (Total Accident
			Cardinal Safety Rules.	of the Group's employees and	Rate) by 50% (vs. 2014).
			Safety procedures.	partners during each assignment.	Reduce LTR (Lost Time Rate) by 50% (vs. 2014).
					• TAR = 0.40.
					 85% of sites certified to ISO 45001.
11	Support for local communities and outreac	2.3.2.5 h	"Philanthropy" policy.	Help nurture local communities.	 80% of donations focused on the Group's priority areas.
Enviro	nmental protection				
12	Fight against climate	2.3.3.1	Environment policy.	Reduce the Group's CO ₂	 Reduce CO₂ emissions
	change		Climate commitment.	emissions and prepare the	by 10% per FTE employee (vs. 2015).
			"Operating eco-efficiency"	business to face major climate changes.	(vs. 2015). Increase the use
			policy.		of renewable energy by 10% (vs. 2015).
13	Protect the environment	2.3.3.2	Environment policy.	Protection of the environment and biodiversity.	 75% of sites certified
	and biodiversity		Action for biodiversity.		to ISO 14001.
					5,000 trees planted.

2.2.3 Risks not deemed significant

Fight against tax evasion

Bureau Veritas seeks to ensure that its businesses comply with laws and regulations governing tax evasion $^{\!(1)}$, and more generally strives to conduct its business activities in strict compliance with applicable tax regulations by putting in place appropriate resources and procedures. Section 4.4 – Legal, administrative and arbitration procedures and investigations of this Universal Registration Document provides details of tax positions that may have given rise to tax inspections and/or proposed tax adjustments.

Fight against food insecurity

Bureau Veritas does not consider the fight against food insecurity, respect for animal welfare, and equitable, sustainable and responsible food as significant risks $^{(2)}$.

⁽¹⁾ Referred to in article 20 of French law no. 2018-898 of October 23, 2018 (anti-fraud law).

⁽²⁾ French law no. 2018-938 of October 30, 2018 on the fight against food insecurity.

2.3 Roadmap for shaping a world of trust

2.3.1 Operational excellence

2.3.1.1 Ethics, an "absolute"

Background

The nature of Bureau Veritas' business requires full independence, impartiality and integrity. For this reason, ethics is one of the Group's three "absolutes".

Bureau Veritas' presence in a wide range of countries exposes it to corruption risks, identified in a specific risk map. These risks are managed thanks to a Code of Ethics, a Compliance Program, monitoring procedures and a whistleblowing system. Internal controls are in place for all anti-corruption measures and procedures are performed by Internal Audit teams as part of their brief. Each year, the teams also focus specifically on anti-corruption measures to ensure that they are compliant with the French law of December 9, 2016 ("Sapin II").

Policy

Code of Ethics

The Group's Code of Ethics sets forth the principles and rules on which the Group bases its development and sustainable growth and builds 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 TIC Council.

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 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.

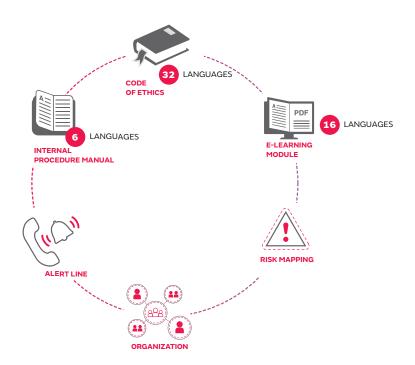
The Group's business partners, such as intermediaries, subcontractors, joint venture partners and key suppliers, are also contractually bound to apply the Business Partner Code of Conduct in their dealings with Bureau Veritas. This includes the requirement to act in compliance with the Group's Code of Ethics.

The Code of Ethics is available on the Bureau Veritas website at the following address: http://group.bureauveritas.com/group/corporate-social-responsibility/statements-policies.

In 2019, the Group updated its Code of Ethics to reflect recent legislative changes, in particular France's Sapin II law.

• Compliance Program

The Group's 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. The Compliance Program is rolled out by a dedicated global network of Human Resources managers.

• Regularly reinforced procedures

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 procedures

An organization with dedicated resources

The Group's Compliance Officer is the 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 that 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. Starting in 2019, Internal Audit teams carry out a specific engagement to ensure the Compliance Program complies with the Sapin II law.

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 TIC Council, the international association representing independent testing, inspection and certification companies. Each year, the Compliance Officer presents the findings of this audit to the Executive Committee and subsequently to the Audit & Risk Committee.

Whistleblowing system

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.

Action plan

In 2020, the Group will roll out its revised Code of Ethics in line with the requirements introduced by the Sapin II law and the TIC Council. The English version of this new, more reader-friendly Code has already been approved by the Ethics Committee and the Code is currently being translated into 32 languages.

A new version of the e-learning module will be developed in 2020, notably to take into account changes in the Code of Ethics.

Significant efforts are currently being deployed to put in place a client and supplier evaluation system. This will apply in addition to the system already existing for intermediaries.

Indicators

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.

Compliance Officers within the operating groups are now required to prepare a declaration on intermediary activities and fees and on any alerts received, along with follow-up and conclusions.

2.3.1.2 Client relationships are an overwhelming priority at Bureau Veritas

Background

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 that could spread to other clients.

2.3 Roadmap for shaping a world of trust

Policy

Client relationships are an overwhelming priority at Bureau Veritas, and the policies put in place in this regard are based on three key components:

- the Group management system, which includes its quality strategy and quality procedures;
- "Lean" management and operational excellence, which enable processes to be optimized; and
- monitoring of the client experience, including client satisfaction measures

Action plan

• 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 by two bodies, the Quality department and the Technical, Quality and Risk (TQR) departments:

- 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 Executive Management level. This management system has been certified to ISO 9001 by an accredited independent international body (outside the Group's Certification business):
- 2. deployed at the level of the operating groups, the TQR (Technical, Quality and Risk) departments are 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. They validate the approach and methodology used in the Group's assignments and the requisite skills needed for those involved, and conduct audits to ensure that these requirements are duly met. They are 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.

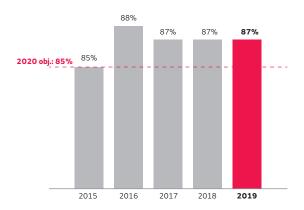
The Quality and TQR departments are assisted by structural networks of Quality and TQR managers. The compliance of the Group's processes with regulatory requirements and with the requirements laid down by accreditation bodies and by its clients, as well as the continuous improvement of these processes, allows

Bureau Veritas to deliver high-quality services to its clients across the globe.

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.

It is certified to ISO 9001, ISO 14001 (see sub-section 2.3.3.1 -Combating climate change and adapting to its consequences) and ISO 45001 (see sub-section 2.3.2.4 -Health and safety).

ISO 9001



These figures present Group quality 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.

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, which can be described as developing a culture of ongoing performance improvement.

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

- 1. re-engineering;
- planning;
- 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 clients.

In addition, "Lean" management encourages teamwork and helps create a pleasant work environment with 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.

• Client experience

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, the Group regularly conducts client satisfaction surveys. Results at local and global level enable Bureau Veritas to continue improving the satisfaction levels of its clients.

In 2019, the Group conducted numerous client satisfaction surveys based on the Net Promoter Score (NPS) method. This method uses a single question to assess client loyalty. It is used in addition to the satisfaction surveys of the operating entities to help define a pertinent groupwide indicator, while giving each entity the scope to design satisfaction surveys more suited to their needs.

To support deployment of the NPS method, in January 2020 Bureau Veritas published a new version of its Customer Experience policy, which makes NPS compulsory. At least 30% of the clients of each operating group are to be assessed each year.

Indicators

Client satisfaction surveys are organized locally for each operating entity. These surveys systematically include a standard question that is the same for each operating entity and asks clients to rate their satisfaction on a scale of 1 to 10. In 2019, more than 398,000 questionnaires were sent out, compared with 284,000 in 2018, and the response rate was close to 12%. The questionnaires were sent out to the clients irrespective of the country in which they are based and the type of services they use. The overall level of satisfaction, calculated as the average rating of the answers received, was 95 out of 100 in 2019, compared to 86 in 2018.

NPS has been rolled out across many of the Group's activities. For example, all certification services are systematically surveyed using NPS, with a satisfactory score of 45 in 2019. The Group's business activities in France as well as in Canada are among the first to have deployed NPS across their operations. In 2020, under the Customer Experience policy, each entity will be required to define its action plan for deploying the new applicable measures.

As well as client satisfaction measures, the Group has rolled out a client complaint management solution (QESIS) 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 causes of the complaints and effective remedial action plans.

Indicator	2019	2018
Client satisfaction indicator	95/100	86/100
ISO 9001 certification scope	86.7%	87%

These data are key components in management's review of the quality system.

2.3.1.3 Supply chain management

Background

Purchases made in connection with Bureau Veritas' businesses include operating purchases and purchases related to testing laboratories and the subcontracting of services.

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

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

The project FLEX, a major ERP project, focuses in particular on the supply chain and especially the Procure to Pay (P2P value chain, which covers from the purchase orders to the payments of suppliers of goods and services). Improvements in this P2P value chain are supported by changes in procedures.

The new P2P module in the project FLEX notably allows:

- 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 (visibility over Group expenditure, list of suppliers) with a view to reinforcing the Group's capacity for negotiation at both local and global levels;
- 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).

Deployment of this module is currently in progress and will be completed in 2022. The Purchasing department relies on this module to strengthen the supplier listing policy and manage issues relating to social and environmental responsibility and business ethics.

Policy

In 2018, four main strategic goals related to the Purchasing function were 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 is supported by the necessary tools and procedures within Bureau Veritas (e.g., standard contracts, risk matrix, segregation of duties based on clearly defined roles and responsibilities, etc.). It is being rolled out and communicated throughout the organization at the same time as the new ERP system.

More specific goals were pursued in 2019:

- strengthen a strategic vision of purchasing by putting in place a central organization based on category management and strategy definition with local initiatives for deployment;
- confirm the governance of the Purchasing function with regular calendar and inputs from the network;
- achieve cost savings by consolidating needs and sharing experiences;
- manage procurement-related risks and reduce the number of suppliers.

The Group's responsible sourcing strategy is based on its duty of care plan, which covers social and environmental responsibility and ethical business conduct. These principles apply to its supply chain and are an integral part of the general terms and conditions of purchase, the Code of Ethics and the associated Business Partner Code of Conduct (BPCC), as detailed in section 2.4.1 – Governance and policies of the duty of care plan.

Action plan

Five initiatives for continuous improvement in responsible sourcing

In 2019, in an attempt to make its procurement procedures more secure, the Purchasing department reviewed the P2P module template in the project FLEX as described below:

- Bureau Veritas partners were classified for the first time in four categories, thereby identifying suppliers considered as strategic to the Group;
- social and environmental responsibility and ethical conduct risk monitoring was incorporated into the tool (information regarding the signature of the Code of Ethics and Business Partner Code of Conduct, and on the supplier sustainability self-assessment exercise presented below).

This new model currently being put in place helps to identify and rank the business partners and purchasing categories in order of priority, and to collect a maximum amount of procurement risk data to be analyzed in relation to Bureau Veritas partners. Using

these data, the Group plans to monitor responsible sourcing performance indicators in 2020 for the main countries having rolled out the project FLEX.

A communication campaign for the Group's community of purchasers across the globe was carried out in 2019 and the new model is already up and running in more than ten countries.

To bring suppliers into alignment with a responsible sourcing approach, Bureau Veritas used a risk map drawn up in 2017 and updated in 2018. This analysis is described in further detail in section 2.4.2 – Risk mapping of the duty of care plan. Based on this exercise, the risks identified at the level of the supply chain range from low to moderate risks in the Social Hotspots DataBase (SHDB). These risks concern certain regions (China, the United States and Brazil) and certain purchasing categories (chemical products, office services). A selective approach focusing on strategic suppliers is being rolled out, with the aim of listing the main high-risk partners and supporting them in their improvement efforts.

In 2019, Bureau Veritas also launched several initiatives to help it identify supply chain risks with suppliers. These include (i) incorporating criteria relating to social and environmental responsibility and ethical business conduct when selecting suppliers in a competitive bidding process upstream of any purchases; (ii) including clauses relating to these criteria in any contracts signed and in general terms and conditions of purchase; (iii) requiring new business partners to sign the Code of Ethics and Business Partner Code of Conduct; and (iv) tracking responsible purchasing performance indicators throughout the supplier relationship by holding regular meetings.

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.

For strategic suppliers not evaluated by Ecovadis, the Purchasing department has designed a responsible supplier self-assessment questionnaire based on the five themes of the duty of care plan described in section 2.4 – Duty of care plan of this Universal Registration Document. This questionnaire is being introduced across the Group and incorporated into the FLEX ERP.

Lastly, Bureau Veritas has also launched a campaign to roll out its Business Partner Code of Conduct (BPCC) to these suppliers (see section 2.4.3 — Action plans of this Universal Registration Document for more details).

Indicators

The responsible sourcing performance indicator is now included within Purchasing department performance indicators and will be rolled out throughout the year. This indicator will be monitored for both strategic and non-strategic suppliers. It tracks several metrics, including:

- The number of suppliers having accepted the Code of Ethics and BPCC, or having replied to the responsible supplier self-assessment questionnaire. In 2019, 345 suppliers signed Bureau Veritas' Code of Ethics in 14 countries;
- The number of suppliers having agreed to reply to Ecovadis questionnaires. An evaluation campaign was launched with Ecovadis in 2019, targeting 491 suppliers. To date, 173 suppliers have responded to the questionnaire and a second campaign is underway.

2.3.1.4 Cybersecurity and data protection

Background

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 one of the Group's major concerns. Bureau Veritas also seeks to protect its businesses and expertise, ensure compliance with laws and regulations, and protect its strategic and financial data.

The Group set up an organization devoted to cybersecurity and data protection in 2016. In the context of the digital transformation of the Group's businesses, and in line with the acceleration of the cloud computing strategy, Bureau Veritas decided to step up deployment of its IT security plan.

Policy

a) IT security and operating policies

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

The Group has 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. The ultimate aim is to achieve full employee coverage, with an initial objective of 50,000 employees trained in 2020.

Building on its renewed ambition and three-year roadmap, Bureau Veritas defined a maturity model in 2019 based on the NIST cybersecurity framework. This will help drive rapid advances in all of the Group's entities and facilitate the alignment between rules and practices.

In terms of personal data protection and particularly compliance with the General Data Protection Regulation (GDPR), the Group established an identical framework for all entities, containing 63 legal and technical measures. This framework is applicable to

all of the Group's applications. It was devised jointly by (i) the Legal Affairs & Audit department together with the Data Protection Officer (DPO) appointed in January 2018, and (ii) the Group IT department and its IT Security unit.

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

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 personal data protection rules from the outset, thereby meeting the key "Privacy by Design" principle.

Since 2018, these audits have verified software teams' compliance with applicable regulations. Any discrepancies are noted in a report and the teams provided with corrective action plans, which they must then carry out.

b) 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 based on IT Security policies and are designed to help the Group's various functions implement the measures. This includes for example deployment of a Security Assurance Plan for the Purchasing department and subcontractor management, a best practice guide for developers, and guides for IT administrators on improving the robustness of technical architecture;
- quality and security controls for applications and databases have been put in place, including risk analysis (EBIOS approach), vulnerability scans, code audits, external audits and penetration testing for critical, sensitive applications;
- business continuity plans exist for critical IT services. These 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.

c) Dedicated teams

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

A specific information systems security organization works 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 officers are appointed in each Group division to ensure that entities' decisions and practices are duly aligned with Bureau Veritas policies and standards.

2.3 Roadmap for shaping a world of trust

IT security is managed by internal teams of Group experts in France and India. As from 2020, an external operational security unit will reinforce the Group's detection and incident response capabilities.

d) Digital trust and compliance approach

The Group's internal compliance standards are based on ISO 27001 and related guidance. 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. A governance model including central teams and IT security officers ensures that the compliance approach in each of the Group's divisions is aligned and consistent.

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.

These elements are included in the Bureau Veritas Business Partner Code of Conduct (BPCC), which is applicable to all stakeholders.

e) Specialized and evolving technologies

As well as an effective perimeter security system that 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 logs 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.

Two new solutions will be added in 2020 aimed at preventing data loss and improving cloud security.

Lastly, the Group continues to step up its use of independent technical audits performed by accredited bodies (ANSSI France) 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.

Action plan

In late 2019, Bureau Veritas drew up a revised roadmap for the next three years based on three main priorities:

- roll out a NIST cybersecurity-type framework to rapidly improve maturity across the Group;
- accelerate the implementation of audit programs either internally or supported by external independent firms, in order to increase the number of controls and penetration tests, identify areas for improvement, and coordinate corrective action for all Group entities;
- launch an ISO 27001 certification program by prioritizing at-risk business lines and activities that are critical for clients.

Indicators

Indicators and commitments through to 2021	2019	2020	2021
Number of training initiatives (cybersecurity, phishing simulations, GDPR)	12,000	50,000	80,000
Number of "Privacy by Design" audits performed (GDPR)	20	20	20
Number of cybermaturity assessments performed	0	8	8
Number of vulnerability scans completed	42	50	60

2.3.1.5 Innovation

Background

The Company has to contend with rapid developments in technologies and social and environmental challenges.

Thanks to artificial intelligence, greater data processing capacity and faster communication speeds, Bureau Veritas can design new services leveraging these new technologies to best effect.

These same technological innovations bring with them new risks for businesses, which in turn give rise to new needs for testing, inspection and/or certification, particularly in the areas of cybersecurity, personal data protection and information integrity.

At the same time, new social and environmental challenges require governments, companies and civil society to make the necessary transition to creating a more human, environmentally friendly world. These transitions mostly occur within the framework of standards and regulations that can be certified by Bureau Veritas. This is notably the case of the energy transition, the reduction in CO_2 emissions, respect for human rights and supply chain compliance.

Policy

Bureau Veritas keeps a continuous watch on these new technologies and on the accompanying regulations. This regulatory watch is organized by business and major country.

A Public Affairs department has been created, staffed by more than 15 employees. The role of this department is to monitor all new proposed regulations together with the TIC Council, the professional body representing the testing, inspection and certification industry. This allows Bureau Veritas to adapt its service offering to these emerging needs. Regulations issued by the European, US, Chinese and Indian authorities are monitored particularly closely.

A regulatory watch has also been put in place for France, with the help of AFEP and MEDEF, so that any changes in regulations that could have an impact on the Group's clients and therefore on its service offering, are duly monitored. More than ten people are responsible for this regulatory watch in France, organized by specialist area including the environment, safety and security, human rights, ethics, welfare protection, CSR and governance.

This regulatory watch enables Bureau Veritas to continually adapt its services to the new challenges facing society and businesses. It has also led to the creation of new services specifically designed to address new regulatory requirements, the latest technological innovations and the needs of the Group's clients.

Action plan

Action plans are put in place by the Technical and Marketing departments of each business line. These departments design new services aligned with new regulatory requirements, and adapt to new client needs by leveraging new technologies.

In many cases, Bureau Veritas enters into partnerships with firms developing leading-edge technologies. These partnerships are founded on joint innovation with input from clients and managed via pilot projects. They make it possible to validate the design of these new services based on specific practical case studies.

As illustrated below:

Projects based on artificial intelligence:

- improved power plant integrity and safety through predictive maintenance. Predictive maintenance identifies the right time to repair industrial equipment (i.e., preventing unexpected equipment failures);
- automated identification of defects using images or videos taken by drones or robots, allowing remote inspections and ensuring improved safety for Bureau Veritas inspectors and staff at the industrial sites concerned;
- digital assistant for assessing risks in laboratory tests, resulting in significantly better working conditions for Bureau Veritas experts.

Projects based on new product technology:

- development of new safety tests for smart objects in the consumer goods and automotive industries;
- development of new inspections for renewable energy production infrastructure;
- classification of new LNG-fueled ships aimed at reducing CO₂ emissions.

Projects based on new standards:

- creation of new certification standards to support the circular economy, from eco-design to recycling (Circular+ services);
- creation of new cybersecurity and personal data protection services.

<u>Projects based on regulatory controls undertaken on behalf of public authorities:</u>

- theory test for driving license applicants;
- review of applications for building permits.

Innovation at Bureau Veritas is driven by digital and CSR initiatives, but also encompasses efforts to address changing market needs and prepare the society of the future.

Indicators

Indicators are used to track the growth in business attributable to these new services in their first three years. These indicators were not yet available in 2019, but will be deployed as from 2020 in order to track these new services as part of Bureau Veritas' next strategic plan.

2.3.1.6 CSR services

Background

Many companies are launching major Corporate Social Responsibility programs in an attempt to better meet the expectations of their employees and of their various external stakeholders. Over recent years, there has been a big increase in these initiatives, which often require the involvement of independent third parties to verify and certify the implementation of action plans and the quality of the indicators published.

The programs can vary greatly, and are designed in light of the nature of a company's business, culture, maturity and strategy. They often cover a company's sites across the globe and its supply chain

Through its clients, CSR therefore represents a growth opportunity for Bureau Veritas, driving value creation for its clients and for society at large.

By nature, most Bureau Veritas services contribute to CSR. The Group helps companies reduce their risks and improve their performance in terms of safety and security, quality, environment and sustainable development.

Policy

Faced with this growing commitment to sustainability issues, Bureau Veritas has developed a bespoke CSR service offering drawing on Environmental, Social and Governance (ESG) aspects to support clients in implementing their CSR programs.

In drafting its new strategic plan, Bureau Veritas made the development of a CSR service offering a major priority. ESG will also be one of the drivers of the Group's transformation, allowing it to adapt its services to the changing needs of its clients.

Bureau Veritas is intent on leveraging its expertise to foster sustainable, inclusive and transparent growth. These newly developed services allow Bureau Veritas to maintain trust in a fast-changing environment and help businesses transition to a more sustainable model.

Marine & Offshore

Bureau Veritas protects its clients' people and assets, passengers and the marine environment. Bureau Veritas helps clients to ensure the safety of seafarers, passengers, cargo and assets in one of the most challenging environments on earth.

The Group also helps to minimize the environmental impact of marine and offshore activities, supporting compliance with regulations and industry standards with a strong focus on energy transition to low-carbon shipping.

Thanks to its recognized expertise in smart shipping and cybersecurity, and to its advanced solutions throughout the asset lifecycle, Bureau Veritas provides comprehensive support for achieving more sustainable Marine & Offshore usages.

Examples of CSR services:

- Classification of low-noise ships powered by cleaner fuels (liquefied natural gas – LNG/liquefied petroleum gas – LPG);
- Future-proof assessment of technological innovations linked to the energy transition (zero-emission vessels, floating windfarms);
- Ship CO₂ emissions verification and performance assessment;
- Environmental inspection services (e.g., water ballast management);
- Ship recycling/offshore platform decommissioning control.

Agri-Food

Bureau Veritas promotes transparency of product origins and quality, while supporting sustainable production.

Bureau Veritas is building transparency and promoting sustainability from farm to fork with its global, end-to-end expertise covering inspection, audit & certification, and testing services. The Group is committed to supporting responsible use of natural resources and animal welfare, as well as ensuring the reliability of complex supply chains, enabling end consumers to make informed decisions. Bureau Veritas contributes to increasing traceability and transparency throughout the food industry, for the benefit of society.

Examples of CSR services:

- Precision farming and crop monitoring solutions;
- Sustainable agriculture certification programs;
- Animal welfare/responsible fishing inspections;
- Organic food certification;
- Supply chain risk management and digital traceability.

Commodities

Bureau Veritas provides high quality data to accurately assess the quantity and quality of a wide range of commodities as they move through global supply chains.

Bureau Veritas is an innovative leader in commodity inspection services, from origin, through trading, to the consumer. The Group provides precision inspection and testing across its global network. Thanks to its commodities expertise and knowledge, the Group helps clients at all levels of the supply chain make informed decisions based on calculated risk and quality. The insightful data generated from its rigorous inspection and testing services helps secure transparent and traceable supply chains for clients. Global demand for responsible sourcing is supported by Bureau Veritas' services. This allows the public to make positive and informed decisions, thereby reducing their impact on the environment.

Examples of CSR services:

- Consumer product origin and traceability, e.g., cotton supply chain;
- Responsible metal sourcing;
- Renewable energy quality assessment of biofuels for the aviation, marine and automotive sectors;
- Timber certification.

Industry

Bureau Veritas supports clients to meet today's energy needs while building a low carbon future.

Bureau Veritas' services throughout the lifecycle help secure energy supply by reducing risk, improving reliability, and optimizing the efficiency of industrial assets in complex environments, all the while improving their safety and performance. Present all along the value chain, from construction to operations, Bureau Veritas helps to ensure quality and integrity, minimize environmental impact, prevent accidents, and protect people and local communities.

Examples of CSR services:

- Industrial facilities/infrastructure safety inspection and quality certification;
- Ageing assets decommissioning environmental control;
- Equipment inspection for renewable power generation and LNG facilities;
- Cybersecurity-related services, digital inspections (predictive analytics, robotics and AI);
- Monitoring fugitive emissions of chemical compounds to reduce impact on health and environment.

Buildings & Infrastructure

Bureau Veritas helps its clients by ensuring that assets are sustainable, sound, efficient, safe and built to last.

Bureau Veritas brings its technical expertise and in-depth knowledge of local regulations to help its clients design, develop, and manage cities and infrastructure. It contributes to the development of sustainable and smart cities. The Group is present at every stage, from feasibility to operations, offering inspection and certification services for new and ageing assets, to support the transition to low energy consumption. Bureau Veritas provides people with the assurance that they can safely use buildings, infrastructure and transport on a global basis.

Examples of CSR services:

- Energy performance, water consumption and waste treatment audits:
- Air quality control;
- Safety inspection (electrical, fire, elevator maintenance);
- Asset efficiency and performance via digital solutions such as Building Information Modeling (BIM);
- Environmental impact assessments, certification of green buildings;
- Health and safety coordination at construction sites;
- Control of green energy production infrastructures (wind, solar, etc.).

Certification

Bureau Veritas helps its clients to build the trust of end consumers, citizens and public authorities by providing certification, audit and training services.

Bureau Veritas enables organizations to anchor the trust of stakeholders and safeguard their reputation while achieving compliance and improving performance at all levels of their activities and supply chains. The Group evaluates both the safety of people and the security of data and assets to help its clients ensure quality, and measure and manage their environmental and social impacts.

Examples of CSR services:

- Supplier audits and risk mapping analysis;
- Responsible sourcing assessment (biofuel, agri-food, forestry, metals, minerals, etc.);
- Environmental & energy management systems certification and GHG emissions verification;
- Assessment of management systems dedicated to circular economy (Circular+);
- Social accountability audits and supply chain customized audits;
- Assurance of CSR & sustainability reporting.

Consumer Products

Bureau Veritas helps its clients to provide high quality, safe, sustainable and compliant products (toys, softlines, hardlines), connected devices and electrical & electronics products.

All over the world, Bureau Veritas draws on its industry expertise and leading testing capabilities throughout the value chain to control product quality, safety, compliance, sustainability, and in some cases, connectivity and interoperability. The Group helps both online and traditional retailers, as well as brands, to manage their risks all along the supply chain, and to validate and improve product performance. Bureau Veritas supports the consumer goods industry in empowering end consumers to make informed and responsible purchases, including, for example, by giving assurance that connected devices are reliable and protect the user's data.

Examples of CSR services:

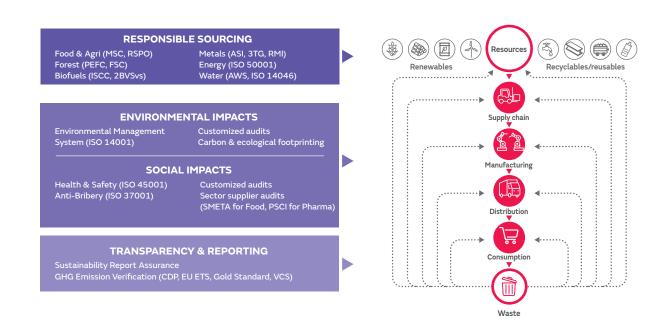
- Quality control tests for materials and components;
- Social and ethical audits of supply chains;
- Testing of connectivity (new mobility, devices, connected cars, 5G, etc.);
- Supply chain quality improvement program;
- Regulatory compliance and verification of product performance.

Action plan

Circular+ is a bespoke suite of CSR services developed by Bureau Veritas for businesses.

It is a holistic approach that offers process audit and management system services to help companies manage both their environmental and social impacts and transition to a circular business 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 diagram below illustrates Circular+ and its various modules.



The action plan to develop the CSR offer includes the following objectives:

- provide training about the Group's CSR services to auditors and client-facing employees;
- set up CSR reporting;
- present the CSR offering to the Group's main clients;
- enrich and update the catalog of CSR services, incorporating all testing and certification services;

 finalize the strategic plan and include the development of CSR services.

Indicators

The performance indicator used to monitor the business generated by Circular+ is revenue growth.

In 2019, revenue relating to the Certification business's Sustainability offer grew by 15%.

2.3.2 Human capital

Description of risk

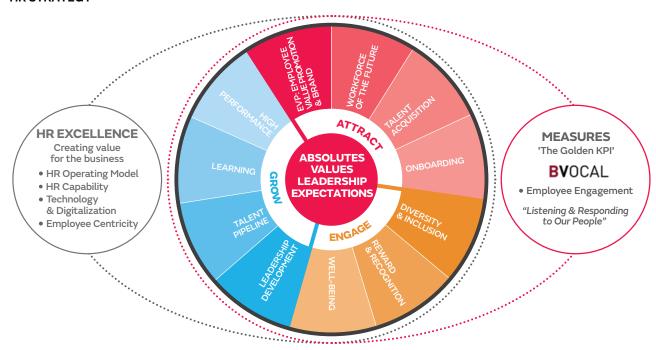
As a services company, the men and women working at Bureau Veritas, chiefly engineers, technicians and other personnel skilled in quality, health and safety, security, environmental protection and social responsibility, are the Group's most important asset. The ability to attract, engage and retain such professionals in an increasingly competitive market for talent is critical to Bureau Veritas' success

Specific challenges include attracting highly qualified talent from diverse backgrounds in order to innovate, drive change, and deliver outstanding service. It is also in the Group's interest to achieve an engaged workforce — people who are continually learning and developing — while maintaining an inclusive culture in which careers can thrive. The Group's HR strategy therefore aims to engage employees in a workplace culture that is inclusive and trusting, in which people are encouraged to be their authentic selves and perform to the best of their ability. This is achieved through providing many opportunities for learning, development, and career progression.

Sustainable approach

The HR strategy is expressed through a common framework of areas of focus and five major goals, developed in 2018. In 2019, the decision was made to continue delivering the Group's HR strategy through this framework, with a different calendar for each area of focus. This continuity ensures sustained value creation through initiatives that often require multiple years of development and deployment for pay-off to be realized for many of the areas of focus, all of which remained relevant in 2019.

HR STRATEGY



FIVE MAJOR HR GOALS



2.3.2.1 Talent management

Attracting talent

Bureau Veritas closely monitors changes in its headcount at the Group and local levels. This is key to ensuring the Group has the capacity to meet its growth and profitability expectations. In 2019, this meant significant new hires were made, confirming the importance of attracting and acquiring talent.

	2019	2018	2017
New hires ^(a)	14,954	13,330	13,101
Acquisitions	1,541	286	2,541
Layoffs	3,369	4,468	4,558
Voluntary departures ^(b)	9,368	8,709	8,294

⁽a) Permanent contracts (or similar).

(b) The specific reasons for which employees leave the Group are identified locally and discussed during exit interviews held by local HR teams. This information is then used to review local and global HR policies and practices, as necessary, to ensure they align with the Group's HR strategy.

As part of the Group's commitment to enhancing its reputation as an employer, a new employer brand, LEAVE YOUR MARK, was deployed at the end of 2019. Developed through extensive research and in partnership with a specialist provider in employer and organizational branding, the Group's new employer brand makes clear its distinctive culture and business model to current and future talent. Core to the employer brand is highlighting the Group's expertise in many specific fields and the benefit to society from this expertise.

The employer brand has been deployed through various channels, including:

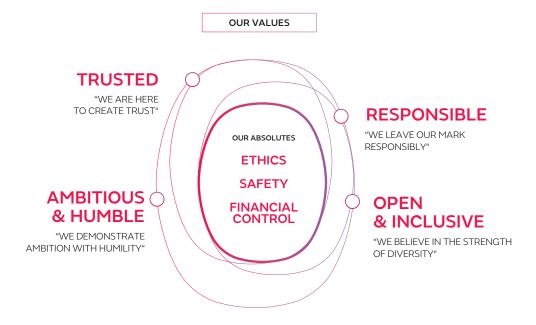
 a targeted campaign on social media, including LinkedIn, Facebook and Twitter;

- updating the Group website and those of its key countries to include videos and employee stories;
- internal employee communication and promotional activities;
- development and deployment of recruiter and manager learning programs;
- participation in forums and sponsorship of special events at leading engineering and business schools/universities;
- awareness programs for external recruitment partners.

The launch of the employer brand coincided with the deployment of a new recruitment portal in October 2019. Driven by the single HR information system platform, SuccessFactors, this new portal provides applicants with an easy-to-search portal based on job

type, geography and contract type, as well as a mobile-enabled job application function. This platform is key to continuous improvements to the Bureau Veritas applicant experience, including:

development and communication of Bureau Veritas' updated "Values" and reinforcement of the Group's "Absolutes" (see below), which
make extremely clear the everyday words and actions that are required by all employees to preserve and enhance the Group's unique
culture:



• creation and deployment of the Bureau Veritas' Leadership Expectations (see below), which clarify the behaviors that are expected from all employees with managerial responsibilities.



Bureau Veritas' Absolutes, Values and Leadership Expectations are key to helping assess and select applicants. The latter also serve to develop future generations of leaders.

These improvements in the Group's applicant experience will continue as the increase in total headcount experienced over the last three years (see below) is expected to continue. The rise in headcount in 2019 occurred in all regions and particularly:

- Asia, especially mainland China (up 5%), India (up 4%) and Vietnam (up 10%);
- the Americas, especially Chile (up 21%), the United States (up 14%), Peru (up 7%) and Colombia (up 9%); and
- Africa, especially South Africa (up 11%).

Number of employees	December 31, 2019	December 31, 2018	December 31, 2017
Europe	17,783	17,630	17,770
including France	7,870	7,757	7,967
Africa and Middle East	7,373	6,378	6,124
Americas	22,655	21,131	20,512
Asia Pacific	30,584	30,289	29,011
TOTAL HEADCOUNT	78,395	75,428	73,417

Bureau Veritas received several awards in 2019 recognizing the strength of its workplace culture and the value of its employer brand. As the deployment of LEAVE YOUR MARK continues in 2020, the Group expects a rise in such recognition over time.

- In 2019, Capital magazine (February edition) and Statista included Bureau Veritas in their ranking of the best employers in France for the fifth consecutive year, and rated it second in the engineering category. Statista has ranked employers for the past five years based on independent and anonymous surveys of employees, who are asked whether they would recommend their employers to their friends and family.
- The Group appeared for the first time in Universum's listing of the most attractive employers for university graduates and experienced professionals in France. Bureau Veritas appeared in 89th position for graduates and 58th for experienced professionals. Universum used an online survey to obtain the 2019 results through targeting efforts on social media, working in partnership with the Stepstone job board.
- In the United Kingdom, Bureau Veritas was awarded Britain's Top Employers Certification for the seventh year in a row. This certification was awarded by the Top Employers 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 and the opportunities this gives them to build a second career.
- In China, Bureau Veritas won the Top Human Resources Management award given by the country's most influential public job board, 51JOB, as recognition for the Group's achievements in HR management and corporate social responsibility.
- In the Middle East, Bureau Veritas was granted the Gulf Cooperation Council Best Employer Brand 2019 award for the second year in a row.
- In Turkey, Bureau Veritas received the 2019 Respect for People Award for the fourth consecutive year from Kariyer.net, Turkey's largest Human Resources professional organization.

The award is based on transparency and ethics in recruitment processes.

- In South Australia, Bureau Veritas received an Employer Award for exceptional commitment to the inclusion of people with disabilities in the workplace from the not-for-profit organization, Barkuma, which provides support to people with disabilities
- In North America, Donna Garbutt, Senior Vice President, Industry and Oil & Gas Division, won the Customer Service Professional Network's 2019 Women in Leadership Award for Change Management. This award is based on various criteria, including inspiring others to change and reach company goals. It is a reflection of the strength of Bureau Veritas' leadership, which plays a key role in protecting and enhancing its unique culture.
- The Group was included in the Financial Times' inaugural list of Diversity Leaders. The FT Diversity Leaders list recognizes companies' performance in promoting diversity in all its forms, including gender parity, sexual orientation and disability, as well as having an ethnic and social makeup that reflects broader society.

Onboarding

The Group's new recruits are provided a structured new employee experience through planned meetings with key stakeholders and locally tailored content on the division, country and local office policies, procedures and key information. This is supplemented with content on Bureau Veritas that is delivered through the digital learning platform, My Learning, and includes "Welcome to Bureau Veritas", the Group's onboarding program, which presents the Group's organization and culture through modules such as:

- "Cardinal Safety Rules", a program explaining the fundamental rules of workplace safety that all employees must understand and apply;
- "Bureau Veritas Compliance Program", which provides learning regarding the Group's Code of Ethics and other compliance programs, some of which vary according to employee location and include travel security, the General Data Protection Regulation, and driving safely.

Onboarding procedures also apply whenever the Group acquires new organizations, as a means of ensuring that key personnel in the acquired entity are effectively integrated into Bureau Veritas. The Group's acquisition policies and practices confirm this as a critical step within the pre-acquisition assessment and planning process. Any regrettable attrition from acquired companies is analyzed with a view to understanding the reasons therefor and putting in place measures to avoid similar situations in the future.

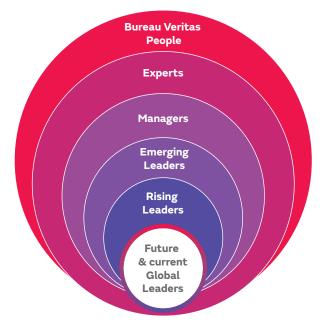
Talent development

At December 31, 2019, the Group had 1,604 managers (1,619 in 2018) with an average age of 49 (unchanged from 2018). This

relatively high average age is explained by the deep degree of technical expertise needed in a complex business such as Bureau Veritas, where this expertise is acquired over several years, from the beginning of the employee's career.

In order to build a strong and diverse pipeline of talent for the key roles within the Group, a Talent strategy to identify, assess and develop key talent was put in place in 2019. This strategy includes identifying talent into "talent pools" (see below), which may concern any Bureau Veritas employee, including for future roles not yet defined today. This strategy also leverages the Leadership Review process, which has been in place since 2012 to track and manage the development of identified talent within the business.

TALENT POOLS



In 2019, potential successors for 218 of the most senior and complex roles in the Group were reviewed by the Group Executive Committee and the HR Executive Committee. In addition, 2,020 positions were reviewed by the Group's divisions, which was an increase from 1,210 in 2018. The employees identified as high-performing and high potential as potential successors for these roles are then specifically monitored at Group and/or local level to accelerate their readiness for the roles.

Some employees are also assigned to a "talent pool" depending on their current role's banding and an assessment of their potential, without being identified as a potential successor for a specific role. These people are also monitored and provided targeted development to ensure there is a strong pipeline of talent in place for new roles created in the future to support the Group's growth.

Examples of initiatives undertaken to develop key talent are listed below:

• Senior leadership development framework

In 2019, a senior leadership development framework comprising 19 leadership competencies inspired by the Korn Ferry Leadership Architect certification was adopted to assess and develop individuals within the Group's talent pools. The 19 competencies (see below) have been mapped across the three talent pools that include individuals in the highest banded roles (Future Global Leaders, Rising Leaders and Emerging Leaders). Specific development programs have and will continue to be designed to fast-track the development of these specific competencies.



• 360° assessment and executive coaching

In 2019, more than 40 individuals were assessed by means of a 360° questionnaire based on the 19 leadership competencies. Following this, individual executive coaching sessions were held with the aim of helping participants develop concrete plans to build strength in the key competencies needed for their development.

• European & African Development Center

2019 saw the third edition of the European & African Development Center program, which launched in 2016. There are now almost 40 alumni of this program, which targets the development of individuals in the Rising Leader talent pool and combines a number of learning experiences, including leadership assessments, feedback/coaching, mentoring, and seminars. The center also includes group projects with ongoing support from leadership, which has resulted in a number of these projects being incorporated into the business, bringing enhanced and new services to Bureau Veritas' clients.

• STAR Leadership Acceleration Program China

In China, the STAR Leadership Acceleration Program was launched in 2019. It comprises three programs targeting different groups of employees, and includes workshops, coaching, mentoring, and action learning to accelerate employee development.

- Rising STAR Program: high potential experts and managers (39 participants).
- STAR Program: mature managers and emerging leaders (37 participants).
- Advanced STAR Program: mature emerging leaders & rising leaders (to run in 2020).

Corporate Social Responsibility

2.3 Roadmap for shaping a world of trust

• Leadership School - Brazil

In 2019, the Leadership School in Brazil ran four modules attracting high levels of participation from manager populations (see below). Future modules are planned for 2020 to build capability in a wider range of competencies:

- developing a culture of feedback and trust (73 participants);
- assessing and selecting applicants based on non-technical competencies (85 participants);
- ethical, compliance and legal aspects of managing teams (19 participants);
- self-management (23 participants).

Technical learning

Bureau Veritas operates in a large number of technical fields, and its technical training offer is therefore very diverse. Technical learning is critical so that employees can work with full knowledge of current and emerging 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 division monitor employee qualifications and skills, which are also audited by accreditation bodies (COFRAC, IACS, UKAS, etc.).

A significant portion of the formal learning hours recorded in 2019 (see below) reflects technical competency development, highlighting its importance in the TIC industry, as well as Bureau Veritas' commitment to technical excellence.

Total formal learning (training) hours recorded in 2019	Formal learning (training) hours recorded per employee in 2019	Change vs. 2018
1,477,602	19.0	2.2

The Group's technical learning is delivered both in-person and digitally. The proportion of digital delivery training continues to increase: the Marine & Offshore division, for example, launched 27 new courses in 2019 as part of its surveyor qualification program. Having started in 2016, the Marine & Offshore online catalog now includes 54 courses and 94 modules with more than 1,000 people having been trained since the catalog's inception through the delivery of more than 13,000 training sessions.

Learning for all employees through the Group's digital learning platform: MyLearning

In 2019, the Group's digital learning platform, MyLearning, expanded its available learning catalog with a wider range of courses focusing on compliance, professional efficiency, leadership & management, and sales. To reflect the cultural diversity of Bureau Veritas' people, these courses are available in English, French, Spanish and Chinese.

At the same time, an enhanced central communications approach for all employees was launched in 2019 to highlight relevant courses and the improved learning experience. These changes are part of the ongoing promotion of "self-directed learning" whereby employees seek out relevant training learning based on their

North America Leadership Role Modeling

The Group's leadership role modeling approach implemented in North America is key to building a strong and diverse leadership pipeline. Natalia Shuman, Executive Vice-President Commodities, Industry & Facilities – North America, and Donna Garbutt, Senior Vice-President, Industry and Oil & Gas Division, North America, both played key roles in this area in 2019. This included Natalia speaking for the second year running at Break the Ceiling Touch the Sky – The Success and Leadership Summit for Women, and Donna winning the 2019 Women in Leadership Award for Change Management. This award from the Customer Service Professional Network singles out women in leadership who constantly support organizational change activities, are futuristic, and propel others to change and reach company goals.

development objectives. Several global campaigns were also launched in 2019 to drive learning program completion, including:

- Safety, with a focus on traveling and driving (target: all employees);
- General Data Protection Regulation (GDPR) awareness (target: 16,200 employees in the relevant European countries);
- Performance Management Effectiveness for the Group's managers to build skills in creating and maintaining a high-performance culture (target: 2,000 employees).

These campaigns were complemented by local initiatives in line with specific needs and regulations.

In addition, a fast-track program was offered to high potential employees and to any new managers joining the Company in order to build critical leadership qualities such as problem solving, strategic thinking and innovation. This 120-minute program features more than 20 video clips and an assessment to validate learning, with the option of adding new subjects to the program. A total of 1,500 employees have completed the program.

Managing employee performance and development

In 2019, Bureau Veritas introduced two new approaches to managing employee performance and development that are supported through the SuccessFactors Human Resources information system: MyPerformance@BV and MyDevelopment@BV.

MyPerformance@BV provides a framework for optimizing employee and organizational performance by promoting and facilitating the following measures:

- setting individual goals aligned with those of the Group and that encourage individual career development;
- reviewing and re-setting goals as needed in order to remain agile to market conditions;
- evaluating performance through multiple sources of feedback;
- basing performance evaluations on (i) achieving objectives and (ii) how objectives were achieved relative to Bureau Veritas' Values and Leadership Expectations;
- learning how to set effective goals, and give and receive constructive feedback.

MyDevelopment@BV provides guidance, processes and expectations on the development of the Group's people. This includes the expectation that a competency and career development conversation is held at least once each year for every employee, along with a digital record of the development objectives agreed between managers and employees. The development objective(s) that are agreed are then used to inform the solutions, such as formal learning, employee experiences, etc., that employees may undertake to accelerate their development. An important avenue for people development is internal mobility, which is facilitated and promoted at Bureau Veritas through:

- structured questions in MyDevelopment@BV conversations and specific fields to complete in SuccessFactors on geographic and functional mobility preferences;
- sharing employee profiles as part of the Leadership Review process, which implements the Talent Strategy within and across the Group's divisions;
- recruitment: virtually all job offers are first advertised internally;
- internal communications: appointments to new positions and promotions are announced viα the Group's "Connections" platform.

Measuring and increasing engagement

In December 2019, the Group partnered with an external provider to measure people engagement for the first time. A pilot program named "BVOCAL" was launched, surveying 5,500 employees, with a plan to widen the pilot to the broader workforce in 2020. Participation in the pilot was 59%, with an engagement score of 64%. Both the participation rate and engagement score will now be used as a benchmark to monitor trends in these metrics over time that will be recorded from future engagement surveys.

Bureau Veritas regards these results as an opportunity to improve its workplace culture further by refining and accelerating the implementation of its HR strategy, and by enhancing its local HR policies and practices. This will be undertaken through specific action plans built collaboratively between managers and people in their teams, based on communicating and discussing the engagement results of each team.

Overall, in 2020, the action plans will work to address three priority areas identified for the Group, namely communication, barriers to execution, and recognition/feedback. Given this action-oriented and transparent approach to sharing results and collectively planning for a better workplace, Bureau Veritas expects and is committed to achieving an upward trend over time in recorded engagement.

Workforce voluntary attrition is another important measure of an engaged workforce and this is monitored closely by Bureau Veritas. Based on the voluntary attrition rates shown below, the level is well within acceptable TIC industry standards. The slight increase from 2017 to 2019 is due to tightening labor market conditions in key markets where the Group operates.

	2019	2018	2017
Total voluntary attrition	11.6%	11.1%	10.7%

2.3.2.2 An inclusive culture and diverse workplace

Protecting and promoting an inclusive culture

A diverse workplace achieved through an inclusive culture is an integral part of Bureau Veritas' identity. The Group has developed organically and through many different acquisitions with a richness of capability from drawing together people of diverse gender, age, ethnicity, religion, sexual orientation, nationality, education, business background, etc. With operations in 140 countries, there are over 50 different languages spoken within the Group.

Promoting, enhancing and protecting Bureau Veritas' inclusive culture is one of the Group's main priorities as it grows and develops new businesses where remaining at the forefront of industrial innovation is essential for success. The Group monitors, encourages and reinforces diversity within its teams, which is considered a key component for innovation that is necessary for the deployment of the Group's strategy. Additionally, it is important for Bureau Veritas as a whole to reflect the diversity of the global markets in which it operates.

One of the four updated BV Values "Open & Inclusive" (see below) reinforces the Group's belief that employees can only reach their full potential if they are able to express themselves freely and openly and if the actions and behaviors of Bureau Veritas' employees encourage such expression.

VALUES

TAG LINE

DESCRIPTION

OBSERVABLE BEHAVIORS, EXAMPLES

Open & Inclusive

We believe in the strength of diversity Innovative

We strongly believe that new technologies and new ways of thinking are needed to succeed with new trends.

Respect

We respect and value differences; we recognize individual and collective achievements.

- Encourages diverse thinking to foster new perspectives.
- Encourages and nurtures innovation.
- Open to new technologies, new perspectives & new ways of working; contributes actively to change and agile innovation.
- Respects and values differences; applies others' diverse experiences, styles, backgrounds and perspectives to get results.
- Recognizes others for their contributions, sharing recognition when a team effort.

LEADERSHIP EXPECTATIONS

Leads through Bureau Veritas Absolutes and Values

Build engaged teams

OBSERVABLE BEHAVIORS, EXAMPLES

- Is a Role Model for Bureau Veritas Absolutes and Values and expects same from his/her team.
- Leads & inspires his/her team and those that he/she comes in contact with to behave in line with Bureau Veritas Absolutes and Values.
- Takes immediate action when behaviour and actions not aligned.
- Attracts and selects diverse and high calibre talent to meet the Group's needs.
- Translates the Bureau Veritas vision, purpose and strategy in a way that people can relate to.
- Provides his/her team with guidance needed for individual and collective success, favouring open dialogue and collaboration spirit.
- Creates an environment where safety, health and well-being of his/her team members is a priority.

Managers in the Group are further expected to protect and enhance this inclusive culture by leading through Bureau Veritas' Absolutes & Values, and building engaged teams. This means leading with words and actions that attract diverse talent, encourage open dialogue, and creating a safe workplace where team member well-being is a priority, such as being a role model for BV Absolutes & Values, and taking action when behavior is observed that is not aligned with the Group's Absolutes & Values.

The Group's leadership continued in 2019 to take action that makes Bureau Veritas an industry leader in strengthening its open and inclusive culture, and it is these actions (see below) that have

contributed to Bureau Veritas' inclusion in the Financial Times' list of FT Diversity Leaders 2020:

- development and communication of the Group's Inclusion Policy in 2019, leveraging its Inclusion Statement from 2016.
 This policy is wide-reaching and applies to applicants, employees (in areas such as recruitment, talent management and compensation) and external partners/suppliers;
- refreshing the Group's performance management strategy to include an evaluation of BV Values and Leadership Expectations (for managers) when assigning performance ratings to all employees from 2020;

- launching a talent strategy whereby "everyone can be a talent", which includes an assessment of BV Values and Leadership Expectations;
- deploying the LEAVE YOUR MARK employer brand that can be applied to target diverse ages and backgrounds of potential applicants. Examples include social media campaigns targeting generations X, Y and Z, and armed forces recruitment campaigns aimed at supporting veterans to (re)join the workforce.

Achieving better gender balance

For Bureau Veritas, achieving gender balance is a driver of progress. Women remain insufficiently represented overall and particularly in senior management positions and governing bodies. Women represented 30% of the Group's worldwide headcount at the end of 2019.

As described above, the actions of the Group's leadership taken to protect and promote its inclusive culture and build diversity are key to the progress made in 2019 in achieving a better gender balance:

 the percentage of women in senior management roles has continually increased over the past four years and is consistent with the Group's ambitious goal (see table below). Women make up 23% of junior management positions, up 2% compared to 2018;

% women in senior management

End-2016	End-2017	End-2018	End-2019	End-2020 goal
12%	14.5%	16.5%	19.5%	25%

 achieving a more diverse Executive Committee: 50% of its members are non-French citizens, and 20% are women at December 31, 2019 (stable compared to December 31, 2018).

A wide variety of local initiatives are also in place to help achieve the Group's gender balance goals. These include:

- in Europe, the Group holds the GEEIS (Gender Equality European and International Standard) certification in three key countries (Spain, Italy and Poland) after criteria were examined including ensuring specific people policies and practices were in place. As part of GEEIS' standard procedure, this matter will be audited in 2020:
- in North America, Bureau Veritas offers parental (maternity) leave benefits providing two-thirds of the employee's basic salary for a period of up to 13 weeks;
- in Australia, paid parental leave is provided to an employee who
 is the primary caregiver of a newborn or recently adopted child,
 once he or she has 12 months' seniority. Paid leave is six weeks
 at the employee's basic rate of pay, with a further two weeks'
 pay if the employee returns to the business for at least
 one month. In addition, employees who are not the primary
 caregiver can use five days of accrued "personal leave" (sick
 and carer's leave) on the homecoming of their child;
- International Women's Day awareness initiatives were held in all Bureau Veritas' operating groups and geographic regions in 2019.

Supporting people with disabilities

The Group seeks to create favorable conditions that allow people with disabilities to have access to employment. Specific initiatives undertaken in various countries have included:

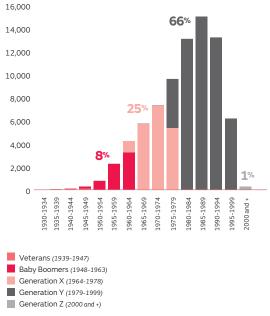
- in France, Bureau Veritas received accreditation from the DIRECCTE (Regional directorate for companies, competition, consumption, work and employment) for its agreement on the employment of persons with disabilities in 2014. Initiatives to develop awareness among employees in France to increase employment access to people with disabilities have included internal communication campaigns, collaboration with expert consultants, recruitment campaigns on specialized websites such as Mission Handicap and participation in employment fairs organized by TREMPLIN, a student federation for working and studying with disabilities. Learning programs were also organized by Mission Handicap to build employees' awareness by creating simulated disabled situations that were complemented by additional e-learning. Many employees in France also participated in the Stepstone Digital Challenge, which gathers together students and blue-chip companies for a large 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 2019, the (direct) employment rate for people with disabilities in France was 2.33%, based on the classification criteria of the DOETH (Déclaration obligatoire d'emploi des travailleurs handicapés) form.
- in South Africa in 2019, Bureau Veritas partnered with learning providers specializing in helping people living with disabilities to support their career development by funding their learning and providing exposure to meaningful work.
- Bureau Veritas participated every quarter of 2019 in Turkish Social Security's Careers without Barriers program. Career Days connected people with disabilities with companies, awareness-raising courses were held, and consulting sessions were provided for hiring managers to reduce bias and increase employment access.
- in Chile, an alliance was created with a specialist consulting firm to promote inclusion through awareness building initiatives and access programs, as a result of which 14 people with a disability were hired in 2019.
- thanks to a targeted recruitment campaign, the Group's CPS division had more than 150 people with disabilities at end-2019, with almost half of these people based in China. This initiative was complemented by disability awareness digital learning program for all of the division's employees, with a 94% completion rate.

Building a multi-generational workforce

At December 31, 2019, the average age of the Bureau Veritas workforce worldwide was 38. This figure applies to a zone covering 99.4% of the Group's workforce.

The Group is developing tomorrow's managers and leaders through its talent management strategy and its ongoing digital transformation. The talent management strategy focuses on the identification, assessment and development of talent across all generations. Attracting multiple generations to Bureau Veritas is also critical.

At the end of 2019, 66% of the Group's workforce was generation Y (up from 59% a year ago), and generation Z has entered the workforce, meaning five generations are now collaborating together (see below).



* Generation year range is based on the CIPD (Chartered Institute of Personnel and Development) definition.

LEAVE YOUR MARK, the Group's compelling employer brand, is extremely well positioned to illustrate Bureau Veritas' employment value to multiple generations, through its unique linking of its employees' expertise with concrete benefits to society. In addition, the operating divisions are taking initiatives to promote age diversity in accordance with local conditions. These include:

- in France, recruitment teams strive to create pools of young talent on the brink of entering the workforce. In 2019, employees recruited on work-study contracts represented 12% of all new hires. Additionally, 44.5% of all new permanent recruits in 2019 were people aged under 30, a 1.1% increase in two years;
- effective veteran recruitment programs operated in the United Kingdom, as recognized by Bureau Veritas' Gold Award from the United Kingdom Armed Forces Covenant. In addition, Bureau Veritas offers veterans numerous options to organize their work by giving them a role as mentors or consultants, or by offering them part-time work solutions;
- also in the UK, the Marine & Offshore division collaborated with careerready.org.uk to offer internships to students from low income families who are in their last or second last year of secondary school. Assigning students a mentor and giving them support to do meaningful work gave them valuable skills and increased their chances of professional employment later in life;
- in Japan, in order to retain Bureau Veritas' older talent, the Group offers a continued employment program for those who have reached the local retirement age (63), which includes offering part-time work options.

Countering discrimination

Respect for all individuals is one of the Group's core values. Upon joining Bureau Veritas, all employees agree to respect differences, which excludes any form of discrimination based on ethnicity, visible differences, religion, gender, heritage, socioeconomic status, age, sexual orientation, marital status, medical condition, disability or political opinion.

In addition to the Inclusion policy issued in 2019, the Group published its Human Rights policy in 2018, which aims to eliminate all forms of discrimination and to promote, respect and protect human rights, regardless of the country in which the Group operates (see sub-section 2.3.2.3 – Respect for human rights).

As part of the Group Recruitment policy launched in 2016 and reissued in 2019, Bureau Veritas strives to guarantee equal opportunities in the workplace, along with fairness, diversity and objectivity in all of its recruitment processes.

Other Diversity policies at local level reinforce these Group policies 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.

Inclusive academic policy

Bureau Veritas seeks to recruit people who will live its Values and Leadership Expectations and who have the expertise to deliver excellence in the roles they will hold, 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.

Promoting a high-quality working environment

The goal of Bureau Veritas' HR strategy is to achieve a performance- and feedback-driven, inclusive culture, in which highly engaged talent continuously learn and collaborate to realize the Group's vision. The Group recognizes that the following are important elements of this strategy:

- effective welfare protection;
- absenteeism management;
- safety and security;
- a modern workplace;
- effective labor relations (including reorganization policy);
- fair and competitive compensation.

Effective welfare protection

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 economies of scale to purchase welfare benefits worldwide. 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 aims to ensure that there are no gaps in coverage, and that its worldwide employee benefits are adequate and consistent in view of local situations.

The Group has set up an assessment phase at country and entity level in order to provide adequate support relative to needs that:

- ensures optimized tariffs at global, regional and country levels;
- takes a country-specific approach ensuring compliance with local regulations;
- has an **efficient benefit design** by targeting benefit coverage in line with local market and best practices;
- provides minimum coverage in medical programs and life insurance:
- promotes well-being and awareness programs consistent with Employers of Choice criteria.

In 2019, such support was provided for France, the United Kingdom, India, Colombia, Hong Kong, the United Arab Emirates, Taiwan and Vietnam, according to the needs of each location. This represents around 30% of the Group's workforce, with plans in place to progressively cover all employees in future years.

Managing absenteeism

Out of the Group's total headcount, the absenteeism rate for 2019 was 1.1%, an improvement on 2018 (1.2%). This rate reflects the total number of days of absence (due to illness, workplace accidents, or unauthorized absences). Bureau Veritas has set itself an annual absenteeism target of less than 2%, under which absenteeism is deemed not critical for the Group.

Absenteeism is monitored by local HR departments in accordance with local labor laws, and this is complemented by local employee wellness initiatives, an example being Bureau Veritas Turkey's Breast Cancer Awareness campaign as part of the WHO's October Breast Cancer Awareness month. This campaign included partnering with a local hospital to increase awareness, early detection and treatment.

Another example was the mental health awareness initiatives that were run across some of Bureau Veritas' larger European countries including the United Kingdom, Italy, Spain, the Netherlands and the Nordic countries. The initiative had visible executive sponsorship, with the objective of raising awareness among all employees about the importance of mental health and the options available to seek guidance and support when needed. A learning program was provided to managers, as well as within the HR community, with a view to identifying and supporting team members potentially suffering from mental health issues, and to taking effective steps toward addressing these issues. Similarly, in Australia and New Zealand, Bureau Veritas ran mental health awareness sessions in 2019 through the R U OK? initiative.

A modern and flexible workplace

The Group is continuously planning for the future workplace, including technology advancements and the changing nature of jobs, skills, and careers, but with people driving business outcomes remaining central to the Group's operation. This planning includes continuously improving and re-inventing the Bureau Veritas employee and applicant experiences, and thereby enhancing the external client experience through many initiatives.

These initiatives are very often enabled by technology and the Group-wide HR platform, SuccessFactors, which was initially rolled out in 2017 and serves as a foundation for HR transformation. In 2019, key enhancements that led to significant improvements to the workplace through technology included:

- PeopleDoc, which gives employees direct access to a database containing their personal HR documentation. Requests are handled and addressed centrally, enabling more efficient processing and faster response times. Employees also each have a digital vault storing all of their personal documents (pay slips, employment contract, etc.). The system is being rolled out across the Group's largest host countries, following France in 2019;
- the Recruiter Marketing module of SAP SuccessFactors, which
 was implemented in 2019. This included the launch of a more
 streamlined job search and application process with a new
 recruitment portal that was timed to coincide with the launch
 of the Group's new employer brand, LEAVE YOUR MARK. These
 and future changes are part of Bureau Veritas' commitment to
 continuously enhancing its applicant experience;
- improvements to the employee experience when using SuccessFactors through the technology enabling the delivery of key changes implemented in 2019, including MyPerformance@BV and MyDevelopment@BV.

Beyond technology, the Group is also implementing flexible working arrangements in parts of its business where practical, with Bureau Veritas Services putting in place a home office agreement on November 22, 2019. The Group will continue to explore options for flexible working arrangements for more of its employees, including leveraging technology to facilitate more modern working practices.

Effective labor relations (including reorganization policy)

The Group has set up a number of employee representative bodies and strives to ensure that they function effectively. Beyond these, Bureau Veritas also encourages communication, exchanges of ideas and opinion gathering, for example *via* notice boards, HR/people networks, suggestion boxes, exit interviews, ethics officers, accident prevention committees, monthly personnel meetings, and an open door policy.

The Group's local 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 and flexibility options therefore vary depending on the host country and its applicable laws. For example, 510 Group employees in France worked part-time in 2019, representing 6.5% of its workforce in the country.

Employee representative bodies	Employee representative bodies exist in most of Bureau Veritas' key countries, including Australia, Belgium, Canada, China, the Czech Republic, France, Germany, India, Italy, Japan, the Netherlands, Malaysia, Russia, Singapore, Spain, Thailand, Ukraine and most African countries (Angola, Benin, Congo, Côte d'Ivoire, Gabon, Mali, Senegal, Togo 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 in France), union representatives, etc.
Committees	Employee committees have been set up in Singapore, Vietnam, Germany, Spain, France, Belgium, the United Kingdom and Canada. In China, a discussion meeting open to all personnel is held each year to establish a dialogue with employees on subjects such as learning and career development; in 2019 more e-channels were opened for employee input, including Have Your Say, for providing comments/suggestions via a QR code linking to the application WeChat.
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 topics (organization of working hours, compensation policy, working conditions, etc.) have been signed in many of Bureau Veritas' main markets: Argentina, Australia, Brazil, Canada, Chile, France, India, Italy, Mexico, the Netherlands, Peru, Russia, Singapore, Spain, Ukraine and Vietnam.

Bureau Veritas aims to inform employees and/or their representatives as early as possible of any reorganizations. In addition, agreements are signed in some situations with employee representatives in order to support the development of competencies. For example, in France an annual negotiation on the Gestion des Emplois et Parcours professionel is planned for 2020 in order to reach an agreement with employee representatives on competency development. This proactive approach to employee development is reinforced by assessing employees each year through MyPerformance@BV and MyDevelopment@BV. It involves understanding the skills needed for current and future business requirements and developing plans to develop them.

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.

Fair and competitive compensation

Compensation surveys are carried out regularly by the Group to ensure that Bureau Veritas continues to be competitively positioned, enabling it to both attract the right applicants and to compensate employees according to their level of performance for the roles they hold.

Managers have the opportunity to be rewarded by participation in bonus schemes that take into account their individual performance and the performance of the Group as a whole.

Bureau Veritas also promotes long-term performance 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 3.7.3 and 3.7.4 of this Universal Registration Document.

Information relating to personnel costs can be found in Note 8 to the consolidated financial statements – Operating income and expense, included in section 6.6 of this Universal Registration

Bureau Veritas also has profit-sharing agreements and Group savings plans in place, including the plan described below for Bureau Veritas SA (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 employees of the six subsidiaries in France are entitled to participate in a special reserve calculated pursuant to the statutory method set forth in article L. 3324-1 of the French Labor Code (Code du travail). In 2019, statutory profit-sharing represented $\[\] 9,904,730$ for a total of 8,428 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.

	2019	2018	2017
Number of beneficiaries	8,428	7,458	7,458
Total contractual profit-sharing (in €)	6,391,171	5,067,554	7,024,162

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 $\[\in \]$ 169,015,848 was invested as of December 31, 2019. 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 $\[\in \]$ 1,525 per employee per calendar year.

2.3.2.3 Respect for human rights

Background

Respect for human rights underpins Bureau Veritas' core values.

Besides its own commitments, Bureau Veritas also applies internationally recognized principles of human rights, set out in the following documents (together referred to as "Standards on Human Rights"):

- the UN Universal Declaration of Human Rights;
- the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and its Core Conventions;
- the UN Convention on the Rights of the Child;
- the UN Guiding Principles on Business and Human Rights.

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 lack of support for diversity and inclusiveness. These issues are at the heart of the Group's Human Resources policy. This risk is also significant for Bureau Veritas partners (see sub-section 2.3.1.3 – Supply chain management and section 2.4 – Duty of care plan).

Policy

Bureau Veritas is committed to maintaining and improving systems and processes that help identify, prevent and mitigate any human rights violation.

The Group 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: Trusted, Responsible, Ambitious & Humble, and Open & Inclusive. The policy has been translated into five languages and applies to all employees and partners – subcontractors, suppliers, sales agents and co-contractors. It has been circulated among all

employees through the Group's intranet sites and a specific information briefing organized in each country. All Bureau Veritas partners signing contracts with the Group since July 1, 2019 have also received a copy. These contracts include new general terms and conditions of purchase systematically specifying acceptance of the Business Partner Code of Conduct.

Bureau Veritas has a whistleblowing mechanism in place with a specific hotline number and email address. This is available to both its employees and business partners.

Action plan

Bureau Veritas assesses the human rights risks related to its operations, subsidiaries, subcontractors and suppliers, and draws up a duty of care plan aimed at preventing and mitigating these risks.

Self-assessments looking at the application of the Human Rights policy in all of Group's operational and support functions were conducted by each Executive Vice-President in 2019. Three avenues for improvement were identified:

- eliminating all forms of discrimination;
- promoting diversity and inclusiveness;
- protecting privacy.

The following measures were taken in order to mitigate these risks:

- including the Human Rights policy in the induction package for new recruits:
- accelerating the integration program for women in France and Africa;
- reviewing pay increases for female employees in France after their return from maternity leave;
- supporting initiatives promoting diversity in Southern and Western Europe;
- enhancing data protection and privacy in Southern and Western Europe.

Indicators

At the end of May 2019, based on self-assessments of each operating group, the percentage of employees working in entities respecting the criteria set out by the Human Rights policy was as follows:

- respect for human rights: 100%;
- freedom of association and the right to collective bargaining: 100%:

- fight against human trafficking and forced labor: 100%;
- prevention of child labor: 100%;
- elimination of all forms of discrimination: 85%;
- promotion of diversity and inclusiveness: 91%;
- providing a safe and secure working environment: 100%;
- protecting privacy: 91%.

2.3.2.4 Health and safety

Background

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.

Policy

The Group's HSSE (Health & Safety, Security and Environment) policies have 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 HSSE practices across an international network of 140 countries;
- performance of a wide range of activities that carry different HSSE risks:
- missions on client sites in working environments that the Group cannot control:
- protection of Group employees against risks to their health and/or safety; and
- protection against the risk of road accidents during work-related travel.

Some 20 or so safety policies have been included in the Group's management system.

These are reviewed at least each year based on an analysis of safety indicators, qualitative data and changes in businesses and risks

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).

In light of its goal to become a zero-accident company, establishing a safety culture is a key focus for the Group. The 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, Security and Environment (HSSE) managers. Since 2015, when the Group's first series of reliable indicators were established, the number of accidents has fallen sharply.

In a risk analysis approach, initiatives are prioritized and rolled out with the support of each operating group. The analysis carried out at the end of 2019 showed that accidents are primarily caused by a lack of attention or inappropriate behavior. Accidents that occur in performing operational tasks are minimal.

The two main types of accidents are:

- road accidents;
- same-level falls.

Safety is our responsibility

2019 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 safety policy and also training employees in day-to-day health and safety issues.

"Safety is our responsibility" is based on six key areas:



A local and global HSSE organization

Bureau Veritas has put in place the following HSSE 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.

Position	Role and responsibilities
Chief Executive Officer	Responsible for safety and security for the entire Bureau Veritas Group.
Executive Vice-President, Corporate and External Affairs	Responsible for defining the QHSSE (Quality, Health & Safety, Security and Environment) strategy, reporting to the Chief Executive Officer 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 2020 strategic plan.
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.

Commitment

Strong and unwavering commitment of the Group's Executive Management

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 briefings;
- review of each serious accident by the person responsible for the scope concerned and the Group Executive Vice-President in charge of QHSSE.

More than 1,674 safety walks in 2019 by managers in France

To complement this initiative, certain scopes have defined individual safety targets as part of managers' annual bonuses.

In 2019, Bureau Veritas rolled out a new module to record all safety walks on its QESIS (Quality, Environment, Health & Safety System) app for mobiles.

In 2020, it will continue to invest in this project in order to facilitate information flows as well as more easily monitor the safety scorecard put in place in 2019 for each operating group. This scorecard provides management with a tool for tracking leading/lagging indicators and therefore helps define the actions needed in order to continually improve safety.

In signing an HSSE statement, the Group's Executive 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:

- provide a safe workplace and safe working methods to prevent accidents and injuries to Group employees;
- prevent pollution, minimize energy consumption and waste and protect biodiversity;
- increase Bureau Veritas employees' HSE awareness and safe behavior:
- comply with all relevant HSSE requirements (regulations, internal policies, client requirements, and other applicable requirements).

These commitments are also reflected in the active participation of the Group's Executive Management in the analysis of serious accidents, in the conduct of specific HSSE reviews, the setting of HSSE 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. This video is an integral part of the welcome kit given to each new employee when joining Bureau Veritas and is available in the seven most commonly used languages within the Group

In 2019, numerous safety workshops were piloted by the managers of local entities so that avenues for improving safety management could be identified together with the management team and operating staff. These workshops also provide Executive Management with a perfect opportunity to reiterate its commitment to safety, one of Bureau Veritas' "absolutes".

Following the risk analysis, Group management reviewed its "defensive driving and mobility" policy in order to enhance the measures in place to manage risk and thereby protect all employees in their daily commute or during work-related travel.

In 2019, 63 accidents were reviewed. In compliance with the Group's HSSE reporting policy, three fatal accidents were reviewed in the presence of the Group's Chief Executive Officer.

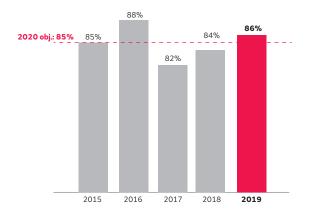
As indicated above, in 2020 the Group will particularly focus on the notion of a safety culture and the impact of behavioral/human factors. The first campaign will be designed for management to obtain a decisive insight into the employees who live out Executive Management's commitments on a daily basis.

Management system

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.

Bureau Veritas 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.

ISO 45001



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.

In 2019, the Group's internal auditors verified compliance by local entities with the new ISO 45001 standard. In 2020, internal and external safety audits will be based solely on ISO 45001.

Training

Training in health and safety, security and environmental issues is a top priority at Bureau Veritas. A training catalogue 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 Bureau Veritas' 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", which 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 devices and preventive action, as well as many other topics. Training leading to a certification is also provided for the members of the HSSE network on HSSE management systems, applicable standards, internal audits and accident investigations.

1,100 days of classroom-based safety and security training given in France in 2019 $\,$

2,600 training sessions taken on root cause analysis since 2016

Cardinal Safety Rules

The Cardinal Safety Rules define the fundamental safety rules at Bureau Veritas. They were enhanced in 2017 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 10,000 employees were trained in the Cardinal Safety Rules in 2019.

At present, the Cardinal Safety Rules cover three major areas, as shown below.







E-learning platform: My Learning

Substantial resources were allocated by HSSE 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 HSSE courses have been posted online since 2015.

Available to all the Group's employees, this platform 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 pressurized devices. Specifically designed modules are also made available to managers and concern measures managers must take with respect to personal protection equipment, ionizing radiation, working at heights and the entry into confined spaces.

100,000 HSSE e-learning sessions taken in 2019 81,000 e-learning training hours followed in 2019 In 2020, new sessions will be added to the HSSE training catalogue 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:

- work environment (brightness, noise, air quality, humidity, temperature, teleworking and well-being at work);
- "Managing Safely": leadership and safety for managers;
- improving training regarding the prevention of same-level falls.

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 HSSE managers received ISO 45001 training in 2019

Health

The network of HSSE (Health, Safety, Security and Environment) officers are responsible for monitoring health risks that could affect employees.

Identifying and monitoring health risks at Bureau Veritas is a two-step process:

- on the ground: thanks to the network of HSSE officers on the ground, emerging risks and changes in those risks can be observed, along with the local measures put in place by public authorities to prevent them. HSSE officers notify the Group of any escalation in the level of risk;
- in Paris: the Group HSSE department monitors health risks on an ongoing basis together with International SOS, the Ministry of Foreign Affairs and the Chief Health and Safety Officers of major companies.

In the event of a health crisis, a Crisis Committee is formed, comprising the HSSE officers, the Group HSSE department and all relevant support functions. The role of this Committee is to assess the level of risk and draw up an action plan, sharing information collected by the operating groups on the ground and information obtained by the Group HSSE department.

Where appropriate, this plan of action can encompass various protective (e.g., wearing protective gear) and preventive (e.g., working from home, admission to hospital, etc.) measures, including quarantine.

Depending on the type of action plan, the Crisis Committee issues health warnings to management and employees locally and/or at Group level. These warnings detail the recommendations and instructions to be applied by each unit.

The Committee also monitors developments in the situation and may issue revised health warnings depending on how the matter evolves. It regularly briefs the Group Executive Committee and Executive Management.

This system was activated in late 2019/early 2020 in the context of the Covid-19 outbreak.

The Executive Vice-Presidents in charge of the operating groups in China and Hong Kong (Commodities, Industry & Facilities, Consumer Products and Marine & Offshore) closely monitored developments and took the necessary preventive measures. They also issued health warnings to their teams.

An HSSE Crisis Committee was formed at the same time, comprising the HSSE Directors of the relevant operating groups, the Group HSSE Director and the Executive Vice-President, Corporate and External Affairs.

The Committee held regular meetings to monitor developments and issue global health and safety warnings.

The preventive measures taken included:

- a ban on all travel to and from countries/regions affected by
 the virus:
- quarantine for people having recently spent time in those countries/regions;
- working from home for office or laboratory staff whose presence on site is not critical;
- the supply of masks, gloves and disinfectant.

The Executive Committee and Chief Executive Officer were kept informed of the situation on a daily basis. The Crisis Committee met regularly to monitor the implementation and effectiveness of the preventive measures and the measures taken to adapt the Group's operating activities.

Driving and mobility

Driving is one of the most common causes of accidents and death at Bureau Veritas, and, with this in mind, Executive Management decided to revise the Driving and Mobility policy.

New compliance requirements have been introduced in terms of:

- the Company car fleet;
- training for employees who need to drive for work;
- bespoke training for employees considered to spend most time at the wheel;
- initiatives aimed at increasing employees' sense of responsibility towards their Bureau Veritas vehicle;
- a penalties policy;
- use of mobile telephones, GPS, etc.;
- two-wheeler safety equipment;
- rules to be respected by passengers;
- installation of fleet tracking devices. It is the responsibility of the operating groups to decide whether this last recommendation is appropriate in light of local rules and regulations as well as differences in culture and technology.

Training is a vital component of safety risk management. Bureau Veritas developed and rolled out a policy in this area in 2019. Compliance with QHSSE training policy is verified during QHSSE internal audits. This is a basic requirement and helps create a shared culture, enhanced by training adapted to each employee's role and the local context.

Communication

Each year, Bureau Veritas runs two safety and security campaigns to raise employee awareness of these issues as well as other specific topics. These campaigns are rolled out locally by QHSSE departments to achieve 100% employee coverage. In 2019, the two campaigns focused on:

- business travel and safety/security;
- driving and mobility.

Safety 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 30 security alerts within the Group in 2019, 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.

Visual communication

In 2019, safety campaigns and also certain specific messages were shared and circulated to employees using different media. Posters about driving and mobility were displayed in Bureau Veritas offices and sites across the globe. Booklets and flyers were also designed and included in the induction pack for new recruits to inform them about key safety issues.

Countries, regions and/or operating groups have used videos, screensavers and other visual media to circulate important safety messages.

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 dialogue 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 and 2019, 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. In 2020, Bureau Veritas will endeavor to improve its reporting on safety briefings in connection with safety scorecards.

Nearly 2,300 QHSSE briefings were conducted in France in 2019

Audits

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 45001, ISO 14001, ISO 17020 and ISO 17025, the QHSSE department also establishes a three-yearly Internal Audit program. More than 23 audits were conducted in 2019 by the Group's pool of internal auditors.

Besides the Group's QHSSE department, other departments carry out audits to ensure that processes are duly applied. In all, almost 1,200 audits (excluding financial audits) were carried out internally.

These internal audits verify compliance with Bureau Veritas processes and also help promote best practices.

In 2019, 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.

60 days of QHSSE audits completed by the 17 QHSSE auditors

1,190 audits in 2019

Non-compliance cases following a certification audit reduced by 274%

Continuous improvement

The strategy of ongoing improvement is defined at all levels of the Group. Headed up by the QHSSE departments, this strategy 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 business travel "2 mins for my security";
- analyze driving risks "2 mins for my safe driving";
- analyze risks relating to riding two-wheelers "2 mins for my safe riding";
- record any safety walks completed;
- trace any safety/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, 63 in 2019, were analyzed by the management of the concerned entities, together with the Group QHSSE department and Executive 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 2019. The two main causes of accidents are a lack of attention and inappropriate behavior. These causes accounted for over half of accidents.

Safety and security surveys

Various 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 culture and its implementation throughout the Marine & Offshore division.

Carried out according to the "behavior-based safety" method, these surveys are the starting point for a structured approach to safety. In 2019, Group Executive Management therefore decided to require these surveys to be conducted in the ten countries in which it does the most business. At the end of 2019, the surveys were rolled out to several scopes including France, Africa, and the Marine & Offshore and Consumer Products divisions. They will be introduced in Latin America and North America by the end of first-quarter 2020.

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. These statistics are closely analyzed and presented in each of the monthly safety reports provided to members of the Group's Executive Committee.

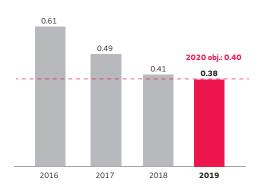
To constantly improve training, processes and the safety organization, and thereby reduce the risk of accidents, the ability to compile information about dangerous situations and near-accidents within the Group's operations is critical.

More than 5,000 near-accidents reported in 2019: a 24% decrease on 2018

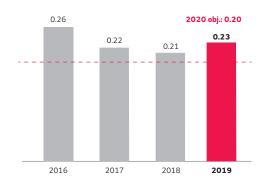
More than 10,000 unsafe conditions reported in 2019: up 100% on 2018

Indicators

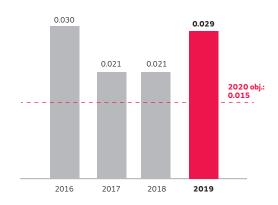
TAR



LTR



ASR



TAR (Total Accident Rate): Number of accidents with and without lost time x 200,000/Number of hours worked.

LTR (Lost Time Rate): Number of accidents with lost time \times 200,000/Number of hours worked.

ASR (Accident Severity Rate): Number of days lost \times 1,000/Number of hours worked.

2.3 Roadmap for shaping a world of trust

Since 2014, the Total Accident Rate (TAR) has fallen by 51% and the Lost Time Rate (LTR) by 47%, while the Accident Severity Rate (ASR) has been reduced by 6%. Nevertheless, three fatal accidents occurred in 2019, all 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 $% \left\{ 1,2,\ldots ,n\right\}$ 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 2019, 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 HSSE department and then presented by 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 HSSE 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

In 2020, the QHSSE department and its internal partners will define the new QHSSE plan in line with the Group's next strategic plan.

2.3.2.5 Support for local communities and outreach

Background

The Group's highly decentralized organization favors local hiring in the nearly 140 countries in which it does business. In this way, Bureau Veritas helps further socio-economic development in its host countries.

The Group takes care to ensure that each of its 1,560 offices and laboratories across the globe develops local skills and expertise in partnership with the authorities and the stakeholders concerned.

Policy

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" is one of the components of the Group's new community support policy. It encompasses a broad range of local initiatives, including, for example, food collection, environmental protection, support for women on the street and tree planting.



In late 2019, Bureau Veritas developed a policy aimed at aligning the philanthropic initiatives launched by its operating entities. Three priority themes were identified (health, education and environment), and should cover over 80% of local initiatives.

Philanthropic initiatives can take the form of donations or skills sponsorship.

Action plan

The community initiatives rolled out by Bureau Veritas are decided locally in each of the countries in which the Group does business.

More than 170 local initiatives were carried out in 2019, several of which are listed below:

Healthcare:

- collection of sanitary and beauty products for women on the street (France);
- donation to help put people with disabilities into contact with volunteers with 3D printers to model missing fingers or hands (France);
- donation to help autistic children (North America);
- donation to child and adult cancer research (Australia, North America, Europe).

Education:

- donation and sponsorship aimed at promoting education in rural areas together with the Chemins d'Avenirs association (France);
- help for disadvantaged young people through scholarships or education programs (Europe, Africa);
- practical support for disadvantaged young girls (South Africa);
- donation to support child education, the provision of school materials and the renovation of schools (North America, Philippines, Brazil, Germany).

Environment:

- planting of seeds and trees in various countries (Lebanon, Sumatra, Malaysia, Abu Dhabi, Pakistan, Czech Republic, etc.);
- collection of waste to mark World Cleanup Day (Indonesia, Malaysia, Russia, Italy, Latin America, etc.);
- campaign to reduce paper consumption (10 sites in Russia, Egypt);
- campaign to abolish the use of plastic and prepare for new legislation (Europe, CIF APM sites).

Indicators

In 2019, Bureau Veritas donated a total of €620,000 and carried out 44 skills sponsorship initiatives, an increase of 18% and 22%, respectively, compared to 2018.

BREAKDOWN OF DONATIONS BY CATEGORY

Donations by category	Amount (in euros)	%	No. of donations	%
Education	250,000	40%	59	35%
Environment	8,000	1%	26	15%
Health	211,000	34%	71	41%
Art & Culture	151,000	25%	16	9%
TOTAL	620,000	100%	172	100%

BREAKDOWN OF SPONSORSHIP INITIATIVES BY CATEGORY

Sponsorship by category	No. of initiatives	%	No. of hours	%
Education	7	16%	242	11%
Environment	21	48%	953	42%
Health	14	32%	1,058	46%
Other	2	4%	24	1%
TOTAL	44	100%	2,277	100%

2.3.3 Environmental protection

2.3.3.1 Combating climate change and adapting to its consequences

Background

Climate change can lead to more frequent extreme weather such as flooding, fires or excessive temperatures, which could impact the continuity of the Group's businesses and those of its clients, which could in turn impact the Group's own operations.

In this context, Bureau Veritas has developed an approach aimed at reducing its ${\rm CO_2}$ emissions and adapting to the consequences of climate change.

Its environmental footprint mainly reflects electricity consumption in its laboratories and work-related travel. It has developed internal programs to reduce the impact of the Company's carbon footprint.

Bureau Veritas has signed up to the fight against climate change, joining the French Business Climate Pledge launched by MEDEF, France's largest employer federation.

Policy

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.

Bureau Veritas has put in place an environmental management system certified to ISO 14001. In 2019, this system covered 76% of the Group's workforce

The Group published a policy on operational eco-efficiency in 2019, which defines the rules for protecting the environment and reducing carbon emissions. The policy is part of the Group's management system, and its application will be verified by internal and external auditors. It is designed to step up the carbon emissions reduction program and to define measures for each of the areas in which Bureau Veritas has an impact.

Action plan

Work-related travel was the main source of CO_2 emissions for inspection and office activities, for example, while energy consumption was the main source of CO_2 emissions for laboratories. Based on the above, three sources of emissions were identified:

- energy consumed by work-related travel;
- energy consumed by the Group's offices;
- energy consumed by laboratories.

The action plan to reduce $\ensuremath{\text{CO}_2}$ emissions therefore has several components:

• Reducing work-related travel

The Group's policy seeks to limit travel and encourage "low-carbon" trips. A new video conferencing system facilitates remote communication and helps reduce travel. The Group's work-related travel policy was updated in late 2019.

Various technological solutions have been put in place allowing for a richer video and telephone conference experience. Three main tools were used in this respect: Polycom, Zoom and GoTomeeting.

In 2019, the focus shifted, with all employees offered a single global platform designed to forge stronger links across the work environment.

• Using cars with low carbon emissions

The Bureau Veritas fleet includes some 9,000 vehicles. In order to reduce their $\rm CO_2$ emissions, local initiatives have been put in place, mainly in Europe, Australia and Latin America.

Car fleet management policies have been rolled out encouraging the use of energy efficient cars. Hybrid and electric vehicles are also included in vehicle catalogues. The car fleet management policy and the catalogue were updated in late 2019.

Car fleet policies for company vehicles are regularly reviewed in order to reduce emissions per km. In France, for example, vehicles that are more than three years old are replaced with more fuel-efficient vehicles in order to reduce average fuel consumption and thus the emissions resulting from work-related travel. At December 31, 2019, these emissions represented less than 100 g of CO_2 per km.

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 2019, employees took 47,000 e-learning sessions.

Improving the energy performance of office buildings and laboratories

Bureau Veritas encourages its subsidiaries to use green energy in order to reduce $\mathrm{CO_2}$ emissions, and to opt for low-energy buildings. Bureau Veritas recommends choosing energy-efficient buildings whenever leases are up for renewal. At the end of 2019, 12 of Bureau Veritas' buildings had obtained LEED certification, mainly in Asia. Bureau Veritas also recommends the use of LED lighting. The introduction of LED lighting in 20% of the laboratories of Bureau Veritas' Consumer Products division has increased energy efficiency by 55%.

The Group also recommends using green energy wherever possible. In Italy, all electricity consumed is from green power sources.

Machinery and equipment in Bureau Veritas laboratories are big consumers of energy. Meticulous management of this machinery and equipment can help reduce energy consumption. The Group has identified machines and equipment that can be switched off during the night in order to avoid waste.

• Using suitable IT equipment

This represents another potential area in which Bureau Veritas can reduce its environmental impact. The Group's priorities are to use more eco-friendly equipment and encourage widespread use of the cloud to store data. In France, for example, using virtual servers has reduced the number of physical servers by 1,300, helping to save 353 tons of $\rm CO_2$ in 2018. Similar projects have also been undertaken in the United States.

For the past few years, the Group IT department has 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.

Adapting to the consequences of 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 and 2019.

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.

Indicators

The reporting and consolidation process is improving each year and in 2019 was enhanced by a dedicated team tasked with verifying each report submitted by local entities.

As part of the 2020 strategic plan, the environmental policy identified three key objectives (compared to the 2015 consolidated results):

Reduce CO ₂ emissions by 10% per full-time	Increase the use of renewable energies	Have 75% of Group businesses certified
equivalent employee by 2020	by 10%	to ISO 14001

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 (including service vehicles);
- 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 air, train, rental car, and personal car).
 Emissions relating to commuting and computers are not taken into account.

The data presented below in this chapter cover:

Tons of CO₂ equivalent	Scope 1	Scope 2	Scope 3
2018 ^(a)	39,323	61,689	77,948
2019 ^(b)	66,700	63,315	49,682

- (a) In 2018, the scope covered 148 operating entities and 84% of employees in the year.
- (b) In 2019, the scope covers 157 operating entities and 81% of employees in the year.

