



BUREAU
VERITAS



REGISTRATION DOCUMENT

INCLUDING
THE ANNUAL
FINANCIAL
REPORT
AND THE
NON-FINANCIAL
STATEMENT



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Copies of this Registration Document are available free of charge from the registered office of Bureau Veritas at Immeuble Newtime, 40/52 Boulevard du Parc, 92200 Neuilly-sur-Seine – France.

It may also be consulted on the Bureau Veritas Finance website (finance.bureauveritas.fr) and on the AMF website (www.amf-france.org).

Pursuant to Article 28 of Commission Regulation (EC) No. 809/2004 of April 29, 2004, the following information is included by reference in this Registration Document:

- the 2017 management report and consolidated financial statements, as well as the corresponding audit report set out on pages 167 to 188, 189 to 251 and 252 to 257 of the Registration Document filed with the AMF on March 27, 2018 under number D.18-0184;
- the 2016 management report and consolidated financial statements, as well as the corresponding audit report set out on pages 133 to 148, 149 to 211 and 212 of the Registration Document filed with the AMF on March 24, 2017 under number D.17-0225.



This document is a non-certified translation of the French Language Document de référence 2018, submitted to the French financial markets authority (Autorité des marchés financiers – AMF) on March 27, 2019 in accordance with Article 212-13 of its General Regulation. It may be used in support of a financial transaction only where it is supplemented by a prospectus approved by the AMF. It was drawn up by the issuer and binds the signatories.

our ID

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

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

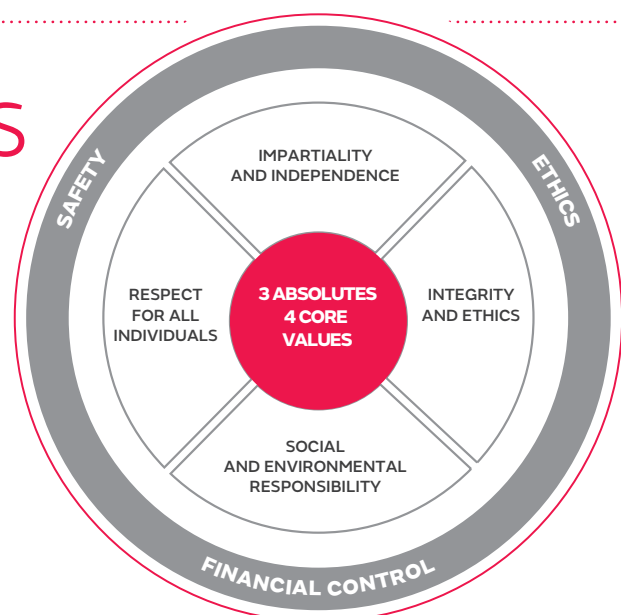
our MANIFESTO

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

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

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

our CORE VALUES and ABSOLUTES




€4.8^{bn}
in revenue (2018)

400,000
clients




75,000 +
employees

1,500+
offices & laboratories
in 140 countries



A GLOBAL PRESENCE

Americas Revenue

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

Europe Revenue

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

Asia Pacific Revenue

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

25%

35%

9%

31%

Africa, Middle East Revenue

6,400 employees
100 locations

our 6 businesses



MARINE & OFFSHORE

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



AGRI-FOOD & COMMODITIES

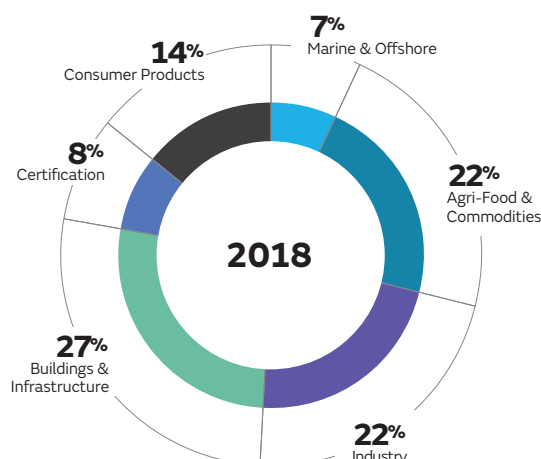
- Oil and petrochemicals, metals and minerals, coal, agricultural and food products, imported goods.
- Our role: Improve transparency, inspect the composition, quality and quantity of commodities throughout the value chain, from extraction to sale, and farm to fork. Facilitate international trade and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



INDUSTRY

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

Revenue by business



(1) Global market position.