The 2019 scope includes two new Maxxam laboratories, which are heavy consumers of gas. Taking these two laboratories into account, Maxxam accounted for 53% of CO_2 emissions in 2019, compared to only 32% in 2018. The two laboratories had not been consolidated in 2018 due to a lack of available data. This explains the sharp increase in Scope 1 CO_2 emissions (see above), energy consumption, and CO_2 emissions for laboratories (see below).

Scope 3 includes a broader range of emissions, with the main contributors being commuting, IT equipment and energy-related activities (excluding Scope 1 and Scope 2 emissions). On this basis, Scope 3 emissions fell from 173,534 tons of CO_2 equivalent in 2018 to 159,007 tons in 2019.

Bureau Veritas laboratories

For laboratory activities in 2019, reliable data for electricity consumption were measured for 81% of the staff in Group laboratories and 57% of Group laboratories.

For several years now, data have shown that 80% of the total volume of electricity consumed by the Group is attributable to the laboratories, and the remaining 20% attributable to offices.

The following energy-related data consolidate the data on electricity and gas consumption.

The table below shows electricity consumption for the Group's laboratories per person and per year for the past five years:

Energy in MWh/person/year	2019	2018	2017	2016	2015
Laboratories	16.2	10	9	6.9	6.5

The table below shows the gross electricity consumption for Group laboratories between 2015 and 2019:

Energy in MWh	2019	2018	2017	2016	2015
Laboratories	259,125	190,360	175,172	121,789	112,996

GROUP CO2 EMISSIONS ARISING FROM ENERGY CONSUMPTION

Energy	2019 coverage rate	Tons of CO₂/person 2019	Tons of CO₂/person 2018	Tons of CO₂/person 2017	Tons of CO₂/person 2016	Tons of CO ₂ /person 2015
Laboratories	62%	4.97	3.14	3.48	3.10	3.07
Laboratories and Offices	48%	2.46	2.04			

GROUP CO2 EMISSIONS ARISING FROM WORK-RELATED TRAVEL - OFFICES

Work-related travel	2019 coverage rate	Tons of CO₂/person 2019	Tons of CO₂/person 2018	Tons of CO₂/person 2017	Tons of CO₂/person 2016	Tons of CO₂/person 2015
Offices	78%	1.69	1.94	2.09	2.35	2.46
Offices and Laboratories	78%	1.40	1.60			

Data related to work-related travel shown above include data linked to the use of cars (corporate, rental and leased vehicles), two-wheelers, flights (short, medium and long-haul) and train travel. Commuting is not included.

The 2020 target is to reduce transportation-related CO₂ emissions by 20% per capita.

2.3.3.2 Reducing environmental impact and protecting diversity

Background

Although it does not generate substantial waste, Bureau Veritas looks to reduce its environmental impact and is committed to protecting biodiversity through the Act4Nature initiative.

Policy

Bureau Veritas has put in place an environmental management system certified to ISO 14001. Several policies have been rolled out to reduce and sort waste, limit paper consumption, and reduce water consumption.

Action plan

Waste and paper management

- <u>waste management:</u> the waste management policy is rolled down through two initiatives:
 - all hazardous waste generated by laboratories is subject to a specific collection process;
 - recycling of office waste is encouraged.
- the Group's laboratory activities are particularly water-intensive.

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	Appropriate maintenance contracts		
	provoke refrigerant gas leaks	Recent vehicle fleet with low CO ₂ emissions and training		
	Use of cars to travel to client premises	in eco-driving		
Laboratories	Air conditioning equipment in laboratories,	Appropriate maintenance contracts		
	which may provoke refrigerant gas leaks	Technical equipment to monitor emissions		
	Testing equipment that may generate polluting atmospheric emissions	and procurement of necessary permits, regular emissions checks		
	Use of cars to travel to client premises	Recent vehicle fleet and training in eco-driving		
	Storage of chemical products and hazardous waste	Dedicated storage areas equipped with appropriate retention tanks and necessary control procedures		

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 Services 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. This reporting concerns virtually all Group entities (93%). However, Bureau Veritas did not previously require specific reporting on recyclable waste, and the tool was therefore enhanced in 2019 to allow more detailed waste reporting.

Water

Water is a multi-faceted challenge for the Group. The aim is to be able to collect reliable information on water consumption covering all entities concerned. Water consumption decreased by 20% in the year (1.118 cu.hm in 2018 compared to 0.936 cu.hm in 2019).

Environment days

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 QHSSE 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. An average of 43,000 employees have taken part in 350 action programs since 2015.

The best action programs receive a trophy.

In 2019, four trophies were awarded in the following categories: Creativity, Education and Social Media, in addition to the year's theme "Connecting People to Nature".

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 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.

Action for biodiversity



Alongside the French government and companies taking part in the Act4nature initiative, Bureau Veritas confirmed its commitment to protecting biodiversity by signing Act4Nature's 10 commitments and publishing its action plan in May 2018.

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 the environment and biodiversity are key concerns for Bureau Veritas.

2.3 Roadmap for shaping a world of trust

In 2019, the Group set up a global reforestation project in response to the key environmental challenges it identified, which include protecting biodiversity, creating strong local roots, and reducing its environmental footprint with the ultimate aim of being a carbon-neutral business. Bureau Veritas allowed its employees to participate directly in this initiative, and planted one tree for every tree planted by an employee.

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 awareness among Bureau Veritas Brazil employees.

Other projects were also undertaken in 2019 covering reforestation, participation in World Clean-Up Day and awareness-raising initiatives for the protection of biodiversity.

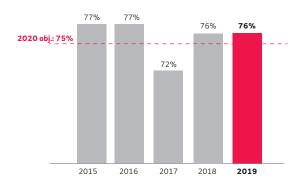
At the end of the year, the Group and its stakeholders had planted 7,111 trees in nine different plantations. Together with the Reforestaction initiative, each plantation is monitored and controlled to ensure greater project transparency. The initiative is equivalent to 1,066 tons of stored CO_2 .

In 2020, Bureau Veritas will continue to expand its plantations and make a positive contribution to biodiversity.

Indicators

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



2.4 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.

The existing duty of care plan covers all of Bureau Veritas' businesses and all of its subsidiaries, 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 in the following five areas:

- ethics and the fight against corruption;
- human rights and fundamental freedoms;
- · health and safety of persons;
- protecting the environment and biodiversity;
- personal data protection.

2.4.1 Governance and policies

The CSR Steering Committee helps draft the duty of care plan and monitor its application.

Applicable policies under the duty of care plan are:

 the Business Partner Code of Conduct (BPCC), for suppliers, subcontractors, sales agents and co-contractors.

The Code covers requirements in terms of ethical conduct, human rights, safety and security, environment, and data protection. At all levels of its organization, and for all of its operations and host countries, Bureau Veritas seeks to be a responsible corporate citizen and endeavors to act in accordance with the principles of human and labor rights, health and safety at work, environmental protection and anti-corruption.

The BPCC derives from Bureau Veritas' Code of Ethics and Human Rights policy. It defines the requirements for all of the Group's business partners, which apply in addition to:

- the relevant local, national and international standards and regulations;
- the Bureau Veritas Code of Ethics;
- contractual provisions.

General terms and conditions of purchase as well as standard contracts have been revised in order to reference BPCC requirements.

• Group policies, for Bureau Veritas and its subsidiaries.

These policies include the Code of Ethics, the Human Rights policy, Health, Safety and Security policies and procedures, the Environmental policy and the Personal Data Protection policy.

2.4.2 Risk mapping

The risks presented below relate to supply chain management risk as described in sub-section 2.3.1.3 – Supply chain management. To improve compliance with legal requirements relating to the duty of care, the risks are also detailed in this chapter.

The Group's main risks were identified using a three-phase approach:

- a risk map of the areas covered by the duty of care plan was 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 supplemented by a detailed analysis of risk for each category of purchases,
- major environmental risks were identified based on an 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 databases, including the Social Hotspots DataBase (SHDB).

The table below shows the map of the most significant risks.

	SIGNIFICANT RISKS	BUREAU VERITAS	JV PARTNERS	SUBCONTRACTORS	SUPPLIERS	INTERMEDIARIES
	FREEDOM OF ASSOCIATION	Asia - USA Middle East		UAE China - USA	China - USA Office services	
HUMAN RIGHTS	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.

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 $\\equiv{0.0}$ 10 million in 2018 are shown.

The most critical topics for the Group's subcontractors are Ethics and Health, Safety and Security.

2.4.3 Action plans

The action plans are divided into two parts, the first of which is applicable to Bureau Veritas and its subsidiaries, and the second to its partners (suppliers, subcontractors, sales agents and co-contractors).

Action plan for Bureau Veritas and its subsidiaries

The action plan for Bureau Veritas and its subsidiaries is described in the relevant sub-sections (Human rights, Safety and security, and Environment) of section 2.3 – Roadmap for shaping a world of trust of this Universal Registration Document.

Action plan for subcontractors and 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, are detailed in sub-section $2.3.1.3\,$ – Supply chain management.

The action plan for Bureau Veritas partners is essentially based on the deployment of the Business Partner Code of Conduct (BPCC) and covers four phases:

- 1. Circulation of the BPCC to all partners signing new contracts with Bureau Veritas, irrespective of their size, business and place of work;
- 2. Signature by each partner of the BPCC, confirming their agreement;
- 3. Monitoring of partner compliance with the BPCC. Bureau Veritas ordering parties are responsible for these monitoring arrangements;
- 4. Evaluation of partners representing a significant BPCC non-compliance risk.

<u>Particular attention is paid to safety and security issues.</u> The Group ensures that subcontractors comply with its health and safety rules and has set up an action plan in this respect. This plan includes the following initiatives:

- subcontractors are systematically informed of applicable 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;
- safety and security instructions and safety campaigns prepared by Bureau Veritas for its employees are communicated to the subcontractors concerned.

<u>Concerning the environment</u>, subcontractors operating in environmental analysis laboratories will be closely monitored in terms of waste treatment, airborne emissions and liquid discharge. Suppliers of chemical products for the Group's laboratories and waste collection companies will be especially monitored.

<u>Concerning human rights</u>, the risk analysis identified cleaning, maintenance and security service providers as a priority focus. Targeted initiatives have been launched to provide the relevant service providers with the Bureau Veritas Business Partner Code of Conduct.

<u>Concerning ethical conduct</u>, all partners are closely monitored and are required to sign the Group's Code of Ethics indicating their agreement, before any dealings with the Group.

2.4.4 Indicators and results

Indicators are detailed in each of the corresponding sections of the Non-Financial Statement (NFS) concerning Safety and Security (sub-section 2.3.2.4 – Health and safety), the Environment (section 2.3.3 – Environmental protection) and Human Rights (sub-section 2.3.2.3 – Respect for human rights).

The main indicator and the results for 2018 and 2019 applicable to each topic are outlined in the table below:

Bureau Veritas			Suppliers and subcontractors			
Topic	KPI	2019 results	2018 results	KPI	2019 goals	2018 results
Safety and Security	TAR	0.38	0.41	New stakeholders having received the BPCC	50%	N/A
Environment	Transportation- related CO ₂ emissions (t/person)	2.91	3.09	New stakeholders having received the BPCC	50%	N/A
Human Rights	New stakeholders having received the policy	100%	81%	New stakeholders having received the BPCC	50%	N/A

In 2019, Bureau Veritas launched an assessment into the deployment of its Business Partner Code of Conduct by the partners of each of its operating entities and support functions. This self-assessment also allows it to identify those partners for which a risk of non-compliance with the BPCC exists. Given the scale of work involved, the assessment is scheduled for completion in April 2020.

At the end of 2019, no non-compliance risks with the BPCC had been identified.

2.4.5 Whistleblowing mechanism

Bureau Veritas' policy is to encourage its employees and business partners to "speak out" if they are witnesses to an event occurring in the course of business that they consider in breach of the Business Partner Code of Conduct.

The whistleblowing mechanism set up as part of the Group's Compliance Program has been gradually extended to all of the areas covered by duty of care legislation in France and now also encompasses suppliers and subcontractors.

2.5 Information compilation methodology

Labor-related information

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 2.3.2 – Human capital of this Universal Registration Document.

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.

The data on 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, Security and Environment (HSSE)

In the absence of recognized public standards for inspection operations, Bureau Veritas has defined its own set of HSSE 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 (HSSE). 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

 $\hspace{-0.1cm}$ HSSE indicators fall under the responsibility of the HSSE department, which relies on the data provided by the network and the IT systems.

The 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 sub-section 2.3.2.4 $\,-\,$ Health and safety of this Universal Registration Document.

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

HSSE 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 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 CO_2 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 persons 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 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 2019 in its entirety (from January 1 to December 31, 2019). The number of employees used in the calculation of health and safety indicators is based on employees in November 2019;
- the environmental data are those for the year 2019 (from October 1, 2018 to September 30, 2019);
- the quality data are those for the year 2019 (from January 1 to December 31, 2019).

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 buildings, which are usually leased. No raw materials are consumed except fuel, more details of which are provided in sub-section 2.3.3.1 – Combating climate change and adapting to its consequences 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 do not generate any significant food waste.

2.6 Indicators and cross-references

2.6.1 Non-financial indicators

The indicators below concern the Group's reporting scope, unless otherwise specified, and were provided by Bureau Veritas offices and laboratories.

	2018	2019	Target for 2020
Labor-related impacts			
Employees	75,428	78,395	
New hires	13,330	14,954	
Acquisitions	286	1,541	
Voluntary departures	8,709	9,368	
Layoffs	4,468	3,369	
Attrition rate	17.0%	15.8%	
Voluntary attrition rate	11.1%	11.6%	<15.0%
Absenteeism rate	1.2%	1.1%	<2.0%
Breakdown of employees by geographical region			
Europe	17,630	17,783	
Africa and Middle East	6,378	7,373	
Americas	21,131	22,655	
Asia Pacific	30,289	30,584	
Breakdown of employees by major country			
China	15,582	16,461	
France	7,757	7,870	
India	5,184	5,371	
Brazil	5,324	5,316	
United States	3,718	4,246	
Breakdown of employees by gender			
Men	69%	70%	
Women	31%	30%	
Breakdown of employees by age			
18-25	11%	11%	
26-30	18%	18%	
31-35	19%	19%	
36-40	16%	16%	
41-45	12%	12%	
46-50	9%	9%	
51-55	7%	7%	
56-60	5%	5%	
60+	4%	4%	
Average age	36	38	
Breakdown of employees by seniority			
Less than 5 years	62.2%	63.0%	
5 to 14 years	29.2%	28.2%	
15 to 24 years	6.5%	6.8%	
25 to 34 years	1.8%	1.7%	
Over 34 years	0.4%	0.3%	

	2018	2019	Target for 2020
Breakdown of employees by function			
Marketing & sales	4.2%	4.1%	
Production	78.3%	80.1%	
Management	8.4%	7.4%	
Support	9.1%	8.4%	
Training			
Number of people trained	100%	100%	100%
Number of training hours	1,273,381	1,477,602	
Number of training hours per employee	16.8	19.0	
Gender balance			
Total employees	31%	30%	
Junior female managers	21.0%	22.7%	
Senior female managers (EC-III)	16.5%	19.5%	25%
Women on the Executive Committee	20%	20%	
Women on the Board of Directors	42%	42%	
Absenteeism	1.20%	1.20%	
Number of management succession plans		122	
Number of high-performing employees identified		64	
Safety indicators			
Number of accidents	287	278	
Number of accidents without lost time	144	110	
Number of lost time accidents	143	168	
Number of fatal accidents	3	3	0
Number of accidents at subcontractors		10	
Number of fatal accidents at subcontractors		-	0
Number of days lost	2,925	4,372	
Total Accident Rate (TAR) – (Number of accidents with and without lost time x 200,000/Number of hours worked)	0.41	0.38	0.40
Lost Time Rate (LTR) – (Number of accidents with lost time x 200,000/Number of hours worked)	0.21	0.23	0.20
Accident Severity Rate (ASR) – (Number of days lost x 1,000/Number of hours worked)	0.021	0.029	0.015
Number of days lost	3,051	4,378	
Change in TAR vs. 2014	(47)%	(51)%	(50)%
Change in LTR vs. 2014	(51)%	(47)%	(50)%
Change in ASR vs. 2014	(32)%	(6)%	
% businesses certified to ISO 45001 (excluding Certification)	87%	85%	85%
Environment indicators			
Number of participating sites	148	157	
Number of employees at participating sites	63,195	62,949	
Rate of coverage	84%	81%	
% businesses certified to ISO 14001 (excluding Certification)	76%	75%	75%
Energy consumption			
Total energy consumed (MWh)	223,780	293,219	
Energy consumed by laboratories (%)	85%	88%	
Energy consumed by offices (%)	15%	12%	
Green energy consumed (MWh)	352	4,726	
Green energy as a proportion of total energy consumed (%)	0.2%	1.6%	
Increase in the use of renewable energies (vs. 2015)	(91)%	24%	10%
Energy consumed/person (MWh)	5.44	7.85	

	2018	2019	Target for 2020
CO ₂ emissions			
CO ₂ emissions (t)	178,960	179,697	
CO ₂ emissions/person (t)	2.83	2.85	
Decrease in CO ₂ emissions per FTE employee (vs. 2015)	12%	11%	10%
CO ₂ emissions – Scope 1 (t)	39,323	66,700	
CO ₂ emissions – Scope 2 (t)	61,689	63,315	
CO ₂ emissions – Scope 3 (t)	77,948	49,682	
Net CO ₂ emissions	178,101	178,622	
Water consumed (cu.hm)	1.118	0.936	
Laboratories			
Energy consumption (MWh)	190,360	259,215	
Energy consumed/person (MWh)	10.0	16.2	
Total CO ₂ emissions (t)	84,850	100,933	
Total CO ₂ emissions/person (t)	3.81	4.80	
Water consumed (cu.m)	880,497	778,772	
Water consumed/person (cu.m)	47	51	
Offices			
Energy consumed (MWh)	96,250	43,823	
Energy consumed/person (MWh)	4.22	1.97	
Total CO ₂ emissions (t)	120,485	82,016	
Total CO ₂ emissions/person (t)	2.90	1.97	
Water consumed (cu.m)	295,110	159,753	
Water consumed/person (cu.m)	17	13	
Operating indicators			
Revenue (€ millions)	4,795.5	5,099.7	
Quality indicators			
Businesses certified to ISO 9001	87%	87%	85%
Client satisfaction rate	86%	95%	
Client loyalty rate (NPS)	N/A	N/A	45
Philanthropy indicators			
Donations – Total (€)	527,000	620,000	
Donations – Education (€)	135,000	250,000	
Donations – Environmental protection (€)	30,000	8,000	
Donations – Healthcare (€)	281,000	211,000	
Other donations (€)	81,000	151,000	
Number of voluntary action projects	36	44	
CSR services indicators			
Revenue generated by CSR services (€ thousands)	21,700	25,300	
Revenue growth of CSR services	5%	15%	10%
CSR as a % of Certification	6%	7%	
Ethics indicators			
Employees having signed the Code of Ethics	100%	100%	100%
Entities compliant with the Human Rights policy	81%	100%	100%

2.6.2 Applicable laws and regulations

The laws and 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 ("Sapin II");
- French law no. 2018-898 of October 23, 2018 (anti-fraud law);
- French law no. 2018-938 of October 30, 2018 on the fight against food insecurity.

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

 the business model is presented in the introduction (pages 2 et seq.) and in sections 1.1 to 1.8 of this Universal Registration Document;

- the analysis of major risks facing the Group is included in section 4.1 – Risk factors, while section 2.2 describes risks and opportunities of a non-financial nature;
- the policies, action plans and follow-up indicators are presented in the sub-sections discussing non-financial risks:
 - Ethics (sub-section 2.3.1.1),
 - Client relations (sub-section 2.3.1.2),
 - Supply chain management (sub-section 2.3.1.3),
 - Cybersecurity and data protection (sub-section 2.3.1.4),
 - Innovation (sub-section 2.3.1.5),
 - CSR services (sub-section 2.3.1.6),
 - Talent management (sub-section 2.3.2.1),
 - Inclusiveness and diversity (sub-section 2.3.2.2),
 - . Human rights (sub-section 2.3.2.3),
 - Health and safety (sub-section 2.3.2.4),
 - Support for local communities (sub-section 2.3.2.5),
 - Climate (sub-section 2.3.3.1),
 - Environment (sub-section 2.3.3.2).

2.6.3 Cross-reference table for information contained in the Non-Financial Statement

To facilitate the reading of this Universal Registration Document, the cross-reference tables below identify information contained in the Non-Financial Statement pursuant to articles L. 225-102-1, R. 225-104 et seq. and R. 225-105 of the French Commercial Code:

Cross-reference table for the Non-Financial Statement (NFS) – Articles L. 225-102-1, R. 225-104 et seq. and R. 225-105 of the French Commercial Code	Section(s)/ Sub-section(s)	Page(s)
I. Business model	Introduction, 1.1 to 1.8	2-15, 18-64
II. Risk analysis	2.2, 4.1	77-78, 206-213
III. Statement of relevant information regarding major risks/measures mentioned in II		
1. Labor-related information		
a) Employees		
Total headcount and breakdown of employees by gender, age and geographic area	2.3.2.1, 2.3.2.2	93, 99-100
Hirings and layoffs	2.3.2.1	91
Remuneration and changes in remuneration	2.3.2.2	102-103
b) Work organization		
Organization of working time	2.3.2.2	101
Absenteeism	2.3.2.2	101
c) Health and safety		
Health and safety conditions in the workplace	2.3.2.4	104-112
Accidents at work, in particular, their frequency and severity, and work-related illnesses	2.3.2.4	104-112
d) Labor relations		
The organization of labor relations, notably procedures for informing, consulting and negotiating with employees	2.3.2.2	101-102
 The status of collective agreements, particularly as regards health and safety in the workplace 	2.3.2.2	102

Cross-reference table for the Non-Financial Statement (NFS) – Articles L. 225-102-1, R. 225-104 et seq. and R. 225-105 of the French Commercial Code	Section(s)/ Sub-section(s)	Page(s)
e) Training		
Training policies put in place, particularly in terms of environmental protection	2.3.2.1, 2.3.2.4, 2.3.3	91-97, 107-109 113-118
Total number of training hours	2.3.2.1	96
f) Equal treatment		
Measures to promote gender equality	2.3.2.2	99
Measures to promote the employment and inclusion of people with disabilities	2.3.2.2	99
Anti-discrimination policy	2.3.2.2	100
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	2.3.3	113-118
Resources allocated to the prevention of environmental risks and pollution	2.3.2.4, 2.3.3	108, 113-118
 Provisions and guarantees for environmental risks, provided that this information does not cause serious harm to the Company in an ongoing dispute 	2.3.3	113-118
b) Pollution		
 Measures to prevent, reduce or address air, water or soil pollution having a serious impact on the environment 	2.3.3.2	116-118
 Consideration of all forms of pollution specific to an activity, particularly noise and light pollution 	2.3.3	113-118
c) Circular economy		
) Waste management and prevention		
Measures to prevent, recycle, reuse, recover and remove waste	2.3.3.2	116-11
Measures to fight against food waste	N/A	N/A
i) Sustainable use of resources		
Water consumption and water supply in accordance with local restrictions	2.3.3.2	116-118
Consumption of commodities and measures taken to use them more efficiently	N/A	N/A
 Consumption of energy and measures taken to improve energy efficiency and increase the use of renewable energies 	2.3.3	113-118
• Use of soil	N/A	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 	2.3.3.1	113-116
Measures taken to adapt to the consequences of climate change	2.3.3.1	11!
 Voluntary mid- and long-term reduction targets set to cut greenhouse gas emissions and the resources put in place to achieve this 	2.3.3.1	113-116
e) Protection of biodiversity		
Measures taken to preserve or develop biodiversity	2.3.3.2	116-118
3. Societal information		
a) Corporate social commitments for sustainable development		
 Impact of the Company's business in terms of employment and regional development 	2.1	66-76
Impact of the Company's business in terms of local or neighboring communities	2.1, 2.3.1.6, 2.3.2.2, 2.3.2.5	66-76, 87-90 97-101,112-113
 Relations with Company stakeholders and conditions for dialogue with these persons/organizations 	2.1.4, 2.3.2.5	70-71, 112-113
Partnership or sponsorship initiatives	2.3.2.5	112-113
o) Subcontractors and suppliers		
The inclusion of social and environmental issues in purchasing policies	2.3.1.3, 2.4	83-85, 119-121
 The inclusion of corporate social and environmental responsibility in dealings with suppliers and subcontractors 	2.3.1.3, 2.4	83-85, 119-121

Cross-reference table for the Non-Financial Statement (NFS) – Articles L. 225-102-1, R. 225-104 et seq. and R. 225-105 of the French Commercial Code	Section(s)/ Sub-section(s)	Page(s)	
c) Fair practices: measures to protect the health and safety of consumers			
1. Information on the fight against corruption: measures taken to prevent corruption	2.3.1.1	79-81	
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	2.3.2.2, 2.3.2.3	102, 103-104	
Elimination of discrimination in respect of employment and occupation	2.3.2.2, 2.3.2.3	102, 103-104	
Elimination of forced labor	2.3.2.2, 2.3.2.3	102, 103-104	
Abolition of child labor	2.3.2.2, 2.3.2.3	102, 103-104	
b) Other measures implemented in respect of human rights	2.3.2.2, 2.3.2.3	102, 103-104	

2.6.4 Cross-reference table for the UN's Sustainable Development Goals

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



Priority SDG for Bureau Veritas



Sponsorship or donation in favor of SDG

Priorities	Goals	Sponsorship and/or donation	Main CSR services
1 POVERTY	End poverty in all its forms everywhere.	BE PART OF IT	NGO certification. Social audits. Inspection of agricultural crops.
2 ZERO HUNGER	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	BE PART OF IT	Food certification and tests. System certification. Product origin and traceability.
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages.	BE PART OF IT	All Testing, Inspection and Certification of quality, health and safety.
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	BE PART OF IT	Health and safety training. Environment training.
5 GENDER EQUALITY	Achieve gender equality and empower all women and girls.	BE PART OF IT	Gender equality certification. Diversity certification.
6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all.	BE PART OF IT	Water sanitation plant inspections. Water supply network inspections. Sustainable plastics certification. HSSE impact assessments.
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable reliable, sustainable and modern energy for all.	BE PART OF IT	CO₂ emissions certification. Certification of solar and wind farms. Certification of energy performance.

Priorities	Goals	Sponsorship and/or donation	Main CSR services
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.		Social audits. HSSE audits and certifications. Business continuity.
9 MOUSTRY, INNOVATION AND NETASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.		Industry and Buildings & Infrastructure businesses.
10 REDUCED INEQUALITES	Reduce inequality within and among countries.		Gender equality certification. Diversity certification.
11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities and human settlements inclusive, safe, resilient and sustainable.		Buildings & Infrastructure business.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns.		Consumer Products and Agri-Food & Commodities businesses.
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts.	BE PART OF IT	Certification business.
14 LIFE BELOW WATER	Conserve and sustainably use oceans, seas and marine resources for sustainable development.		Sea water quality certification. Responsible fishing certification. Ship certification. Control of effluent.
15 LIFE ON LAND	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.		Timber certification. Biodiversity impact assessments. Agricultural product testing. Control of airborne emissions. Control of waste management. GHG certification. Carbon footprint certification.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.		Social audits. CSR management certification. CSR reporting verification.
17 PARTINERSHIPS FOR THE GOALS	Strengthen the means of implementation and revitalize the global sustainable partnership for sustainable development.		Responsible supplier program. CSR management certification. CSR reporting verification.

2.7 Opinion of the independent third party

Independent third party's report on the Non-Financial Statement provided in the management report

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.

Year ended December 31, 2019

To the General Assembly,

In our quality as an independent verifier, accredited by the COFRAC under the number no 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your entity (hereafter "entity"), we present our report on the consolidated non-financial statement established for the year ended on December 31, 2019 (hereafter referred to as the "Statement"), included in the management report pursuant to the requirements 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

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 considering those risks and the outcomes 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 (or which are available on request from the entity's head office).

Independence and quality control

Our independence is defined by the requirements 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 applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements 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 outcomes, including key performance indicators, and the measures implemented considering 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 requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

Nature and scope of the work

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000⁽¹⁾:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- (1) ISAE 3000 Assurance engagements other than audits or reviews of historical financial information.

- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks:
- we referred to documentary sources and conducted interviews to
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key
 performance indicators used, with respect to the principal risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (example: ethics, cybersecurity, personal data protection, human rights), our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities: CIF USA, CIF South Africa, CPS China and Marine & Offshore Division;
- we verified that the Statement covers the scope of consolidation, i.e., all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important 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 and covers between 17% and
 28% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- 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 judgement, 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 verification work mobilized the skills of six people and took place between September 2019 and March 2020 on a total duration of intervention of about 12 weeks.

We conducted seven interviews with the persons responsible for the preparation of the Statement including the Human Resources, Health and Safety, Environment, Purchasing, Data Protection and Legal Affairs departments.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, March 13, 2020

Independant third party
ERNST & YOUNG et Associés

French original signed by:

Éric Duvaud

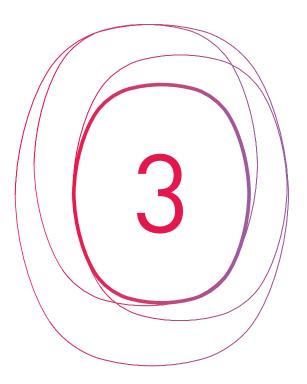
Partner, Sustainable Development

Jean-François Bélorgey
Partner

APPENDIX 1: THE MOST IMPORTANT INFORMATION

Social Information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Total headcount and gender distribution Global attrition rate (%) Voluntary attrition rate (%) Hirings, lay-offs and voluntary leave Share of women in the Group's Senior Management team (%) Number of management succession plans Number of identified talents	HR local policies' results Recruitment module deployment Actions in favor of inclusion and diversity Talent management policy's results
Health and Safety and Environmental Information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
LTR: Lost time Rate (frequency of lost time work accidents) ASR: Accident Severity Rate TAR: Total Accident Rate % of businesses certified ISO 14001 (excluding CER businesses) Total CO ₂ emissions per FTE (resulting from building energy consumption and business travel) Scope 1 CO ₂ emissions Scope 2 CO ₂ emissions	Health and Safety action plan deployment Work accidents identification and reporting process CO ₂ emissions reporting process
Societal Information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Client satisfaction index (%)	Governance and local measures to evaluate client satisfaction Organization of information systems security Actions related to personal data protection Compliance program Purchasing governance "Flex" purchasing tool deployment Human rights related actions

Corporate Social Responsibility 2.7 Opinion of the independent third party



CORPORATE GOVERNANCE

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Principles of corporate governance and Corporate Governance Code

Pursuant to article L. 225-37-4 of the French Commercial Code (Code de commerce), this report on corporate governance, drawn up under the responsibility of the Board of Directors in accordance with article L. 225-37 of said Code, contains details of the composition of the Board, the application of the principle of gender balance among its members and the conditions governing the preparation and organization of the Board's work in 2019.

The report also includes a list of the directorships and positions held by each Corporate Officer, the limitations of powers imposed on the Chief Executive Officer, the Corporate Governance Code to which the Company refers, a summary of delegations of authority relating to capital increases, the conditions for participating in Shareholders' Meetings and the issues likely to have an impact in the event of a public offer.

It specifies the rules and principles adopted by the Board of Directors for determining the compensation and benefits in-kind awarded to Corporate Officers. It also includes the report on the proposed resolutions to be submitted to a vote at the Shareholders' Meeting called to approve the 2019 financial statements, seeking approval of (i) the policy governing compensation due to Directors, the Chairman of the Board of Directors and the Chief Executive Officer and (ii) the principles and criteria for determining, allocating and awarding the fixed, variable

and extraordinary components of the total compensation and benefits in-kind awarded or paid to the Directors, the Chairman of the Board of Directors and the Chief Executive Officer.

In accordance with the above-mentioned article L. 225-37-4, Bureau Veritas has chosen to refer to the AFEP-MEDEF Corporate Governance Code of Listed Corporations (the "AFEP-MEDEF Code"). In preparing this report, Bureau Veritas also followed the recommendations of the French financial markets authority (Autorité des marchés financiers – AMF).

Each year, particular attention is paid to the activity report issued by the French High Commission for Corporate Governance (Haut Comité du Gouvernement d'Entreprise – HCGE) and to the AMF's annual report on corporate governance and executive compensation. An analysis of the Company's practices along with any proposals for improvement in the form of assessment grids are presented to the Nomination & Compensation Committee and to the Board of Directors.

The report was reviewed by the Nomination & Compensation Committee at its meeting of February 25, 2020. It was reviewed in draft form and approved by the Board of Directors at its meeting of February 26, 2020.

Departures from the AFEP-MEDEF Code in accordance with the "Comply or Explain" rule

Since December 16, 2008, the Company has referred to the AFEP-MEDEF Code, which was last updated in January 2020.

The Code can be downloaded on the MEDEF website: www.medef.fr. It can also be obtained at the Company's registered office.

Pursuant to article L. 225-37 of the French Commercial Code, each year the Board of Directors reviews its application of the AFEP-MEDEF Code. This report details the provisions of the Code that the Group has not complied with and the reasons for these exceptions in the table below.

At its meetings held on December 19, 2019 and February 26, 2020, the Board of Directors noted that the Company complied with all of the recommendations of the AFEP-MEDEF Code.

AFEP-MEDEF recommendations not complied with

Bureau Veritas practices/explanations

None.

3.1 Board of Directors

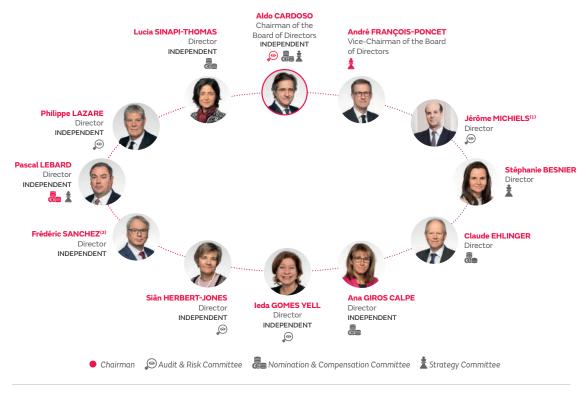
Since February 13, 2012, the roles of Chairman of the Board of Directors and Chief Executive Officer have been separate. This two-tier governance system ensures that a clear distinction is made between the strategic, decision-making and oversight functions of the Board of Directors, whose members act as a collective, and the operational and executive functions that are the Chief Executive Officer's responsibility.

Aldo Cardoso has served as Chairman of the Board of Directors since March 8, 2017. André François-Poncet has served as Vice-Chairman of the Board of Directors since January 1, 2018.

In accordance with the law, as Chairman of the Board, Aldo Cardoso organizes and supervises the Board's work and reports on it at the Shareholders' Meeting. He oversees the proper functioning of the Company's management bodies, ensuring in particular that the Directors are able to fulfill their duties and that decisions taken are duly and properly implemented.

The Vice-Chairman is called upon to replace the Chairman in the event the Chairman is absent, temporarily unavailable or if he has resigned, died or not been reappointed, in accordance with the provisions set out in the Company's by-laws (the "by-laws").

Composition of the Board of Directors 3.1.1



Directors are independent ie 67% of the Board (3)

women on the Board of Directors, on the Audit & Risk Committee on the Nomination & **Compensation Committee**

woman on the Strategy Committee

⁽¹⁾ Director co-opted by the Board of Directors on December 19, 2019 and whose appointment the Shareholders' Meeting called to approve the financial statements

for the year ended December 31, 2019 will be asked to ratify. Director appointed at the Shareholders' Meeting of May 14, 2019.

⁽³⁾ Significantly above the 33% proportion recommended by the AFEP-MEDEF Corporate Governance Code. (4) Above the 40% threshold.

Corporate governance 3.1 Board of Directors

In accordance with article 14 of the by-laws, the Board of Directors must have a minimum of three and a maximum of 18 members.

At the date this Universal Registration Document was filed, the Board of Directors had 12 members.

The members are appointed at the Ordinary Shareholders' Meeting and their term of office is four years. However, in accordance with the by-laws, the Ordinary Shareholders' Meeting can follow the Board's recommendations and appoint or reappoint one or more Directors for a term of one, two or three years, thereby ensuring a gradual renewal of the Board members.

The proportion of Board members over 70 years old may not, at the close of a given Annual Ordinary Shareholders' Meeting, exceed one-third of Board members in office.

Information on Board members' nationality, age, business address, offices held within and outside the Company, main functions, start and end dates of terms of office, detailed biographies and a list of positions held by the Directors over the previous five years are presented below, primarily in the table entitled "Composition of the Board of Directors and the Board Committees".

Director selection process

In order to promote diversity, the composition of the Board and the Board Committees is of particular concern to the Board of Directors. The Board bases itself on the work and recommendations of the Nomination & Compensation Committee, which regularly reviews and makes suggestions as needed regarding appropriate changes to be made in the composition of the Board and the Board Committees in line with the Group's strategy. When looking for a new member of the Board of Directors, the Committee puts forward candidates with proven and pertinent skills, knowledge and expertise.

Having Directors from diverse backgrounds enables the Board to remain dynamic, creative and effective. Diversity also enhances the quality of the Board's deliberations and decisions. Diversity practices are based on a policy put in place by the Group to ensure balanced representation within its governing bodies, particularly in terms of independence, gender, age and Board seniority, but also in terms of culture, expertise and nationality.

The Board ensures that Directors together have a wide range of skills commensurate with its long-term strategic and development goals, and that Directors' expertise covers the strategy, finance, operations, digital, IT, services, transport, energy, governance, international, taxation, M&A, and corporate social responsibility fields. The Board endeavors to ensure that Directors have complementary expertise.

It also seeks to have a balanced profile in terms of Director seniority, which lends the Board a perfect combination of dynamism and experience. The diversity of Board profiles is guaranteed by four-year terms of office. In addition, appointments and reappointments to the Board are staggered to ensure maximum diversity.

The Board ensures that in the presence of its controlling shareholder, a majority of its members are independent. In accordance with legal requirements, it also continuously strives to ensure an appropriate gender balance.

The Board regularly reviews its composition to ensure it has a balanced profile within the scope of procedures governing the appointment, co-optation and reappointment of Directors, and as part of its annual self-assessment exercise.

Following the expiry in 2019 of the term of office of Pierre Hessler, a Director of the Company since 2002, the Shareholders' Meeting approved the appointment of Frédéric Sanchez put forward by the Board of Directors on the recommendation of the Nomination & Compensation Committee. On December 19, 2019, the Board confirmed that Frédéric Sanchez qualified as an independent Director. In its selection process, the Committee noted that Frédéric Sanchez had professional experience in the industrial and services sectors and in digital transformation, that he had broad international exposure, particularly in the Middle East and China, and that he was familiar with long-term engineering contracts.

Acting on the recommendation of the Nomination & Compensation Committee, the Board of Directors decided at its meeting held on December 19, 2019 to co-opt Jérôme Michiels as a non-independent Director to replace Stéphane Bacquaert, also a non-independent Director, who had tendered his resignation. During the selection process, the Committee, having considered the profile of the outgoing Director, noted Jérôme Michiels' sound knowledge of the Company and its businesses, along with his extensive expertise in strategic matters and in mergers and acquisitions.

Representation of employees and employee shareholders on the Board of Directors

The Company has not appointed an employee Director insofar as it is exempt from this obligation as the subsidiary of a company required to appoint an employee Director, within the meaning of article L. 225-27-1 of the French Commercial Code.

Pursuant to article L. 225-23 of the French Commercial Code, listed companies in which over 3% of capital is held by employees are required to appoint one or more employee representatives to the Board of Directors. At December 31, 2019, employees held just 0.63% of the Company's capital.

Director induction and training

Bureau Veritas strives to ensure that its Directors have a sound knowledge of the Group's businesses, its strategy, and the challenges it faces.

All new Directors attend induction days, taking the form of meetings with members of the Executive Committee and other key people in the organization. Induction days also include site visits.

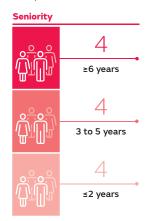
At each Board of Directors' meeting, Directors are given a presentation of one of the Group's businesses by the Executive

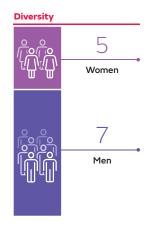
Committee member in charge of that business. In 2019, two sessions were held on the Group's strategy, including a one-day "offsite" seminar involving members of the Executive Committee and the management team. Directors may also liaise with members of the management team during Board and Board Committee meetings.

No additional or specific training needs were expressed during the Board's self-assessment exercise.

The results of applying this policy to the Company's 12 Directors at December 31, 2019 are as follows:

Expertise	
STRATEGY STRATEGY	12
INTERNATIONAL EXPERIENCE	12
FINANCE/ACCOUNTING	• 11
INDUSTRIAL EXPERIENCE	• • • • • • • • 4
DIGITAL KNOWLEDGE	• • • • • • 5
M&A EXPERTISE	0 0 0 0 0 7
NON-FRENCH DIRECTOR	• • • • • • • 4





Corporate governance 3.1 Board of Directors

3.1.2 Changes in the composition of the Board of Directors

Changes in the composition of the Board of Directors in 2019 include (i) Frédéric Sanchez taking up office as an independent Director following his appointment during the Shareholders' Meeting of May 14, 2019 for a four-year term expiring at the close of the Shareholders' Meeting to be held to approve the 2022 financial statements, to replace Pierre Hessler, whose term of office was due to expire; and (ii) Jérôme Michiels' co-optation as Director on December 19, 2019, based on a recommendation of the Nomination & Compensation Committee, to replace Stéphane Bacquaert who tendered his resignation to the Board on the same day, for Stéphane Bacquaert's remaining term of office, i.e., until the close of the Shareholders' Meeting to be held to approve the 2020 financial statements.

The forthcoming Annual Shareholders' Meeting will be asked to ratify this appointment pursuant to article L. 225-24 of the French Commercial Code.

Jérôme Michiels will bring to the Board his sound knowledge of the Company and its businesses, along with his extensive expertise in strategic matters and in mergers and acquisitions.

Jérôme Michiels followed a full induction program.

At December 31, 2019, the Company's Board of Directors comprised 12 members: Aldo Cardoso (Chairman), André François-Poncet (Vice-Chairman), Stéphanie Besnier, Claude Ehlinger, Jérôme Michiels, Ana Giros Calpe, Ieda Gomes Yell, Siân Herbert-Jones, Pascal Lebard, Lucia Sinapi-Thomas, Philippe Lazare and Frédéric Sanchez.

At December 31, 2019, 67% of the members of the Company's Board of Directors were independent and 42% were women, exceeding the requisite 40% threshold set out in article L. 225-18-1 of the French Commercial Code. As of January 1, 2020, these percentages have not changed.

Changes in the composition of the Board of Directors and the Board Committees in 2019 (Annex 3 of the AFEP-MEDEF Code)

AS OF THE DATE THIS UNIVERSAL REGISTRATION DOCUMENT WAS FILED

	Appointment/co-optation	Renewal of term of office	Departure
Board of Directors	Frédéric Sanchez appointed to replace Pierre Hessler (Shareholders' Meeting of May 14, 2019)		Pierre Hessler (term expired at Shareholders' Meeting of May 14, 2019)
	Jérôme Michiels appointed to replace Stéphane Bacquaert (Board of Directors' meeting of December 19, 2019)		Stéphane Bacquaert (Board of Directors' meeting of December 19, 2019)
Audit & Risk Committee	Philippe Lazare (Board of Directors' meeting of May 14, 2019)		Lucia Sinapi-Thomas (Board of Directors' meeting of May 14, 2019)
	Jérôme Michiels (Board of Directors' meeting of December 19, 2019)		Stéphanie Besnier (Board of Directors' meeting of May 14, 2019)
Nomination & Compensation Committee	Lucia Sinapi-Thomas (Board of Directors' meeting of May 14, 2019)		Pierre Hessler (term expired at Shareholders' Meeting of May 14, 2019)
Strategy Committee			Claude Ehlinger (February 25, 2019)
	Stéphane Bacquaert (Board of Directors' meeting of May 14, 2019)		Pierre Hessler (term expired at Shareholders' Meeting of May 14, 2019)
			leda Gomes Yell (Board of Directors' meeting of May 14, 2019)
	Stéphanie Besnier (Board of Directors' meeting of December 19, 2019)		Stéphane Bacquaert (Board of Directors' meeting of December 19, 2019)

3.1.3 Independence

Each year, the Nomination & Compensation Committee and the Board of Directors conduct an in-depth assessment of Director independence based on criteria set down in the AFEP-MEDEF Code.

At its meeting of December 19, 2019, and based on the recommendation of the Nomination & Compensation Committee meeting held on December 16, 2019, the Board of Directors reviewed the situation of each of its members.

The Board considered the independence of its members with regard to (i) the definition set out in the AFEP-MEDEF Code, specifically "a Director is independent if he or she has no relationship of any kind whatsoever with the Company, its Group or its management that may interfere with his or her freedom of judgment" and (ii) the criteria to be reviewed by the Committee and the Board in order for a Director to qualify as independent and to prevent risks of conflicts of interest between the Director and the Company, its Group or its management, as summarized in the table below, which are also taken up in the Board of Directors' Internal Regulations.

The Board considered the independence of eight Directors:

Ieda Gomes Yell, Siân Herbert-Jones, Lucia Sinapi-Thomas, Ana Giros Calpe, Aldo Cardoso, Pascal Lebard, Philippe Lazare and Frédéric Sanchez, in light of the links between the Company and the companies in which the listed Directors hold office.

Independence assessment of Ieda Gomes Yell, Siân Herbert-Jones, Lucia Sinapi-Thomas, Ana Giros Calpe, Aldo Cardoso, Pascal Lebard, Philippe Lazare and Frédéric Sanchez in light of the business relationship criterion

The Board assessed the situation of leda Gomes Yell, Siân Herbert-Jones, Lucia Sinapi-Thomas, Ana Giros Calpe, Aldo Cardoso, Pascal Lebard, Philippe Lazare and Frédéric Sanchez in light of the business relationship criterion. This criterion specifies that in order to qualify as independent, a Director must not be "a customer, supplier, investment banker, commercial banker or advisor of the Company or its Group, or that has a significant part of its business with the Company or its Group".

To determine the material or non-material nature of any business relationship existing with the Company or Group, the Board performs a quantitative and qualitative review of the situation of each independent Director concerned.

In this context, in order to determine the non-material and non-conflicting nature of the business relationships between the Group and the companies in which the Directors occupy various functions, the Board – acting on a recommendation of the Nomination & Compensation Committee – adopted criteria based on:

- the legal entities signing contracts;
- the nature of the business relationship (customer/supplier) and its frequency;
- the importance or "intensity" of the relationship with regard to
 (i) revenue generated in 2019 between Group companies and
 the companies in which the Director also holds office, and
 (ii) the absence of economic dependency or exclusivity between
 the parties.

Pursuant to these criteria, on December 16, 2019 the Nomination & Compensation Committee analyzed the situation of each of the aforementioned Directors, considering whether or not business, customer or supplier relations existed between the Group and the companies in which they hold corporate office and, for cases in which such relations existed, the nature and significance of those relations. The Nomination & Compensation Committee concluded that the revenue generated with all these companies represented less than 0.1% of the Group's consolidated revenue and was not material relative to either of the two parties, and that no relationship of economic dependency existed between the two parties.

The Board concluded, based on the report of the Nomination & Compensation Committee, that the business relationships with Bureau Veritas were not likely to call the aforementioned Directors' classification as independent Directors into question.

At the Board of Directors' meeting of December 19, 2019, eight of the 12 Directors were classified as independent: leda Gomes Yell, Siân Herbert-Jones, Lucia Sinapi-Thomas, Ana Giros Calpe, Aldo Cardoso, Pascal Lebard, Philippe Lazare and Frédéric Sanchez.

Corporate governance 3.1 Board of Directors

The table below summarizes the situation of each Director with regard to the independence criteria.

Situation of Directors with regard to the independence criteria set out in the AFEP-MEDEF Code⁽¹⁾ (Annex 3 of the AFEP-MEDEF Code)

First name, last name	Aldo Cardoso	André François-Poncet	Jérôme Michiels ^(a)	Stéphanie Besnier	Claude Ehlinger
Position held in the Company	Chairman of the Board of Directors	Vice-Chairman of the Board of Directors	Director	Director	Director
First appointment	June 3, 2009	January 1, 2018	December 19, 2019	October 18, 2016	October 18, 2016
End of term of office	AOSM ^(c) 2022	AOSM ^(c) 2021	AOSM ^(c) 2021	AOSM ^(c) 2020	AOSM ^(c) 2020
Total time in office	10 years	2 years	< 1 year	3 years	3 years
AFEP-MEDEF independence criteria					
1. Employee, Corporate Officer within the past 5 years ^(d)	\checkmark	Chairman of the Executive Board of Wendel	Chief Financial Officer of Wendel	Managing Director of Wendel	Senior Advisor of Wendel
2. Cross-directorships ^(e)	\checkmark	\checkmark	\checkmark	\checkmark	\checkmark
3. Significant business relationships ^(f)	\checkmark	\checkmark	\checkmark	$\sqrt{}$	\checkmark
4. Family ties ^(g)	√	√	√	√	√
5. Statutory Auditor ^(h)	√	√	√	√	√
6. Period of office exceeding 12 years ⁽⁾	\checkmark	\checkmark	\checkmark	V	V
7. Status of non-executive officer ⁽⁾	\checkmark	\checkmark	\checkmark	V	V
8. Status of the major shareholder ^(k)	N/A	Χ	Χ	Χ	X

- (a) Jérôme Michiels was co-opted as a Director of the Company by the Board of Directors on December 19, 2019, replacing Stéphane Bacquaert.
- (b) Frédéric Sanchez was appointed as a Director at the Shareholders' Meeting of May 14, 2019.
- (c) Annual Ordinary Shareholders' Meeting.
- (d) Not to be and not to have been within the previous five years:
 - an employee or Executive Officer of the Company;
 - an employee, Executive Officer or Director of a company consolidated by the Company;
 - an employee, Executive Officer or Director of the Company's parent company or of a company consolidated by the parent company.
- (e) Not to be an Executive Officer of an entity in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an Executive Officer of the Company (currently in office or having held such office in the previous five years) holds a directorship.
- (f) Not to be a customer, supplier, commercial banker, investment banker or consultant:
 - that is significant for the Company or its Group; or
 - for which the Company or its Group represents a significant portion of its activity.
- (g) Not to be related by close family ties to a Corporate Officer of the Company or its Group.
- (h) Not to have been a Statutory Auditor of the Company, or of a Group company within the previous five years.
- (i) Not to have been a Director of the Company for more than 12 years.
- (j) Not to receive or have received variable compensation in cash or securities or any other compensation linked to the performance of the Company or the Group.
- (k) Directors representing major shareholders of the Company or its parent company may be considered independent provided these shareholders do not take part in the control of the Company.

Independent Directors are identified in red.

⁽¹⁾ At the date this Universal Registration Document was filed.

		Siân	B 11.1	Lucia	DI III	Frédéric
Ana Giros Calpe	Ieda Gomes Yell	Herbert-Jones	Pascal Lebard	Sinapi-Thomas	Philippe Lazare	Sanchez ^(b)
Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director
May 16, 2017	May 22, 2013	May 17, 2016	December 13, 2013	May 22, 2013	October 3, 2018	May 14, 2019
AOSM ^(c) 2021	AOSM ^(c) 2021	AOSM ^(c) 2020	AOSM ^(c) 2022	AOSM ^(c) 2021	AOSM ^(c) 2022	AOSM ^(c) 2023
2.5 years	6 years	3 years	6 years	6 years	1.5 years	< 1 year
√	√	√	√	√	√	√
\checkmark	√	√	$\sqrt{}$	\checkmark	√	√
$\sqrt{}$	\checkmark	√	\checkmark	\checkmark	\checkmark	√
\checkmark	\checkmark	\checkmark	\checkmark	\checkmark	\checkmark	\checkmark
\checkmark	\checkmark	\checkmark	\checkmark	\checkmark	\checkmark	\checkmark
√	√	√	√	√	√	√
\checkmark	\checkmark	\checkmark	\checkmark	\checkmark	\checkmark	\checkmark
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Corporate governance 3.1 Board of Directors

Composition of the Board of Directors and its Committees⁽¹⁾

Name	Nationality	Age	Current office within the Company	Main functions	Number of shares
Aldo Cardoso ^(a)	French	63	Chairman of the Board of Directors	Director of companies	12,351
André François-Poncet	French	60	Vice-Chairman of the Board of Directors	Chairman of the Executive Board of Wendel	1,235
Stéphanie Besnier	French	42	Member of the Board of Directors	Managing Director of Wendel	1,224
Claude Ehlinger	Luxembourgish	57	Member of the Board of Directors	Senior Advisor of Wendel	1,230
Jérôme Michiels	French	45	Member of the Board of Directors	Chief Financial Officer of Wendel	1,200
Ana Giros Calpe ^(a)	Spanish	45	Member of the Board of Directors	Senior Executive VP Group – APAC/AMECA Regions & Industrial Key Accounts and Executive Committee member at Suez	1,200
leda Gomes Yell ^(a)	British and Brazilian	63	Member of the Board of Directors	Researcher and Director of companies	1,230
Siân Herbert-Jones ^(a)	British	59	Member of the Board of Directors	Director of companies	1,224
Pascal Lebard ^(a)	French	57	Member of the Board of Directors	Chairman and Chief Executive Officer of Sequana	1,200
Lucia Sinapi-Thomas ^(a)	French	55	Member of the Board of Directors	Executive Director, Capgemini's Business Platforms	2,040
Philippe Lazare ^(a)	French	63	Member of the Board of Directors	Director of companies	2,058
Frédéric Sanchez ^(a)	French	59	Member of the Board of Directors	Chairman of Fives	1,200
Stéphane Bacquaert	French	48	Member of the Board of Directors until December 19, 2019		
Pierre Hessler ^(a)	French	76	Member of the Board of Directors until May 14, 2019		

⁽a) Independent Director.

⁽b) Annual Ordinary Shareholders' Meeting.

⁽¹⁾ At the date this Universal Registration Document was filed.

Start of term of office	End of term of office	Audit & Risk Committee	Nomination & Compensation Committee	Strategy Committee
Board Advisor: June 2005 Director: June 3, 2009 Chairman of the Board: March 8, 2017	AOSM ^(b) 2022	Chairman	Member	Member
Co-opted as Director and appointed as Vice-Chairman: January 1, 2018	AOSM ^(b) 2021			Chairman
Director: October 18, 2016	AOSM ^(b) 2020			Member
Director: October 18, 2016	AOSM ^(b) 2020		Member	
Co-opted as Director: December 19, 2019	AOSM ^(b) 2021	Member		
Director: May 16, 2017	AOSM ^(b) 2021		Member	
Director: May 22, 2013	AOSM ^(b) 2021	Member		
Director: May 17, 2016	AOSM ^(b) 2020	Member		
Co-opted as Director: December 13, 2013	AOSM ^(b) 2022		Chairman	Member
Director: May 22, 2013	AOSM ^(b) 2021		Member	
Co-opted as Director: October 3, 2018	AOSM ^(b) 2022	Member		
Director: May 14, 2019	AOSM ^(b) 2023			

3.1.4 Director biographies

Expertise and experience in corporate management of the members of the Board of Directors and positions held over the last five years

(Annex 3 of the AFEP-MEDEF Code)

Positions held by the Directors



Aldo Cardoso^(a)

Chairman of the Board of Directors, independent Director

Committee membership:

- · Chairman of the Audit & Risk Committee
- · Member of the Nomination & Compensation Committee
- Member of the Strategy Committee

63 years old

Nationality: French

Main business address

Bureau Veritas, Immeuble Newtime, 40/52 boulevard du Parc, 92200 Neuilly-sur-Seine - France

First appointment:

Shareholders' Meeting of June 3, 2009

End of term of office: 2022 Ordinary Shareholders' Meeting

Number of shares held in the Company: 12,351

Biography

Aldo Cardoso, Board Advisor (censeur) of the Company since June 2005, was appointed Director and Chairman of the Audit & Risk Committee on June 3, 2009 when the Company's governance and management structure changed. He has been Chairman of the Board of Directors since March 8, 2017. From 1979 to 2003, he held various positions at Arthur Andersen: Consultant Partner (1989), Country Managing Partner for France (1994), member of the Board of Directors of Andersen Worldwide (1998), Non-Executive Chairman of the Board of Directors of Andersen Worldwide (2000) and Chief Executive Officer of Andersen Worldwide (2002-2003). Aldo Cardoso is a graduate of the École supérieure de commerce de Paris, has a Master's degree in Business Law and is a certified public accountant in France.

Main activity carried on outside the Company

Director of companies

Other current positions

Director: Imerys^(b), Worldline^(b), DWS^(b) (Frankfurt) and Ontex^(b) (Belgium).

Positions no longer held (but held in the last five years)

Director: Axa Investment Manager and ENGIE^(b).

Multiple directorships(c)

5 offices as Director.

⁽a) As of December 31, 2019

⁽b) Listed company.

 $⁽c) \ Recommendation \ no. \ 18 \ of the \ AFEP-MEDEF \ Code: number \ of \ offices \ held \ as \ Executive \ and \ Non-Executive \ Corporate \ Officers, including \ as \ a \ Director \ of \ Bureau \ Veritas \ SA.$



André François-Poncet^(a)
Vice-Chairman of the Board of Directors

Committee membership:

· Chairman of the Strategy Committee

60 years oldNationality: French **Main business address**

Wendel, 89 rue Taitbout, 75009 Paris - France

First appointment:

Board of Directors' meeting of December 15, 2017 (effective as of January 1, 2018)

End of term of office: 2021 Ordinary Shareholders' Meeting

Number of shares held in the Company: 1,235

Biography

André François-Poncet graduated from the École des Hautes Études Commerciales (HEC) and holds an MBA from Harvard Business School. He began his career in 1984 at Morgan Stanley in New York, before moving to London and then Paris, where he was in charge of setting up Morgan Stanley's French office. After 16 years at Morgan Stanley, he joined BC Partners (Paris and London) in 2000, as Managing Partner until December 2014 and then as Senior Advisor until December 2015. He was a partner at the French asset management firm CIAM in Paris from 2016 to 2017. He became Chairman of the Executive Board of Wendel in January 2018.

Main activity carried on outside the Company

Chairman of the Executive Board of Wendel^(b)

Other current positions

Chairman of the Executive Board: Wendel SE^(b).

Director: Axa(b)

Chairman and Director: Harvard Business School Club of France.

Member of the bureau: Club des Trente.

Member of the European Advisory Board: Harvard Business School.

Positions held in subsidiaries of the Wendel group

Chairman and Director: Trief Corporation SA.

Director: Winvest Conseil SA.

Positions no longer held (but held in the last five years)

Chairman and Chief Executive Officer: LMBO Europe SAS.

Multiple directorships(c)

2 offices as Director and 1 as Executive Corporate Officer.

⁽a) As of December 31, 2019.

⁽b) Listed company

 $⁽c) \ Recommendation \ no. \ 18 \ of the \ AFEP-MEDEF \ Code: number \ of \ offices \ held \ as \ Executive \ and \ Non-Executive \ Corporate \ Officers, including \ as \ a \ Director \ of \ Bureau \ Veritas \ SA.$



Stéphanie Besnier^(a) Member of the Board of Directors Committee membership: • Member of the Strategy Committee

	42 years old Nationality: French Main business address Wendel, 89 rue Taitbout, 75009 Paris – France First appointment: Shareholders' Meeting of October 18, 2016 End of term of office: 2020 Ordinary Shareholders' Meeting Number of shares held in the Company: 1,224
Biography	Stéphanie Besnier was appointed as a Director of the Company on October 18, 2016. Having worked at Wendel since 2007, Stéphanie Besnier began her career as a Deputy Officer in the Treasury department (international desk) of the French Ministry of Finance in 2003. Later, she worked for the agency managing the French State's equity holdings, where she was responsible for railway and shipping companies. Stéphanie Besnier graduated from France's École Polytechnique, Corps des Ponts et Chaussées, as well as the École d'Économie de Paris.
Main activity carried on outside the Company	Managing Director of Wendel
Other current positions	None.
Positions no longer held (but held in the last five years)	Director: IHS.
Multiple directorships(b)	1 office as Director.

⁽a) As of December 31, 2019

 $⁽b) \ Recommendation \ no. \ 18 \ of the AFEP-MEDEF \ Code: number of offices held \ as \ Executive \ and \ Non-Executive \ Corporate \ Officers, including \ as \ Director \ of \ Bureau \ Veritas \ SA.$



Claude Ehlinger^(a)
Member of the Board of Directors
Committee membership:
• Member of the Nomination & Compensation Committee

57 years old
Nationality: Luxembourgish
Main business address
Wendel, 63 Brook Street, London, W1K 4HS – United Kingdom
First appointment:
Shareholders' Meeting of October 18, 2016
End of term of office: 2020 Ordinary Shareholders' Meeting
Number of shares held in the Company: 1,230

Biography

Claude Ehlinger was appointed as a Director of the Company on October 18, 2016. He joined Wendel on October 1, 2016 as Chief Executive Officer of Oranje-Nassau, Managing Director and member of the Investment Committee. He has been Senior Advisor since 2019. He previously served as Deputy Chief Executive Officer of Louis Dreyfus company, which he joined in July 2007 as Group Chief Financial Officer. From June 2014 to October 2015, he was acting Chief Executive Officer of Louis Dreyfus company. Claude Ehlinger began his career at the Thomson group in 1985, before joining Finacor as Managing Director in 1987. From 1999 to 2003, he served as Chief Financial Officer at CCMX, and later Regional Financial Controller at Capgemini. He joined Eutelsat as Group Chief Financial Officer in June 2004, a position he held until July 2007. Claude Ehlinger is a graduate of the École des Hautes Études Commerciales (HEC).

Main activity carried on outside the Company

Senior Advisor of Wendel

Other current positions

Positions held in subsidiaries of the Wendel group

Director: Trief Corporation SA and Winvest Conseil SA.

Chairman and Director: Stahl Lux 2 SA, Stahl Group SA and Stahl Parent BV.

Permanent representative of Oranje-Nassau Groep BV within Winvest International SA SICAR.

Positions no longer held (but held in the last five years)

Director: Expansion 17 SA Sicar and Global Performance 17 SA SICAR.

Positions held in subsidiaries of the Wendel group

Permanent representative of Oranje-Nassau Groep BV within Oranje-Nassau Développement SA SICAR.

Multiple directorships(b)

1 office as Director.

⁽a) As of December 31, 2019.

⁽b) Recommendation no. 18 of the AFEP-MEDEF Code: number of offices held as Executive and Non-Executive Corporate Officers, including as a Director of Bureau Veritas SA.



Jérôme Michiels(a)

Member of the Board of Directors, independent Director

Committee membership:

· Member of the Audit & Risk Committee

45 years oldNationality: French **Main business address**

Wendel, 89 rue Taitbout, 75009 Paris – France

First appointment:

Board of Directors' meeting of December 19, 2019

End of term of office: 2021 Ordinary Shareholders' Meeting

Number of shares held in the Company: 1,200

Biography

Jérôme Michiels was appointed Chief Financial Officer of the Wendel group on October 1, 2015. He is also Director of Operational Resources, a member of Wendel's Management Committee, and a voting member of its Investment Committee. He joined Wendel at the end of 2006 as Investment Director, and was promoted to Director in January 2010. He was appointed Managing Director on January 1, 2012 and joined the Investment Committee. From 2002 to 2006, he was a Chargé d'affaires with the investment fund BC Partners. Prior to that, he worked as a consultant for Boston Consulting Group from 1999 to 2002, carrying out strategy projects across Europe, particularly in the fields of distribution, transportation, telecommunications and financial services. He is a graduate of the École des Hautes Études Commerciales (HEC).

Main activity carried on outside the Company

Chief Financial Officer of Wendel

Other current positions

Positions held in subsidiaries of the Wendel group

Director: Stahl Group SA, Stahl Lux 2 SA, Oranje-Nassau Parcours SA and Trief Corporation SA.

Member of the Audit Committee and Management Board: Stahl Parent BV.

Chairman: Coba SAS.

Legal Manager: Oranje-Nassau GP SARL.

Chairman and Director: Wendel Lab SA and Irregen SA.

Positions no longer held (but held in the last five years)

Chairman and Director: Grauggen SA, Hourggen SA, Jeurggen SA and Froeggen SA.

Multiple directorships^(b)

1 office as Director.

⁽a) As of December 31, 2019.

⁽b) Recommendation no. 18 of the AFEP-MEDEF Code: number of offices held as Executive and Non-Executive Corporate Officers, including as a Director of Bureau Veritas SA.



Ana Giros Calpe $^{(a)}$ Member of the Board of Directors, independent Director

Committee membership:
• Member of the Nomination & Compensation Committee

AND DESCRIPTION OF THE PARTY OF	
	45 years old Nationality: Spanish Main business address SUEZ Group, Tour CB21, 16 place de l'Iris, 92040 Paris La Défense – France First appointment: Shareholders' Meeting of May 16, 2017 End of term of office: 2021 Ordinary Shareholders' Meeting Number of shares held in the Company: 1,200
Biography	Ana Giros Calpe has been a member of the Board of Directors since May 16, 2017. She serves as Senior Executive VP Group – APAC/AMECA Regions & Industrial Key Accounts at SUEZ Group and is an Executive Committee member. Ana Giros Calpe is a graduate of the UPC engineering school in Barcelona and of INSEAD business school in France. She has held various positions at Alstom Transport, including Managing Director of its Transport France division.
Main activity carried on outside the Company	Senior Executive VP Group – APAC/AMECA Regions & Industrial Key Accounts at SUEZ
Other current	Deputy Managing Director: SUEZ International.
positions	Chairman: Safège.
Positions no longer	Director: SUEZ Treatment Solutions Spain.
held (but held in the last five years)	Permanent member of the Board: IAM (Inversiones Aguas Metropolitanas) (Chile) ^(b) .

⁽a) As of December 31, 2019.

 $\dot{\text{directorships}^{(c)}}$

1 office as Director.

Multiple

⁽b) Listed company.

 $⁽c) \ Recommendation \ no. \ 18 \ of the \ AFEP-MEDEF \ Code: number \ of \ offices \ held \ as \ Executive \ and \ Non-Executive \ Corporate \ Officers, including \ as \ a \ Director \ of \ Bureau \ Veritas \ SA.$



Ieda Gomes Yell^(a) Member of the Board of Directors, independent Director Committee membership:

· Member of the Audit & Risk Committee

63 years old

Nationality: British and Brazilian

Main business address

Bureau Veritas, Immeuble Newtime, 40/52 boulevard du Parc, 92200 Neuilly-sur-Seine - France

First appointment:

Shareholders' Meeting of May 22, 2013

End of term of office: 2021 Ordinary Shareholders' Meeting

Number of shares held in the Company: 1,230

Biography

leda Gomes Yell was appointed as a Director of the Company on May 22, 2013. She has held a variety of executive positions at BP, including Vice-President of New Ventures at BP Integrated Supply and Trading (2004-2011), President of BP Brazil (2000-2002), Vice-President of Regulatory Affairs (1999-2000), Vice-President of Market Development at BP Solar (2002-2004) and Vice-President of Pan American Energy (1998-1999). Prior to BP, she was CEO of Brazil's largest gas distribution company, Comgás (1995-1998). She has also held several executive-level positions in industry trade associations (the Brazilian Association of Infrastructure, the International Gas Union, the US Civil Engineering Foundation and the Brazilian Association of Gas Distribution Companies). Ieda Gomes Yell is Director of the department of Infrastructure - DEINFRA (Advisory Board) of FIESP (Sao Paulo Industry Federation), member of the Advisory Board of Companhia de Gás de S. Paulo (Comgás), a Visiting Research Fellow at the Oxford Institute for Energy Studies, and a Special Consultant at Fundação Getulio Vargas Energia. She has a BSc in Chemical Engineering from the Federal University of Bahia (1977), and an MSc in Energy from the University of São Paulo (1996) and in Environmental Engineering from the École polytechnique fédérale de Lausanne (1978). She is also à Council Member of Women In Leadership in Latin America (WILL).

outside the Company

Main activity carried on Researcher and Director of companies

Other current positions Director: Saint-Gobain^(b), InterEnergy Holdings, Exterran Corporation^(b) and Prumo Logistica.

Councilor: Brazilian Chamber of Commerce in Great Britain.

Positions no longer held (but held in the last five years)

Managing Director: Energix Strategy Ltd.

Independent Chair: British Taekwondo Ltd.

Multiple directorships(c) 3 offices as Director.

⁽a) As of December 31, 2019.

⁽c) Recommendation no. 18 of the AFEP-MEDEF Code: number of offices held as Executive and Non-Executive Corporate Officers, including as a Director of Bureau Veritas SA.



Siân Herbert-Jones(a)

Member of the Board of Directors, independent Director

Committee membership:

· Member of the Audit & Risk Committee

59 years oldNationality: British **Main business address**

Bureau Veritas, Immeuble Newtime, 40/52 boulevard du Parc, 92200 Neuilly-sur-Seine - France

First appointment:

Shareholders' Meeting of May 17, 2016

End of term of office: 2020 Ordinary Shareholders' Meeting

Number of shares held in the Company: 1,224

Biography

Siân Herbert-Jones was appointed as a Director of the Company on May 17, 2016. She began her career at PricewaterhouseCoopers' London office, where she served as Corporate Finance Director from 1983 to 1993. In 1993, she joined the firm's Paris office as a Director in the Merger & Acquisitions department. In 1995, she joined the Sodexo group, where she headed up international development between 1995 and 1998, Group Treasury from 1998 to 2000, and was appointed Deputy Chief Financial Officer in 2000. She served as Chief Financial Officer of the Sodexo group from 2001 to March 2016. Siân Herbert-Jones holds an MA in History from Oxford University and is a Chartered Accountant in the United Kingdom.

Main activity carried on outside the Company

Director of companies

Other current positions

Director: Air Liquide SA^(b) (Chairman of the Audit and Accounts Committee), Capgemini SE^(b) (since May 2016) and Compagnie Financière Aurore International (Sodexo group subsidiary) (since February 2016).

Positions no longer held (but held in the last five years)

Chief Financial Officer and member of the Executive Committee: Sodexo group.

Chairman: Etin SAS, Sodexo Etinbis SAS and Sofinsod SAS.

Director: Sodexho Awards Co, Sodexo Japan Kabushiki Kaisha Ltd., Sodexho Mexico SA de CV, Sodexho Mexico Servicios de Personal SA de CV, Sodexo Remote Sites the Netherlands BV, Sodexo Remote Sites Europe Ltd., Universal Sodexho Eurasia Ltd., Sodexo, Inc., Sodexo Management, Inc., Sodexo Remote Sites USA, Inc., Sodexo Services Enterprises LLC, Universal Sodexho Services de Venezuela SA, Universal Sodexho Empresa de Servicios y Campamentos SA, Sodexo Global Services UK Ltd., Sodexo Remote Sites Support Services Ltd., Universal Sodexho Kazakhstan Ltd., Universal Sodexo Euroasia Ltd., Sodexo Motivation Solution Mexico SA de CV and Sodexo Motivation Solutions UK Ltd.

Member of the Executive Board: Sodexo en France SAS, Sodexo Entreprises SAS, Sodexo Pass International SAS and One SAS.

Permanent representative of Sofinsod SAS on the Supervisory Board: One SCA.

Multiple directorships(c)

3 offices as Director.

⁽a) As of December 31, 2019

⁽b) Listed company.

⁽c) Recommendation no. 18 of the AFEP-MEDEF Code: number of offices held as Executive and Non-Executive Corporate Officers, including as a Director of Bureau Veritas SA.



Pascal Lebard^(a)

Member of the Board of Directors, independent Director

Committee membership:

- · Chairman of the Nomination & Compensation Committee
- Member of the Strategy Committee

57 years oldNationality: French

Main business address

Sequana, 8 rue de Seine, 92517 Boulogne-Billancourt Cedex – France

First appointment:

Board of Directors' meeting of December 13, 2013

End of term of office: 2022 Ordinary Shareholders' Meeting

Number of shares held in the Company: 1,200

Biography

Pascal Lebard was co-opted as a Director of the Company by the Board of Directors on December 13, 2013. He began his career as Business Manager at Crédit Commercial de France (1986-1989), before joining 3i SA as Managing Partner (1989-1991). In 1991, he became Director of Ifint, now Exor group (the Agnelli group). In 2003, he joined Worms & Cie (which became Sequana in 2005) as a member of the Supervisory Board (2003-2004) and as a member and then Chairman of the Executive Board (2004-2005). He became Deputy Managing Director of Sequana in 2005, followed by Chief Executive Officer in 2007. He was appointed Chairman and Chief Executive Officer in June 2013. Pascal Lebard is a graduate of EDHEC business school.

Main activity carried on outside the Company

Chairman and Chief Executive Officer of Seguana^(b)

Other current positions

Chairman and Chief Executive Officer: Sequana(b).

Director: Lisi SA(b).

Positions held in subsidiaries of the Sequana group

Chairman: Arjowiggins SAS, Arjobex SAS and Arjobex Holding SAS.

Chairman of the Board of Directors: Antalis.

Director: AW HKK1 Ltd. (Hong Kong).

Positions no longer held (but held in the last five years) Chairman: Boccafin SAS, Arjowiggins Security SAS, Antalis Asia Pacific Ltd. (Singapore) and Antalis

International SAS.

Director: CEPI (Belgium), Confederation of European Paper Industries, Club Méditerranée SA and Taminco Corp.

(USA).

Member of the Supervisory Board: Eurazeo PME SA.

Chairman: DLMD SAS and Pascal Lebard Invest SAS.

Permanent representative of Oaktree Luxembourg Flandre Anchor Sarl (Lux), Director.

Chairman of the Audit Committee and member of the Nomination & Compensation Committee:

Novartex SAS/Vivarte.

Multiple directorships(c)

2 offices as Director and 1 as Chairman and Chief Executive Officer.

⁽a) As of December 31, 2019.

⁽b) Listed company

 $⁽c) \ Recommendation \ no. \ 18 \ of the \ AFEP-MEDEF \ Code: number \ of \ offices \ held \ as \ Executive \ and \ Non-Executive \ Corporate \ Officers, including \ as \ a \ Director \ of \ Bureau \ Veritas \ SA.$



Lucia Sinapi-Thomas^(a)

Member of the Board of Directors, independent Director

Committee membership:

• Member of the Nomination & Compensation Committee

55 years oldNationality: French **Main business address**

Capgemini, 76 avenue Kléber, 75116 Paris - France

First appointment:

Shareholders' Meeting of May 22, 2013

End of term of office: 2021 Ordinary Shareholders' Meeting

Number of shares held in the Company: 2,040

Biography

Lucia Sinapi-Thomas was appointed as a Director of the Company on May 22, 2013. She graduated from ESSEC business school (1986) and Paris II – Panthéon Assas University (LLM, 1988), was admitted to the Paris bar (1989), and is a certified financial analyst (SFAF 1997). She started her career as a tax and business lawyer in 1986, before joining Capgemini in 1992. She has more than 20 years of experience within Capgemini group, successively as Group Tax Advisor (1992), Head of Corporate Finance, Treasury and Investor Relations (1999), with her remit extended to include Risk Management and Insurance in 2005, and member of the Group Engagement Board. Lucia Sinapi-Thomas was Deputy Chief Financial Officer from 2013 until December 31, 2015. She took over as Executive Director Business Platforms at Capgemini group in January 2016, and has been Executive Director of Capgemini Ventures since January 1, 2019.

Main activity carried on outside the Company

Executive Director Business Platforms at Capgemini

Other current positions

Director: Capgemini SE^(b) and Dassault Aviation^(b).

Positions held in subsidiaries of the Capgemini group

Executive Director, Capgemini Ventures (since June 24, 2019).

Director: Sogeti Sverige AB (Sweden).

Chairman of the Supervisory Board: FCPE Capgemini.

Member of the Supervisory Board: FCPE ESOP Capgemini.

Positions no longer held (but held in the last five years)

Executive Director Business Platforms, Capgemini.

Deputy Chief Financial Officer, Capgemini SE^(b).

Chairman: Prosodie SAS, Capgemini Employees and Worldwide SAS.

Chief Executive Officer: Sogeti France SAS and Capgemini Outsourcing Services SAS.

Director: Capgemini Reinsurance International SA (Luxembourg), Euriware SA, Capgemini Danmark A/S (Denmark), Sogeti Sverige MITT AB (Sweden), Sogeti Norge A/S (Norway) and Capgemini Business Services

Member of the Supervisory Board: Capgemini Polska Sp. z.o.o. (Poland)

Multiple directorships(c)

3 offices as Director.

⁽a) As of December 31, 2019.

⁽b) Listed company.

⁽c) Recommendation no. 18 of the AFEP-MEDEF Code: number of offices held as Executive and Non-Executive Corporate Officers, including as a Director of Bureau Veritas SA.



Philippe Lazare^(a) Member of the Board of Directors, independent Director Committee membership:

63 years old Nationality: French

Main business address

Bureau Veritas, Immeuble Newtime, 40/52 boulevard du Parc, 92200 Neuilly-sur-Seine - France

First appointment:

Board of Directors' meeting of October 3, 2018

End of term of office: 2022 Ordinary Shareholders' Meeting

Number of shares held in the Company: 2,058

Biography

Co-opted as a Director of the Company by the Board of Directors on October 3, 2018, Philippe Lazare was Chairman and Chief Executive Officer of Ingenico Group until the end of October 2018. Before joining Ingenico Group in 2007, he served as Executive Vice-President of La Poste and Chief Executive Officer of its Retail activity, where he was notably in charge of developing and optimizing the largest retail network in France. At La Poste, Philippe Lazare also served as Chairman and Chief Executive Officer of Poste-Immo. He has extensive experience in managing operations, notably as Chief Executive Officer of Eurotunnel where he managed the operations of the Channel Tunnel infrastructure (2001-2002), and as Chief Operating Officer of Air France, leading the industrial logistics division and fleet maintenance, which includes Air France Maintenance, Air France Industries and Servair. Philippe Lazare also held management positions at Sextant Avionics, a division of Thales (1990-1994), and at Groupe PSA (1983-1990). He is a graduate of the Paris La Défense École Supérieure d'Architecture. He was named a member of the French High Commission for Corporate Governance (Haut Comité du Gouvernement d'Entreprise) in 2019.

Main activity carried on outside the Company

Director of companies

Other current positions

None.

Positions no longer held (but held in the last five years)

Chairman and Chief Executive Officer of Ingenico SA^(b).

Multiple $\dot{\text{directorships}^{(c)}}$

1 office as Director.

⁽a) As of December 31, 2019.

⁽b) Listed company.

⁽c) Recommendation no. 18 of the AFEP-MEDEF Code: number of offices held as Executive and Non-Executive Corporate Officers, including as a Director of Bureau Veritas SA.



Frédéric Sanchez^(a)
Member of the Board of Directors, independent Director

59 years oldNationality: French

Main business address

Fives Group, 3 rue Drouot, 75009 Paris - France

First appointment:

Shareholders' Meeting of May 14, 2019

End of term of office: 2023 Ordinary Shareholders' Meeting

Number of shares held in the Company: 1,200

Biography

Frédéric Sanchez is a graduate of the École des Hautes Études Commerciales (HEC) (1983) and the Institut d'études politiques de Paris (Sciences-Po) (1985). He also has a post-graduate qualification in economics (DEA) from Paris-Dauphine University (1984). He began his career in 1985, working at Renault in Mexico and subsequently the United States, before joining Ernst & Young in 1987 as a mission manager. In 1990, he joined the Fives-Lille group (renamed Fives in 2007), where he held various roles before being appointed as Chief Financial Officer in 1994, followed by Chief Executive Officer in 1997. In 2002, he became Chairman of the Executive Board and then Chairman in December 2018. Under his management, Fives has accelerated its growth by restructuring the company into four business lines and expanding its international presence through a series of major acquisitions and regional office openings in Asia, Russia, Latin America and the Middle East.

Main activity carried on outside the Company

Chairman of Fives(b)

Other current positions

Chairman of Fives(b).

At MEDEF: Chairman: MEDEF International and the France-United Arab Emirates and France-Saudi Arabia Business Councils at MEDEF International.

Member of the Supervisory Board: Thea Holding SAS and STMicroelectronics^(b)

Director: Primagaz SAS; Honorary co-Chairman: Alliance Industrie du Futur; Chairman: Purple Development SAS; Director: Mirion Technologies (Topco) Ltd.

Positions held in subsidiaries of the Fives group in France

Chairman: Fives Orsay SAS; Chairman of the Board of Directors: F.L. Metal SA and Orsay SAS; Director: Fives DMS SA; Permanent Representative: Fives; Director: Fives Pillard SA; Chairman of the Supervisory Board: Fives ECL SAS, Fives FCB SAS, Fives Machining SAS, Fives Proabd SAS and Fives Solios SAS; Member of the Supervisory Board: Fives Cail SAS, Fives Celes SAS, Fives Cinetic SAS, Fives Conveying SAS, Fives Cryo SAS, Fives Filling & Sealing SAS, Fives Intralogistics SAS, Fives Maintenance SAS, Fives Nordon SAS, Fives Stein SAS and Fives Syleps SAS; Legal Manager: FI 2006 SARL and FI 2011 SARL.

Positions held in Fives group subsidiaries abroad

Chief Executive Officer: Fives Inc.; Chairman, Director: Fives Landis Ltd.; Director: Daisho Seiki Corporation, Fives Cinetic Corp., Fives DyAG Corp, Fives Engineering (Shanghai) CO., Ltd., Fives Intralogistics Corp., Fives Intralogistics K.K., Fives Machining Systems, Inc., Fives North American Combustion, Inc., Fives Stein Metallurgical Technology (Shanghai) CO., Ltd., Fives UK Holding Ltd., Shanghai Fives Automation & Processing Equipment CO., Ltd. and Fives Landis Corp.

Chairman of the Board of Directors: Fives Do Brazil Comercio de Maquinas Industriais e Servicos de Engenharia EIRELI and Fives Italy S.R.L.; Director: Fives Intralogistics S.P.A.; Representative Director: Fives Japan K.K.

Positions no longer held (but held in the last five years)

Director: Business France; Member of the Supervisory Board: Hime Saur; Chairman: Fives Alexandre III SAS, FivesManco SAS and NovaFives SAS.

Multiple directorships (c)

2 offices as Director and 1 as Chief Executive Officer.

⁽a) As of December 31, 2019.

⁽b) Listed company

⁽c) Recommendation no. 18 of the AFEP-MEDEF Code: number of offices held as Executive and Non-Executive Corporate Officers, including as a Director of Bureau Veritas SA.

3.2 Organization and functioning of the Board of Directors

3.2.1 Framework for the work of the Board of Directors



The conditions governing the preparation and organization of the work of the Board of Directors are set out in the Board's Internal Regulations, which were last updated on June 22, 2018. These Internal Regulations represent the Governance Charter for Directors.

The Board of Directors meets as often as needed in the interests of the Company; meetings are convened by its Chairman.

The provisional annual schedule of Board of Directors' meetings (excluding extraordinary meetings) is drawn up and sent out to each member before the end of each financial year.

In addition to the mandatory Board meetings held to finalize the annual and interim financial statements, meetings are held to prepare the Annual Shareholders' Meeting and the Universal Registration Document, or in the normal course of business (planned acquisitions, deposits, endorsements and guarantees, authorizations to be given pursuant to the internal governance rules set out in article 1.1 of the Internal Regulations of the Board of Directors).

The Statutory Auditors are invited to attend meetings of the Board held to finalize the annual and interim financial statements.

Each year, sessions are held without the Chief Executive Officer, including three sessions in 2019. In addition, the Directors may meet with the Company's key executives without the Chief Executive Officer (notified in advance).

For each meeting, a file covering the items on the agenda is prepared and sent to each member a few days before the meeting to allow prior examination of documents by the Directors.

During meetings, members of Executive Management give a detailed presentation of the items on the agenda. Generally speaking, each Director is provided with all the information needed to carry out his/her duties and can ask Executive Management to provide him/her with any useful documents (including any critical information about the Company). Questions may be asked during presentations and these are followed by discussions before a vote is taken. Detailed minutes in draft form, summarizing the discussions and questions raised and mentioning the decisions and reservations made, are then sent to members for examination and comment before being formally approved by the Board of Directors.

The Directors may also be provided with useful information about the life of the Company at any time if such information is considered important or urgent.

They may also receive additional training, if they see fit, on the Company, its businesses and sector of activity.

3.2.2 Internal Regulations of the Board of Directors

The Board's Internal Regulations are intended to lay down how it organizes its work in addition to the relevant laws, regulations and the provisions of the by-laws. Adopted at the Board of Directors' meeting of June 3, 2009, they are reviewed and regularly updated by the Board of Directors. The latest version of the Internal Regulations was adopted by the Board of Directors on June 22, 2018.

The Internal Regulations state that the Board of Directors determines the strategic direction of the Company's business and ensures that it is implemented. Subject to powers granted expressly by law to Shareholders' Meetings and within the limits of the corporate purpose, the Board handles all issues related to the proper functioning of the Company and resolves by deliberation all business matters.

The Internal Regulations are divided into five chapters, the main provisions of which are described below:

 the first chapter deals with the role of the Board of Directors and describes the conditions for holding Board meetings (e.g., meetings using telecommunications technologies), ethical rules and the Directors' Charter and Directors' compensation;

- the second chapter specifies the rules for Directors' independence;
- the third and fourth chapters concern the Board Advisors (censeurs) and the Board's Committees; and
- the last chapter deals with the terms and conditions applicable to amendments, entry into force and publication of the Internal Regulations and the evaluation of the Board of Directors.

The Internal Regulations also set out the restrictions imposed on the powers of the Chief Executive Officer, which are detailed in the section "Limitations placed on the powers of the Chief Executive Officer by the Board of Directors" in section 3.1.6 of this Universal Registration Document. The Internal Regulations state in particular that any major strategic transactions or transactions that could have a material effect on the economic, financial or legal situation of the Company and/or Group and that are not foreseen in the annual budget must receive prior approval from the Board.

Lastly, the Internal Regulations state that each Director will be given all of the information needed to carry out his/her duties and

can ask management to provide him/her with any useful documents.

3.2.3 Insider Trading Policy

The Company aims to ensure compliance with recommendations issued by the stock market authorities with respect to the management of risks relating to the possession, disclosure and possible use of inside information.

The Company drew up an Insider Trading Policy in 2008 and appointed a Group Compliance Officer. The purpose of this Insider Trading Policy is to outline applicable regulations and to draw the attention of the concerned people to (i) the laws and regulations in force regarding inside information (requirement to refrain from trading shares, ban on certain speculative transactions and special provisions on stock options and free shares), as well as the administrative sanctions and/or penalties for not complying with those laws and regulations, and (ii) the implementation of preventive measures (black-out periods, insider lists, confidentiality list, disclosure requirements and reporting obligations of executives and individuals closely related to them)

that enable them to invest in Bureau Veritas shares while remaining in full compliance with the rules on market integrity. Each Director agrees to comply with the provisions of this Charter when taking office.

The Insider Trading Policy also provides for black-out periods beginning 30 days before the publication of the annual and half-year parent company and consolidated financial statements, and 15 days before the publication of quarterly financial information, during which the concerned people must abstain from any transactions on the Company's shares.

The Charter was updated at the Board of Directors' meeting held on December 16, 2016 following the entry into force of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse, and subsequently on June 21, 2019.

3.2.4 Charter governing the review of agreements entered into in the ordinary course of business and on arm's length terms

A Charter governing the review of agreements entered into in the ordinary course of business and on arm's length terms ("unregulated agreements") was adopted by the Board of Directors on December 19, 2019, acting on a recommendation of the Audit & Risk Committee. It was prepared in application of the new article L. 225–39, paragraph 2 of the French Commercial Code, as amended by French law no. 2019-486 of May 22, 2019 on the action plan for business growth and transformation ("PACTE").

The Charter is based on the study published by the National Chamber of Statutory Auditors (Chambre National des Commissaires aux Comptes) in February 2014 on related-party agreements and agreements entered into in the ordinary course of business (the "CNCC study") and was reviewed by the Statutory Auditors prior to its adoption.

The Charter describes the procedure for identifying and reviewing unregulated agreements entered into by Bureau Veritas SA.

After identifying the scope of companies and parties concerned, it defines the criteria regarding unregulated agreements.

Criteria regarding unregulated agreements

The Charter provides a definition of both criteria that must be met in order to classify an agreement as "unregulated":

- definition of an agreement/transaction entered into in the ordinary course of business;
- definition of arm's length terms.

An illustrative list of some, but not all, unregulated agreements is provided in the appendix to the Charter, by type of agreement.

Review of unregulated agreements

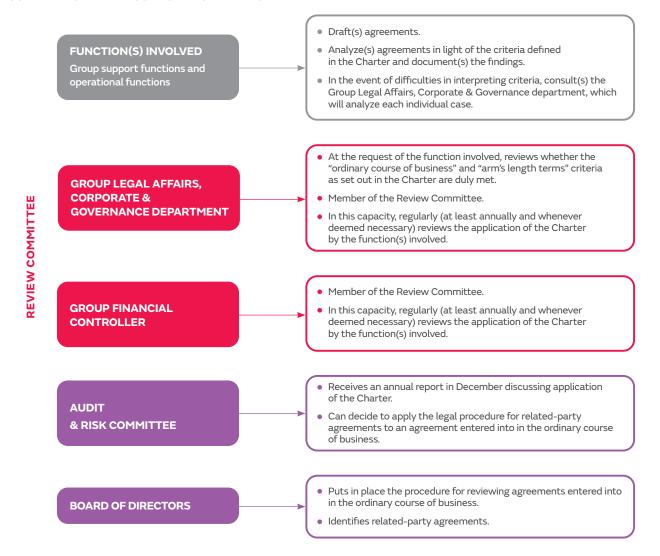
There is a two-step process for identifying and classifying unregulated agreements:

- upstream consideration of the parties involved in the drafting of such agreements;
- downstream review of the application of these criteria by the Review Committee.

The Review Committee, comprising the head of Legal Affairs, Corporate & Governance and the Financial Controller of Bureau Veritas SA, regularly (i.e., at least once a year and whenever it deems necessary) reviews the application of the Charter by the parties involved in drafting the agreements.

If the Review Committee subsequently considers that an agreement included on the list of unregulated agreements falls within the scope of related-party agreements, it should inform the Audit & Risk Committee so that the latter can decide whether to apply the related-party agreements procedure governed by the French Commercial Code. During its annual review of related-party agreements, the Board of Directors can therefore decide, based on a recommendation of the Audit & Risk Committee, to rectify the situation and apply the procedure set out in article L. 225-42 of the French Commercial Code.

SUMMARY OF THE PROCEDURE PUT IN PLACE



3.2.5 Work of the Board of Directors in 2019

In 2019, the Company's Board of Directors met eight times with an attendance rate of 95%. Meetings lasted four and a half hours on average.

With regard to financial and accounting matters, the Board of Directors prepared the parent company and consolidated financial statements for 2018 and the first half of 2019, together with the related financial reporting. It examined the Group's business activities and performance, along with management projections, the financial position, debt, cash and long-term financing. The Board also delegated authority to the Chief Executive Officer in respect of deposits, endorsements and guarantees. At its December 19, 2019 meeting, the Board reviewed and approved the draft Group budget for 2020.

With regard to governance matters, the Board of Directors considered the Company's compliance with the recommendations of the AFEP-MEDEF Code and of the AMF regarding corporate governance and compensation for 2019, as well as "Say on Pay", and set the objectives and compensation of the Chief Executive Officer and the methods for allocating the compensation package

(formerly known as "Directors' fees") among the Directors. It decided to co-opt a Director and ruled on the composition of the Board Committees. The Board considered appointments and changes within the Group's Executive Committee, as well as changes in the composition of the Board of Directors and the Board Committees to further its aim of strengthening diversity and the range of expertise, as well as increasing the proportion of female and non-French members. Following the Shareholders' Meeting, the results of the votes were analyzed by the Board, assisted by an independent expert.

On February 27, 2019, based on the financial statements for the year ended December 31, 2018, the Board of Directors noted the extent to which the performance conditions for the performance share and stock subscription/purchase option plans of June 21, 2016, June 21, 2017 and June 22, 2018 had been met. The Board of Directors also approved the report of its Chairman on corporate governance and on internal control and risk management procedures.

The Board of Directors, making use of the authority delegated to it by the Shareholders' Meeting, approved the implementation of performance share and stock subscription/purchase option plans put in place for managers and the Chief Executive Officer. It authorized the Chief Executive Officer to implement the share buyback program and to renew the liquidity agreement. The Board of Directors also increased the share capital further to the exercise of stock subscription options during the period, and validated the 2020-2021 financing plan.

With regard to strategic matters, the Board of Directors monitored implementation of the Group's strategy and digital transformation and approved the major planned acquisitions. Once a year, the Board meets in order to review and deliberate in depth on strategic matters, keep abreast of market developments and interact directly with teams. Two sessions were held, including one session in the form of a one-day "offsite" seminar, focusing on Bureau Veritas' next strategic plan to be rolled out as from 2020.

In accordance with a new measure introduced by the PACTE law, the Board put in place a Charter governing the review of agreements entered into in the ordinary course of business and on arm's length terms.

In accordance with the action plan drawn up after the 2017 evaluation of the Board and the Board Committees, the format of meetings continued to evolve to make them more interactive and analytically focused. In addition, operational presentations were given regularly to the Board by members of the Group's Executive Committee and further progress was made on the reports submitted to the Board by the Chairmen of the Committees.

The Board regularly examines the benefits and risks relating to social and environmental aspects, and is kept abreast of progress on measures put in place to fight corruption, as well as action plans established under France's Sapin II law.

3.2.6 Evaluation of the Board of Directors and the Board Committees

In accordance with the recommendations of the AFEP-MEDEF Code and pursuant to article 5.4 of the Board of Directors' Internal Regulations, since 2009 the Company has evaluated the composition, organization and functioning of the Board of Directors and the Board Committees.

The aim of this evaluation is to review the organization of the Board's work in order to make it more effective and ensure that important issues are properly prepared and discussed.

During the annual evaluation of the Board of Directors and the Board Committees, each Director has the opportunity to discuss any problems. Any Directors who so wish can therefore freely express their opinion on the actual individual contributions of each Director during their discussions with the Chairman of the Nomination & Compensation Committee. The Nomination & Compensation Committee and subsequently the Board evaluate each Director's contribution and how well their profiles match the Company's needs, notably at the time of appointing and/or renewing the terms of office of Directors and Committee members.

Each year, the results of this evaluation are examined by the Nomination & Compensation Committee before being presented to the Board of Directors. The Board then examines its functioning, composition and organization.

The Chairman of the Nomination & Compensation Committee is responsible for this evaluation, except every three years when the evaluation is performed by a specialist firm. In 2017, the evaluation was conducted by an independent firm based on individual meetings with each Director. The next independent evaluation of the Board will take place in 2020.

In 2019, the evaluation was conducted by the Chairman of the Nomination & Compensation Committee via a questionnaire and one-on-one meetings. He then reported to the Committee at its meeting of December 16, 2019 and to the Board of Directors at its meeting of December 19, 2019.

During the evaluation, the Directors drew attention to the following:

- the high quality of the presentations given (particularly on financial matters) and the efforts made to present information succinctly;
- the high quality of the oral presentations given to the Board and to the Board Committees by members of the Executive Committee and management teams;
- the high quality of the deliberations and input of Directors;
- the high attendance rate at meetings of the Board and Board Committees;
- the high quality of the Board meeting focusing on the strategic plan.

The Directors also pointed out that the main recommendations resulting from the 2018 evaluation had been taken on board, in terms of organizing meetings with operating managers, the length of meetings of the Board and of the Board Committees, maintaining good cohesion within the Board and a more in-depth analysis of certain issues, especially CSR, corruption, digital strategy, risk and the competitive environment.

The wishes expressed in the 2019 evaluation notably concern (i) reviewing the portfolio from a geographic perspective, (ii) updating the analysis of certain issues presented in 2019 (competitive environment, CSR, Sapin II law), (iii) more detailed reporting on matters discussed within the Strategy Committee, and (iv) holding another "offsite" seminar in 2020.

In addition to the self-assessment questionnaire and the one-on-one meetings held, a formal evaluation of the individual contribution of each Director present at December 31, 2019 was conducted in February 2020.

3.2.7 Committees of the Board of Directors

The Internal Regulations of the Board of Directors provide for the possibility of creating one or more Board Committees intended to enrich its reflections, facilitate the organization of the Board's work and contribute effectively to the preparation of its decisions. The Committees have an advisory role and are responsible for working on matters submitted by the Board or its Chairman and for presenting their findings to the Board in the form of reports, proposals or recommendations.

In 2019, the Board of Directors was assisted in the course of its work by three Board Committees, whose members all sit on the Board: the Audit & Risk Committee, the Nomination & Compensation Committee and the Strategy Committee.

Audit & Risk Committee



The Audit & Risk Committee adopted Internal Regulations in 2009 that describe its role, resources and functioning. These Internal Regulations were updated at its meeting of July 27, 2016 to reflect the revised role of the Committee in compliance with Regulation (EU) No. 537/2014 and French Ordinance No. 2016-315 of March 17, 2016 on statutory audit engagements. They were updated again at its meeting of January 23, 2019 to include the final version of the rules governing the approval of non-audit services.

The Audit & Risk Committee is responsible for monitoring the process of preparing financial and accounting information, the effectiveness of internal audit and risk management systems, the statutory audit of the annual financial statements and consolidated financial statements by the Statutory Auditors and Statutory Auditors' independence. It prepares and facilitates the work of the Board of Directors in these areas. The Committee draws up its annual work program at the beginning of the year.

More specifically, it is responsible for:

- financial reporting:
 - monitoring the process of preparing financial information and, where applicable, drawing up recommendations to guarantee the reliability of such information,
 - analyzing the relevance of the accounting standards selected, the consistency of the accounting methods applied, the accounting positions adopted and the estimates made to account for material transactions, and the scope of consolidation,
 - examining, before they are made public, all financial and accounting documents (including non-financial CSR reports) issued by the Company, including quarterly publications and earnings releases;
- internal control systems and risk management procedures:
 - monitoring the effectiveness of internal control and risk management systems, along with Internal Audit where applicable, regarding the procedures adopted to prepare and process financial, accounting and non-financial CSR information, without compromising its independence,

- monitoring the effectiveness of information system security,
- examining risks, including labor and environmental risks, disputes and material off-balance sheet commitments;
- external oversight Statutory Auditors:
 - issuing a recommendation to the Board of Directors pursuant to article 16 of Regulation (EU) No. 537/2014 on the Statutory Auditors recommended for appointment or reappointment by the Shareholders' Meeting,
 - monitoring the work of the Statutory Auditors taking into account the observations and findings of the Haut Conseil du Commissariat aux Comptes (French audit oversight board) further to the audits performed in application of articles L. 821-9 et seq. of the French Commercial Code,
 - ensuring that the Statutory Auditors comply with the independence rules set out in articles L. 821-9 et seq. of the French Commercial Code, taking the necessary measures pursuant to section 3, article 4 of the aforementioned Regulation (EU) No. 537/2014 and ensuring that the conditions set out in article 6 of said Regulation are respected,
 - approving non-audit services provided by the Statutory Auditors or by members of their network set out in article L. 822-11-2 of the French Commercial Code. The Audit & Risk Committee issues its opinion after reviewing the risks regarding Statutory Auditors' independence and the measures taken by the Statutory Auditors to safeguard their independence.

The Audit & Risk Committee must report on its work to the Board of Directors and bring to its attention any matters that appear problematic or that require a decision to be taken. It also reviews all issues raised by the Board of Directors on the matters set forth above.

It meets as often as it deems necessary and at least before each publication of financial information.

If it deems it necessary, the Audit & Risk Committee can invite one or more members of Executive Management and the Company's Statutory Auditors to attend its meetings.

The Chairman of the Committee may call a meeting with the Statutory Auditors and another with the head of Internal Audit & Acquisitions Services at any time he/she deems appropriate, neither of which are attended by management.

In the course of its work and after having informed the Chairman of the Board of Directors, and provided it notifies the Board of Directors, the Audit & Risk Committee may ask Executive Management to provide it with any documents that it deems relevant to its work and may speak to all or some of the members of Executive Management or to any other person whom the Committee deems useful.

The Audit & Risk Committee can also request the assistance of any third party it deems appropriate at its meetings (independent experts, consultants, lawyers or Statutory Auditors).

In accordance with the AFEP-MEDEF Code and except in duly substantiated cases, the information needed for the Committee's discussions is sent out several days prior to the meeting. In 2019, the Committee was able to review the annual and half-year financial statements at least two days before they were reviewed by the Board of Directors.

At December 31, 2019, the Audit & Risk Committee had five members, four of whom independent: Aldo Cardoso (Chairman), Ieda Gomes Yell, Siân Herbert-Jones, Philippe Lazare and Jérôme Michiels.

Based on their professional experience and training, the Company believes that the members of its Audit & Risk Committee have the required financial and accounting expertise. Besides the independence criterion, and in view of the composition of the Board, Directors were selected primarily based on their experience and expertise. The proportion of two-thirds of independent members recommended by the AFEP-MEDEF Code has been observed, with four of the five members including the Chairman classified as independent.

The Audit & Risk Committee met seven times in 2019 with an attendance rate of 100%.

The meetings were attended variously by the Chief Financial Officer, the head of Legal Affairs & Audit, Group Financial Control and Internal Audit and Acquisitions Services. Other parties such as the heads of Treasury, Tax Affairs, Investor Relations, CSR, IT, and Risk & Assurance also had input on specific items on the Committee's agenda.

The Statutory Auditors attended the meetings of the Audit & Risk Committee, at which they presented their work and described the accounting options applied. In 2019, a session was held during a Committee meeting with the Statutory Auditors and without Executive Management.

In 2019, the Audit & Risk Committee examined the parent company and consolidated financial statements for 2018, the half-year results for 2019 and revenue for the first and third quarters of 2019, as well as the related press releases and financial reports.

During these meetings, the parent company and consolidated financial statements, the notes to the financial statements and technical matters relating to the year-end were discussed by the Group's Finance teams and analyzed by the members of the Audit & Risk Committee in the presence of the Statutory Auditors. Particular attention was paid to the proposal for appropriating 2018 profit, the measurement and allocation of goodwill, provisions for other liabilities and charges and significant off-balance sheet commitments.

The work of the Audit & Risk Committee also followed up on action plans to improve working capital, tax-related developments, the share buyback program, changes in debt, the 2020-2021 financing plan, the Group's various financing arrangements, the financial structure, the evaluation of the Statutory Auditors' work and independence and their advisory fees, and the Group's financial documentation.

Every six months, the Committee reviewed the findings of the internal audits that had been conducted, as well as the proposed annual planning, and was kept informed of the progress of the action plans. The Committee also reviewed the results and action plans in connection with the application of the AMF's Reference Framework for Risk Management and Internal Control.

The head of Legal Affairs & Audit presented his interim reports on risk management, disputes and compliance – particularly with the Sapin II law – to the Audit & Risk Committee. The Committee performed a detailed review of the main risks identified in the risk map, including the Sapin II risk map. The Statutory Auditors informed the Committee of their main observations regarding the identification of risks and their assessment of the internal control procedures. More specifically, in 2019 the Audit & Risk Committee reviewed major ongoing IT projects, shared services centers and customer due diligence.

After each meeting, the Chairman of the Audit & Risk Committee provided a detailed report of the Committee's work, proposals and recommendations to the Board of Directors. The Chairman also presented the Committee's recommendations, findings and/or observations on the annual and interim financial statements at the Board meeting at which these financial statements were adopted. This is also the case for reports that may be presented by the Audit & Risk Committee on specific issues at the request of the Board of Directors.

Strategy Committee



The Strategy Committee has adopted Internal Regulations that describe its role, resources and operation. It is primarily responsible for examining and providing the Board of Directors with its opinion and recommendations regarding the preparation and approval of the Group's strategy, budget and amended budgets as well as any planned acquisitions and disposals, particularly those submitted for prior authorization to the Board of Directors in accordance with article 1.1 of the Board's Internal Regulations.

As part of its work, the Strategy Committee ensures that environmental and social aspects are taken into account. The Committee may, at its own discretion, organize meetings with the members of management, after having informed the Chief Executive Officer, request external technical studies or be accompanied by any outside counsel of its choice provided that it notifies the Board of Directors.

As of December 31, 2019, the Strategy Committee had four members: André François-Poncet (Chairman), Aldo Cardoso, Pascal Lebard and Stéphanie Besnier. Two out of four members are independent.

In 2019, the Strategy Committee met seven times with an average 97% attendance rate.

It chiefly examined: (i) the implementation of the Group's 2020 strategic plan and its five Growth Initiatives, (ii) the preparation of a new strategic plan; (iii) planned acquisitions for the year worth over €10 million, (iv) implementation of the Group's digital strategy and digital transformation, (v) changes in the Group's competitive environment, and (vi) a "discovery report" from the new Executive Vice-President in charge of the Group's transformation and business development.

The Chairman of the Strategy Committee reports in detail on the Committee's work to the Board of Directors.

Nomination & Compensation Committee



The Company has a unified Nomination & Compensation Committee, which has Internal Regulations that describe its role, resources and functioning. It is mainly responsible for making recommendations to the Board of Directors with regard to the selection of members of Executive Management and the Board, executive compensation and benefits of the members of Executive Management, as well as the methods of determining such compensation (fixed and variable portions, calculation method and indexing). Since February 25, 2015, the Nomination & Compensation Committee has also analyzed Corporate Social Responsibility (CSR) issues.

The role of the Nomination & Compensation Committee also includes reviewing and regularly preparing succession plans for Executive Management positions, focusing particularly on current and potential Executive Committee members, including the Chief Executive Officer.

The plan considers several potential scenarios, based on which the Committee designs a plan addressing short- and medium-term needs.

Succession plans covering expiring terms of office, retirement and/or role changes are reviewed each year. Contingency plans are also discussed for situations where senior roles become unexpectedly vacant, most notably in the event of death.

For the past few years, the Nomination & Compensation Committee has reviewed management's evaluations of key employees with the help of an independent firm in order to ensure that succession plans are relevant and to accelerate the development of potential candidates.

If it deems it necessary, the Nomination & Compensation Committee can invite one or more members of Executive Management or any other Company employee to attend its meetings. The Committee can also request the assistance of any third party it deems appropriate at its meetings (independent experts, consultants, lawyers or Statutory Auditors).

At December 31, 2019, the Nomination & Compensation Committee comprised five members, four of whom independent: Pascal Lebard (Chairman), Aldo Cardoso, Claude Ehlinger, Ana Giros Calpe and Lucia Sinapi-Thomas.

No Executive Corporate Officers sit on the Committee. The Chief Executive Officer, without participating in deliberations, was involved in the Committee's work, except when agenda items concerned him. Similarly, the Chairman of the Board of Directors does not participate in deliberations regarding his own compensation.

In 2019, the Nomination & Compensation Committee met six times with a 97% attendance rate.

The Committee drew up its annual work program at the beginning of the year. It considered the compensation policy and the objectives for the Chief Executive Officer for 2019, as well as the financial and non-financial⁽¹⁾ criteria used to determine the variable portion of compensation in respect of 2018. It also recommended putting in place performance share and stock subscription and purchase option plans in 2019, and discussed possible changes to these plans.

It reviewed the Directors' compensation package and the basis for allocating that compensation. Throughout the year, it also considered Executive Committee compensation proposals

(1) For consistency, the terms "quantifiable" and "qualitative" have been replaced by "financial" and "non-financial" to classify the two types of objective used to determine the variable portion of the Chief Executive Officer's compensation.

following the changes to the Group's organization. The Nomination & Compensation Committee also regularly worked on issues relating to succession planning within the Group, and particularly its Executive Committee including the Chief Executive Officer, as well as changes in the composition of the Board of Directors and the Board Committees aimed at continuing to strengthen diversity and the range of expertise as well as increasing the proportion of female and non-French members.

It also prepared the Shareholders' Meeting and drafted the resolutions falling within its remit. After the Shareholders'

Meeting, it discussed how best the results of shareholders' votes could be taken on board. Lastly, at its meeting on December 16, 2019, it reviewed the Company's compliance with the AFEP-MEDEF Code and analyzed the results of the evaluation of the Board and the Board Committees.

The Chairman of the Nomination & Compensation Committee reports in detail to the Board of Directors on its work, opinions, proposals and recommendations and informs it of all matters that seem problematic or that require a decision.

3.2.8 Attendance rate at meetings of the Board of Directors and Board Committees

ATTENDANCE OF MEETINGS OF THE BOARD OF DIRECTORS AND THE BOARD COMMITTEES

	Board of Directors	Audit & Risk Committee	Nomination & Compensation Committee	Strategy Committee
Number of meetings	8	7	6	7
Directors				
Aldo Cardoso	100%	100%	100%	100%
André François-Poncet	100%			100%
Pascal Lebard	100%		100%	100%
Lucia Sinapi-Thomas ^(a)	88%	100%	100%	
leda Gomes Yell ^(a)	100%	100%		100%
Siân Herbert-Jones	100%	100%		
Stéphanie Besnier ^(a)	100%	100%		100%
Claude Ehlinger ^(a)	88%		100%	100%
Ana Giros Calpe	100%		100%	
Philippe Lazare ^(a)	100%	100%		
Frédéric Sanchez ^(b)	60%			
Jérôme Michiels ^(c)	-	-	-	-
Pierre Hessler ^(d)	100%		67%	33%
Stéphane Bacquaert ^(e)	88%			100%
TOTAL	95%	100%	97%	97%

⁽a) Board member who changed Committees during the year. Attendance rate calculated based on the number of Committee meetings held over the relevant period. See section 3.1.2 of this Universal Registration Document for more information on changes to Committee membership during 2019.

⁽b) Board member appointed at the Shareholders' Meeting of May 14, 2019. Attendance rate calculated based on the number of Board meetings held between the date of the Shareholders' Meeting and the year-end.

⁽c) Co-opted on December 19, 2019, replacing Stéphane Bacquaert.

⁽d) Director until May 14, 2019. Attendance rate calculated based on the number of Board meetings held between January 1 and May 14, 2019.

⁽e) Director until December 19, 2019.

3.2.9 Limitations placed on the powers of the Chief Executive Officer by the Board of Directors

The Board of Directors' Internal Regulations define the respective roles of the Board of Directors, the Chairman of the Board of Directors and the Chief Executive Officer, and also set limitations on the powers of the Chief Executive Officer.

In addition to the decisions that legally require prior approval from the Board of Directors, prior approval from the Directors is also required for the following decisions of the Chief Executive Officer:

- (i) approval of the annual budget;
- (ii) any introduction by the Company of stock option or free share plans and any granting of stock purchase or subscription options or free shares to the Group's Executive Committee and Executive Leadership Team (ELT);
- (iii) any implementation of a procedure provided for in Book VI of the French Commercial Code or any equivalent procedure relating to the Company or to French or foreign subsidiaries that represent more than 5% of the Group's Adjusted Operating Profit (AOP);
- (iv) any substantial change in the corporate governance rules relating to internal control, as set out in article L. 225-37 of the French Commercial Code;
- any purchase of Company shares, besides purchases made within the framework of a liquidity agreement previously approved by the Board of Directors;
- (vi) any decision to initiate a procedure with the aim of being listed on a regulated market or withdrawing such listing for any financial instrument issued by the Company or one of its subsidiaries:
- (vii) any implementation of an authorization from the Shareholders' Meeting resulting immediately or over time in an increase or reduction in share capital or the cancellation of shares of the Company;
- (viii) notwithstanding the powers vested in the Shareholders' Meeting by the law and the by-laws, any appointment, dismissal, renewal or termination of the term of office of Statutory Auditors, including those in any French or foreign subsidiaries with equity as per the consolidated financial statements of over €50 million;
- (ix) any transactions referred to in the sections above, with the exception of those carried out as part of an intragroup reorganization, whenever the amount of each such transaction exceeds €10 million and provided that the transaction was not authorized during the annual budget approval process:
 - acquisitions or disposals of Company real estate or other assets,
 - acquisitions or disposals of shareholdings or business assets,
 - partnership agreements involving an investment of the aforementioned amount.

For the purposes of this section, "intragroup" transactions are transactions between entities owned directly or indirectly by the Company;

- (x) all debt, financing or off-balance sheet commitments entered into by the Company representing an annual aggregate or transaction amount of over €50 million, other than:
 - transactions subject to the prior approval of the Board of Directors pursuant to the law (sureties, endorsements and guarantees) or in accordance with the Board's Internal Regulations, and
 - intragroup financing between Group companies held directly or indirectly by the Company, including capital increases and decreases, and current account advances provided that the planned intragroup financing transaction is not designed to settle the liability of the entity concerned;
- (xi) any approval given by the Company to directly or indirectly controlled companies to carry out an operation such as referred to in points (ix) and (x) above;
- (xii) the granting of any pledge to guarantee the commitments entered into by the Company for an amount exceeding €5 million per commitment;
- (xiii) the introduction of mandatory or discretionary profit-sharing schemes at Company or Group level;
- (xiv) in the event of any dispute, carrying out any settlement with a net impact on the Group (after insurance) in excess of €10 million;
- (xv) hiring/appointments, removals/dismissals and annual compensation of members of the Executive Committee;
- (xvi) any major strategic transactions or any transactions likely to have a material effect on the economic, financial or legal situation of the Company and/or Group not provided for in the annual budget.

These limitations on the powers of the Chief Executive Officer are valid internally but cannot be enforced against third parties in accordance with the provisions of article L. 225-56-I, paragraph 3 of the French Commercial Code.

3.3 Group management

3.3.1 Chief Executive Officer



Didier Michaud-Daniel
Chief Executive Officer

61 years oldNationality: French

Main business address

Bureau Veritas, Immeuble Newtime, 40/52 boulevard du Parc, 92200 Neuilly-sur-Seine - France

First appointment:

Appointed Chief Executive Officer on February 13, 2012, with effect from March 1, 2012. Reappointed on February 23, 2017, with effect from March 1, 2017

February 23, 2017, with effect from March 1, 2017 **End of term of office:** February 28, 2022

Number of shares held in the Company: 399,225

Biography

Didier Michaud-Daniel was appointed Chief Executive Officer of Bureau Veritas on March 1, 2012. Before taking on this position, he had been President of OTIS Elevator Company since May 2008. He was previously Chairman of OTIS for the UK, Germany and the Central Europe region from August 2004 to May 2008. From September 2001 to August 2004, Didier Michaud-Daniel served as Chief Executive Officer of OTIS UK and Ireland, after 20 years of service at OTIS France. Didier Michaud-Daniel began his career at OTIS in 1981 as a technical salesperson, progressing into sales management and operational support. In 1991, he was appointed Field Operations Director for OTIS France, and in 1992 was promoted to Paris Field and Sales Operations Director. He was named Deputy Chief Executive Officer in charge of Operations in January 1998. Didier Michaud-Daniel is a graduate of France's École supérieure de Commerce, with a degree in Business Management, and a graduate of INSEAD. Didier Michaud-Daniel is a Chevalier de la Légion d'honneur.

Other current positions

Tarkett(b).

Positions held within the Group

Chairman of Bureau Veritas International SAS.

Positions no longer held (but held in the last five years) None.

Multiple directorships(c)

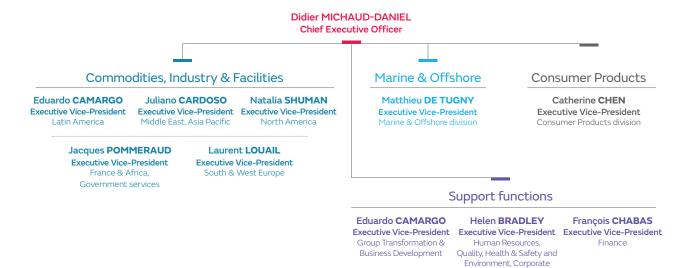
1 office as Director and 1 as Chief Executive Officer.

⁽a) As of December 31, 2019.

⁽b) Listed company.

⁽c) Recommendation no. 18 of the AFEP-MEDEF Code: number of offices held as Executive and Non-Executive Corporate Officers, including as a Director of Bureau Veritas SA.

3.3.2 Executive Committee



The Executive Committee is the Group's management body. Chaired by the Chief Executive Officer, it includes the managers of Group divisions (Marine & Offshore, Consumer Products) and the heads of the main regions for the Commodities, Industry & Facilities⁽¹⁾ division and the support functions.

The Executive Committee examines and approves issues and decisions relating to the Group's strategy and general organization. It adopts the policies and procedures to be applied across the Group. Each Operating Group has its own Executive Committee.

As of the publication date of this Universal Registration Document, the Executive Committee had ten members:

Social Responsibility

- Didier Michaud-Daniel, Chief Executive Officer;
- François Chabas, Executive Vice-President, Finance;
- Helen Bradley, Executive Vice-President, Human Resources, Quality, Health & Safety and Environment, Corporate Social Responsibility and External Affairs;
- Catherine Chen, Executive Vice-President, Consumer Products division;
- Jacques Pommeraud, Executive Vice-President, Commodities, Industry & Facilities – France & Africa, Government services (GS);
- Eduardo Camargo, Executive Vice-President Group Transformation & Business Development; Commodities, Industry & Facilities – Latin America;
- Juliano Cardoso, Executive Vice-President, Commodities, Industry & Facilities – Middle East and Asia Pacific;
- Natalia Shuman, Executive Vice-President, Commodities, Industry & Facilities – North America:
- Laurent Louail, Executive Vice-President, Commodities, Industry & Facilities – South & West Europe;
- Matthieu de Tugny, Executive Vice-President, Marine & Offshore division.

⁽¹⁾ The Commodities, Industry & Facilities (CIF) division created on January 1, 2016 includes the Commodities, Industry, Inspection & In-Service Verification and Certification businesses.

Corporate governance 3.3 Group management

Bureau Veritas Executive Committee Members

Didier Michaud-Daniel - Chief Executive Officer

See Didier Michaud-Daniel's biography in section 3.3.1 – Chief Executive Officer of this Universal Registration Document.

François Chabas, Executive Vice-President, Finance

Before being appointed Executive Vice-President, Finance, François Chabas had been Chief Financial Officer of Bureau Veritas since 2014. He started his career in 1999 as a finance auditor at Ernst & Young. In 2003, he joined Bureau Veritas as an Internal Auditor within the Corporate Finance team. From 2005 to 2008, he held several positions as Finance Director within the North and Central Europe region. In 2008, he became Operational Director for the Nordic and Baltic region, and was subsequently promoted to Vice-President, Certification for North and Central Europe. In early 2013, he combined his financial and operational experience to lead the finance organization of the South Europe region as Vice-President, Finance South Europe. He graduated from the École des Hautes Études Commerciales (HEC) in 1997 and holds a degree in History from the Sorbonne University in Paris (1997). François Chabas is 45⁽¹⁾.

Helen Bradley, Executive Vice-President, Human Resources, Quality, Health & Safety and Environment, Corporate Social Responsibility and External Affairs

Helen Bradley joined Bureau Veritas on June 1, 2018 as Executive Vice-President in charge of Human Resources as well as Quality, Health & Safety and Environment, Corporate Social Responsibility and External Affairs. She has more than 25 years of experience in managing human resources in various European countries and the United States. Before joining Bureau Veritas, she worked for Schneider Electric for 20 years, where she first held various HR management positions, supporting both regional operations and company business units. In 2006, she was promoted to Senior Vice-President (SVP), Human Resources and Communication for the Industry business and in 2010, expanded her responsibilities within the larger Infrastructure business. In 2013, she was appointed SVP HR, Global Operations and in 2017, SVP HR, North America Operations. Helen Bradley started her career at Lloyds Bank and a few years later joined Yellow Pages Sales, a subsidiary of British Telecommunications, as Regional Personnel Officer. She graduated in Accounting and Finance from the University of the West of England (UK) and holds a postgraduate diploma in Human Resources Management.

Catherine Chen, Executive Vice-President, Consumer Products division

Catherine Chen has extensive global experience in marketing and sales, and operational and P&L management, and has pursued a successful career spanning over two decades in the consumer products industry. She joined Bureau Veritas China in 2005 after seven years with TÜV SÜD. At Bureau Veritas China, she undertook various sales and marketing management roles, before being appointed as General Manager of LCIE Shanghai – a subsidiary of Bureau Veritas – in 2009. In 2012, she became Vice-President for the Consumer Products (CPS) division for North China and in 2014 was promoted to Senior Vice-President for CPS Greater China. In 2017, she took the reins of CPS for the entire pan-Asia region, becoming Chief Operating Officer of the division.

Catherine Chen holds an MBA from Rutgers Business School (US) and a BA in International Business from Western Sydney University (Australia).

Jacques Pommeraud, Executive Vice-President, Commodities, Industry & Facilities – France & Africa, Government services

Jacques Pommeraud joined Bureau Veritas on May 1, 2018 as Executive Vice-President in charge of the Commodities, Industry & Facilities (CIF) division in France and Africa, as well as the Government services (GS) Operating Group. Before joining Bureau Veritas, Jacques Pommeraud worked for SAP as Senior Vice-President, Customer Success. He started his career in strategy consulting with McKinsey & Co. in Paris and Boston. In 2009, he joined Atos as Chief Lean Officer and held management positions of increasing responsibility before being appointed Chief Executive Officer of Canopy Cloud, a joint venture between Atos, EMC2 and VMware. In 2014, he was appointed Senior Vice-President & General Manager, Success Services at Salesforce Inc., based in San Francisco (US). Jacques Pommeraud holds a Master's degree in Engineering from France's École Nationale des Ponts et Chaussées and an MBA from INSEAD.

Eduardo Camargo – Executive Vice-President, Group Transformation & Business Development; Commodities, Industry & Facilities – Latin America

Eduardo Camargo started his career in Verolme Shipyard. In 1986, he joined Bureau Veritas in the Marine division. In 1989, he worked for the Industry division and, in 1993, for the Health, Safety & Environment division. In 1997, he became Regional Chief Executive for Mexico & Central America, based in Mexico. In 2002, he was appointed Regional Chief Executive for Latin America, based in Argentina. He served as Senior Vice-President for the Latin America region of the Industry & Facilities division as from 2003, before being appointed Head of the division in 2011, a position he held until February 2019 when he was named Head of Group Transformation & Business Development.

Eduardo Camargo holds a Master's degree in Naval Architecture & Marine Engineering from Rio de Janeiro Federal University (Brazil), an MBA in Finance from Rio de Janeiro Pontifical Catholic University (Brazil) and a diploma in Executive Management from INSEAD (France).

Juliano Cardoso – Executive Vice-President, Commodities, Industry & Facilities – Middle East and Asia Pacific

Juliano Cardoso started his career as Quality Engineer at Duratex Group in Brazil. In 1995 he moved to the automotive industry, working for Textron Group as a quality and project manager. In 1999 he joined Bureau Veritas, first as Training & Consulting Manager, then as Senior Business Engineer. In 2003 he became Country Chief Executive for Chile and, three years later, he was appointed Regional Chief Executive for Chile and Peru. In 2011, he became Senior Vice-President for the Pacific region. In 2014 he was appointed Executive Vice-President for the Commodities division. Juliano Cardoso had been Vice-President of the CIF division since 2015.

Juliano Cardoso holds a Bachelor's degree in Business Management and a Master's degree in Reliability Engineering from Universidade de Campinas (Brazil) and a diploma in Executive Management from INSEAD (France).

Natalia Shuman – Executive Vice-President, Commodities, Industry & Facilities – North America

Before joining Bureau Veritas, Natalia Shuman was in charge of Kelly Services' EMEA and APAC regions. She also served as a Board member of Kelly Services' joint venture, for which she was based in Singapore and Switzerland.

She first joined Kelly Services in Russia to launch its operations there. She relocated to New York in 2000 to take over the company's operations in the United States as well as key accounts and strategic growth initiatives. In 2011, she relocated to Asia to focus on Kelly Services' customers and partners in the APAC region. She was then appointed Chief Operating Officer to start up Kelly's joint venture operations in China and North Asia and was based in Shanghai. She has been Senior Vice-President and General Manager of the EMEA and APAC regions for the past four years.

She completed a dual Global Executive MBA program with Columbia University and London Business School, and graduated with distinction from St. Petersburg University of Economics and Finance in Russia.

Laurent Louail – Executive Vice-President, Commodities, Industry & Facilities – South & West Europe

Since September 2015, Laurent Louail had been Senior Vice-President in charge of the Commodities, Industry & Facilities division for the Pacific region, based in Melbourne, Australia. He joined Bureau Veritas in 1995 as Regional Industry Manager in France. He subsequently held regional management positions of increasing responsibility in France, before being appointed Senior Vice-President of France Geographical Network in 2013. Laurent Louail holds a Master's degree in Mechanical Engineering from the Compiègne University of Technology (UTC).

Matthieu de Tugny – Executive Vice-President, Marine & Offshore division

Prior to his appointment as Executive Vice-President of the Bureau Veritas Marine & Offshore division in 2019, Matthieu de Tugny was Senior Vice-President and Chief Operations Officer of the division. He joined Bureau Veritas in 1994 as a design review engineer. Through successive appointments and promotions, he occupied various roles in South Korea, the United States, Singapore and France. He has led technical, operations, marketing and sales, offshore and marine teams, both locally and regionally. Matthieu de Tugny was Marine Chief Executive Officer in France, North America, and South Asia, and has managed the offshore business. He graduated from the École Nationale de la Marine Marchande with a dual Officer diploma and holds a Master's degree in Electrical Engineering from the École Supérieure d'Électricité (France).

3.3.3 Executive Committee diversity policy

Set up in 2016 and translated into 16 languages, the widely circulated diversity and anti-discrimination policy is strongly supported by the Chief Executive Officer. Support for this policy has also been an integral part of the responsibility of each Executive Committee member since 2016.

To continue improving diversity on its governing bodies, the Group has set itself the objective of gradually increasing the proportion of female and non-French members on the Executive Committee.

The proportion of women on the Executive Committee rose from 0% in 2017 to 20% in 2018 with the arrivals of Natalia Shuman, Executive Vice-President, North America, in 2017 and of Helen Bradley, Executive Vice-President, Human Resources, in 2018. As of January 1, 2020, it has climbed to 30% with the appointment of a third woman: Catherine Chen, Executive Vice-President, Consumer Products division.

The Group believes diversity is a driver of innovation and creative thinking, and that a broad range of profiles and inclusive working practices are key to forging an attractive, successful Group with staying power.

To support its ambitions, the Group decided to increase the proportion of women in the 10% of executives holding the most senior executive management roles by setting itself annual targets. Between 2016 and 2019, the percentage of women among the 10% of employees holding the most senior roles also increased, from 6% to 19%.

One of the Group's commitments is to have 25% of women in executive management roles by the end of 2020.

The Group is using its best efforts to improve the gender balance within its governing bodies. Internal processes will also be strengthened to support these goals, in order to ensure that processes are put in place that promote fair representation throughout the organization, especially in terms of the gender balance

The Nomination & Compensation Committee – and especially the Strategy Committee when preparing the Group's next strategic plan, to be deployed from 2020 – regularly monitor Executive Management's development and implementation of the Group's inclusion policy. The initiatives rolled out by the Group to promote an inclusive and diverse corporate culture are described in the Non-Financial Statement, in section 2.3.2.2, Chapter 2 of this Universal Registration Document discussing the Group's inclusion policy.

Corporate governance 3.4 Statements relating to Corporate Officers

3.3.4 Succession planning

The remit of the Nomination & Compensation Committee includes the regular review and anticipation of succession plans for the Company's Executive Management positions, focusing particularly on the Chief Executive Officer, as well as current and prospective Executive Committee members.

The Nomination & Compensation Committee undertakes an in-depth review of the succession plans once a year, but also reviews them in the course of the year to ensure several timescales are managed:

- short term: unexpected succession (resignation, death, sudden inability to perform role);
- medium term: accelerated succession (possible retention risk, new profiles emerging);
- long term: planned succession (retirement, end of term of office).

The Chief Executive Officer participates in the discussions of the Nomination & Compensation Committee insofar as he has a key role in planning his own succession, but he does not lead the process. His responsibility is to ensure that robust succession plans are in place for all current and future Executive Management roles according to the different timescales.

For several years, the Nomination & Compensation Committee has reviewed management's evaluations of key employees with the assistance of an external company to ensure that the succession plans are valid and to accelerate the development of potential successors. Whilst promoting internal growth and development, the Company balances this with external recruitment for key executive positions if a readily available successor is not identified. In this situation, the Company works with external consultants to ensure an identifiable pool of external candidates is in place.

3.4 Statements relating to Corporate Officers

3.4.1 Service agreements involving Corporate Officers and Bureau Veritas or one of its subsidiaries

At the date this Universal Registration Document was filed, there were no service agreements between Corporate Officers and the Company or its subsidiaries providing for any benefits.

3.4.2 Convictions for fraud, public accusations and/or public sanctions, or liability for bankruptcy within the last five years

As far as the Company is aware, none of the Directors or the Chief Executive Officer have been, within the last five years, (i) convicted of fraud or subject to an official accusation or penalty delivered by legal or administrative authorities; (ii) involved in a bankruptcy, receivership or liquidation; or (iii) prohibited by a court from acting as a member of an administrative, management or supervisory body of a company, or from participating in the management or conduct of a company's business.

3.4.3 Conflicts of interest and agreements in which Directors and the Chief Executive Officer are interested parties

Pursuant to article 1.7 of the Board of Directors' Internal Regulations, all Board members undertake to avoid any conflict between their own interests and those of the Company.

The Directors and the Chief Executive Officer are required to promptly inform the Chairman of the Board of Directors of any related-party agreements that may exist between companies in which they have an interest, whether directly or through an intermediary, and the Company. The Directors and the Chief Executive Officer are required to notify the Board of Directors of any agreement, referred to under articles L. 225-38 et seq. of the French Commercial Code, to be entered into between themselves or a company in which they are managers or in which they own, directly or indirectly, a significant shareholding, and the Company or one of its subsidiaries. If any such agreement exists, the person(s) concerned will abstain from participating in discussions and all decision-making on related matters. These provisions do not apply to unregulated agreements (entered into in the ordinary course of business and under arm's length conditions).

In order to prevent any potential conflicts of interest, the Directors and the Chief Executive Officer are required to complete and sign a declaration each year describing any direct or indirect links of any kind they may have with the Company. To this day, none of these declarations has revealed any existing or potential conflict of interest between the Chief Executive Officer or a Director and the Company. In cases where a business relationship is under consideration between (i) the Company or the Group and

(ii) directly or indirectly a Director or the Chief Executive Officer, the procedure governing related-party agreements as set forth in articles L. 225-38 et seq. of the French Commercial Code is followed.

With the exception of related-party agreements and commitments that were entered into or remained in effect during 2019 and are presented in the section on related-party transactions in section 7.10 of this Universal Registration Document, the Company is not aware of any other potential conflicts of interest between the duties of the Directors and the Chief Executive Officer with regard to Bureau Veritas and their personal interests and/or other duties.

The members of the Board of Directors are not subject to any contractual restrictions regarding the Company shares they own, except for the closed and black-out periods as defined in the Group's Insider Trading Policy. However, under article 14.1, paragraph 2 of the Company's by-laws, members of the Board of Directors are required to hold a minimum of 1,200 shares throughout their term of office.

In addition to the prohibition referred to in the stock option and performance share plans, the Chief Executive Officer has formally agreed not to use hedging instruments for the shares he holds in the Company throughout his term of office. He is also required to observe the restrictions regarding closed and black-out periods.

3.4.4 Family ties

There are no family relationships linking Corporate Officers (Directors and the Chief Executive Officer).

3.5 Other information on governance

3.5.1 Summary of delegations of authority and authorizations granted by the Shareholders' Meeting to the Board of Directors (article L. 225-37-4 of the French Commercial Code)

The table below summarizes the delegations of authority and authorizations relating to share capital granted by the Shareholders' Meeting to the Board of Directors that are still in effect as of the filing date of the Universal Registration Document.

Nature of the delegation/authorization granted to the Board of Directors	Date of the Shareholders' Meeting (SM)	Duration and expiration of the authorization	Maximum nominal amount	Use during the year
Authorization granted to the Board of Directors to trade in the Company's ordinary shares.	SM of May 14, 2019 (11 th resolution)	18 months, i.e., until November 13, 2020 Renewal proposal to be submitted to the 2020 Ordinary Shareholders' Meeting	Maximum purchase price per share: €45 10% of the share capital ^(a)	Not used
Delegation of authority granted to the Board of Directors to increase the share capital with preemptive subscription rights for existing shareholders by issuing (i) ordinary shares in the Company and/or (ii) equity securities that give access immediately and/or in the future to existing or new equity securities of the Company and/or one of its subsidiaries and/or (iii) securities representing debt securities that give or may give access to new equity securities issued by the Company or any of its subsidiaries.		26 months, i.e., until July 13, 2021	Maximum nominal amount of capital increases: €8,000,000 ^(b) Maximum nominal amount of debt securities: €1,000,000,000 ^(c)	Not used
Increase in the share capital by capitalizing reserves, retained earnings, share premiums or any other sums that may be capitalized.		26 months, i.e., until July 13, 2021	Maximum nominal amount of capital increases: €6,000,000 ^(b)	Not used
Delegation of powers granted to the Board of Directors to issue ordinary shares of the Company and/or securities giving immediate and/or future access to the Company's share capital, without preemptive subscription rights for existing shareholders, in an amount not exceeding 10% of the share capital, as consideration for in-kind contributions made to the Company.		26 months, i.e., until July 13, 2021	Maximum nominal amount of capital increases: 10% of the share capital ^(b) Maximum nominal amount of debt securities: €1,000,000,000 ^(c)	Not used
Issuance of (i) ordinary shares of the Company and/or (ii) securities giving immediate or future access to the Company's share capital as consideration for securities contributed as part of a public exchange offer launched by the Company, with automatic waiver by existing shareholders of their preemptive subscription rights.	(15 th resolution)	26 months, i.e., until July 13, 2021	Maximum nominal amount of capital increases: €4,000,000 ^(b) Maximum nominal amount of debt securities: €1,000,000,000 ^(c)	Not used

Nature of the delegation/authorization granted to the Board of Directors	Date of the Shareholders' Meeting (SM)	Duration and expiration of the authorization	Maximum nominal amount	Use during the year
Delegation of authority granted to the Board of Directors to issue, by means of a public offering, ordinary shares of the Company and/or securities giving immediate and/or future access to the Company's share capital and/or securities carrying rights to debt securities, without preemptive subscription rights for existing shareholders.		26 months, i.e., until July 13, 2021	Maximum nominal amount of capital increases: €5,300,000 ^{(b)(d)} Maximum nominal amount of debt securities: €1,000,000,000 ^{(c)(e)}	Not used
Delegation of authority granted to the Board of Directors to issue, by private placement referred to in article L. 411-2, II of the French Monetary and Financial Code, ordinary shares of the Company and/or securities giving immediate and/or future access to the Company's share capital and/or securities carrying rights to debt securities, without preemptive subscription rights for existing shareholders.		26 months, i.e., until July 13, 2021	Maximum nominal amount of capital increases: €5,300,000 ^{(b)(d)} Maximum nominal amount of debt securities: €1,000,000,000 ^{(c)(e)}	Not used
Authorization granted to the Board of Directors, in the event of the issue of ordinary shares of the Company and/or securities giving immediate and/or future access to the Company's share capital, without preemptive subscription rights for existing shareholders, to set the issue price, in accordance with the terms set by the Shareholders' Meeting, up to a maximum of 10% of the share capital per year.		26 months, i.e., until July 13, 2021	10% of the share capital per 12-month period	Not used
Delegation of authority granted to the Board of Directors to increase, in the event of excess demand, the number of securities to be issued in the event of a capital increase with or without preemptive subscription rights for existing shareholders.		26 months, i.e., until July 13, 2021	15% of the initial issue ^{(b)(c)(d)(e)}	Not used
Authorization granted to the Board of Directors to grant stock subscription options, with automatic waiver by existing shareholders of their preemptive subscription rights, or stock purchase options to employees and/or Executive Corporate Officers of the Group.		26 months, i.e., until July 13, 2021	1.5% of the share capital ^(f) Sub-ceiling applicable to Corporate Officers: 0.1% of the share capital ^(f)	1,081,260 stock subscription options granted, or 0.24% of the share capital
Authorization granted to the Board of Directors to award existing or new ordinary shares of the Company to employees and/or Executive Corporate Officers of the Group, with automatic waiver of shareholders' preemptive subscription rights.		26 months, i.e., until July 13, 2021	1% of the share capital ^(f) Sub-ceiling applicable to Corporate Officers: 0.1% of the share capital ^(f)	1,286,455 performance shares granted, or 0.28% of the share capital
Delegation of authority granted to the Board of Directors to issue ordinary shares of the Company and/or securities giving immediate and/or future access to the Company's share capital to members of a company savings plan, without preemptive subscription rights for existing shareholders.		26 months, i.e., until July 13, 2021	Maximum nominal amount of capital increases: 1% of the share capital ^(b) Maximum nominal amount of debt securities: €1,000,000,000 ^(c)	Not used
Reduction in the share capital by canceling all or some of the shares of the Company acquired under the share buyback program.		26 months, i.e., until July 13, 2021	10% of the share capital	220,212 shares canceled, or 0.05% of the share capital

Nature of the delegation/authorization granted to the Board of Directors	Date of the Shareholders' Meeting (SM)	Duration and expiration of the authorization	Maximum nominal amount	Use during the year
Overall limit for issues that may be carried out under the 12 th , 13 th , 14 th , 15 th , 16 th , 17 th , 19 th and 22 nd resolutions adopted at the Shareholders' Meeting of May 14, 2019.	(24 th resolution)		Overall maximum nominal amount of capital increases €19,300,000 ^(b) Maximum nominal amount of debt securities: €1,000,000,000 ^(c)	

- (a) The maximum amount allocated to the share buyback program is €1,989,720,000, corresponding to a maximum of 44,221,600 shares purchased on the basis of a maximum unit price of €45 (excluding transaction costs) and on the number of shares comprising the Company's share capital at December 31, 2018. In the event of an acquisition, merger, spin-off or contribution, the treasury shares acquired for this purpose may not exceed 5% of the total number of shares comprising the Company's share capital.
- (b) The overall maximum nominal amount of capital increases that may be made under the 12th, 13th, 14th, 15th, 16th, 17th, 19th and 22nd resolutions adopted at the Shareholders' Meeting of May 14, 2019 may not exceed €19,300,000.
- (c) The overall maximum nominal amount of securities representing debt securities that may be issued under the 12th, 14th, 15th, 16th, 17th and 22nd resolutions adopted at the Shareholders' Meeting of May 14, 2019 may not exceed €1 billion.
- (d) The overall maximum nominal amount of capital increases that may be made under the 16th and 17th resolutions may not exceed €5,300,000.
- (e) The overall maximum nominal amount of securities representing debt securities that may be issued under the 16th and 17th resolutions may not exceed €1.000.000.000.
- (f) The overall maximum number of shares that may be granted under the 20th and 21st resolutions adopted by the Shareholders' Meeting of May 14, 2019 may not exceed 1.5% of the Company's share capital, it being specified that the sub-ceiling applicable to Corporate Officers will be equal to 0.1% of the Company's share capital (shared with the 20th and 21st resolutions).

3.5.2 Conditions for participating in Shareholders' Meetings

Any shareholder is entitled to participate in Shareholders' Meetings under the conditions provided for by law.

The conditions governing participation in Shareholders' Meetings are set out in article 26 of the by-laws. A summary of these rules is given in section 7.10, Chapter 7 – Information on the Company and the capital, of this Universal Registration Document.

The by-laws are also available on Bureau Veritas' website (https://group.bureauveritas.com).

Article 28.3 of the by-laws stipulates that a double voting right is allocated to all fully paid-up registered shares held by the same shareholder for at least two years.

3.5.3 Issues likely to have an impact in the event of a public offer

Information on issues likely to have an impact in the event of a public offer, as stipulated in article L. 225-37-5 of the French Commercial Code, is provided in sections 3.1 – Board of Directors, 3.2.9 – Limitations placed on the powers of the Chief Executive Officer by the Board of Directors and 3.5.1 – Summary of delegations of authority and authorizations granted by the

Shareholders' Meeting to the Board of Directors, 7.7.3 – Acquisition of treasury shares, 7.8.1 – Group ownership structure and 7.10 – Articles of incorporation and by-laws (crossing of legal thresholds and rules applicable to amending the by-laws and the convening of Shareholders' Meetings) of this Universal Registration Document.

3.6 Corporate Officers' compensation

This section takes into account the new regulatory measures introduced by French law no. 2019-486 of May 22, 2019 on business growth and transformation ("PACTE") and the Ordinance of November 27, 2019 on the compensation of Corporate Officers in listed companies.

Following shareholders' votes at the Ordinary Shareholders' Meeting held on May 14, 2019 and in order to continue improving disclosures about Corporate Officers' compensation, the Group took account of shareholders' remarks and of the recommendations issued by the AMF and the AFEP-MEDEF when preparing this section of the Universal Registration Document. Examples of initiatives taken on this basis are as follows:

- the terms "quantifiable" and "qualitative" have been replaced by the terms "financial" and "non-financial" to classify the different types of objective used to determine the variable portion of the Chief Executive Officer's compensation;
- the period over which one of the performance conditions for long-term incentive plans is assessed has been increased to three years;
- the level of achievement of the financial objectives used to determine the annual variable portion is detailed for each objective;
- the level of achievement of the conditions applicable to the various vested long-term incentive plans is reported, along with the number of performance shares and stock purchase/subscription options awarded to and vested by the Chief Executive Officer.

3.6.1 Compensation policy for Corporate Officers in 2020 (ex-ante vote)

Compensation policy for members of the Board of Directors

The members of the Company's Board of Directors receive compensation in respect of their office (formerly known as "Directors' fees"). The maximum aggregate amount of the compensation package that can be awarded to members of the Board is set at the Shareholders' Meeting based on a recommendation of the Board of Directors, itself acting on a recommendation of the Nomination & Compensation Committee, taking into account the Company's best interests and studies benchmarking compensation paid to Directors in French and international companies of a similar scale. Each year, the Nomination & Compensation Committee assesses whether the amount of this package is appropriate given the number and length of Board and Committee meetings and the number of Directors.

The maximum aggregate amount of the Directors' compensation package is applicable until otherwise decided by the Shareholders' Meeting.

Exceptionally, the Board may allocate compensation for one-off engagements entrusted to the Board members. Any such compensation is deducted from operating expenses and subject to approval by the Ordinary Shareholders' Meeting. No exceptional engagements were carried out in 2019.

The annual maximum amount of Directors' compensation that can be awarded to members of the Board of Directors was set at $\in\!1,\!000,\!000$ at the Ordinary Shareholders' Meeting of May 16, 2017 and has not changed since. The total amount paid in respect of 2019 was $\in\!742,\!161.$

The residual balance of the Directors' compensation package may be allocated among all of the Board members according to the percentage of the aggregate award initially allocated to each member, on the basis described above. As for the previous year, the Board of Directors decided not to allocate the residual balance of the compensation package for 2019, representing €257,839.

Directors' compensation includes:

- a fixed (annual) portion in respect of their office as Director and, for Directors who are members of a Board Committee, a fixed portion in respect of those duties; and
- a variable portion that takes into account Directors' attendance at meetings of the Board and, for those Directors who are members of a committee, of its committees.

Directors appointed during a given year collect an annual fixed \emph{pro} \emph{rata} amount.

The compensation policy applicable to each Director does not provide for any criteria based on individual performance. To comply with the recommendations of the AFEP-MEDEF Code, the method for awarding compensation to Directors was defined by the Board at its meeting of December 11, 2014 in order to make the major part of the compensation variable, dependent on attendance and participation in Board Committees.

Compensation is allocated to Directors in accordance with the rules of allocation decided by the Board of Directors.

In 2020, the basis for allocating compensation to the Directors will be the same as in 2019:

Directors

- Fixed annual⁽¹⁾ amount of €15,000 per Director;
- Attendance: €2,250 per Board of Directors' meeting.

Committee chairs

- Fixed annual⁽¹⁾ amount of €20,000 (€40,000 for the Audit & Risk Committee);
- Attendance: €2,000 per Committee meeting.
- $(1) \ \ {\rm Applied} \ pro \ rata \ if \ of fices \ are \ taken \ up \ or \ terminated \ during \ the \ year.$

Corporate governance 3.6 Corporate Officers' compensation

Committee members

- Fixed annual⁽¹⁾ amount of €7,500 per member;
- Attendance: €2,000 per Committee meeting.

The compensation policy does not provide for any share-based payments (i.e., stock subscription/purchase option or performance share awards), and no clawback clause exists for variable compensation.

Compensation policy for the Chairman of the Board of Directors

- a fixed portion determined by the Board of Directors, following a recommendation by the Nomination & Compensation Committee, in line with the principles described above for Directors and in particular with the responsibilities allocated to the Chairman, his experience and market practices. As of March 8, 2017, the annual fixed portion is €220,000;
- compensation in respect of his office as Director and his duties within various Board Committees (formerly known as "Directors' fees"), including a fixed portion and a variable portion and allocated in line with the rules for allocation decided by the Board of Directors following a recommendation of the Nomination & Compensation Committee and presented above in "Compensation policy for members of the Board of Directors".

In compliance with the recommendations set out in the AFEP-MEDEF Code for companies where the roles of Chairman of the Board of Directors and Chief Executive Officer are separate, the Chairman is not entitled to any variable or extraordinary compensation or any long-term incentive plans (i.e., stock subscription/purchase options or performance shares).

The Chairman of the Board is not eligible for any benefits in-kind, pension scheme, termination benefit or non-competition indemnity.

The compensation policy applicable to the Chairman of the Board does not include any clawback clause for variable compensation.

The Chairman of the Board of Directors' compensation for 2020 is the same as in 2019:

- annual fixed portion of €220,000; and
- compensation in respect of his office as Director and his duties as member of various Board Committees awarded in accordance with the compensation policy for Directors.

Chief Executive Officer compensation policy

This section presents the compensation policy for the Chief Executive Officer for the financial year ended December 31, 2020. The components relating to 2020 will be submitted for approval to the Ordinary Shareholders' Meeting called to approve the 2019 financial statements.

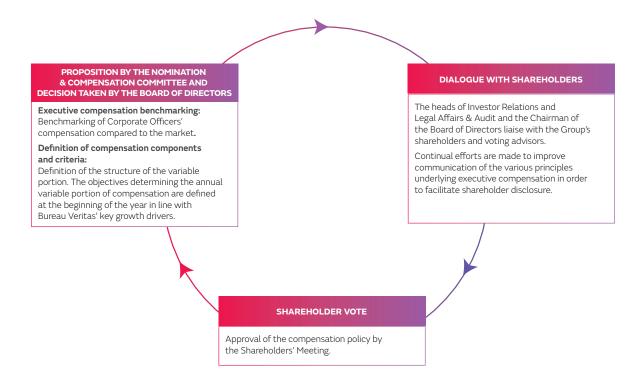
The payment in 2021 of the variable portion of the compensation for 2020 is subject to the approval of the 2021 Ordinary Shareholders' Meeting.

In view of the demanding objectives underpinning annual performance-based variable compensation, no clawback clause is necessary.

⁽¹⁾ Applied pro rata if offices are taken up or terminated during the year.

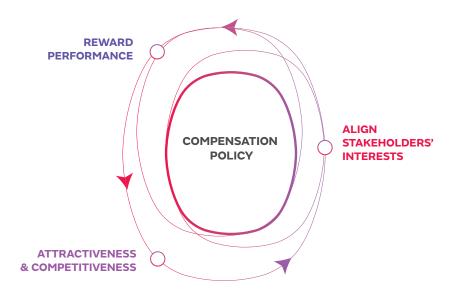
Governance

In compliance with the principles of the compensation policy, the Nomination & Compensation Committee applies a strict process when preparing executive compensation so as to enable the Board of Directors to make an informed decision:



Aims and principles of the compensation policy

The compensation policy has three main aims:



The compensation policy is based on the following general principles:

1. Balance and clarity

The Chief Executive Officer's compensation consists of clearly established components, each linked to a specific objective:

COMPONENT OF COMPENSATION	OBJECTIVE	ITEMS EXCLUDED FROM COMPENSATION
Annual fixed compensation	 To recognize and reward the responsibilities relating to the position. It is based on the importance and scope of the function. Each year, this portion is compared with the practices of French and international companies with comparable challenges, characteristics and environments. 	No employment contract.
Annual variable portion	To motivate and reward the achievement of annual financial and non-financial objectives.	No extraordinary compensation.
Long-term incentive plans: Awards of stock subscription/purchase options and performance shares; Holding requirements.	 To reinforce executive motivation and foster loyalty while helping to align the Executive's interests with those of the Group and its shareholders. Implementation of these plans is subject to approval of the corresponding resolutions at the Shareholders' Meeting and to decisions of the Board of Directors. 	No discount applied to these awards.
Other benefits: Benefit plans; Company car.	To provide access to healthcare and death & disability coverage.	No supplementary pension scheme.
Termination benefit linked to the position of Corporate Officer (not applicable in the event of resignation, non-renewal of tenure, retirement or dismissal for misconduct).	Limited and subject to the achievement of performance conditions.	No contractual termination benefit. No contractual non-competition clause.

2. Proportionality and consistency

The policy, mechanisms and levels of compensation awarded to the Chief Executive Officer are set consistently with those applicable to the Group's other executives and managers.

Each year, the Nomination & Compensation Committee reviews and assesses the appropriateness of the compensation packages and particularly the criteria relating to the award of variable compensation for the coming year.

To do so, it considers:

- the Group's long-term objectives;
- the creation of shareholder value;
- the market benchmarking conducted each year with the assistance of external consultants based on French and international companies;
- input from shareholders, investors, and voting advisors;
- the recommendations of the AMF and the applicable Corporate Governance Code (AFEP-MEDEF Code).

Based on a recommendation of the Nomination & Compensation Committee, and in the event that unforeseeable circumstances not reflected in the objectives have had a significant favorable or unfavorable impact on the level of achievement of one or more performance criteria, the Board of Directors may use its discretionary power of judgment in determining the components of the Chief Executive Officer's variable compensation. This provision enables the Board of Directors to ensure consistency between the application of the compensation policy, the Chief Executive Officer's performance and the Group's actual performance. If necessary, the Board of Directors will provide information as to how it used its discretionary power to determine the components of the Chief Executive Officer's variable compensation.

3. Simplicity and understandability

The rules governing the Chief Executive Officer's compensation are simple by choice.

Each year, the Nomination & Compensation Committee recommends financial and non-financial performance criteria and specific levels of objectives to the Board of Directors. The criteria and levels selected are consistent with those of the Group's strategic plan.

Implementation of the Chief Executive Officer compensation policy for 2020 (ex-ante)

At its meeting of February 26, 2020, and on the recommendation of the Nomination & Compensation Committee, the Board of Directors set the compensation policy applicable to the Chief Executive Officer for 2020.

It is based on the general principles, presented above, for determining the compensation of Corporate Officers and the Chief Executive Officer.

Annual fixed portion

The Chief Executive Officer's basic salary was determined in relation to the scope of the position and the practices of French and international groups with similar revenue, market capitalization and challenges to those of Bureau Veritas.

On the recommendation of the Nomination & Compensation Committee, the amount of the Chief Executive Officer's annual fixed compensation has been confirmed by the Board of Directors for 2020. It amounts to €900,000 and is unchanged since 2015.

Annual variable portion

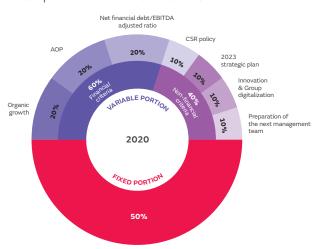
The target amount of annual variable compensation for 2020 and the percentage of the maximum compensation remain unchanged.

The financial criteria for 2020 comprise objectives of organic growth, Adjusted Operating Profit ("AOP") and net financial debt/EBITDA adjusted ratio. The targets have been defined in detail but are not disclosed for confidentiality reasons.

The non-financial criteria are mainly focused on the launch and initial phases of the Group's next strategic plan (to be deployed from 2020), the innovation and digitalization push across the Group, the preparation of the management team, and the improvement of Corporate Social Responsibility (CSR).

The annual variable portion of the Chief Executive Officer's compensation represents 100% of the fixed portion if the financial and non-financial objectives are met in full.

As of January 1, 2020, financial criteria represented 60% of the variable portion and non-financial criteria 40%.



Long-term incentive plan

Bureau Veritas' long-term incentive policy is determined by the Board of Directors, on the basis of the recommendation of the Nomination & Compensation Committee in the context of resolutions adopted at the Ordinary and Extraordinary Shareholders' Meeting. The policy concerns the consideration offered if ambitious growth objectives are met. It is directly aligned with shareholders' best interests and the achievement of objectives in line with Bureau Veritas' strategic plan.

The policy is designed to attract, retain and motivate high-performing employees who play an important role in the Group's long-term performance within Bureau Veritas and throughout the world. It is made up of a long-term incentive plan, which is granted annually at the same time of year and composed of a grant of stock subscription or purchase options and/or performance shares.

To align the best interests of all Group executive officers with Company strategy, and in compliance with the recommendations of the AFEP-MEDEF Code, these grants are conditional on meeting the short- and medium-term objectives derived from the strategic plan and relating to the creation of shareholder value in the medium term (three to five years).

In 2020, awards of stock options and performance shares will be subject to:

- a presence condition; and
- two performance conditions: the Group's AOP for 2020 and the Group's adjusted operating margin (ratio of Group AOP to revenue), now covering a period of three years (i.e., 2020, 2021 and 2022). The condition based on the Group's adjusted operating margin for 2020, 2021 and 2022 applies to the number of options and performance shares determined according to the level of achievement of the AOP condition for 2020.

As for plans awarded in previous years, the performance conditions are particularly tough insofar as the condition based on the Group's adjusted operating margin for 2020, 2021 and 2022 applies to the number of options and shares determined according to the level of achievement of the AOP condition for the first year of the plan, and subsequently to the number resulting from the level of achievement of the margin condition for each of the three years of the plan.

The level of achievement of each of the performance conditions therefore has an impact on the level of achievement of the previous condition, and cannot be caught up in the following year.

The long-term incentive plans represent around 55% of the Chief Executive Officer's total gross annual compensation each year, with awards subject to a three-year deferred vesting period and achievement of the performance conditions. The Board of Directors noted that plans awarded in June 2019 and after would vest after the end of the Chief Executive Officer's current term of office, i.e., after February 28, 2022. In accordance with its long-term compensation policy aimed at enhancing motivation and aligning compensation with the interests of the Group and its shareholders, and in order to ensure a consistent level of compensation for the Chief Executive Officer until the end of his term of office, at the time of the June 21, 2019 award the Board of Directors decided to remove the presence condition for future plans (2019 and 2020). The removal of the presence condition applies in the event the Chief Executive Officer retires at the end of his current term of office, or if his term of office is terminated (unless said termination is due to gross misconduct) during the vesting period.

The Chief Executive Officer may be granted stock subscription or purchase options and/or performance shares each year under plans decided by the Board of Directors in favor of certain Group executives. Stock subscription or purchase options and/or

Corporate governance 3.6 Corporate Officers' compensation

performance shares granted to him in this regard are subject to the same terms and conditions as those granted to the other beneficiaries of the plans.

In 2020, as in previous years, on the recommendation of the Nomination & Compensation Committee, the Board of Directors will consider implementing a stock subscription or purchase option and/or performance share plan, of which the Chief Executive Officer would be one of the beneficiaries.

The Chief Executive Officer's compensation for 2020 in the form of performance shares and stock subscription or purchase options is estimated at between 110% and 120% of his gross annual compensation (fixed and annual variable portions). In light of the macroeconomic climate and market volatility, this estimate is based on forecasts that may change over time.

On May 14, 2019, the Annual Shareholders' Meeting approved the resolutions authorizing the Board of Directors to grant performance shares and/or stock subscription or purchase options to Group employees and/or Executive Corporate Officers, with a maximum percentage that can be granted to Executive Corporate Officers in the form of a grant sub-ceiling.

In the event of a change in control of the Company, the allocation terms and conditions provided for in the plan regulations would remain unchanged. In addition, the plan regulations do not provide for accelerated vesting of performance shares or early exercise of stock options in the event of a change in control.

Deferred commitments

In accordance with the recommendations of the AFEP-MEDEF Code, the Chief Executive Officer does not have an employment contract and his compensation is linked entirely to his corporate office.

The deferred commitment package awarded to the Chief Executive Officer is limited to a termination benefit relating to his corporate office, which is paid if he is forced to leave the Company, except in the case of proven misconduct.

This commitment is not likely to be modified until the next renewal of the Chief Executive Officer's term of office.

The termination benefit is equal to no more than the total fixed and variable compensation received in the 12 months preceding the termination of his term of office, plus the amount of his latest variable compensation (the "Target Amount"). Pursuant to article L. 225-42-1 of the French Commercial Code, payment is contingent on a performance condition linked to the level of margin achieved by the Company (the "Margin") for each of the two

financial years preceding the termination of his term of office. The Margin is calculated as the ratio of AOP to revenue, before tax.

In respect of each of the two financial years concerned by the performance condition, the Chief Executive Officer is entitled to a benefit that could reach a maximum of half the Target Amount, calculated as follows:

- if the Margin for the financial year is less than or equal to 15%, no benefit is paid in respect of that year;
- if the Margin for the financial year is greater than or equal to 16%, a benefit equal to half the Target Amount is paid in respect of that year;
- if the Margin for the financial year is between 15% and 16%, the benefit in respect of that year will be equal to a percentage (between 0% and 100%, calculated by linear interpolation applied to half of the Target Amount).

The total awarded benefit is equal to the sum of the benefits calculated for each of the two financial years preceding the year of the Chief Executive Officer's departure.

The Board of Directors determines whether the performance condition has been met at the time of termination, prior to any payment.

No benefit is paid if the Chief Executive Officer leaves of his own accord. Similarly, the benefit is not payable in case of retirement or if the termination is as a result of proven misconduct.

The termination benefit commitment granted to Didier Michaud-Daniel was authorized by the Board of Directors at its meeting of March 8, 2017 and approved by the Shareholders' Meeting of May 16, 2017, when his term of office was renewed. This commitment replaces the previous one authorized by the Board of Directors at its meeting of February 22, 2012 and approved by the Shareholders' Meeting of May 31, 2012.

The Chief Executive Officer is not entitled to supplementary (defined benefit or defined contribution) pension benefits or a non-competition indemnity.

Benefits in-kind

The Chief Executive Officer is entitled to a company car and is eligible for the same benefit plans as the Group's other executive managers and employees.

In 2020, the Chief Executive Officer continues to be entitled to the same benefits in-kind (company car and benefit plan) as in 2019.

3.6.2 Compensation paid or awarded to members of the Board of Directors in 2019 (report on compensation – ex-post vote)

TABLE SHOWING COMPENSATION PAID OR AWARDED IN 2019 TO DIRECTORS IN RESPECT OF THEIR OFFICE (AFEP-MEDEF/AMF TABLE 3)

The table below shows the compensation awarded and paid to members of the Board of Directors by Bureau Veritas and by any Group company for the 2018 and 2019 financial years in accordance with the compensation policies for members of the Board of Directors and for the Chairman of the Board of Directors, respectively, as described in section 3.6.1 of this Universal Registration Document. For each Director, the compensation includes the annual fixed portion applied *pro rata* and the variable portion taking into account the attendance rate. With the exception of the fixed compensation paid to the Chairman of the Board of Directors since March 8, 2017, no other compensation has been received by the Directors from Bureau Veritas or any other Group company.

		Compensation in respect of an office as Director		Other compensation (fixed compensation)	
Member of the Board of Directors $(in \in)$	Awarded for 2018, paid in 2019	Awarded for 2019, paid in 2020	compensation in respect of an office as Director	Paid in respect of 2018	Paid in respect of 2019
Aldo Cardoso ^(a)	127,000	128,000	45%	220,000	220,000
André François-Poncet ^(b)	75,500	67,000	48%		
Stéphanie Besnier	59,000	54,500	59%	-	-
Claude Ehlinger	80,500	56,428	56%	-	-
Ana Giros Calpe	52,750	52,500	57%	-	-
Ieda Gomes Yell	82,500	63,233	60%	-	-
Siân Herbert-Jones	57,000	54,500	59%	-	-
Pascal Lebard	86,377	86,500	51%	-	-
Lucia Sinapi-Thomas	56,750	50,250	55%	-	-
Philippe Lazare ^(c)	8,240	45,767	57%	-	-
Frédéric Sanchez ^(d)	N/A	16,284	41%	-	-
Jérôme Michiels ^(e)	N/A	N/A	N/A	-	-
Pierre Hessler	78,623	23,682	54%	-	-
Stéphane Bacquaert	33,000	43,517	55%	-	-
Total	822,000 ^(f)	742,161 ^(f)	54%	220,000	220,000

⁽a) The fixed portion of compensation due to Aldo Cardoso in respect of his office as Director is slightly greater than the variable portion, insofar as he also serves as Chairman of the Audit & Risk Committee (for which the annual compensation is €40,000).

The Board of Directors' meeting of March 8, 2017, acting on a recommendation of the Nomination & Compensation Committee, decided to award Aldo Cardoso annual fixed compensation of $\[\in \] 220,000$ in respect of his office as Chairman of the Board of Directors.

⁽b) The fixed portion of compensation due to André François-Poncet in respect of his office as Director is slightly greater than the variable portion, since he also serves as Chairman of the Strategy Committee (for which the annual fixed compensation is €20,000).

⁽c) Philippe Lazare took office on October 3, 2018, after he was co-opted at the Board of Directors' meeting held on the same day.

⁽d) Frédéric Sanchez took office on May 14, 2019, after his appointment was approved at the Shareholders' Meeting held on the same day. Owing to the application of the compensation criteria on a pro rata basis and the number of meetings attended since his appointment, the fixed portion of compensation due to Frédéric Sanchez is greater than the variable portion.

⁽e) Jérôme Michiels took office on December 19, 2019, after he was co-opted at the Board of Directors' meeting held on the same day.

⁽f) The annual amount of compensation awarded to members of the Board of Directors was set at €1,000,000 at the Ordinary and Extraordinary Shareholders' Meeting held on May 16, 2017.

3.6.3 Compensation paid or awarded to the Chairman of the Board of Directors in 2019 (report on compensation – ex-post vote)

Annual fixed portion

In accordance with the 2019 compensation policy for the Chairman of the Board of Directors, which is described in section 3.6.1 of this Document and unchanged from 2018, Aldo Cardoso received an annual fixed portion of €220,000 for 2019 in his capacity as Chairman of the Board of Directors of

Compensation in respect of his office as Director and his duties as member of various Board Committees

Compensation awarded for 2018 and paid in 2019

In accordance with the 2018 compensation policy for Directors, Also Cardoso received compensation in respect of his office as Director and his duties within various Board Committees in 2018 (formerly known as "Directors' fees"). This was approved on December 19, 2018 by the Board of Directors in line with the rules for allocation decided by the Board of Directors and presented above in section 3.6.1, in "Compensation policy for members of the Board of Directors".

The total compensation paid in 2019 in respect of 2018 was $\ensuremath{\mathfrak{e}}$ 127,000.

In compliance with the recommendations set out in the AFEP-MEDEF Code for companies where the roles of Chairman of the Board of Directors and Chief Executive Officer are separate, the Chairman is not entitled to any variable or extraordinary compensation or any long-term incentive plans (i.e., stock subscription/purchase options or performance shares).

The Chairman of the Board is not eligible for any share-based compensation, benefits in-kind, pension scheme, termination benefit or non-competition indemnity.

Compensation awarded for 2019 and paid in 2020

In accordance with the 2019 compensation policy for Directors, Also Cardoso received compensation in respect of his office as Director and his duties within various Board Committees in 2019 (formerly known as "Directors' fees"). This was approved on December 19, 2019 by the Board of Directors in line with the rules for allocation decided by the Board of Directors and presented above in section 3.6.1, "Compensation policy for members of the Board of Directors".

Compensation awarded for 2019 and paid in 2020 amounts to $\[\in \] 128,000.$

In compliance with the recommendations set out in the AFEP-MEDEF Code for companies where the roles of Chairman of the Board of Directors and Chief Executive Officer are separate, the Chairman is not entitled to any variable or extraordinary compensation or any long-term incentive plans (i.e., stock subscription/purchase options or performance shares).

The Chairman of the Board is not eligible for any share-based compensation, benefits in-kind, pension scheme, termination benefit or non-competition indemnity.

Equity pay ratio

The equity pay ratio between the compensation of the Corporate Officers and the average and median compensation of Bureau Veritas employees is set out in section 3.6.5 – Say on Pay.

3.6.4 Compensation paid or awarded to the Chief Executive Officer in 2019 (report on compensation – ex-post vote)

Chief Executive Officer compensation for 2019

Annual fixed portion

The annual fixed compensation due to the Chief Executive Officer for 2019 amounts to €900,000 and is unchanged since 2015.

Variable portion

The annual variable portion of the Chief Executive Officer's compensation represents 100% of the fixed portion if the financial and non-financial objectives are met in full. As of January 1, 2019, financial criteria represented 60% of the variable portion and non-financial criteria 40%.

On the recommendation of the Nomination & Compensation Committee, the Board of Directors decided on February 27, 2019 to set Didier Michaud-Daniel's target variable compensation for

2019 at 100% of his fixed compensation, capped at 150% of the target variable portion (i.e., 150% of the fixed portion).

At its meeting of February 26, 2020, the Board of Directors determined, on the recommendation of the Nomination & Compensation Committee, the level of achievement to be taken into account for the calculation of Didier Michaud-Daniel's annual variable compensation.

It therefore set Didier Michaud-Daniel's annual variable compensation for 2019 at 117.5% of the target compensation, or €1,057,268, based on the following:

	Criteria	Weighting	Assessment	Achievement rate
	Group organic growth	20%	Significantly above target	142.9%
Financial objectives (60%)	Group AOP	20%	Slightly below target	98.5%
(0070)	Net financial debt/EBITDA adjusted ratio	20%	Significantly above target	150%
Total financial criteria				130.5%
	Group digitalization	12.5%	Slightly below target	
Non-financial objectives	2020 strategic plan and Group transformation	12.5%	On target	- 000/
(40%)	Preparation of the 2020 Management team	10%	On target	98%
	Corporate Social Responsibility (CSR)	5%	On target	_
TOTAL				117.5%

The level of achievement required for financial criteria and the details of non-financial criteria are specifically defined by the Board of Directors but cannot be disclosed for confidentiality reasons.

Financial criteria

The financial criteria chosen for 2019 by the Board of Directors at its meeting of February 27, 2019, on the recommendation of the Nomination & Compensation Committee, were organic growth for 20%, Adjusted Operating Profit ("AOP") for 20% and the net financial debt/EBITDA adjusted ratio for 20%.

For the objective relating to the Group's organic growth, the level of achievement is assessed as follows:

- if actual organic growth is less than or equal to the minimum target level, the bonus paid for this objective is 0%;
- if actual organic growth is between the minimum target level and the target level, the bonus paid for this objective is calculated on a proportional basis;
- if actual organic growth is equal to the target level, the bonus paid for this objective is 100%;
- if actual organic growth is higher than the target level, the bonus paid for this objective is calculated on a proportional basis and capped at 200%.

The extent to which the Group's AOP target has been met, at the budgeted rate and excluding non-budgeted acquisitions, is assessed as follows:

- if AOP is less than or equal to 90% of budgeted AOP, the bonus paid for this objective is 0%;
- if AOP is between 90% and 100% of budgeted AOP, the bonus paid for this objective is calculated on a proportional basis;
- if AOP is equal to budgeted AOP, the bonus paid for this objective is 100%;
- if AOP is greater than budgeted AOP, a coefficient is then applied based on the following example: if achieved AOP represents 101% of budgeted AOP = application of a 105% coefficient. The bonus paid for this objective is capped at 200%.

For the objective relating to the net financial debt/EBITDA adjusted ratio, the level of achievement is assessed as follows:

 if the net financial debt/EBITDA adjusted ratio is greater than or equal to the minimum target level, the bonus paid for this objective is 0%;

- if the net financial debt/EBITDA adjusted ratio is between the target level and the maximum target level, the bonus paid for this objective is calculated on a proportional basis;
- if the net financial debt/EBITDA adjusted ratio is equal to the target level, the bonus paid for this objective is 100%;
- if the net financial debt/EBITDA adjusted ratio is less than or equal to the target level, the bonus paid for this objective is 150%

The achievement levels required on financial criteria for the purpose of determining the variable portion of the Chief Executive Officer's compensation are defined in detail but are not disclosed for confidentiality reasons.

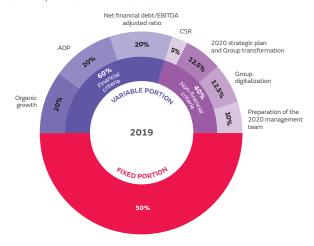
If the objectives for the quantifiable portion are exceeded, the total variable portion is capped at 150% of the target variable portion (i.e., 150% of the fixed portion).

Non-financial criteria

The non-financial criteria relate to the implementation of the 2020 strategic plan and include:

- acceleration of the Group's digitalization (12.5%);
- finalization of the 2020 strategic plan, and preparation of the Group's future strategic orientation and transformation goals (12.5%);
- preparation of the management team (10%);
- improving corporate social responsibility (5%).

The non-financial portion is assessed between 0% and 100%, depending on the extent to which these individual objectives have been met, and cannot exceed 100%.



Long-term incentive plan

For 2019, the performance conditions for stock subscription or purchase options and performance shares are the extent to which the Group' Adjusted Operating Profit (AOP) target has been met for the year of the grant and the Group's adjusted operating margin (AOP/revenue ratio) target for the next two financial years. Depending on the extent to which these objectives are attained, the Chief Executive Officer may exercise/vest between 0% and 100% of the options/shares granted.

The lock-up period is three years for stock subscription and purchase options and the vesting period is three years followed by a mandatory holding period of two years for performance shares. Since 2016, performance share plans have a three-year vesting period and no holding period. At its meeting of February 27, 2019, the Board of Directors decided to convert the stock purchase option plans for the years 2015 to 2018 into stock subscription option plans.

No discount is applied when such shares are granted.

In addition to the prohibition referred to in the stock subscription or purchase option and performance share plans, the Chief Executive Officer has formally agreed not to use hedging instruments on options, on the shares resulting from the exercise of options or on performance shares throughout his term of office. He is also required to observe the restrictions regarding closed and black-out periods. The long-term incentive plans represent around 55% of the Chief Executive Officer's total gross annual compensation each year, with awards subject to a three-year deferred vesting period and achievement of the performance conditions. At its meeting of June 21, 2019 approving the 2019 plan, the Board of Directors decided to remove the presence condition in the event the Chief Executive Officer retires at the end of his current term of office or if his term of office is terminated (unless said termination is due to gross misconduct) during the vesting period.

General holding requirements:

Pursuant to articles L. 225-185 and L. 225-197-1 of the French Commercial Code and with the recommendations of the AFEP-MEDEF Code, the Board of Directors decided, on the recommendation of the Nomination & Compensation Committee, that for the performance shares and stock subscription/purchase options granted on June 21, 2019, the Chief Executive Officer is required to retain in registered form at least 5% of the shares resulting from the exercise of these options and at least 20% of the performance shares vested until the expiration of his corporate office within the Group.

Awards of stock options and performance shares are subject to:

- a presence condition; and
- two performance conditions: the Group's AOP for 2019 and the Group's adjusted operating margin (ratio of AOP to revenue) for 2020 and 2021.

The performance conditions applicable to the long-term incentive plan are described in section 3.6.6, page 194.

Deferred commitments

In 2019, Didier Michaud-Daniel was entitled to the termination benefit described in section 3.6.1, page 182.

Benefits in-kind

The Chief Executive Officer is entitled to a company car and is eligible for the same benefit plans as the Group's other executive managers and employees.

Equity pay ratio

The equity pay ratio between the compensation of the Chief Executive Officer and the average and median compensation of Bureau Veritas employees is set out in section 3.6.5 – Say on Pay (ex-post vote).

3.6.5 Say on Pay (ex-post vote)

Tables summarizing the components of compensation paid in or awarded for 2019 to the Chief Executive Officer and the Chairman of the Board of Directors, to be submitted to an ex-post vote at the Shareholders' Meeting to approve the financial statements for the year ended December 31, 2019

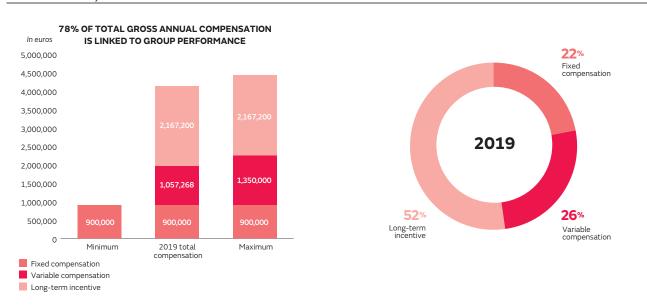


TABLE SUMMARIZING THE COMPONENTS OF COMPENSATION OF DIDIER MICHAUD-DANIEL, CHIEF EXECUTIVE OFFICER, PAID IN OR AWARDED FOR 2019

	Amounts or accounting valuation submitted to a vote	Details
Fixed compensation	€900,000	On the recommendation of the Nomination & Compensation Committee, the
Target variable compensation	€900,000	Board of Directors decided on February 27, 2019 to set the gross annual fixed compensation and the target variable compensation of the Chief Executive Officer at €900,000. Annual fixed compensation has remained unchanged since 2015.
Annual variable compensation awarded for 2018 and paid in 2019	€1,040,445	At its meeting of February 27, 2019, the Board of Directors, on the recommendation of the Nomination & Compensation Committee, noted that the achievement rates for financial and non-financial criteria were respectively 129.3% and 95.0% of the annual fixed compensation due to Didier Michaud-Daniel for 2018 and, as a result, set the Chief Executive Officer's variable compensation for 2018 at 115.6% of his annual fixed compensation for the same year, i.e., €1,040,445. The level of achievement of the financial and non-financial criteria was assessed by the Board of Directors, on the recommendation of the Nomination & Compensation Committee, in accordance with the terms and conditions described in the table in section 3.2.2, page 179, of the 2018 Registration Document. Annual variable compensation for 2018 paid in 2019 following approval of the Shareholders' Meeting of May 14, 2019 (10 th resolution – ex-post vote) amounted to €1,040,445.

	Amounts or accounting valuation submitted to a vote	Details
Annual variable compensation awarded for 2019 and paid in 2020	€1,057,268	At its meeting of February 26, 2020, the Board of Directors, on the recommendation of the Nomination & Compensation Committee, noted that the achievement rates for financial and non-financial criteria were respectively 130.5% and 98% of the annual fixed compensation due to Didier Michaud-Daniel for 2019 and, as a result, set the Chief Executive Officer's variable compensation for 2019 at 117.5% of his annual fixed compensation for the same year, i.e., €1,057,268. The level of achievement of the financial and non-financial criteria was assessed by the Board of Directors, on the recommendation of the Nomination & Compensation Committee, in accordance with the terms and conditions described in the table in section 3.6.4, page 185, of this Universal Registration Document. Payment of the Chief Executive Officer's variable compensation for 2019 is subject to the approval of the Shareholders' Meeting to be held to approve the financial statements for the year ended December 31, 2019 (ex-post vote).
Deferred variable compensation	N/A	No deferred variable compensation.
Multi-annual variable compensation	N/A	No multi-annual variable compensation.
Extraordinary compensation	N/A	No extraordinary compensation.
Stock subscription/purchase options, performance shares and any other long-term compensation	€2,167,200 (accounting amount)	On the recommendation of the Nomination & Compensation Committee, the Board of Directors decided on June 21, 2019 to grant 240,000 stock subscription/purchase options (valued at €561,600) and 80,000 performance shares (valued at €1,605,600) to the Chief Executive Officer as part of its policy to make annual grants to Executive Management (in application of the 19 th and 20 th resolutions adopted at the Ordinary and Extraordinary Shareholders' Meeting of May 14, 2019). The grants are subject to two performance conditions: (i) the Group's AOP for 2019 and (ii) the Group's adjusted operating margin (ratio of Group AOP to Group revenue) for 2020 and 2021. The condition based on the Group's adjusted operating margin for 2020 and 2021 applies to the number of options and performance shares determined according to the level of achievement of the AOP condition for 2019. Details of the performance criteria, vesting conditions and holding requirements are presented in section 3.6.4, page 186, of this Universal Registration Document. The dilutive effect of the stock subscription/purchase options and performance shares granted to Didier Michaud-Daniel is limited (respectively 0.05% and 0.02% of the share capital of Bureau Veritas). In 2019, 12,000 performance shares (valued at €84,600) resulting from the June 21, 2016 plans vested for Didier Michaud-Daniel.
Compensation in respect of an office as Director	N/A	Didier Michaud-Daniel does not receive any compensation in respect of an office as Director of the Company.
Benefits in-kind	€12,316	A company car is made available to Didier Michaud-Daniel and he is entitled to the same benefit plans as the Group's other executive managers and employees.
Termination benefits	No payment	As part of the commitment authorized by the Board of Directors' meeting of March 8, 2017 and approved by the Ordinary Shareholders' Meeting of May 16, 2017 (5 th resolution), Didier Michaud-Daniel is entitled to a termination benefit for an amount not exceeding the fixed compensation received by him in the 12 calendar months preceding his termination date plus the most recent variable compensation paid. The performance conditions, entitlement criteria and payment methods are described above, in section 3.6.1, page 181, of this Universal Registration Document.
Non-competition indemnity	N/A	Didier Michaud-Daniel is not entitled to a non-competition indemnity.
Supplementary pension scheme	N/A	Didier Michaud-Daniel is not entitled to a supplementary pension scheme.

TABLE SUMMARIZING THE COMPONENTS OF COMPENSATION PAID IN OR AWARDED FOR 2019 TO ALDO CARDOSO, CHAIRMAN OF THE BOARD OF DIRECTORS

	Amounts submitted to a vote	Details
Fixed compensation	€220,000	On the recommendation of the Nomination & Compensation Committee, the Board of Directors decided on March 8, 2017 to set the gross annual fixed compensation of the Chairman of the Board of Directors at €220,000. The total amount paid to Aldo Cardoso in respect of 2019 was €220,000. In 2020, the annual fixed compensation will remain unchanged.
Compensation paid in 2019 in respect of his office as Director and his duties as member of various Board Committees in 2018	€127,000	Aldo Cardoso was awarded compensation of €127,000 for 2018 in respect of his office as Director and his duties as member of various Board Committees. This amount, paid in 2019, was calculated in accordance with the rules for allocating the Directors' compensation package set by the Board of Directors.
Compensation awarded in 2019 and paid in 2020 in respect of his office as Director and his duties as member of various Board Committees	€128,000	The Board of Directors decided on December 19, 2019 to award Aldo Cardoso compensation of €128,000 in 2019 in respect of his office as Director and his duties as member of various Board Committees. This amount, to be paid in 2020, was calculated in accordance with the rules for allocating the Directors' compensation package set by the Board of Directors.

Equity pay ratio between the compensation of Corporate Officers and the average and median compensation of Bureau Veritas employees

This presentation was set in accordance with French law no. 2019-486 of May 22, 2019 on business growth and transformation ("PACTE") with the aim of improving transparency on executive compensation.

The components of compensation for the Chief Executive Officer represent components paid in or awarded for each year, i.e., fixed compensation and annual variable compensation paid and stock subscription/purchase options and performance shares awarded in each year as measured at fair value in accordance with IFRS standards, and benefits in-kind.

The components of compensation for the Chairman of the Board of Directors represent components paid for each year, i.e., fixed compensation and compensation awarded each year in respect of his office as Director and his duties as member of various Board Committees (formerly known as "Directors' fees").

Article L. 225-37-3 of the French Commercial Code refers to employees of the listed company publishing a corporate governance report. However, as the employees of said company represent less than 1% of the Group's employees in France, and in order to ensure that the ratios presented are more relevant, the scope adopted covers all employees in France on a full-time basis who worked for the Group during the entire year in question. The components of compensation for employees represent components paid in or awarded for each year, i.e., fixed compensation and annual variable compensation paid and stock subscription/purchase options and performance shares awarded in each year as measured at fair value in accordance with IFRS standards, contractual profit-sharing and benefits in-kind.

	2019/2018	2018/2017	2017/2016	2016/2015	2015/2014
Chief Executive Officer					
Ratio calculated based on the average compensation of employees in France	89.7	92.8	75.5	83.7	82.3
Ratio calculated based on the median compensation of employees in France	112.9	115.5	94.5	105.3	102.4
Chairman of the Board of Directors					
Ratio calculated based on the average compensation of employees in France	7.6	8.3	5.6	1.2	1.2
Ratio calculated based on the median compensation of employees in France	9.5	10.3	7.0	1.5	1.5
Compensation paid or awarded					
Compensation of the Chief Executive Officer	4,119,962	4,226,065	3,401,375	3,713,317	3,508,260
Compensation of the Chairman of the Board of Directors	347,000	376,199 ^(a)	250,834 ^(a)	53,250	51,000
Average compensation of employees in France	45,927	45,558	45,022	44,352	42,624
Median compensation of employees in France	36,491	36,575	35,991	35,281	34,245
Number of employees	6,686	6,550	6,658	6,839	6,781

⁽a) For the 2017/2016 and 2018/2017 financial years, the compensation amounts paid to Aldo Cardoso and Frédéric Lemoine were added together.

Background information

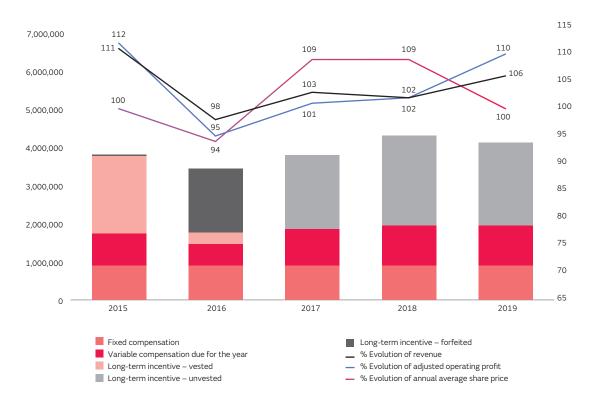
The target compensation (annual fixed and variable portion and number of stock options and performance shares awarded) of the Chief Executive Officer is unchanged since 2015.

Compensation paid to the former Chairman of the Board of Directors (Frédéric Lemoine) consisted only of Directors' fees. On March 8, 2017, the Board of Directors introduced fixed compensation for the Board Chairman (Aldo Cardoso).

Evolutions in the ratios shown for the Chief Executive Officer are directly related to the Group's performance and its share price and are reflected in the amount of annual variable compensation paid and awarded.

Evolution in the compensation paid to the Chief Executive Officer and in the performance of Bureau Veritas

The graph below shows the evolution in the total gross annual compensation paid to the Chief Executive Officer compared to the progression of the Group's revenue, adjusted operating profit and annual average share price since 2014 (basis: 100).



Background information

The target compensation (annual fixed and variable portion and number of stock options and performance shares awarded) of the Chief Executive Officer remains unchanged since 2015.

The performance of the Group is measured based on the progression of revenue and adjusted operating profit, as well as the progression of the Group's annual average share price since 2014.

The comparison shows a clear alignment between the total annual gross compensation due and awarded over the past five years and the Group's performance over that period.

3.6.6 Tables summarizing components of compensation of the Corporate Officers for 2019

This section presents the components of compensation paid or awarded to the Chief Executive Officer and the Chairman of the Board of Directors by the Board of Directors, on the recommendation of the Nomination & Compensation Committee, for the year ended December 31, 2019.

AMF/AFEP-MEDEF Table 3 is presented in section 3.6.2 – Compensation paid or awarded to members of the Board of Directors in 2019.

AMF/AFEP-MEDEF Table 9 is presented in section 3.7.4 – Stock subscription and purchase options.

TABLE SUMMARIZING THE COMPENSATION, OPTIONS AND SHARES AWARDED TO EACH CORPORATE OFFICER $^{(1)}$ (AMF/AFEP-MEDEF TABLE 1)

	Didier Michaud-Daniel, Chief Executive Officer			
(in €)	2019	2018		
Compensation awarded in respect of the financial year (shown in Table 2)	1,969,585	1,958,610		
Valuation of the multi-annual variable compensation awarded during the year	-	-		
Valuation of stock options granted during the year (shown in Table 4)	561,600 ^(a)	658,103 ^(a)		
Valuation of the performance shares granted during the year (shown in Table 6)	1,605,600 ^(a)	1,696,136 ^(a)		
TOTAL	4,136,785	4,312,849		

⁽a) The amounts in the above table reflect the accounting fair value of options and shares in accordance with IFRS standards.

⁽b) In 2019, the Chief Executive Officer's compensation in the form of performance shares and stock subscription or purchase options was capped at 110% of his total gross annual compensation.

_	Aldo Cardoso, Chairman of the Board of Directors			
<u>(</u> in €)	2019	2018		
Compensation awarded in respect of the year, including compensation in respect of his office as Director and his duties as member of various Board Committees (detailed in Table 2)	348,000	347,000		
Valuation of the multi-annual variable compensation awarded during the year	-	-		
Valuation of the options granted during the year	-	-		
Valuation of the performance shares granted during the year	-	-		
TOTAL	348,000	347,000		

Components of the Chairman of the Board of Directors' compensation for 2018 and 2019

TABLE SUMMARIZING THE COMPENSATION PAID TO THE CHAIRMAN OF THE BOARD OF DIRECTORS (AMF/AFEP-MEDEF TABLE 2)

	Aldo Cardoso, Chairman of the Board of Directors					
	2019		2018			
(in €)	awarded	paid	awarded	paid		
Fixed compensation	220,000	220,000	220,000	220,000		
Annual variable compensation	-	-	-	-		
Multi-annual variable compensation	-	-	-	-		
Extraordinary compensation	-	-	-	_		
Compensation in respect of his office as Director and his duties as member of various Board Committees	128,000 ^(a)	127,000 ^(b)	127,000 ^(b)	112,750		
Benefits in-kind	-	-	-	-		
TOTAL	348,000	347,000	347,000	332,750		

⁽a) Compensation in respect of his office as Director and his duties as member of various Board Committees awarded in 2019 and paid in 2020.

⁽b) Compensation in respect of his office as Director and his duties as member of various Board Committees awarded in 2018 and paid in 2019.

⁽¹⁾ Excluding Directors but including the Chairman of the Board of Directors.

Components of the Chief Executive Officer's compensation for 2018 and 2019

Compensation and benefits awarded and paid during 2018 and 2019

TABLE SUMMARIZING THE COMPENSATION PAID TO THE CHIEF EXECUTIVE OFFICER (AMF/AFEP-MEDEF TABLE 2)

(in €)	Didier Michaud-Daniel – Chief Executive Officer				
	2019		2018		
	awarded	paid	awarded	paid	
Fixed compensation	900,000	900,000	900,000	900,000	
Annual variable compensation	1,057,268 ^(a)	1,040,445 ^(a)	1,040,445 ^(a)	954,300	
Multi-annual variable compensation	-	-	-		
Extraordinary compensation	-	-	-	-	
Directors' fees	-	-	-	-	
Benefits in-kind	12,317	12,317	18,165 ^(b)	18,165 ^(b)	
TOTAL	1,969,585	1,952,762	1,958,610	1,872,465	

⁽a) Variable compensation awarded in respect of 2019 was set by the Board of Directors on February 26, 2020, on the recommendation of the Nomination & Compensation Committee.

STOCK SUBSCRIPTION OR PURCHASE OPTIONS AWARDED DURING 2019 TO THE CHIEF EXECUTIVE OFFICER BY BUREAU VERITAS AND BY ANY GROUP COMPANY (AMF/AFEP-MEDEF TABLE 4)

	No. and date of the plan	Nature of the options (purchase or subscription)	Valuation of the options according to the method used in the consolidated financial statements	Number of options granted during the financial year	Exercise price	Exercise period	Performance conditions
Didier Michaud-Daniel	06/21/2019 ^(b)	Stock subscription or purchase options	€561,600	240,000	€21.26 ^(a)	06/21/2022 to 06/21/2029	(c)

⁽a) The subscription/exercise price was set at €21.26, corresponding to the average undiscounted opening price during the 20 trading days preceding the date of the grant.

The amounts indicated correspond to the accounting fair value of options in accordance with IFRS standards. As a result, they are not the actual amounts that could arise if these options were exercised.

The dilutive effect of the stock subscription and purchase options granted during 2019 is limited, representing 0.05% of the share capital of Bureau Veritas.

⁽b) Company car and the same benefit plans as the Group's other executives and employees.

⁽b) See section 3.6.4 – Long-term incentive plan for more details on the conditions of the June 21, 2019 plan.

⁽c) Performance conditions: depending on the level of achievement of the Group's AOP objective for 2019 and on the Group's adjusted operating margin objective (ratio of Group AOP to Group revenue) for 2020 and 2021, between 0% and 100% of the stock subscription or purchase options granted to the beneficiary may vest. Details of these performance conditions are presented below.

Corporate governance 3.6 Corporate Officers' compensation

Description of the long-term incentive plan

Long-term compensation

As part of its compensation policy, Bureau Veritas grants stock purchase and subscription options and performance shares to a certain number of employees in the Group around the world. On the recommendation of the Nomination & Compensation Committee, the Board of Directors decided on June 21, 2019 to grant stock subscription or purchase options and performance shares to Group employees.

The grant concerned 482 Group employees, corresponding to a total of 2,367,715 shares (1,286,455 performance shares and 1,081,260 stock subscription or purchase options), equivalent to approximately 0.53% of the Company's share capital. This grant represented 35% of the total number of performance shares and stock options that the Board of Directors was authorized to grant by the Annual Shareholders' Meeting of May 14, 2019, under the 19th and 20th resolutions.

Awards of stock options and performance shares are subject to:

- a presence condition: the departure of the beneficiary leads to the cancellation of his or her rights;
- two performance conditions: the Group's AOP for 2019 and the Group's adjusted operating margin (ratio of Group AOP to Group revenue) for 2020 and 2021;

these conditions apply as follows:

- with regard to the Group's AOP for 2019:
 - if the AOP is less than or equal to the minimum target level set by the Board of Directors, none of the options granted may be exercised by the beneficiary and none of the performance shares granted to the beneficiary may vest,
 - if the AOP is between the minimum target level and the target level, the number of options that may be exercised or shares that may vest will be determined by linear interpolation.

- if the AOP is greater than or equal to the target level, 100% of the options granted may be exercised and 100% of the shares granted may vest;
- with regard to the Group's adjusted operating margin for 2020 and 2021:
 - if the adjusted operating margin for one of the years is less than or equal to the minimum target level set by the Board of Directors, none of the options granted may be exercised by the beneficiary and none of the performance shares granted to the beneficiary may vest,
 - if the adjusted operating margin is between the minimum target level and the target level, the number of options that may be exercised or shares that may vest will be determined by linear interpolation,
 - if the adjusted operating margin is greater than or equal to the target level, the number of options or shares determined by the level of achievement of the AOP may vest.

It should be recalled that the performance conditions are particularly tough insofar as the condition based on the Group's adjusted operating margin for 2020 and 2021 applies to the number of options and shares determined according to the level of achievement of the AOP condition for 2019, and subsequently to the number obtained by the level of achievement of the margin for each of the three years of the plan. The level of achievement of each of the performance conditions therefore has an impact on the level of achievement of the previous condition, and cannot be caught up in the following year.

Details of the maximum number of stock subscription or purchase options and performance shares granted to the Chief Executive Officer for 2019 are provided in the tables below.

STOCK SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING 2019 BY THE CHIEF EXECUTIVE OFFICER (AMF/AFEP-MEDEF TABLE 5)

The Chief Executive Officer exercised options in 2019.

	No. and date of the plan	Number of options exercised during the year	Exercise price
Didier Michaud-Daniel	07/18/2012	240,000	€17.54

PERFORMANCE SHARES GRANTED DURING 2019 TO THE CHIEF EXECUTIVE OFFICER BY BUREAU VERITAS AND BY ANY GROUP COMPANY (AMF/AFEP-MEDEF TABLE 6)

	No. and date of the plan	Number of shares awarded during the year	Valuation of the shares according to the method used in the consolidated financial statements	Vesting date	Availability date	Performance conditions
Didier Michaud-Daniel	06/21/2019	80,000	€1,605,600	06/21/2022	06/21/2022 ^(a)	(b)

⁽a) See section 3.6.4 – Long-term incentive plan for more details on the conditions of the June 21, 2019 plan.

The dilutive effect of the performance shares granted during 2019 is limited, representing 0.02% of the share capital of Bureau Veritas.

PERFORMANCE SHARES THAT BECAME AVAILABLE TO THE CHIEF EXECUTIVE OFFICER DURING 2019 (AMF/AFEP-MEDEF TABLE 7)

A total of 12,000 performance shares became available to the Chief Executive Officer during 2019.

	No. and date of the plan	Number of shares that became available during the year	Vesting conditions
Didier Michaud-Daniel	07/15/2016	12,000	Group AOP for 2016 and Group adjusted operating margin for 2017 and 2018

PAST GRANTS OF STOCK SUBSCRIPTION OR PURCHASE OPTIONS – INCLUDING TO THE CHIEF EXECUTIVE OFFICER SPECIFICALLY (AMF/AFEP-MEDEF TABLE 8)

Information on stock subscription or purchase options $^{(\!n\!)}$					
Date of the Shareholders' Meeting	05/20/2015	05/17/2016	05/17/2016	05/15/2018	05/14/2019
Date of the Board of Directors' Meeting	07/15/2015	06/21/2016	06/21/2017	06/22/2018	06/21/2019
Total number of shares to be subscribed or purchased	1,344,000	1,312,400	1,229,060	1,100,400	1,057.860
Of which total number of shares to be subscribed or purchased by Didier Michaud-Daniel	240,000	240,000	240,000	240,000	240,000
Starting date for the exercise of options	07/15/2018	06/21/2019	06/21/2020	06/22/2021	06/21/2022
Performance conditions	(c)	(c)	(c)	(c)	(c)
Expiration date	07/16/2025	06/21/2026	06/21/2027	06/21/2028	06/21/2029
Subscription or purchase price	€20.51 ^(a)	€19.35 ^(a)	€20.65 ^(a)	€22.02 ^(a)	€21.26 ^(a)
Number of shares subscribed or purchased as of December 31, 2019	213,550	53,760	-	-	-
Total number of stock subscription or purchase options canceled or forfeited as of December 31, 2019	135,673	987,200	157,800	69,400	23,400
Stock subscription or purchase options remaining as of December 31, 2019	994,777	271,440	1,071,260	1,031,000	1,057,860

⁽a) The subscription or purchase price corresponds to the non-discounted average of the opening prices quoted on the last 20 trading days preceding the grant date.

⁽b) Performance conditions: depending on the level of achievement of the Group's AOP objective for 2019 and on the Group's adjusted operating margin objective (ratio of Group AOP to Group revenue) for 2020 and 2021, between 0% and 100% of the performance shares granted to the beneficiary may vest. Details of these performance conditions are presented above.

⁽b) The number of options as well as the subscription or purchase prices have been updated following the capital increase and the share split carried out in June 2013.

⁽c) At the end of the vesting period, the number of stock subscription options that may be granted to each beneficiary depends on the level of achievement of the Group's AOP recognized for the year of allocation and the Group's adjusted operating margin (ratio of Group AOP to Group revenue) recognized in respect of the two subsequent financial years.

PAST GRANTS OF PERFORMANCE SHARES – INCLUDING TO THE CHIEF EXECUTIVE OFFICER SPECIFICALLY (AMF/AFEP-MEDEF TABLE 10)

Information on performance shares						
Date of the Shareholders' Meeting	05/22/2013	05/20/2015	05/17/2016	05/17/2016	05/15/2018	05/14/2019
Date of the Board of Directors' Meeting	07/22/2013	07/15/2015	06/21/2016	06/21/2017	06/22/2018	06/21/2019
Total number of shares granted	800,000	1,136,200	1,131,650	1,207,820	1,196,340	1,286,455
Of which total number of shares granted to Didier Michaud-Daniel	800,000	80,000	80,000	80,000	80,000	80,000
Vesting date	06/21/2021 or 06/22/2022	07/16/2018 or 07/15/2019	06/21/2019	06/21/2020	06/22/2021	06/21/2022
Performance conditions	(b)	(a)	(a)	(a)	(a)	(a)
End of holding period	07/21/2021 or 07/21/2022	07/15/2020	-	-	-	-
Number of vested shares as of December 31, 2019	-	889,394	417,442	-	-	-
Total number of shares canceled or forfeited as of December 31, 2019	80,000	246,806	714,208	165,158	92,690	10,610
Remaining performance shares awarded as of December 31, 2019	720,000	-	-	1,042,662	1,103,650	1,275,845

⁽a) The number of shares issued to each beneficiary at the end of the vesting period depends on the level of total shareholder return (TSR) achieved and measured over three performance periods, corresponding to three tranches. For the first and second tranches, if the TSR as determined at the end of the first year of the applicable performance period for each tranche is at least 15%, the beneficiary may vest all of the shares in the tranche at the end of the vesting period. If the TSR as determined at the end of the first year of the applicable performance period is between 10% and 15%, the number of shares that may be vested will be determined by linear interpolation. If the TSR is below 10%, no shares in the tranche will be vested in respect of this first year and the applicable performance period will be extended by an additional year. There will be a second calculation at the end of the second year of the applicable performance period to enable the beneficiary to vest all or part of 50% of the shares in the tranche. The performance condition for the third tranche, which represents 90% of the total award, is based on the TSR determined by comparing (i) a Company share price of £19, with (ii) the average opening price of the Company's share on Euronext Paris during the 60 trading days preceding and the 30 trading days following the publication of 2020 earnings, with the possibility of extending this period by one year. If the TSR as determined at the end of the performance period is at least 15%, the beneficiary may vest all of the shares in the tranche at the end of the vesting period. If the TSR is between 10% and 15%, the number of shares that may vest will be determined by linear interpolation. If the TSR is equal to 10%, the beneficiary may vest 20% of the shares in the tranche at the end of the vesting period. If the TSR is between 7% and 10%, the number of shares that may vest will be calculated by linear interpolation. If the TSR is equal to 7%, the beneficiary may vest 20% of the shares in the tranch

PAST GRANTS AND FINAL VESTING OF STOCK SUBSCRIPTION OR PURCHASE OPTIONS AND THE CHIEF EXECUTIVE OFFICER'S PERFORMANCE SHARES

Grant date	Start of exercise period	End of exercise period	Options granted	Options canceled	Exercisable options	Options exercised	Exercise price (€)
07/18/2012	07/18/2015	07/18/2020	240,000	-	-	240,000	17.54
07/22/2013	07/22/2016	07/22/2021	240,000	-	240,000	-	21.01
07/16/2014	07/16/2017	07/16/2022	240,000	84,240	155,760	-	20.28
07/15/2015	07/15/2018	07/15/2025	240,000	5,040	234,960	-	20.51
06/21/2016	06/21/2019	06/21/2026	240,000	204,000	36,000	-	19.35
06/21/2017	06/21/2020	06/21/2027	240,000	-	-	-	20.65
06/22/2018	06/22/2021	06/22/2028	240,000	-	-	-	22.02
06/21/2019	06/21/2022	06/21/2029	240,000	-	-	-	21.26
TOTAL EXERCIS	SABLE STOCK SUBS	CRIPTION AND PUR	CHASE OPTIONS		666,720		

⁽b) At the end of the vesting period, the number of performance shares that vest for each beneficiary depends on the level of Group AOP achieved for the financial year in which the grant is made and the level of Group adjusted operating margin (ratio of Group AOP to Group revenue) recorded for the subsequent two financial years.

Performance shares

Grant date	Vesting date	End of holding period	Performance shares granted	Performance shares canceled	Performance shares vested
07/18/2012	07/18/2015	07/17/2017	160,000	-	160,000
07/22/2013	06/21/2021	07/21/2023	800,000	80,000	-
07/22/2013	07/22/2016	07/21/2018	88,000	-	88,000
07/16/2014	07/16/2017	07/16/2019	80,000	28,080	51,920
07/15/2015	07/15/2018	07/15/2020	80,000	1,680	78,320
06/21/2016	06/21/2019	No holding requirements	80,000	68,000	12,000
06/21/2017	06/21/2020	No holding requirements	80,000	-	-
06/22/2018	06/22/2021	No holding requirements	80,000	-	-
06/21/2019	06/21/2022	No holding requirements	80,000	-	-
TOTAL PERFORMA	NCE SHARES VESTED				390,240

LEVEL OF ACHIEVEMENT OF PERFORMANCE CONDITIONS FOR STOCK SUBSCRIPTION AND PURCHASE OPTION AND PERFORMANCE SHARE PLANS

Performance conditions apply both to stock subscription and purchase option and to performance share plans.

Plan date	Vesting date	Level of achievement of performance conditions
07/18/2012	07/18/2015	100%
07/22/2013	07/22/2016	100%
07/16/2014	07/16/2017	65%
07/15/2015	07/15/2018	98%
06/21/2016	06/21/2019	15%

Benefits or advantages due

TABLE SUMMARIZING THE CONTRACTS, PENSION SCHEMES, BENEFITS AND INDEMNITIES APPLICABLE TO CORPORATE OFFICERS $^{(1)}$ (AFEP-MEDEF/AMF TABLE 11)

_	Employment co	ontract	Supplementary scheme		or likely to be due as of termination or o of corporate of	a result hange	Non-compet indemnit	
Name	Yes	No	Yes	No	Yes	No	Yes	No
Didier Michaud-Daniel								
Chief Executive Officer Start of first term: March 1, 2012 End of current term: February 28, 2022		√		\checkmark	V			\checkmark
Aldo Cardoso								
Chairman of the Board of Directors since March 8, 2017 End of current term: Ordinary Shareholders' Meeting to be held to approve the financial statements for the year ending December 31, 2021		V		√		V		V

In 2019, Didier Michaud-Daniel was entitled, as an Executive Corporate Officer, to a termination benefit that was subject to a performance condition and limited to a maximum amount equal to the fixed compensation received in the 12 months preceding the termination of his term of office, plus the most recent amount of variable compensation paid. The performance conditions, entitlement criteria and payment methods are described above in section 3.6.1 – Implementation of the Chief Executive Officer compensation policy – Deferred commitments, page 182, of this Document.

3.7 Interests of Corporate Officers and certain employees

3.7.1 Interests of Corporate Officers in the Company's capital

As of the publication date of this Universal Registration Document, the interests of Corporate Officers in the capital of Bureau Veritas were as follows:

Chief Executive Officer	Number of shares	Percentage of capital
Didier Michaud-Daniel	399,225	nm

Didier Michaud-Daniel, Chief Executive Officer, also holds 1,386,720 stock subscription and purchase options granted under the July 22, 2013, July 16, 2014, July 15, 2015, June 21, 2016, June 21, 2017, June 22, 2018 and June 21, 2019 plans.

A detailed description of stock subscription and purchase option plans is provided below in section 3.7.4 – Stock subscription and purchase options, of this Universal Registration Document.

Directors	Number of shares	Percentage of capital
Aldo Cardoso	12,351	nm
André François-Poncet	1,235	nm
Stéphanie Besnier	1,224	nm
Claude Ehlinger	1,230	nm
Ana Giros Calpe	1,200	nm
Ieda Gomes Yell	1,230	nm
Siân Herbert-Jones	1,224	nm_
Pascal Lebard	1,200	nm
Philippe Lazare	2,058	nm
Lucia Sinapi-Thomas	2,040	nm
Frédéric Sanchez	1,200	nm
Jérôme Michiels ^(a)	1,200	nm

⁽a) Jérôme Michiels took office on December 19, 2019, after he was co-opted at the Board of Directors' meeting held on the same day.

3.7.2 Transactions executed by management on Company shares

To the best of the Company's knowledge, and according to the declarations made, transactions executed on Company shares during the year by management and persons mentioned in article L. 621-18-2 of the French Monetary and Financial Code (Code monétaire et financier) and in article 19 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 were as follows:

Name	Capacity	Nature of the transaction	Transaction date	Unit price (€)	Transaction amount (€)	Description of the financial instrument
Didier Michaud-Daniel	Chief Executive Officer	Option for payment of the dividend in shares	06/11/2019	19.13	148,257	7,750 shares
Didier Michaud-Daniel	Chief Executive Officer	Vesting of performance shares	06/21/2019	21.84	262,080	12,000 shares
Frédéric Sanchez	Director	Acquisition	10/07/2019	21.40	25,680	1,200 shares
Didier Michaud-Daniel	Chief Executive Officer	Exercise of stock subscription options	11/06/2019	17.54	4,209,60	240,000 shares
Didier Michaud-Daniel	Chief Executive Officer	Sale of shares	11/06/2019	23.02	5,524,800	240,000 shares

To the best of the Company's knowledge, and according to the declarations made to the AMF, transactions executed on Company shares between the end of 2019 and the date of this Universal Registration Document by management and persons mentioned in article L. 621-18-2 of the French Monetary and Financial Code and in article 19 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014, were as follows:

Name	Capacity	Nature of the transaction	Transaction date	Unit price (€)	Transaction amount (€)	Description of the financial instrument
Jérôme Michiels	Director	Acquisition	01/06/2020	23.25	27,900	1,200 shares

3.7.3 Performance shares

Date of the Shareholders' Meeting	Grant date	Number of shares granted (adjusted)	Total maximum number of Company shares to which shares granted give right (adjusted)	Number of shares vested	Number of shares canceled	Number of shares granted and not yet vested	
05/22/2013	07/22/2013	800,000	800,000	-	80,000	720,000	
05/20/2015	07/15/2015	1,136,200	1,136,200	889,394	246,806	-	
05/17/2016	06/21/2016	1,131,650	1,131,650	417,442	714,208	-	
05/17/2016	06/21/2017	1,207,820	1,207,820	-	165,158	1,042,662	
05/15/2018	06/22/2018	1,196,340	1,196,340	-	92,690	1,103,650	
05/14/2019	06/21/2019	1,286,455	1,286,455	-	10,610	1,275,845	
TOTAL		6,758,465	6,758,465	1,306,836	1,309,472	4,142,157	

⁽a) The plans awarded in 2013, 2018 and 2019 have not yet vested and are subject to service and performance conditions. The plan awarded in 2017 is subject to a presence condition at the date of final vesting, i.e., June 21, 2019. The performance conditions were met. Details of the service and performance conditions for performance share plans are presented in Table 10, section 3.6.6, page 196 of this Universal Registration Document.

Performance shares granted to the top ten employee grantees (excluding Corporate Officers) during 2019

Performance shares granted	Number of performance shares granted	Valuation of the shares according to the accounting method used in the consolidated financial statements	Plan
Performance shares granted during the year by the issuer and by any company within the scope of the grant of performance shares, to the ten employees of the issuer and of any company within this scope, granted the highest number of shares (aggregate information)	197,000	€20.07	06/21/2019

Information regarding Corporate Officers can be found in Tables 6 and 7, section 3.6.6, page 195, of this Universal Registration Document.

Total number of shares vested or that can be vested by Corporate Officers	Total number of shares vested or shares that can be vested by the top ten employee grantees	Vesting date ^(a)	Duration of the lock-up period starting from the transfer of ownership of the shares	Share price on the grant date (\mathfrak{E})	Value of one share (\mathfrak{E})
720,000	-	06/21/2021	2 years	21.00	5.77
78,320	62,782	07/15/2019 or 07/15/2018 for employees of a French company	None except for two years for employees of a French company	20.79	16.49
12,000	16,980	06/21/2019	None	19.39	17.65
80,000	126,500	06/21/2020	None	20.78	18.94
80,000	198,000	06/22/2021	None	23.00	21.20
80,000	197,000	06/21/2022	None	21.88	20.07
1,050,320	601,262				

Stock subscription and purchase options

TOTAL		10,889,520	10,889,520	2,586,226	2,177,415	
05/14/2019	06/21/2019	1,081,260	1,081,260	0	23,400	
05/15/2018	06/22/2018	1,100,400	1,100,400	0	69,400	
05/17/2016	06/21/2017 ^(a)	1,229,060	1,229,060	0	157,800	
05/17/2016	06/21/2016 ^(a)	1,312,400	1,312,400	53,760	987,200	
05/20/2015	07/15/2015 ^(a)	1,344,000	1,344,000	213,550	135,673	
05/22/2013	07/16/2014 ^(a)	1,261,200	1,261,200	138,840	523,742	
05/22/2013	07/22/2013 ^(a)	1,240,800	1,240,800	313,416	179,606	
05/27/2011	07/18/2012 ^(a)	1,346,400	1,346,400	933,600	59,654	
05/27/2011	12/14/2011 ^(a)	260,000	260,000	255,060	4,940	
05/27/2011	07/18/2011 ^(a)	714,000	714,000	678,000	36,000	
Date of the Shareholders' Meeting	Plan date	Number of shares concerned by stock subscription options granted (adjusted)	Total maximum number of Company shares to which options granted give right (adjusted)	Number of options exercised	Number of options canceled	

Options exercised during 2019

Aggregate information

	Plan	Number of options exercised	Exercise price (€)
Stock purchase option plan	07/18/2011	117,300	14.42
Stock purchase option plan	12/14/2011	78,480	13.28
Stock purchase option plan	07/18/2012	428,400	17.54
Stock purchase option plan	07/22/2013	107,016	21.01
Stock purchase option plan	07/16/2014	34,470	20.28
Stock subscription option plan	07/15/2015	100,171	20.51
Stock subscription option plan	06/21/2016	53,760	19.35
TOTAL		919,597	

 ⁽a) Stock purchase option plans.
 (b) The plans awarded in 2018 and 2019 have not yet vested and are subject to service and performance conditions. Plans awarded in 2017 are subject to a presence condition.

Number of stock options granted and in force	Total number of shares that can be subscribed/purchased by Corporate Officers	Total number of shares that can be subscribed/purchased by the top ten employee grantees	Start of the option exercise period	Option expiration date	Subscription/purchase price adjusted at date of this Universal Registration Document (€)
0	0	0	07/18/2014	07/18/2019	14.42
0	0	0	12/14/2014	12/14/2019	13.28
353,146	0	54,000	07/18/2015	07/18/2020	17.54
747,778	240,000	87,600	07/22/2016	07/22/2021	21.01
598,618	155,760	82,042	07/16/2017	07/16/2022	20.28
994,777	234,960	188,346	07/15/2018	07/15/2025	20.51
271,440	36,000	50,940	06/21/2019	06/21/2026	19.35
1,071,260	240,000	228,500	06/21/2020	06/21/2027	20.65
1,031,000	240,000	390,000	06/22/2021	06/22/2028	22.02
1,057,860	240,000	440,000	06/21/2022	06/21/2029	21.26
6,125,879	1,386,720	1,521,428			

STOCK SUBSCRIPTION OR PURCHASE OPTIONS GRANTED TO THE TOP TEN EMPLOYEE GRANTEES (EXCLUDING CORPORATE OFFICERS) AND OPTIONS EXERCISED BY THE LATTER DURING 2019 (AMF/AFEP-MEDEF TABLE 9)

Nature of the options	Total number of options granted/shares subscribed or purchased	Weighted average price (€)	Plan
Options granted in 2019 by the issuer and by any company within the scope of the grant to the ten employees of the issuer, and of any company within this scope, granted the highest number of options (aggregate information)	440,000	21.26	06/21/2019
Options granted by the issuer and by the companies	81,300	14.42	07/18/2011
referred to above, exercised in 2019 by the ten employees of the issuer or its subsidiaries having subscribed to or	78,480	13.28	12/14/2011
purchased the highest number of options (aggregate	174,000	17.54	07/18/2012
information)	73,800	21.01	07/22/2013
-	27,576	20.28	07/16/2014
	58,759	20.51	07/15/2015
	17,640	19.35	06/21/2016

Information regarding Corporate Officers can be found in Tables 4 and 5, section 3.6.6, pages 193 and 194, of this Universal Registration Document.

General terms and conditions applicable to stock purchase and subscription options and performance shares awarded to employee beneficiaries and to the Chief Executive Officer

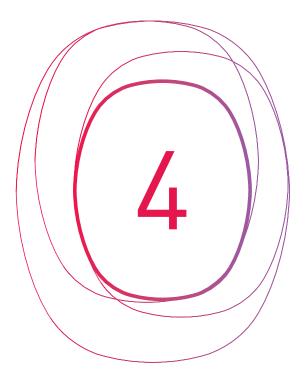
The stock purchase and subscription option and performance share plans comply with the following at all times:

- the rules for awarding these plans apply to all employees and to the Chief Executive Officer;
- all awards are subject to presence and performance conditions;
- the vesting period does not change and is continuous (three years);
- no discount is applied;
- the aggregate amount of all awards including for the Chief Executive Officer is capped.
- changes made to the plan by the Board of Directors, where it deems necessary, do not have a material negative impact on the interests of the relevant beneficiaries, or are necessary in the event of legal, regulatory or accounting changes.

3.7.5 Potential impact of shares giving access to Company capital

As of December 31, 2019, a total of 4,426,337 shares would be issued if all Bureau Veritas stock subscription options were to be exercised. Based on the number of shares making up the share capital of Bureau Veritas as of December 31, 2019, namely 452,092,988 shares, issuing all of these shares would represent 0.98% of Bureau Veritas' capital.

Based on the share capital as of December 31, 2019, issuing all of the 4,142,157 performance shares granted would result in a further maximum potential dilution of 0.92%, bringing the total dilutive effect (stock subscription options and performance shares) to 8,568,494 shares, or 1.90% of the Company's capital.



RISK MANAGEMENT

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4.1 Risk factors

Investors are advised to carefully read the financial and non-financial risks described in this chapter, as well as the other information contained in this Universal Registration Document, before taking any investment decisions. In accordance with Regulation (EU) no. 2017/1129 ("Prospectus III"), which entered into force on July 21, 2019, and in compliance with the ESMA Guidelines applicable to France as from December 4, 2019, at the date this Universal Registration Document was filed, the risks presented below are the main risks considered specific to the Bureau Veritas Group and/or to its securities that Bureau Veritas believes could have a significant net impact on the Group, its businesses, its financial position, its earnings and/or its outlook should they materialize. The occurrence of one or more of these risks could result in a decrease in the value of the Company's shares, and investors could lose all or part of their investment.

The Group's various operating departments, as well as support functions both in and outside France, identify and assess risk along with the related risk management procedures on an ongoing basis. Reports are regularly submitted to the Executive Committee and to the Board of Directors' Audit & Risk Committee. They help to prepare and update the risk map described in section 4.2 of this Universal Registration Document.

The Group has also taken out various insurance policies, as described in further detail in section 4.3 – Insurance of this Universal Registration Document. The Group's insurance strategy is to best protect the Group's employees and assets against the occurrence of identified major insurable risks that may affect it.

In any event, other risks that Bureau Veritas does not consider to be specific to its businesses as they generally also concern other issuers in varying degrees, regardless of their activities, such as risks related to cybersecurity, international economic sanctions or exchange rate fluctuations, could also have an adverse impact on the Group, its businesses, its financial position, its earnings and/or its outlook. Other risks may exist or may come to exist that are

not known by Bureau Veritas at the date of this Universal Registration Document or that are presented in other sections of the Universal Registration Document and considered at that date unlikely to have a significant adverse impact on the Group, its businesses, its financial position, its earnings and/or its outlook should they materialize.

The risk factors shown are sorted into the following three risk categories:

- risks related to the Group's operations and activities;
- risks related to human capital;
- risks related to acquisitions.

Risks are classified within their respective category in decreasing order of importance as determined by the Company based on the probability that the risks will materialize and the estimated extent of their impact on the Group, its businesses, its financial position, its earnings and/or its outlook, and after applying any risk mitigation measures. The order of importance as determined by Bureau Veritas could change at any time, in light of new external facts or circumstances, developments in the Group's businesses, or changes in the impact of measures to manage and mitigate risks.

For certain risks, references are made to specific chapters or sections of this Universal Registration Document in which they are discussed in more detail. Internal control and risk management procedures in place within the Group are described in section 4.2 of this Universal Registration Document.

Risk factors are assessed in terms of (i) frequency or probability of occurrence, and (ii) gross impact, taking into account (iii) the level of control. The table below shows the results of this **net impact** risk assessment. Each of the risk factors shown is ranked "low", "medium", or "high" on the risk scale.

		Low	Medium	High			
	Net impact	•	••	•••			
4.1	Risk factors		N	let impact			
4.1.1	Risks related to the Group's operations and activities						
	Legal risks related to changing regulations			••			
	Risks related to the non-renewal, suspension or loss of certain authorizations			••			
	Ethics risks			••			
	Risks related to the production of forged certificates			•			
	Risks related to litigation or pre-litigation proceedings to which the Group is a party			•			
4.1.2	Human risks						
	Risks related to human capital			••			
4.1.3	Risks related to acquisitions						
	Risk of impairment of intangible assets resulting from acquisitions			•			

4.1.1 Risks related to the Group's operations and activities

Legal risks related to changing regulations

Description

The Group conducts its business in a heavily regulated environment, with regulations sometimes differing widely from one country to the next. Many of the Group's business activities involve inspecting, testing and certifying client compliance with all types of standards and regulations, and this often requires it to obtain the necessary licenses and authorizations from the relevant public bodies. These regulatory frameworks are therefore at the heart of most of the Group's operating activities and directly determine its capacity to exercise its TIC activities as well as the operating conditions in which it conducts them.

Certain countries may also choose not to allow private or foreign firms to engage in the local TIC market or may decide to change the rules for exercising business such that the Group can no longer do business in those countries.

Risk control and mitigation measures

The Group endeavors to monitor all of these changes through its regulatory intelligence in order to anticipate, monitor and give its input to the competent authorities when new regulations are being drafted.

As a member of national and international associations of the TIC profession, including the TIC Council (formerly known as the IFIA) and the International Association of Classification Societies (IACS), Bureau Veritas is able to keep informed of any such regulatory changes.

Potential impacts on the Group

It follows that changes in regulations applicable to the Group's businesses may be either favorable or unfavorable. Stricter regulations or stricter enforcement of existing regulations, while creating new business opportunities in some cases, may also result in new conditions for the Group's activities that increase its operating costs, limit the scope of its businesses (for example, in connection with real or perceived conflicts of interest) or more generally slow the Group's development.

In particular, important changes in regulations or legislation applicable to the Group's businesses in the principal countries where it operates may lead to frequent, or even systematic, claims against the professional liability of employees, the Company or its subsidiaries. The Group could face multiple lawsuits and may be ordered to pay substantial damages, despite the fact its services were provided in the jurisdiction prior to any regulatory changes. In extreme cases, such changes in the regulatory environment could lead the Group to exit certain markets where it considers the level of regulation to be overly restrictive.

Changes in the risk in 2019

This type of risk is inherent to the Group's TIC activities and there were consequently no changes to the risk in 2019.

Risks related to the non-renewal, suspension or loss of certain authorizations

Description

Much of the Group's business requires it to obtain and maintain accreditations, approvals, permits, delegations of authority, official recognition and authorizations more generally (hereafter referred to as "Authorizations") at local, regional or global level, issued by public authorities or by professional organizations following long and often complex review procedures.

Most Authorizations are granted for limited periods of time and are subject to periodic renewal by the authority concerned. For some of its businesses (in particular Government services in the Agri-Food & Commodities business and Marine & Offshore), the Group (or division concerned) must be an active member of certain professional organizations in order to be eligible for select projects.

Although the Group closely monitors the quality of services provided under these Authorizations, as well as the renewal and stability of its Authorizations portfolio, any failure to meet its professional obligations or conflicts of interest (real or perceived as such), could cause the Group to lose one or more of its Authorizations either temporarily or on a permanent basis. A public authority or professional organization which has granted one or more Authorizations to the Group could also unilaterally decide to withdraw such Authorizations.

Government services (included within the Agri-Food & Commodities business), and in particular Pre-Shipment Inspection (PSI), Verification of Conformity (VOC) and Single Window (SW) solutions, involve a relatively limited number of programs, contracts and accreditations (hereafter referred to as "Contracts") signed with or granted by governments or public authorities.

Risk control and mitigation measures

For each of its businesses, Bureau Veritas has put in place a specific organization for managing and monitoring Authorizations.

The management of Authorizations used in several countries was reinforced in 2017, particularly in the Agri-Food & Commodities, Certification, Industry and Marine & Offshore businesses, through optimum organization and implementation of control tools (especially employee qualification management and supervision, Internal Audit management, shared service centers to monitor execution, and Commitment Committees to analyze and prevent conflicts of interest). These tools and systems are regularly reviewed and enhanced by the Group.

Centralized management of international Authorizations has been stepped up and their geographic footprint streamlined in order to limit the Group's exposure to the risk of losses. Internal initiatives aimed at raising awareness of potential conflicts of interest and accreditation requirements have also been rolled out so that the risks associated with Authorizations can be better understood and addressed.

To reduce its exposure, the Group endeavors to diversify the geographic footprint of its portfolio of Government services businesses and to structure its programs so that services are paid for by the operators and not by the relevant governments. By engaging in ongoing intensive diplomatic and commercial efforts, the Group is also better able to anticipate crises and manage such risks if they were to arise.

Lastly, Bureau Veritas seeks to secure its contracts as far as possible with the help of its internal and external counsel. Additional information on these Authorizations and their management is provided in section 1.6 – Accreditations, approvals and authorizations and section 4.2 – Internal control and risk management procedures of this Universal Registration Document.

Potential impacts on the Group

The non-renewal, suspension or loss of any of these Authorizations, or of its position as member of certain professional organizations, could have a significant adverse effect on the Group's business, financial position, earnings or outlook.

For example, in Government services, the Group has around 50 Contracts of the type described above, most of which involve services for countries in Africa, the Middle East and Asia. These Contracts, which represent aggregate revenue of around €100 million, are generally for a period of one to three years (or ten years for Single Window). Many of them are subject to local administrative law and may be unilaterally terminated at short notice at the discretion of the government or authority concerned. They are also subject to the uncertainties inherent in conducting business in emerging countries, some of which have been or could be subject to political or economic instability, sudden and frequent changes in regulations, civil war, violent conflict, social unrest or actions of terrorist groups. The suspension, cancellation or non-renewal of even a small number of these Contracts could have a significant adverse effect on the Group's business, financial position, earnings or outlook.

In addition, in executing the Contracts entered into with governments or public authorities, the Group may face difficulties in collecting amounts receivable, and the collection process could prove long and complex. The non-payment or late or partial payment of substantial sums owed under these Contracts could also have a significant adverse effect on the Group's business, financial position, earnings or outlook.

Changes in the risk in 2019

Risks related to the non-renewal, suspension or loss of certain Authorizations are declining overall thanks to prevention measures rolled out by the Group.

Ethics risks

Description

Our brand is that of a recognized world leader operating with unparalleled know-how, independence, objectivity and integrity for almost two centuries. Trust is therefore at the heart of Bureau Veritas' relations with its clients and the Group's communications are a tangible illustration of its ability and commitment to "shaping a world of trust".

its ability and commitment to "shaping a world of trust".

Ethics is therefore an "absolute" for Bureau Veritas, which strives to enforce strict ethical values and principles in conducting its business (Code of Ethics, principles of transparency, honesty and integrity, compliance with applicable laws and regulations across the globe, fight against corruption, etc.).

However, the risk of isolated acts in breach of these values and principles by Group employees, agents or partners as a means to maintain business relationships, avoid or settle disputes or fast track administrative decisions cannot be excluded (acts of corruption, fraud, conflicts of interest, anti-competitive practices, violation of international economic sanctions, etc.).

Risk control and mitigation measures

Thanks to the deep-seated, broadly publicized commitment of its Executive Management team, the Group has set up a Compliance Program. This includes a Code of Ethics and a manual of internal rules and procedures applicable to all employees, a dedicated organization and training course, a map of ethics risks, and a risk management framework under the responsibility of the Group's Ethics Committee. Any incidents of identified non-compliance with the Group's ethical standards are subject to disciplinary measures.

In 2019 for example, the Ethics Committee ordered the immediate departure of an executive manager for a Code of Ethics violation. The Group's Compliance Program is described in further detail in section 4.2 – Internal control and risk management procedures and in section 2.3.1.1 – Ethics, an "absolute" of this Universal Registration Document.

Potential impacts on the Group

Group employees, executives or companies may be held liable for any failure to comply with ethical principles and standards. This risk is heightened by the number and variety of the commercial partners working with the Group (intermediaries, partners and subcontractors) and by the fact that the Group does business in certain countries that are particularly at risk of corruption.

the Group does business in certain countries that are particularly at risk of corruption.

This situation could therefore lead to penalties – particularly financial penalties – and/or affect the Group's reputation and image, and adversely impact its businesses, financial position, earnings and/or outlook.

Changes in the risk in 2019

Ethics risks remain intrinsically the same from one year to the next. However, the degree of management can be considered to improve as ever stricter procedures are put in place.

Risk management 4.1 Risk factors

Risks related to the production of forged certificates

Description

The Group's main missions include ensuring that products, assets and systems comply with a given framework (mainly standards and regulations in terms of quality, safety, environmental protection and social responsibility). Bureau Veritas acts as an independent body and issues reports and certificates stating that products, assets and systems conform to applicable standards and regulations. Certification enables companies to conduct their business activities (e.g., place products on the market), access new markets or strengthen their reputation.

Since obtaining certification is often vital for companies, Bureau Veritas is exposed to the risk that its reports or certificates are falsified or tampered with, or that counterfeit reports or certificates are issued, infringing Bureau Veritas' trademarks and/or copyright. The production of forged or counterfeit reports can result from employee conduct or, more commonly, external sources (fraudulent behavior by a client or third party in order to meet regulatory requirements). Fraudulent behavior outside the Group was recently identified in Latin America and involved unlawful use of a certificate issuance tool.

Risk control and mitigation measures

A policy aimed at preventing counterfeit certificates and reports has been in place in the Group since 2015. Whenever there is a suspected case of forged or counterfeit certificates, the Group conducts an investigation to rapidly identify the source and authors of the forgeries/counterfeits. Where applicable, it informs clients, accreditation bodies and, if necessary, government and customs authorities in accordance with applicable legal and regulatory requirements. Legal and criminal proceedings are also initiated to put a stop to the fraud and seek damages for the harm suffered by the Group. Penalties may be adopted against those responsible.

For example, an employee was suspended and subsequently dismissed after it was discovered he had tampered with the results of analyses. Clients and the relevant legal authorities were immediately notified of the discovery.

The Group's Compliance Program, described in further detail in section 4.2 – Internal control and risk management procedures and in section 2.3.1.1 – Ethics, an "absolute" of this Universal Registration Document, helps to prevent and where necessary, detect, any fraud resulting from inappropriate employee conduct.

To address external counterfeit risks, the Group has developed technologies using timestamping, electronic signatures and QR codes for certificates or reports in a bid to reduce the risk of forged or counterfeit certificates and improve the traceability of the reports and certificates issued by the Group.

Potential impacts on the Group

This situation could lead to legal proceedings (civil and criminal), jeopardize the Group's ability to maintain or renew the Authorizations it needs to pursue certain activities, result in the withdrawal of certain products from the market and/or damage the reputation of the Group and the TIC industry in general. It could also adversely and significantly impact the Group's businesses, reputation, image, financial position, earnings and/or outlook.

Changes in the risk in 2019

The risk of forged certificates or reports remains stable, even though developments in information technologies could make such counterfeits either easier to produce and/or harder to detect or identify.

Accordingly, the Group has decided to step up the deployment of technologies aimed at protecting against counterfeits and improving the traceability of reports and certificates in order to provide protection for all of its businesses. These technologies notably allow end users to verify document authenticity and content accuracy online.

Risks related to litigation or pre-litigation proceedings to which the Group is a party

Description

As for any TIC company, the nature of Bureau Veritas' testing, inspection and certification activities is such that there is an inherent risk of the quality and pertinence of its work and findings being called into question in the event that flaws are subsequently identified or should major incidents occur.

What makes these types of claims different is that inspection companies can be held liable for sums that are often disproportionate in light of the amounts actually paid for the services provided.

In the normal course of business, the Group is therefore involved in a large number of litigation or pre-litigation proceedings seeking to establish its professional liability on a contractual or extra-contractual basis in connection with services provided.

Bureau Veritas is particularly exposed in terms of (i) frequency of occurrence: due to France's Spinetta Law of January 4, 1978, which establishes a presumption of joint and several liability for technical inspectors, the Group's Construction business in France sees significant, recurring claims and the Group's creditworthiness could also encourage third parties to make claims against it; (ii) timing: there may be a substantial delay between the date services are provided and the date a legal claim is filed or a legal decision is handed down (certain proceedings can last between 10 and 20 years); and (iii) financial penalties: services provided for hundreds or thousands of euros can give rise to claims seeking several millions of euros in damages.

To put pressure on the Group, as well as litigation, some claimants readily bring administrative or even criminal proceedings that are unfounded but can harm the Group's image, for example proceedings seeking to call into question licenses granted to the Group.

Accordingly, we cannot rule out that new claims may be made against a Group company in the future leading to substantial liability for the Group and thus having a significant adverse effect on the Group's business, financial position, earnings or outlook. A detailed description of major legal proceedings to which the Group is a party is provided in section 4.4 – Legal, administrative and arbitration procedures and investigations of this Universal Registration Document.

Risk control and mitigation measures

Bureau Veritas has implemented procedures aimed at preventing, monitoring and managing litigation. These procedures are described in section 4.2 – Internal control and risk management procedures of this Universal Registration Document.

The Group's legal experts work closely alongside its lawyers across the globe to manage these risks as effectively as possible. The Group also seeks to significantly insure itself against all financial consequences of claims asserting professional liability.

Provisions may be set aside to cover expenses resulting from such proceedings. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Details of total provisions for contract-related disputes are provided in section 6.6 – Notes to the consolidated financial statements, Note 27 – Provisions for liabilities and charges of this Universal Registration Document.

Potential impacts on the Group

Substantial fines or damages handed down by a court in respect of an incident not insured by a pertinent insurance policy and not adequately provisioned could have a significant adverse impact on the Group's consolidated financial statements.

Moreover, multiple awards leading to substantial payouts from insurers under the Group's insurance policies could result in a sharp rise in insurance premiums on account of the negative claims history.

Changes in the risk in 2019

The Group's efforts to manage these risks as effectively as possible by fine-tuning internal processes and extending insurance coverage are paying off. The Group's civil liability claims history has improved, although there is no guarantee this trend will continue, owing to the global commercial, political and legal environment in which the Group operates.

Risk management 4.1 Risk factors

4.1.2 Human risks

Risks related to human capital

Description

The Group employs over 78,000 people across the globe. Employee expertise, quality and commitment is vital for the success of a service provider like Bureau Veritas.

Accordingly, risks related to human capital concern the Group's ability to attract, retain, develop and motivate its staff, and particularly its high-performing employees.

The main human capital risks for Bureau Veritas are:

- a weak employer image which limits the Group's ability to attract talented prospective employees;
- a high attrition rate, which would jeopardize the quality of its services;
- inadequate diversity of current and prospective employees, given the existing male dominance of the profession (mostly requiring an engineering or expert profile);
- as yet unknown employee engagement levels.

Risk control and mitigation measures

Bureau Veritas has formally set down an HR strategy and policy in the form of an "HR Compass". This focuses efforts on attracting, engaging and developing employees. Its initiatives offer employees rewarding career and development opportunities. Bureau Veritas looks to foster employee loyalty as part of an inclusive development and performance-driven culture. This culture is also designed to reward and recognize employees' contributions in a fair and transparent manner.

Maintaining and developing pertinent technical skills among all employees in a learning corporate environment is another critical component of the Bureau Veritas "HR Compass". This is in addition to the Group's investment in developing managerial and leadership skills.

An annual review process is also in place to identify high-potential employees among the Group's managers with the ability to move into leadership and/or executive management positions in the relatively medium term. The Group also prepares succession plans and specifically monitors career transitions. Bureau Veritas has implemented a number of specific programs in this respect:

- Employer brand: development and roll-out of the new employer brand "LEAVE YOUR MARK", along with development and roll-out of an enhanced cornorate culture program including "BV Values and Leadership Expectations":
- enhanced corporate culture program, including "BV Values and Leadership Expectations";

 Attrition: roll-out of new development and performance management approaches: "MyPerformance" and "MyDevelopment";
- Diversity: development and roll-out of an inclusion policy for the Group, in addition to the Group's enhanced corporate culture program;
- Engagement: the "BVocal" pilot project rolled out in 2019 to gage employee engagement will be deployed across the Group in 2020; enhanced corporate culture, development and performance management projects will also be rolled out. Talent management, inclusiveness and diversity are discussed in further detail in the Non-Financial Statement, in section 2.3.2 Human capital of this Universal Registration Document.

Potential impacts on the Group

An under-developed employer brand could limit the Group's ability to attract the talented employees it needs to successfully pursue its strategy.

A very high attrition rate could jeopardize the quality of the Group's services and affect its ability to meet client expectations.

Insufficient diversity among employees and prospective employees could impact the Group's ability to give tangible form to its values and affect the added value that diversity brings to its strategy, which is itself based on diverse employee profiles.

Inadequate or unknown employee engagement levels could prevent the Group from achieving a satisfactory and sustainable level of productivity or from developing a targeted strategy to improve it.

Changes in the risk in 2019

The risk related to the launch of the employer brand is mitigated following the positive initial response to the new branding on social media in 2019.

Given the Group's stable attribution rate over the last few years along with the cultural, development and performance management projects launched in 2019, the Group considers that the risk of a higher attrition rate is low.

The risk related to insufficient employee diversity is seen as a moderate risk with a more significant impact on the long-term execution of the Group's strategy. This risk diminishes over time, as the Group's four values – including "open-mindedness and inclusion" – are promoted and put into practice.

Based on the results of a pilot project carried out in 2019 to determine the degree of engagement among certain employee groups, the risk related to unknown employee engagement levels remains moderate.

4.1.3 Risks related to acquisitions

Risk of impairment of intangible assets resulting from acquisitions

Description

A significant proportion of the assets recorded on the Company's statement of financial position corresponds to intangible assets resulting from business combinations. Goodwill as reported in the statement of financial position at December 31, 2019 amounts to \leq 2,075.1 million, or 29.4% of total assets (\leq 7,049.1 million).

Risk control and mitigation measures

In accordance with current IFRS standards, the Group tests the fair value of its indefinite-lived intangible assets each year, based on which it decides whether or not to recognize impairment against these assets.

The testing approach used is detailed in section 6.6 – Notes to the consolidated financial statements, Note 3 – Summary of significant accounting policies of this Universal Registration Document.

Potential impacts on the Group

The value of intangible assets depends on the future operating profit of the companies acquired and the discount rates used, which themselves are dependent on the current and future economic and financial environment.

Changes in the assumptions underpinning their valuation can lead the Group to write down certain intangible assets. In accordance with current IFRS standards, impairment taken against certain intangible assets cannot be reversed.

Any such impairment would reduce attributable net profit and equity. However, there would be no impact on cash flow for the period.

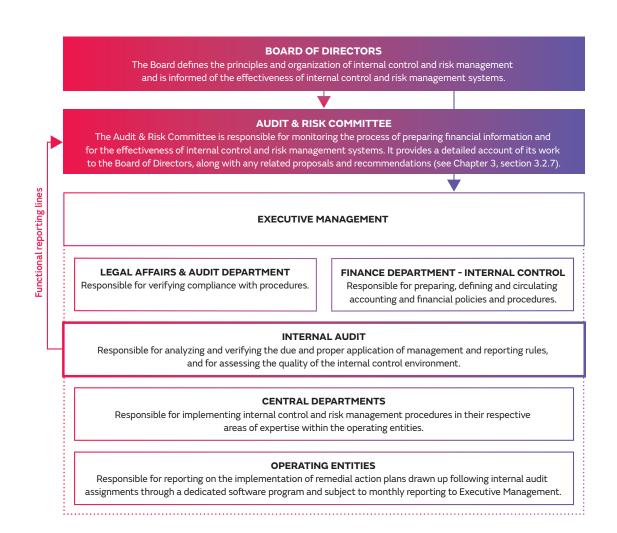
Changes in the risk in 2019

No significant changes in 2019.

4.2 Internal control and risk management procedures

4.2.1 Organization and general approach to internal control and risk management

Main internal control and risk management stakeholders



Executive Management

Group Executive Management ensures that internal control objectives are set, particularly with respect to the control environment, risk assessment and management, internal control processes, reliable financial information and Group business management, based on the principles and organization previously defined by the Board of Directors.

Internal control as implemented within Group companies is based on the following principles:

- recognition of the full accountability of the management of Group companies;
- regular financial reporting system;
- monitoring of relevant indicators by the different Group departments: and
- regular and occasional reviews of specific items as part of a formal or one-off process.

Where necessary, however, this general framework is adjusted for simplicity purposes so that the internal control process continues to be aligned with the size of the companies within the Group and the management of Group entities can duly discharge their responsibilities.

Audit & Risk Committee

In accordance with article L. 823-19 of the French Commercial Code, the Audit & Risk Committee is chiefly responsible for monitoring the process of preparing financial information, the effectiveness of internal control and risk management systems and, where applicable, those of Internal Audit, and the independence of the Statutory Auditors.

After each meeting, the Chairman of the Audit & Risk Committee prepares a detailed report of the Committee's work, proposals and recommendations for the Board of Directors.

Details of the work of the Audit & Risk Committee during 2019 are provided in section 3.2.7 – Committees of the Board of Directors of this Universal Registration Document.

Internal Audit

The Internal Audit department reports to the head of Legal Affairs & Audit. To reinforce the department's independence, it has also had a dotted reporting line to the Chairman of the Audit & Risk Committee since the end of 2018.

The role of the Internal Audit department is to perform audits, principally financial audits, in the various entities of the Group. The entities to be audited are selected at the time of preparing the annual audit plan, which is discussed with Executive Management and validated by the Audit & Risk Committee. They are chosen primarily based on the risks identified, the resulting financial implications and previous internal or external audits. This formal, structured approach is designed to ensure an adequate audit coverage rate for the Group's entities over several years. In addition, the Internal Audit department oversees the Group's recently acquired entities and regularly liaises with the Legal, Risk, Assurance and Compliance functions as part of its work.

These audits are aimed at analyzing and verifying that management and reporting rules are duly applied, as well as reviewing the quality of the internal control environment. The main procedures and cycles covered are:

- billing and revenues;
- purchasing, subcontracting and accounts payable;
- human resources;
- cash management;
- tax:
- financial statement closing procedures and reporting;
- Group Compliance Program; and
- IT risks.

In addition, a review of the financial performance of the Group's businesses is conducted when each audit assignment is carried out to verify the consistency of all the financial information produced by the entity being audited. The audit reports are sent to the managers of the operating entities and to their superiors, the central operating departments and Group Executive Management. Where appropriate, audit reports set out short- and medium-term remedial action plans for improving the control environment.

The Internal Audit department systematically monitors implementation of the action plans drawn up following Internal Audit assignments through a dedicated software program accessible to the audited departments, and gives Executive Management a monthly progress update on the implementation of recommendations. In 2019, audited entities achieved an average recommendation implementation rate of over 80% for those issued by the Internal Audit department.

In addition to the annual audit program, the Internal Audit department heads up an internal control self-assessment campaign via the distribution of three types of questionnaires across the Group (see "Internal control framework and general principles").

Central departments

The implementation of internal control and risk management procedures is the responsibility of the central departments in their respective areas of expertise, i.e., Legal Affairs & Audit, Human Resources, Finance, Quality, Health & Safety, Security and Environment (QHSSE), and Technical, Quality and Risk.

• The Legal Affairs & Audit department provides advice and assistance for any legal, insurance, risk and compliance issues affecting the Group. It helps review calls for tender, major contracts and mergers and acquisitions, and analyzes or supervises Group litigation and claims as necessary. In close cooperation with operational staff and the Group's Technical, Quality and Risk departments, the Legal Affairs & Audit department helps identify the main risks associated with the Group's activities, particularly by overseeing risk maps, and circulates the Group's risk management policies and procedures. It is responsible for taking out the Group's professional civil liability and property and casualty insurance policies. It also defines, implements and supervises the Group's Compliance Program, which includes the Code of Ethics and its internal application procedures, a risk map relating to corruption and international sanctions, an externally managed ethics alert procedure, specific training and regular internal and external audits.

4.2 Internal control and risk management procedures

- The Human Resources department circulates the evaluation and compensation policies applicable to Group managers and ensures that all Group employees are compensated and assessed on the basis of objective, predefined criteria.
- The Finance department consolidates all of the Group's financial information and manages the necessary reconciliations. It ensures that Group standards and frameworks are strictly applied, including the Group Management Manual (GMM). In this respect, it defines a series of procedures, tools and references intended to guarantee the quality and consistency of information provided (management reporting, financial statements). In particular, monthly reviews of results of operations, the net cash position and consolidation data allows financial and accounting information to be continually monitored and checked for consistency on a centralized basis.
- The Quality, Health & Safety, Security and Environment department defines and oversees the Group's quality, safety, security and environment management system. It ensures that the various operating groups implement management systems, leads the continuous improvement process and organizes the verification of compliance with procedures.
- The Technical, Quality and Risk departments across the operating groups are responsible for drawing up the technical risk management policy and verifying the technical quality of services provided, the technical qualification of organizations (overseeing operating rights and accreditations) and operators, and applying technical guidelines and methodologies rolled out by the Group. They rely on local networks to circulate procedures and verify that they are duly applied among operating entities. They are tasked with auditing the operating entities, defining any corrective actions required and ensuring that these actions are implemented.

Internal control framework and general principles

Bureau Veritas has adopted the general principles of the AMF's Reference Framework and has put in place a system that covers all of the Group's subsidiaries. The aim is to provide them with a tool that they can use for internal control self-assessment and identifying areas of improvement.

In compliance with the aforementioned AMF Reference Framework, three yearly self-assessment questionnaires on internal control are used by the Group's Internal Audit department:

 two questionnaires are used at registered office level and for certain cross-functional areas: one covers the general principles of internal control, while the other concerns financial and accounting internal control more specifically, and in particular how the finance and accounting functions are organized at central level, intended for support functions (particularly Finance); and one questionnaire covering the processes relating to the preparation of financial and accounting information is completed by the Group's operating entities.

This yearly self-assessment is designed to ensure compliance with the accounting principles defined in the Group Management Manual (GMM). It also allows the quality of existing control processes to be assessed and the requisite corrective measures to be implemented where necessary. At the time of each audit assignment, the Internal Audit department reviews the quality of the results of the self-assessment. External auditors also review the internal control system as part of their work.

Like any control system, it cannot provide an absolute guarantee that all risks have been eliminated.

Risk management framework and general principles

Organization

The Group's risk management policy is focused on ensuring that the operating entities fulfill their contractual obligations in a competent and professional manner and on preventing professional civil liability claims for damages relating to a product, system or facility in respect of which the Group's entities had provided services.

Risks are managed through a structured organization rolled out within the Group's different operating groups. This organization is based on two complementary cross-functional networks and their respective departments: the Legal Affairs & Audit and the Technical, Quality and Risk departments.

The broad range of local operations and the need to give managerial autonomy to operational staff have led to the introduction of a global risk prevention strategy, which has been formally set down and rolled out to each division and operating group.

Mapping and managing risk

The Group regularly prepares and updates risk maps under the supervision of the Legal Affairs & Audit department, with help from all operating groups and support functions in order to identify and quantify the main risks and thereby improve risk management procedures. Specific, detailed action plans are drawn up and then implemented by operating staff under the supervision of the registered office. Cross-functional initiatives, mainly relating to technical standards, monitoring regulations and global insurance programs, are also defined and implemented across the Group. In 2019, the action plans were presented in detail to the Audit & Risk Committee, along with a description of performance indicators and an implementation progress report.

The operating departments also prepare targeted risk analyses when new business activities are launched or when the Group responds to calls for tender, assisted by the Technical, Quality and Risk departments and the Legal Affairs & Audit department.

Within its networks, the Group's operational risk management policy aims to increase the number and specialization of technical centers. The Group wishes to develop "Bureau Veritas" technical standards that can be applied throughout the world, while satisfying the requirements of countries that apply the most stringent regulations.

Application of the risk management policy and the continual changes in services that the Group is asked to provide requires the commitment of local networks and risk management officers on all fronts (technical, quality, legal and compliance), thereby ensuring that they work together to enhance the Bureau Veritas brand image and reduce the risks of professional civil liability claims against the Group. The goal is to share the risk management approach and its objectives with operating teams, along with the information needed to take decisions consistent with the objectives set by the Board of Directors.

Preventing and monitoring litigation

The Legal Affairs & Audit department has put in place resources and procedures to enable twice-yearly assessments of litigation (including a root cause analysis of major disputes) in conjunction with operating groups and the Finance department.

The procedure for preventing and monitoring litigation is covered in the risk management policy. It describes the methods for managing litigation which require coordination between heads of operating entities, the operating groups, and the Legal Affairs & Audit department.

Each operating group defines the organization it has put in place to achieve the Group's objectives, in order to:

- identify disputes from the outset;
- make sure that the relevant insurers are informed of any litigation claims;
- organize an effective management approach regarding the defense of the Group's interests; and
- allow a centralized follow-up of significant litigation by the Legal Affairs & Audit department.

The Group's policy of centralizing its professional civil liability and property and casualty insurance through global programs facilitates controls and reporting.

4.2.2 Internal control procedures

Financial and accounting information

- external standards including all national accounting laws and regulations based on which Group entities prepare their financial statements. The Group prepares its consolidated financial statements under International Financial Reporting Standards (IFRS); and
- internal standards consisting of the Group Management Manual (GMM), which covers all financial, accounting and tax procedures.

The role of the Finance department is to provide reliable information and pertinent analyses in a timely manner and to act as an expert with respect to financial and financing issues within the Group. The department is responsible for setting rules for applying standards, consolidating results, managing cash and particularly hedging and exchange rate risks, managing tax issues and supervising credit risks. It also acts as a motivating force in certain improvement initiatives, such as the development of shared service centers

The Finance department is assisted by a network of Finance Officers across the Group. These report to the heads of operating departments and, from a functional standpoint, to the Group Chief Financial Officer.

Subsidiaries operating in different countries are responsible for implementing the policies, standards and procedures defined by the Group.

The budget process is structured in a way that enables objectives to be set at the level of the operating groups. The resulting budget is therefore a highly effective oversight tool that can be used to closely monitor monthly activity at the level of each country/business. This monthly control of results from operations, the net cash position and consolidation data enables Executive Management to effectively monitor the Group's financial performance.

The Group has also defined internal rules and procedures designed to safeguard assets, prevent and identify fraud, and ensure that accounting information is reliable and presents a true and fair view of the business

Acquisitions Services

The Internal Audit & Acquisitions Services department also provides coordination and integration assistance on acquisitions. This role is formally set down in a series of procedures known as the Post Merger Integration Plan (PMIP), which is structured and updated around the following areas: Finance, Human Resources, Communication, Legal Affairs & Audit, Information Systems and IT, and Quality, Health & Safety, Security and Environment.

Where appropriate, the Internal Audit & Acquisitions Services department assists the operating groups responsible for integration and liaises with all registered office support functions as part of a continuous improvement approach which builds on the experience acquired during each past operation.

4.2.3 Risk management procedures

Monitoring accreditations - role of Technical, Quality and Risk departments

Bureau Veritas holds a large number of "licenses to operate" (accreditations, authorizations, delegations of authority, etc.) which may be issued by national governments, public or private authorities, and national or international organizations as appropriate.

Each of the Group's businesses has put in place a dedicated organization for managing and monitoring these authorizations on a centralized or local basis, and the authorizations are subject to regular audits by the authorities concerned.

The aim of the Technical, Quality and Risk departments is to ensure that the services provided by each Group entity are carried out in compliance with Bureau Veritas procedures, particularly management of conflicts of interest, as regards the application of technical guidelines and methods defined by the Group, and in accordance with the regulatory or private terms of reference of the accrediting organization.

The Group has implemented an operating organization for which the degree of centralization depends on the business:

- in businesses that are managed globally and that offer similar services (Marine & Offshore, Certification, Consumer Products and Government services, Industry), the Technical, Quality and Risk departments are centralized and provide the procedures and rules to be applied throughout the world;
- in businesses that are managed locally and provide their services based on local technical standards, local Technical, Quality and Risk Officers specify the methods to be applied in their country/region under the aegis of a central Technical department.

The various Technical, Quality and Risk departments use a structured network of Officers in each operating group and each year perform a certain number of technical audits to ensure that procedures are complied with and that the rules defined by the Group and the methodologies defined locally are respected.

Quality and ISO certification

The Quality, Health & Safety, Security and Environment department is responsible for implementing and managing a quality system that supports the operating and functional entities in their aim to continually improve the processes that these entities have put in place to meet their clients' needs. These

procedures have been certified to ISO 9001 by an accredited international body.

To this end, the Quality, Health & Safety, Security and Environment department has a structured network of managers around the world and at central level.

Human Resources

The Group's Human Resources (HR) department ensures that manager compensation and evaluation policies are consistent and fair, while taking into account any particular characteristics of the local environment. The process of managing the performance of managers is defined by the Group, which verifies that it is deployed across the network. This ensures that managers are evaluated and compensated according to known, objective criteria. The Group's HR department has put in place career management processes to foster the emergence of high-potential

employees and help staff development in general. Data relating to these Group HR processes are managed in an integrated software package.

Changes in the total payroll are managed by the Group. These are analyzed every year as part of the budget process to ensure they are mitigated. Key indicators such as the attrition rate are monitored regularly by the Group HR department and action plans are implemented in conjunction with the network of HR managers.

Compliance Program

The Group's active risk management policy is underpinned by a series of values and ethical principles that are shared by all employees. In 2003, Bureau Veritas, a member of the International Federation of Inspection Agencies (IFIA), adopted a Code of Ethics applicable to all of the Group's employees. In compliance with the requirements of the IFIA (known as the TIC Council since 2019), this Code of Ethics sets forth the ethical values, principles and rules on which Bureau Veritas wishes to base its development and growth and to build relationships of trust with its clients, staff, and commercial partners. A revised Code of Ethics was approved in December 2019 by the Group's Ethics Committee. The revision of the Code was intended to (i) include two new chapters (on human rights and social and environmental responsibility) in compliance with the new requirements of the TIC Council, and (ii) better comply with the recommendations of the French Anti-Corruption Agency (Agence Française Anticorruption - AFA) pursuant to article 17 of the French Law of December 9, 2016 ("Sapin II"). The revised Code of Ethics will be distributed across the Group in 2020

after having been translated into every language in which the $\mbox{\sc Group}$ does business.

Bureau Veritas assisted in the roll-out of its Code of Ethics by putting in place the global **Compliance Program**, a special ethics-focused program, of which it is an integral component. The Compliance Program aims to (i) fight against corruption, (ii) monitor the integrity of Bureau Veritas services, (iii) prevent conflicts of interest, and (iv) comply with applicable antitrust and market regulations. The Group ensures that the program is effectively deployed and monitored, and it is regularly broadened to take into account important legislative and regulatory changes.

The Compliance Program includes a Code of Ethics (available in 32 languages), a manual of internal procedures (available in six languages), a compulsory training program for all staff worldwide (available primarily as an e-learning module in 16 languages 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 third parties coupled with an information database and sample contracts, accounting control procedures with the allocation of specific accounts for regulated transactions (gifts, donations, etc.), and regular control and assessment processes, which are mainly conducted via an annual self-assessment campaign and rounded out by internal and external audits.

The Compliance Program's e-learning module is rolled out by a dedicated network of Human Resources managers. A regular reporting system has been put in place under the supervision of this network, which monitors the number of employees trained in the Compliance Program each quarter. The aim is to cover 100% of the Group's worldwide employees.

The Group's Ethics Committee, whose members are appointed by the Board of Directors, comprises the Chief Executive Officer, the Chief Financial Officer, the Human Resources Director and the Group Compliance Officer. The Committee oversees the implementation of the Compliance Program and deals with all of the Group's ethics issues.

The Group Compliance Officer uses a network of Compliance Officers who act as intermediaries in the Group's operating groups.

In the operating entities, each unit manager is responsible for the application of the Compliance Program by the staff under his/her authority, and is supervised and managed by the heads of the operating groups to which he/she reports. For this purpose, it is the responsibility of each operating group head to provide a copy of the Code of Ethics to his/her staff, to oversee their training and inform them of their duties in simple, practical and concrete terms, and to leave them with no doubt that any failure to comply with the Compliance Program will constitute a serious breach of their professional obligations.

Any alleged breach of the Code of Ethics must be brought to the attention of the Group Compliance Officer who draws up a related file and refers the matter to the Ethics Committee so that the necessary measures can be taken. An internal or external investigation is carried out and, depending on the findings, sanctions may be imposed, including the possible dismissal of the employees in question and legal proceedings.

Internal and external audits are conducted each year on the application of and compliance with the principles of the Code of Ethics, and a statement of compliance is issued by an independent audit firm and sent to the TIC Council's Compliance Committee.

A detailed description of the Compliance Program appears in section 2.3.1.1 — Ethics: an "absolute" of this Universal Registration Document. These measures are designed to prevent any actions that are incompatible with the Group's ethical principles. Although it endeavors to be vigilant in this regard, no guarantee can be given that these measures are, or have been, complied with in all places and circumstances.

4.2.4 Changes in internal control and risk management procedures

In the next few years, the Group will aim for better coordination between different stakeholders, covering internal audits, external financial audits, internal quality audits, health and safety audits, audits by accreditation authorities, compliance audits and technical audits.

In terms of risk management, the Group will continue its efforts to regularly adapt the risk map methodology in line with changes in the Group's environment, businesses and organization.

4.3 Insurance

4.3.1 Group policy on insurance

The Group's policy is to take out insurance policies that cover all its subsidiaries throughout the world. Insurance programs are centralized in order to achieve an appropriate match between the risks transferred and the coverage purchased, thereby maximizing economies of scale while taking into account the specific characteristics of the Group's businesses and contractual or legal constraints.

The optimization of coverage and risk transfer costs is also based on the results of the risk map, as well as on the guarantees and capacity available on the insurance market.

To this end, the Group has taken out various global and centralized insurance policies placed via specialized insurance brokers with leading insurers such as Allianz Global Corporate & Specialty (AGCS), MSIG Insurance Europe AG, AIG, Zurich, RSA and Chubb. All insurers selected by the Group have a minimum S&P rating of A-.

The following presentation gives a summary of the Group's main insurance policies but does not describe the restrictions, exclusions and limits applicable thereto. Policies are negotiated for periods ranging from one to three years.

4.3.2 Group insurance programs

The main centralized programs are as follows:

- the Civil Liability policy, which covers professional civil liability for all the Group's activities, with the exception of Construction in France and Aeronautics (these are covered by specific insurance programs). This Civil Liability policy is complementary to the Civil Liability policies taken out in the countries in which Bureau Veritas operates, but with different limits and/or conditions. As in the past, this policy involves the traditional insurance and reinsurance market, as well as the Group's reinsurance subsidiary;
- the "Directors and Officers" (D&O) policy, which covers Corporate Officer civil liability;
- the Civil Liability Aeronautics policy, which mainly covers aircraft inspection activities leading to certificates of airworthiness:
- the Property Damage and Business Interruption policy, which
 covers the offices and laboratories rented, owned or otherwise
 made available to the Group. As in the past, this policy involves
 the traditional insurance and reinsurance market, as well as the
 Group's reinsurance subsidiary;
- the policy that covers employees on professional missions, including a medical assistance program;
- since January 2019, the cybersecurity insurance policy, which covers data breaches and cyberterrorism in particular.

Specific or local coverage is obtained to comply with regulations in different countries and meet the individual requirements of certain activities. Examples of this are the insurance policies for vehicle fleets and workers' compensation or for the Construction business in France, which are taken out in compliance with local regulatory practices and mandatory guarantees.

4.3.3 Self-insurance system

The Group's self-insurance system is centered on its reinsurance subsidiary, the inclusion of which in these Group insurance policies has enabled the Group to better manage risks and disputes and optimize coverage and the cost of transferring the risks insured. It provides:

- first-line coverage for the Civil Liability policy for all of the Group's businesses, where this is permitted by applicable legislation and regulations. The maximum annual amount payable by the reinsurance subsidiary for the Civil Liability policy was €9 million for 2019, with a limit of €3 million per claim. These amounts apply worldwide except for the United States, where there is an annual per-claim limit of USD 10 million for Errors & Omissions coverage and of USD 2 million for General Liability coverage;
- as part of the Group's Property Damage and Business Interruption policy, per-claim coverage of €2 million for 2019, up to a maximum amount of €4 million per annum.

The Group believes that the coverage and limits of these central and local policies are broadly similar or even more extensive than those subscribed by global companies of a similar scale operating in the same sector.

The Group intends to continue its policy of taking out global insurance policies where possible, increasing coverage where necessary and reducing costs through self-insurance policies as appropriate. It will ensure that its main accidental or operational risks are transferred to the insurance market where such a market exists, and that such transfer can be justified financially. The insurance program described above will be adjusted in accordance with ongoing risk assessments (based mainly on risk maps), market conditions and available insurance capacity.

4.4 Legal, administrative and arbitration procedures and investigations

In the normal course of business, the Group is involved with respect to its activities in a large number of legal proceedings seeking to establish its professional liability. Although the Group pays careful attention to managing risks and the quality of the services it provides, some services may result in adverse financial penalties.

Provisions may be set aside to cover expenses resulting from such proceedings. The amount recognized as a provision is the best

estimate of the expenditure required to settle the present obligation at the end of the reporting period. The costs the Group ultimately incurs may exceed the amounts set aside to such provisions due to a variety of factors such as the uncertain nature of the outcome of the disputes.

At the date of this Universal Registration Document, the Group is involved in the main proceedings described below.

4.4.1 Dispute concerning the construction of a hotel and commercial complex in Turkey

Bureau Veritas Gozetim Hizmetleri Ltd. Sirketi ("BVG") and the Turkish company Aymet are parties to a dispute before the Commercial Court of Ankara relating to the construction of a hotel and business complex in respect of which the parties entered into a contract in 2003. In 2004, construction on the project was halted following the withdrawal of funding for the project by the Aareal Bank. Aymet filed an action against BVG in 2008, claiming damages for alleged failures in the performance of its project inspection and supervision duties and BVG's responsibility in the withdrawal of the project's financing.

Regarding the merits of the case, the documents presented to the court by BVG and Aareal Bank, which provided a loan for the project and which was also summoned to the proceedings by Aymet, along with legal opinions provided by several distinguished professors of Turkish law, support the Company's position according to which Aymet's claims are without firm legal or contractual foundation.

In November 2017, a decision was handed down in the case between Aareal Bank and Aymet via its legal representative, within the scope of the same affair. The Court considered that Aareal Bank had legitimately terminated its financing on account of a breach of contract by the lender, Aymet.

Under local law, Aymet's claim is capped at 87.4 million Turkish lira, plus interest charged at the statutory rate and court costs.

On December 5, 2018, the Court upheld Aymet's application in its entirety and ordered BVG to pay the amounts claimed. As BVG contests both the principle of its liability and the loss assessment, it has appealed this decision, filing a bank guarantee in order to oppose any attempt at enforcing it. The appeal is pending.

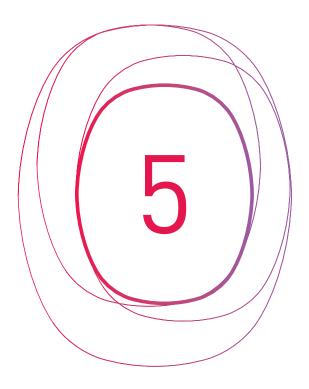
At the current stage of proceedings, the outcome of this dispute is uncertain, even though BVG's counsel are optimistic regarding the appeal decision. Based on the provisions set aside by the Group, and on the information currently available, and after considering the opinion of its legal counsel, the Company considers that this claim will not have a material adverse impact on the Group's consolidated financial statements.

4.4.2 Tax contingencies and positions

Bureau Veritas SA and certain Group subsidiaries are currently being audited or have received proposed tax adjustments that have led to discussions with the competent local authorities. Talks are currently at the litigation or pre-litigation stage.

Given the current status of the pending matters and based on the information available to date, the Group believes that the tax contingencies and positions reported in its consolidated financial statements in respect of these risks, audits and adjustments are appropriate.

There are no other legal, administrative, government and arbitration procedures or investigations (including any proceedings of which the Company is aware that are pending or with which the Group is threatened) that could have, or have had over the last six months, a material impact on the Group's financial position or profitability. A description of the provisions for claims and disputes booked by the Group is provided in section 6.6 – Notes to the consolidated financial statements, Note 27 of this Universal Registration Document. This note continues to be relevant since the disputes relate to taxes other than income taxes (IAS 12).



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Activity report 5.1 2019 highlights

This report covers the Group's results and business activities for the year ended December 31, 2019 and was prepared based on the 2019 consolidated financial statements, included in Chapter 6 – Financial statements of this Universal Registration Document.

Unless otherwise indicated, the information presented and discussed in this chapter is financial data resulting from the application of IFRS 16 to the 2019 consolidated financial statements.

The alternative performance indicators presented in this chapter are defined and reconciled with IFRS in section 5.6 – Definition of alternative performance indicators and reconciliation with IFRS of this Universal Registration Document.

5.1 2019 highlights

5.1.1 Continuing steady organic revenue growth throughout the year

Group organic revenue growth amounted to 4.3% in 2019, accelerating at 5.3% in the last quarter after 4.0% growth achieved in the first nine months of the year:

- five out of six businesses grew organically at 4.8% on average, including Agri-Food & Commodities at 6.7%, Buildings & Infrastructure (B&I) at 3.2%, and Consumer Products at 2.3%;
- Marine & Offshore (up 4.9% led by new construction) and Industry (up 6.4% led by Opex diversification and the recovery of Oil & Gas Capex markets) confirmed their recovery;
- Certification declined 1.5%, as expected, a reflection of a transitional year post-revision of standards, cushioned by a return to strong growth in the last quarter.

In the last quarter, the Group's portfolio grew 5.3% on average organically and across the Board. Industry was the top performing business at 9.3%, delivering the full benefits of the balanced Opex and Capex-related activities. Certification was up 6.7%, benefiting from strong momentum on new schemes and the development of the business following the revision of standards period.

5.1.2 Continuing disciplined M&A strategy with five transactions in the year

In 2019, Bureau Veritas completed five transactions in different countries to strengthen its footprint, representing around €46 million in annualized revenue (or 0.9% of 2019 Group revenue). These supported two of the five Growth Initiatives:

	Annualized revenue	Country	Date	Field of expertise
Buildings & Infrastructure				
Capital Energy	€23 million	France	January 2019	Consulting and support services for white certificate-eligible projects
Owen Group	€7 million	United States	March 2019	Asset management and project compliance services
Agri-Food				
BVAQ	Joint venture with AsureQuality €4 million in additional revenue	Singapore	January 2019 ⁽¹⁾	Food testing company providing services to South East Asian markets
Shenzhen Total-Test Technology	€10 million	China	April 2019	Testing services for agricultural, processed food, additives, baby food, animal feed and non-medical cosmetics
Q Certificazioni	c.€2 million	Italy	August 2019	Organic certification services for food products against national and international standards

⁽¹⁾ Closed on December 28, 2018 and announced on January 3, 2019.

The Group is pursuing a very selective and disciplined strategy in its operations. As at the end of February 2020, Bureau Veritas had completed 33 acquisitions adding more than €410 million of incremental revenue (of which more than €390 million supporting the Group's five Growth Initiatives).

The pipeline of opportunities remains healthy and the Group will continue to deploy a very selective bolt-on acquisitions strategy, in targeted areas and geographies.

5.1.3 An active portfolio management strategy

The Group continued to divest in 2019 non-strategic businesses. It completed the disposal of its health, safety and environmental consulting services in North America in June 2019 (HSE Consulting; USD 30 million in revenue in 2018 and 170 employees).

Elsewhere, a number of laboratories and offices were divested in targeted geographies (North America and Europe notably) and focused on under-performing units, in order to streamline its global organization.

In total, the Group divested around &35 million of revenue and reduced its headcount by 250 full-time equivalents in 2019.

5.1.4 A proactive cost management approach

The Group implemented structural margin improvement actions and continued to adjust its cost base, notably in Industry, Buildings & Infrastructure, and commodities related-activities.

This resulted in a restructuring charge of €24.4 million in 2019, following €42.1 million in 2018.

5.1.5 Sustained financing activity in favor of lengthening the average maturity and optimizing of the average cost of debt

In November 2019, Bureau Veritas SA successfully issued a €500 million unrated new bond maturity January 2027 and carrying a coupon of 1.125%. This transaction was nearly four times oversubscribed, enabling Bureau Veritas to benefit from a price below initial price indications. It underlines the high confidence of investors in the Bureau Veritas business model as well as the quality of its credit profile.

The Group also successfully launched a USD 200 million 10-year private placement in the US market. This transaction, which was also strongly oversubscribed, comes with a coupon of 3.21%, which is a historic low for the Group on this market. The funds were made available in January 2020.

These issuances allow Bureau Veritas to seize attractive market conditions for general corporate purposes including the refinancing of some of its upcoming maturities, thereby lengthening the average maturity of its debt while optimizing its cost.

This helped extend the average maturity of the Group's financial debt to 5.8 years⁽¹⁾, with a blended average cost of funds over the full year of 2.8%.

5.1.6 Catherine Chen appointed Executive Vice-President of Bureau Veritas Consumer Products Services

On January 1, 2020, Catherine Chen became Executive Vice-President of the Consumer Products Services division. Based in Shanghai, China, Catherine Chen is a member of the Group Executive Committee and reports to Didier Michaud-Daniel, Chief

Executive Officer of Bureau Veritas. She brings more than 20 years of global experience in the Consumer Products industry and succeeds Oliver Butler, who has decided to retire from the Group in 2020 after many successful years with Bureau Veritas.

⁽¹⁾ At December 31, 2019, on the basis of the core debt adjusted for 2020 and 2021 maturities partially refinanced during 2019, for a total amount of €678 million.

5.2 Business review and results

(€ millions)	2019 after applying IFRS 16	2019 before applying IFRS 16	2018	Change ⁽¹⁾
Revenue	5,099.7	5,099.7	4,795.5	+6.3%
Purchases and external charges	(1,438.3)	(1,545.7)	(1,418.0)	
Personnel costs	(2,596.8)	(2,596.8)	(2,507.1)	
Other expenses	(343.3)	(248.9)	(233.2)	
Operating profit	721.3	708.3	637.2	+13.2%
Share of profit of equity-accounted companies	0.6	0.6	0.4	
Net financial expense	(118.6)	(100.7)	(93.2)	
Profit before income tax	603.3	608.2	544.4	+10.8%
Income tax expense	(210.7)	(212.0)	(189.3)	
Net profit	392.6	396.2	355.1	+10.6%
Non-controlling interests	24.7	24.8	22.5	
ATTRIBUTABLE NET PROFIT	367.9	371.4	332.6	+10.6%

⁽¹⁾ Year-on-year changes are calculated by comparing data for 2019 after applying IFRS 16 with data for 2018.

5.2.1 Revenue

- organic growth of 4.3%;
- a positive 1.2% impact from changes in the scope of consolidation; and
- a positive 0.8% impact from currency fluctuations related to the appreciation of the US dollar and pegged currencies against the euro, partly offset by the depreciation of some emerging countries' currencies.

The bases for calculating components of revenue growth are presented in section 5.6 – Definition of alternative performance indicators and reconciliation with IFRS of this Universal Registration Document.

5.2.2 Operating profit

Consolidated operating profit totaled €721.3 million in 2019, jumping 13.2% year on year. Consolidated operating profit totaled €708.9 million before applying IFRS 16, a rise of 11.2% on 2018.

Expenses relating to purchases and external charges and personnel costs were up 2.8% overall (up 5.5% before applying IFRS 16). Other expenses climbed 47.2% (up 6.7% before applying IFRS 16).

5.2.3 Adjusted operating profit

Adjusted operating profit is defined as operating profit before the adjustment items described in section 5.6 – Definition of alternative performance indicators and reconciliation with IFRS, and in Note 4 to the consolidated financial statements – Alternative performance indicators, included in section 6.6 of this Universal Registration Document.

The table below shows a breakdown of adjusted operating profit in 2019 and 2018:

(€ millions)	2019 after applying IFRS 16	2019 before applying IFRS 16	2018	Change ⁽¹⁾
Operating profit	721.3	708.3	637.2	+13.2%
Amortization of intangible assets resulting from acquisitions	79.8	79.8	75.1	
Restructuring costs	24.4	24.4	42.1	
Acquisitions and disposals	6.0	6.0	3.6	
Total adjustment items	110.2	110.2	120.8	
ADJUSTED OPERATING PROFIT	831.5	818.5	758.0	+9.7%

⁽¹⁾ Year-on-year changes are calculated by comparing data for 2019 after applying IFRS 16 with data for 2018.

Adjustment items totaled €110.2 million in the year, compared to €120.8 million in 2018, and comprised:

- €79.8 million in amortization of intangible assets resulting from acquisitions;
- €24.4 million in restructuring costs recognized in all regions and businesses, primarily concerning Government services, Buildings & Infrastructure, and activities relating to Commodities;
- €6.0 million relating mainly to income and expenses on acquisitions, and gains and losses on disposals of businesses.

Consolidated adjusted operating profit increased by 9.7% to &831.5 million in 2019. Consolidated adjusted operating profit totaled &818.5 million before applying IFRS 16, a rise of 8.0% on 2018.

CHANGE IN ADJUSTED OPERATING PROFIT

(€ millions)	
2018 adjusted operating profit	758.0
Organic change	+39.4
Organic adjusted operating profit	797.4
Scope	+12.7
Adjusted operating profit at constant currency	810.1
Currency	+8.4
2019 ADJUSTED OPERATING PROFIT BEFORE APPLYING IFRS 16	818.5
IFRS 16 impact	+13.0
2019 ADJUSTED OPERATING PROFIT AFTER APPLYING IFRS 16	831.5

Adjusted operating margin expressed as a percentage of revenue was 16.3% in 2019, up 50 basis points on 2018. At constant exchange rates, it progressed by around 20 basis points in 2019 to 16.0%. Currency fluctuations had a slight positive impact of

5 basis points on the 2019 adjusted operating margin. Applying IFRS 16 had a positive adjusted operating impact of 25 basis points.

Activity report 5.2 Business review and results

CHANGE IN ADJUSTED OPERATING MARGIN

2019 ADJUSTED OPERATING MARGIN AFTER APPLYING IFRS 16	16.3%
IFRS 16 impact	+25bps
2019 ADJUSTED OPERATING MARGIN BEFORE APPLYING IFRS 16	16.1%
Currency	+5bps
Adjusted operating margin at constant currency	16.0%
Scope	+7bps
Organic adjusted operating margin	15.9%
Organic change	+13bps
2018 adjusted operating margin	15.8%
(in percentage and basis points)	

Three out of the Group's six business activities posted improving margins, adding 32 basis points to the Group's organic margin. This was driven by a significant improvement in Agri-Food & Commodities, Buildings & Infrastructure and Marine & Offshore. This improvement is the result of a combination of operating

leverage, strict cost control, restructuring pay-back and active portfolio management.

Both Consumer Products and Certification experienced lower margins due to low or negative organic growth and/or a negative mix

5.2.4 Net financial expense

Consolidated net financial expense essentially includes interest and amortization of debt issuance costs, income received in connection with loans, debt securities or equity instruments, or other financial instruments held by the Group, and unrealized gains and losses on marketable securities, as well as gains or losses on foreign currency transactions and adjustments to the fair value of financial derivatives. It also includes the interest cost on pension plans, the expected income or return on funded pension plan assets and the impact of discounting long-term provisions.

CHANGE IN NET FINANCIAL EXPENSE

(€ millions)	2019 after applying IFRS 16	2019 before applying IFRS 16	2018
Finance costs, gross	(102.3)	(85.5)	(84.3)
Income from cash and cash equivalents	2.1	2.1	1.8
Finance costs, net	(100.2)	(83.4)	(82.5)
Foreign exchange gains/(losses)	(10.0)	(8.9)	(5.7)
Interest cost on pension plans	(4.4)	(4.4)	(2.3)
Other	(4.0)	(4.0)	(2.7)
NET FINANCIAL EXPENSE	(118.6)	(100.7)	(93.2)

Net financial expense was $\$ 118.6 million in 2019 ($\$ 100.7 million before applying IFRS 16), compared with $\$ 93.2 million in 2018:

- the increase in net finance costs, to €100.2 million in 2019 from €82.5 million in 2018, is essentially the result of applying IFRS 16 (€16.8 million);
- the Group's foreign exchange gains and losses result from the impact of currency fluctuations on the assets and liabilities of subsidiaries denominated in a currency other than their functional currency. In 2019, the appreciation in the US dollar and the euro against most emerging market currencies generated €10.0 million in foreign exchange losses, compared to a foreign exchange loss of €5.7 million in 2018;
- the interest cost on pensions, discounted at a lower interest rate, and other financial expenses both increased in 2019.

5.2.5 Income tax expense

Income tax expense on consolidated revenue amounted to $\[\le \]$ 210.7 million in 2019 compared to $\[\le \]$ 189.3 million in 2018. The effective tax rate, corresponding to income tax expense divided by the amount of pre-tax profit, was 34.9% in 2019 compared with 34.8% in 2018. The adjusted effective tax rate was 33.1%.

The 0.2% decrease in the adjusted effective tax rate compared to 2018 (33.3%) notably reflects the favorable impact of the new tax deductibility rules for interest applicable in France.

CHANGE IN THE EFFECTIVE TAX RATE

(€ millions)	2019 after applying IFRS 16	2019 before applying IFRS 16	2018
Profit before income tax	603.3	608.2	544.4
Income tax expense	(210.7)	(212.0)	(189.3)
Effective tax rate	34.9%	34.9%	34.8%
ADJUSTED EFFECTIVE TAX RATE	33.1%	33.1%	33.3%

5.2.6 Attributable net profit

Attributable net profit for the year was up sharply at €367.9 million, 10.6% more than in 2018 (€332.6 million). Attributable net profit totaled €371.4 million before applying IFRS 16, a rise of 11.7% year on year.

Earnings per share (EPS) came out at €0.83, compared to €0.76 in 2018. Before applying IFRS 16, earnings per share totaled €0.84.

5.2.7 Adjusted attributable net profit

Adjusted attributable net profit is defined as attributable net profit adjusted for the adjustment items net of tax described in section 5.6 – Definition of alternative performance indicators and reconciliation with IFRS, and in Note 4 to the consolidated financial statements – Alternative performance indicators, included in section 6.6 of this Universal Registration Document.

The table below shows a breakdown of adjusted attributable net profit in 2019 and 2018:

(€ millions)	2019 after applying IFRS 16	2019 before applying IFRS 16	2018
ATTRIBUTABLE NET PROFIT	367.9	371.4	332.6
EPS ^(a) (in euros per share)	0.83	0.84	0.76
Adjustment items	110.2	110.2	120.8
Net profit/(loss) from discontinued operations	-	-	-
Tax impact on adjustment items	(25.4)	(25.4)	(32.1)
Non-controlling interests	(1.7)	(1.7)	(4.1)
ADJUSTED ATTRIBUTABLE NET PROFIT	451.0	454.5	417.2
ADJUSTED EPS ^(a) (in euros per share)	1.02	1.03	0.96

⁽a) Calculated using the weighted average number of shares: 442,259,428 shares in 2019 and 435,786,895 shares in 2018.

Adjusted attributable net profit amounted to \leq 451.0 million, a sharp 8.1% rise compared to 2018. It totaled \leq 454.5 million before applying IFRS 16, an increase of 8.9% year on year.

Activity report 5.2 Business review and results

CHANGE IN ADJUSTED ATTRIBUTABLE NET PROFIT

(€ millions)	
2018 adjusted attributable net profit	417.2
Organic change and scope	+53.7
Adjusted attributable net profit at constant currency	470.9
Currency	(16.4)
2019 ADJUSTED ATTRIBUTABLE NET PROFIT BEFORE APPLYING IFRS 16	454.5
IFRS 16 impact	(3.5)
2019 ADJUSTED ATTRIBUTABLE NET PROFIT AFTER APPLYING IFRS 16	451.0

Adjusted earnings per share (or adjusted net profit per share) stood at €1.02 in 2019 versus €0.96 one year earlier. Before applying IFRS 16, adjusted earnings per share was €1.03.

5.2.8 Results by business

CHANGE IN REVENUE BY BUSINESS

			Growth					
(€ millions)	2019	2018	Total	Organic	Scope	Currency		
Marine & Offshore	368.5	348.6	+5.7%	+4.9%	+0.1%	+0.7%		
Agri-Food & Commodities	1,168.2	1,074.5	+8.7%	+6.7%	+1.2%	+0.8%		
Industry	1,111.1	1,052.8	+5.5%	+6.4%	(0.1)%	(0.8)%		
Buildings & Infrastructure	1,379.2	1,275.7	+8.1%	+3.2%	+3.6%	+1.3%		
Certification	370.5	373.7	(0.9)%	(1.5)%	+0.2%	+0.5%		
Consumer Products	702.2	670.2	+4.8%	+2.3%	-	+2.5%		
TOTAL GROUP	5,099.7	4,795.5	+6.3%	+4.3%	+1.2%	+0.8%		

CHANGE IN ADJUSTED OPERATING PROFIT BY BUSINESS

	Adjusted operating profit				Adjusted operating margin					
After applying IFRS 16 (€ millions)	2019	2018	Change	2019	2018	Total change (bps)	IFRS 16 impact	Organic change	Scope	Currency
Marine & Offshore	81.5	73.5	10.9%	22.1%	21.1%	+104	+10	+55	+35	+4
Agri-Food & Commodities	161.4	132.0	+22.3%	13.8%	12.3%	+153	+40	+79	+39	(5)
Industry	141.4	131.1	+7.9%	12.7%	12.5%	+26	+32	(9)	(5)	+8
Buildings & Infrastructure	209.7	188.2	+11.4%	15.2%	14.8%	+45	+9	+38	(8)	+6
Certification	64.5	66.4	(2.9)%	17.4%	17.8%	(34)	+14	(50)	+2	-
Consumer Products	173.0	166.8	+3.7%	24.6%	24.9%	(26)	+35	(53)	_	(8)
TOTAL GROUP	831.5	758.0	+9.7%	16.3%	15.8%	+50	+25	+13	+7	+5

	Adjust	ed operating p	rofit	Adjusted operating margin			margin		
Before applying IFRS 16 (€ millions)	2019	2018	Change	2019	2018	Total change (bps)	Organic change	Scope	Currency
Marine & Offshore	81.2	73.5	+10.5%	22.0%	21.1%	+94	+55	+35	+4
Agri-Food & Commodities	156.6	132.0	+18.6%	13.4%	12.3%	+113	+79	+39	(5)
Industry	137.7	131.1	+5.0%	12.4%	12.5%	(6)	(9)	(5)	+8
Buildings & Infrastructure	208.4	188.2	+10.7%	15.1%	14.8%	+36	+38	(8)	+6
Certification	64.0	66.4	(3.6)%	17.3%	17.8%	(48)	(50)	+2	_
Consumer Products	170.6	166.8	+2.3%	24.3%	24.9%	(61)	(53)	_	(8)
TOTAL GROUP	818.5	758.0	+8.0%	16.1%	15.8%	+25	+13	+7	+5

Marine & Offshore

The Marine & Offshore business demonstrated a solid 4.9% organic revenue growth in 2019, as it benefited from the recovery in new orders. The 2.4% organic revenue growth in Q4 2019 reflects the recovery already seen in the last quarter of 2018. The full year performance results mainly from:

- high single-digit growth in New Construction, notably driven by the equipment certification business in North East Asia (China and South Korea);
- low single-digit growth in Core In-service, a reflection of the fleet's modest growth, stabilized pricing and small IMO 2020 benefit. The Group also benefited from a regular stream of class transfers. At December 31, 2019, the fleet classified by Bureau Veritas comprised 11,394 ships, representing 126.6 million of Gross Register Tonnage (GRT), up 0.5% on a yearly basis (based on the number of ships);
- low single-digit growth for Services (including Offshore) benefiting from the extension of services provided to customers and stabilized Offshore activity (loss adjusting services). In particular, the offshore wind energy provides attractive opportunities, with the awards of two projects with Jan de Nul, of which one is a highly sophisticated offshore self-elevating wind farm installation vessel.

New orders grew 7.3% to 6.5 million gross tons at the end of December 2019 (from 6.1 million gross tons in the prior year period). The Group's significant outperformance in a market down double-digit in 2019 illustrates its strong positioning in the most dynamic segments and confirms its leading position in the LNG-propelled and LNG bunkering vessels. The order book stood at 14.2 million gross tons at the end of the year, up 1.2% compared to December 2018. It is well diversified with containers, bulk, tankers and LNG vessels gas and passenger ships representing a significant share of the orders.

In 2019, Marine & Offshore continued to focus on efficiency levers through digitalization and high added value services. It launched new digital tools, such as Veristar Equipment, a platform to simplify the equipment certification process and Optimum Survey

Planning, a tool that optimizes the booking of inspections and visits by the customer. In addition, electronic certificates were deployed during the year for numerous ship owners, with more than 1,500 electronic certificates issued.

During the year, Bureau Veritas Solutions gained traction amongst the Group's customers as shipowners and operators seek expertise to increase the performance of their assets. It was launched in 2018 in order to support the Group's customers in the context of tightening environmental regulatory requirements.

Adjusted operating margin for the year improved to 22.1%, up 104 basis points compared to 2018, of which 55 basis points on an organic basis, benefiting from the operating leverage, positive mix and operational excellence. The Group saw notably the effect from the successful transformation of the operating model of its In-Service activity.

Outlook: In 2020, Bureau Veritas expects organic revenue growth in this business to be positive. This reflects (i) a good momentum in New Construction thanks to its healthy backlog; (ii) resilient Core In-Service activity; (iii) improving Offshore-related activities.

Agri-Food & Commodities

The Agri-Food & Commodities business achieved strong organic growth of 6.7% in 2019, driven by Metals & Minerals, Agri-Food and Government services. Q4 2019 recorded a 6.6% organic growth.

Oil & Petrochemicals (O&P) segment (36% of divisional revenue) reported low single-digit organic growth (including in Q4 2019), with similar growth in both trade and upstream activities. The Group recorded strong growth in Europe driven by new services and outsourcing contracts, as well as a very high growth in Africa thanks to its extension of footprint and services; in contrast, slightly negative growth was achieved in the US, where competitive dynamics remained difficult. Non-trade activities (OCM, Marine fuels) achieved double-digit growth. IMO 2020 provided additional push in the market with strong demand for compatibility testing as ship owners make the transition.

Metals & Minerals segment (28% of divisional revenue) continued to deliver a strong performance with organic growth high single-digit in 2019 (including in Q4), led by both Trade and Upstream activities across most geographies. Upstream continued to record strong growth led notably by Africa, Australia and the Americas. The Group experienced good results from its continued strategy of development in Africa with new contracts and lab facilities servicing a range of projects – including bauxite and gold. Key mine site outsourcing contract wins (Africa and Australia) contributed significantly to growth. Trade activities grew high single-digit organically, primarily led by Asia and Americas. They benefited from favorable market conditions and continued strong performance winning market share.

Agri-Food (22% of divisional revenue) recorded a very strong double-digit organic growth for the full year, (including in Q4) driven by both Food activities and Agricultural testing and inspection activities. The Agri business recorded double-digit growth across all geographies apart from Europe. It benefited from new contract wins notably in precision farming (in Africa, Latin America and Eastern Europe notably), favorable comparables (following poor weather conditions and external factors in 2018) and new services covering traceable sustainability programs offered to the grower, trade and retail industry. The Food business also maintained strong trends across all geographies, above the market growth, thanks to the development of several initiatives, new labs openings (US and Asia) and the benefits from past acquisitions (DTS in Australia or Labomag in Morocco). In 2019, the creation of the Bureau Veritas Asure Quality joint-venture allowed to consolidate the leading position of the company in South East Asia, thanks to a highly integrated network of labs in Singapore, Malaysia, Vietnam and

Government services (14% of divisional revenue) recorded double-digit organic growth in the year, (of which high single-digit in Q4), benefiting from the full ramp-up of VOC (Verification of Conformity) and single window contracts in several African countries (the Democratic Republic of the Congo, Ghana, Ivory Coast and Tanzania notably).

The adjusted operating margin for the Agri-Food & Commodities business strongly improved to 13.8%, up 153 basis points compared to last year. This reflects a strong organic increase (up 79 basis points) fueled by the operating leverage, a positive mix and the benefit of past restructuring actions.

Outlook: In 2020, the Group expects its Agri-Food & Commodities business to deliver solid organic revenue growth albeit at a slower rate compared to 2019, fueled by strong Agri-Food businesses, solid Metals & Minerals markets and resilient Oil & Petrochemicals activities.

Industry

Industry revenue accelerated to 6.4% organically in the full year 2019 from 3.5% in 2018, confirming the recovery observed over the past year. In Q4 2019 the business delivered a strong 9.3% organic growth. This reflects the benefits of the strategy of diversification towards Opex and non-Oil & Gas markets together with improving market conditions in Oil & Gas throughout 2019.

Part of the Group's strategic plan Growth Initiatives, Opex-related activities maintained a strong performance in 2019. Low double-digit growth was mostly supported by the Power & Utilities segment (13% of divisional revenue, P&U), primarily led by Latin America along with a solid momentum in North America. During the year, the Group successfully expanded its Opex Grid platform across different Latin American countries (Brazil, Colombia, Peru, Argentina, Panama), capitalizing on its recognized expertise. Several large contracts with various Power distribution clients were signed in Chile and Argentina. P&U is expected to remain one of the growth engines of the Group and to further improve the recurring nature of its businesses.

Oil & Gas markets (36% of divisional revenue) continued to recover throughout the year including in the last quarter: Capex-related activities grew low double-digit organically, led by strong developments in the United States, Latin America (apart from Brazil) and Africa. The business further stabilized in Asia. During the year, the Group continued to experience a build-up of predominantly small-sized capex opportunities in the pipeline, notably on Gas and for LNG related projects. Opex-related activities grew mid-single-digit organically compared to last year, benefiting from the recovery of large key accounts. Growth was primarily fueled by Latin America (Argentina and Colombia notably) and South & West Europe.

By geography, growth was very strong in all the main Latin America countries thanks to sector diversification (P&U activities and O&G Opex), in the US (led by international oil companies and LNG projects) and in certain European countries (including Italy, the UK and Eastern countries).

During the year the Group continued to deliver progress on its digital transformation. Drone inspections have been multiplied in many sectors and countries, leading to better efficiency and greater safety for inspectors. The Group signed three new partnerships: i) with Ergoss for a flight data analysis service for aviation security; ii) with Cornis for advanced inspection services for wind turbine blade, based on Cornis artificial intelligence technology iii) with OSMOS (EREN Group) for integrated inspection and structural monitoring services, based on the unique technology of OSMOS deformation sensors.

Adjusted operating margin for the year was 12.7%, up 26 basis points from 12.5% in 2018. Organically the margin declined by 9 basis points due to continuing negative mix effect with the strong ramp-up of large Opex contracts and mobilization costs which offset the operational leverage and the benefits of the restructuring actions.

Outlook: In 2020, Bureau Veritas expects its Industry business to deliver solid organic revenue growth, fueled by the pursuit of its successful Opex services diversification alongside further improvement in Oil & Gas Capex markets.

Buildings & Infrastructure

The Buildings & Infrastructure business posted strong revenue growth of 8.1% in 2019 with a 3.6% impact from external growth due notably to the acquisition of Capital Energy in France and Owen Group in the US.

Organically, growth amounted to 3.2% for the year (of which 2.8% in the last quarter) spread across Asia and Americas. Mid-single-digit organic growth was delivered in Construction-related activities (44% of divisional revenue) while a low single-digit organic growth was reached in the Buildings In-service activities (56% of divisional revenue).

The Group achieved high single-digit organic growth in Asia Pacific (23% of divisional revenue). It was fueled by China (9.5% organic growth), representing 15% of Buildings & Infrastructure revenue, which remains supported by strong growth in energy and infrastructure project management assistance. Japan also delivered robust organic growth thanks to good development in Capex-related services.

In the Americas (19% of divisional revenue), mid-single-digit growth was achieved primarily led by the United States (7.7% organic growth), benefiting from strong dynamics in data center commissioning services (Primary Integration acquisition) and solid trends for code compliance services. The acquisition of Owen Group (around €7 million in revenue) positioned the Group in buildings and infrastructure compliance services in the US including ADA accessibility compliance, deferred maintenance compliance, commissioning, and code compliance. In Latin America, the activity suffered from the end of contracts and the lack of new investments in Brazil and Mexico notably. The sales pipeline however improved by year end.

Growth in Europe (55% of divisional revenue) was slightly up. France (42% of divisional revenue) was broadly stable with some improvement in Q4 (2.6%) reflecting some growth for Opex-related activities (around three-quarter of the French business) while Capex-related works were slightly down, reflecting the market dynamics. During the year, several initiatives were launched as well as more value added package offers: they rely on BV Solutions which encompasses a large range of new services including project management leveraging EMG Ageing & Risk Predictive asset management or energy audit/energy efficiency programs capitalizing on the expertise of Capital Energy (€23 million in revenue, acquired in 2019), providing consulting and support services for white certificate eligible projects in France.

During the year, the project management assistance of large construction works, which was developed in Brazil based on PRIManager software, was deployed in more than ten countries. The recent deployment in China should further accelerate the growth in revenue associated with these services.

Adjusted operating margin for the year improved by 45 basis points to 15.2%, of which 38 basis points organic due to efficiency gains and geographical mix effects.

Outlook: In 2020, the outlook for the business is expected to improve overall thanks to the recovery of France, backed by the delivery of its healthy backlog of Opex-related services, mitigated by the negative impact of Covid-19 on its operations.

Certification

The Certification business recorded, as expected, a slightly negative organic growth of 1.5% for the full year 2019, after the exceptionally high level of activity in 2018 with the end of the three-year standards revision period. In the last quarter, the growth resumed with a strong organic performance of 6.7%.

As expected QHSE and Transportation Certification markets declined significantly as a result of the absence of transition man-days in the first nine months of the year. This mainly impacted the countries which are highly dependent on QHSE and Transportation standards, namely Germany, the US, Canada, Brazil and Japan.

Growth was strong elsewhere supported by new products which address the overall rising customer demand for brand protection and traceability all along the supply chain. In 2019, the Group achieved high double-digit growth in Health & Safety Management (with the new ISO 45001 standard), Social & Customized audits (on both clients' supply and operations sides), Sustainability and Corporate Social Responsibility audits. In particular, the GreenHouseGas and CO_2 Emissions business delivered stellar growth this year.

In Sustainability, Bureau Veritas provides companies with solutions to measure and verify the different aspects of their climate change, social responsibility commitments and objectives:

- airline industry: Bureau Veritas has been one of the first Certification bodies accredited by UKAS for the CORSIA program (Carbon Offsetting & Reduction Scheme for International Aviation) developed by the United Nations Agency ICAO (International Civil Aviation Organization) to reduce CO₂ emissions linked to air traffic by around 2.5 billion tons. This accreditation allows the Group to support airlines in verifying their carbon emissions levels from 2020;
- circular economy: Bureau Veritas launched Circular+, in 2019, a suite of audit and certification services dedicated to natural resource conservation, waste recycling, environmental management, optimization of energy consumption and reduction of greenhouse gas emissions.

Food Management Systems and Food Certification continued to deliver strong growth, notably fueled by organic products, up double-digit organically. In August 2019, the Group completed the acquisition of Italy-based Q Certificazioni S.r.l., an independent certification body specializing in Organic certification (c.€2 million of revenue in 2018). This acquisition enables the Group to enter the Organic Food certification market in Italy, one of Europe's leading countries in the production of organic food and one of the leading exporting countries of organic produce.

The Group's portfolio diversification continued to be a key contributor to the growth, with new products development being up more than 25% in the full year 2019. In risk management, Bureau Veritas continued to develop the portfolio of solutions dedicated to companies around Anti-bribery, Asset Management, and Business Continuity. In digital, the new offers related to the protection of private data within the framework of the recent European general regulation on data protection (GDPR) or the new ISO 27701: 2019 standard on the protection of life, privacy and personal data.

Activity report 5.2 Business review and results

Adjusted operating margin for the year eroded 34 basis points to a healthy 17.4%. This reflects a 50 basis points organic decrease led by negative growth and mix cushioned by margin initiatives.

Outlook: In 2020, the Certification business is expected to deliver solid organic revenue growth, led by Sustainability & CSR, Food schemes and specialized standards related to Risk Management, Cybersecurity and Medical Device, as well as new products development overall.

Consumer Products

The Consumer Products business delivered moderate organic growth of 2.3% in the full year. Growth was led by a strong performance in South Asia and South East Asia, resilience in China, solid growth in Europe and overall challenging in the US. Q4 2019 revenue increased by 2.8% on an organic basis.

Softlines (35% of divisional revenue) grew low single-digit organically, with very strong momentum in South Asia and South East Asia (notably Vietnam, Cambodia and India), continuing to benefit from an accelerated sourcing shift out of China. A new laboratory was opened in Vietnam in 2019. South Asia and South East Asia now represent a significant proportion of the Consumer Products business. The growth was solid in Europe (led by Turkey and Italy notably), broadly stable in China while weak in the US.

Hardlines (32% of divisional revenue) performed below the divisional average, compared to the strong growth in the same period last year; growth was led by South East Asia and Europe; Toys remained broadly stable compared to last year. Cosmetics experienced double-digit growth as well as social and CSR audits across all regions. The new international e-commerce platform for mass market supplier audits (inSpec-bv.com), which was launched

in Q4 2018, gained traction amongst the Group customers during the year, allowing its customers to strengthen their confidence in their supplies through supplier inspections.

Lastly, **Electrical & Electronics** (33% of divisional revenue) organic growth was flat. The activity suffered from difficult trading conditions with large US retailers and the effects of several bankruptcies. In Europe, the growth was supported by Germany notably and strong development in Mobile testing.

In the second half of the year, Bureau Veritas invested in 5G to support the development of its activities in wireless technologies/from SmartWorld and their dissemination in all categories of Internet of Things (IoT) products. The Asian test platforms (China, South Korea) are being fitted out and will be operational from the first half of 2020. This will gradually support the growth of the Electrical & Electronics segment.

Throughout 2019 the uncertainty on the tariffs increase continued to trigger a "wait & see attitude" from some customers delaying new product launches. The Group sees no change in trends as of today.

Adjusted operating margin for the year decreased by 26 basis points to 24.6% including a 53 basis point organic decline attributed to the effect of lower growth, negative mix (business and geographic led).

Outlook: In 2020, the Group expects positive organic growth, with strong momentum in South Asia and South East Asia, moderate growth in Europe, and more challenging conditions in both the US and China

As regards Covid-19, the Group is carefully monitoring the situation. In the current circumstances, it expects the growth of its Consumer Products business to be negatively impacted in Q1 2020 due to containment measures.

5.3 Cash flows and sources of financing

5.3.1 Cash flows

(€ millions)	2019 after applying IFRS 16	2019 before applying IFRS 16	2018
Profit before income tax	603.3	608.2	544.4
Elimination of cash flows from financing and investing activities	134.9	117.0	87.4
Provisions and other non-cash items	(13.4)	(13.4)	25.8
Depreciation, amortization and impairment	305.2	210.8	200.3
Movements in working capital attributable to operations	(17.2)	(18.8)	4.1
Income tax paid	(192.4)	(192.4)	(176.5)
Net cash generated from operating activities	820.4	711.4	685.5
Acquisitions of subsidiaries	(69.9)	(69.9)	(141.5)
Proceeds from sales of subsidiaries and businesses	7.9	7.9	-
Purchases of property, plant and equipment and intangible assets	(127.9)	(127.9)	(130.9)
Proceeds from sales of property, plant and equipment and intangible assets	5.2	5.2	6.8
Purchases of non-current financial assets	(18.3)	(18.3)	(18.6)
Proceeds from sales of non-current financial assets	12.8	12.8	9.9
Change in loans and advances granted	(5.3)	(5.3)	(0.8)
Dividends received from equity-accounted companies	1.3	1.3	0.2
Net cash used in investing activities	(194.2)	(194.2)	(274.9)
Capital increase	3.1	3.1	2.6
Purchases/sales of treasury shares	14.5	14.5	(30.9)
Dividends paid	(97.3)	(97.3)	(277.7)
Increase in borrowings and other financial debt	719.9	719.9	833.4
Repayment of borrowings and other financial debt	(608.5)	(608.5)	(166.4)
Repayment of amounts owed to shareholders	(36.5)	(36.5)	-
Repayment of lease liabilities	(109.0)	-	-
Interest paid	(79.8)	(79.8)	(83.0)
Net cash generated from (used in) financing activities	(193.6)	(84.6)	278.0
Impact of currency translation differences	(1.5)	(1.5)	(8.5)
Impact of changes in accounting policy	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	431.1	431.1	680.1
Net cash and cash equivalents at beginning of year	1,034.6	1,034.6	354.5
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	1,465.7	1,465.7	1,034.6
o/w cash and cash equivalents	1,477.8	1,477.8	1,046.3
o/w bank overdrafts	(12.1)	(12.1)	(11.7)

Activity report 5.3 Cash flows and sources of financing

Net cash generated from operating activities

Net cash generated from operating activities surged 19.7% to €820.4 million (before applying IFRS 16, it totaled €711.4 million, a rise of 3.8%). The increase in net cash generated from operating activities was primarily driven by an improvement in profit before tax, naturally offset in part by the higher income tax paid. The change in working capital requirement in 2019 corresponds to €17.2 million in uses of funds, compared to €4.1 million in sources of funds in 2018. This reflects the adverse impact of the 5.3% acceleration in organic revenue growth in the fourth quarter.

Working capital requirement (WCR) continued to benefit from initiatives launched within the scope of the "Move for Cash" improvement program, and represented a lower 8.8% of revenue in 2019, down from 9.0% of revenue in 2018. Working capital requirement stood at €450.2 million at December 31, 2019, compared with €433.1 million at December 31, 2018.

CHANGE IN NET CASH GENERATED FROM OPERATING ACTIVITIES

(€ millions)	
2018 net cash generated from operating activities	685.5
Organic change and scope	+19.0
Net cash generated from operating activities at constant exchange rates	704.5
Currency	+6.9
2019 NET CASH GENERATED FROM OPERATING ACTIVITIES BEFORE APPLYING IFRS 16	711.4
IFRS 16 impact	+109.0
2019 NET CASH GENERATED FROM OPERATING ACTIVITIES AFTER APPLYING IFRS 16	820.4

The table below shows a breakdown of free cash flow in 2019 and 2018:

(€ millions)	2019 after applying IFRS 16	2019 before applying IFRS 16	2018
Net cash generated from operating activities	820.4	711.4	685.5
Net purchases of property, plant and equipment and intangible assets	(122.7)	(122.7)	(124.1)
Interest paid	(79.8)	(79.8)	(83.0)
FREE CASH FLOW	617.9	508.9	478.4

Free cash flow, corresponding to net cash flow generated from operating activities after tax, interest expense and purchases of property, plant and equipment and intangible assets (see the detailed definition in section 5.6 – Definitions of alternative performance indicators and reconciliation with IFRS of this Universal Registration Document), was €617.9 million in 2019, a sharp 29.2% rise on 2018.

Free cash flow before applying IFRS 16 was €508.9 million, a rise of 6.4% on 2018. On an organic basis, free cash flow increased by 5.2% in 2019. Both before and after applying IFRS 16, free cash flow chiefly benefited from a significant improvement in net cash generated from operating activities and, to a lesser extent, from a decrease in interest paid and net purchases of non-current assets during the period.

CHANGE IN FREE CASH FLOW

(€ millions)	
Free cash flow at December 31, 2018	478.4
Organic change	+25.1
Organic free cash flow	503.5
Scope	+0.1
Free cash flow at constant currency	503.6
Currency	+5.3
FREE CASH FLOW AT DECEMBER 31, 2019 BEFORE APPLYING IFRS 16	508.9
IFRS 16 impact	+109.0
FREE CASH FLOW AT DECEMBER 31, 2019 AFTER APPLYING IFRS 16	617.9

Purchases of property, plant and equipment and intangible assets

The Group's Inspection and Certification activities are fairly non-capital intensive, whereas its laboratory testing and analysis activities require investment in equipment. These investments concern the Consumer Products and Agri-Food & Commodities businesses and certain customs inspection activities (Government services, included within the Agri-Food & Commodities business) requiring scanning equipment and information systems.

Total purchases of property, plant and equipment and intangible assets net of disposals by the Group were limited, at €122.7 million. The Group's net-capex-to-revenue ratio was 2.4% in 2019, compared to 2.6% in 2018.

Interest paid

Interest paid fell to €79.8 million from €83.0 million in 2018. The 2018 figure included payment of the last 6.58% annual coupon on the 2008 USPP (USD 155 million) at maturity. The facility was refinanced at the same date (July 2018) at a rate of 4.02%.

Net cash used in investing activities

Net cash used in investing activities reflects the Group's acquisition-led growth. The breakdown of acquisitions made by the Group can be presented as follows:

(€ millions)	2019 after applying IFRS 16	2019 before applying IFRS 16	2018
Purchase price of acquisitions	(56.6)	(56.6)	(131.4)
Remeasurement of securities at fair value (step acquisition)	4.3	4.3	-
Cash and cash equivalents of acquired companies	14.8	14.8	1.8
Purchase price outstanding at December 31 in respect of acquisitions in the year	2.0	2.0	6.3
Equity-settled payments	-	-	4.0
Purchase price in relation to acquisitions in prior periods	(32.5)	(32.5)	(18.1)
Impact of acquisitions on cash and cash equivalents	(68.0)	(68.0)	(137.4)
Acquisition fees	(1.9)	(1.9)	(4.1)
ACQUISITIONS OF SUBSIDIARIES	(69.9)	(69.9)	(141.5)

Acquisitions and disposals of companies

The Group carried out five acquisitions in 2019. A brief description of these acquisitions is included in section 5.1-2019 Highlights and in Note 12 to the consolidated financial statements, included in section 6.6 of this Universal Registration Document.

The net financial impact resulting from acquisitions of subsidiaries was €69.9 million. No financial debt was carried in the opening statement of financial position of the acquired companies.

Disposals of subsidiaries and businesses had a ${\in}7.9$ million positive impact on cash flow.

Net cash generated from (used in) financing activities

Capital transactions (capital increases/reductions and share buybacks)

Capital transactions (capital increase and acquisitions/disposals of treasury stock) primarily reflect the exercise of stock options by beneficiaries of stock subscription and purchase option plans. These transactions represented a net inflow of $\[\in \]$ 17.6 million in 2019.

Dividends

In 2019, the Group paid out €97.3 million in dividends, including €54.0 million paid by Bureau Veritas SA to its shareholders in respect of 2018 (dividend of €0.56 per share, payable in cash or in shares). Nearly 80% of the Group's shareholders opted for the stock dividend.

Activity report 5.3 Cash flows and sources of financing

Financial debt

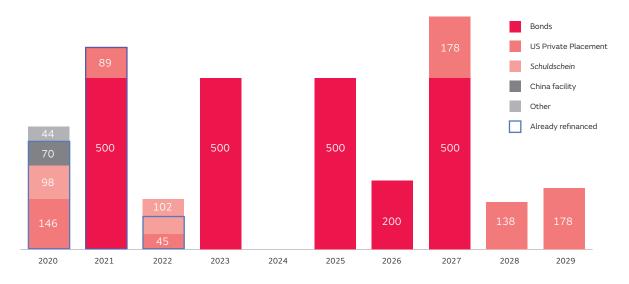
Gross financial debt on the statement of financial position increased by €132.8 million at December 31, 2019 compared with December 31, 2018. This increase essentially reflects the early refinancing operations carried out in the year (€500 million bond issue) in order to take advantage of favorable market conditions, as described in section 5.1.5 of this Universal Registration Document, notably offset by USPP and Schuldschein (SSD) note repayments.

Adjusted net financial debt fell a sharp €301.8 million, mainly reflecting €617.9 million in free cash flow generated, partly offset by:

- €98.5 million in payments relating to acquisitions (net) carried out in the year and the repayment of amounts owed to shareholders, and €97.3 million in dividends paid;
- €109.0 million in repayments of lease liabilities (relating to the application of IFRS 16, which offset an increase in free cash flow for the same amount);
- other items amounting to €11.3 million.

5.3.2 Financing

DEBT MATURITY PROFILE AT DECEMBER 31, 2019



BREAKDOWN OF DEBT



Sources of Group financing

Main sources of financing

At December 31, 2019, the Group's gross debt totaled €3,287.5 million, comprising the items listed below.

Non-bank financing:

- 2008 US Private Placement (€145.8 million);
- 2011 & 2014 US Private Placement (€89.0 million);
- 2013 & 2014 US Private Placement (€44.5 million);
- 2017 US Private Placement (€316.0 million) carried on the books of Bureau Veritas Holdings, Inc.;
- 2018 US Private Placement (€178.0 million) carried on the books of Bureau Veritas Holdings, Inc.;

- 2019 US Private Placement (undrawn);
- different tranches of the Schuldschein SSD notes (€200 million);
 and
- 2014, 2016, 2018 and 2019 bond issues (€2.2 billion).

Bank financing:

- 2018 syndicated credit facility (undrawn);
- bank financing (€69.7 million) carried on the books of Bureau Veritas Investment Shanghai Co., Ltd.;
- other bank debt (€2.6 million); and
- bank overdrafts (€12.1 million).

Other borrowing costs and accrued interest (€29.9 million).

The change in the Group's gross debt is shown below:

(€ millions)	2019 after applying IFRS 16	2019 before applying IFRS 16	2018
Bank borrowings due after one year	2,918.5	2,918.5	2,655.7
Bank borrowings due within one year	356.9	356.9	487.3
Bank overdrafts	12.1	12.1	11.7
GROSS DEBT	3,287.5	3,287.5	3,154.7

The table below shows the change in cash and cash equivalents and net debt:

(0.038.00)	2019 after applying	2019 before applying	2010
(€ millions)	IFRS 16	IFRS 16	2018
Marketable securities	431.3	431.3	607.5
Cash at bank and on hand	1,046.5	1,046.5	438.8
Cash and cash equivalents	1,477.8	1,477.8	1,046.3
Gross debt	3,287.5	3,287.5	3,154.7
NET DEBT	1,809.7	1,809.7	2,108.4
Currency hedging instruments	3.6	3.6	6.7
ADJUSTED NET FINANCIAL DEBT	1,813.3	1,813.3	2,115.1

Adjusted net financial debt (net financial debt after currency hedging instruments as defined in the calculation of covenants) amounted to epsilon1.813.3 million at December 31, 2019, compared with epsilon2.115.1 million at December 31, 2018.

Bank covenants

Some of the Group's financing requires compliance with certain bank covenants and ratios. The Group complied with all such commitments at December 31, 2019. The commitments can be summarized as follows:

- the first covenant is defined as the ratio of adjusted net financial debt divided by consolidated EBITDA (net profit, or earnings before interest, tax, depreciation, amortization and provisions), adjusted for any entities acquired over the last 12 months. This ratio should be less than 3.25. At December 31, 2019, it stood at 1.87;
- the second covenant represents consolidated EBITDA, adjusted for any entities acquired over the last 12 months, divided by consolidated net financial expense. This ratio should be higher than 5.5. At December 31, 2019, it stood at 11.62.

Activity report 5.3 Cash flows and sources of financing

Main terms and conditions of financing

2008 US Private Placement

On July 16, 2008, the Group put in place a private placement in the United States (2008 USPP) for USD 266 million and GBP 63 million.

The issue was carried out in the form of four senior notes redeemable at maturity. In July 2018, two of these notes were redeemed for USD 155 million and GBP 23 million.

The terms and conditions of this financing are as follows:

Maturity	Amounts (€ millions)	Currency	Repayment	Interest
July 2020	145.8	GBP & USD	At maturity	Fixed

2011 & 2014 US Private Placement

In 2011, the Group set up a US Private Placement (2011 USPP) with an investor for USD 200 million.

The Group confirmed it had drawn down USD 100 million of this facility in 2011 with a ten-year term, and USD 100 million in May 2014 with an eight-year term.

The floating-rate tranche, due in May 2022, was repaid early in January 2019 in an amount of USD 100 million.

Maturity	Amounts (€ millions)	Currency	Repayment	Interest
October 2021	89.0	USD	At maturity	Fixed

2013 & 2014 US Private Placement

In October 2013, the Group set up a US Private Placement (2013 USPP) with an investor for USD 150 million.

The floating-rate tranche, due in September 2020 (USD 75 million) and in July 2022 (USD 25 million), was repaid early in January 2019.

Maturity	Amounts (€ millions)	Currency	Repayment	Interest
July 2022	44.5	USD	At maturity	Fixed

2017 US Private Placement

In July 2017, the Group set up two US Private Placements (2017 USPP) for an aggregate amount of USD 355 million. The terms and conditions of this financing are as follows:

Maturity	Amounts (€ millions)	Currency	Repayment	Interest
September 2027	178.0	USD	At maturity	Fixed

At December 31, 2019, the USD 200 million financing facility carried on the books of Bureau Veritas Holdings, Inc. had been fully drawn down in USD.

Maturity	Amounts (€ millions)	Currency	Repayment	Interest
July 2028	138.0	USD	At maturity	Fixed

At December 31, 2019, the USD 155 million financing facility carried on the books of Bureau Veritas Holdings, Inc. had been fully drawn down.

2018 US Private Placement

In December 2018, the Group set up a US Private Placement (2018 USPP) with an investor for USD 200 million. The terms and conditions of this financing are as follows:

Maturity	Amounts (€ millions)	Currency	Repayment	Interest
January 2029	178.0	USD	At maturity	Fixed

At December 31, 2019, the USD 200 million financing facility carried on the books of Bureau Veritas Holdings, Inc. had been fully drawn down in USD.

2019 US Private Placement

In November 2019, the Group set up a US Private Placement (2019 USPP) for USD 200 million. The terms and conditions of this financing are as follows:

Maturity	Amounts (€ millions)	Currency	Repayment	Interest
January 2030	178.0	USD	At maturity	Fixed

At December 31, 2019, the USD 200 million facility had not been drawn down.

Schuldschein notes (SSD)

In July 2015, the Group set up a Schuldschein-type private placement for €200 million, maturing at five and seven years.

Two tranches of a previous Schuldschein debt were redeemed at maturity, in January 2019 (€50 million) and March 2019 (€10 million), respectively. The total amount outstanding under this facility represented €200 million at December 31, 2019.

2014, 2016, 2018 and 2019 bond issues

The Group carried out five unrated bond issues totaling €2.2 billion. The bonds have the following terms and conditions:

Maturity	Amounts (€ millions)	Currency	Repayment	Interest
January 2021	500	EUR	At maturity	3.125%
September 2023	500	EUR	At maturity	1.250%
January 2025	500	EUR	At maturity	1.875%
September 2026	200	EUR	At maturity	2.000%
January 2027	500	EUR	At maturity	1.125%

In April 2019, the Group redeemed its €200 million unrated note.

Negotiable European Commercial Paper (NEU CP)

The Group put in place a NEU CP program with the Banque de France to optimize its short-term cash management. The maturity of the commercial paper is less than one year. The ceiling for this program was increased from €450 million to €600 million after the Group set up a new revolving syndicated credit facility in May 2018 for the same amount.

The Group did not issue any negotiable European commercial paper at December 31, 2019.

Negotiable European Medium-Term Notes (NEU MTN)

The Group set up a NEU MTN program with the Banque de France in order to establish a legal framework for its one- to three-year private placement issues. The ceiling for this program is €300 million.

At December 31, 2019, the NEU MTN program had not been used.

2018 syndicated credit facility

The Group has a confirmed revolving syndicated credit facility for €600 million. This facility was set up in May 2018 for a five-year term and includes two one-year extension options that can be exercised at the end of the first and second years, respectively.

The first extension option was exercised in May 2019, extending the maturity of the 2018 syndicated facility to May 2024.

At December 31, 2019, the 2018 syndicated loan had not been drawn down. $\,$

CNY bank financing ("China facility")

In September 2018, the Group set up a two-year bank facility for CNY 750 million carried on the books of Bureau Veritas Investment Shanghai Co., Ltd.

At December 31, 2019, an amount of CNY 545 million had been drawn on this facility.

Activity report 5.4 Events after the end of the reporting period

Sources of financing anticipated for future investments

The Group estimates that its operations will be able to be fully funded by the cash generated from its operating activities.

In order to finance its external growth, at December 31, 2019 the Group had sources of funds provided by:

- free cash flow after tax, interest and dividends;
- · available cash and cash equivalents;
- a confirmed amount of €600 million available under the 2018 syndicated facility. The availability of this facility is conditional upon the Group's compliance with its covenants.

Investments

Main investments

The Group has not made any investments over the last three financial years individually representing material amounts, which is characteristic of its business as a services company. In general, Bureau Veritas' investments mainly concern:

- laboratory maintenance and equipment;
- office fittings;
- IT equipment for employees (tablets, computers, telephones);
- measuring equipment; and
- digital tools (software, e-commerce platforms, applications).

Planned investments

• The 2020 investments budget is around €146 million, higher than 2019 expenditure (€128 million).

5.4 Events after the end of the reporting period

Events after the reporting period are presented in Note 37 to the consolidated financial statements – Events after the end of the reporting period, included in section 6.6 of this Universal Registration Document.

5.5 2020 outlook

Impact on the business due to Covid-19

Bureau Veritas is closely monitoring the economic inactivity associated with the Covid-19 outbreak which is having a direct impact on its operations. On February 27, 2020, when Bureau Veritas announced its results for 2019 and at a time when the impact of the virus was limited to its operations in Asia, the Group estimated the impact on revenue to be in the range of €60 to €100 million.

In light of the progression of the epidemic, which was classed as a pandemic by the World Health Organization on March 11, 2020, the impact that was at first primarily concentrated in China (17% of Group revenue, 16,461 employees as of December 31, 2019) is now spreading to other geographical regions.

Given the uncertainty surrounding the health situation, it is impossible to quantify the impact of this crisis on the Group's 2020 results. Further updates will be provided as and when possible.

The Covid-19 outbreak has no impact on the Group's accounting and financial position as of December 31, 2019 as presented in this Universal Registration Document.

The Group is carefully monitoring the situation and has taken the appropriate actions to protect the health of its people and, where possible, of its customers, suppliers and subcontractors.

5.6 Definition of alternative performance indicators and reconciliation with IFRS

The management process used by Bureau Veritas is based on a series of alternative performance indicators, as presented below. These indicators were defined for the purposes of preparing the Group's budgets and internal and external reporting. Bureau Veritas considers that these indicators provide additional useful information to financial statement users, enabling them to better understand the Group's performance, especially its operating performance. Some of these indicators represent benchmarks in the testing, inspection and certification ("TIC") business and are commonly used and tracked by the financial community. These alternative performance indicators should be seen as a complement to IFRS-compliant indicators and the resulting changes.

5.6.1 Growth

Total revenue growth

The total revenue growth percentage measures changes in consolidated revenue between the previous year and the current year. Total revenue growth has three components:

- organic growth;
- impact of changes in the scope of consolidation (scope effect);
- impact of changes in exchange rates (currency effect).

These components are presented in section 5.2.1 – Revenue of this Universal Registration Document. Details of changes in revenue, at Group level and for each business, are provided in section 5.2.8 – Results by business of this document.

Organic growth

The Group internally monitors and publishes "organic" revenue growth, which it considers to be more representative of the Group's operating performance in each of its business sectors.

The main measure used to manage and track consolidated revenue growth is like-for-like, or organic growth. Determining organic growth enables the Group to monitor trends in its business excluding the impact of currency fluctuations, which are outside of Bureau Veritas' control as well as scope effects, which concern new businesses or businesses that no longer form part of the Group's existing activities. Organic growth is used to monitor the Group's performance internally.

Bureau Veritas considers that organic growth provides management and investors with a more comprehensive understanding of its underlying operating performance and current business trends, excluding the impact of acquisitions, divestments (outright divestments as well as the unplanned suspension of operations – in the event of international sanctions, for example) and changes in exchange rates for businesses exposed to foreign exchange volatility, which can mask underlying trends.

The Group also considers that separately presenting organic revenue generated by its businesses provides management and investors with useful information on trends in its industrial businesses, and enables a more direct comparison with other companies in its industry.

Organic revenue growth represents the percentage of revenue growth, presented at Group level and for each business, based on constant scope of consolidation and exchange rates over comparable periods:

- constant scope of consolidation: data are restated for the impact of changes in the scope of consolidation over a 12-month period;
- constant exchange rates: data for the current year are restated using exchange rates for the previous year.

Scope effect

To establish a meaningful comparison between reporting periods, the impact of changes in the scope of consolidation is determined:

- for acquisitions carried out in the current year: by deducting from revenue for the current year revenue generated by the acquired businesses in the current year;
- for acquisitions carried out in the previous year: by deducting from revenue for the current year revenue generated by the acquired businesses in the months in the previous year in which they were not consolidated;
- for disposals and divestments carried out in the current year: by deducting from revenue for the previous year revenue generated by the disposed and divested businesses in the previous year in the months of the current year in which they were not part of the Group;
- for disposals and divestments carried out in the previous year, by deducting from revenue for the previous year revenue generated by the disposed and divested businesses in the previous year prior to their disposal/divestment.

Currency effect

The currency effect is calculated by translating revenue for the current year at the exchange rates for the previous year.

5.6.2 Adjusted operating profit and adjusted operating margin

Adjusted operating profit and adjusted operating margin are key indicators used to measure the recurring performance of the business, excluding material items that cannot be considered inherent to the Group's underlying intrinsic performance owing to their unusual nature. Bureau Veritas considers that these indicators, presented at Group level and for each business, are more representative of the operating performance in its industry. Details of changes in adjusted operating profit and adjusted operating margin, at Group level and for each business, are presented in section 5.2.8 – Results by business of this Universal Registration Document.

Adjusted operating profit

Adjusted operating profit represents operating profit prior to adjustments for the following:

- amortization of intangible assets resulting from acquisitions;
- impairment of goodwill;
- fees and costs on acquisitions of businesses;
- contingent consideration on acquisitions of businesses;
- gains and losses on disposals of businesses;
- restructuring costs.

When an acquisition is carried out during the financial year, the amortization of the related intangible assets is calculated on a time proportion basis.

Since a measurement period of 12 months is allowed for determining the fair value of acquired assets and liabilities,

amortization of intangible assets in the year of acquisition may, in some cases, be based on a temporary measurement and be subject to minor adjustments in the subsequent reporting period, once the definitive value of the intangible assets is known.

Organic adjusted operating profit represents operating profit adjusted for scope and currency effects over comparable periods:

- at constant scope of consolidation: data are restated based on a 12-month period;
- at constant exchange rates: data for the current year are restated using exchange rates for the previous year.

The scope and currency effects are calculated using a similar approach to that used for revenue (see above in section 5.6.1-Growth) for each component of operating profit and adjusted operating profit.

The definition of adjusted operating profit along with a reconciliation table are provided in Note 4 to the 2019 consolidated financial statements – Alternative performance indicators, included in Chapter 6 – Financial statements of this Universal Registration Document.

Adjusted operating margin

Adjusted operating margin expressed as a percentage represents adjusted operating profit divided by revenue. Adjusted operating margin can be presented on an organic basis or at constant exchange rates, thereby, in the latter case, providing a view of the Group's performance excluding the impact of currency fluctuations, which are outside of Bureau Veritas' control.

5.6.3 Adjusted effective tax rate

The effective tax rate (ETR) represents income tax expense divided by the amount of pre-tax profit.

The adjusted effective tax rate (adjusted ETR) represents income tax expense adjusted for the tax effect on adjustment items

divided by pre-tax profit before taking into account the adjustment items defined in section 5.6.2 – Adjusted operating profit and adjusted operating margin of this Universal Registration Document.

5.6.4 Adjusted net profit

Adjusted attributable net profit

Adjusted attributable net profit is defined as attributable net profit adjusted for adjustment items and for the tax effect on adjustment items. Adjusted attributable net profit excludes non-controlling interests in adjustment items and only concerns continuing operations.

Adjusted attributable net profit can be presented at constant exchange rates, thereby providing a view of the Group's performance excluding the impact of currency fluctuations, which are outside of Bureau Veritas' control. The currency effect is calculated by translating the various income statement items for the current year at the exchange rates for the previous year.

Adjustment items are presented in section 5.6.2 – Adjusted operating profit and adjusted operating margin of this Universal Registration Document.

Adjusted attributable net profit per share

Adjusted attributable net profit per share (adjusted EPS or earnings per share) is defined as adjusted attributable net profit divided by the weighted average number of shares in the period.

5.6.5 Free cash flow

Free cash flow represents net cash generated from operating activities (operating cash flow), adjusted for the following items:

- purchases of property, plant and equipment and intangible assets;
- proceeds from disposals of property, plant and equipment and intangible assets;
- interest paid.

Net cash generated from operating activities is shown after income tax paid.

Organic free cash flow represents free cash flow at constant scope and exchange rates over comparable periods:

 at constant scope of consolidation: data are restated based on a 12-month period; • at constant exchange rates: data for the current year are restated using exchange rates for the previous year.

The scope and currency effects are calculated using a similar approach to that used for revenue (see above in section 5.6.1-Growth) for each component of net cash generated from operating activities and free cash flow.

The definition of free cash flow along with a reconciliation table are provided in Note 4 to the 2019 consolidated financial statements – Alternative performance indicators, included in Chapter 6 – Financial statements of this Universal Registration Document. Details of changes in net cash generated from operating activities and free cash flow are presented in section 5.3.1 – Cash flows of this document.

5.6.6 Financial debt

Gross debt

Gross debt (or gross finance costs/financial debt) represents bank loans and borrowings plus bank overdrafts.

Net debt

Net debt (or net finance costs/financial debt) as defined and used by the Group represents gross debt less cash and cash equivalents. Cash and cash equivalents comprise marketable securities and similar receivables as well as cash at bank and on hand.

Adjusted net debt

Adjusted net debt (or adjusted net finance costs/financial debt) as defined and used by the Group represents net debt taking into account currency hedging instruments.

Definitions of finance costs/financial debt along with a reconciliation table are provided in Note 24 to the 2019 consolidated financial statements – Borrowings and financial debt, included in Chapter 6 – Financial statements of this Universal Registration Document.

5.6.7 Consolidated EBITDA

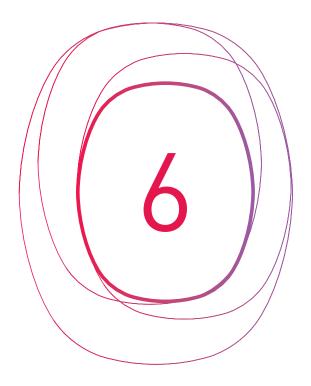
Consolidated EBITDA represents net profit before interest, tax, depreciation, amortization and provisions, adjusted for any entities acquired over the last 12 months. Consolidated EBITDA is used by the Group to track its bank covenants.

5.7 Significant changes in financial and trading conditions

None.

5.8 Material contracts

In light of the nature of its business, as of the date of this Universal 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 section 5.3.2 – Financing of this Universal Registration Document.



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6.1 Consolidated income statement

(€ millions, except per share data)	Notes	2019	2018
Revenue	7	5,099.7	4,795.5
Purchases and external charges	8	(1,438.3)	(1,418.0)
Personnel costs	8	(2,596.8)	(2,507.1)
Taxes other than on income		(45.8)	(46.2)
Net (additions to)/reversals of provisions	8	(9.2)	(11.8)
Depreciation and amortization	13/14/15	(305.3)	(200.3)
Other operating income and expense, net	8	17.0	25.1
Operating profit		721.3	637.2
Share of profit of equity-accounted companies		0.6	0.4
Operating profit after share of profit of equity-accounted companies		721.9	637.6
Income from cash and cash equivalents		2.1	1.8
Finance costs, gross		(102.3)	(84.3)
Finance costs, net		(100.2)	(82.5)
Other financial income and expense, net	9	(18.4)	(10.7)
Net financial expense		(118.6)	(93.2)
Profit before income tax		603.3	544.4
Income tax expense	10	(210.7)	(189.3)
Net profit from continuing operations		392.6	355.1
Non-controlling interests		24.7	22.5
ATTRIBUTABLE NET PROFIT		367.9	332.6
Earnings per share (in €):			
Basic earnings per share	31	0.83	0.76
Diluted earnings per share	31	0.83	0.76

6.2 Consolidated statement of comprehensive income

(€ millions)	Notes	2019	2018
Net profit		392.6	355.1
Other comprehensive income			
Items to be reclassified to profit			
Currency translation differences ^(a)		48.1	(62.0)
Cash flow hedges ^(b)		1.0	(0.1)
Tax effect on items to be reclassified to profit	10	(0.1)	-
Total items to be reclassified to profit		49.0	(62.1)
Items not to be reclassified to profit			
Actuarial gains/(losses) ^(c)	26	(6.3)	5.8
Tax effect on items not to be reclassified to profit	10	1.4	(1.6)
Total items not to be reclassified to profit		(4.9)	4.2
Total other comprehensive income/(expense), after tax		44.1	(57.9)
TOTAL COMPREHENSIVE INCOME		436.7	297.2
Attributable to:			
owners of the Company		411.0	271.5
non-controlling interests		25.7	25.7

⁽a) Currency translation differences: this item includes exchange differences arising on the conversion of the financial statements of foreign subsidiaries into euros.

The differences result mainly from fluctuations during the period in the Canadian dollar (€25.7 million), Singapore dollar (€13.5 million), and Angolan kwanza (€8.5 million).

⁽b) The change in cash flow hedges results from changes in the fair value of derivative financial instruments eligible for hedge accounting.

⁽c) Actuarial gains and losses: the Group recognizes actuarial gains and losses arising on the measurement of pension plans and other long-term employee benefits in equity. These actuarial differences reflect the impact of experience adjustments and changes in valuation assumptions (discount rate, salary inflation rate and rate of increase in pensions) regarding the Group's obligations in respect of defined benefit plans.

The amount shown (€6.3 million) relates chiefly to actuarial gains of €6.1 million booked in France.

6.3 Consolidated statement of financial position

(€ millions)	Notes	December 31, 2019	December 31, 2018
Goodwill	11	2,075.1	2,011.6
Intangible assets	13	611.1	634.6
Property, plant and equipment	14	444.9	471.1
Right-of-use assets	15	369.0	-
Non-current financial assets	17	118.3	114.8
Deferred income tax assets	16	132.1	135.3
Total non-current assets		3,750.5	3,367.4
Trade and other receivables	19	1,520.0	1,409.0
Contract assets	20	226.0	206.9
Current income tax assets		47.0	49.8
Derivative financial instruments	18	4.4	3.8
Other current financial assets	17	23.4	13.1
Cash and cash equivalents	21	1,477.8	1,046.3
Total current assets		3,298.6	2,728.9
TOTAL ASSETS		7,049.1	6,096.3
Share capital	22	54.2	53.0
Retained earnings and other reserves		1,209.6	906.3
Equity attributable to owners of the Company		1,263.8	959.3
Non-controlling interests		58.3	48.3
Total equity		1,322.1	1,007.6
Non-current borrowings and financial debt	24	2,918.5	2,655.7
Non-current lease liabilities		326.0	-
Derivative financial instruments	18	-	6.7
Other non-current financial liabilities	25	115.7	125.0
Deferred income tax liabilities	16	122.9	127.4
Pension plans and other long-term employee benefits	26	192.8	185.6
Provisions for liabilities and charges	27	72.2	105.1
Total non-current liabilities		3,748.1	3,205.5
Trade and other payables	28	1,098.6	1,024.8
Contract liabilities	29	197.2	158.0
Current income tax liabilities		137.4	71.2
Current borrowings and financial debt	24	369.0	499.0
Current lease liabilities		92.6	-
Derivative financial instruments	18	4.9	4.4
Other current financial liabilities	25	79.2	125.8
Total current liabilities		1,978.9	1,883.2
TOTAL EQUITY AND LIABILITIES		7,049.1	6,096.3

6.4 Consolidated statement of changes in equity

(€ millions)	Share capital	Share premium	Currency translation reserves	Other reserves	Total equity	Attributable to owners of the Company	Attributable to non-controlling interests
At December 31, 2017	53.0	39.1	(234.2)	1,174.8	1,032.7	989.1	43.6
First-time application of IFRS 9	-	-	-	(19.6)	(19.6)	(18.7)	(0.9)
Capital increase	-	2.5	-	-	2.5	2.5	-
Fair value of stock options	-	-	-	21.5	21.5	21.5	-
Dividends paid	-	-	-	(267.6)	(267.6)	(243.7)	(23.9)
Treasury share transactions	-	-	-	(30.9)	(30.9)	(30.9)	-
Additions to the scope of consolidation	-	-	-	7.9	7.9	-	7.9
Other movements ^(a)	-	-	-	(36.1)	(36.1)	(32.0)	(4.1)
Total transactions with owners	-	2.5	-	(324.8)	(322.3)	(301.3)	(21.0)
Net profit	-	-	-	355.1	355.1	332.6	22.5
Other comprehensive income	-	-	(62.0)	4.1	(57.9)	(61.1)	3.2
Total comprehensive income	-	-	(62.0)	359.2	297.2	271.5	25.7
At December 31, 2018	53.0	41.6	(296.2)	1,209.2	1,007.6	959.3	48.3
First-time application of IFRS 16 and IFRIC 23	-	-	-	(83.2)	(83.2)	(83.5)	0.3
Capital increase	1.2	192.1	-	-	193.3	193.3	-
Capital reduction	-	(4.1)	-	_	(4.1)	(4.1)	-
Fair value of stock options	-	-	-	22.2	22.2	22.2	-
Dividends paid	-	-	-	(262.0)	(262.0)	(244.3)	(17.7)
Treasury share transactions	-	-	-	18.6	18.6	18.6	-
Additions to the scope of consolidation	-	-	-	10.3	10.3	-	10.3
Other movements ^(a)	-	-	-	(17.3)	(17.3)	(8.7)	(8.6)
Total transactions with owners	1.2	188.0	-	(311.4)	(122.2)	(106.5)	(15.7)
Net profit	-	-	-	392.6	392.6	367.9	24.7
Other comprehensive income	-	-	48.1	(4.0)	44.1	43.1	1.0
Total comprehensive income	-	-	48.1	388.6	436.7	411.0	25.7
At December 31, 2019	54.2	229.6	(248.1)	1,286.4	1,322.1	1,263.8	58.3

⁽a) The "Other movements" line mainly relates to:

[•] changes in the fair value of put options on non-controlling interests;

[•] transfers of reserves between the portion attributable to owners of the Company and the portion attributable to non-controlling interests.

6.5 Consolidated statement of cash flows

(€ millions)	Notes	2019	2018
Profit before income tax		603.3	544.4
Elimination of cash flows from financing and investing activities		134.9	87.4
Provisions and other non-cash items		(13.4)	25.8
Depreciation, amortization and impairment	13/14/15	305.2	200.3
Movements in working capital attributable to operations	30	(17.2)	4.1
Income tax paid		(192.4)	(176.5)
Net cash generated from operating activities		820.4	685.5
Acquisitions of subsidiaries	12	(69.9)	(141.5)
Proceeds from sales of subsidiaries and businesses	12	7.9	-
Purchases of property, plant and equipment and intangible assets		(127.9)	(130.9)
Proceeds from sales of property, plant and equipment and intangible assets		5.2	6.8
Purchases of non-current financial assets		(18.3)	(18.6)
Proceeds from sales of non-current financial assets		12.8	9.9
Change in loans and advances granted		(5.3)	(0.8)
Dividends received from equity-accounted companies		1.3	0.2
Net cash used in investing activities		(194.2)	(274.9)
Capital increase	22	3.1	2.6
Purchases/sales of treasury shares		14.5	(30.9)
Dividends paid		(97.3)	(277.7)
Increase in borrowings and other financial debt	24	719.9	833.4
Repayment of borrowings and other financial debt	24	(608.5)	(166.4)
Repayment of amounts owed to shareholders		(36.5)	
Repayment of lease liabilities and interest		(109.0)	
Interest paid		(79.8)	(83.0)
Net cash generated from (used in) financing activities		(193.6)	278.0
Impact of currency translation differences		(1.5)	(8.5)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		431.1	680.1
Net cash and cash equivalents at beginning of year		1,034.6	354.5
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		1,465.7	1,034.6
of which cash and cash equivalents	21	1,477.8	1,046.3
of which bank overdrafts	24	(12.1)	(11.7)

6.6 Notes to the consolidated financial statements

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Note 1 General information

Since it was formed in 1828, Bureau Veritas has developed recognized expertise for helping its clients to comply with standards and/or regulations on quality, health and safety, security, the environment and social responsibility. The Group specializes in inspecting, testing, auditing and certifying the products, assets and management systems of its clients in relation to regulatory or self-imposed standards, and subsequently issues compliance reports.

Bureau Veritas SA (the "Company") and all of its subsidiaries make up the Bureau Veritas Group ("Bureau Veritas" or the "Group").

Bureau Veritas SA is a joint stock company (société anonyme) incorporated and domiciled in France. The address of its registered

office is Immeuble Newtime, 40/52, Boulevard du Parc, 92200 Neuilly-sur-Seine, France.

Between 2004 and October 2007, the Group was more than 99%-owned by Wendel. On October 24, 2007, 37.2% of Bureau Veritas SA shares were admitted for trading on the Euronext Paris market.

At December 31, 2019, Wendel held 35.57% of the capital of Bureau Veritas and 51.67% of its exercisable voting rights.

These consolidated financial statements were adopted on February 26, 2020 by the Board of Directors.

Note 2 2019 highlights

Acquisitions

In 2019, the main acquisitions carried out by the Group were:

- Capital Energy, a French white certificates management company;
- Owen Group, a regional leader in buildings and infrastructure compliance services in the US;
- Shenzhen Total-Test Technology, a Chinese firm specializing in food testing.

The impacts of these acquisitions on the financial statements are detailed in Note 12 – Acquisitions and disposals.

Disposals

In 2019, the main disposals carried out by the Group concerned:

- HSE Consulting, a consulting business unit providing health, safety and environmental services in North America;
- Japan Analysts, a company specialized in lubricant analysis;
- local government services operations, which were sold to the authorities in Benin.

The impacts of these disposals on the financial statements are detailed in Note 12 – Acquisitions and disposals.

Financing

The Group carried out the following financing transactions on behalf of the Company in 2019:

- a €500 million unrated bond issue maturing in January 2027 and carrying a coupon of 1.125%;
- a ten-year private placement of USD 200 million on the US market carrying a coupon of 3.21%. The funds were made available to the Company in January 2020.

Dividend payout

In 2019, the Group paid out a dividend of €0.56 per share in respect of 2018, with shareholders offered the choice of having their dividends paid in cash or in new shares.

The price of the new shares issued in payment of the dividend was set at €19.13. As a result, a total of 9,943,269 ordinary new Bureau Veritas shares were issued on June 11, 2019, each with a par value of €0.12.

On June 11, 2019, the dividend paid in cash represented a total amount of ${\in}54.0$ million.

Capital reduction

Pursuant to a decision of the Board of Directors, on February 27, 2019 the Company canceled 220,212 of its own shares, representing 0.05% of its share capital.

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Note 3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are described below. These policies have been consistently applied to all periods presented, unless otherwise stated.

3.1 Basis of preparation

The Group's consolidated financial statements for the years ended December 31, 2019 and December 31, 2018 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

They were prepared based on the historical cost convention, except in the case of financial assets and liabilities measured at

fair value through profit or loss or equity such as marketable securities and derivative financial instruments.

The preparation of financial statements in compliance with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgment when applying the Group's accounting policies. The most significant accounting estimates and judgments used in the preparation of the consolidated financial statements are disclosed in Note 6 – Use of estimates.

New principles

As from January 1, 2019, the Group applies the following new or amended standards:

3.2 Leases

IFRS 16, Leases, effective for accounting periods beginning on or after January 1, 2019. Under the new standard, an asset (right to use a leased item) and a related liability are recognized in the statement of financial position for all leases, with the exception of leases relating to low-value assets and those with a term of less than one year.

Methodology

The Group applies the simplified retrospective approach and recorded the impact of the first-time application of the standard in equity at January 1, 2019, with no restatement of the comparative 2018 period.

As permitted under IFRS 16, the Group applied the standard to leases identified in accordance with IAS 17 and with IFRIC 4, Determining Whether an Arrangement Contains a Lease.

Lease liabilities represent future lease payments discounted at the rate implicit in the lease or, if that rate cannot be readily determined, at the incremental borrowing rate applicable to the subsidiaries based on the term of their leases and the specific risk associated with the country, currency and debt concerned. The lease term includes renewal options that are reasonably certain to be exercised. Future lease payments include fixed payments, variable lease payments that depend on an index or rate, and the exercise price of any purchase options if the lessee is reasonably certain to exercise those options. However, future lease payments do not include service components, which are expensed.

The right-of-use asset represents the amount of the initial measurement of the lease liability, adjusted for payments made at or before the commencement date, incentives received from the lessor, and any initial direct costs incurred by the lessee in arranging the lease.

The right-of-use assets relating to the Group's main property leases are measured as though IFRS 16 had always been applied, except as regards initial direct costs. The right-of-use assets relating to other property leases and leases of equipment are aligned with the amount of the related liabilities at January 1, 2019 (adjusted for lease payments made in advance or due).

Future lease payments were discounted based on the incremental borrowing rates applicable to subsidiaries based on the remaining terms of the leases and the risk associated with the country, currency and debt concerned at January 1, 2019.

As the Group's strategy is to introduce a certain degree of flexibility into its lease portfolio by using renewal options that it may choose to exercise at its discretion, a number of leases have been considered as virtually certain and taken into account for the first-time application of IFRS 16 at January 1, 2019.

The right-of-use asset is depreciated on a straight-line basis over the lease term or over the useful life of the asset if the lease transfers ownership of the underlying asset to the lessee, or if the lessee is reasonably certain to exercise a purchase option. Certain inputs (lease term, indexation, etc.) can be revised, in which case the lease liability recognized in respect of the right-of-use asset will be adjusted.

In the income statement, depreciation charged against right-of-use assets is included within operating income on the "Depreciation and amortization" line. The interest expense on lease liabilities is included in "Finance costs, gross".

The adjustments resulting from applying IFRS 16 give rise to the recognition of deferred tax.

The Group has opted to apply the IFRS 16 recognition exemption for short-term leases (i.e., leases with a term of less than one year) and leases of low-value assets, for which lease payments continue to be recognized in operating expenses as of January 1, 2019.

Reconciliation with non-cancelable minimum future lease payments at December 31, 2018

The table below reconciles future minimum lease payments reported by the Group under non-cancelable operating leases at December 31, 2018 with the increase in lease liabilities recognized in accordance with IFRS 16 at January 1, 2019:

(€ millions)	January 1, 2019
Off-balance sheet commitments at December 31, 2018 (property leases)	316.2
Off-balance sheet commitments (equipment leases)	35.5
Virtually certain payments net of payments under short-term leases	72.5
Present value of payments relating to IFRS 16 lease liabilities	(71.1)
IFRS 16 LEASE LIABILITIES AT JANUARY 1, 2019	353.1

At December 31, 2018, future minimum lease payments due by the Group under non-cancelable operating leases amounted to €316.2 million, plus €35.5 million due under equipment leases. These amounts include payments due under short-term leases or leases of low-value assets covered by the recognition exemption in IFRS 16.

Impacts

The table below shows the adjustments resulting from the first-time application of IFRS 16 at January 1, 2019:

(€ millions)	January 1, 2019
Right-of-use assets	304.3
Deferred income tax assets	9.4
Trade and other receivables	(0.8)
TOTAL ASSETS	312.9
Equity	(27.7)
Other non-current financial liabilities	(12.4)
Non-current lease liabilities	287.3
Current lease liabilities	65.8
Trade and other payables	(0.1)
TOTAL EQUITY AND LIABILITIES	312.9

The adjustments include:

- cancellation of non-current financial liabilities in connection with the straight-line recognition of lease expenses under contracts with a rent-free period, in an amount of €12.4 million;
- decrease in other receivables, including €0.8 million in respect of prepaid lease payments and €0.1 million in accrued lease payments;

The right to use leased assets and the corresponding liabilities are shown on the statement of financial position, respectively within "Right-of-use assets" in non-current assets and "Lease liabilities" in non-current and current liabilities.

The repayment of lease liabilities and the related interest paid are shown as financing transactions in the consolidated statement of cash flows within "Repayment of lease liabilities and interest", leading to an increase in cash flows relating to operating activities and a decrease in cash flows relating to financing activities in an amount of $\ensuremath{\in} 109.0$ million at December 31, 2019.

The impact on consolidated operating profit was $\ensuremath{\mathfrak{e}}$ 13.0 million in 2019.

3.3 Uncertain tax treatments

IFRIC 23, Uncertainty over Income Tax Treatments, is effective for accounting periods beginning on or after January 1, 2019.

In accordance with IFRIC 23, tax assets or liabilities should be recognized if there is uncertainty over their income tax treatment. The Group recognizes a tax liability whenever it considers the relevant tax authorities are unlikely to accept a given tax treatment. Conversely, a tax receivable is recognized if the Group considers the relevant tax authorities are likely to refund tax paid. Assets and liabilities for which tax treatments are uncertain are estimated on a case-by-case basis depending on the most likely amount.

This new interpretation clarifies the measurement and presentation of provisions for tax risks. At December 31, 2018, provisions for liabilities and charges recognized on the statement of financial position amounted to €24.9 million.

The Group applies the simplified retrospective approach and recorded the impact of the first-time application of the standard in retained earnings at January 1, 2019, with no restatement of the comparative 2018 period.

The first-time application of IFRIC 23 at January 1, 2019 led to a $\,$ €55.5 million adjustment recorded as a deduction from retained earnings. The provision for tax risks amounted to €80.4 million at January 1, 2019 and is included within "Current income tax liabilities" in the consolidated statement of financial position.

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Other new IFRS standards/amendments

 Amendments to IAS 19, Plan Amendment, Curtailment or Settlement, effective for accounting periods beginning on or after January 1, 2019

According to these new provisions, if a plan amendment, curtailment or settlement occurs, the current service cost and net interest for the period must be remeasured using the updated assumptions from this remeasurement (net benefit obligation, discount rate, etc.). This amendment had no impact on the consolidated financial statements at December 31, 2019.

 Amendments to IAS 28, Long-term Interests in Associates and Joint Ventures, effective for accounting periods beginning on or after January 1, 2019

According to this amendment, IFRS 9 impairment requirements should be applied to loans that form part of the net investment in an associate or joint venture before any share in losses is recognized against that loan in accordance with IAS 28. This amendment had no impact on the consolidated financial statements at December 31, 2019.

 Annual Improvements to IFRSs – 2015-2017 Cycle, effective for accounting periods beginning on or after January 1, 2019

These improvements concern the income tax consequences of share-based payments (IAS 12), borrowing costs that may be capitalized as part of the cost of an asset (IAS 23), and interests previously held in a joint operation (IFRS 3 and IFRS 11). These amendments had no impact on the consolidated financial statements at December 31, 2019.

The following new and/or amended standards and interpretations effective for accounting periods beginning on or after January 1, 2019 are not relevant to the Group's operations and have not therefore been applied:

- Amendment to IFRS 9, Prepayment Features with Negative Compensation, effective for accounting periods beginning on or after January 1, 2019;
- Amendment to IFRS 9/IAS 32, Interest Rate Benchmark Reform (Phase 1), available for early adoption from January 1, 2019 (adopted by the European Union on January 15, 2020).

Work in progress at the IASB and the IFRIC

The Group is monitoring the work of the IASB and the IFRIC that could lead to a change in the treatment of put options on non-controlling interests. Based on the IFRIC's Draft Interpretation of May 31, 2012, changes in the carrying amount of liabilities relating to put options on non-controlling interests must be recognized in profit or loss in line with IAS 39 and IFRS 9. In the absence of specific IFRS guidance, the Group applies the recommendations put forward by the French financial markets authority (Autorité des marchés financiers – AMF) in November 2009, which state that the difference between the exercise price of put options on non-controlling interests and the carrying amount of non-controlling interests is to be shown as a reduction of equity attributable to owners of the Company.

Principles requiring management input

3.4 Segment information

Segments are defined in accordance with IFRS 8. Reportable segments correspond to operating segments identified in the management data reported each month to the chief operating decision maker. The Group's chief operating decision maker is its Chief Executive Officer.

3.5 Operating profit

"Operating profit" in the consolidated income statement represents all income and expenses that do not result from financing activities, taxes, or equity-accounted companies and do not meet the definition of held for sale set out in IFRS 5. Operating profit includes income and expenses relating to acquisitions (amortization of intangible assets, impairment of goodwill, gains and losses on disposals and discontinued operations, acquisition fees, earn-out payments) and other items considered to be non-recurring.

Key principles in light of the Group's business activities or financial position

3.6 Fair value estimates

The fair value of financial instruments traded on an active market (such as derivatives and investments in respect of government contracts) is based on the listed market price at the end of the reporting period. This method corresponds to level 1 in the fair value hierarchy set out in IFRS 7.

The fair value of financial instruments not traded on an active market (e.g., over-the-counter derivatives) is determined using valuation techniques. The assumptions used in such calculations

are based on either directly observable inputs such as prices or indirectly observable inputs such as price-based data. This method corresponds to level 2 in the fair value hierarchy set out in IFRS 7.

The fair value of financial instruments not based on observable market data (unobservable inputs) is determined based on information available within the Group. This method corresponds to level 3 in the fair value hierarchy set out in IFRS 7.

The levels of the fair value hierarchy used to price financial instruments are set out in Note 34 – Additional financial instrument disclosures.

3.7 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the acquired entity's net identifiable assets at the acquisition date, and is presented on a separate line in the statement of financial position.

Any residual unallocated goodwill following an acquisition may be adjusted within 12 months of the acquisition date when the process of allocating the purchase price to the fair value of the acquiree's identifiable assets and liabilities is completed.

Goodwill is carried at cost less any accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is not amortized but is tested annually for impairment (see Note 3.9 – Impairment of non-financial assets).

For the purpose of impairment testing, goodwill is allocated to cash-generating units ("CGUs") or groups of CGUs. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

In light of this global management approach, the Group allocates goodwill to each business segment in which it operates.

Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired (see Note 11-Goodwill). When there is an indication that an asset included in a CGU may be impaired, that asset is first tested for impairment and any loss in value recognized, before testing the CGU to which it belongs. Similarly, when there is an indication of impairment, any losses in value of a CGU are recognized before testing the group of CGUs to which the goodwill is allocated.

Any impairment losses are recognized in the currency of the related goodwill, which corresponds to the currency of the acquired entities. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold at the date of the sale.

3.8 Intangible assets

Intangible assets include the following items:

- customer relationships, brands, concessions, accreditations and non-competition agreements acquired as part of a business combination:
- computer software purchased externally or developed in-house.

Start-up and research costs are expensed as incurred.

Customer relationships, brands, concessions, accreditations and non-competition agreements acquired as part of a business combination

Customer relationships, brands, concessions and non-competition agreements acquired as part of a business combination are recognized at historical cost, less any accumulated amortization. Historical cost corresponds to the fair value of the assets concerned at the acquisition date.

The fair value and useful life of these assets are generally determined at the acquisition date by independent experts in the case of material acquisitions, and internally for all other acquisitions. They are adjusted where appropriate within 12 months of that date. The amortization expense is calculated as from the acquisition date.

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Overham an unlationality	D-1
Customer relationships	Between 5 and 20 years
Brands	Between 5 and 15 years
Concessions	7 years
Non-competition agreements	Between 2 and 3 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period. If the carrying amount of an item of property, plant and equipment exceeds its recoverable amount, it is written down to the estimated recoverable amount (see Note 3.9 – Impairment of non-financial assets).

Software

Costs incurred in respect of acquired computer software and software development are capitalized on the basis of the costs incurred to acquire, develop and bring the specific software into use. These costs include borrowing costs directly attributable to the acquisition or production of the software arising in the period preceding the one in which they are brought into service. They are amortized on a straight-line basis. Amortization is charged over the estimated useful life of the software, not to exceed 12 years.

Costs associated with software maintenance are expensed as incurred

3.9 Impairment of non-financial assets

Assets that have an indefinite useful life such as goodwill are not subject to amortization but are tested annually for impairment. Amortizable assets are reviewed for impairment whenever specific events have occurred indicating that the carrying amount may not be recoverable. For the purposes of assessing impairment, assets are grouped into CGUs or groups of CGUs.

Indicators of impairment for customer relationships are identified based on an analysis that considers:

- quantitative information (e.g., revenue by trends over the past three years and the extent to which adjusted operating profit absorbs amortization charged against customer relationships);
- qualitative information (e.g., loss of a key long-standing customer, major restructuring decision, etc.).

Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired.

To test goodwill for impairment, the Group allocates items of goodwill to those CGUs or groups of CGUs that are expected to benefit from the synergies identified at the time of the business combination on which the goodwill in question arose. In light of the global management approach used, goodwill is allocated to each business segment in which the Group operates.

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Note 11 - Goodwill, sets out the methods and main assumptions used for carrying out goodwill impairment tests.

When there is an indication that an asset included in a CGU may be impaired, that asset is first tested for impairment and any loss in value recognized, before testing the CGU to which it belongs. Similarly, when there is an indication of impairment of a CGU, any losses in its value are recognized before testing the group of CGUs to which the goodwill is allocated.

An impairment loss is recognized for the amount by which the carrying amount of a CGU or group of CGUs exceeds its recoverable amount. The recoverable amount of a CGU or group of CGUs corresponds to the higher of its fair value less costs to sell and its value in use.

Any impairment losses are recognized in the currency of the related goodwill, which corresponds to the currency of the acquired entities. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold at the date of the sale.

3.10 Income tax expense

Deferred income tax is recognized using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, no deferred income tax is accounted for if it arises from the initial recognition of goodwill or an asset or liability in a transaction – other than a business combination – that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income taxes are determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets on tax loss carryforwards are calculated based on the estimated future taxable earnings of the loss-making subsidiaries. The time frame used for these forecasts was within the period allowed by each country for the carry-forward of tax losses (pursuant to IAS 12.34).

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences and tax loss carryforwards can be utilized.

Deferred income tax assets and liabilities are assessed on a taxable entity basis, which may include several subsidiaries in one country, and are offset at the level of the same taxable entity.

The CVAE tax (Cotisation sur la valeur ajoutée des entreprises) is shown in income tax expense.

3.11 Derivative financial instruments

Derivatives held for trading purposes

The Group may use derivatives such as interest swaps and collars in order to hedge its exposure to changes in interest rates on borrowings.

Contracts that do not meet the hedge accounting criteria set out in IFRS 9 are designated as assets and liabilities at fair value through profit or loss. They are measured at fair value, with changes in fair value recognized in "Other financial income and expense, net" in the income statement. The accounting treatment of contracts that meet the criteria for designation as cash flow hedges under IFRS 9 is described in the section on cash flow hedges below.

Cash flow hedges

When a derivative is designated as an instrument hedging the variability of cash flows associated with a recognized asset or liability, or a highly probable forecast transaction, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in equity. The gain or loss recognized directly in equity is reclassified to profit or loss in the same period or periods during which the hedged transaction itself affects profit or loss (such as in the periods that the foreign exchange gain or loss is recognized). The portion of the gain or loss relating to the ineffective portion of the hedge is recognized immediately in profit or loss.

To hedge the currency risk on borrowings taken out in US dollars and pounds sterling, the Group entered into currency swaps in 2008. These transactions have been designated as cash flow hedges since inception, as they meet all of the hedge accounting criteria set out in IFRS 9.

3.12 Financial liabilities

Borrowings

Borrowings are initially recognized at fair value net of transaction costs incurred, and subsequently stated at amortized cost.

Interest on borrowings is recorded in the income statement under "Finance costs, gross" using the effective interest method. Debt issuance costs are recorded as a reduction of the carrying amount of the related debt and are amortized through profit or loss over the estimated term of the debt using the effective interest method

Borrowings are classified as current liabilities in the statement of financial position unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period, in which case they are classified as non-current

Liabilities relating to put options granted to holders of non-controlling interests

Put options granted to holders of non-controlling interests in subsidiaries that do not transfer the related risks and rewards give rise to the recognition of a liability for the present value of the most likely exercise price calculated using a risk-free interest rate. This liability is recognized within financial liabilities and the adjusting entry is posted to equity.

In the absence of specific IFRS guidance, the Group complies with the recommendations issued by the AMF in 2009. Accordingly, subsequent changes in the liability are also recognized in equity attributable to non-controlling interests for their carrying amount and in equity attributable to owners of the Company for the residual balance (including the impact of unwinding the discount).

The corresponding cash flows are presented within cash flows relating to financing activities in the statement of cash flows.

The liabilities are classified under current financial liabilities, except where payment is likely to take place at least 12 months after the end of the reporting period, in which case they are classified as non-current items.

3.13 Pension plans and other long-term employee benefits

The Group's companies have various long-term obligations towards their employees for termination benefits, pension plans and long-service awards.

The Group has both defined benefit and defined contribution plans.

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a designated pension fund. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations in excess of these contributions. The contributions are recognized in personnel costs when they fall due. Prepaid contributions are recognized as an asset to the extent that they result in a cash refund or a reduction in future payments.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. An example is a plan that defines the amount of the pension an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows based on the yield on investment-grade corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in equity (other comprehensive income) when they relate to pension obligations and termination benefits, and in net financial income/expense when they relate to long-service awards.

3.14 Provisions for liabilities and charges

Provisions for liabilities and charges are recognized when the Group considers that (i) at the end of the reporting period it has a present legal obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount of the obligation can be reliably estimated.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The costs the Group ultimately incurs may exceed the amounts set aside to such provisions due to a variety of factors such as the uncertain nature of the outcome of the disputes. Provisions for claims and disputes whose outcome will only be known in the long term are measured at the present value of the expenditures expected to be required to settle the obligation concerned, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized in "Other financial income and expense, net" in the income statement.

3.15 Share-based payment

Long-term compensation plans

The fair value of the employee services received in exchange for the award of stock options is recognized as an expense, with an adjusting entry to equity. The total amount expensed over the vesting period of the rights under these awards is calculated by reference to the fair value of the options awarded at the grant date. The resulting expense takes into account the estimated option cancellation ratio and, where appropriate, any non-market vesting conditions (such as profitability and sales growth targets).

The assumptions used to value the Group's stock options are described in Note 23 – Share-based payment.

As regards stock subscription options, the proceeds received net of any directly attributable transaction costs are credited to share capital for the nominal value and to share premium for the balance when the options are exercised.

3.16 Revenue recognition

Revenue represents the fair value net of tax of the consideration received or receivable for services rendered by Group companies in the ordinary course of their business, after elimination of intra-group transactions. The Group recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Group.

The majority of the Group's contracts give rise to a large number of very short-term projects in a single contract. The Group recognizes revenue from these contracts at the date on which each project is completed.

Other contracts cover longer-term projects, especially in the Marine & Offshore and Buildings & Infrastructure businesses (see Note 7 - Segment information). These contracts meet the condition that another entity would not need to re-perform the work the entity has completed and some such contracts contain an enforceable right to payment, as defined by IFRS 15. For these contracts, the Group uses the percentage-of-completion method based on the costs incurred in satisfying the related performance obligations. The percentage of completion is determined for each performance obligation in a contract by reference to the costs incurred up to the end of the reporting period as a percentage of the estimated total costs. This percentage of completion, applied to the total estimated margin on the contract, represents the margin to be recognized in that period. If the estimated margin is negative, a provision for other liabilities and charges is recorded for the entire estimated amount of the contract.

3.17 Impairment of financial assets

An impairment loss is recognized against financial assets to reflect the expected risk on all such assets as soon as the Group is unable to collect all amounts due according to the original terms of the transaction.

An impairment loss is recognized against trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the transaction. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indications that a trade receivable is impaired. An analysis of doubtful receivables is performed based on the age of the receivable, the credit standing of the client and whether or not the related invoice is disputed. The carrying amount of the asset is reduced through the use of an impairment account, and the amount of the loss is recognized in the income statement as "Net (additions to)/reversals of provisions".

The expected risk on trade receivables is calculated using a matrix tracking historical default rates by asset maturity. Where appropriate, estimates may be adjusted to reflect country risk or future changes in the Group's environment.

The carrying amount of the asset is reduced through the use of an impairment account, and the amount of the loss is recognized in the income statement under "Net (additions to)/reversals of provisions".

Standard principles applicable

3.18 Basis of consolidation

Subsidiaries are all entities controlled by the Group and are fully consolidated.

The Group considers it has control over a subsidiary (investee) when:

- it has power over the investee;
- it is exposed, or has rights, to variable returns from its involvement with the investee; and
- it has the ability to affect the amount of those returns through its power over the investee.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are removed from the scope of consolidation as of the date control ceases.

The acquisition method is used to account for acquisitions of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. For each acquisition, the Group measures non-controlling interests either at fair value or at their share in net identifiable assets. The excess of the cost of an acquisition plus any non-controlling interests in the acquiree over

the fair value of the Group's share of the net identifiable assets acquired is recognized as goodwill (see Note 11 – Goodwill). If the fair value of the net assets of the subsidiary acquired exceeds the net cost of the acquisition plus any non-controlling interests in the acquired entity, the difference is recognized directly in the income statement.

In accordance with IFRS 3 (revised), the Group has 12 months from the acquisition date to finalize the allocation of the purchase price to the fair values of the acquiree's identifiable assets and liabilities.

Intra-group transactions, as well as unrealized gains or losses on transactions between Group companies, are eliminated in full. All companies are consolidated based on their financial position at the end of each reporting period presented, and their accounting policies are aligned where necessary with those adopted by the Group.

Non-controlling interests

Acquisitions and disposals of investments that do not result in a gain or loss of control are recognized in consolidated equity within "Other movements" as transfers between equity attributable to owners of the Company and equity attributable to non-controlling interests, with no impact on the income statement. The corresponding cash flows are presented within cash flows relating to financing activities in the statement of cash flows. The corresponding costs are accounted for in the same way.

Equity-accounted companies

Equity-accounted companies are all entities over which the Group has significant influence but not control, generally when it holds between 20% and 50% of the voting rights. Investments in equity-accounted companies are initially recognized at cost as from the date significant influence was acquired.

The Group's share of its equity-accounted companies' post-acquisition profits or losses is recognized in the consolidated income statement.

Joint ventures

Joint ventures are companies controlled jointly by the Group pursuant to an agreement concluded with a view to carrying on a business activity over an average period of three to four years. The consolidated financial statements include the Group's proportionate interest in the assets, liabilities, income and expenses of joint ventures. Similar items are combined line by line from the date joint control is effective until the date on which it ceases.

3.19 Translation of the financial statements of foreign subsidiaries

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in millions of euros, which is the Company's functional and presentation currency.

Foreign subsidiaries

The functional currency of foreign subsidiaries is essentially the local currency of the country in which they operate. No country in which significant Bureau Veritas subsidiaries or branches are located was considered to be a hyper-inflationary economy in 2019 or 2018.

Assets and liabilities of foreign subsidiaries are translated into euros at the closing exchange rate (excluding monetary items), while income and expense items are translated at average exchange rates for the year. All resulting currency translation differences are recognized under "Currency translation reserves" within equity. Where several exchange rates exist, the rate adopted is the rate used for dividend payments.

When a foreign operation is sold, the currency translation differences that were initially recorded in equity are recognized in the income statement as part of the gain or loss on the sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation as well as financing for which repayment is neither planned nor likely in the foreseeable future are accounted for as assets and liabilities of the foreign operation and translated into euros at the closing exchange rate. Currency translation differences initially recognized in equity are not transferred to "Gains (losses) on disposals of businesses" for partial repayments of financing accounted for as a liability of a foreign operation.

3.20 Foreign currency transactions

Foreign currency transactions are translated using the exchange rates prevailing at the transaction date. At the end of each reporting period, monetary items denominated in foreign currencies are remeasured at the closing rate. Foreign exchange gains and losses resulting from the settlement of transactions in foreign currencies and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement as financial income or expense.

3.21 Property, plant and equipment

All items of property, plant and equipment except for land are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the assets, in particular borrowing costs directly attributable to the acquisition or production of property, plant and equipment arising in the period preceding the one in which the assets concerned are brought into service. Subsequent expenditure is included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All repair and maintenance costs are expensed as incurred.

Land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method over the estimated useful lives of the assets. The useful lives generally used are as follows:

Buildings	Between 20 and 25 years
Fixtures and fittings	10 years
Machinery and equipment	Between 5 and 10 years
Vehicles	Between 4 and 5 years
Office equipment	Between 5 and 10 years
IT equipment	Between 3 and 5 years
Furniture	10 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period. If the carrying amount of an item of property, plant and equipment exceeds its recoverable amount, it is written down to the estimated recoverable amount (see Note 3.9 – Impairment of non-financial assets).

Gains or losses on disposals of property, plant and equipment are determined by comparing the sale proceeds with the carrying amount of the asset sold, and are shown within "Other operating income and expense, net" in the income statement.

3.22 Investments in non-consolidated companies

This caption includes investments in companies over which the Group does not exercise control or significant influence.

These investments are stated at purchase price plus transaction costs on initial recognition, and remeasured to fair value through profit or loss at the end of each reporting period.

Dividends attached to the investments are recognized in the income statement under "Other financial income" when the Group's right to receive payment is established.

At the end of each reporting period, the Group assesses whether there is any objective indication that its investments in non-consolidated companies are impaired. Examples of such indications include:

- evidence that the entity is in a loss-making situation;
- where the entity's financial performance proves significantly worse than expected;
- where significant changes with an adverse effect on the entity have taken place in the economic environment in which it operates.

When the Group considers that an investment is impaired, an expense is recorded in the income statement under "Other financial income and expense, net".

In accordance with IFRS 9, such investments are classified within financial assets at fair value through profit or loss.

3.23 Other non-current financial assets

Other non-current financial assets mainly comprise guarantees and deposits.

Guarantees and deposits are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in non-current assets as they fall due more than 12 months after the end of the reporting period. Guarantees and deposits are initially recognized at fair value. In accordance with IFRS 9, they are classified within financial assets carried at amortized cost.

3.24 Treasury shares

Treasury shares are recognized at cost as a deduction from equity. Gains and losses on disposals of treasury shares are also recognized in equity and are not included in the calculation of profit for the period.

3.25 Non-current assets and liabilities held for sale

Non-current assets (or disposal groups/liabilities) are classified as held for sale and measured at the lower of their carrying amount and their fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction.

3.26 Current financial assets

This class of assets generally corresponds to financial assets held for trading purposes. These assets are initially recognized at fair value, and the transaction costs are expensed in the income statement. At the end of the reporting period, current financial assets are remeasured at fair value and any gains or losses arising from changes in fair value are taken to profit or loss.

3.27 Trade and other receivables

Trade and other receivables are measured at fair value less any impairment losses for known risks.

When a trade receivable is uncollectible, it is written off and the impairment loss is reversed. Subsequent recoveries of amounts previously written off are credited to "Other operating income and expense, net".

In accordance with IFRS 9, trade and other receivables are classified within financial assets carried at amortized cost.

3.28 Cash and cash equivalents

Cash and cash equivalents include cash in hand, monetary mutual funds (SICAV), deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within current financial liabilities on the statement of financial position.

Changes in the fair value of cash and cash equivalents are recognized through profit or loss.

3.29 Trade payables

Trade payables are carried at fair value. All of the Group's trade payables have maturities of one year or less and are classified under current liabilities.

3.30 Dividends paid

Dividends paid to the Company's shareholders are recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Note 4 Alternative performance indicators

In its external reporting, the Group uses several financial indicators that are not defined by IFRS.

These are defined below:

Adjusted operating profit represents the Group's operating profit prior to adjustments for the following:

- amortization of acquisition intangibles;
- impairment of goodwill;
- fees and costs on acquisitions of businesses;
- contingent consideration on acquisitions of businesses;
- gains and losses on disposals of businesses;
- restructuring costs.

When an acquisition is carried out during the financial year, the amortization of the related intangible assets is calculated on a time proportion basis.

Since a measurement period of 12 months is allowed for determining the fair value of acquired assets and liabilities, amortization of intangible assets in the year of acquisition may, in some cases, be based on a temporary measurement and be subject to minor adjustments in the subsequent reporting period, once the definitive value of the intangible assets is known.

Like revenue, adjusted operating profit is a key indicator monitored internally and is considered by management to be representative of the Group's operating performance in its business sector.

(€ millions)	2019	2019 before applying IFRS 16	2018
Operating profit	721.3	708.3	637.2
Amortization of intangible assets resulting from acquisitions	79.8	79.8	75.1
Restructuring costs	24.4	24.4	42.1
Gains on disposals of businesses and other income and expenses relating to acquisitions	6.0	6.0	3.6
ADJUSTED OPERATING PROFIT	831.5	818.5	758.0

Adjusted attributable net profit is defined as attributable net profit adjusted for other items after tax, and therefore excludes non-controlling interests in adjustment items and the related tax effect. Adjusted attributable net profit concerns continuing operations only.

(€ millions)	2019	before applying IFRS 16	2018
Net profit attributable to owners of the Company	367.9	371.4	332.6
Income and expenses relating to acquisitions and other adjustments	110.2	110.2	120.8
Tax impact	(25.4)	(25.4)	(32.1)
Non-controlling interests	(1.7)	(1.7)	(4.1)
ADJUSTED ATTRIBUTABLE NET PROFIT	451.0	454.5	417.2

Free cash flow relates to net cash generated from operations adjusted for net purchases of property, plant and equipment, intangible assets and interest paid.

(€ millions)	2019	2019 before applying IFRS 16	2018
Net cash generated from operating activities	820.4	711.4	685.5
Purchases of property, plant and equipment and intangible assets	(127.9)	(127.9)	(130.9)
Proceeds from sales of property, plant and equipment and intangible assets	5.2	5.2	6.8
Interest paid	(79.8)	(79.8)	(83.0)
FREE CASH FLOW	617.9	508.9	478.4

The adjusted effective tax rate is defined in Note 10 – Income tax expense. Adjusted net financial debt is defined in Note 24 – Borrowings and financial debt.

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Note 5 Financial risk management

The Group is exposed to a variety of financial risks (currency, interest rate, credit and liquidity risks) that may affect its assets, liabilities and operations.

The Group's policy is to constantly identify, assess and, where appropriate, hedge such risks with a view to limiting its exposure. Derivative instruments are used only to hedge identified risks and not for speculative purposes. The Group has specific procedures for dealing with each of the risks mentioned above and for each instrument used (derivatives, cash investments). Group entities are not authorized to enter into market transactions other than currency spot transactions with their financial partners.

The Finance and Treasury department is in charge of setting up hedges. Simulations are carried out or mandated by the department to allow it to assess the impact of different scenarios on the Group's financial statements.

The risk exposure resulting from the United Kingdom's decision to leave the European Union ("Brexit") is not material. The Group's revenue in the United Kingdom accounted for 3.8% of total consolidated revenue in 2019 and is mainly derived locally. Internal financing granted by the Group to certain UK entities is denominated in pounds sterling and hedged by the Group as described above. Other risks relating to Brexit, namely contractual or human capital risks, are monitored by the Legal Affairs & Audit and HR departments, which will make the necessary adjustments as the United Kingdom exits the European Union.

Currency risk

The Group operates internationally and is therefore exposed to currency risk arising from its exposure to different foreign currencies. This risk is incurred both on transactions carried out by Group entities in currencies other than their functional currency (currency risk on operations), as well as on assets and liabilities denominated in foreign currencies other than the presentation currency for consolidated financial statements, i.e., euros (translation risk).

For some of the Group's businesses exposed to globalized markets, chiefly the Agri-Food & Commodities, Consumer Products, Marine & Offshore and Industry businesses, certain sales are denominated in US dollars or influenced by the price of the US dollar. They are therefore indirectly affected by the changes in the US dollar.

Additional analyses and disclosures regarding currency risk are provided in Note 34 - Additional financial instrument disclosures, as well as Note 18 - Derivative financial instruments.

Interest rate risk

The Group is exposed to the risk of fluctuations in interest rates on its floating-rate debt.

Interest rate exposure is monitored on a monthly basis. The Group continually analyses the level of hedges put in place and ensures that they are appropriate for the underlying exposure.

Additional disclosures are provided in Note 34 – Additional financial instrument disclosures.

Credit risk

The Group considers that it has very limited exposure to credit risk that could have a material adverse impact on its business, financial position, results or outlook.

Credit risk primarily arises on trade receivables and is limited due to the large number of clients and the broad range of businesses and countries concerned across the globe. The Group derives revenue from its business with around 400,000 clients in almost 140 countries. In 2019, its largest client did not account for more than 1% of consolidated revenue and the total revenue generated with its 25 largest clients represented less than 12% of consolidated revenue.

The Group's businesses with the largest concentration of clients (Industry and Consumer Products) generate less than 4% of their revenue with those respective clients.

Note 19 – Trade and other receivables provides a detailed breakdown by maturity of receivables not covered by provisions.

Liquidity risk

The Group may have to meet payment commitments arising in the ordinary course of its business. At December 31, 2019, the Group also had access to an undrawn confirmed credit line totaling €600 million (2018 syndicated loan) in addition to cash.

These facilities are described in more detail in Note 24 – Borrowings and financial debt.

Counterparty risk

The financial instruments potentially exposing the Group to counterparty risk are mainly cash and cash equivalents and derivative instruments. Counterparty risk arising on financial institutions is limited thanks to the Group's policy of pooling cash with the parent company wherever possible, and restricting the type and term of investments to three months or less. More than 75% of cash and cash equivalents is recorded on the Company's books and placed or held with a limited number of investments rade banks under FBF-type or similar master arrangements. The remaining 25% is spread among the Group's subsidiaries, thereby limiting concentration risk.

Note 6 Use of estimates

The preparation of financial statements involves the use of estimates, assumptions and judgments that may affect the carrying amounts of certain items in the statement of financial position and/or income statement as well as the disclosures in the notes.

The estimates, assumptions and judgments used were determined based on the information available when the financial statements were drawn up and may not reflect actual conditions in the future.

The main estimates, assumptions and judgments used are described below.

Measurement of provisions for claims and disputes

The Group records provisions for claims and disputes in accordance with the accounting policy described in Note 3.14 - Provisions for liabilities and charges.

These provisions are measured using various estimates and assumptions by reference to statistical data based on historical experience. They are discounted based on an estimate of the average duration of the obligation, an assumed rate of inflation and a discount rate that reflects the term to maturity of the obligation concerned.

Provisions for claims representing material amounts for which a lawsuit has been filed are measured on a case-by-case basis relying on independent experts' reports where appropriate. The costs the Group ultimately incurs may exceed the amounts set aside to such provisions due to a variety of factors such as the uncertain nature of the outcome of the disputes.

Measurement of provisions for impairment of trade receivables

Trade receivables impairment is based on several different elements. It is assessed on a case-by-case basis based on the financial position of the debtor concerned and the associated probability of default or delinquency in payments. This assessment is supplemented by the recognition of expected losses based on a matrix tracking historical default rates. Adjustments may also be recorded to reflect country risk or future changes in the Group's environment.

Measurement of intangible assets acquired in business combinations

Intangible assets acquired in business combinations carried out by the Group include customer relationships, brands, concessions and non-competition agreements. The fair value of these items is generally measured by independent experts using assumptions relating to business forecasts for the companies concerned. Details of the Group's acquisitions during the year are provided in Note 12 – Acquisitions and disposals.

Impairment of goodwill

The Group tests annually whether the value of goodwill is impaired, in accordance with the accounting policy described in Note 3.9 – Impairment of non-financial assets. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, which are described in Note 11 – Goodwill.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Judgment is required by management in determining the worldwide provision for income taxes. The Group considers that its ultimate tax estimate is reasonable in the ordinary course of its business.

The Group recognizes deferred income tax assets for deductible temporary differences and tax loss carryforwards to the extent that it deems probable such assets will be recovered in the future (see Note 16 – Deferred income tax, for details of the deferred income taxes recognized by the Group).

Revenue recognition

To recognize the revenue earned on certain service contracts, the Group uses the percentage-of-completion method based on the costs it incurs in respect of the performance obligations contained in those contracts (see Note 3.16 – Revenue recognition, in the accounting policies section). Use of this method requires the Group to estimate the services provided to date as a proportion of the total services to be provided.

Measurement of long-term employee benefits

The cost of long-term employee benefits under defined benefit plans is estimated using actuarial valuation methods. These methods involve the use of a number of different assumptions, which are described in further detail in Note 26 – Pension plans and other long-term employee benefits. Due to the long-term nature of such plans, these estimates are subject to significant uncertainties.

Fair value of share-based payments

Share-based payments are expensed over the vesting period based on their fair value at the grant date for equity-settled instruments, or at the end of the reporting period for cash-settled transactions. Fair value is measured using appropriate valuation models requiring estimates of certain inputs as described in further detail in Note 23 – Share-based payment.

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Tax liabilities

Tax assets or liabilities should be recognized if there is uncertainty over their income tax treatment. The Group recognizes a tax liability whenever it considers the relevant tax authorities are

unlikely to accept a given tax treatment. Conversely, a tax receivable is recognized if the Group considers the relevant tax authorities are likely to refund tax paid. Assets and liabilities for which tax treatments are uncertain are estimated on a case-by-case basis depending on the most likely amount.

Note 7 Segment information

Since January 1, 2017, the Group has reported on the six businesses described in section 1.5 – Presentation of business activities of the 2019 Universal Registration Document.

The types of revenue-generating services provided within the scope of the different business activities are indicated below:

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.

A segment analysis of revenue and operating profit is presented as monitored by Group management.

	Reve	enue	Operati	ng profit
(€ millions)	2019	2018	2019	2018
Marine & Offshore	368.5	348.6	75.7	65.3
Agri-Food & Commodities	1,168.2	1,074.5	115.3	90.0
Industry	1,111.1	1,052.8	180.4	105.9
Buildings & Infrastructure	1,379.2	1,275.7	125.6	153.6
Certification	370.5	373.7	62.5	64.1
Consumer Products	702.2	670.2	161.8	158.3
TOTAL	5,099.7	4,795.5	721.3	637.2

Given the Group's internal organization and the existence of global contracts that can be billed by one subsidiary but carried out by one or more other subsidiaries, the following analysis of revenue by region is based on the country in which the legal entity is established.

This analysis of revenue by region breaks down as follows:

• Europe: 35.0%;

Asia Pacific: 31.0%;

Americas: 25.0%;

• Africa, Middle East: 9.0%.

Note 8 Operating income and expense

(€ millions)	2019	2018
Supplies	(150.2)	(105.4)
Operational subcontracting	(470.9)	(414.2)
Lease payments	(63.9)	(144.6)
Transportation and travel costs	(384.3)	(404.3)
Service costs rebilled to clients	107.2	106.5
Other external services	(476.2)	(456.0)
Total purchases and external charges	(1,438.3)	(1,418.0)
Salaries and bonuses	(2,070.5)	(1,988.2)
Payroll taxes	(434.2)	(438.8)
Other employee-related expenses	(92.1)	(80.1)
Total personnel costs	(2,596.8)	(2,507.1)
Provisions for receivables	(24.6)	(16.9)
Provisions for liabilities and charges	15.4	5.1
Total (additions to)/reversals of provisions	(9.2)	(11.8)
Gains/(losses) on disposals of property, plant and equipment and intangible assets	(2.7)	(4.2)
Gains/(losses) on disposals of businesses	1.3	0.6
Other operating income and expense, net	18.4	28.7
TOTAL OTHER OPERATING INCOME AND EXPENSE, NET	17.0	25.1

"Other external services" comprises various costs such as costs relating to temporary staff, telecommunications, insurance premiums and fees.

"Other employee-related expenses" includes the cost of stock options and performance shares, as well as costs relating to long-term employee benefits.

In 2019, "Other operating income and expense, net" includes income of $\[\in \]$ 2.7 million corresponding to the research tax credit ($\[\in \]$ 3.5 million in 2018). Contingent consideration on acquisitions in

previous years is also included in this caption, representing a net negative amount of \in 5.4 million in 2019, compared to a negative amount of \in 0.1 million in 2018.

"Other operating income and expense, net" in 2018 included income of €7.8 million corresponding to the CICE tax credit. In 2019, the CICE tax credit was recognized directly against payroll taxes in France and is therefore included on the "Payroll taxes" line

Note 9 Other financial income and expense

(€ millions)	2019	2018
Implicit return on funded pension plan assets	0.4	0.3
Other financial income	0.4	0.3
Foreign exchange gains/(losses)	(10.0)	(5.7)
Interest cost on pension plans	(4.8)	(2.6)
Other	(4.0)	(2.7)
Other financial expense	(18.8)	(11.0)
OTHER FINANCIAL INCOME AND EXPENSE, NET	(18.4)	(10.7)

In 2019, the interest rate component of gains and losses on foreign currency derivatives represented total income of $\[\in \]$ 2.5 million (2018: total expense of $\[\in \]$ 0.9 million) and was recorded within "Finance costs, gross".

Note 10 Income tax expense

Income tax expense on consolidated revenue comprised current and deferred tax, and can be analyzed as follows:

(€ millions)	2019	2018
Current income tax	(210.0)	(198.9)
Deferred income tax	(0.7)	9.6
INCOME TAX EXPENSE	(210.7)	(189.3)

The effective tax rate (ETR), corresponding to income tax expense divided by pre-tax profit, was 34.9% in 2019, compared with 34.8% in 2018

(€ millions)	2019	2018
Profit before income tax (A)	603.3	544.4
Income tax expense (B)	210.7	189.3
EFFECTIVE TAX RATE (B/A)	34.9%	34.8%

The difference between the effective tax expense and the theoretical tax obtained by applying the French standard tax rate to consolidated profit before income tax can be analyzed as follows:

(€ millions)	2019	2018
Profit before income tax	603.3	544.4
French parent company tax rate	34.4%	34.4%
Theoretical income tax charge based on the parent company tax rate	(207.7)	(187.5)
Income tax impact of transactions subject to a reduced tax rate	4.0	2.3
Differences in foreign tax rates ^(a)	49.2	47.6
Impact of unrecognized tax losses	(7.5)	(9.7)
Utilization of previously unrecognized tax losses	2.6	3.9
Permanent differences	(20.9)	(15.3)
Changes in estimates	(3.1)	(7.4)
CVAE tax	(11.0)	(11.5)
Tax on dividends received from subsidiaries	(16.2)	(12.0)
Other	(0.1)	0.3
ACTUAL INCOME TAX EXPENSE	(210.7)	(189.3)
EFFECTIVE INCOME TAX RATE	34.9%	34.8%

⁽a) In 2019, the biggest differences in tax rates compared to France were found in China, Hong Kong, Taiwan, Vietnam, Bangladesh, South Korea, Brazil, Canada, Russia and the United Kingdom.

The adjusted effective tax rate (adjusted ETR) represents income tax expense adjusted for the tax effect on adjustment items divided by pre-tax profit before taking into account the adjustment items defined in Note 4 – Alternative performance indicators of this Universal Registration Document. The adjusted effective tax rate was 33.1%.

(€ millions)	2019	2018
Profit before income tax	603.3	544.4
Income and expenses relating to acquisitions and other adjustments	110.2	120.8
Total (A)	713.5	665.2
Income tax expense	210.7	189.3
Tax effect on income and expenses relating to acquisitions and other adjustments	25.4	32.1
Total (B)	236.1	221.4
ADJUSTED EFFECTIVE TAX RATE (B/A)	33.1%	33.3%

The 0.2% decrease in the adjusted effective tax rate compared to 2018 (33.3%) notably reflects the favorable impact of the new tax deductibility rules for interest applicable in France.

The breakdown of the tax effect on other comprehensive income is as follows:

	2019			2018		
(€ millions)	Before tax	Tax	After tax	Before tax	Tax	After tax
Currency translation differences	48.1	-	48.1	(62.0)	-	(62.0)
Actuarial gains/(losses)	(6.3)	1.4	(4.9)	5.8	(1.6)	4.2
Cash flow hedges	1.0	(0.1)	0.9	(0.1)	-	(0.1)
TOTAL OTHER COMPREHENSIVE INCOME/(EXPENSE)	42.8	1.3	44.1	(56.3)	(1.6)	(57.9)

Note 11 Goodwill

Changes in goodwill in 2019

(€ millions)	2019	2018
Gross value	2,152.9	2,111.1
Accumulated impairment	(141.3)	(146.0)
Net goodwill at January 1	2,011.6	1,965.1
Acquisitions of consolidated businesses during the year	26.0	63.6
Proceeds from sales of subsidiaries and businesses	(3.4)	-
Currency translation differences and other movements	40.9	(17.1)
Net goodwill at December 31	2,075.1	2,011.6
Gross value	2,217.6	2,152.9
Accumulated impairment	(142.5)	(141.3)
NET GOODWILL AT DECEMBER 31	2,075.1	2,011.6

Allocation of goodwill to CGUs in 2019

Goodwill allocated to the Group's main cash-generating units (CGUs) at December 31, 2019 can be analyzed as follows:

(€ millions)	December 31, 2019	December 31, 2018
Marine & Offshore	40.6	40.4
Agri-Food & Commodities	817.1	791.5
Industry	404.9	399.6
Buildings & Infrastructure	456.3	431.1
Certification	37.7	36.0
Consumer Products	318.5	313.0
TOTAL	2,075.1	2,011.6

2019 impairment test results and methodology

The Group tests goodwill for impairment at the end of each reporting period, and whenever there is an indication that it may be impaired. In order to do so, goodwill is allocated to cash-generating units (CGUs) or groups of CGUs.

The Group's reporting is based on six operating divisions: Marine & Offshore, Agri-Food & Commodities, Industry, Buildings & Infrastructure, Certification, and Consumer Products. Each of these divisions represents a CGU, or group of CGUs.

The recoverable amount of CGUs is determined as set out in Note 3.7 – Impairment of non-financial assets. Assets are tested for impairment by estimating their value in use.

Value in use corresponds to surplus future cash flows generated by a CGU. These cash flows are estimated after allowing for maintenance expenditure, changes in working capital requirements, and any non-recurring items. They are net of tax but exclude external financing costs. The cash flows are based on the latest medium- and long-term earnings forecasts.

There are two key inputs to the cash flow forecasts:

<u>Growth assumptions:</u> cash surpluses depend on the performance of a CGU or group of CGUs, which is based on assumptions regarding the growth of the businesses concerned over a five-year period. Beyond this period, performance is calculated using a perpetual growth rate approximating the rate of inflation for the CGU or group of CGUs. A perpetual growth rate of 2.0% was used.

<u>Discount rate:</u> value in use is based on estimated surplus future cash flows discounted at the weighted average cost of capital (WACC). The discount rates used are post-tax rates. The WACC used in the calculations is determined by an independent expert and adapted to the Group's different businesses and geographic areas in which the CGUs or groups of CGUs are present. A WACC of 6.1% was used in 2019.

Sensitivity analysis

Items that could have a significant impact on the results of impairment tests are operating profit, WACC and the perpetual growth rate.

However, there is no reasonably possible change in key assumptions for a given input at one time that results in the recoverable amount of a CGU or group of CGUs falling below the carrying amount.

Note 12 Acquisitions and disposals

Acquisitions during the period

In 2019, the main acquisitions carried out by the Group were:

ACQUISITIONS OF 100% INTERESTS

Month	Company	Business	Country
January	Capital Energy SAS	Buildings & Infrastructure	France
July	Q Certificazioni SRL	Certification	Italy

OTHER ACQUISITIONS

The amount of goodwill resulting from these acquisitions was calculated using the partial goodwill method, whereby non-controlling interests are measured based on their share in the fair value of the net identifiable assets acquired.

Month	Company	Business	% acquired	Country
March	Owen Group Inc.	Buildings & Infrastructure	75.0%	United States
April	Shenzhen Total-Test Technology Co., Ltd.	Agri-Food & Commodities	75.0%	China

INCREASE IN SHAREHOLDINGS

Month	Company	Business	Ownership interest	Country
January	Beijing 7 Layers Huarui Communications Technology Co., Ltd.	Consumer Products	51.0%	China

The purchase price for acquisitions made in 2019 was allocated to the acquirees' identifiable assets, liabilities and contingent liabilities at the end of the reporting period, based on information and provisional valuations available at that date.

The table below was drawn up prior to completing the final purchase price accounting for companies acquired in 2019:

(€ millions)	D	ecember 31, 2019	D	ecember 31, 2018
Purchase price of acquisitions		56.6		131.4
Acquisition of non-controlling interests		-	'	(14.7)
Cost of assets and liabilities acquired/assumed		56.6		116.7
Assets and liabilities acquired/assumed	Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets	4.8	37.6	8.4	68.5
Current assets (excluding cash and cash equivalents)	26.1	26.1	24.3	24.3
Current liabilities (excluding borrowings)	(24.9)	(24.2)	(21.6)	(27.3)
Non-current liabilities (excluding borrowings)	(6.2)	(13.4)	(1.5)	(4.7)
Borrowings	-	-	(1.6)	(1.6)
Non-controlling interests acquired	(10.3)	(10.3)	(7.9)	(7.9)
Cash and cash equivalents of acquired companies	14.8	14.8	1.8	1.8
Total assets and liabilities acquired/assumed	4.3	30.6	1.9	53.1
GOODWILL		26.0		63.6

The main item of goodwill in the period relates to Capital Energy for €13.5 million.

The residual unallocated goodwill is chiefly attributable to the human capital of the companies acquired and the significant synergies expected to result from these acquisitions.

Fair value adjustments relating to the main acquisitions carried out in 2018 whose final accounting was completed in 2019 are recognized in the 2019 consolidated financial statements.

The Group's acquisitions were paid mainly in cash.

The impact of these acquisitions on cash and cash equivalents for the period was as follows:

(€ millions)	2019	2018
Purchase price of acquisitions	(56.6)	(131.4)
Remeasurement of securities at fair value ^(a)	4.3	-
Cash and cash equivalents of acquired companies	14.8	1.8
Purchase price outstanding at December 31 in respect of acquisitions in the year	2.0	6.3
Equity-settled payments	-	4.0
Purchase price paid in relation to acquisitions in prior periods	(32.5)	(18.1)
IMPACT OF ACQUISITIONS ON CASH AND CASH EQUIVALENTS	(68.0)	(137.4)

⁽a) Business combination achieved in stages (step acquisition).

The negative amount of €69.9 million shown on the "Acquisitions of subsidiaries" line of the consolidated statement of cash flows includes €1.9 million in acquisition-related fees paid.

Contingent consideration

Contingent consideration for acquisitions carried out prior to January 1, 2019 was recognized in 2019. The impact of contingent consideration on the consolidated income statement was a net expense of €5.4 million recorded in "Other operating income and expense, net"

Financial liabilities relating to put options granted to holders of non-controlling interests

Financial liabilities relating to put options granted to holders of non-controlling interests amounted to €107.6 million at December 31, 2019 (€124.6 million at December 31, 2018), and are set out in the table below:

(€ millions)	December 31, 2019	December 31, 2018
Agri-Food & Commodities	3.6	5.8
Buildings & Infrastructure	103.4	118.3
Consumer Products	0.6	0.5
TOTAL	107.6	124.6
Non-current	91.7	76.4
Current	15.9	48.2

Movements in the period were as follows:

(€ millions)	2019	2018
At January 1	124.6	91.5
New options	20.2	32.1
Options exercised	(36.5)	-
Change in the present value of the exercise price of outstanding options	(0.7)	1.0
AT DECEMBER 31	107.6	124.6

These options are generally valued based on estimates of future operating profit.

New options granted along with changes in the price of existing options had a negative \in 19.5 million impact on the "Other movements" line in the consolidated statement of changes in equity.

Financial statements 6.6 Notes to the consolidated financial statements

Comparative data

The table below shows the Group's key financial indicators including major acquisitions for the period as if they had been included in the consolidated financial statements at January 1, 2019. Operating profit includes 12-month amortization charged against intangible assets resulting from the business combinations.

The main acquisitions carried out in 2019 do not have a material impact on comparative indicators in the consolidated statement of cash flows.

(€ millions)	2019	2018
Revenue as per the financial statements	5,099.7	4,795.5
o/w revenue of companies acquired since the acquisition date	61.2	76.7
Revenue restated for pre-acquisition data	5,109.9	4,814.6
Operating profit as per the financial statements	721.3	637.2
o/w operating profit of companies acquired since the acquisition date	8.2	9.4
Operating profit restated for pre-acquisition data	722.4	638.8
Net profit as per the financial statements	392.6	355.1
o/w net profit of companies acquired since the acquisition date	5.8	6.9
NET PROFIT RESTATED FOR PRE-ACQUISITION DATA	392.7	355.5

Disposals

The table below shows the impacts of disposals carried out in the period on the statement of financial position and income statement:

(€ millions)	2019	2018
Sale price, net	19.2	
Assets and liabilities sold		
Non-current assets	(10.7)	-
Current assets	(7.8)	0.5
Cash and cash equivalents	(11.3)	-
Current and non-current liabilities	11.9	(1.1)
Carrying amount of assets sold	(17.9)	(0.6)
Gains/(losses) on disposals of businesses, before tax	1.3	0.6
Tax effect	(2.2)	-
Gains/(losses) on disposals of businesses, after tax	(0.9)	_

Disposals in the period had a positive \in 7.9 million impact on consolidated cash and cash equivalents, shown on the "Proceeds from sales of subsidiaries and businesses" line of the consolidated statement of cash flows.

Note 13 Intangible assets

(€ millions)	December 31, 2018	Acquisitions/ Additions	Disposals	Changes in scope of consolidation	Currency translation differences and other movements	December 31, 2019
Customer relationships	1,043.0	-	-	29.8	29.1	1,101.9
Brands	62.7	-	-	-	0.5	63.2
Non-competition agreements	34.3	-	-	0.7	0.3	35.3
Other intangible assets	216.5	20.2	(16.9)	2.1	20.3	242.2
Intangible assets in progress	16.9	14.0	_	-	(12.8)	18.1
Gross value	1,373.4	34.2	(16.9)	32.6	37.4	1,460.7
Customer relationships	(529.7)	(75.8)	-	-	(10.4)	(615.9)
Brands	(54.3)	(1.6)	-	-	(0.7)	(56.6)
Non-competition agreements	(25.2)	(2.4)	-	_	(0.3)	(27.9)
Other intangible assets	(129.6)	(23.4)	12.2	(1.5)	(6.9)	(149.2)
Accumulated amortization and impairment	(738.8)	(103.2)	12.2	(1.5)	(18.3)	(849.6)
Customer relationships	513.3	(75.8)	_	29.8	18.7	486.0
Brands	8.4	(1.6)	-	_	(0.2)	6.6
Non-competition agreements	9.1	(2.4)	-	0.7	-	7.4
Other intangible assets	86.9	(3.2)	(4.7)	0.6	13.4	93.0
Intangible assets in progress	16.9	14.0	_	_	(12.8)	18.1
INTANGIBLE ASSETS, NET	634.6	(69.0)	(4.7)	31.1	19.1	611.1
(€ millions)	December 31, 2017	Acquisitions/ Additions	Disposals	Changes in scope of consolidation	Currency translation differences and other movements	December 31, 2018
Customer relationships	991.5	-	-	60.1	(8.6)	1,043.0
Brands	63.9	-	-	-	(1.2)	62.7
Non-competition agreements	35.4				(1.1)	34.3
Other intangible assets	196.6	16.6	(11.0)	0.5	13.8	216.5
Intangible assets in progress	8.5	14.1	-	-	(5.7)	16.9
Gross value	1,295.9	30.7	(11.0)	60.6	(2.8)	1,373.4
Customer relationships	(467.4)	(70.5)	-	-	8.2	(529.7)
Brands	(52.6)	(2.6)	-	-	0.9	(54.3)
Non-competition agreements	(23.9)	(2.0)	-	-	0.7	(25.2)
Other intangible assets	(111.8)	(18.3)	8.1	-	(7.6)	(129.6)
Accumulated amortization and impairment	(655.7)	(93.4)	8.1	-	2.2	(738.8)
Customer relationships	524.1	(70.5)	-	60.1	(0.4)	513.3
Brands	11.3	(2.6)	-	-	(0.3)	8.4
Non-competition agreements	11.5	(2.0)	_	-	(0.4)	9.1
Other intangible assets						
Other intuitions assets	84.8	(1.7)	(2.9)	0.5	6.2	86.9
Intangible assets in progress	84.8 8.5	(1.7) 14.1	(2.9)	0.5	6.2 (5.7)	86.9 16.9

[&]quot;Other intangible assets" mainly includes software.

INTANGIBLE ASSETS, NET

All of the amounts allocated to "Changes in scope of consolidation" in 2019 and 2018 relate to the acquisitions carried out in that year. When the value of customer relationships is adjusted in the year following their acquisition, the amount of the adjustment is recognized in "Other movements".

640.2

Amortization charged against intangible assets totaled \in 103.2 million in 2019 and \in 93.4 million in 2018.

(0.6)

60.6

A total of €9.7 million in research and development costs relating mainly to the Marine & Offshore business in France was recognized under expenses in 2019 (2018: €13.0 million).

634.6

(2.9)

(62.7)

Note 14 Property, plant and equipment

(€ millions)	December 31, 2018	Acquisitions/ Additions	Disposals	Changes in scope of consolidation	translation differences and other movements	December 31, 2019
Land	18.3	-	(0.2)	-	0.4	18.5
Buildings	73.1	2.5	(2.0)	-	0.4	74.0
Fixtures and fittings, machinery and equipment	982.2	41.1	(37.6)	10.4	18.5	1,014.6
IT equipment and other	267.7	19.4	(21.4)	(0.5)	0.9	266.1
Intangible assets in progress	23.2	29.8	-	-	(26.3)	26.7
Gross value	1,364.5	92.8	(61.2)	9.9	(6.1)	1,399.9
Land	-	-	-	-	-	-
Buildings	(32.8)	(2.1)	0.3	-	0.2	(34.4)
Fixtures and fittings, machinery and equipment	(659.7)	(80.9)	37.2	(7.8)	(3.3)	(714.5)
IT equipment and other	(200.9)	(24.8)	19.0	0.7	(0.1)	(206.1)
Intangible assets in progress	-	-	-	-	-	-
Accumulated depreciation and impairment	(893.4)	(107.8)	56.5	(7.1)	(3.2)	(955.0)
Land	18.3	-	(0.2)	-	0.4	18.5
Buildings	40.3	0.4	(1.7)	-	0.6	39.6
Fixtures and fittings, machinery and equipment	322.5	(39.8)	(0.4)	2.6	15.2	300.1
IT equipment and other	66.8	(5.4)	(2.4)	0.2	0.8	60.0
Intangible assets in progress	23.2	29.8	-	-	(26.3)	26.7
PROPERTY, PLANT AND EQUIPMENT, NET	471.1	(15.0)	(4.7)	2.8	(9.3)	444.9
(€ millions)	December 31, 2017	Acquisitions/ Additions	Disposals	Changes in scope of consolidation	Currency translation differences and other movements	December 31, 2018
Land	18.2	-	-	-	0.1	18.3
Buildings	63.0	1.1	(1.8)	3.8	7.0	73.1
Fixtures and fittings, machinery and equipment	942.7	51.0	(24.2)	6.4	6.3	982.2
IT equipment and other	276.9	20.8	(24.1)	2.1	(8.0)	267.7
Intangible assets in progress	24.8	27.9	-	0.3	(29.8)	23.2
Gross value	1,325.6	100.8	(50.1)	12.6	(24.4)	1,364.5
Land		_	-	-		-
Buildings	(30.4)	(2.3)	0.5	(0.9)	0.3	(32.8)
Fixtures and fittings, machinery and equipment	(602.6)	(79.6)	20.0	(3.1)	5.6	(659.7)
IT equipment and other	(206.3)	(25.0)	22.4	(0.8)	8.8	(200.9)
Intangible assets in progress	-	-	-	-	-	-
Accumulated depreciation and impairment	(839.3)	(106.9)	42.9	(4.8)	14.7	(893.4)
Land	18.2	-	-	-	0.1	18.3
Buildings	32.6	(1.2)	(1.3)	2.9	7.3	40.3
Fixtures and fittings, machinery and equipment	340.1	(28.6)	(4.2)	3.3	11.9	322.5
IT equipment and other	70.6	(4.2)	(1.7)	1.3	0.8	66.8
Intangible assets in progress	24.8	27.9	-	0.3	(29.8)	23.2
PROPERTY, PLANT AND EQUIPMENT. NET	486.3	(6.1)	(7.2)	7.8	(9.7)	471.1

The Group's property, plant and equipment consists mainly of laboratory equipment used in the Agri-Food, Commodities and Consumer Products testing businesses.

The major centers of expertise for metals and minerals are in Australia and Canada. The major centers of expertise in oil and petrochemicals are based in the United States and in Canada.

The main laboratories of Agri-Food products are based in the Americas and in Asia Pacific.

Currency

The laboratories of our Consumer Products division are located mainly in Asia

Depreciation charged against property, plant and equipment totaled €107.8 million in 2019 and €106.9 million in 2018.

Note 15 Right-of-use assets

(€ millions)	December 31, 2018	IFRS 16 transition	Acquisitions/ Additions	Disposals	Currency translation differences and other movements	December 31, 2019
Right-of-use assets – Buildings	-	278.1	90.8	(3.4)	6.5	372.0
Right-of-use assets – Vehicles	-	26.2	55.2	-	9.5	90.9
Gross value	-	304.3	146	(3.4)	16.0	462.9
Right-of-use assets – Buildings	-	-	(71.5)	0.3	0.1	(71.1)
Right-of-use assets – Vehicles	-	-	(22.8)	-	-	(22.8)
Accumulated depreciation and impairment	-	-	(94.3)	0.3	0.2	(93.9)
Right-of-use assets – Buildings	-	278.1	19.3	(3.1)	6.6	300.9
Right-of-use assets – Vehicles	-	26.2	32.4	-	9.5	68.1
RIGHT-OF-USE ASSETS, NET	-	304.3	51.7	(3.1)	16.1	369.0

Net right-of-use assets at December 31, 2019 primarily concern the Group's operations in Europe and Asia.

Depreciation charged against right-of-use assets totaled €94.3 million in 2019.

Note 16 Deferred income tax

 $The \ table \ below \ provides \ details \ of \ deferred \ income \ tax \ recognized \ in \ the \ statement \ of \ financial \ position:$

Analysis of deferred income tax by maturity (€ millions)	December 31, 2019	December 31, 2018
Deferred income tax assets		
Non-current	68.1	63.5
Current	64.0	71.8
Total	132.1	135.3
Deferred income tax liabilities		
Non-current	(107.6)	(110.6)
Current	(15.3)	(16.8)
Total	(122.9)	(127.4)
NET DEFERRED INCOME TAX LIABILITIES	9.2	7.9

Deferred income taxes at December 31, 2019 are presented after offsetting deferred tax assets and deferred tax liabilities relating to the same taxable entity.

Movements in deferred taxes during the year were as follows:

Movements in deferred taxes during the year (€ millions)	December 31, 2019	December 31, 2018	
Net deferred income tax assets (liabilities) at January 1	7.9	2.0	
Deferred tax income/(expense) for the year	(0.7)	9.6	
Deferred income taxes recognized directly in equity	2.1	0.7	
Changes in scope of consolidation	(6.1)	(3.2)	
Transition to IFRS 16	9.4	-	
Exchange differences	(3.4)	(1.2)	
NET DEFERRED INCOME TAX LIABILITIES AT DECEMBER 31	9.2	7.9	

Net changes in deferred taxes during the year are shown below before offsetting at the level of taxable entities:

(€ millions)	Pension plans and other employee benefit obligations	Provisions for contract-related disputes	Tax loss carryforwards	Gains taxable in future periods	Customer relationships	Other	Total
At December 31, 2017	39.1	1.4	47.3	(23.3)	(133.3)	70.8	2.0
Income/(expense) recognized in the income statement	(0.1)	(0.2)	(6.6)	1.4	14.9	0.2	9.6
Tax asset recognized directly in equity	(1.4)	-	-	-	-	2.1	0.7
Changes in scope of consolidation	-	-	0.2	0.3	(4.2)	0.5	(3.2)
Exchange differences	(0.2)	(0.1)	(2.1)	0.9	1.1	(0.8)	(1.2)
At December 31, 2018	37.4	1.1	38.8	(20.7)	(121.5)	72.8	7.9
Income/(expense) recognized in the income statement	(0.8)	-	(0.8)	(1.6)	17.7	(15.2)	(0.7)
Tax asset recognized directly in equity	1.4	-	-	-	-	0.7	2.1
Changes in scope of consolidation	0.1	-	0.1	(0.1)	(4.9)	(1.3)	(6.1)
Transition to IFRS 16	-	-	-	-	-	9.4	9.4
Exchange differences	0.1	(0.1)	0.3	(0.2)	(4.1)	0.6	(3.4)
AT DECEMBER 31, 2019	38.2	1.0	38.4	(22.6)	(112.8)	67.0	9.2

Deferred tax assets on tax loss carryforwards were calculated based on estimated future earnings of the loss-making subsidiaries. These estimates were based on the 2020 budget. The time frame used for these forecasts was within the period allowed by each country for the carry-forward of tax losses.

Other deferred taxes relate mainly to non-deductible accrued charges and provisions.

At December 31, 2019, cumulative unrecognized tax loss carryforwards totaled \in 178 million, of which \in 31.6 million arose in 2019 (December 31, 2018: \in 167.4 million, of which \in 37.8 million arose in 2018).

The tax effect of these tax loss carryforwards was €40.8 million, of which €7.5 million arose in 2019 (December 31, 2018: €39.7 million, of which €8.3 million arose in 2018).

Note 17 Other financial assets

OTHER CURRENT FINANCIAL ASSETS	23.4	13.1
Deposits, guarantees and other financial assets	23.4	13.1
NON-CURRENT FINANCIAL ASSETS	118.3	114.8
Deposits, guarantees and other financial assets	115.5	108.2
Investments in non-consolidated companies	1.9	1.6
Investments in equity-accounted companies	0.9	5.0
(€ millions)	December 31, 2019	December 31, 2018

Non-current financial assets

Non-current financial assets mainly comprise interest-free guarantee deposits on office rentals. The vast majority of these have maturities of one to five years.

This caption also includes customer holdbacks maturing in over one year.

The Group considered that the fair value of other non-current assets approximated their carrying amount at December 31, 2019 and December 31, 2018.

None of the Group's non-current financial assets had been pledged at December 31, 2019 or December 31, 2018.

Other current financial assets

Other current financial assets include $\in 16.1\,\mathrm{million}$ in financial receivables relating to bidding operations in China. The amounts received do not correspond to the definition of a cash component within the meaning of IAS 7.

Current financial assets have been pledged by the Group and represented a total carrying amount of $\[Mathebox{\@scite{1.1}}\]$ 1.1 million at December 31, 2019 and 2018.

Note 18 Derivative financial instruments

A currency hedge has been contracted swapping a portion of the Group's USPP debt for euros.

The currency derivatives in place at December 31, 2019 were as follows:

NON-CURRENT LIABILITIES		(3.6)
07/16/2020	GBP 40 million	(3.6)
Maturity	Notional amount	Fair value of derivatives (€ millions)

The Group has set up multi-currency foreign exchange derivatives hedging the euro. These instruments are set up on a centralized basis and are designed to protect the Group against currency risk arising mainly on intra-group loans and a portion of its external debt.

The foreign exchange derivatives maturing within one year (currency swaps and forward purchases and sales) in place at the year-end were as follows:

Currency	Notional amount (millions of currency units)	Fair value of derivatives (€ millions)
AUD	106.9	0.7
CAD	(39.4)	(0.1)
CHF	(1.7)	-
CNY	(79.1)	-
CZK	(86.8)	-
DKK	20.9	-
GBP	(77.6)	2.1
HKD	(81.2)	0.1
HUF	(68.6)	-
JPY	(277.6)	0.7
MXN	39.7	-
NOK	12.8	-
PLN	0.5	-
RUB	59.2	0.1
SEK	(1.2)	-
SGD	(101.6)	0.1
USD	(26.4)	0.3
ZAR	(89.3)	(0.2)
NET CURRENT ASSET		3.1

The Group had no interest rate hedges at the reporting date.

A residual negative balance of \in 1.3 million was carried in equity at end-2019 in respect of changes in the fair value of cash flow hedges. This will be reclassified to net financial expense as and when the hedged cash flows affect profit or loss.

Interest expense on currency hedges classified as cash flow hedges amounted to 0.1 million in 2019.

No material ineffective portion was recognized in net financial expense in 2019 in respect of cash flow hedges.

Note 19 Trade and other receivables

(€ millions)	December 31, 2019	December 31, 2018
Trade and other receivables	1,333.6	1,282.7
Trade receivables – invoices issued	1,147.7	1,161.2
Trade receivables – invoices pending	185.9	121.5
Inventories	56.0	19.9
Other receivables	209.6	187.4
Gross value	1,599.2	1,490.0
Provisions at January 1	(81.0)	(83.5)
Net additions/reversals during the period	2.8	5.1
Changes in scope of consolidation	(0.6)	(0.9)
Currency translation differences and other movements	(0.4)	(1.7)
Provisions at December 31	(79.2)	(81.0)
TRADE AND OTHER RECEIVABLES, NET	1,520.0	1,409.0

The Group considers that the fair value of its receivables approximates their carrying amount as they all fall due within one year.

There is little concentration of credit risk resulting from the Group's trade receivables due to the significant number of clients and their geographic diversity. The table below presents an aged balance of trade and other receivables for which no impairment provisions have been set aside:

(€ millions)	December 31, 2019	December 31, 2018
Trade and other receivables	1,333.6	1,282.7
of which		
provisioned	78.2	79.9
not provisioned and due:		
less than 1 month past due	146.5	162.8
1 to 3 months past due	125.4	124.2
3 to 6 months past due	73.4	69.3
more than 6 months past due	62.3	69.6

Note 20 Contract assets

(€ millions)	December 31, 2019	December 31, 2018
Work-in-progress	222.2	206.0
Inventories – costs of obtaining and fulfilling contracts	3.8	0.9
CONTRACT ASSETS	226.0	206.9

(€ millions)	December 31, 2019
Work in-progress at December 31, 2018	206.0
Transferred to trade receivables	(154.9)
Canceled through the income statement	(2.3)
Revenue recognized	182.4
Currency translation differences and other movements	(9.0)
WORK-IN-PROGRESS	222.2

Note 21 Cash and cash equivalents

(€ millions)	December 31, 2019	December 31, 2018
Marketable securities	431.3	607.5
Cash at bank and on hand	1,046.5	438.8
CASH AND CASH EQUIVALENTS	1,477.8	1,046.3

The Group considers that cash and cash equivalents primarily comprise available cash.

Marketable securities correspond to units in monetary mutual funds (SICAV) that meet the definition of cash and cash equivalents set out in IAS 7.

Most of the "Cash at bank and on hand" item is considered to represent available cash. In all, 17% of the Group's cash at bank and on hand is located in 71 countries where loans or current

accounts are difficult or even impossible to put in place (e.g., China, Democratic Republic of Congo, Bangladesh, India, South Korea, and Vietnam). In this case, cash at bank and on hand is repatriated when dividends are paid.

Cash that cannot be pooled represents only around 0.3% of cash at bank and on hand and is defined as cash balances in countries that prohibit or severely restrict transfers of cash. This concerns just two countries: Iran and Venezuela.

Net cash and cash equivalents as reported in the consolidated statement of cash flows comprise:

(€ millions)	December 31, 2019	December 31, 2018
Cash and cash equivalents	1,477.8	1,046.3
Bank overdrafts (Note 24)	(12.1)	(11.7)
NET CASH AND CASH EQUIVALENTS AS REPORTED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS	1,465.7	1,034.5

Note 22 Share capital

Capital increases

On June 11, 2019 the Chairman of the Board of Directors, acting pursuant to the powers vested in him by the Board of Directors and in light of the choice by certain shareholders to have their dividend paid in shares, noted that 9,943,269 ordinary new Bureau Veritas shares had been created with a par value of 0.12 per share, representing 2.25% of the Company's share capital before taking into account the issue of new shares based on the share capital at May 31, 2019.

Following the exercise of 153,931 stock options, the Group carried out a share capital increase that included a share premium of $\ensuremath{\mathfrak{C}}3.1$ million.

Capital reduction

Pursuant to a decision of the Board of Directors, on February 27, 2019 the Company canceled 220,212 of its own shares, representing 0.05% of its share capital.

Share capital

The total number of shares comprising the share capital was 452,092,988 at December 31, 2019 and 442,216,000 at December 31, 2018.

All shares have a par value of €0.12 and are fully paid up.

Treasury shares

At December 31, 2019, the Group held 4,394,939 of its own shares. The carrying amount of these shares was deducted from equity.

Note 23 Share-based payment

The Group has set up three types of long-term equity-settled compensation plans:

- stock purchase or subscription option plans;
- stock subscription option plans on preferential terms;
- performance share plans.

Stock subscription and purchase option plans

Description

Stock subscription and purchase options are granted to senior managers and other selected employees. Grants made under stock purchase or subscription option plans will give rise either to the delivery of existing shares purchased on the market, or to the issuance of new shares on the exercise of options.

The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Depending on the plans, the options are subject to a vesting period of three or five years and are valid for a term of eight or ten years after the grant date.

The exercise price is fixed when the options are awarded and cannot be changed.

Pursuant to a decision of the Board of Directors on June 21, 2019, the Group awarded 1,081,260 stock options to certain employees and to the Executive Corporate Officer. The options granted may be exercised at a fixed price of €21.26.

To be eligible for these awards, beneficiaries must have completed a minimum period of service and achieved certain performance targets based on 2019 adjusted operating profit and the operating margin (adjusted operating profit/revenue) for 2020 and 2021. The options are valid for ten years after the grant date.

The average fair value of options granted during the year was $\in 2.3$ per option (2018: $\in 2.74$).

MOVEMENTS IN OPTIONS:

	Weighted average exercise price of options	Number of options	Average residual life of outstanding options
At December 31, 2017	19.49	5,912,023	5.7 years
Options granted during the year	22.02	1,100,400	
Options canceled during the year	20.49	(273,793)	
Options exercised during the year	16.81	(648,144)	
At December 31, 2018	20.19	6,090,486	5.8 years
Options granted during the year	21.26	1,057,860	
Options canceled during the year	21.01	(102,870)	
Options exercised during the year	17.71	(919,597)	
AT DECEMBER 31, 2019	20.73	6,125,879	6.0 YEARS

Out of the total number of outstanding options at each year-end, 2,965,759 options were exercisable at end-2019 (end-2018: 3,574,946).

OVERVIEW OF STOCK OPTION PLANS AT DECEMBER 31, 2019:

			Number of	options
	Expiration date	Exercise price (in euros per option)	December 31, 2019	December 31, 2018
07/18/2011 Plan	07/18/2019	14.42		117,300
12/14/2011 Plan	12/14/2019	13.28		78,480
07/18/2012 Plan	07/18/2020	17.54	353,146	781,546
07/22/2013 Plan	07/22/2021	21.01	747,778	854,794
07/16/2014 Plan	07/16/2022	20.28	598,618	633,088
07/15/2015 Plan	07/15/2025	20.51	994,777	1,109,738
06/21/2016 Plan	06/21/2026	19.35	271,440	335,280
06/21/2017 Plan	06/21/2027	20.65	1,071,260	1,111,260
06/22/2018 Plan	06/21/2028	22.02	1,031,000	1,069,000
06/21/2019 Plan	06/21/2029	21.26	1,057,860	
NUMBER OF OPTIONS AT DECEMBER 31, 2019)		6,125,879	6,090,486

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Measurement

The fair value of options granted in 2019 was calculated based on the following main assumptions and characteristics:

- exercise price: €21.26;
- expected share volatility: 19.9% (2018: 19.3%);
- average annual dividend yield: 3% (2018: 2.8%);
- expected option life: 6 years (2018: 6 years);
- risk-free interest rate: negative 0.4% (2018: 0.11%), determined by reference to the yield on government bonds over the estimated life of the option.

The number of shares that will vest is estimated based on an achievement rate of 100% for performance targets in 2019 (2018: 100%) and an attrition rate of 1% per annum in 2019 (2018: 1%). The performance condition attached to the June 22, 2018 stock purchase option plan was notably based on 2018 adjusted operating profit. The achievement rate for the performance condition was 100%.

In 2019, the expense recognized by the Group in respect of stock options amounted to $\$ 2.1 million (2018: $\$ 2.5 million).

Performance share plans

Description

Performance shares were awarded to senior managers and other selected employees, which will require the Group to buy back its shares on the market or to issue new shares. Depending on the plan, performance shares are generally conditional on completing three years of service and achieving performance targets based on adjusted consolidated operating profit for the year of the award and on the consolidated adjusted operating margin for the following two years.

Pursuant to a decision of the Board of Directors, the Group awarded 1,286,455 performance shares to certain employees and to the Executive Corporate Officer on June 21, 2019. To be eligible for the award, beneficiaries must have completed three years of service and achieved certain performance targets based on adjusted operating profit for 2019 and on the operating margin (ratio of adjusted operating profit to revenue) for 2020 and 2021.

OVERVIEW OF PERFORMANCE SHARE PLANS AT DECEMBER 31, 2019:

Grant date	Vesting date	Number of shares
07/22/2013 Plan	07/22/2021 or 07/22/2022	720,000
07/15/2015 Plan	07/15/2019 or 07/15/2018 for employees of a French company	986
06/21/2016 Plan	06/21/2019	336
06/21/2017 Plan	06/21/2020	1,042,662
06/22/2018 Plan	06/22/2021	1,103,650
06/21/2019 Plan	06/21/2022	1,275,845
NUMBER OF SHARES AT DECEMBER 31, 2019		4,143,479

Measurement

The fair value of performance shares granted to select employees and the Executive Corporate Officer was determined using the Black-Scholes options pricing model.

The weighted average fair value of performance shares awarded to certain employees and the Executive Corporate Officer in 2019 was €20.10 per share (2018: €21.20), based on the following assumptions:

- share price at the grant date;
- average annual dividend yield: 2.7% (2018: 2.9%);
- discount corresponding to risks and liquidity requirements: N/A (2018: N/A).

The number of shares that will vest is estimated based on an achievement rate of 100% for performance targets (2018: 100%) and an attrition rate of 5% per annum in 2019 (2018: 5%). The performance condition attached to the June 22, 2018 plan was based on adjusted operating profit for 2018. The achievement rate for the performance condition was 100%.

In 2019, the expense recognized by the Group in respect of performance shares amounted to $\in 19.3$ million (2018: $\in 18.3$ million).

Note 24 Borrowings and financial debt

(€ millions)	Total	Due within 1 year	Due between 1 and 2 years	Due between 3 and 5 years	Due beyond 5 years
At December 31, 2019			'		
Bank borrowings and debt (long-term portion)	718.5	-	86.6	139.5	492.4
Bond issue	2,200.0	-	500.0	500.0	1,200.0
NON-CURRENT BORROWINGS AND FINANCIAL DEBT	2,918.5	-	586.6	639.5	1,692.4
Current bank borrowings and debt	356.9	356.9	-	-	-
Bond issue	-	-	-	-	-
Bank overdrafts	12.1	12.1	-	-	-
CURRENT BORROWINGS AND FINANCIAL DEBT	369.0	369.0	-	-	-
At December 31, 2018			'		
Bank borrowings and debt (long-term portion)	955.7	-	304.8	341.9	309.0
Bond issue	1,700.0	-	-	1,000.0	700.0
NON-CURRENT BORROWINGS AND FINANCIAL DEBT	2,655.7	-	304.8	1,341.9	1,009.0
Current bank borrowings and debt	287.3	287.3	-	-	-
Bond issue	200.0	200.0	-	-	-
Bank overdrafts	11.7	11.7	-	_	_
CURRENT BORROWINGS AND FINANCIAL DEBT	499.0	499.0	-	-	-

In November 2019, the Group negotiated a private placement in the United States for USD 200 million, which was drawn on January 22, 2020 (2019 USPP).

In the same month, it carried out a €500 million bond issue.

The Group drew on its fixed-rate bank financing ("China facility") in an amount of CNY 750 million, carried on the books of Bureau $\,$

Veritas Investment Shanghai Co., Ltd. At December 31, 2019, an amount of CNY 545 million had been drawn down.

Gross debt increased by €132.8 million between December 31, 2018 and December 31, 2019, to €3,287.5 million.

This increase chiefly reflects the Group's refinancing of facilities falling due in 2019 and the amount drawn on the China facility.

(€ millions)	December 31, 2018	Changes in scope of consolidation	Cash flows	Currency translation differences and other movements	December 31, 2019
Bank borrowings and debt			'		
(long-term portion)	955.7	-	(257.8)	20.6	718.5
Bond issue	1,700.0	-	500.0	-	2,200.0
NON-CURRENT BORROWINGS AND FINANCIAL DEBT	2,655.7	-	242.2	20.6	2,918.5
Current bank borrowings and debt	287.3	-	75.3	(5.7)	356.9
Bond issue	200.0	-	(200.0)	-	-
Bank overdrafts	11.7	-	0.2	0.2	12.1
CURRENT BORROWINGS AND FINANCIAL DEBT	499.0	-	(124.5)	(5.5)	369.0
BORROWINGS AND FINANCIAL DEBT, GROSS	3,154.7	-	117.7	15.1	3,287.5

Cash flows totaling €111.4 million reflect:

- a negative amount of €0.2 million relating to the change in bank overdrafts, which is included in the change in cash and cash equivalents in the consolidated statement of cash flows;
- a negative amount of €6.1 million relating to the change in accrued interest, shown on the "Interest paid" line of the consolidated statement of cash flows.

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(€ millions)	Total	Due within 1 year	Due between 1 and 2 years	Due between 3 and 5 years	Due beyond 5 years
Estimated interest payable on bank borrowings and debt	353.4	77.6	53.4	132.1	90.3
Impact of cash flow hedges (principal and interest)	3.1	-	3.1	-	-

In the table above, interest takes into account the impact of debt hedging (currency derivatives).

At December 31, 2019, virtually all of the Group's gross debt related to the facilities described below.

Non-bank financing

Non-bank financing includes:

- the 2008, 2011, 2013, 2017 and 2018 US Private Placements (USPP), totaling USD 816 million and GBP 40 million, together with the undrawn 2019 USPP;
- the different borrowing tranches of Schuldschein notes (SSD) totaling €200 million;
- the bond issues launched in January 2014, September 2016, September 2018 and November 2019 for a total amount of €2.2 billion.

Bank financing

Bank financing chiefly comprises:

- a confirmed, undrawn 2018 syndicated facility for an amount of €600 million;
- fixed-rate bank financing for CNY 750 million carried on the books of Bureau Veritas Investment Shanghai Co., Ltd., on which CNY 545 million has been drawn down.

Available financing

At December 31, 2019, the Group had a confirmed financing line totaling $\,\in\!600$ million in the form of the 2018 syndicated credit facility.

Bank covenants

Some of the Group's financing requires compliance with certain bank covenants and ratios. At December 31, 2019, the same financial covenants were in force as at December 31, 2018. The Group complied with all such covenants at both end-2019 and end-2018.

- The first covenant is defined as the ratio of adjusted net financial debt divided by consolidated EBITDA (earnings before interest, tax, depreciation, amortization and provisions) adjusted for any entity acquired over the last 12 months. This ratio should be less than 3.25. At December 31, 2019, it stood at 1.87.
- The second covenant represents consolidated EBITDA adjusted for any entity acquired over the last 12 months, divided by consolidated net financial expense. This ratio should be higher than 5.5. At December 31, 2019, it stood at 11.62.

Breakdown by currency

At December 31, 2019, gross borrowings and financial debt excluding bank overdrafts can be analyzed as follows:

Currency (€ millions)	December 31, 2019	December 31, 2018
US dollar (USD)	735.4	725.8
Euro (€)	2,469.6	2,407.1
Other currencies	70.5	10.1
TOTAL	3,275.5	3,143.0

The GBP tranches of the 2008 USPP were converted into euros using a currency swap and are therefore included on the "Euro (€)" line. Derivative financial instruments are described in further detail in Note 18 – Derivative financial instruments.

Fixed rate/floating rate breakdown

At December 31, 2019, gross borrowings and financial debt excluding bank overdrafts can be analyzed as follows:

(€ millions)	December 31, 2019	December 31, 2018
Fixed rate	3,163.9	2,844.3
Floating rate	111.6	298.7
TOTAL	3,275.5	3,143.0

The contractual repricing dates for floating-rates are six months or less. The reference rate used is Euribor for floating-rate borrowings in euros.

The interest rates (including margins) applicable to the Group's floating-rate borrowings at the end of the reporting period are detailed below:

Currency	December 31, 2019	December 31, 2018
US dollar (USD)	-	4.01%
Euro (€)	1.10%	1.10%

Effective interest rates approximate nominal rates for all financing facilities.

Analyses of sensitivity to changes in interest and exchange rates as defined by IFRS 7 are provided in Note 34 – Additional financial instrument disclosures.

Alternative performance indicators

In its external reporting on borrowings and financial debt, the Group uses an indicator known as **adjusted net financial debt**. This indicator is not defined by IFRS but is determined by the Group based on the definition set out in its bank covenants:

(€ millions)	December 31, 2019	December 31, 2018
Non-current borrowings and financial debt	2,918.5	2,655.7
Current borrowings and financial debt	369.0	499.0
BORROWINGS AND FINANCIAL DEBT, GROSS	3,287.5	3,154.7
Cash and cash equivalents	(1,477.8)	(1,046.3)
NET FINANCIAL DEBT	1,809.7	2,108.4
Currency hedging instruments (as per banking covenants)	3.6	6.7
ADJUSTED NET FINANCIAL DEBT	1,813.3	2,115.1

Note 25 Other financial liabilities

(€ millions)	December 31, 2019	December 31, 2018
Payable on acquisitions of companies	21.1	32.8
Put options granted to holders of non-controlling interests	91.7	76.4
Other	2.9	15.8
OTHER NON-CURRENT FINANCIAL LIABILITIES	115.7	125.0
Payable on acquisitions of companies	24.5	31.4
Put options granted to holders of non-controlling interests	15.9	48.2
Other	38.8	46.2
OTHER CURRENT FINANCIAL LIABILITIES	79.2	125.8

The €38.8 million recorded in "Other" within other current financial liabilities chiefly includes:

- €16.1 million relating to a financial liability in connection with bidding operations in China. The amounts received are to be paid over to candidates at the end of the bidding process;
- €18.4 million relating to dividends payable to former minority shareholders.

Note 26 Pension plans and other long-term employee benefits

Defined benefit plans

The Group's defined benefit plans cover the following:

- pension schemes, primarily comprising plans that have been closed to new entrants for several years. The Group's pension schemes are generally unfunded – except for a very limited number that are funded through payments to insurance
- companies and are valued based on periodic actuarial calculations;
- other benefit obligations including termination benefits and long-service awards.

Movements in employee benefit obligations over the past two years are as follows:

	Total		Pension bene	efits	Other benefit ob	igations
(€ millions)	2019	2018	2019	2018	2019	2018
Defined benefit obligation at January 1	221.2	217.4	107.0	100.4	114.2	117.0
Current service cost	17.7	13.7	4.6	3.2	13.1	10.5
Benefits paid	(19.5)	(17.6)	(6.3)	(5.3)	(13.2)	(12.3)
Interest cost	4.8	2.6	1.3	1.2	3.5	1.4
Actuarial losses/(gains)	6.8	(6.5)	1.5	(3.0)	5.3	(3.5)
Business combinations and other movements	0.5	10.3	(0.9)	9.8	1.4	0.5
Currency translation differences	1.8	1.3	1.2	0.7	0.6	0.6
DEFINED BENEFIT OBLIGATION AT DECEMBER 31	233.3	221.2	108.4	107.0	124.9	114.2
o/w partly or wholly funded	-	-	46.0	42.3	-	-
o/w unfunded	-	-	62.4	64.7	-	-
Fair value of plan assets at January 1	(35.6)	(27.3)	(35.6)	(27.3)	-	-
Implicit return on pension plan assets	(0.4)	(0.3)	(0.4)	(0.3)	-	-
Actuarial (losses)/gains	(0.5)	0.7	(0.5)	0.7	-	-
Employer contributions	(1.6)	(0.8)	(1.6)	(0.8)	-	-
Other movements	(1.5)	(7.1)	(1.5)	(7.1)	-	-
Currency translation differences	(1.0)	(0.8)	(1.0)	(0.8)	-	-
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	(40.5)	(35.6)	(40.5)	(35.6)	-	-
DEFICIT/SURPLUS	192.8	185.6	67.9	71.4	124.9	114.2

Movements in employee benefit obligations recognized in the income statement and in the statement of comprehensive income are as follows:

(€ millions)	2019	2018
Expense recognized in the income statement	22.5	19.0
Actuarial (gains)/losses recognized in equity during the year	6.3	(5.8)
Experience adjustments	3.8	(3.8)
Changes in actuarial assumptions	4.8	(3.6)
Changes in return on pension plan assets	(2.3)	1.6
CUMULATIVE (GAINS)/LOSSES RECOGNIZED IN EQUITY AT DECEMBER 31	71.4	65.1

Plan assets break down as follows by type of financial instrument:

(€ millions)	December 3	December 31, 2019 December 31, 201		31, 2018
Equity instruments	20.9	51%	20.1	56%
Debt instruments	8.4	21%	6.0	17%
Other	11.2	28%	9.5	27%
TOTAL	40.5	100%	35.6	100%

Financial statements 6.6 Notes to the consolidated financial statements

France is the main contributing country to the "Pension plans and other long-term employee benefits" line item in the statement of financial position.

The main actuarial assumptions used for French pension obligations are as follows:

	December 31, 2019	December 31, 2018
Discount rate	1.0%	2.0%
Based on investment grade corporate bonds	iBoxx Corporate € AA	iBoxx Corporate € AA
Estimated increase in future salary levels	2.5%	3.0%
Mortality table	INSEE 2015/2017	INSEE 2012/2014

A decrease of 0.5% in the discount rate used for France would increase the Group's provision for pensions and other employee benefit obligations by 5.5%.

An increase of 0.5% in the discount rate used for France would decrease the Group's provision for pensions and other employee benefit obligations by 5.0%.

The Group applied two assumptions to test the sensitivity of attrition rates in France:

- an attrition rate of zero for employees aged 55 and over would increase the Group's provision for pensions and other employee benefit obligations by 2.6%;
- an attrition rate of zero for employees aged 60 and over would increase the Group's provision for pensions and other employee benefit obligations by 0.9%.

Defined contribution plans

Payments made under defined contribution plans in 2019 totaled €81.9 million (2018: €81.0 million).

Note 27 Provisions for liabilities and charges

(€ millions)	December 31, 2018	Additions	Utilized provisions reversed	Surplus provisions reversed	Impact of discounting	Changes in scope of consolidation	IFRIC 23 transition	Currency translation differences and other movements	December 31, 2019
Provisions for contract-related disputes	44.3	3.5	(6.0)	(6.0)	0.2	0.2	-	0.1	36.3
Other provisions for liabilities and charges	60.8	13.7	(16.1)	(4.6)	-	7.3	(24.9)	(0.3)	35.9
TOTAL	105.1	17.2	(22.1)	(10.6)	0.2	7.5	(24.9)	(0.2)	72.2

Provisions for contract-related disputes

Provisions for contract-related disputes recognized in the statement of financial position at December 31, 2019 take into account the disputes described in section 4.4 – Legal, administrative and arbitration procedures and investigations of this Universal Registration Document.

Based on the available insurance coverage, the provisions booked by the Group and the information currently available, the Group considers that these disputes will not have a material adverse impact on its consolidated financial statements.

Other provisions for liabilities and charges

Other provisions for liabilities and charges at December 31, 2019 include provisions for restructuring ($\mathfrak{C}5.3$ million), provisions for losses on completion ($\mathfrak{C}3.4$ million) and miscellaneous other provisions including for layoffs, tax risks other than income tax, and guarantees (a total of $\mathfrak{C}27.2$ million).

Note 28 Trade and other payables

Movements in trade and other payables can be analyzed as follows:

(€ millions)	December 31, 2019	December 31, 2018
Trade and other payables	441.3	390.0
Accrued taxes and payroll costs	581.2	572.0
Other payables	76.1	62.8
TOTAL	1,098.6	1,024.8

Note 29 Contract liabilities

(€ millions)	December 31, 2019	December 31, 2018
Prepaid income	178.5	135.2
Contract liabilities – advances from customers	18.7	22.8
CONTRACT LIABILITIES	197.2	158.0

(€ millions)	December 31, 2019
Contact liabilities at December 31, 2018	158.0
Revenue recognized in 2019	(121.4)
Advances received and prepaid income in 2019	152.2
Currency translation differences and other movements	8.4
CONTRACT LIABILITIES	197.2

Contract liabilities relate to performance obligations not yet satisfied but paid in full by Bureau Veritas' clients.

Prepaid income primarily corresponds to amounts invoiced on contracts in progress for services that have not yet been performed.

Note 30 Movements in working capital attributable to operations

Movements in working capital attributable to operations are analyzed below. A positive figure represents a positive impact on cash and cash equivalents and vice versa.

(€ millions)	December 31, 2019	December 31, 2018
Trade and other receivables	(62.8)	(79.3)
Trade payables	49.9	38.3
Other receivables and payables	(4.3)	45.1
MOVEMENTS IN WORKING CAPITAL ATTRIBUTABLE TO OPERATIONS	(17.2)	4.1

Note 31 Earnings per share

Details of the calculation of the weighted average number of ordinary and diluted shares outstanding used to compute basic and diluted earnings per share are provided below:

(in thousands)	2019	2018
Number of shares comprising the share capital at January 1	442,216	442,000
Number of shares issued during the year (accrual basis)		
Stock purchase or subscription options exercised	366	341
Stock dividend	5,557	-
Number of shares held in treasury	(5,880)	(6,554)
Weighted average number of ordinary shares outstanding	442,259	435,787
Weighted average number of ordinary shares outstanding Dilutive impact	442,259	435,787
	442,259 3,886	435,787 3,747
Dilutive impact	,	

Basic earnings per share

Basic earnings per share is calculated by dividing net profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

	2019	2018
Net profit attributable to owners of the Company (€ thousands)	367,892	332,612
Weighted average number of ordinary shares outstanding (in thousands)	442,259	435,787
BASIC EARNINGS PER SHARE (€)	0.83	0.76

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to reflect the conversion of dilutive potential ordinary shares.

The Company has two categories of dilutive potential ordinary shares: stock subscription options and performance shares.

For stock subscription options, a calculation is carried out in order to determine the number of shares that could have been issued based on the exercise price and the fair value of the subscription rights attached to the outstanding stock options. The number of

shares calculated as above is then compared with the number of shares that would have been issued had the stock options been exercised

Performance shares are potential ordinary shares whose award is contingent on having completed a minimum period of service and achieving certain performance targets. The performance shares taken into account are those that could have been issued assuming December 31 was the end of the vesting period.

	2019	2018
Net profit attributable to owners of the Company (€ thousands)	367,892	332,612
Weighted average number of ordinary shares outstanding (in thousands)	445,865	439,377
DILUTED EARNINGS PER SHARE (\mathfrak{E})	0.83	0.76

Note 32 Dividend per share

On June 11, 2019, the Group paid out a dividend of €0.56 per share in respect of 2018 (€0.56 in 2018).

The cash dividend represented a total amount of \leq 54.0 million. The stock dividend resulted in the creation of 9,943,269 ordinary new shares.

Note 33 Off-balance sheet commitments and pledges

Off-balance sheet commitments relating to financing activities

2017 and 2018 US Private Placement carried on the books of Bureau Veritas Holdings, Inc.

At December 31, 2019, the Group had non-bank financing facilities totaling USD 555 million that are carried on the books of Bureau Veritas Holdings, Inc. and secured by the parent company.

Off-balance sheet commitments relating to operating activities

Guarantees given

Guarantees given break down as follows by amount and maturity:

(€ millions)	Total	Due within 1 year	Due between 1 and 5 years	Due beyond 5 years		
At December 31, 2019	434.9	188.9	218.6	27.4		
At December 31, 2018	397.2	183.4	192.7	21.1		

Guarantees given include bank guarantees and parent company guarantees:

- Bank guarantees primarily concern bid and performance bonds;
- Parent company guarantees primarily concern performance bonds that may be for a limited amount and duration or an unlimited amount. The amount taken into account to measure performance bonds for an unlimited amount is the total value of the contract.

At December 31, 2019, the Group believed that the risk of payout under the guarantees described above was low.

Pledges

(€ millions)	Туре	Amount of assets pledged ^(a)	Total amount in SOFP ^(b)	Corresponding %(a)/(b)
At December 31, 2019	,	,		
Other current financial assets	Pledge	1.1	23.4	4.7%
TOTAL ASSETS PLEDGED		1.1	7,049.1	0.0%
At December 31, 2018				
Other current financial assets	Pledge	1.1	13.1	8.4%
TOTAL ASSETS PLEDGED		1.1	6,096.3	0.0%

Current financial assets were pledged by the Group for a total carrying amount of €1.1 million at December 31, 2019.

None of the Group's intangible assets or property, plant and equipment had been pledged at either December 31, 2019 or December 31, 2018.

Note 34 Additional financial instrument disclosures

The table below presents the carrying amount, valuation method and fair value of financial instruments classified in each IFRS 9 category at the end of each reporting period:

		IFRS 9 ba	SOFP		
(€ millions)	Carrying amount	Amortized cost	Fair value through equity	Fair value through profit or loss	Fair value
At December 31, 2019					
Financial assets					
Other financial assets	141.7	138.9	-	2.8	141.7
Derivative financial instruments	4.4	-	0.6	3.8	4.4
Cash and cash equivalents	1,477.8	-	-	1,477.8	1,477.8
Money market funds (SICAV)	431.3	-	-	431.3	431.3
Cash and cash equivalents	1,046.5	-	-	1,046.5	1,046.5
Financial liabilities					
Borrowings and debt	3,287.5	3,287.5	-	-	3,379.8
Other financial liabilities	194.9	87.3	107.6	-	194.9
Financial lease liabilities	418.6	418.6	-	-	418.6
Derivative financial instruments	4.9	-	3.5	1.4	4.9
At December 31, 2018					
Financial assets					
Other financial assets	123.0	121.4	-	1.6	123.0
Derivative financial instruments	3.8	-	-	3.8	3.8
Cash and cash equivalents	1,046.3	-	-	1,046.3	1,046.3
Money market funds (SICAV)	607.5	-	-	607.5	607.5
Cash and cash equivalents	438.8	-	-	438.8	438.8
Financial liabilities					
Borrowings and debt	3,154.8	3,143.1	-	11.7	3,225.7
Other financial liabilities	250.8	132.1	118.7	-	250.8
Financial lease liabilities	-	-	-	-	_
Derivative financial instruments	11.1	-	6.7	4.4	11.1

With the exception of the items listed below, the Group considers the carrying amount of the financial instruments reported on the statement of financial position to approximate their fair value.

The fair value of current financial instruments such as SICAV mutual funds is their last known net asset value (level 1 in the fair value hierarchy).

The fair value of cash, cash equivalents and bank overdrafts is their face value in euros or equivalent value in euros translated at the closing exchange rate. Since these assets and liabilities are very short-term items, the Group considers that their fair value approximates their carrying amount.

The fair value of each of the Group's fixed-rate facilities (2008 USPP, 2011 USPP, 2014 USPP, 2017 USPP, 2018 USPP, Schuldschein SSD facilities and the five bond issues) is determined based on the present value of future cash flows discounted at the appropriate market rate for the currency concerned (EUR, GBP or USD) at the end of the reporting period, adjusted to reflect the Group's own credit risk. The fair value of the Group's floating-rate facilities (2018 syndicated loan and certain tranches of the Schuldschein SSD facilities) is close to their carrying amount. This corresponds to level 2 in the fair value hierarchy (fair value based on observable market inputs).

The fair value of exchange derivatives is equal to the difference between the present value of the amount sold or purchased in a given currency (translated into euros at the futures rate) and the amount sold or purchased in this same currency (translated into euros at the closing rate).

The fair value of currency derivatives is determined by discounting the present value of future cash flows (interest receivable in pounds sterling and payable in euros, along with the future purchase of pounds sterling against euros) over the remaining term of the instrument at the end of the reporting period. The discount rates used are the market rates that correspond to the maturity of the cash flows. The present value of the cash flows denominated in pounds sterling is translated into euros at the closing exchange rate.

The fair value of exchange derivatives and other currency instruments is calculated using valuation techniques based on observable market inputs (level 2 of the fair value hierarchy) and generally accepted pricing models.

Due to the international scope of its operations, the Group is exposed to currency risk on its use of several different currencies, even though hedges arise naturally with the matching of income and expenses in a number of Group entities where services are provided locally.

The nature of the gains and losses arising on each financial instrument category can be analyzed as follows:

				Adjustments for			
(€ millions)	Interest	Fair value	Exchange differences	Accumulated impairment	Net gains/ (losses) in 2019	Net gains/ (losses) in 2018	
Financial assets carried at amortized cost	-	-	(6.0)	2.9	(3.1)	1.3	
Financial assets and liabilities at fair value through profit or loss	2.1	-	(5.1)	-	(3.0)	5.3	
Borrowings and financial debt carried at amortized cost	(85.5)	-	2.2	-	(83.3)	(89.5)	
Financial lease liabilities	(16.8)	-	(1.1)	-	(17.9)	_	
TOTAL	(100.2)	-	(10.0)	2.9	(107.3)	(82.9)	

Sensitivity analysis

Operational currency risk

For the Group's businesses present in local markets, income and expenses are mainly expressed in local currencies. For the Group's businesses relating to international markets, a portion of revenue is denominated in US dollars.

The proportion of 2019 consolidated revenue denominated in USD generated in countries with different functional currencies or currencies linked to the USD totaled 8%.

The impact of a 1% rise or fall in the US dollar against all other currencies would have had an impact of 0.08% on consolidated revenue.

Translation risk

Since the presentation currency of the financial statements is the euro, the Group translates any foreign currency income and expenses into euros when preparing its financial statements, using the average exchange rate for the period. As a result, changes in the value of the euro against other currencies affect the amounts reported in the consolidated financial statements, even though the value of the items concerned remains unchanged in their original currencies.

In 2019, over 72% of Group revenue resulted from the consolidation of financial statements of entities with functional currencies other than the euro:

 19.4% of revenue was generated by entities whose functional currency is the US dollar or a currency linked to the US dollar (including the Hong Kong dollar);

- 11.6% of revenue was generated by entities whose functional currency is the Chinese yuan renminbi;
- 4.0% of revenue was generated by entities whose functional currency is the Canadian dollar;
- 3.8% of revenue was generated by entities whose functional currency is the Australian dollar;
- 3.8% of revenue was generated by entities whose functional currency is the pound sterling;
- 3.1% of revenue was generated by entities whose functional currency is the Brazilian real.

Other currencies taken individually did not account for more than 4% of Group revenue.

The impact of a 1% rise or fall in the euro against the US dollar and other linked currencies would have had an impact of 0.194% on 2019 consolidated revenue and of 0.188% on 2019 operating profit.

Financial currency risk

If it deems appropriate, the Group may hedge certain commitments by matching financing costs with operating income in the currencies concerned.

When financing arrangements are set up in a currency other than the country's functional currency, the Group takes out foreign exchange or currency hedges for the main currencies or uses perpetuity financing to protect itself against the impact of currency risk on its income statement.

The table below shows the results of the sensitivity analysis for financial instruments exposed to currency risk on the Group's main foreign currencies (euro, US dollar and pound sterling) at December 31, 2019:

	Non-functional currency			
	USD	EUR	GBP	
Financial liabilities	(762.1)	(88.0)	(66.0)	
Financial assets	1,082.1	60.9	119.6	
Net position (assets – liabilities) before hedging	320.0	(27.1)	53.6	
Currency hedging instruments	(23.5)	-	(44.1)	
Net position (assets – liabilities) after hedging	296.5	(27.1)	9.5	
Impact of a 1% rise in exchange rates				
On equity	-	-	0.3	
On net profit before income tax	3.0	(0.3)	0.1	
Impact of a 1% fall in exchange rates				
On equity	-	-	(0.3)	
On net profit before income tax	(3.0)	0.3	(0.1)	

The Group is exposed to currency risk inherent to financial instruments denominated in foreign currencies (i.e., currencies other than the functional currency of each Group entity). The sensitivity analysis presented above shows the impact that a significant change in the value of the euro, US dollar and pound sterling would have on earnings and equity in a non-functional currency. The analysis for the US dollar does not include entities whose functional currency is strongly correlated to the US dollar, for example Group entities based in Hong Kong. Liabilities denominated in a currency other than the functional currency of the entity, for which a hedge has been taken out converting the liability to the functional currency, have not been included in the analysis. The impact of a 1% change in exchange rates on hedges is shown in the table above.

Financial instruments denominated in foreign currencies that are included in the sensitivity analysis relate to key monetary statement of financial position items and in particular, current and non-current financial assets, trade and operating receivables, cash and cash equivalents, current and non-current borrowings and financial debt, current liabilities, and trade payables.

Interest rate risk

The Group's interest rate risk arises primarily from assets and liabilities bearing interest at floating rates. The Group seeks to limit its exposure to a rise in interest rates and may use interest rate instruments where appropriate.

Interest rate exposure is monitored on a monthly basis. The Group continually analyses the level of hedges put in place and ensures that they are appropriate for the underlying exposure. The Group's policy at all times is to prevent more than 60% of its consolidated net debt being exposed to the risk of a rise in interest rates. The Group may therefore enter into other swaps, collars or similar instruments for this purpose. No financial instruments are contracted for speculative purposes. At December 31, 2019, the Group had no interest rate hedges.

The table below shows the maturity of fixed- and floating-rate financial assets and liabilities at December 31, 2019:

(€ millions)	Less than 1 year	Between 1 and 5 years	More than 5 years	Total at December 31, 2019
Fixed-rate bank borrowings and debt	(301.6)	(1,170.0)	(1,692.5)	(3,164.1)
Floating-rate bank borrowings and debt	(55.4)	(56.2)	-	(111.6)
Bank overdrafts	(12.0)	-	-	(12.0)
Total – Financial liabilities	(369.0)	(1,226.2)	(1,692.5)	(3,287.7)
Total – Financial assets	1,477.8			1,477.8
Floating-rate net position (assets – liabilities) before hedging	1,410.4	(56.2)	-	1,354.2
Interest rate hedges	-	-	-	-
Floating-rate net position (assets – liabilities) after hedging	1,410.4	(56.2)	-	1,354.2
Impact of a 1% rise in interest rates				
On equity				
On net profit before income tax				13.5
Impact of a 1% fall in interest rates				
On equity				
On net profit before income tax				(13.5)

At December 31, 2019, given the net floating-rate position after hedging, the Group considers that a 1% rise in short-term interest rates across all currencies would lead to an increase of around €13.5 million in interest income.

Debt maturing after five years, representing a total amount of €1,692.5 million, is essentially at fixed rates. At December 31, 2019, 96% of the Group's consolidated gross debt was at fixed rates.

Note 35 Related-party transactions

Parties related to the Company are its majority shareholder Wendel, as well as the Chairman of the Board of Directors and the Chief Executive Officer (Corporate Officers of the Company).

The compensation due or awarded to the Chairman of the Board comprises fixed compensation and Directors' fees, and excludes any and all types of variable compensation, benefits in-kind, stock options and performance shares.

Amounts recognized with respect to compensation paid (fixed and variable portions) and long-term compensation plans (stock purchase options and performance share awards) are as follows:

(€ millions)	2019	2018
Wages and salaries	2.2	2.2
Stock options	0.4	0.3
Performance shares awarded	2.1	1.5
TOTAL EXPENSE RECOGNIZED FOR THE YEAR	4.7	4.0

The amounts in the above table reflect the fair value for accounting purposes of options and shares in accordance with IFRS. Consequently, they do not represent the actual amounts that may be paid if any stock subscription options are exercised or any performance shares vest. Stock options and performance shares require a minimum period of service and are also subject to a number of performance conditions.

Shares are measured at fair value as calculated under the Black-Scholes model rather than based on the compensation effectively received. The performance share awards require a minimum period of service and are also subject to a number of performance conditions.

The Chief Executive Officer was awarded a total of 720,000 stock purchase options at December 31, 2019 (516,000 at December 31, 2018), with a fair value per share of €2.25 (end-2018: €2.23).

The number of performance shares awarded to the Chief Executive Officer amounted to 960,000 at December 31, 2019 (892,000 at December 31, 2018).

Note 36 Fees paid to Statutory Auditors

The following amounts were expensed in the Group's 2019 income statement:

	2019					
(€ millions)	PwC	EY	Total	PwC	EY	Total
Statutory audit	2.5	2.0	4.5	2.5	1.9	4.4
o/w issuer	0.4	0.4	0.8	0.4	0.4	0.8
o/w fully consolidated subsidiaries	2.1	1.6	3.7	2.1	1.5	3.6
Services other than the statutory audit ^(a)	0.2	0.2	0.4	0.5	0.2	0.7
o/w issuer	0.2	0.2	0.4	0.2	0.1	0.3
o/w fully consolidated subsidiaries	-	-	-	0.3	0.1	0.4
Other services provided by members of the auditors' networks to fully consolidated subsidiaries ^(a)	0.4	0.5	0.9	0.6	0.3	0.9
o/w tax, legal and employee-related services	0.4	0.5	0.9	0.6	0.3	0.9
TOTAL	3.1	2.7	5.8	3.6	2.4	6.0

⁽a) For 2019, services provided to the Group – other than the audit of the financial statements – related to:

Note 37 Events after the end of the reporting period

Dividends paid

The resolutions to be submitted for approval at the Annual Shareholders' Meeting to be held to approve the financial statements for the year ended December 31, 2019 recommend a dividend of epsilon 0.56 per share in respect of 2019.

Impact on the business due to Covid-19

Bureau Veritas is closely monitoring the economic inactivity associated with the Covid-19 outbreak. It is having a direct impact on the Group's operations, primarily in China (17% of Group revenue, 16,461 employees as of December 31, 2019), and potentially elsewhere. Both the Group's testing-driven consumer goods activities and audit and inspections activities are affected.

The Covid-19 outbreak has no impact on the Group's accounting and financial position as of December 31, 2019 as presented in this Universal Registration Document.

In the current circumstances⁽¹⁾, the impact on revenue is expected to be in the range of €60 million to €100 million.

The Group is carefully monitoring the situation and has taken the appropriate actions to protect its people.

[•] for PricewaterhouseCoopers Audit: consulting, reports and agreed-upon procedures;

[•] for Ernst & Young: legal compliance, reports and agreed-upon procedures.

⁽¹⁾ As at February 26, 2020, date of approval of the consolidated financial statements by the Board of Directors.

Note 38 Scope of consolidation

Fully consolidated companies at December 31, 2019

Type: Subsidiary (S); Bureau Veritas SA branch (B).

			% int	erest
Country	Company	Туре	2019	2018
Algeria	Bureau Veritas Algérie SARL	S	100.00	100.00
Angola	Bureau Veritas Angola Limitada	S	100.00	100.00
Argentina	Bureau Veritas Argentina SA	S	100.00	100.00
Argentina	Net Connection International SRL	S	100.00	100.00
Argentina	CH International Argentina SRL	S	100.00	100.00
Armenia	BIVAC Armenia	S	100.00	100.00
Australia	McKenzie Group Consulting (NSW) Pty Ltd.	S	64.70	64.70
Australia	McKenzie Group Consulting (QLD) Pty Ltd.	S	64.70	64.70
Australia	McKenzie Group Consulting (VIC) Pty Ltd.	S	64.70	64.70
Australia	Bureau Veritas Australia Pty Ltd.	S	100.00	100.00
Australia	Bureau Veritas Asset Integrity & Reliability Services Australia Pty Ltd.		100.00	100.00
Australia	Bureau Veritas Asset Integrity & Reliability Services Adstrata Fty Etd.	S	100.00	100.00
Australia		S	100.00	100.00
	Bureau Veritas International Trade Pty Ltd.			
Australia	Bureau Veritas Minerals Pty Ltd.	S	100.00	100.00
Australia	MatthewsDaniel Int. (Australia) Pty	S	100.00	100.00
Australia	TMC Marine Pty Ltd.	S	100.00	100.00
Australia	Bureau Veritas AsureQuality Finance Pty Ltd	S	51.00	51.00
Australia	Bureau Veritas AsureQuality Holding Pty Ltd	S	51.00	51.00
Australia	Dairy Technical Services Pty Ltd.	S	51.00	51.00
Australia	McKenzie Group Consulting Pty Ltd.	S	64.70	64.70
Austria	Bureau Veritas Austria GmbH	S	100.00	100.00
Azerbaijan	Bureau Veritas Azeri Ltd Liability Company	S	100.00	100.00
Bahamas	Inspectorate Bahamas Ltd.	S	100.00	100.00
Bahrain	Bureau Veritas Training Center	S	100.00	
Bahrain	Bureau Veritas SA – Bahrain	В	100.00	100.00
Bangladesh	BIVAC Bangladesh	S	100.00	100.00
Bangladesh	Bureau Veritas CPS Bangladesh Ltd.	S	100.00	100.00
Bangladesh	Bureau Veritas Bangladesh Private Ltd.	S	100.00	100.00
Bangladesh	Bureau Veritas CPS Chittagong Ltd.	S	99.80	99.80
Belarus	Bureau Veritas Bel Ltd FLLC	S	100.00	100.00
Belgium	Bureau Veritas Certification Belgium	S	100.00	100.00
Belgium	Association Bureau Veritas ASBL	S	100.00	100.00
			100.00	100.00
Belgium	Bureau Veritas Marine Belgium & Luxembourg SA	S		
Belgium	Inspectorate Ghent NV		100.00	100.00
Belgium	Inspectorate Antwerp NV	S	100.00	100.00
Belgium	Unicar Benelux SPRL	<u>S</u>	100.00	100.00
Belgium	SA Euroclass NV	S	100.00	100.00
Belgium	Schutter Belgium BVBA	S	100.00	100.00
Belgium	Bureau Veritas SA – Belgium	В	100.00	100.00
Bermuda	MatthewsDaniel Services (Bermuda) Ltd.	S	100.00	100.00
Bermuda	MatthewsDaniel Holdings (Bermuda) Ltd.	S	100.00	100.00
Bolivia	Bureau Veritas Fiscalizadora Boliviana SRL	S	100.00	100.00
Bolivia	Bureau Veritas Argentina SA Bolivia branch	S	100.00	100.00
Bosnia	Bureau Veritas BH d.o.o. Sarajevo	S	100.00	100.00
Brazil	Bureau Veritas do Brasil Sociedade Classificadora e Certificadora Ltda	S	100.00	100.00
Brazil	BVQI do Brasil Sociedade Certificadora Ltda	S	100.00	100.00
Brazil	Auto Reg Serviços Técnicos de Seguros Ltda	S	100.00	100.00
Brazil	Bureau Veritas Do Brasil Inspeçoes Ltda	S	100.00	100.00
Brazil	MatthewsDaniel do Brasil Avaliação de Riscos Ltda	S	100.00	100.00
Brazil	NCC Certificações do Brazil Ltda	S	100.00	100.00
Brazil	Ch International do Brazil Ltda	S	100.00	100.00
Brazil	Associação NCC Certificações do Brasil		100.00	100.00
DIQLIL	Associação inco dei circações do DidSit			
Brazil	Kuhlmann Monitoramente Agricola Ltda	S	100.00	100.00

				erest
Country	Company	Туре	2019	2018
Brunei	Bureau Veritas SA – Brunei	В	100.00	100.00
Bulgaria	Bureau Veritas Bulgaria Ltd	S	100.00	100.00
Burkina Faso	Bureau Veritas Burkina Faso Ltd.	S	100.00	100.00
Cambodia	Bureau Veritas (Cambodia) Ltd.	S	100.00	100.00
Cameroon	Bureau Veritas Douala SAU	S	100.00	100.00
Canada	Bureau Veritas Marine Canada Inc.	S	100.00	100.00
Canada	Bureau Veritas Certification Canada Inc.	S	100.00	100.00
Canada	Bureau Veritas Canada (2019) Inc.	S	100.00	100.00
Canada	Bureau Veritas Commodities Canada Ltd.	S	100.00	100.00
Canada	MatthewsDaniel International (Canada) Ltd.	S	100.00	100.00
Canada	MatthewsDaniel International (Newfoundland) Ltd.	S	100.00	100.00
Central African Republic	BIVAC Export RCA SARL (Central African Republic branch)	S	100.00	100.00
Central African Republic	BIVAC Export RCA SARL	S	100.00	100.00
Chad	Bureau Veritas Tchad SAU	S	100.00	100.00
Chad	BIVAC Tchad SA	S	100.00	100.00
Chad	Société d'inspection et d'Analyse du Tchad (SIAT SA/CA)	S	51.00	51.00
Chile	Bureau Veritas Chile SA	S	100.00	100.00
Chile			100.00	100.00
Chile	Bureau Veritas do Brasil Soc Classificadora e Certicadora, Agencia en Chile (Chile branch)	S	100.00	100.00
Chile	Bureau Veritas Certification Chile SA	S	100.00	100.00
Chile	Bureau Veritas Chile Capacitacion Ltd.	S	100.00	100.00
Chile	ECA Control y Asesoramiento SA	S	100.00	100.00
Chile	Centro de Estudios Medicion y Certificacion de Calidad Cesmec SA	S	100.00	100.00
Chile	Inspectorate Servicios de Inspeccion Chile Ltda	S	100.00	100.00
China	Shandong Cigna Detection Technology Co., Ltd.	S	70.00	70.00
China	Bureau Veritas Hong Kong Ltd.	S	100.00	100.00
China	Bureau Veritas Solutions Marine & Offshore Co. Ltd.	S	100.00	
China	Changsha Total-Test Technology Co. Ltd.	S	75.00	
China	Shenzhen Total-Test Technology Co. Ltd.	S	75.00	
China	Bureau Veritas Investment (Shanghai) Co. Ltd.	S	100.00	100.00
China		S	85.00	85.00
China	Bureau Veritas CPS Shanghai Co. Ltd.	S	100.00	
	Bureau Veritas LCIE China Company Ltd.			100.00
China	Bureau Veritas Certification Hong Kong Ltd.	S	100.00	100.00
China	Bureau Veritas Certification Beijing Co. Ltd.	S	100.00	100.00
China	BIVAC Asian Cre (Shanghaï) Inspection Co. Ltd.	S	100.00	100.00
China	Bureau Veritas CPS Hong-Kong Ltd.	S	100.00	100.00
China	Bureau Veritas Solutions Marine & Offshore Ltd.	S	100.00	100.00
China	Bureau Veritas CPS Guangzhou Co. Ltd.	S	100.00	100.00
China	Bureau Veritas (Tianjin) Safety Technology Co. Ltd.	S	100.00	100.00
China	Bureau Veritas Shenzhen Co. Ltd.	S	80.00	80.00
China	Bureau Veritas-Fairweather Inspection & Consultants Co. Ltd.	S	100.00	100.00
China	Bureau Veritas Marine China Co. Ltd	S	100.00	100.00
China	ADT (Shanghai) Corporation	S	100.00	100.00
China	Bureau Veritas Quality Services Shanghai Co. Ltd.	S	100.00	100.00
China	Inspectorate (Shanghai) Ltd. JV China	S	85.00	85.00
China	Bureau Veritas 7 Layers Communications Technology (Shenzen) Co. Ltd.	S	100.00	100.00
China	Bureau Veritas CPS Jiangsu Co. Ltd.	S	51.00	51.00
China	Beijing Huaxia Supervision Co. Ltd.	S	97.00	97.00
China	Shanghai Davis Testing Technology Ltd.	S	100.00	100.00
China	Beijing 7Layers Huarui Communications Technology Co. Ltd.	S	51.00	50.00
China	Zhejiang Bureau Veritas CPS Shenyue Co. Ltd.	S	51.00	51.00
China	Bureau Veritas CPS (Shenou) Zhejiang Co. Ltd.	S	51.00	51.00
China	MatthewsDaniel Offshore (Hong Kong) Ltd.	S	100.00	100.00
China	Shanghai TJU Engineering Service Co. Ltd.	S	95.00	70.00
China	Shandong Chengxin Engineering Consulting & Jianli Co. Ltd.	S	97.00	70.00
China	Ningbo Hengxin Engineering Consulting & Sianti Co. Etc.	S	95.80	95.80
China	Beijing Huali Bureau Veritas Technical Service Co. Ltd.	S	60.00	60.00
China	Centre of Testing Service (Ningbo) Co. Ltd.	S	100.00	100.00
China	Bureau Veritas-CQC Testing Technology Co. Ltd.	S	60.00	60.00
China	Chongqing Liansheng Construction Project Management Co. Ltd.	S	80.00	80.00
China	Chongqing Liansheng Seine Cost Consulting Co. Ltd.	S	80.00	80.00

			% inte	
Country	Company	Туре	2019	2018
China	Wuhu Liansheng Construction Project Management Co. Ltd.	S	80.00	80.00
China	Hangzhou VEO Standards Technical Services Co. Ltd.	S	100.00	100.00
China	Bizheng Engineering Technical Consulting (Shanghai) Co. Ltd.	S	100.00	100.00
China	Bureau Veritas Commodities (Hebei) Co. Ltd.	S	67.00	67.00
China	Shanghai Project Management Co., Ltd.	S	68.00	68.00
China	SIEMIC (Shenzhen-China) InfoTech Ltd.	S	100.00	100.00
China	SIEMIC (Nanjing-China) Infotech Ltd.	S	100.00	100.00
China	Smart Car Testing and Certification Co.	S	60.00	60.00
China	ICTK Shenzhen Co. Ltd.	S	55.00	55.00
Colombia	Bureau Veritas Colombia Ltda	S	100.00	100.00
Colombia	BVOI Colombia Ltda	S	100.00	100.00
Colombia	ECA Interventorias Y Consultorias de Colombia Ltd.	S	100.00	100.00
Colombia	Tecnicontrol SAS	S	100.00	100.00
Colombia	PRI Colombia SAS	S	100.00	100.00
Congo	Bureau Veritas Congo SAU	S	100.00	100.00
Côte d'Ivoire	Bureau Veritas Côte d'Ivoire SAU	S	100.00	100.00
Côte d'Ivoire	BIVAC Scan Côte d'Ivoire SA	S	61.99	61.99
Côte d'Ivoire	BIVAC Côte d'Ivoire CI SAU	S	100.00	100.00
Côte d'Ivoire	Bureau Veritas Mineral Laboratories SAU	S	100.00	100.00
Croatia	Bureau Veritas Mineral Laboratories SAU Bureau Veritas Croatia SARL	S	100.00	100.00
Croatia	Bureau Veritas Solutions Marine & Offshore d.o.o.	S	100.00	100.00
Croatia	Inspectorate Croatia Ltd.	S	100.00	100.00
Cuba	Bureau Veritas SA – Cuba	В	100.00	100.00
Cyprus	Bureau Veritas Cyprus Ltd.	S	100.00	100.00
Czech Republic	Bureau Veritas Certification CZ, s.r.o.	S	100.00	100.00
Democratic Republic of Congo	BIVAC République Démocratique du Congo SARL	S	100.00	100.00
Democratic Republic of Congo	Bureau Veritas BIVAC BV	S	100.00	100.00
Democratic Republic of Congo	Société d'Exploitation du Guichet Unique du Commerce Extérieur de la RDC	S	70.00	70.00
Denmark	Bureau Veritas Certification Denmark AS	S	100.00	100.00
Denmark	Bureau Veritas HSE Denmark AS	S	100.00	100.00
Denmark	Bureau Veritas SA – Denmark	В	100.00	100.00
Dominican Republic	Inspectorate Dominicana SA	S	100.00	100.00
Dominican Republic	ACME Analytical Laboratories (R.D.) SRL	S	100.00	100.00
Ecuador	BIVAC Ecuador SA	S	100.00	100.00
Ecuador	Bureau Veritas Ecuador SA	S	100.00	100.00
Ecuador	Inspectorate del Ecuador SA	S	100.00	100.00
Ecuador	Andes Control Ecuador SA Ancoesa	S	100.00	100.00
Egypt	Bureau Veritas Egypt LLC	S	100.00	100.00
Egypt	Watson Gray Egypt Ltd. (UK branch)	S	100.00	100.00
Egypt	MatthewsDaniel Int. (Egypt) Ltd.	S	100.00	100.00
Equatorial Guinea	Bureau Veritas SA – Equatorial Guinea	В	100.00	100.00
Estonia	Bureau Veritas Estonia	S	100.00	100.00
Estonia	Inspectorate Estonia AS	S	100.00	100.00
Ethiopia	Bureau Veritas Services PLC	S	100.00	100.00
Finland	Bureau Veritas SA – Finland	В	100.00	100.00
France	Bureau Veritas CPS France SAS	S	100.00	100.00
France	BIVAC International SA	S	100.00	100.00
France	Bureau Veritas Certification France SAS	S	100.00	100.00
France	Bureau Veritas Certification Holding SAS	S	100.00	100.00
France	Bureau Veritas International SAS	S	100.00	100.00
France	Bureau Veritas Services France	S	100.00	100.00
France	Capital Energy	S	100.00	
France	Bureau Veritas Services SAS	S	100.00	100.00
France	Bureau Veritas Solutions Marine & Offshore SAS	S	100.00	100.00
France	Laboratoire Central des Industries Électriques SAS (LCIE)	S	100.00	100.00
France	Bureau Veritas Middle East SAS	S	100.00	100.00
France	Bureau Veritas Holding 6	S	100.00	100.00
	<u> </u>	S	100.00	
France	Bureau Veritas Holding 7			100.00
France	Bureau Veritas Holding 8	S	100.00	100.00
France	Environnement Contrôle Services SAS	S	100.00	100.00
France	Bureau Veritas Solutions	S	100.00	100.00

			% int	erest
Country	Company	Туре	2019	2018
France	Coreste SAS	S	99.60	99.60
France	Bureau Veritas Laboratoires	S	100.00	100.00
France	Transcable Halec SAS	S	100.00	100.00
France	GUCEL SAS	S	90.00	90.00
France	BIVAC Mali SAS	S	100.00	100.00
France	Océanic Développement SAS	S	100.00	100.00
France	MEDI Qual SAS	S	100.00	100.00
France	Unicar Group SAS	S	100.00	100.00
France	Bureau Veritas Construction	S	100.00	100.00
France	Bureau Veritas Exploitation	S	100.00	100.00
France	Bureau Veritas Marine & Offshore SAS	S	100.00	100.00
France	Bureau Veritas GSIT	S	100.00	100.00
France	Bureau Veritas Holding 4	S	100.00	100.00
France	Bureau Veritas Holding France	S	100.00	100.00
French Polynesia	Bureau Veritas SA – Tahiti	В	100.00	100.00
Gabon	Bureau Veritas Gabon SAU	S	100.00	100.00
Georgia	Inspectorate Georgia LLC		100.00	100.00
Georgia	Bureau Veritas Georgie LLC	S	100.00	100.00
Germany	Bureau Veritas Certification Germany GmbH	S	100.00	100.00
Germany	Bureau Veritas CPS Germany GmbH	S	100.00	100.00
Germany	Bureau Veritas Construction Services GmbH	S	100.00	100.00
Germany	Bureau Veritas Germany Holding GmbH	S	100.00	100.00
Germany	Bureau Veritas Industry Services GmbH	S	100.00	100.00
Germany	Inspectorate Deutschland GmbH	S	100.00	100.00
Germany	Bureau Veritas Solutions Marine & Offshore SAS (German branch)	S	100.00	100.00
Germany	Unicar Germany GmbH	S	100.00	100.00
Germany	7 Layers GmbH	S	100.00	100.00
Germany	BT Mülheim GmbH	S	100.00	100.00
Germany	Schutter Deutschland GmbH	S	100.00	100.00
Germany	Wireless IP GmbH	S	100.00	100.00
Germany	Bureau Veritas SA – Germany	В	100.00	100.00
Ghana	Bureau Veritas Oil and Gas Ghana Limited	S	80.00	80.00
Ghana	BIVAC International Ghana	S	100.00	100.00
Ghana	Bureau Veritas Ghana	S	100.00	100.00
Ghana	Inspectorate Ghana Ltd.	S	100.00	100.00
Greece	Bureau Veritas Solutions Marine & Offshore (Greek branch)	S	100.00	
Greece	Bureau Veritas Hellas AE	S	100.00	100.00
Guatemala	Bureau Veritas CPS Guatemala SA	S	100.00	100.00
Guinea	BIVAC Guinea SAU	S	100.00	100.00
Guinea	Bureau Veritas Guinea SAU	S	100.00	100.00
_	Bureau Veritas dulifea SAO Bureau Veritas Minerals (Guyana) Inc.	S	100.00	100.00
Guyana		S		
Hungary Iceland	Bureau Veritas Magyarorszag		100.00	100.00
	Bureau Veritas EHF	S	100.00	100.00
India	Bureau Veritas Industrial Services Ltd.	S	100.00	100.00
India	Bureau Veritas CPS India Pvt Ltd.	S	100.00	100.00
India	Bureau Veritas India Pvt Ltd.	S	100.00	100.00
India	Inspectorate Griffith India Pvt Ltd.	S	100.00	100.00
India	Bhagavathi Ana Labs Private Ltd.	S	100.00	100.00
India	Sievert India Pvt Ltd.	S	100.00	100.00
India	Bureau Veritas SA – India	В	100.00	100.00
Indonesia	PT. Matthews Daniel International Indonesia	S	80.00	80.00
Indonesia	PT Bureau Veritas AsureQuality Indonesia Lab	S	51.00	51.00
Indonesia	PT Bureau Veritas Indonesia LLC	S	100.00	100.00
Indonesia	PT Bureau Veritas CPS Indonesia	S	85.00	85.00
Indonesia	PT IOL Indonesia	S	100.00	100.00
Iran	Inspectorate Iran QESHM Ltd.	S	99.00	99.00
Iran	Bureau Veritas SA – Iran	В	100.00	100.00
Iraq	Bureau Veritas Middle East (Iraq Branch)	S	100.00	
Iraq	Tariq Al Sedak	S	100.00	100.00
Ireland	Bureau Veritas Ireland Ltd.	S	100.00	100.00
Ireland	Primary Integration Solutions Europe Ltd.	S	76.21	76.21
	· ·········· / ········· J ········· J ········		10.21	, 0.21

				erest
Country	Company	Туре	2019	2018
Italy	Bureau Veritas Italia SPA	S	100.00	100.00
Italy	Bureau Veritas Italia Holding SPA	S	100.00	100.00
Italy	Bureau Veritas Solutions Marine & Offshore Italy (Italy branch)	S	100.00	100.00
Italy	Q Certificazioni SRL	S	100.00	
Italy	Bureau Veritas Nexta SRL	S	100.00	100.00
Italy	Inspectorate Italia SRL	S	100.00	100.00
Italy	Bureau Veritas Certest SRL	S	100.00	100.00
Italy	CEPAS S.R.L	S	100.00	100.00
Jamaica	Inspectorate America Corporation (Jamaica branch)	S	100.00	100.00
Japan	FEAC Co. Ltd.	S	100.00	100.00
Japan	Bureau Veritas Japan Co. Ltd.	S	100.00	100.00
Japan	Bureau Veritas Human Tech Co. Ltd.	S	100.00	100.00
Japan	Kanagawa Building Inspection Co. Ltd.	S	100.00	100.00
Japan	IPS Tokai Corporation	S	100.00	100.00
Jordan	BIVAC for Valuation Jordan LLC	S	100.00	100.00
Kazakhstan	Bureau Veritas Kazakhstan LLP	S	100.00	100.00
Kazakhstan	Bureau Veritas Kazakhstan Industrial Services LLP	S	60.00	60.00
Kazakhstan	Kazinspectorate Ltd.	S	100.00	100.00
Kazakhstan	Bureau Veritas Marine Kazakhstan LLP	S	100.00	100.00
Kenya	Bureau Veritas Kenya Limited	S	99.90	99.90
Kuwait	Inspectorate International Ltd. Kuwait	S	100.00	100.00
Kuwait	Bureau Veritas SA – Kuwait	В	100.00	100.00
Kyrgyzstan	Bureau Veritas Kyrgyzstan (Rep Office BV KZ)	S	100.00	100.00
Laos	BIVAC LAO Sole Co. Ltd.	S	100.00	100.00
Laos	Lao National Single Window	S	75.00	75.00
Latvia	Bureau Veritas Latvia Ltd.	S	100.00	100.00
Latvia	Inspectorate Latvia Ltd.	S	100.00	100.00
Lebanon	Bureau Veritas Liban SAL	S	100.00	100.00
Lebanon	BIVAC Rotterdam (Lebanon branch)	S	100.00	100.00
Liberia	BIVAC Liberia	S	100.00	100.00
Liberia	Bureau Veritas Liberia Ltd.	S	100.00	100.00
Libya	Bureau Veritas Lybia for Inspection & Conformity	S	51.00	51.00
Lithuania	Bureau Veritas Lithuania Ltd.	S	100.00	100.00
Lithuania	Inspectorate Klaipeda UAB	S	100.00	100.00
Luxembourg	Soprefira SA	S	100.00	100.00
Luxembourg	Bureau Veritas Luxembourg SA	S	100.00	100.00
Malaysia	Permulab Sdn Bhd	S	35.70	35.70
Malaysia	Bureau Veritas (M) Sdn Bhd	S	49.00	49.00
Malaysia	Bureau Veritas Certification Malaysia Ltd.	S	100.00	100.00
Malaysia	Bureau Veritas CPS Sdn Bhd	S	100.00	100.00
Malaysia	Inspectorate Malaysia Sdn Bhd	S	49.00	49.00
Malaysia	Scientige Sdn Bhd	S	100.00	100.00
Malaysia	MatthewsDaniel (Malaysia) Sdn Bhd	S	100.00	100.00
Malaysia	Schutter Malaysia Sdn Bhd	S	100.00	100.00
Mali	Bureau Veritas Mali SA	S	100.00	100.00
Malta	Inspectorate Malta Ltd.	S	100.00	100.00
Malta	Bureau Veritas SA – Malta	В	100.00	100.00
Mauritania	Bureau Veritas SA – Mauritania	В	100.00	100.00
Mauritius	Bureau Veritas SA – Mauritius	В	100.00	100.00
Mexico	GS COVI SA DE CV	S	75.00	75.00
Mexico	BVQI Mexicana SA de CV	S	100.00	100.00
Mexico	Bureau Veritas Mexicana SA de CV	S	100.00	100.00
Mexico	Bureau Veritas CPS Mexico SA de CV		100.00	100.00
Mexico	Inspectorate de Mexico SA de CV		100.00	100.00
Mexico	Chas Martin Mexico City Inc.		100.00	100.00
Mexico	Unicar Automotive Inspection Mexico LLC	S	100.00	100.00
Mexico	MatthewsDaniel Company Inc. (Mexico Branch)	S	100.00	100.00
Mexico	CH Mexico International I sociedad de responsabilidad Limitada de CV	S	100.00	100.00
Mexico	Ingeniería, Control y Administración, SA de CV (INCA)	S	100.00	100.00
			100.00	100.00
Mexico	Supervisores de Construccion y Asociados, SA De CV	S		

				erest
Country	Company	Туре	2019	2018
Mongolia	Bureau Veritas Inspection & Testing Mongolia LLC	S	100.00	100.00
Morocco	Qualimag	S	51.55	51.55
Morocco	Labomag	S	51.00	51.00
Morocco	Bureau Veritas Maroc SA	S	100.00	100.00
Morocco	Bureau Veritas SA – Morocco	В	100.00	100.00
Mozambique	Bureau Veritas Mozambique Ltda	S	100.00	100.00
Mozambique	Bureau Veritas – Laboratorios de Tete Ltd.	S	66.66	66.66
Myanmar	Myanmar Bureau Veritas Ltd.	S	100.00	100.00
Namibia	Bureau Veritas Namibie Pty Ltd.	S	100.00	100.00
Netherlands	BIVAC Rotterdam	S	100.00	100.00
Netherlands	Bureau Veritas Inspection & Certification The Netherlands BV	S	100.00	100.00
Netherlands	Risk Control BV	S	100.00	100.00
Netherlands	Bureau Veritas Marine Netherlands BV	S	100.00	100.00
Netherlands	Bureau Veritas Nederland Holding	S	100.00	100.00
Netherlands	Inspectorate BV	S	100.00	100.00
Netherlands	Inspectorate II BV	S	100.00	100.00
Netherlands	IOL Investments BV	S	100.00	100.00
Netherlands	Inspectorate Inpechem Inspectors BV	S	100.00	100.00
Netherlands	Inspectorate Curação NV	S	100.00	100.00
Netherlands		S	100.00	100.00
Netherlands	Certificatie Instelling Voor Beveiliging en Veiligheid BV	S		
	Schutter Certification BV		100.00	100.00
Netherlands	Schutter Groep BV	S	100.00	100.00
Netherlands	Schutter Havenbedrijg BV	S	100.00	100.00
Netherlands	Schutter International BV	S	100.00	100.00
Netherlands	Schutter Rotterdam BV	S	100.00	100.00
New Caledonia	Bureau Veritas SA – New Caledonia	В	100.00	100.00
New Zealand	Bureau Veritas New Zealand Ltd.	S	100.00	100.00
Nicaragua	Inspectorate America Corporation – Nicaragua	S	100.00	100.00
Nigeria	Bureau Veritas Nigeria Ltd.	S	60.00	60.00
Nigeria	Inspectorate Marine Services (Nigeria) Ltd.	S	100.00	100.00
Norway	Bureau Veritas Norway AS	S	100.00	100.00
Oman	Sievert Technical Inspection LLC	S	70.00	70.00
Oman	Bureau Veritas Middle East Co. LLC	S	70.00	70.00
Pakistan	Bureau Veritas Pakistan (Private) Ltd.	S	100.00	100.00
Pakistan	Bureau Veritas CPS Pakistan Ltd.	S	80.00	80.00
Panama	Bureau Veritas Panama SA	S	100.00	100.00
Panama	Inspectorate de Panama SA	S	100.00	100.00
Paraguay	BIVAC Paraguay SA	S	100.00	100.00
Paraguay	Inspectorate Paraguay SRL	S	100.00	100.00
Paraguay	Schutter Paraguay SA	S	100.00	100.00
Peru	BIVAC del Peru SAC	S	100.00	100.00
Peru	Bureau Veritas del Peru SA	S	100.00	100.00
Peru	Inspectorate Services Peru SAC	S	100.00	100.00
Philippines	BVCPS Philippines	S	100.00	100.00
Philippines	Inspectorate UK International Ltd. (Philippines branch)	S	100.00	100.00
Philippines	Inspectorate Ok International Eta. (Philippines Branch)		80.00	80.00
Philippines	Schutter Philippines Inc.	S	100.00	100.00
	Bureau Veritas SA – Philippines	B	100.00	
Philippines		S		100.00
Poland	Bureau Veritas Polska Spolka Spolka z ograniczona odpowiedzialnioscia		100.00	100.00
Portugal	Bureau Veritas Certification Portugal SARL	S	100.00	100.00
Portugal	Registro International Naval – Rinave SA	S	100.00	100.00
Portugal	Bureau Veritas Rinave Sociedade Unipessoal Lda	S	100.00	100.00
Portugal	BIVAC Iberica Unipessoal, Lda	S	100.00	100.00
Portugal	Inspectorate Portugal SA	S	100.00	100.00
Puerto Rico	Inspectorate America Corporation Puerto Rico	S	100.00	100.00
Qatar	Bureau Veritas Certification WLL	S	100.00	
Qatar	Inspectorate International Ltd. Qatar LLC	S	97.00	97.00
Qatar	Sievert International Inspection WLL	S	100.00	100.00
Qatar	Bureau Veritas International Doha LLC	S	100.00	100.00
Qatar	Bureau Veritas SA – Qatar	В	100.00	100.00
Romania	Bureau Veritas Romania Controle International SRL	S	100.00	100.00

Country				% interest	
	Company	Type	2019	2018	
Romania	Inspect Balkan SRL	S	100.00	100.00	
Russia	Bureau Veritas Rus OAO	В	100.00	100.00	
Russia	Bureau Veritas Certification Russia	S	100.00	100.00	
Russia	Unicar Russia LLC	S	100.00	100.00	
Russia	LLC MatthewsDaniel International (Rus)	S	100.00	100.00	
Rwanda	Bureau Veritas Rwanda Ltd.	S	100.00	100.00	
Saint Lucia	Inspectorate America Corporation (St Lucia branch)	S	100.00	100.00	
Saudi Arabia	Bureau Veritas Saudi Arabia Testing Services Ltd.	S	75.00	75.00	
Saudi Arabia	Inspectorate International Saudi Arabia Co. Ltd.	S	65.00	65.00	
Saudi Arabia	MatthewsDaniel Loss Adjusting and Survey Company Ltd.	S	100.00	100.00	
Saudi Arabia	Sievert Arabia Co Ltd.	S	100.00	100.00	
Saudi Arabia	Bureau Veritas SA – Saudi Arabia	В	100.00	100.00	
Senegal	Bureau Veritas Sénégal SAU	S	100.00	100.00	
Serbia	Bureau Veritas Serbia d.o.o.	S	100.00	100.00	
Singapore	Bureau Veritas Solutions Marine and Offshore SAS (Singapore branch)	S	100.00	100.00	
Singapore	AsureQuality Singapore Pte Ltd	S	51.00	51.00	
Singapore	Bureau Veritas Singapore Pte Ltd.	S	100.00	100.00	
Singapore	Bureau Veritas Marine Singapore Pte Ltd.	S	100.00	100.00	
Singapore	Atomic Technologies Pte Ltd.	S	100.00	100.00	
Singapore	Inspectorate (Singapore) Pte Ltd.	S	100.00	100.00	
Singapore	MatthewsDaniel International Pte Ltd	S	100.00	100.00	
Singapore	Bureau Veritas AsureQuality Singapore Holdings Pte Ltd.	S	51.00	51.00	
Singapore	Bureau Veritas Buildings & Infrastructure Pte Ltd	S	100.00	100.00	
Singapore	TMC Marine Pte Ltd.	S	100.00	100.00	
Singapore	Schutter Inspection Services Pte Ltd.	S	100.00	100.00	
Slovakia	Bureau Veritas Slovakia Spol	S	100.00	100.00	
Slovenia	Bureau Veritas Slovenia d.o.o.	S	100.00	100.00	
South Africa	Bureau Veritas South Africa (Pty) Ltd.	S	76.00	76.00	
South Africa	Bureau Veritas Testing and Inspections South Africa (Pty) Ltd.	S	100.00	100.00	
South Africa	Bureau Veritas Inspectorate Laboratories (Pty) Ltd.	S	73.30	73.30	
South Africa	Bureau Veritas Marine Surveying (Pty) Ltd.	S	37.38	37.38	
South Africa	M&L Laboratory Services (Pty) Ltd.	S	73.30	73.30	
South Africa	Bureau Veritas Gazelle (Pty) Ltd.	S	70.00	70.00	
South Africa	Tekniva (Pty) Ltd.	S	76.00	76.00	
South Africa	Carab Technologies (Pty) Ltd.	S	76.00	76.00	
South Korea	Bureau Veritas Korea Co. Ltd.	S	100.00	100.00	
South Korea	Bureau Veritas CPS Korea Ltd.	<u>S</u>	100.00	100.00	
South Korea	Bureau Veritas CPS ADT Korea Ltd.	<u>S</u>	100.00	100.00	
South Korea	Bureau Veritas ICTK Co., Ltd	S	55.00	55.00	
South Korea	Bureau Veritas SA – South Korea	В	100.00	100.00	
Spain	Bureau Veritas Iberia SL	S	100.00	100.00	
Spain	Lubrication Management SLU	S	100.00	100.00	
Spain	Bureau Veritas Inversiones SL	S	100.00	100.00	
Spain	Bureau Veritas Inspeccion y Testing SL	S	100.00	100.00	
Spain	Bureau Veritas Formacion SAU	S	95.00	95.00	
Spain	Activa, Innovación Y Servicios, SAU	S	100.00	100.00	
Spain	Instituto De La Calidad, SAU	S	100.00	100.00	
Spain	Inspectorate Española SAU	S	100.00	100.00	
Spain	Unicar Spain SRL	S S	100.00	100.00	
Sri Lanka	Bureau Veritas CPS Lanka (Pvt) Ltd. Bureau Veritas Lanka Private Ltd	S	100.00	100.00	
Sri Lanka Sweden			100.00	100.00	
Sweden Sweden	Bureau Veritas Certification Sverige AB Ltd. Bureau Veritas SA – Sweden	S S	100.00	100.00	
Switzerland		S B	100.00	100.00	
Switzerland	Bureau Veritas Switzerland AG Inspectorate Suisse SA	S	100.00	100.00	
Syria	BIVAC Rotterdam (Syria branch)	S	100.00	100.00	
Taiwan	Bureau Veritas CPS Hong-Kong Ltd. (Taiwan branch)	S	100.00	100.00	
Taiwan	Bureau Veritas Cers Hong-Rong Ltd. (Talwan branch) Bureau Veritas Certification Taiwan Co. Ltd.	S	100.00	100.00	
Taiwan	Bureau Veritas Taiwan Ltd.	S	100.00	100.00	
Taiwan	Advance Data Technology Corporation	S	99.10	99.10	
	, availed bata recimology corporation		33.10	100.00	

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Country	Company	Туре	2019	2018
Taiwan	Bureau Veritas CPS Hong-Kong (Hsinchu branch)	S	100.00	100.00
Taiwan	Bureau Veritas SA – Taiwan	S	100.00	100.00
Taiwan	SIEMIC Inc. (Taiwan Branch)	В	100.00	100.00
Tanzania	Bureau Veritas GSIT (Tanzania branch)	S	100.00	
Γanzania	Bureau Veritas-USC Tanzania Ltd.	S	60.00	60.00
Гаnzania	Bureau Veritas Tanzania Ltd.	S	100.00	100.00
Γhailand	Bureau Veritas Thailand Ltd.	S	49.00	49.00
Thailand	Bureau Veritas AsureQuality Lab Thailand Ltd.	S	51.00	51.00
Thailand	Bureau Veritas CPS Thailand Ltd.	S	100.00	100.00
Thailand	Bureau Veritas Certification Thailand Ltd.	S	49.00	49.00
Thailand	Inspectorate (Thailand) Co. Ltd.	S	100.00	100.00
Γhailand	Sievert Thailand Ltd.	S	100.00	100.00
Γhailand	MatthewsDaniel International (Thailand) Ltd.	S	100.00	100.00
Годо	Bureau Veritas Togo SARLU	S	100.00	100.00
Годо	Société d'Exploitation du Guichet Unique pour le Commerce Extérieur – SEGUCE SA	S	100.00	100.00
Trinidad and Tobago	Inspectorate America Corporation (Trinidad and Tobago branch)	S	100.00	100.00
Tunisia	Société Tunisienne de Contrôle Veritas SA	S	49.96	49.96
Turkey	Bureau Veritas Gozetim Hizmetleri Ltd Sirketi	S	100.00	100.00
,	Bureau Veritas CPS Test Laboratuvarlari Ltd Stirketi	S	100.00	
Turkey				100.00
Turkey	Inspectorate Uluslararasi Gozetim Servisleri AS	S	100.00	100.00
Turkey	Bureau Veritas Deniz ve Gemi Siniflandirma Hizmetleri Ltd Sirketi	S	100.00	100.00
Turkey	ACME Analitik Lab. Hizmetleri Ltd Sirketi	S	100.00	100.00
Jganda	Bureau Veritas Uganda Ltd.	S	100.00	100.00
Ukraine	Bureau Veritas Ukraine Ltd.	S	100.00	100.00
Jkraine	Bureau Veritas Certification Ukraine	S	100.00	100.00
Ukraine	Inspectorate Ukraine LLC	S	100.00	100.00
United Arab Emirates	Inspectorate UK International Ltd. (Dubai branch)	S	100.00	100.00
United Arab Emirates	Inspectorate UK International Ltd. (Fujairah branch)	S	100.00	100.00
United Arab Emirates	Sievert Emirates Inspection LLC	S	49.00	49.00
United Arab Emirates	MatthewsDaniel Services Bermuda Ltd. (Abu Dhabi branch)	S	100.00	100.00
Jnited Arab Emirates	Bureau Veritas SA – Abu Dhabi	В	100.00	100.00
Jnited Arab Emirates	Bureau Veritas SA – Dubai	В	100.00	100.00
Jnited Arab Emirates	Bureau Veritas Certification Middle East	S	100.00	
Jnited Kingdom	Bureau Veritas Certification Holding SAS (UK branch)	S	100.00	100.00
United Kingdom	Bureau Veritas Certification UK Ltd.	S	100.00	100.00
United Kingdom	Bureau Veritas UK Ltd.	S	100.00	100.00
United Kingdom	Bureau Veritas CPS UK Ltd.	S	100.00	100.00
United Kingdom	Bureau Veritas UK Holdings Ltd.	S	100.00	100.00
United Kingdom	Bureau Veritas Commodity Services Limited	S	100.00	100.00
United Kingdom	Inspectorate International Ltd.	S	100.00	100.00
United Kingdom	4	S	100.00	
	Watson Gray Ltd.	S		100.00
United Kingdom	MatthewsDaniel Ltd.		100.00	
United Kingdom	MatthewsDaniel Holdings Ltd.	S	100.00	100.00
United Kingdom	MatthewsDaniel International (London) Ltd.	S	100.00	100.00
United Kingdom	MatthewsDaniel International (Africa) Ltd.	S	100.00	100.00
United Kingdom	Unicar GB Ltd.	S	100.00	100.00
Jnited Kingdom	UCM Global Ltd.	S	100.00	100.00
Jnited Kingdom	HCD Building Control Ltd.	S	100.00	100.00
Jnited Kingdom	HCD Group Ltd.	S	100.00	100.00
Jnited Kingdom	TMC OFFSHORE Ltd.	S	100.00	100.00
Jnited Kingdom	TMC (Marine Consultants) Ltd.	S	100.00	100.00
Jnited Kingdom	Maritime Assurance & Consulting Ltd.	S	100.00	100.00
Jnited Kingdom	Bureau Veritas SA – United Kingdom	S	100.00	100.00
Jnited States	Clampett Industries LLC/DBA EMG	S	86.00	86.00
United States	Quality Project Management LLC	S	86.00	86.00
Jnited States	EMG Holding LLC	S	86.00	86.00
United States	EMG Subsidiary Corporation	S	86.00	86.00
United States	EMG Holding Corporation	S	86.00	86.00
United States	Bureau Veritas Holdings, Inc.	S	100.00	100.00
United States	Bureau Veritas Marine Inc.	S	100.00	100.00
United States	Bureau Veritas Pianne Inc. Bureau Veritas Certification North America Inc.	S	100.00	100.00

			% int	erest
Country	Company	Туре	2019	2018
United States	Owen Group Limited Partnership (NV)	S	75.00	
United States	OG Holdco Corp. (DE)	S	75.00	
United States	OG GP LLC (DE)	S	75.00	
United States	OG Acquisition Corp. (DE)	S	75.00	
United States	Henrikson Owen & Associates Limited Partnership (CA)	S	75.00	
United States	Bureau Veritas CPS Inc.	S	100.00	100.00
United States	BIVAC North America Inc.	S	100.00	100.00
United States	Bureau Veritas North America Inc.	S	100.00	100.00
United States	OneCIS Insurance Company	S	100.00	100.00
United States	National Elevator Inspection Services Inc.	S	100.00	100.00
United States	Inspectorate America Corporation	S	100.00	100.00
United States	Inspectorate America Corporation (St Croix branch)	S	100.00	100.00
United States	Unicar USA Inc.	S	100.00	100.00
United States	Quiktrak Inc.	S	100.00	100.00
United States	MatthewsDaniel Company Inc.	S	100.00	100.00
United States	TMC Marine Inc.	S	100.00	100.00
United States	California Code check Inc.	S	100.00	100.00
United States	Primary Integration Solutions, Inc.	S	76.21	76.21
United States	Primary Integration Acquisition Co.	S	76.21	76.21
Uruguay	Bureau Veritas Uruguay SRL	S	100.00	100.00
Uruguay	Schutter Americas SA	S	100.00	100.00
Uzbekistan	Bureau Veritas Tashkent LLC	S	100.00	100.00
Uzbekistan	BV Kazakhstan Industrial Services LLP	S	100.00	
Venezuela	BVQI Venezuela SA	S	100.00	100.00
Venezuela	Bureau Veritas de Venezuela	S	100.00	100.00
Vietnam	Bureau Veritas Vietnam Ltd.	S	100.00	100.00
Vietnam	Bureau Veritas AsureQuality Vietnam Company Ltd.	S	51.00	51.00
Vietnam	Bureau Veritas Certification Vietnam Ltd.	S	100.00	100.00
Vietnam	Bureau Veritas CPS Vietnam Ltd.	S	100.00	100.00
Vietnam	Inspectorate Vietnam LLC	S	100.00	100.00
Vietnam	MatthewsDaniel International (Vietnam) Ltd.	S	100.00	100.00
Zambia	Bureau Veritas Zambia Ltd.	S	100.00	100.00
Zimbabwe	Bureau Veritas Zimbabwe	S	100.00	100.00

Companies accounted for by the equity method

			% into	erest
Country	Company	Туре	2019	2018
France	Assistance Technique et Surveillance Industrielle – ATSI SA	S	49.92	49.92
Jordan	Middle East Laboratory Testing & Technical Services JV	S	50.00	50.00
Russia	Bureau Veritas Safety LLC	S	49.00	49.00

6.7 Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2019

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Bureau Veritas for the year ended December 31, 2019.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit & Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us for the period from January 1, 2019 to the date of our report and in particular we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014 or the French Code of Ethics (Code de déontologie) for Statutory Auditors.

Emphasis of matter

Without qualifying the opinion expressed above, we draw your attention to Note 3 to the consolidated financial statements – Summary of significant accounting policies, which describes the first-time application of IFRS 16, Leases and IFRIC 23, Uncertainty over Income Tax Treatments.

Justification of assessments – Key audit matters

In accordance with the provisions of articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement that, in our professional judgment, were most significant in the audit of the consolidated financial statements, as well as how our audit addressed such risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of work-in-progress

Description of risk

In the ordinary course of its business, the Group has dealings with many French and international customers. Each Group entity issues its own invoices using shared or specific software; some entities use shared service centers for this purpose.

As described in Note 3.16 to the consolidated financial statements, the Group uses the percentage-of-completion method for a significant portion of its businesses to establish the amount of revenue to be recognized for contracts ongoing during a given period. The percentage of completion is determined for each contract performance obligation by comparing contract costs incurred up to the end of the reporting period with the total estimated contract costs. The difference between revenue recognized according to the percentage-of-completion method and the invoices issued is equivalent to work-in-progress.

At December 31, 2019, Group revenue amounted to €5,099.7 million, including €226 million recorded on the balance sheet in "Contract assets" and €185.9 million in "Trade receivables – invoices pending".

Given (i) the materiality of its impact on the consolidated financial statements, (ii) the use of estimates to determine the percentage of completion and margin on completion to be used at the end of each reporting period and (iii) the specific complexity created by the use of a decentralized billing system, we deemed the measurement of work-in-progress to be a key audit matter.

How our audit addressed this risk

We gained an understanding of the procedure implemented by the Group to recognize revenue, which is based on the percentage-of-completion method.

Our audit approach consisted primarily in:

- verifying that the principles used to recognize revenue within the Group as defined by the Management Manual (GMM) were consistently
 applied;
- analyzing the accounting processes implemented and the configuration of the management software programs most commonly used to automatically calculate work-in-progress;
- using our analytical tools to identify Group entities with material amounts of work-in-progress as a proportion of their revenue and, where appropriate, examining the specific cases brought to light as a result of our meetings with regional Finance departments;
- analyzing, based on a sample of contracts, work-in-progress recorded at the end of the reporting period in order to validate the percentage of completion used, examining in particular the number of hours and the costs incurred on these contracts.

Goodwill and customer relationships - Impairment tests

Description of risk

As part of its acquisitions policy, the Group has recorded in the consolidated balance sheet at December 31, 2019 a net total of €2,561.1 million in goodwill and intangible assets resulting from customer relationships.

Goodwill impairment test

Net goodwill in the consolidated balance sheet amounted to €2,075.1 million at December 31, 2019.

As described in Note 11 to the consolidated financial statements, the impairment tests consist of comparing the carrying amount of each group of CGUs with its value in use, corresponding to the surplus future cash flows generated, as estimated by management. If the value in use of a group of CGUs is less than its carrying amount, an impairment loss is recorded.

At December 31, 2019, no impairment had been recorded for goodwill for any of the six CGU groups.

Customer relationships impairment test

At December 31, 2019, the Group's net amortizable intangible assets amounted to €611.1 million, including €486 million for customer relationships resulting from the allocation of the purchase price for various acquisitions.

Financial statements 6.7 Statutory Auditors' report on the consolidated financial statements

As described in Note 3.9 to the consolidated financial statements, the Group has implemented an annual review procedure for customer relationship portfolios to identify any possible impairment losses. This may result in a shorter amortization period, on a forward-looking basis, for the customer relationship in question or, where applicable, the recognition of an impairment loss.

We deemed the goodwill and customer relationships impairment tests to be a key audit matter owing to (i) their materiality in relation to the consolidated financial statements and (ii) the need for judgment and estimates from management in their measurement.

How our audit addressed this risk

Goodwill impairment test

We gained an understanding of the procedure implemented by management to conduct goodwill impairment tests.

We examined the projections established for each group of CGUs and we compared them with the projections approved by management. With the assistance of our financial valuation experts, we also assessed the various factors and inputs selected for the measurement of each group of CGUs, paying particular attention to:

- the revenue and margin assumptions in relation to the 2020 budget, as well as the growth and margin assumptions for the subsequent four financial years;
- the discount rates and perpetual growth rates:
- the events likely to affect certain Group businesses (such as difficult economic conditions in certain countries, or a slowdown in activities exposed to cyclical trends).

In addition, we conducted our own sensitivity analyses to evaluate the challenges that might arise if the objectives established in the projections were not met, particularly for revenue and margin.

We adapted our audit approach depending on the scale of the risk of impairment for each group of CGUs. Where appropriate, we organized meetings with the relevant operational departments to understand the assumptions used. We also reconciled the information provided to us with external market data (analysts' notes, sector studies, etc.).

We also verified that Note 11 to the consolidated financial statements contains the appropriate disclosures on the sensitivity analyses of the recoverable amount of goodwill to changes in the main assumptions used.

Customer relationships impairment test

We gained an understanding of the procedure implemented by management to conduct customer relationships impairment tests.

We assessed the various factors and inputs used to test customer relationships for impairment and:

- compared the annual amortization expense to operating income for each entity to identify possible signs of an impairment loss;
- reviewed the results of the impairment tests performed by the Group as well as the amortization and/or impairment expense recognized during the year following the analyses conducted by the Group;
- gained an understanding of the events likely to affect certain customer relationships (such as difficult economic conditions in certain countries or the loss of long-standing customers).

We also verified that Note 3.9 to the consolidated financial statements contains the appropriate disclosures on these customer relationships impairment tests.

Contract-related disputes and tax risks

Description of risk

At December 31, 2019, provisions for liabilities and charges amounted to \bigcirc 72.2 million, including \bigcirc 36.3 million for contract-related disputes. As described in Note 3.3 to the consolidated financial statements, provisions for tax risks relating to income tax are included within "Current income tax liabilities" in the consolidated statement of financial position. An analysis of the provisions for contract-related disputes and tax risks and changes thereto is provided in Notes 3.3 and 27 to the consolidated financial statements.

Contract-related disputes

In the ordinary course of its business, the Group may be involved in any number of legal proceedings as a result of professional liability suits. These proceedings are coordinated by the Legal department with the assistance of the Group's lawyers and insurers.

As outlined in Notes 3.14, 6 and 27 to the consolidated financial statements, the provisions recorded by the Group are based on estimates factoring in:

- opposing party claims;
- an assessment of the related risk, conducted in consultation with the Group's lawyers;
- the Group's insurance coverage in the event of a judgment against it.

Given the specific nature of each suit, the length of litigation proceedings, particularly in certain countries, the potential financial implications and the uncertainty weighing on the outcome of each case, we deemed the assessment of the provisions for contract-related disputes to be a key audit matter.

Tax risks

As regards tax risks, the Group operates in a considerable number of jurisdictions and is therefore subject to numerous tax systems with rules and regulations that differ from one country to the next.

The estimated amount of an adjustment relating to individual tax risks is revised regularly by each subsidiary and by the Group's Tax department along with external advisors for the most significant or complex disputes.

We deemed the measurement of provisions for tax risks to be a key audit matter due to (i) their reliance on certain estimates and (ii) the high degree of judgment that may be required from management when measuring them.

How our audit addressed this risk

Contract-related disputes

To help monitor contract-related disputes as soon as they arise, the Group has created a centralized system into which all Group lawyers enter details. The system covers all of the areas in which the Group operates. It aims to ensure that, for each claim, the information required to assess the related risk is made available systematically and on a regular basis.

We examined this system and the related procedures, and verified that it is functioning properly, notably by meeting with the Group's Legal department. We also examined the insurance program in effect during 2019 and obtained information on the changes made to it since December 31, 2018.

Regarding the provisions recorded for claims, we obtained confirmations from the Group's lawyers for the claims with the highest risk exposure, and examined the related insurance coverage.

We examined developments in the one-off disputes arising in 2004 (hotel and shopping complex in Turkey), as well as those disputes relating to certain contracts for Government services, now part of the Agri-Food & Commodities segment.

We also examined the appropriateness of the disclosures provided in Notes 3.14 and 27 to the consolidated financial statements.

Tax risks

We gained an understanding of the centralized procedure implemented by Group management to identify tax risks and, where appropriate, estimate the corresponding accounting impact.

With the help of our tax experts, we examined the estimates made by management when assessing key tax risks, particularly by conducting interviews with the Group's Tax department, consulting correspondence with the local tax authorities and, where applicable, with the Group's lawyers, and analyzing the lawyers' responses to the specific requests for information that were made as part of our engagement.

We also examined the appropriateness of the disclosures provided in Notes 3.3 and 27 to the consolidated financial statements.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by applicable laws and regulations on information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that this report contains the consolidated non-financial statement provided for in article L. 225-102-1 of the French Commercial Code. However, in accordance with article L. 823-10 of the French Commercial Code, we have not verified its fair presentation and consistency with the consolidated financial statements, which will be the subject of a report by an independent third party.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Bureau Veritas by the Shareholders' Meetings held on June 25, 1992 for PricewaterhouseCoopers Audit and on May 17, 2016 for Ernst & Young Audit.

At December 31, 2019, PricewaterhouseCoopers Audit was in the 28th year of total uninterrupted engagement and the 13th year since the securities of the Company were admitted to trading on a regulated market, and Ernst & Young was in the fourth year of total uninterrupted engagement.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements presenting a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit & Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit & Risk Committee

We submit a report to the Audit & Risk Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit & Risk Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit & Risk Committee.

Neuilly-sur-Seine and Paris-La Défense, March 17, 2020 The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit François Guillon ERNST & YOUNG Audit
Nour-Eddine Zanouda

6.8 Bureau Veritas SA statutory financial statements

Balance sheet at December 31

(€thousands)	Notes	Gross value	Depr., amort. and impairment	2019 net	2018 net
Intangible assets	1	1,295	(1,207)	88	70
Tangible assets	1	14,666	(10,403)	4,263	4,662
Long-term investments	1 & 2	2,330,508	(31,109)	2,299,399	2,110,351
Total non-current assets		2,346,469	(42,719)	2,303,750	2,115,083
Work-in-progress		5,612		5,612	4,192
Trade receivables	4	194,891	(10,751)	184,140	190,600
Other receivables	4	1,773,139	(30,997)	1,742,142	2,223,716
Marketable securities	4	430,912		430,912	604,097
Treasury shares	11	88,019		88,019	119,874
Cash at bank and on hand		739,123		739,123	143,239
Total current assets		3,231,696	(41,748)	3,189,948	3,285,718
Accrual accounts					
Prepaid expenses	4	6,180		6,180	5,976
Unrealized currency translation losses		3,475		3,475	2,999
Bond redemption premiums	4	2,961		2,961	
TOTAL ASSETS		5,590,781	(84,467)	5,506,314	5,409,776
Share capital				54,251	53,066
Share premiums				228,012	39,985
Reserves and retained earnings				856,223	761,273
Net profit				289,719	339,207
Regulated provisions				973	973
Total equity	3			1,429,178	1,194,504
Provisions for liabilities and charges	5			70,281	72,833
Payables					
Bank borrowings and debt	4			2,709,044	2,826,920
Trade payables	4			189,171	184,067
Other payables	4			1,089,420	1,115,603
Accrual accounts					
Prepaid income	4			16,851	15,138
Unrealized currency translation gains				2,369	711
TOTAL EQUITY AND LIABILITIES				5,506,314	5,409,776

Income statement

(€ thousands)	Notes	2019	2018
Revenue	7	231,884	245,028
Other income	7	207,445	203,107
Total operating income		439,329	448,135
Operating expenses			
Supplies		(38)	(37)
Other purchases and external charges		(87,818)	(100,766)
Taxes other than on income		(8,075)	(7,119)
Wages and salaries		(99,918)	(109,328)
Payroll taxes		(29,598)	(27,243)
Other expenses		(150,423)	(135,262)
Charges in provisions for operating items		3,253	(522)
Depreciation and amortization		(1,320)	(1,294)
Operating profit		65,392	66,564
Net financial income	8	224,537	245,486
Profit from ordinary operations before income tax		289,929	312,050
Net exceptional income	9	5,063	23,293
Employee profit-sharing		-	-
Income tax benefit	10	(5,273)	3,864
NET PROFIT		289,719	339,207

Statement of cash flows

(€ thousands)	2019	2018
Cash flow from operations	303,378	297,525
Change in working capital	(7,346)	38,600
Net cash from operating activities	296,032	336,125
Capital expenditure	(932)	(1,307)
Acquisitions of equity interests	(9,065)	(124,460)
Sales and repayments of equity interests	-	33,208
Sales of non-current assets	28	89
Change in loans and other financial assets	48	139,482
Net cash from (used in) investing activities	(9,921)	47,012
Capital increase	3,095	2,501
Purchases of treasury shares, net	30,782	(20,081)
Dividends paid	(54,046)	(243,678)
Net cash used in financing activities	(20,169)	(261,258)
Increase (decrease) in gross debt	159,859	479,807
Increase (decrease) in cash and cash equivalents	425,801	601,686
Cash and cash equivalents at beginning of year	744,220	142,534
Cash and cash equivalents at end of year	1,170,021	744,220

Summary of significant accounting policies

The balance sheet and income statement are prepared in accordance with the French Commercial Code (Code de commerce), French chart of accounts and French generally accepted accounting principles as defined by Regulation 2014-03 issued by the French accounting standards-setter (Autorité des Normes Comptables – ANC).

The financial statements are prepared based on:

- going concern;
- consistency of accounting methods; and
- · accrual basis principles.

The Company is organized as a registered office with a number of branches, which are fairly autonomous with regard to financial and managerial matters. Each branch keeps its own accounts, which are linked to the registered office accounting system via an intercompany account.

The financial statements of branches whose functional currency is not the euro are translated using the closing rate method: assets and liabilities are translated at the year-end exchange rate, while income and expense items are translated at the average exchange rate for the year. All resulting currency translation differences are recognized directly in equity.

Basis of measurement

Non-current assets

Non-current assets are carried at historical cost, in particular assets located outside France. The exchange rate applied to the currency in which the assets were purchased is the rate prevailing at the acquisition date.

Intangible assets

Software developed in-house is capitalized in accordance with the benchmark treatment. The cost of production for own use includes all costs directly attributable to analyzing, programming, testing and documenting software specific to the Company's activities.

Software is amortized over its estimated useful life, which does not currently exceed seven years.

Tangible assets

Depreciation is provided according to the straight-line or declining-balance method, depending on the asset concerned. The following useful lives generally apply:

Fixtures and fittings, machinery and equipment:	
• fixtures and fittings	10 years
machinery and equipment	5 to 10 years
Tangible assets:	
• vehicles	4 to 5 years
office equipment	5 to 10 years
IT equipment	3 to 5 years
• furniture	10 years

Long-term investments

Equity investments are carried in the balance sheet at acquisition cost or subscription price, including acquisition fees.

Subsidiaries and affiliates are generally measured based on the Company's share in their net book assets, adjusted where appropriate for items with a prospective economic value.

Impairment is recognized for any difference between the value in use and gross value of the investments.

Current assets

Work-in-progress

Work-in-progress is recognized using the percentage-of-completion method. Short-term contracts whose value is not material continue to be measured using the completed contract method.

Impairment is recognized when net realizable value falls below book value. In this case, work-in-progress is reported directly on a net basis

Impairment is calculated for each contract based on the projected margin as revised at year-end. Losses on completion arising on onerous contracts are recognized in provisions for liabilities and charges.

Trade receivables

Trade receivables are depreciated to cover the risks of non-collection arising on certain items. Impairments are calculated based on a case-by-case analysis of risks, except for non-material amounts for which statistical impairments are calculated based on collection experience. The criteria for determining impairment are based on the financial position of the debtor (liquidity situation, whether the debtor is the object of any disputes, insolvency or legal reorganization proceedings), or whether the debtor is involved in any technical disputes.

Marketable securities

Marketable securities are carried at cost and written down to their estimated net realizable value if this falls below their cost.

Accrual accounts

Prepaid expenses

This caption includes operating expenses relating to subsequent reporting periods.

Currency translation losses

This item represents translation losses on foreign currency receivables and payables as well as unrealized losses on derivatives classified as trading instruments.

Since there are no corresponding hedging instruments, translation losses are covered by a provision for the same amount in liabilities.

6

Equity and liabilities

Currency translation reserves

The functional currency of foreign entities is used as their reference currency. As a result, historical cost data are expressed in foreign currency. The closing rate method is therefore used to translate the financial statements of foreign branches.

Accordingly:

- balance sheet items (except for the intercompany account) are translated at the year-end exchange rate;
- income statement items are translated at the average exchange rate for the year;
- the intercompany account continues to be carried at the historical exchange rate.

Pensions and other employee benefit obligations

The Company has adopted the benchmark treatment for pensions and other employee benefit obligations and recognizes all such obligations in the balance sheet. Actuarial gains and losses resulting from changes in assumptions or in the valuation of assets are recognized in the income statement.

Provisions for liabilities and charges

Provisions for liabilities and charges are recognized when the Company considers at the end of the reporting period that (i) it has a present legal obligation as a result of past events; (ii) it is likely that an outflow of resources will be required to settle the obligation; and (iii) the amount of the obligation can be reliably estimated.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The costs that the Company ultimately incurs may exceed the amounts set aside as provisions for claims and disputes due to a variety of factors such as the uncertain nature of the outcome of the disputes.

Derivative financial instruments

For forward financial instruments that are not used in a hedging transaction and accordingly treated as isolated open positions, a provision is set aside in liabilities when these instruments have a negative market value.

Accrual accounts

Currency translation gains

This account includes gains on the translation of the Company's foreign currency receivables and payables at the year-end rate.

It also includes unrealized gains on derivatives classified as trading instruments.

Prepaid income

This account primarily represents the portion of contract billing in excess of the percentage-of-completion (see note concerning revenue).

Since 2012, this item has also included the amount of interest on the outstanding USPP swap, which is recognized on a straight-line basis over the residual term of the facility.

Income statement

Presentation method

The income statement is presented in list format. Income statement items are classified to successively show operating profit, net financial income, profit from ordinary operations before income tax, net exceptional income, employee profit-sharing and income tax amounts.

Revenue and other operating income

Revenue is the value (excluding VAT) of services provided by the branches in the ordinary course of their business, after elimination of intra-company transactions. It is recognized on a percentage-of-completion basis. Short-term contracts whose value is not material are valued using the completed contract method.

Other operating income mainly includes royalties and amounts rebilled to clients and other Group entities. It also includes exchange gains made on operating transactions.

Operating expenses

All other expenses are reported in this caption by type. These expenses are recognized according to local regulations in the countries where the Group's branches are located. Depreciation and amortization are calculated by applying the usual methods (see non-current assets). Additions to provisions reflect amounts set aside to cover a decline in value of external customer accounts and other operating provisions.

This caption also includes exchange losses from operating transactions.

Net financial income (expense)

This caption reflects:

- dividends received from other Group companies;
- interest paid on borrowings, interest received on loans granted to Company subsidiaries, and investment income;
- movements in provisions relating to equity investments and current accounts of certain Company subsidiaries;
- exchange differences on financial transactions.

Net exceptional income (expense)

Exceptional income chiefly includes recoveries of receivables previously written off, proceeds from sales of non-current assets and Bureau Veritas SA shares and reversals of exceptional provisions.

Exceptional expense includes miscellaneous penalties paid and the net book values of (i) non-current assets sold or retired, (ii) Company shares and (iii) additions to exceptional provisions.

Financial statements 6.9 Notes to the statutory financial statements

Consolidation for accounting and tax purposes

Bureau Veritas SA is the parent and consolidating company of the Group and is itself fully consolidated by the Wendel group, whose registered office is located at 89, rue Taitbout, 75009 Paris, France, and which is registered with the Paris Trade and Companies Register (Registre du commerce et des sociétés) under number 572 174 035.

Bureau Veritas SA is the head of the tax consolidation group set up in France pursuant to articles 223 et seq. of the French Tax Code (Code général des impôts).

2019 highlights

Dividends paid

Pursuant to the resolutions adopted at the Shareholders' Meeting held on May 14, 2019, on June 11, 2019 the Company paid eligible shareholders a dividend of €0.56 per share, representing a total payout of €244.3 million.

These dividends were paid in new shares of the Company in an amount of $\[\in \]$ 190.2 million, resulting in the creation of 9,943,269 new shares, while the remaining balance (i.e., $\[\in \]$ 54.1 million) was paid in cash.

Financing

The Company carried out the following financing transactions in 2019:

- a €500 million unrated bond issue maturing in January 2027 and carrying a coupon of 1.125%;
- a ten-year private placement of USD 200 million on the US market carrying a coupon of 3.21%. The funds were made available to the Company in January 2020.

6.9 Notes to the statutory financial statements

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Note 1 Non-current assets

NON-CURRENT ASSETS – GROSS VALUES

(€ thousands)	January 1, 2019	Increases	Decreases	Reclassifications and other movements	Currency translation differences	December 31, 2019
Other intangible assets	1,255	32	-		8	1,295
Intangible assets	1,255	32	-		8	1,295
Fixtures and fittings	2,318	35	(6)		17	2,364
Machinery and equipment	2,510	81	(85)		43	2,549
Vehicles	1,042	203	(234)		9	1,020
Furniture and office equipment	4,614	143	(115)		65	4,707
IT equipment	4,054	353	(526)		43	3,924
Tangible assets in progress	17	85	-		-	102
Tangible assets	14,555	900	(966)		177	14,666
Investments in subsidiaries and affiliates	2,052,403	9,065	-		-	2,061,468
Investments in non-consolidated companies	231	-	-		-	231
Deposits, guarantees and receivables	76,919	33,748	(30,212)	185,251	36	265,742
Treasury shares	7,649	78,137	(82,719)		-	3,067
Long-term investments	2,137,202	120,950	(112,931)	185,251	36	2,330,508
TOTAL	2,153,012	121,882	(113,897)	185,251	221	2,346,469

In April 2012, the Company set up a share buyback program in connection with its share-based payment plans in order to (i) deliver shares to beneficiaries of stock purchase option or performance share plans, or (ii) cancel the repurchased shares.

At December 31, 2019, the Company held 130,898 own shares classified in long-term financial investments, held only in connection with the liquidity agreement.

DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF NON-CURRENT ASSETS

(€thousands)	January 1, 2019	Additions	Reversals	Currency translation differences	December 31, 2019
Other intangible assets	(1,185)	(16)	-	(6)	(1,207)
Intangible assets	(1,185)	(16)	-	(6)	(1,207)
Fixtures and fittings	(949)	(201)	6	(6)	(1,150)
Machinery and equipment	(1,384)	(295)	58	(23)	(1,644)
Vehicles	(946)	(66)	215	(10)	(807)
Furniture and office equipment	(3,143)	(314)	108	(44)	(3,393)
IT equipment	(3,471)	(428)	526	(36)	(3,409)
Tangible assets	(9,893)	(1,304)	913	(119)	(10,403)
Investments in subsidiaries and affiliates	(26,550)	(1,899)	966	-	(27,483)
Investments in non-consolidated companies	(150)	-	-	-	(150)
Deposits, guarantees and receivables	(151)	(3,330)	5	-	(3,476)
Treasury shares	-	-	-	-	-
Long-term investments	(26,851)	(5,229)	971	-	(31,109)
TOTAL	(37,929)	(6,549)	1,884	(125)	(42,719)

Note 2 Investments in subsidiaries and affiliates

A. Detailed information about subsidiaries and affiliates whose book value exceeds 1% of the reporting company's capital

	61 11 1		Average excl	hange rate		
(in thousands)	Share capital in local currency	Reserves in local currency	Local currency	2019	% interest	
Bureau Veritas International SAS	843,677	388,447	EUR	1.000	100.00%	
Bureau Veritas Holdings, Inc.	1	284,456	USD	0.893	100.00%	
Bureau Veritas Services SAS	3,778	183,513	EUR	1.000	100.00%	
Bureau Veritas do Brasil Sociedade Classificadora e Certificadora Ltda	378,344	148,271	BRL	0.227	99.62%	
Bureau Veritas Investment (Shanghai) Co., Ltd	575,837	47,288	CNY	0.129	100.00%	
Bureau Veritas Colombia Ltda	38,043,396	62,849,480	COP	-	100.00%	
Bureau Veritas Japan Co. Ltd	351,399	180,395	JPY	0.008	98.54%	
Bureau Veritas Marine & Offshore SAS	10,001	(1,789)	EUR	1.000	100.00%	
Bureau Veritas Commodities Canada Ltd.	72,000	(58,530)	CAD	0.673	58.00%	
Bureau Veritas (India) Private Ltd.	877	919,631	INR	0.013	91.61%	
Bureau Veritas Consumer Products Services (India) Private Ltd.	22,445	512,185	INR	0.013	100.00%	
Bureau Veritas del Peru SA	24,061	(3,193)	PEN	0.268	99.69%	
Bureau Veritas Argentina SA	5,984	91,274	ARS	0.019	59.74%	
Bureau Veritas Quality Services (Shanghai) Co. Ltd	24,716	5,488	CNY	0.129	100.00%	
Rinave – Registro Internacional Naval SA	250	(540)	EUR	1.000	100.00%	
PT Bureau Veritas Consumer Products Services Indonesia	2,665	51,626	IDR	0.063	85.00%	
PT Bureau Veritas Indonesia LLC	21,424	(177,603)	IDR	0.063	99.00%	
Bureau Veritas Senegal SAU	840,400	96,029	XOF	0.002	100.00%	
Soprefira	1,262	36,844	EUR	1.000	99.98%	
BV Certification Slovakia	423	33	EUR	1.000	100.00%	
Bureau Veritas Consumer Products Services Test Laboratuvarlari Ltd. Sti	3,350	6,244	TRY	0.157	99.00%	
Bureau Veritas Guinea SAU	12,053,850	(19,790,568)	GNF	-	100.00%	
Bureau Veritas Consumer Products Services Bangladesh Ltd.	10	2,346,812	BDT	0.011	98.00%	
Affiliates (less than 50%-owned by the Company)						
Bureau Veritas Inversiones SA	15,854	3,271	EUR	1.000	24.00%	
CEPAS SRL	200	692	EUR	1.000	10.64%	
Bureau Veritas Chile SA	3,482,201	11,424,812	CLP	0.001	45.59%	

Dividends received by the			Guarantees and	Guarantees and Loans and endorsements		Book value of share
Company during the year	Last published net profit/(loss)	Last published revenue	provided by the Company	advances granted	Net	Gross
174,536	132,834			1,129,272	1,270,571	1,270,571
	22,381		494,036		200,313	200,313
3,857	51,139		1,368	17,834	196,395	196,395
3,994	(4,577)	91,142			127,647	127,647
12,248	9,504	38,889	91,748	1,621	78,424	78,424
	(549)	42,174		81	29,825	29,825
15,896	13,452	92,953			22,928	22,928
	(1,353)	91,867	2,500	37,490	13,501	13,501
	2,086	27,168		54,000	13,457	31,971
2,714	1,843	42,303	55		13,301	13,301
8,149	3,927	24,601			5,822	5,822
720	1,485	18,952		1,767	4,334	4,334
2,504	5,221	42,163		4,155	3,938	3,938
3,227	4,203	34,316			3,108	3,108
	272	340			2,828	4,378
	1,732	8,506			1,901	1,901
	16,146	12,911	1,064	659	1,477	1,477
	68	6,842			1,281	1,281
	3,741		33,682		1,262	1,262
62	25	1,468			1,144	1,144
493	781	11,022		169	1,138	1,138
	(198)	5,604		4,535	738	2,099
	7,723	22,629			675	675
1,558	4,671	1		31,988	31,370	31,370
94	981	2,683			1,216	1,216
1,440	(2,428)	51,340		25,851	1,109	1,109
231,492	275,111	669,874	624,453	1,309,422	2,029,703	2,051,128

B. General information about other subsidiaries and affiliates

	Paramira		Average exchange rate			
	Share capital in	Reserves in local				
(in thousands)	local currency	currency	Local currency	2019	% interest	
Bureau Veritas Nigeria Ltd	40,000	1,282,936	NGN	0.002	60.00%	
Bureau Veritas Liban SAL	752,000	188,160	LBP	0.001	99.93%	
Bureau Veritas Togo SARLU	1,000	209	XOF	0.002	100.00%	
Bureau Veritas Industrial Services Ltd.	1,933	117,042	INR	0.013	100.00%	
Bureau Veritas Vietnam Ltd.	4,025	7,968	VND	0.037	100.00%	
Bureau Veritas Gozetim Hizmetleri Ltd. Sirketi	2,241	18,073	TRY	0.175	94.17%	
Bureau Veritas Polska Spolka Z.O.O	1,470	3,088	PLN	0.235	86.40%	
Bureau Veritas Mali SA	10,000	(10,229,901)	XOF	0.002	100.00%	
Bureau Veritas CPS SDN BHD	500	4,138	MYR	0.210	100.00%	
Bureau Veritas Consumer Products Services Vietnam Ltd.	2,388	51,266	VND	0.037	100.00%	
Bureau Veritas Latvia Ltd.	249		EUR	1.000	100.00%	
Bureau Veritas Congo SAU	69,980	70,725	XAF	0.002	100.00%	
Bureau Veritas Magyarorszag Kft (Ltd.)	8,600	1,150	HUF	0.003	100.00%	
Bureau Veritas Monaco SAM AU	150	15	EUR	1.000	99.92%	
Bureau Veritas Consumer Products Services Mexico SA de CV	6,100	24,667	MXN	0.044	99.34%	
Bureau Veritas Azeri Ltd.	74	(276)	AZN	0.502	100.00%	
Bureau Veritas Ecuador SA	3	107	USD	0.847	69.23%	
ATSI SA	80	586	EUR	1.000	50.00%	
Bureau Veritas Panama SA	50	107	PAB	0.847	100.00%	
Bureau Veritas Lanka Private Ltd	5,000	96,836	LKR	0.005	99.99%	
Bureau Veritas Bulgaria Ltd	85	549	BGN	0.511	100.00%	
Bureau Veritas Lithuania Ltd	43	7	EUR	1.000	100.00%	
Bureau Veritas Consumer Products Services France SAS	143	(33)	EUR	1.000	100.00%	
Bureau Veritas Pakistan (Private) Ltd	2,000	106,762	PKR	0.007	99.00%	
Bureau Veritas Egypt LLC	100	133,851	EGP	0.048	90.00%	
Bureau Veritas Kenya Limited	2,000	(145,040)	KES	0.008	99.99%	
Bureau Veritas Bel Ltd.	4	(88)	BYN	0.416	99.00%	
Bureau Veritas Estonia	15	(3)	EUR	1.000	100.00%	
Bureau Veritas d.o.o Beograd	315	(91,153)	RSD	0.008	100.00%	
Bureau Veritas Douala SAU	433,050	(305,776)	XAF	0.002	100.00%	
Bureau Veritas Gabon SAU	919,280	(1,551,333)	XAF	0.002	100.00%	
Bureau Veritas de Venezuela	·	,	VES	0.001	100.00%	
Bureau Veritas Bénin SARL	1,000		XOF	0.002	100.00%	
Bureau Veritas Tchad SAU	10,000	(346,247)	XAF	0.002	100.00%	
Bureau Veritas Consumer Products Services Thailand Ltd.	8,000	(42,179)	THB	0.026	99.99%	
Bureau Veritas Luxembourg SA	31	(176)	EUR	1.000	99.90%	
Bureau Veritas Angola Limitada	1,980	(10,613,155)	AOA	0.003	99.00%	
Bureau Veritas Algérie SARL	500	57,507	DZD	0.007	99.80%	
Bureau Veritas Saudi Arabia Testing Services Ltd	2.000	(2,274)	SAR	0.226	75.00%	
Coreste SAS	75	(1,931)	EUR	1.000	99.60%	
Bureau Veritas Holding 4 SAS	1	(5)	EUR	1.000	100.00%	
Affiliates (less than 50%-owned by the Company)		(-)				
Bureau Veritas Marine China Co. Ltd	50,000	36,868	CNY	0.128	6.00%	
Société Tunisienne de Contrôle Veritas SA	2,400	1,814	TND	0.322	49.88%	
Bureau Veritas Thailand Ltd.	4,000	(20,040)	THB	0.026	49.00%	
Bureau Veritas Italia SPA	4,472	6,205	EUR	1.000	11.63%	
Bureau Veritas Chile Capacitacion Ltd	9,645	167,550	CLP	0.001	1.30%	
BIVAC International SA	5,337	417	EUR	1.000	0.01%	
Bureau Veritas Consumer Products Services Guatemala SA	3,331	2,977	GTQ	0.113	1.67%	
Bureau Veritas Fiscalizadora Boliviana SRL	100	(857)	ВОВ	0.123	1.00%	
TOTAL		(00.)	235	J.125	2.00,0	
<u> </u>						

Dividends received by the Company	Last published	Last published	Guarantees and endorsements provided by the	Loans and advances	shares held	Book value of s
during the year	net profit/(loss)	Last published revenue	Company	granted	Net	Gross
136	(3,012)	5,802		1	507	507
319	304	3,545	556		446	446
167	78	2,046		1,031	391	391
739	1,478	3,966			356	356
142	421	8,791			273	273
474	(1,969)	14,582	26,944		185	185
1,960	2,016	15,774	326		152	152
	(660)	17,315	3,452	13,607	149	149
2,165	416	1,690			132	132
8,671	10,682	31,590			127	127
459	292	2,759			111	111
178	770	9,739		2,254	107	107
288	216	3,937	130	186	92	92
230	434	1,705			79	79
417	506	4,010			68	68
	727	1,255	7,713		60	60
101	95	2,183	,		55	55
	67	,			48	48
1,140	575	5,517		136	47	47
	422	1,891			47	47
384	128	1,532			45	45
234	384	2,915			30	30
	(97)	3,894	48		26	1,496
	(146)	3,670	10		25	25
	96	5,666	1,078		22	22
	3,441	3,871	461		19	19
	36	817	401	171	15	15
237	237	2,410		1/1	15	15
270	1,188	3,937		701	4	4
	(1,094)	5,893		2,034		657
	(2,170)	538		2,702		1,376
	42,640	336		2,702		782
	42,040					2
	(6.47)	1 0 4 1		1 417		
	(647)	1,041		1,417		
	42	2,573		3,382		275
	(1)	10.674	7 477	162		31
140	2,369	18,671	7,477	5,507		73
140	(938)	1,578	00	948		5
	(1,193)	2,292	99	3,170		266
	(13)			1,681		1,006
	(3)			9		1
4.046	00.470	70.005			2.15	
1,012	20,173	73,388			346	346
201	433	3,410			230	230
1,336	4,251	12,364	729		63	63
659	5,914	89,598			9	9
5	312	1,012			1	1
	78,756		210			
18	426	4,929		144		
	17	68	491	176		99
253,574	443,510	1,054,038	674,167	1,348,841	2,033,985	2,061,468

Note 3 Shareholders' equity

Share capital

Changes in the number of shares comprising the share capital during the year were as follows:

(in number of shares)	2019	2018
At January 1	442,216,000	442,000,000
Capital increases	10,097,200	216,000
Capital reduction	(220,212)	-
AT DECEMBER 31	452,092,988	442,216,000

Movements in equity in 2019

(€ thousands)	
Share capital at January 1, 2019	53,066
Capital increase	1,211
Capital reduction	(26)
Share capital at December 31, 2019	54,251
Share premiums at January 1, 2019	39,985
Capital increase	192,098
Capital reduction	(4,071)
Share premiums at December 31, 2019	228,012
Reserves at January 1, 2019	761,273
Retained earnings (2018 net profit appropriation)	339,207
Dividend payout	(244,261)
Currency translation differences and other movements	4
Reserves at December 31, 2019	856,223
2019 net profit	289,719
Regulated provisions in 2019	973
TOTAL EQUITY AT DECEMBER 31, 2019	1,429,178

Breakdown of equity at December 31, 2019

(€ thousands)	5.4054
Share capital	54,251
Share premiums	228,012
Legal reserve	5,316
Other reserves	219,945
Retained earnings	630,962
Net profit for the year	289,719
Regulated provisions	973
TOTAL EQUITY AT DECEMBER 31, 2019	1,429,178

Note 4 Receivables and payables

Analysis of receivables

(€thousands)	Gross value	of which accrued income	1 year or less	More than 1 year
Trade receivables	194,891	52,492	194,891	
Social security taxes and other social taxes	124	124	124	
Income tax	5,119		5,119	
Other taxes, duties and similar levies	26,154		26,154	
Joint ventures and economic interest groupings	207		207	
Receivable from Group and associated companies	1,730,860		1,730,860	
Miscellaneous debtors	10,675	905	10,675	
Other receivables	1,773,139	1,029	1,773,139	
Marketable securities	430,912		430,912	
Prepaid expenses	6,180		6,180	
Bond redemption premiums	2,961		420	2,541
TOTAL RECEIVABLES	2,408,083	53,521	2,405,542	2,541

Analysis of payables

(€thousands)	Gross value	of which accrued expenses	1 year or less	More than 1 year	More than 5 years
Bank borrowings and debt	2.708.082	35.302	279.368	1,230,382	1.198.332
Other borrowings and debt	962		962	, ,	, ,
Borrowings and debt	2,709,044	35,302	280,330	1,230,382	1,198,332
Trade payables	189,171	20,754	189,171		
Payable to employees	70,172	66,507	70,172		
Social security taxes and other social taxes	5,611	1,446	5,611		
Value added tax	2,904		2,904		
Other taxes, duties and similar levies	12,140	11,846	12,140		
Payable to Group and associated companies	987,893		987,893		
Miscellaneous payables	10,700		10,700		
Other payables	1,089,420	79,799	1,089,420		
Prepaid income	16,851	·	16,851		
TOTAL PAYABLES	4,004,486	135,855	1,575,772	1,230,382	1,198,332

Note 5 Provisions and impairment

A. Impairment of assets

(€thousands)	2019	2018
Long-term financial investments	31,109	26,851
Trade receivables	10,751	12,696
Other receivables	30,997	24,688
IMPAIRMENT OF ASSETS	72,857	64,235

Impairment recognized against other receivables mainly concerns current account advances granted to subsidiaries.

B. Regulated provisions carried in liabilities

(€ thousands)	2019	2018
REGULATED PROVISIONS	973	973

Regulated provisions comprise accelerated tax amortization recognized on acquisition fees for shares acquired since 2007.

C. Provisions for liabilities and charges

(€ thousands)	2019	2018
Pensions and other employee benefits	41,024	40,763
Contract-related disputes	5,001	5,366
Provision for exchange losses	3,402	2,999
Other contingencies	19,300	22,539
Losses on completion	1,554	1,166
PROVISIONS FOR LIABILITIES AND CHARGES	70,281	72,833

The provision for pensions and other employee benefits takes into account a discount rate determined by reference to the yield on IBOXX Euro Corporate AA 10-year bonds. The discount rate was 0.77% for France-based employees at December 31, 2019, compared with 1.57% at end-2018.

Movements during the year break down as follows:

(€ thousands)	2019	2018
At January 1	72,833	71,039
Additions	9,860	17,382
Reversals (utilized provisions)	(7,279)	(11,476)
Reversals (surplus provisions)	(5,320)	(4,277)
Other movements	187	165
AT DECEMBER 31	70,281	72,833

Within the ordinary course of business, the Company is involved in various disputes and legal actions seeking to establish its civil liability in connection with the services it provides.

Provisions resulting from such proceedings are calculated taking into account the Group's insurance policies. Based on the latest available information, these disputes will not have a material adverse impact on the Company's financial statements.

Other contingencies also include provisions for tax risks in the various tax jurisdictions in which the Company operates through its branches.

The Company, with the help of its advisers, deems that the provisions presented in its financial statements reflect the best assessment as to the potential consequences of these disputes.

There are no other government, administrative, legal or arbitration proceedings or investigations (including any proceedings of which the Company is aware that are pending or with which it is threatened) that could have, or have had over the last 12 months, a material impact on the Company's financial position or profitability.

6

Note 6 Off-balance sheet commitments and derivative financial instruments

A - Guarantees given (excluding commitments related to financing)

Commitments given by the Company in the form of guarantees break down as follows:

(€ thousands)	2019	2018
Bank guarantees on contracts	56,318	54,581
Miscellaneous bank guarantees	53,307	29,077
Parent company guarantees	200,996	234,777
COMMITMENTS GIVEN	310,621	318,435

B - Commitments related to Company and Group financing

Undrawn confirmed credit lines

At December 31, 2019, the Company had an undrawn secured syndicated credit facility totaling €600 million.

Bureau Veritas Holdings, Inc. 2017 and 2018 US Private Placement

Bureau Veritas Holdings, Inc., a wholly-owned subsidiary, has a USD 555 million non-bank financing facility that is secured by Bureau Veritas SA.

Bureau Veritas Investment (Shanghai) Co. Ltd. China facility

Bureau Veritas Investment (Shanghai) Co Ltd., a wholly-owned subsidiary, has a CNY 750 million bank financing facility that is secured by Bureau Veritas SA to the extent of the amount drawn down at December 31, 2019, i.e., CNY 545 million.

C - Derivative financial instruments

At December 31, 2019, currency derivatives hedging the 2008 US Private Placement debt denominated in GBP were as follows:

Maturity	Notional amount (millions of currency units)	(millions of currency units)
07/16/2020	40.0	(3.6)
TOTAL AT DECEMBER 31, 2019		(3.6)

The Company has set up multi-currency foreign exchange derivatives hedging the euro. These instruments are set up on a centralized basis and are designed to protect the Group against currency risk arising on its intra-group loans and advances.

Financial statements 6.9 Notes to the statutory financial statements

Foreign exchange derivatives maturing within one year (currency swaps and forward purchases and sales) in place at December 31, 2019 were as follows:

Currency	Notional amount (millions of currency units)	Fair value of derivatives (millions of currency units)
AUD	219.4	1.5
CAD	(45.9)	(0.1)
CHF	(1.7)	-
CNY	(79.1)	-
CZK	(86.8)	-
DKK	20.9	-
GBP	(82.6)	1.9
HKD	(81.2)	0.1
HUF	(68.6)	-
JPY	(277.6)	-
MXN	39.7	-
NOK	12.8	-
PLN	0.5	-
RUB	59.2	0.1
SEK	(1.2)	-
SGD	(115.1)	-
USD	(0.9)	-
ZAR	(89.3)	(0.2)
TOTAL AT DECEMBER 31, 2019		3.3

The Group put in place a program to manage the transactional currency risk to which some of its subsidiaries are exposed. In this program, the Company guarantees the exchange rates for participating subsidiaries through internal currency agreements, and contracts derivative instruments on the currency market to support the exchange rates proposed.

As the timing of the internal guarantees granted to subsidiaries differs from the time needed to arrange the hedges with partner banks (i.e., external hedges built up gradually), the derivatives are classified and accounted for as trading instruments in the statutory financial statements.

Accordingly, derivatives contracted within and outside the Group are remeasured in the balance sheet with an offsetting entry to a suspense account. A provision is set aside for any unrealized losses based on the overall forex position in each currency (maturities in the same reporting period).

Currency derivatives - external transactional hedging

Maturity < 12 months	Notional amount	Fair value of derivatives (millions of currency units)
	USD (26) million	0.3
	SGD 14 million	0.1
	CAD 7 million	-
	GBP 5 million	0.2
TOTAL AT DECEMBER 31, 2019		0.6

Currency derivatives - internal transactional hedging

Maturity < 12 months	Notional amount	Fair value of derivatives (millions of currency units)
	USD 9 million vs. GBP	(0.1)
	USD 19 million vs. SGD	0.4
	USD 12 million vs. CAD	0.4
	USD 3 million vs. EUR	-
TOTAL AT DECEMBER 31, 2019		0.7

The Company had no interest rate hedges at year-end.

Note 7 Analysis of revenue

Analysis of revenue by business

(€ thousands)	2019	2018
Marine & Offshore	85,278	83,023
Agri-Food & Commodities	26,696	31,826
Industry	78,050	92,035
Buildings & Infrastructure	26,145	23,212
Certification	15,715	14,932
TOTAL REVENUE	231,884	245,028

Analysis of revenue by geographic area

(€ thousands)	2019	2018
Europe, Middle East & Africa (EMEA)	191,767	207,547
Americas	180	407
Asia Pacific	39,937	37,074
TOTAL REVENUE	231,884	245,028

Note 8 Net financial income (expense)

(€thousands)	2019	2018
Financial income		
Dividends	257,108	284,047
Income from other marketable securities and receivables on non-current assets	295	274
Other interest income	48,648	28,625
Reversals of provisions	5,459	35,226
Exchange gains	92,811	29,932
Total financial income	404,321	378,104
Financial expense		
Additions to provisions	(17,898)	(19,247)
Interest expense	(71,025)	(85,578)
Exchange losses	(90,861)	(27,793)
Total financial expense	(179,784)	(132,618)
NET FINANCIAL INCOME (EXPENSE)	224,537	245,486

Note 9 Net exceptional income (expense)

(€ thousands)	2019	2018
Exceptional income		
On management transactions	2,096	1,092
On capital transactions	28	34,534
Reversals of provisions	5,120	4,283
Total exceptional income	7,244	39,909
Exceptional expense		
On management transactions	(578)	(1,350)
On capital transactions	(53)	(6,976)
Additions to provisions	(1,550)	(8,290)
Total exceptional expense	(2,181)	(16,616)
NET EXCEPTIONAL INCOME (EXPENSE)	5,063	23,293

Note 10 Income tax

Breakdown of current and exceptional income tax

	2019		2018		
(€ thousands)	Amount before income tax	Income tax	Amount before income tax	Income tax	
Profit from ordinary operations	289,929	5,085	312,050	(3,809)	
Net exceptional income	5,063	188	23,293	(55)	

Tax consolidation

In accordance with article 223 A of the French Tax Code, the Company is the sole Group entity liable for income tax payable in respect of fiscal years beginning on or after January 1, 2008.

The tax consolidation group comprises:

BIVAC International, Bureau Veritas Certification France, Bureau Veritas Certification Holding, Bureau Veritas Consumer Products Services France, Bureau Veritas Services France, Bureau Veritas Construction, Bureau Veritas Exploitation, Bureau Veritas Marine & Offshore, Bureau Veritas GSIT, Bureau Veritas International, Bureau Veritas Laboratoires, ECS, Transcable-Halec, LCIE, Medi-Qual, Oceanic Développement, Bureau Veritas Services,

Bureau Veritas Solutions, Bureau Veritas Solutions Marine & Offshore, Bureau Veritas Holding France, Bureau Veritas Holding 4, Bureau Veritas Middle East, Bureau Veritas Holding 6, Bureau Veritas Holding 7, Bureau Veritas Holding 8 and Unicar Group.

Under tax consolidation rules, subsidiaries pay contributions in respect of income tax. Regardless of the tax effectively due, these contributions are equal to the income tax for which the subsidiary would have been liable or to the net long-term capital gain for the period had it been taxed as a separate entity, less all deduction entitlements that would have applied to the separately taxable entity.

Deferred tax

(€ thousands)	2019	2018
Deferred tax assets	7,477	9,590
Deferred tax liabilities	(38)	(29)
NET DEFERRED TAX ASSETS	7,439	9,561

Deferred taxes at December 31, 2019 are presented after offsetting deferred tax assets and deferred tax liabilities relating to the same tax entity or tax group, where applicable, and primarily comprise deferred tax on provisions for pensions and other employee benefits and on non-deductible accrued charges.

6

Note 11 Share-based payment

The Company has set up two types of equity-settled compensation plans:

- stock subscription and purchase option plans;
- performance share plans.

Stock subscription and purchase option plans

Description

Stock subscription and purchase options are granted to senior managers and other selected employees.

Grants made under stock purchase or subscription option plans will give rise either to the delivery of existing shares purchased on the market, or to the issuance of new shares on the exercise of options.

The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Depending on the plans, options are conditional on achieving performance targets and the employee having completed three years' service, and are valid for eight to ten years after the grant date

The exercise price is fixed when the options are awarded and cannot be changed.

Pursuant to a decision of the Board of Directors, the Company awarded 1,081,260 stock purchase options to certain employees and to the Executive Corporate Officer on June 21, 2019. The options granted may be exercised at a fixed price of €21.26.

To be eligible for the stock option plans, beneficiaries must complete a minimum period of service and meet certain performance targets based on 2019 consolidated adjusted operating profit and on the consolidated operating margin for 2020 and 2021.

OVERVIEW OF COMPANY STOCK OPTION PLANS AT DECEMBER 31, 2019:

		Exercise price	Number of	Number of options		
Grant date Expiration date		(in euros per option)	2019	2018	Contribution basis (in euros per option)	
07/18/2011 Plan	07/18/2019	14.42	-	117,300	0.29	
12/14/2011 Plan	12/14/2019	13.28	-	78,480	0.32	
07/18/2012 Plan	07/18/2020	17.54	353,146	781,546	0.87	
07/22/2013 Plan	07/22/2021	21.01	747,778	854,794	0.71	
07/16/2014 Plan	07/16/2022	20.28	598,618	633,088	0.60	
07/15/2015 Plan	07/15/2025	20.51	994,777	1,109,738	0.83	
06/21/2016 Plan	06/21/2026	19.35	271,440	335,280	0.70	
06/21/2017 Plan	06/21/2027	20.65	1,071,260	1,111,260	0.51	
06/22/2018 Plan	06/22/2028	22.02	1,031,000	1,069,000	0.82	
06/21/2019 Plan	06/21/2029	21.26	1,057,860	-	0.70	
NUMBER OF SHARES A	T DECEMBER 31		6,125,879	6,090,486		

Performance share plans

Description

Performance shares were awarded to senior managers and other selected employees, which will require the Group to buy back its shares on the market or to issue new shares. Depending on the plan, performance shares are generally conditional on completing three years of service and achieving performance targets based on adjusted consolidated operating profit for the year of the award and on the consolidated adjusted operating margin for the following two years

Pursuant to a decision of the Board of Directors, the Company awarded 1,286,455 performance shares to certain employees and to the Executive Corporate Officer on June 21, 2019. To be eligible for the performance share plans, beneficiaries must complete a minimum period of service and meet certain performance targets based on 2019 consolidated adjusted

operating profit and the consolidated adjusted operating margin for 2020 and 2021.

Pursuant to a decision of the Board of Directors, the Company also awarded 800,000 performance shares to the Executive Corporate Officer on July 22, 2013. The conditions for the share award were amended pursuant to a decision of the Board of Directors of December 11, 2015 and the shares are now subject to a minimum service period of nine years as Executive Corporate Officer, followed by a two-year mandatory holding period, and a performance target based on the Total Shareholder Return (TSR). TSR is an indicator of the profitability of the Company's shares over a given period, taking into account the dividend and any market share price gains.

OVERVIEW OF COMPANY PERFORMANCE SHARE PLANS AT DECEMBER 31, 2019:

		Number	Contribution basis	
Grant date	Expiration date	2019	2018	(in euros per option)
07/22/2013 Plan	07/22/2022	720,000	720,000	1.73
07/15/2015 Plan	07/15/2019	986	476,593	4.95
06/21/2016 Plan	06/21/2019	336	451,772	3.87
06/21/2017 Plan	06/21/2020	1,042,662	1,115,462	4.16
06/22/2018 Plan	06/22/2021	1,103,650	1,161,640	4.60
06/21/2019 Plan	06/21/2022	1,275,845	-	4.65
NUMBER OF SHARES AT DECEMBER 31		4,143,479	3,925,467	

Performance shares and stock options awarded to beneficiaries not directly employed by the Company

For plans giving rise to deliveries of shares purchased on the market, the Company bears the cost of performance shares and stock options granted under these plans to beneficiaries not directly employed by the Company.

In parallel, the Company continues to implement a procedure under which the cost of the awards made to these beneficiaries are rebilled to the Group companies employing them. An amount of $\,$ 16.3 million ($\,$ 17.2 million in 2018) was billed in 2019 in respect of performance shares delivered or options exercised.

Impact of share-based payment plans on the Company's financial statements

In 2019, the Company recognized a total expense of \leqslant 4.4 million (\leqslant 12.7 million in 2018) in respect of share-based payment plans giving rise to deliveries of shares purchased on the market. The expense reflects the cost of the shares, estimated based on the price of the purchases made since 2013 and the closing share price at December 31, 2019. In 2018, the expense reflected purchases made since 2013 and the closing share price at December 31, 2018.

At December 31, 2019, the liability (amount payable to employees) amounted to \in 52.4 million (end-2018: \in 66.7 million).

At December 31, 2019, the Company held 4,264,021 of its own shares for delivery under stock option and performance share plans. These shares are shown on a separate asset line in the balance sheet for &88.0 million (&119.9 million at end-2018).

Note 12 Employees

	2019	2018
Employees	2,085	1,985

6.10 Additional information regarding Bureau Veritas in view of the approval of the 2019 financial statements

6.10.1 Activity and results of the parent company

(in €)	2019	2018
Revenue	231,884,057.24	245,027,559.24
Operating profit	65,392,029.81	66,563,753.71
Net exceptional income	5,062,930.97	23,293,475.31
Net profit	289,718,515.11	339,206,682.98
Equity	1,429,177,817.91	1,194,503,377.13

The bases of measurement used to prepare the annual statutory financial statements are identical to those adopted in previous years.

6.10.2 Recommended appropriation of 2019 net profit

The Board of Directors informs the shareholders that net profit for the year ended December 31, 2019 was €289,718,515.11. The Board will recommend appropriating an amount of €108,723.46 to the legal reserve, which stood at €5,316,392.40 as of December 31, 2019, (compared to share capital of €54,251,158.56), in order to raise said reserve to one-tenth of the share capital in accordance with the applicable law.

Based on retained earnings of \leqslant 630,962,213.17, the Company's distributable profit therefore amounts to \leqslant 920,572,004.82. The Board will recommend the following profit appropriation to shareholders:

- a dividend of €0.56 per share, representing a total amount of €253,172,073.28 based on the number of shares making up the share capital at December 31, 2019 (452,092,988 shares);
- the balance of €667,399,931.54 to be allocated to "Retained earnings".

In accordance with section 1 A, paragraph 1° of article 200A of the French Tax Code (Code général des impôts), dividends received by individual shareholders who are resident in France for tax purposes are subject to a 12.8% withholding tax.

However, in accordance with section 2 of article 200A of the French Tax Code, these individual shareholders may also opt to be taxed at the income tax rate. In this case and in accordance with section 3, paragraph 2° of article 158 of the French Tax Code, they will be eligible for a 40% tax deduction on the amount of any dividends

In any event, Bureau Veritas will withhold 12.8% at source from the gross amount of the dividend (increased by social contributions at the rate of 17.2%, i.e., a total of 30%). The 12.8% withholding at source is an advance income tax payment and will therefore be deductible from the income tax due by the beneficiary in 2021 based on the income received in 2020.

Shareholders will be asked to approve that any dividends unable to be paid on treasury shares will be allocated to "Retained earnings". More generally, in the event of a change in the number of shares carrying dividend rights, it will be recommended that the overall amount of said dividend be adjusted accordingly and the amount allocated to "Retained earnings" be determined on the basis of the dividend actually paid.

Dividend payouts over the last three financial years

The following dividends were paid over the last three financial years:

Year	Total amount distributed	Number of shares concerned	Dividend per share ^(a)
2016	€239,794,093.00	435,989,260	€0.55 ^(b)
2017	€243,678,388.80	435,139,980	€0.56 ^(c)
2018	€244,260,858.80	436,180,105	€0.56 ^(d)

⁽a) In accordance with article 243 bis of the French Tax Code, these dividends entitle the shareholders to the 40% deduction referred to in article 158, section 3 (2°) of the French Tax Code.

- (b) The dividend per share was paid during 2017.
- (c) The dividend per share was paid during 2018.
- (d) The dividend per share was paid during 2019.

The dividend distribution policy is set out in section 7.9.2 – Dividend policy of this Universal Registration Document.

6.10.3 Total sumptuary expenditure and related tax

In accordance with the provisions of article 223 quater of the French Tax Code, it should be noted that the Company's financial statements for the year ended December 31, 2019 take into account an amount of €98,234 in non-deductible expenditure within the meaning of article 39-4 of the French Tax Code, resulting in a tax effect of €33,825.24. This non-deductible expenditure will be submitted to the Shareholders' Meeting for approval.

6.10.4 Subsidiaries and affiliates

The table illustrating the Company's subsidiaries and affiliates can be found in Note 2 to the statutory financial statements, included in section 6.9 of this Universal Registration Document.

6.10.5 Five-year financial summary

(€ thousands, except per-share data expressed in euros)	2019	2018	2017	2016	2015
I – Financial position					
a) Share capital ^(a)	54,251	53,066	53,040	53,040	53,040
b) Number of shares issued	452,092,988	442,216,000	442,000,000	442,000,000	442,000,000
c) Number of bonds convertible into shares	-	-	-	-	-
II – Comprehensive income from operations					
a) Revenue excluding taxes	231,884	245,028	268,388	950,481	952,763
b) Profit before taxes, depreciation, amortization, impairment and provisions	301,927	325,187	252,009	446,260	358,454
c) Income tax	5,273	(3,864)	(27,192)	66,790	42,495
d) Profit after taxes, depreciation, amortization, impairment and provisions	289,719	339,207	287,321	382,063	279,221
e) Distributed profit ^(b)	253,172	244,261	243,678	239,794	222,771
III – Earnings per share data					
a) Profit after taxes, but before depreciation, amortization, impairment and provisions	0.66	0.74	0.63	0.86	0.71
b) Profit after taxes, depreciation, amortization, impairment and provisions	0.64	0.77	0.65	0.86	0.63
c) Net dividend per share ^(b)	0.56	0.56	0.56	0.55	0.51
IV - Personnel costs					
a) Number of employees	2,085	1,985	2,015	8,581	8,523
b) Total payroll	99,918	109,328	123,332	396,496	402,571

6.10.6 Information regarding payment terms

Since December 1, 2008, the Company has applied the provisions of France's law on economic modernization ("LME") and paid its suppliers within 60 days of the date invoices are issued. Contracts with suppliers and payments have been adapted accordingly.

In accordance with articles L. 441-6-1 and D. 441-4 of the French Commercial Code (Code de commerce), outstanding incoming or outgoing invoices that have not been paid and are past due, according to legal or contractual terms of the relevant third party, break down as follows:

	Breakdown of payment terms						
Incoming invoices	0 days late	1-31 days	31-60 days	61-90 days	91+ days late	Total 1+ days	Excluded invoices (disputes)
Number of invoices	2	88	23	11	34	156	30
Amount excl. VAT	2,029	124,341,303	52,716	43,500	3,083	124,440,602	2,095,132
%/TOTAL PURCHASES EXCL. VAT DURING THE YEAR	0.00%	76.68%	0.03%	0.03%	0.00%	76.74%	1.29%

	Breakdown of payment terms						
Outgoing invoices	0 days late	1-31 days	31-60 days	61-90 days	91+ days late	Total 1+ days	
Number of invoices	_	122	4	76	427	629	
Amount excl. VAT	-	17,847,379	30,479	8,917,852	31,931,042	58,726,752	
%/TOTAL REVENUE EXCL. VAT DURING THE YEAR	-	8.17%	0.01%	4.08%	14.62%	26.88%	

⁽b) The dividend for 2019 will be recommended to shareholders at the Annual Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2019.

6.11 Statutory Auditors' report on the financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2019

To the Shareholders.

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Bureau Veritas for the year ended December 31, 2019.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit & Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us for the period from January 1, 2019 to the date of our report and in particular we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014 or the French Code of Ethics (Code de déontologie) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the provisions of articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement that, in our professional judgment, were most significant in the audit of the financial statements, as well as how our audit addressed such risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Measurement of equity investments and loans and advances to subsidiaries

Description of risk

As stated in Note 2 to the financial statements, equity investments represented a net amount of $\le 2,034$ million in the balance sheet for the year ended December 31, 2019. Loans and advances to subsidiaries stood at $\le 1,348.8$ million.

Investments in subsidiaries are carried in the balance sheet at acquisition cost and may be impaired if their value in use falls below their gross value.

As indicated in the "Summary of significant accounting policies" section of the notes to the financial statements under "Long-term investments", management generally estimates the value in use of these investments based on the Company's share in their net book assets, adjusted where appropriate to take account of forecast data, such as that relating to the profitability outlook.

Estimating the value in use therefore requires management to exercise judgement when selecting the inputs to be taken into account for each investment.

Accordingly, due to the inherent uncertainty of certain inputs of the estimation, in particular the likelihood of achieving projections, we deemed the measurement of equity investments and loans and advances to subsidiaries to be a key audit matter.

How our audit addressed this risk

Our work consisted primarily in verifying that the estimated values in use determined by management were based on an appropriate measurement method and underlying quantitative data.

For measurements based on historical data, we verified that the equity values used were consistent with the financial statements of the entities concerned, and that any adjustments to equity were based on documentary evidence.

For measurements based on projected data, we analyzed the cash flow and operating projections of the entities concerned resulting from their budgets, as prepared under the aegis of management.

In addition to assessing the value in use of the equity investments, our work also consisted in reviewing the recoverability of the related loans and advances in accordance with the analyses conducted of equity investments.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by applicable laws and regulations.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and consistency with the financial statements of the information given with respect to payment terms referred to in article D. 441-4 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L. 225373 of the French Commercial Code relating to remuneration and benefits received by or awarded to Corporate Officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by the Company from companies controlled by it and included within the scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of article L. 225-37-5 of the French Commercial Code relating to those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Information resulting from other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Bureau Veritas by the Shareholders' Meetings held on June 25, 1992 for PricewaterhouseCoopers Audit and on May 17, 2016 for Ernst & Young Audit.

At December 31, 2019, PricewaterhouseCoopers Audit was in the 28^{th} year of total uninterrupted engagement and the 13^{th} year since the securities of the Company were admitted to trading on a regulated market, and Ernst & Young Audit was in the fourth year of total uninterrupted engagement.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit & Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit & Risk Committee

We submit a report to the Audit & Risk Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit & Risk Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

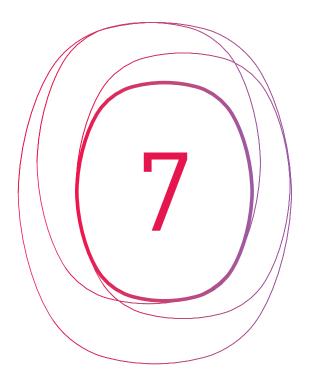
We also provide the Audit & Risk Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit & Risk Committee.

Neuilly-sur-Seine and Paris-La Défense, March 17, 2020 The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit François Guillon ERNST & YOUNG Audit
Nour-Eddine Zanouda





INFORMATION ON THE COMPANY AND THE CAPITAL

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7.1 General information

Corporate name

Bureau Veritas SA

Registered office

Immeuble Newtime 40/52, boulevard du Parc 92200 Neuilly-sur-Seine - France Tel: +33 (0)1 55 24 70 00

Fax: +33 (0)1 55 24 70 01

Registration place and number

Bureau Veritas is registered with the Nanterre Trade and Companies Register (*Registre du commerce et des sociétés*) under number 775 690 621. The Company's APE Code, which identifies the type of business it carries out, is 7120B, corresponding to the business of technical analyses, testing and inspections. The Company's Legal Entity Identifier (LEI) is 969500TPU5T3HA5D1F11.

Date of incorporation and term

The Company was incorporated on April 2 and 9, 1868, by $Ma\hat{a}$ tre Delaunay, notary in Paris. Its incorporation will expire, unless wound up or extended by an Extraordinary Shareholders' Meeting in accordance with the law and the Company's by-laws, on December 31, 2080.

Legal form and applicable legislation

The Company is a joint stock company (société anonyme) under French law with a Board of Directors and is subject to the provisions of Book II of the French Commercial Code (Code de commerce) applicable to commercial companies and to any other legal or regulatory provisions applicable to commercial companies and to its by-laws.

Accounting period

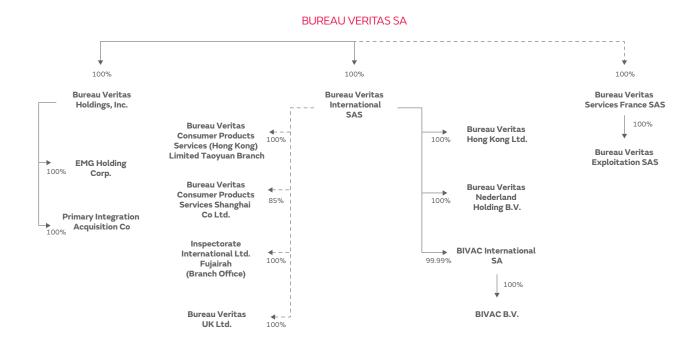
From January 1 to December 31 each year.

Website

The Company's website can be accessed at the following address: https://group.bureauveritas.com.

The information provided on the Company's website is not an integral part of this Universal Registration Document unless it is referenced in the latter.

7.2 Simplified Group organization chart at December 31, 2019



Direct holdingIndirect holding

7.3 Main subsidiaries in 2019

The Group is made up of Bureau Veritas SA and its branches and subsidiaries. At the head of the Group, Bureau Veritas SA owns holdings in various companies in France and elsewhere. In addition to its activity as a holding company, it also engages in its own business activity through branches outside France.

Bureau Veritas SA recorded revenue of €231.9 million in 2019.

The main cash flows between Bureau Veritas SA and its consolidated subsidiaries relate to brand royalties and technical royalties, centralized cash management and invoicing of relevant amounts for insurance coverage. The main cash flows between Bureau Veritas SA and its subsidiaries are also presented in the special reports of the Statutory Auditors on related-party agreements, which are set out in section 7.6 – Related-party transactions of this Universal Registration Document.

The Group had 516 legal entities at December 31, 2019 (521 at December 31, 2018), reflecting efforts to streamline the Group that resulted in a reduction of 22 entities and the creation/acquisition of 17 new entities during the year.

A description of the 14 main direct and indirect Bureau Veritas SA subsidiaries is provided below.

The selected subsidiaries met at least one of the following five criteria during one of the last two financial years: i) the entity represented at least 5% of consolidated equity; ii) the entity represented at least 5% of consolidated net profit; iii) the entity represented at least 5% of consolidated revenue; and iv) the entity represented at least 5% of total consolidated assets.

Most of these are holding companies for the Group's businesses in each country. A description of the business activities of the operational subsidiaries is also provided. A list of Bureau Veritas SA subsidiaries is included in Note 38 – Scope of consolidation to the 2019 consolidated financial statements, in Chapter 6 – Financial Statements of this Universal Registration Document.

Bureau Veritas Holdings, Inc.

Bureau Veritas Holdings, Inc. is a US-based company incorporated in 1988 whose registered office is located at 1601 Sawgrass Corporate Parkway, Ste 400, Fort Lauderdale, FL 33323, United States. As a holding company that is directly wholly-owned by Bureau Veritas SA, its corporate purpose is to hold the Group's interests in the North American subsidiaries.

EMG Holding Corp.

EMG is a US-based company incorporated in 2018 whose registered office is located at 1601 Sawgrass Corporate Parkway, Ste 400, Fort Lauderdale, FL 33323, United States. It is a wholly-owned subsidiary of Bureau Veritas Holdings, Inc. (United States) and its corporate purpose is to act as a holding company for EMG Subsidiary Corporation.

Bureau Veritas Exploitation SAS

Bureau Veritas Exploitation SAS is a French company incorporated in 2012 whose registered office is located at 8, Cours du Triangle, 92800 Puteaux, France. The company is wholly-owned by Bureau Veritas Services France SAS, and provides services in the Building, Infrastructure and Civil Engineering, Industry and Equipment sectors. In 2019, it contributed €443 million to consolidated revenue.

BIVAC International SA

BIVAC International SA is a French joint stock company (société anonyme) whose registered office is located at 8, Cours du Triangle, 92800 Puteaux, France. It was incorporated in 1991 as a holding company and headquarters for the Government services business. It is a 99.99%-owned subsidiary of Bureau Veritas International SAS.

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Bureau Veritas Inspection Valuation Assessment and Control Rotterdam – BIVAC BV

Bureau Veritas Inspection Valuation Assessment and Control Rotterdam – BIVAC BV is a Dutch company incorporated in 1984 whose registered office is located at Boompjes 40, 3011 XB Rotterdam, Netherlands. A wholly-owned subsidiary of BIVAC International SA, its main business is to manage support operations for Government services. BIVAC BV contributed €47 million to consolidated revenue in 2019.

Bureau Veritas International SAS

Bureau Veritas International SAS is a French simplified joint stock company (société par actions simplifiée) whose registered office is located at 8 Cours du Triangle, 92800 Puteaux, France. The company was incorporated in 1977. It is a holding company that controls several foreign subsidiaries and is a wholly-owned subsidiary of Bureau Veritas SA.

Bureau Veritas Hong Kong Ltd.

Bureau Veritas Hong Kong Ltd. is a Chinese company incorporated in 2004 whose registered office is located at 7F Octa Tower, 8 Lam Chak Street, Kowloon Bay, Kowloon, Hong Kong. Bureau Veritas Hong Kong Ltd. is a wholly-owned subsidiary of Bureau Veritas International SAS and has subsidiaries in Asia. Apart from its activity as a holding company, it carries out operational activities and contributed €178 million to consolidated revenue in 2019.

Bureau Veritas UK Ltd.

Bureau Veritas UK Ltd. is a British company incorporated in October 1983 whose registered office is located at Suite 206, Fort Dunlop, Fort Parkway, Birmingham B24 9FD, West Midlands, United Kingdom. Bureau Veritas UK Ltd. is a wholly-owned subsidiary of Bureau Veritas UK Holdings Ltd. The company provides electrical and mechanical inspection and testing services through its Compliance Management division, inspection and verification services for companies operating in the oil, gas and power industries through its Industry division, and health, safety and environmental assessments and solutions through its BV Solutions division. It contributed €88 million to consolidated revenue in 2019.

Bureau Veritas Services France SAS

Bureau Veritas Services France SAS is a French company incorporated in 1981 whose registered office is located at 8 Cours du Triangle, 92800 Puteaux, France. The company is wholly-owned by Bureau Veritas Services SAS. It provides services and support to the Group's French and Monaco-based companies and holds several equity interests in France.

Bureau Veritas Nederland Holding BV

Bureau Veritas Nederland Holding BV is a Dutch company incorporated in 2009 whose registered office is at Boompjes 40, 3011 XB Rotterdam, Netherlands. It is wholly-owned by Bureau Veritas International SAS and is a holding company that owns holdings in the Netherlands and other countries.

Bureau Veritas Consumer Products Services Shanghai Co. Ltd.

Bureau Veritas Consumer Products Services Shanghai Co. Ltd. is a Chinese company incorporated in 1996 whose registered office is located at 168, Guanghua Road, Minhang District, 201108 Shanghai, China. The company, which is 85%-owned by Bureau Veritas Consumer Products Services Hong Kong Ltd., provides laboratory testing and inspection services for textiles and other consumer products (cosmetics, food, agricultural products, etc.). It contributed €70 million to consolidated revenue in 2019.

Bureau Veritas Consumer Products Services (Hong Kong) Limited Taoyuan Branch

Bureau Veritas Consumer Products Services (Hong Kong) Limited Taoyuan Branch was created in 2007 and has its registered office at 1 F. No. 152, Wen Hwa 5th RD Kwei Shan Hsiang, 333 Taoyuan Hsiang, Taiwan. The company, which is 100%-owned by Bureau Veritas Consumer Products Services Hong Kong Ltd., provides certification and testing services for electrical and electronic goods. It contributed €50 million to consolidated revenue in 2019.

Inspectorate International Ltd. Fujairah (Branch office)

Inspectorate International Ltd. Fujairah (Branch office) is a UAE company incorporated in 2005 whose registered office is at Kanoo Maritime Centre, Port of Fujairah, PO Box 4828, Fujairah, United Arab Emirates. Wholly-owned by Inspectorate International Ltd., the company provides chemical and biological analysis services and contributed €9 million to consolidated revenue in 2019.

Primary Integration Acquisition Co.

Primary Integration Acquisition Co. is a US-based company incorporated in 2017 whose registered office is located at 1601 Sawgrass Corporate Parkway, Fort Lauderdale, FL 33323, United States. It is wholly-owned by Bureau Veritas Holdings, Inc. and its purpose is to act as a holding company for Primary Integration Solutions, Inc.

7.4 Intra-group agreements

Under the Group's cash pooling arrangement, subsidiaries transfer any surplus funds to a central account. If needed, they can take out loans from the Company. Subsidiaries may not invest surplus funds with or borrow funds from any other entity without the Company's consent.

Intra-group loans are governed by cash management agreements between the Company and each French and non-French subsidiary.

7.5 Industrial franchise, brand royalties and expertise licensing agreements and central services

The Group has signed central services and industrial franchise or brand licensing agreements with most of its subsidiaries, generally in the form of framework agreements.

The aim of these agreements is to make Bureau Veritas SA's industrial property available to Group entities and provide technical and administrative services to subsidiaries.

The use of industrial property and technical services rendered is paid in the form of royalties calculated based on a percentage of third-party revenues, which may vary depending on the activities carried out by the subsidiaries.

The use of central services is paid based on the cost of the services rendered plus an arm's length profit margin.

7.6 Related-party transactions and Statutory Auditors' special report on related-party agreements and commitments

7.6.1 Principal related-party transactions

A detailed description of the intra-group contracts and other related-party transactions is set out in section 7.4 – Intra-group agreements, in this chapter, and in Note 35 to the consolidated financial statements – Related-party transactions, included in section 6.6 of this Universal Registration Document.

7.6.2 Statutory Auditors' special report on related-party agreements and commitments

This is a free translation into English of the Statutory Auditors' special report on related party agreements and commitments issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Shareholders' Meeting for the approval of the financial statements for the year ended December 31, 2019

To the Shareholders,

In our capacity as Statutory Auditors of Bureau Veritas, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of, and the reasons for, the agreements that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R. 225-31 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide you with the information required by article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements.

Agreements submitted for the approval of the Shareholders' Meeting

We were not informed of any agreements authorized and entered into during the year to be submitted for approval at the Shareholders' Meeting pursuant to the provisions of article L.225-38 of the French Commercial Code.

Agreements already approved by the Shareholders' Meeting

We were not informed of any agreements already approved by the Shareholders' Meeting that were implemented during the year.

Neuilly-sur-Seine and Paris-La Défense, March 17, 2020

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit François Guillon ERNST & YOUNG Audit
Nour-Eddine Zanouda

7.7 Share capital and voting rights

7.7.1 Share capital

Change in share capital during the year ended December 31, 2019

At December 31, 2018, the share capital amounted to \in 53,065,920 and was divided into 442,216,000 shares with a par value of \in 0.12 each. The total number of theoretical voting rights amounted to 608,314,450 and the number of exercisable voting rights totaled 601,988,367.

At December 31, 2019, the share capital amounted to \in 54,251,158.56 and was divided into 452,092,988 shares with a par value of \in 0.12 each.

The Company's share capital changed over the course of 2019 with the issuance of 153,931 shares following the exercise of share subscription options.

The Company's share capital also changed over the course of 2019, following the decision allowing shareholders to opt for payment of the dividend in shares, as approved by the Shareholders' Meeting of May 14, 2019. The creation of 9,943,269 new shares was noted by the Chairman of the Board of Directors on June 7, 2019 upon expiry of the option period.

The increase in share capital resulting from the exercise of stock subscription options in 2019 was noted by the Board of Directors at its meetings held on July 24, 2019 and February 26, 2020.

At December 31, 2019, the total number of theoretical voting rights amounted to 618,089,695 and the number of exercisable voting rights totaled 613,699,756.

7.7.2 Securities not representing capital

At December 31, 2019, the Company had not issued any securities that do not represent capital.

7.7.3 Acquisition of treasury shares

The following paragraphs cite the information to be provided in accordance with article L. 225-211 of the French Commercial Code and describe, in accordance with the provisions of articles 241-1 et seq. of the General Regulations of the French financial markets authority (Autorité des marchés financiers – AMF), the share buyback program approved by the Annual Shareholders' Meeting of May 14, 2019.

Current share buyback program adopted at the Shareholders' Meeting held on May 14, 2019

In accordance with the provisions of articles L. 225-209 et seq. of the French Commercial Code and with Regulation (EU) No. 596/2014 of the European Parliament and of the Council dated April 16, 2014, as well as any other provisions that may apply, the $11^{\rm th}$ resolution of the Annual Shareholders' Meeting held on May 14, 2019 authorized the Board of Directors (with the option to delegate further) to purchase or have the Company purchase a total number of the Company's ordinary shares not exceeding 10% of the share capital of the Company at any time, in order to:

- ensure the liquidity of and make a market in Bureau Veritas shares via an investment services provider acting independently and on behalf of the Company without being influenced by the Company, under a liquidity agreement that complies with a Code of Ethics recognized by the AMF, or any other applicable law or regulation; and/or
- implement any Company stock option plan under the provisions of articles L. 225-177 et seq. of the French Commercial Code or any similar plan, any share grant or transfer to employees as part of a profit-share plan or any company or group savings plan

(or similar scheme) in accordance with the provisions of the law and particularly articles L. 3332-1 et seq. of the French Labor Code (Code de travail), and any free share grants under the provisions of articles L. 225-197-1 et seq. of the French Commercial Code, and to carry out any hedging to cover these transactions under applicable legal and regulatory conditions;

- remit shares in the event of the issue or the exercise of the rights attached to securities giving immediate and/or future access to the share capital of the Company by repayment, conversion, exchange, presentation of a warrant or in any other manner; and/or
- hold and subsequently remit shares (for exchange, payment or other) as part of acquisitions, mergers, spin-offs or contributions, it being understood that in such a case, the bought back shares may not at any time exceed 5% of the share capital of the Company, this percentage being applied to a share capital figure adjusted to reflect any transactions that take place after this Shareholders' Meeting that affect total capital; and/or

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- cancel all or some of the ordinary shares acquired under the conditions set out in article L. 225-209, paragraph 2 of the French Commercial Code and pursuant to the authorization to reduce the share capital granted by the Shareholders' Meeting of May 14, 2019 in its 23rd resolution (or any subsequent resolution with the same purpose); and/or
- implement any market practice that is or may be allowed by the market authorities; and/or
- carry out transactions for any other purpose that is or may be authorized by the laws or the regulations in force. In such a case, the Company shall inform the shareholders by way of a press release or any other form of communication required by the regulations in force.

It should be noted that (i) the 10% limit applies to the amount of the Company's share capital that may be adjusted to take into account transactions subsequent to the Shareholders' Meeting of May 14, 2019 that may affect the share capital, and (ii) when shares are bought back to increase liquidity, in accordance with the conditions specified by the General Regulations of the AMF, the number of shares taken into account in the aforementioned

calculation of the 10% limit shall be equal to the number of shares bought less the number resold within the time period of authorization.

The maximum unit purchase price is set at €45 (excluding transaction costs) and the maximum amount allocated for the share buyback program is set at €1,989,972,000 (excluding transaction costs), corresponding to a maximum of 44,221,600 shares purchased on the basis of the aforementioned maximum unit purchase price and the number of shares comprising the Company's share capital at December 31, 2018.

This authorization, granted for a period of 18 months as from the Shareholders' Meeting of May 14, 2019, rendered ineffective from the same date the unused portion of the authorization granted to the Board of Directors by the Shareholders' Meeting of May 15, 2018 under the terms of its fourteenth resolution.

Under this share buyback program and the program authorized by the Shareholders' Meeting of May 15, 2018, the Company carried out a number of share transfers and buybacks in 2019, as described below.

Transfer and buyback of treasury shares during 2019

During 2019, the Company maintained the liquidity agreement entrusted to Exane BNP Paribas on February 8, 2008, under which 3,647,057 shares were purchased at an average price of $\in\!21.425$ and 3,709,302 shares were sold at an average price of $\in\!21.416$. At December 31, 2019, there were 130,898 shares held under the liquidity agreement and the available balance stood at $\in\!5,775,266$.

In 2019, the Company remitted 1,624,159 shares to beneficiaries of the performance share and stock purchase option plans. These shares were granted out of the Company's treasury shares.

At December 31, 2019, the Company held a total of 4,394,939 treasury shares representing approximately 0.97% of its share capital, with a carrying amount of $\ensuremath{\in} 91,085,269$ and a par value of $\ensuremath{\in} 527,392.68$.

Of these 4,394,939 shares held by the Company at December 31, 2019, 130,898 shares are allocated to the liquidity agreement, with the rest, i.e., 4,264,041 shares, earmarked for stock option plans or other share grants.

New share buyback program to be submitted to the Shareholders' Meeting to be held to approve the financial statements for the year ended December 31, 2019

A new share buyback program will be submitted for approval to the next Annual Shareholders' Meeting to be held to approve the financial statements for the year ended December 31, 2019.

In accordance with the provisions of articles L. 225-209 et seq. of the French Commercial Code, Regulation (EU) No. 596/2014 of the European Parliament and of the Council dated April 16, 2014, as well as any other provisions that may apply, the objectives of this program, subject to approval by the Annual Shareholders' Meeting to be held to approve the financial statements for the year ended December 31, 2019, are to:

- ensure the liquidity of and make a market in Bureau Veritas shares via an investment services provider acting independently and on behalf of the Company without being influenced by the Company, under a liquidity agreement that complies with a Code of Ethics recognized by the AMF, or any other applicable law or regulation; and/or
- implement any Company stock option plan under the provisions of articles L. 225-177 et seq. of the French Commercial Code or any similar plan, any share grant or transfer to employees as part of a profit-share plan or any company or group savings plan (or similar scheme) in accordance with the provisions of the law and particularly articles L. 3332-1 et seq. of the French Labor Code or any similar plan, any free share grants under the provisions of articles L. 225-197-1 et seq. of the French Commercial Code or any similar plan, and to carry out any

- hedging to cover these transactions under applicable legal and regulatory conditions; and/or
- remit shares in the event of the issue or the exercise of the rights attached to securities giving immediate and/or future access to the share capital of the Company by repayment, conversion, exchange, presentation of a warrant or in any other manner; and/or
- hold and subsequently remit shares (for exchange, payment or other) as part of acquisitions, mergers, spin-offs or contributions, it being understood that in such a case, the bought back shares may not at any time exceed 5% of the share capital of the Company, this percentage being applied to a share capital figure adjusted to reflect any transactions that take place after this Shareholders' Meeting that affect total capital; and/or
- cancel all or some of the ordinary shares acquired under the conditions set out in article L. 225-209, paragraph 2 of the French Commercial Code and pursuant to the authorization to reduce the share capital granted by the Shareholders' Meeting of May 14, 2019 in its 23rd resolution (or any subsequent resolution with the same purpose); and/or
- implement any market practice that is or may be allowed by the market authorities; and/or

Information on the Company and the capital

7.7 Share capital and voting rights

 carry out transactions for any other purpose that is or may be authorized by the laws or the regulations in force. In such a case, the Company shall inform the shareholders by way of a press release or any other form of communication required by the regulations in force.

Purchases of the Company's shares may relate to a number of shares, such that:

- the number of shares bought back by the Company during the share buyback program would not exceed 10% of the shares constituting the share capital of the Company, this percentage being applied to a share capital figure adjusted to reflect transactions following the Annual Shareholders' Meeting to be held to approve the financial statements for the year ended December 31, 2019, i.e., for information purposes, a number of shares not exceeding 45,209,298 based on the number of shares constituting the Company's share capital at December 31, 2019; and
- the number of shares that the Company may hold at any given time would not exceed 10% of the shares constituting the share capital of the Company at the planned date.

These transactions may be carried out during periods determined by the Board of Directors in accordance with applicable legal and regulatory conditions, it being specified that the Board of Directors may not, without the prior authorization of the Shareholders' Meeting, implement this share buyback program in the event that a third party makes a public offer to purchase the shares in the Company and until the expiration of such offer.

The maximum unit purchase price under this share buyback program would be €45 (excluding transaction costs), subject to adjustments within the scope of changes to the share capital, in particular by incorporation of reserves or awards of free shares and/or splitting or reverse splitting of shares, amortization of share capital or any other operation affecting equity, in order to take the effect of such transaction into account on the unit value.

The maximum amount allocated to implement the share buyback program would be $\ensuremath{\in} 2,034,418,410$ (excluding transaction costs).

This new authorization would be granted for a period of 18 months as from the decision of the Shareholders' Meeting to be held to approve the financial statements for the year ended December 31, 2019 and would render ineffective the unused portion of the authorization granted by the Shareholders' Meeting on May 14, 2019 under the terms of its 11th resolution.

7.7.4 Other securities giving access to the share capital of the Company

The Company issued stock options, the main terms and conditions of which are set out in section 3.7 – Interests of Corporate Officers and certain employees of this Universal Registration Document.

The Company also granted performance shares, the main terms and conditions of which are set out in section 3.7 – Interests of Corporate Officers and certain employees of this Universal Registration Document, as well as in Note 23 to the consolidated financial statements – Share-based payment, included in section 6.6 of this Universal Registration Document.

7.7.5 Conditions governing vesting rights or any obligations attached to capital subscribed but not fully paid up

None.

7.7.6 Pledges

To the Company's knowledge, at December 31, 2019, 923,174 shares in the Company, held by individuals, were pledged (i.e., around 0.20% of the number of shares comprising its share capital).

As indicated in Note 33 to the 2019 consolidated financial statements – Off-balance sheet commitments and pledges, included in section 6.6 of this Universal Registration Document, the Group had pledged current and non-current financial assets for a carrying amount of €1.1 million at December 31, 2019.

7.7.7 Changes in the share capital

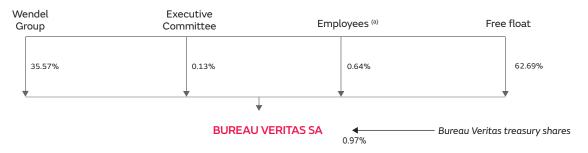
The table below shows changes in the Company's share capital during the past five years.

	2019	2018	2017	2016	2015
Capital at beginning of year					
In euros	53,065,920	53,040,000	53,040,000	53,040,000	53,163,924
In shares	442,216,000	442,000,000	442,000,000	442,000,000	443,032,700
Number of canceled shares during the year	220,212	-	330,000	149,600	1,547,500
Number of shares issued during the year	10,097,200	216,000	330,000	149,600	514,800
By free allocation of shares	-	-	-	-	-
By exercise of stock subscription options	153,931	216,000	330,000	149,600	514,800
Capital at end of year					
In euros	54,251,158.56	53,065,920	53,040,000	53,040,000	53,040,000
In shares	452,092,988	442,216,000	442,000,000	442,000,000	442,000,000

7.8 Ownership structure

7.8.1 Group ownership structure

Simplified ownership structure at December 31, 2019



(a) Including direct holdings of registered shares.

Major direct and indirect shareholders

With almost $\mathfrak S$ 9 billion in managed assets, Wendel is one of Europe's leading listed investment firms.

Wendel invests in market-leading companies in Europe, North America and Africa. It is an active long-term shareholder in Bureau Veritas, Saint-Gobain, Cromology, Stahl, IHS, Constantia Flexibles and Allied Universal. It implements long-term development strategies aimed at boosting the companies' growth and profitability in order to enhance their leading market positions.

Wendel SE is listed on Euronext Paris. Its Registration Document/Universal Registration Document can be viewed on the AMF website (www.amf-france.org) and downloaded from Wendel's website (www.wendelgroup.com).

At December 31, 2019, Wendel SE was 38.73%-owned by Wendel Participations SE, a company grouping together the interests of more than 1,000 members of the Wendel family.

The Wendel group is the major shareholder of Bureau Veritas, holding 35.57% of its share capital and 51.30% of its theoretical voting rights at December 31, 2019.

In accordance with article 28 of the Company's by-laws, a double voting right was granted in respect of shares held by Wendel registered in nominative form for more than two years.

Breakdown of share capital and exercisable voting rights

	At Februar	At February 29, 2020		At December 31, 2019		At December 31, 2018		At December 31, 2017	
Shareholders	% of shares held	% of voting rights	% of shares held	% of voting rights	% of shares held	% of voting rights	% of shares held	% of voting rights	
Wendel group ^(a)	35.57%	51.66%	35.57%	51.67%	35.33%	51.91%	40.08%	56.76%	
Free float ^(b)	63.14%	47.83%	63.07%	47.79%	62.76%	47.45%	57.84%	42.24%	
FCP BV Next	0.25%	0.37%	0.26%	0.38%	0.29%	0.43%	0.30%	0.43%	
Executive Officers(c)	0.11%	0.14%	0.13%	0.16%	0.19%	0.21%	0.47%	0.57%	
Treasury shares	0.93%	-	0.97%	-	1.43%	-	1.31%	_	
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	

⁽a) There is no material difference between the theoretical voting rights (including treasury shares) and the exercisable voting rights (excluding treasury shares). The Wendel group held 51.30% of the theoretical voting rights at December 31, 2019.

⁽b) Calculated by deduction

⁽c) Members of the Executive Committee of Bureau Veritas at December 31 of the year shown or, where applicable, at February 29, 2020.

Share ownership thresholds

Details of crossings of legal share ownership thresholds notified prior to January 1, 2019 are available on the AMF's website, while details of crossings of thresholds set in the by-laws are notified to the Company and are available at its registered office.

In addition to the thresholds stipulated in article 11.2 of the Company's by-laws (see section 7.10 - Articles of incorporation and by-laws of this Universal Registration Document) and in article L. 233-7 of the French Commercial Code, any individual or legal entity acting alone or in concert, which comes to own a number of shares representing more than one-twentieth (5%), one-tenth (10%), three-twentieths (15%), one-fifth (20%), one-quarter (25%), three-tenths (30%), one-third (1/3), one-half (50%), two-thirds (2/3), eighteen-twentieths (90%) nineteen-twentieths (95%) of the share capital or voting rights shall inform the Company and the AMF of the total number of shares and/or voting rights held, before the close of trading on the fourth trading day following the date on which the share ownership threshold was exceeded. This information shall also be provided within the same timeframe when the share capital or voting rights held go below the aforementioned thresholds.

Failing this, shareholders are stripped of the voting rights attached to the portion of their shares exceeding the un-notified threshold for all Shareholders' Meetings held up to the expiration of a two-year period following the date such notification failure was remedied. Under the same conditions, the voting rights attached to these un-notified shares cannot be exercised or delegated by the shareholder in question (article L. 233-14, paragraphs 1 and 2 of the French Commercial Code).

A standard form that can be used to report the crossing of legal share ownership thresholds is available on the AMF's website.

To the best of the Company's knowledge, and based on information provided by shareholders on crossings of share ownership thresholds set by the law and in the by-laws, the most recent threshold crossings notified for the year ended December 31, 2019 are listed below.

To the best of the Company's knowledge, aside from the majority shareholder Wendel, no other shareholder owned more than 5% of the Company's share capital or voting rights at March 25, 2020.

In a letter dated December 19, 2019, the Wendel group notified the Company that following the merger of Truth 2 SAS ("Truth 2") into Eufor SAS ("Eufor") as part of an internal reorganization within the Wendel group, Eufor had replaced Truth 2 as shareholder of the Company and had therefore exceeded, on December 13, 2019:

- the legal 5%, 10%, 15%, 20%, 25%, 30% and one-third share capital thresholds, and the legal 5%, 10%, 15%, 20%, 25%, 30%, one-third and 50% voting rights thresholds;
- the thresholds of 2% and of each additional 1% fraction of the Company's share capital or voting rights set in the by-laws, including (i) between 2% (inclusive) and 35% (inclusive) of the Company's share capital and (ii) between 2% (inclusive) and 51% (inclusive) of the Company's voting rights.

Prior to the merger, Truth 2 and Eufor were each directly and indirectly (through Trief Corporation SA) wholly owned by Wendel SE, itself controlled by Wendel Participations SE.

After exceeding the aforementioned legal and by-law thresholds and at the date of notification, Eufor held 160,826,908 shares, or 35.58% of the Company's share capital and 317,079,765 voting rights, or 51.29% of the Company's voting rights.

Moreover, in accordance with the Company's by-laws, other investors notified the Company that they had crossed shareholding and voting rights thresholds in 2019:

- in a letter dated January 18, 2019, an investor notified the Company that it had gone below the 3% share capital threshold. In a letter dated February 5, 2019, the same investor notified the Company that it had exceeded the 3% share capital threshold;
- in a letter dated July 19, 2019, an investor notified the Company that it had gone below the 3% share capital threshold. In a letter dated July 23, 2019, it informed the Company that it had exceeded the 3% share capital threshold. In a letter dated August 27, 2019, it notified the Company that it had gone below the 3% share capital threshold. In a letter dated August 30, 2019, it notified the Company that it had exceeded the 3% share capital threshold. In a letter dated September 2, 2019, it notified the Company that it had gone below the 3% share capital threshold. In a letter dated September 5, 2019, the same investor informed the Company that it had exceeded the 3% share capital threshold;
- in a letter dated March 12, 2019, an investor notified the Company that it had gone below the 3% voting rights threshold. In a letter dated April 24, 2019, the same investor notified the Company that it had gone below the 4% share capital threshold;
- in a letter dated March 8, 2019, an investor notified the Company that it had exceeded the 2% share capital threshold. In a letter dated April 30, 2019, it notified the Company that it had exceeded the 3% voting rights and share capital thresholds. In a letter dated July 26, 2019, it notified the Company that it had exceeded the 4% voting rights threshold. In a letter dated August 12, 2019, it notified the Company that it had exceeded the 4% share capital threshold. In a letter dated October 17, 2019, it notified the Company that it had gone below the 4% share capital threshold. In a letter dated November 8, 2019, it informed the Company that it had exceeded the 4% share capital threshold. Lastly, in a letter dated November 21, 2019, the same investor notified the Company that it had gone below the 4% share capital threshold:
- in a letter dated July 16, 2019, an investor notified the Company that it had gone below the 3% share capital threshold. In a letter dated October 1, 2019, the same investor notified the Company that it had gone below the 2% voting rights threshold. According to the shareholder notifications received during 2019, it seems that this investor did not notify the Company that it had gone below the 4% share capital threshold.

Shareholder voting rights

Pursuant to the Company's by-laws as amended by the Shareholders' Meeting of June 18, 2007 and which came into force on October 23, 2007, double-voting rights are granted to all fully paid-up shares that are held in registered form for a period of at least two years.

This double-voting right is deemed to be terminated for any share converted into a bearer share or subject to a transfer of ownership.

Information on the Company and the capital

7.9 Stock market information

Nevertheless, the double-voting right will not be lost, and the holding period will be deemed to have continued, in the event of transfer from registered to bearer form as a result of inheritance, sharing of assets jointly held between spouses, or in vivo donations from a spouse or from immediate family members.

At December 31, 2019, 165,996,707 shares carried double voting rights out of the 452,092,988 shares comprising the share capital.

Control of the Company

At December 31, 2019, the Company was controlled indirectly by Wendel SE, which held 35.57% of the share capital and 51.30% of the theoretical voting rights.

The structure and organization of the Board of Directors and its specialized committees, the number of independent Directors, the fact that the roles of Chairman and of Chief Executive Officer are separate, and compliance with the Internal Regulations and with

the AFEP-MEDEF Code help manage the presence of a majority shareholder. The Board of Directors of Bureau Veritas ensures in particular that at least one-third of its members are independent. Independent members of the Board of Directors are selected from persons who are independent and unconnected to the Company within the meaning of the Board of Directors' Internal Regulations.

At December 31, 2019, the Chairman of the Board of Directors, as well as seven out of the Board's 12 members, were considered independent based on the criteria of the AFEP-MEDEF Code: Aldo Cardoso, Ana Giros Calpe, Ieda Gomes Yell, Pascal Lebard, Siân Herbert-Jones, Frédéric Sanchez, Philippe Lazare and Lucia Sinapi-Thomas. The Audit & Risk Committee has four independent members of the Board, one of whom is the committee's Chairman. Four out of the five members of the Nomination & Compensation Committee are independent. Members of the Board of Directors, as well as their committee memberships, are presented in section 3.1.1 – Composition of the Board of Directors of this Universal Registration Document.

7.8.2 Agreements that may lead to a change in control

None.

7.9 Stock market information

7.9.1 The Bureau Veritas share

Listing market	Euronext Paris, compartment A, eligible for SRD
Initial public offering (IPO)	October 23, 2007 at €37.75 per share (or €9.44 adjusted for the 4-for-1 share split on June 21, 2013)
Indices	CAC Next 20, SBF 120, CAC large 60, EURO STOXX, EURO STOXX Industrial Goods & Services, STOXX Europe 600, STOXX Europe 600 Industrial Goods and Services Index, STOXX Global ESG Leaders, STOXX Global ESG Impact Index, Dow Jones Sustainability World Index, Dow Jones Sustainability Europe Index, MSCI Standard
Codes	ISIN: FR 0006174348 Ticker symbol: BVI Reuters: BVI. PA Bloomberg: BVI-FP
Number of outstanding shares at December 31, 2019	452,092,988
Number of exercisable voting rights at December 31, 2019	613,699,756
Stock market capitalization at December 31, 2019	€10,512 million

7.9.2 Dividend policy

In recent years, the Group has paid an annual dividend representing more than 50% of its adjusted attributable net profit for the year.

This point of reference does not, however, represent any commitment on the Group's part, as future dividends will depend on its results and financial position.

	In respect of			
(in €)	2019 ^(a)	2018	2017	
Dividend per share	0.56	0.56	0.56	

⁽a) To be proposed to the Annual Shareholders' Meeting to be held to approve the financial statements for the year ended December 31, 2019.

7.9.3 Share trends

At March 20, 2020, the Bureau Veritas share price was 17.50, representing a 0.1% decrease compared to January 2, 2019 (17.51). The Bureau Veritas share price has more than doubled since its IPO on October 24, 2007 (9.44).

On average, 685,000 shares were traded on Euronext Paris each day in 2019, representing an average daily trading value of close to €15 million.



Jan. 2019 Feb. 2019 Mar. 2019 Apr. 2019 May 2019 Jun. 2019 Jul. 2019 Aug. 2019 Sep. 2019 Oct. 2019 Nov. 2019 Dec. 2019 Jan. 2020 Feb. 2020 Mar. 2020

Monthly trading in 2019

			Adjusted highs and lows (in €)			
Period	Trading volume	Value (€ millions)	High	Low		
January 2019	16,504,759	305.95	19.67	16.99		
February 2019	12,445,254	246.23	21.02	19.10		
March 2019	16,113,892	346.06	22.10	20.62		
April 2019	11,693,499	256.07	22.63	21.05		
May 2019	16,013,960	343.81	22.57	20.88		
June 2019	14,391,114	308.96	22.03	20.73		
July 2019	16,465,181	363.94	23.53	21.06		
August 2019	14,650,876	310.69	22.94	20.08		
September 2019	13,190,778	290.51	22.63	21.47		
October 2019	14,483,757	316.50	22.97	21.00		
November 2019	16,429,140	384.36	24.20	22.58		
December 2019	12,350,027	289.21	23.90	22.94		

Source: Euronext.

7.10 Articles of incorporation and by-laws

This section contains a summary of the main provisions of the by-laws. A copy of the by-laws may be obtained from the Company's website.

Corporate purpose (article 3 of the by-laws)

The Company has the following corporate purpose, which it may carry out in any country:

- classification, inspection, expert appraisal, as well as supervision of the construction and repair of vessels and aircrafts of all types and nationalities;
- inspections, audits, assessments, diagnoses, expert appraisals, measurements, analyses relative to the function, compliance, quality, hygiene, safety, environmental protection, production, performance and value of all materials, products, goods, equipment, structures, facilities, factories or organizations;
- all services, studies, methods, programs, technical assistance, consulting in the fields of industry, of sea, land or air transport, services and national or international trade; and
- inspection of real property and civil engineering structures.

Except in the case of incompatibility with prevailing legislation, the Company may carry out all studies and research and accept expert appraisal or arbitration commissions in the fields related to its business.

The Company can publish any document, including sea and air regulations and registers, and can engage in any training activities related to the aforementioned activities.

More generally, the Company carries out any activity that may, directly or indirectly, in whole or in part, relate to its corporate purpose or further achievement of that purpose. In particular, this includes any industrial, commercial or financial transactions, any transaction related to real or movable property; the creation of subsidiaries, and acquisitions of financial, technical or other interests in companies, associations or organizations whose purpose is related, in whole or in part, to the Company's corporate purpose.

Finally, the Company can carry out all transactions with a view to the direct or indirect use of the assets and rights owned by it, including the investment of corporate funds.

Administration and general management (articles 14 to 21 of the by-laws)

A description of the functioning of the Company's Board of Directors is provided in Chapter 3 – Corporate governance of this Universal Registration Document.

Rights preferences and restrictions attached to shares (articles 8, 9, 11.1, 12, 13 and 35 of the by-laws)

Payment for shares (article 8 of the by-laws)

Shares subscribed in cash are issued and paid up according to the terms and conditions provided for by law.

Form of shares (article 9 of the by-laws)

The shares of the Company are registered or bearer shares, according to the shareholder's preference, save and except when legislative or regulatory provisions require, in certain cases, the registered form.

The shares of the Company shall be recorded in a register, in compliance with the terms and conditions provided for by law.

Transfer and transmission of shares (article 11.1 of the by-laws)

Shares are freely negotiable, unless legislative or regulatory provisions provide otherwise. Shares are transferred via account-to-account transfer in accordance with the terms and conditions provided for by law.

7

Shareholders' rights and obligations (article 12 of the by-laws)

Each share grants the right, via ownership of corporate capital and profit sharing, to a share proportional to the portion of capital that it represents.

Additionally, it grants the right to vote in and be represented at Shareholders' Meetings, in accordance with legal and statutory requirements.

Shareholders are liable for corporate liability only up to the limit of their contributions.

The rights and obligations follow the share regardless of who holds the share.

Ownership of a share automatically implies compliance with the by-laws and decisions made at the Shareholders' Meetings.

Whenever ownership of several shares is required to exercise a right, in the case of exchange, consolidation or allotment of shares, or as a result of a capital increase or reduction, merger or other corporate transaction, the owners of single shares, or a number of shares falling below the required minimum, may not exercise these rights unless they personally group together, or, where appropriate, purchase or sell the shares as necessary.

Indivisibility of shares – bare ownership – usufruct (article 13 of the by-laws)

The shares are indivisible with regard to the Company.

Joint owners of joint shares are required to be represented before the Company by one chosen from amongst them or by a sole authorized agent. Should the joint owners fail to agree on the choice of that sole agent, the agent will be assigned by the presiding judge of the French Commercial Court (*Tribunal de commerce*), ruling in interlocutory proceedings at the request of the most diligent joint owner.

The voting right attached to the share belongs to the beneficial owner at Ordinary Shareholders' Meetings and to the bare owner at Extraordinary Shareholders' Meetings.

Terms and conditions for payment of dividends (article 35 of the by-laws)

The Shareholders' Meeting shall be entitled to grant each shareholder, for all or part of the dividend distributed or interim dividends, the choice of payment in cash or payment in Company shares, in accordance with the terms and conditions set forth by law

The terms and conditions for payment of dividends in cash shall be set by the Shareholders' Meeting or, failing that, by the Board of Directors.

The release for payment of dividends in cash must take place no more than nine (9) months after the close of the financial year, unless this period is extended by court authorization.

No dividends may be claimed back from shareholders, unless distribution was performed in violation of legal provisions, and the Company deems that beneficiaries were aware of the irregular nature of this distribution at the time, or could not have not been aware thereof, given the circumstances. Where applicable, actions for refund are limited to five (5) years after the payment of these dividends.

Any dividends not claimed within five (5) years of their release for payment are lapsed.

Modification of shareholders' rights

Changes in shareholders' rights are subject to legal requirements, as the by-laws do not provide specific guidelines.

Shareholders' Meetings (articles 23 to 30 of the by-laws)

The joint decisions of the shareholders are taken at the Shareholders' Meetings, which may be qualified as ordinary, extraordinary or special according to the nature of the decisions for which they are convened.

Every Shareholders' Meeting duly held represents all shareholders.

The deliberations of Shareholders' Meetings are binding on all shareholders, even those absent, dissenting or under disability.

Convening of Shareholders' Meetings (article 24 of the by-laws)

Shareholders' Meetings shall be convened within the terms and conditions set forth by law.

Shareholders' Meetings shall be held at the registered office or at any other location (including locations outside the *département* of the registered office) indicated in the notice of meeting.

Agenda (article 25 of the by-laws)

The agenda for the Shareholders' Meeting shall be drawn up by the author of the notice of meeting.

The Shareholders' Meeting cannot deliberate on an issue not included on the agenda, which cannot be amended in a second notice of meeting. The Meeting can, however, in all circumstances, remove one or more members of the Board of Directors and proceed to replace them.

Information on the Company and the capital

7.10 Articles of incorporation and by-laws

Access to the Meetings (article 26 of the by-laws)

Any shareholder, regardless of the number of shares held, may attend Shareholders' Meetings in person or via proxy, within the terms and conditions provided for by law.

The right to attend Shareholders' Meetings is subject to shares having been registered two (2) business days prior to the Shareholders' Meeting at midnight (Paris time) in either the registered shares accounts kept by the Company or the bearer accounts held by the financial intermediary. In the case of shares in bearer form, registration of the shares shall be recognized by a participation certificate issued by the financial intermediary.

Shareholders may be represented by any legal entity or individual of their choice in accordance with the conditions provided for by the legal provisions and regulations in force.

Any shareholder who wishes to vote by post or proxy must, at least three (3) days prior to the date of the Shareholders' Meeting, submit a proxy, a vote-by-post form, or a single document in lieu thereof to the registered office or any other location indicated on the notice of meeting. The Board of Directors may, for any Shareholders' Meeting, reduce this period by a general decision for all shareholders.

Furthermore, shareholders who do not wish to participate in the Shareholders' Meeting in person may also notify the appointment or removal of a proxy by electronic means in accordance with the provisions in force and the conditions set out on the notice of meeting.

In addition, by decision of the Board of Directors mentioned in the notice of meeting, shareholders may, within the terms and conditions set by the laws and regulations, vote by post or electronically.

If used, the electronic signature may take the form of the process detailed in the first sentence of the second paragraph of article 1316-4 of the French Civil Code (Code civil).

If the Board of Directors decides as such at the time the Meeting is convened, shareholders may also attend the Shareholders' Meeting via videoconferencing or other telecommunication systems through which their identity can be verified, in which case they shall be considered present for calculation of the quorum and majority.

Attendance sheet – Board – Minutes (article 27 of the by-laws)

An attendance sheet containing the information stipulated by law shall be kept at each Meeting.

This attendance sheet, duly signed by the attending shareholders and their proxies and to which shall be appended the powers of attorney awarded to each proxy and, where applicable, the vote-by-post forms, shall be certified accurate by the officers of the Meeting.

The meetings shall be chaired by the Chairman of the Board of Directors or, in his absence, by the Vice-Chairman of the Board of Directors or by a member of the Board of Directors specially appointed for this purpose.

If the meeting is convened by the Statutory Auditor or auditors, by a legal proxy or by liquidators, the meeting shall be chaired by the author of the notice of meeting.

In all cases, if the person authorized or appointed to chair the meeting is absent, the Shareholders' Meeting shall elect its Chairman.

The duty of teller shall be performed by the two shareholders, attending and accepting the duty in their own name or represented by their proxies, with the largest number of shares.

The officers' Board thus formed shall appoint a secretary, who may not be a shareholder.

The members of the officers' Board have the duty of checking, certifying and signing the attendance sheet, ensuring that the discussions proceed properly, settling incidents during the meeting, checking the votes cast and ensuring they are in order, and ensuring that the minutes are drawn up and signing them.

Minutes are drawn up and copies or extracts of the proceedings are issued and certified in accordance with the law.

Quorum – Voting – Number of votes (article 28 of the by-laws)

At Ordinary and Extraordinary Shareholders' Meetings, the quorum shall be calculated on the basis of all the shares making up the share capital, minus any shares that have had their voting rights suspended by virtue of legal provisions.

When voting by post, only forms received by the Company before the Meeting is held, within the terms and conditions set by the law and the by-laws, shall be taken into consideration for calculating the quorum.

At Ordinary and Extraordinary Shareholders' Meetings, shareholders are entitled to the same number of votes as the number of shares they hold, with no limitation.

However, a double-voting right as conferred on other shares, for the proportion of the capital they represent, is assigned to all fully paid-up shares, registered for at least two years in the name of the same shareholder.

Moreover, in the event the capital is increased via incorporation of reserves, profits or share premiums, the double-voting right shall be conferred, upon issuance, on registered shares attributed free of charge to shareholders whose former shares were entitled to that right.

The double-voting right automatically ceases for any share converted to a bearer share or subject to a transfer of ownership. Nevertheless, the double-voting right will not be lost, and the holding period will be deemed to have continued, in the event of transfer from registered to bearer form as a result of inheritance by distribution of marital community property or *inter vivos* gifts in favor of a spouse or relatives entitled to inherit. The same holds true where shares with double-voting rights are transferred as a result of a merger or division of a corporate shareholder. The merger or spin off of the Company has no effect on the double-voting right which may be exercised within the beneficiary company or companies, if the right is established in their by-laws.

Voting takes place and votes are cast, depending on what the meeting officers decide, by a show of hands, electronically or by any means of telecommunication enabling the shareholders to be identified under the regulatory conditions in force.

Ordinary Shareholders' Meeting (article 29 of the by-laws)

The Ordinary Shareholders' Meeting is called upon to take any decisions that do not amend the Company by-laws.

It shall be held at least once a year, within the applicable legal and regulatory time periods, to deliberate on the parent company financial statements and, where applicable, on the consolidated financial statements for the preceding accounting period.

The Ordinary Shareholders' Meeting, deliberating in accordance with the terms pertaining to quorum and majority as set forth in the governing provisions, exercises the powers granted it by law.

Extraordinary Shareholders' Meeting (article 30 of the by-laws)

Only the Extraordinary Shareholders' Meeting is authorized to amend the Company by-laws in all their provisions. It may not, however, increase the commitments of shareholders, excepting transactions resulting from an exchange or consolidation of shares, duly decided and performed.

The Extraordinary Shareholders' Meeting, deliberating in accordance with the terms pertaining to quorum and majority set forth in the provisions that govern it, exercises the powers granted it by law.

Shareholders' right to information (article 31 of the by-laws)

All shareholders have the right to access the documents they require to be able to give their opinion with full knowledge of the facts and to make an informed judgment on the management and operation of the Company.

The nature of these documents and the conditions for sending them or making them available are determined by law.

Provisions of the by-laws which have an impact in the event of a change in control

No provision in the by-laws could, to the knowledge of the Company, have the effect of delaying, postponing or preventing a change in control of the Company.

Shareholder identification and thresholds (articles 10 and 11.2 of the by-laws)

Shareholder identification (article 10 of the by-laws)

The Company shall remain informed of the make-up of its shares' ownership, in accordance with the terms and conditions provided for by law.

As such, the Company can make use of all legal provisions available for identifying the holders of shares that confer immediate or future voting rights in its Shareholders' Meetings.

Thus, the Company reserves the right, at any time and in accordance with the legal and regulatory terms and conditions in force and at its own cost, to request from the central depository responsible for keeping an account of the issuance of its securities, information concerning the holders of securities conferring the immediate or future right to vote in the Company's Shareholders' Meetings, as well as the number of securities held by each shareholder and, where applicable, any restrictions that can be imposed on such securities.

Having followed the procedure described in the preceding paragraph and in view of the list provided by the central depository, the Company can also request, either through the central depository or directly, that individuals on the list whom the Company believes may be registered as agents for third parties provide information about the owners of the securities referred to in the preceding paragraph. These individuals are required, when acting as intermediaries, to disclose the identity of the holders of these securities.

If the securities are in registered form, the intermediary registered in accordance with the terms and conditions set forth by law is required to disclose the identity of the holders of these securities, as well as the number of securities held by each individual, upon request from the Company or its agent, which may be presented at any time.

For as long as the Company believes that certain shareholders whose identity has been disclosed are holding shares on account of third parties, the Company is entitled to ask those shareholders to disclose the identity of the holders of the securities in question, as well as the number of shares held by each.

At the close of identification procedures, and without prejudice to legal requirements relative to the disclosure of significant equity ownership, the Company can ask that any legal entity holding its shares and owning an interest in excess of 2.5% of the capital or voting rights disclose to the Company the identities of individuals who directly or indirectly own more than one third of that legal entity's capital or voting rights.

In the event of non-compliance with the aforementioned requirements, the shares or securities conferring immediate or future access to capital and for which these individuals have been recorded in the register shall be stripped of their voting rights for any subsequent Shareholders' Meeting, and until such time as this identification requirement has been fulfilled, to which date payment of the corresponding dividend will also be deferred.

Information on the Company and the capital

7.10 Articles of incorporation and by-laws

Moreover, in the event the registered individual knowingly disregards these obligations, the court of competent jurisdiction given the location of the Company's registered offices may, if petitioned by the Company or one or more of its shareholders holding at least 5% of the Company's capital, order total or partial suspension, for a period not to exceed five years, of the voting rights attached to the shares for which the Company had requested information, as well as suspension, for the same period of time, of the right to payment of the corresponding dividend.

Thresholds (article 11.2 of the by-laws)

In addition to the legal obligation to notify the Company when legal thresholds have been crossed, any individual or legal entity, whether acting alone or jointly, that comes to own, either directly or indirectly as defined by law (and particularly article L. 233-9 of the French Commercial Code), a number of shares equivalent to a fraction of the share capital or voting rights in excess of 2% must inform the Company of the number of shares and voting rights it owns, within five trading days of the date from which the threshold was crossed, and must do so regardless of the book entry date, via registered mail with return receipt addressed to the Company's registered office or by any equivalent means for shareholders or security holders outside France, by specifying the total number of equity shares and securities granting future access to equity and related voting rights that it owns as of the date on which the declaration is made. This declaration in relation to the crossing of a threshold also indicates whether the shares or related voting rights are or are not held on behalf of or jointly with other natural or legal entities and additionally specifies the date on which the threshold was crossed. The declaration shall be repeated for each additional 1% fraction of capital or voting rights held, without limitation, including beyond the 5% threshold.

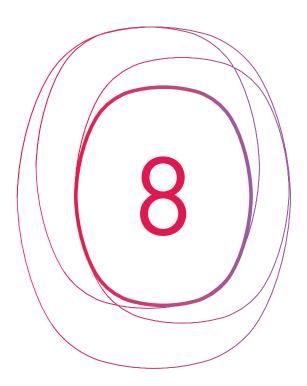
Where they have not been duly declared under the conditions provided above, shares exceeding the fraction that should have been declared are deprived of voting rights in Shareholders' Meetings from the moment one or more shareholders in possession of at least 5% of the Company's capital or voting rights make such a request, duly recorded in the minutes of the Shareholders' Meeting. The suspension of voting rights shall apply to all Shareholders' Meetings taking place up until expiration of a period of two years from the date on which the reporting requirement is fulfilled.

Any shareholder whose share in the capital and/or voting rights in the Company falls below any of the aforementioned thresholds is also required to notify the Company as such, within the same period of time and in the same manner, no matter the reason.

In calculating the aforementioned thresholds, the denominator must include consideration of the total number of shares that form the Company's capital and that carry voting rights, including those with their voting rights suspended, as published by the Company in accordance with the law (the Company being required to specify, in its publications, the total number of said shares carrying voting rights and the number of shares that have their voting rights suspended).

Changes to share capital (article 7 of the by-laws)

The share capital can be increased or decreased by any method or means authorized by law. The Extraordinary Shareholders' Meeting can also decide to proceed with a division of the par value of the shares or with their consolidation.



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8.1 Persons responsible

8.1.1 Person responsible for the Universal Registration Document

Didier Michaud-Daniel, Chief Executive Officer of Bureau Veritas

8.1.2 Declaration by the person responsible for the Universal Registration Document and the Annual Financial Report

I hereby certify, after taking all reasonable measures to ensure that such is the case, that the information contained in the French language Universal Registration Document is, to my knowledge, consistent with reality and does not include any omission which could affect its import.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profits and losses of the Company and of the companies within its scope of consolidation, and that the information from the management report listed in section 8.5.3 of this Universal Registration Document presents a fair overview of the business developments, profits and losses and financial position of the Company and the companies within its scope of consolidation, as well as a description of the main risks and uncertainties they face.

March 26, 2020

Didier Michaud-Daniel

Chief Executive Officer of Bureau Veritas

8.1.3 Person responsible for the financial information

François Chabas

Chief Financial Officer of Bureau Veritas

Address: Immeuble Newtime - 40/52, boulevard du Parc

92200 Neuilly-sur-Seine - France

Tel.: +33 (0)1 55 24 76 30 Fax: +33 (0)1 55 24 70 32

8.2 Statutory Auditors

8.2.1 Principal Statutory Auditors

PricewaterhouseCoopers Audit

Represented by François Guillon

63, rue de Villiers

92208 Neuilly-sur-Seine cedex - France

The mandate of PricewaterhouseCoopers Audit as Statutory Auditor was renewed at the Ordinary Shareholders' Meeting on May 17, 2016 for a period of six financial years.

PricewaterhouseCoopers Audit is a member of the Compagnie régionale des commissaires aux comptes de Versailles.

Ernst & Young Audit

Represented by Nour-Eddine Zanouda

1-2, place des Saisons, Paris La Défense 1

92400 Courbevoie - France

Ernst & Young Audit was appointed as Statutory Auditor at the Ordinary Shareholders' Meeting on May 17, 2016 for a period of six financial years.

Ernst & Young Audit is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles.

8.2.2 Substitute Statutory Auditors

Jean-Christophe Georghiou

63, rue de Villiers

92208 Neuilly-sur-Seine cedex - France

Jean-Christophe Georghiou was appointed as substitute Statutory Auditor at the Ordinary Shareholders' Meeting on May 17, 2016 for a period of six financial years.

Auditex

1-2, place des Saisons, Paris La Défense 1

92400 Courbevoie - France

Auditex was appointed as substitute Statutory Auditor at the Ordinary Shareholders' Meeting on May 17, 2016 for a period of six financial years.

8.3 Information policy

8.3.1 Shareholder information

Bureau Veritas makes regular disclosures on its business activities, strategy and outlook to its individual and institutional shareholders and, more broadly, to the financial community, in line with the profession's best practices.

During 2019, the management of Bureau Veritas and the Investor Relations team met with nearly 600 analysts and investors during roadshows, meetings and conferences in the main international financial markets, particularly in Europe and the United States. On September 24, 2019, a delegation of analysts and investors was invited by Bureau Veritas to Paris La Défense Arena, a 40,000-seater event venue. The Group has been present at every stage of the Arena project, from the architectural tender and construction phase through to the current operational phase with periodic inspections. The invitation to this unique venue was therefore an opportunity to showcase its expertise. During the event, the Group highlighted the recent developments of its Buildings & Infrastructure business platform through a broad range of examples, including the technical inspection of the new Roland Garros stadium in France, Verification of Conformity of a motorway in Mexico and a data center in the US, and project management support in the completion of airport and underground transport infrastructure in China.

Bureau Veritas also takes part in Socially Responsible Investing (SRI) events. These encounters with private equity funds and SRI analysts contribute to the Group's progress in terms of CSR (see Chapter 2 — Corporate Social Responsibility of this Universal Registration Document).

Senior management, the Investor Relations and Legal Affairs and Audit teams are responsible for ensuring fluid dialogue with shareholders on corporate governance. Shareholders may also send queries on corporate governance to the Chairman of the Board of Directors at the following email address aldo.cardoso@bureauveritas.com.

In terms of information accessibility, shareholders can access all financial information relating to the Group on the Investors pages of its website. Contact details for the Investor Relations team are available online, thereby facilitating direct contact with shareholders. A toll-free number for France was also created for individual shareholders. Anyone interested in the Group's latest news can also subscribe free of charge to receive an online copy of the Group's press releases and publications. This option is available by filling out a subscription form on the Investors pages of the website.

In 2019, Bureau Veritas published two e-shareholders' letters (in French and English), which can be accessed on the Group's website. The shareholders' letter covers a broad range of topics and is designed to familiarize readers with the Group, its businesses and services, its latest news and its financial results. It also offers readers the possibility to ask Bureau Veritas questions through a simple click.

2020 Financial calendar

April 23, 2020 (after market close)

First-quarter 2020 revenue

July 28, 2020 (after market close)

First-half 2020 results

September 29, 2020

Investor Day: presentation of the Group's new strategic plan

October 22, 2020 (after market close)

Third-quarter 2020 revenue

Bureau Veritas does not publish financial information during:

- the 30 calendar days preceding the publication of the annual and half-year consolidated financial statements, up to the date of publication of the annual and half-year consolidated results;
- the 15 calendar days preceding the publication of consolidated financial information for the first and third quarters, up to the date of publication of quarterly information.

Contacts

SHAREHOLDER INFORMATION

0 800 434 241 Service & appel gratuits

Analyst/Investor information

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Bureau Veritas

Address: Immeuble Newtime

40/52, boulevard du Parc

92200 Neuilly-sur-Seine, France

Tel.: +33 (0)1 55 24 70 00

8.3.2 Documents on display

All Group publications (press releases, annual reports, annual and half-year presentations, etc.) and regulatory information are available upon request or at: https://group.bureauveritas.com. Users may sign up for email news alerts and download all Group publications since its IPO, and the list of analysts who cover the Bureau Veritas share and real-time share prices.

A Registration Document (Universal Registration Document as of financial year 2019) is filed each year with the French financial markets authority (Autorité des marchés financiers – AMF). In accordance with its General Regulation, the Registration Document is available on the AMF's website (www.amf-france.org), or at https://group.bureauveritas.com/fr (in French and English).

In light of the introduction of Regulation (EU) 2017/1129 of July 21, 2019 ("Prospectus 3") and its Delegated Regulation 2019/980, this year Bureau Veritas is publishing a Universal Registration Document (URD). The newly-named URD is intended to improve readability for shareholders and investors by representing a single, centralized source of information. It will also

include financial and non-financial disclosures, notably in terms of strategy and risk factors.

The documents, or copies of the documents, listed below may be consulted at the registered office of Bureau Veritas at Immeuble Newtime, 40/52, Boulevard du Parc, 92200 Neuilly-sur-Seine, France, or sent by e-mail on request:

- the by-laws of Bureau Veritas SA;
- all reports, letters and other documents, historical financial information, assessments and declarations made by external consultants at the request of Bureau Veritas, a part of which is included or mentioned in this Universal Registration Document;
- the historical financial information of Bureau Veritas and its subsidiaries for each of the two financial years preceding the publication of this Universal Registration Document.

In accordance with AMF recommendation No. 2012-05 (amended October 5, 2018), the Company's updated by-laws may also be viewed online at: https://group.bureauveritas.com/fr.

8.4 Information incorporated by reference

The following information is included by reference in this Universal Registration Document:

- for the financial year ended December 31, 2018, the management report, the consolidated financial statements (and the related Statutory Auditors' report) and the statutory financial statements (and the related Statutory Auditors' report), set out on pages 193 to 214, 215 to 271, 272 to 276, 277 to 301, and 296 to 298 of the Registration Document filed with the AMF on March 27, 2019 under number D. 19-0206;
- for the financial year ended December 31, 2017, the management report, the consolidated financial statements (and

the related Statutory Auditors' report) and the statutory financial statements (and the related Statutory Auditors' report), set out on pages 167 to 188, 189 to 251, 252 to 257, 258 to 286, and 279 to 281 of the Registration Document filed with the AMF on March 27, 2018 under number D. 18-0184.

Any information included in the two abovementioned Registration Documents other than that cited above has been replaced and/or updated by the information contained in this Universal Registration Document.

8.5 Cross-reference tables

To facilitate the reading of this Universal Registration Document, the tables below cross-reference:

- the main headings of a Universal Registration Document as provided for in Annexes 1 and 2 of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 supplementing Regulation (EU) 2017/1129 of June 14, 2017;
- the main disclosures required in the Annual Financial Report as provided for under article L. 451-1-2 of the French Monetary and Financial Code and article 222-3 of the General Regulations of the French financial markets authority (Autorité des marchés financiers – AMF);
- the main disclosures required in the management report as provided for under articles L. 225-100 et seq., L. 232-1 et seq. and R. 225-102 et seq. of the French Commercial Code;
- the main disclosures required in the report on corporate governance as provided for under articles L. 225-37 et seq. of the French Commercial Code:
- the disclosures on compensation presented in accordance with the 11 tables recommended by the AMF (see also the AFEP-MEDEF Code).

These tables provide the numbers of the pages of this Universal Registration Document containing the disclosures required under the abovementioned laws, regulations and recommendations.



8.5.1 Universal Registration Document

Cross-reference table for the Universal Registration Document – Annexes 1 and 2 of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 supplementing Regulation (EU) 2017/1129 of June 14, 2017

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1.3	Name, address, qualifications and potential interests of experts	N/A
1.4	Information sourced from a third party	N/A
1.5	Statement that the document has been filed with the competent authority	1
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8.5.2 Annual Financial Report

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8.5.3 Management report

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NOTES

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BUREAU VERITAS
Joint stock company (société anonyme)
with registered capital of €54 264 483,84
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