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

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



BUILDINGS & INFRASTRUCTURE

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



CERTIFICATION

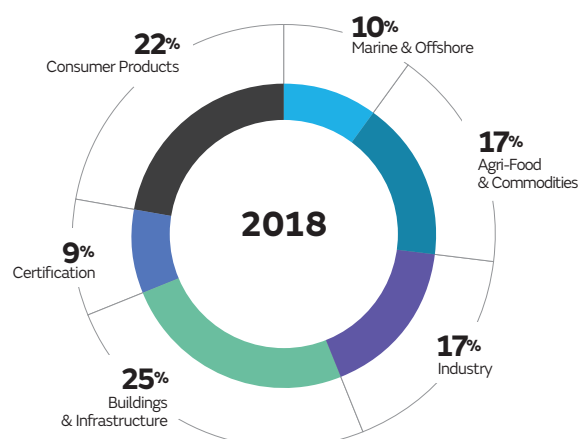
- International QHSE standards (mainly ISO), industry management systems (food, aerospace, automotive, etc.) and sustainable development (CSR, climate change).
- Our role: Certify that quality, health, safety and environmental management systems comply with applicable international, national or industry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



CONSUMER PRODUCTS

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

Adjusted operating profit by business



(1) Global market position.

our strategy

our 5 strategic pillars

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

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

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

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

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



2 priority countries

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

OUR MAIN NON-FINANCIAL TARGETS TOWARDS 2020



Health and Safety:

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



Inclusion:

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



Environment⁽³⁾:

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

(1) TIC: Testing, Inspection and Certification.

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

Compared to 2014 consolidated results.

(3) Compared to 2015 consolidated results.

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

our **4** key drivers

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

our **5** key Growth Initiatives

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

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

OUR 2020 AMBITION



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



Reaching 5% to 7% of organic growth by 2020



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



Generating continuous high free cash flow

⁽¹⁾ Incremental revenue in 2020 versus 2015.

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

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

our **VALUE CREATION** model

MEGATRENDS

Our approach to social and environmental challenges

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

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

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

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

PROTECTION OF GLOBAL BRANDS INCREASINGLY DIFFICULT:

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

SPECIALIST PLAYERS MANDATED BY PUBLIC AUTHORITIES TO CONDUCT INSPECTIONS:

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

our **RESOURCES**



ECONOMIC CAPITAL

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



HUMAN CAPITAL

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



INDUSTRIAL CAPITAL

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



INTELLECTUAL CAPITAL

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



SOCIETAL AND ENVIRONMENTAL CAPITAL

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

our **PURPOSE**

Our VISION

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

Our MISSION

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

our **SERVICES**

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

Certification

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

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

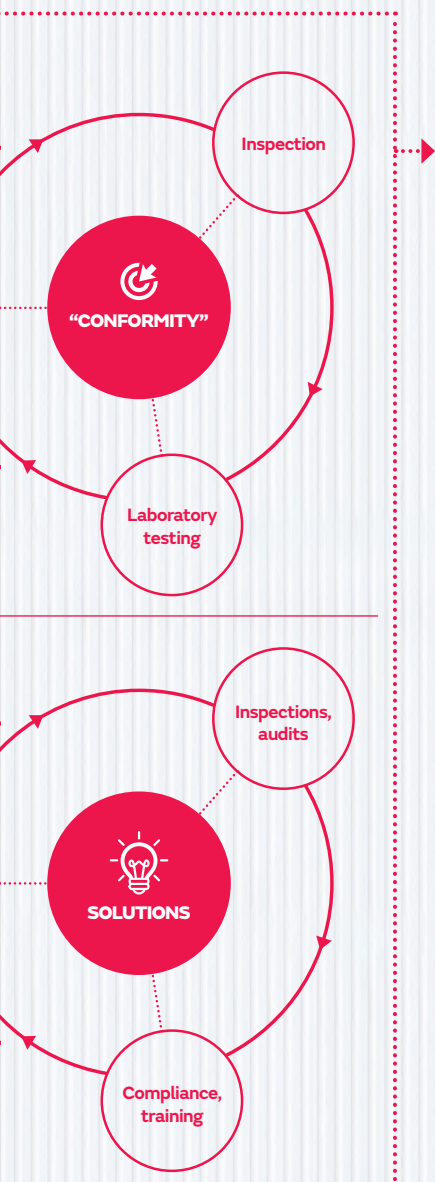
Performance improvement

(1) Cumulative annualized revenue.

(2) Dividend recommended to the Shareholders' Meeting.

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

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



our ACHIEVEMENTS AND RESULTS



ECONOMIC CAPITAL

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



HUMAN CAPITAL

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



INDUSTRIAL CAPITAL

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



INTELLECTUAL CAPITAL

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



SOCIETAL AND ENVIRONMENTAL CAPITAL

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

value

CREATED FOR OUR CLIENTS

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

sharing

THE VALUE CREATED WITH OUR STAKEHOLDERS

€4.8^{bn}
in 2018
revenue

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

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

€236^m
in taxes

€268^m
due to
shareholders
(dividends)

Acquisition-related
expenses

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

our governance

our BOARD OF DIRECTORS⁽¹⁾

12

Directors

93% 
average
attendance
rate



67% 
of Directors are
independent

42% 
of Directors are
women

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

BOARD COMMITTEES⁽¹⁾

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

● Chairman ● Member

our EXECUTIVE COMMITTEE



Didier Michaud-Daniel
Chief Executive Officer

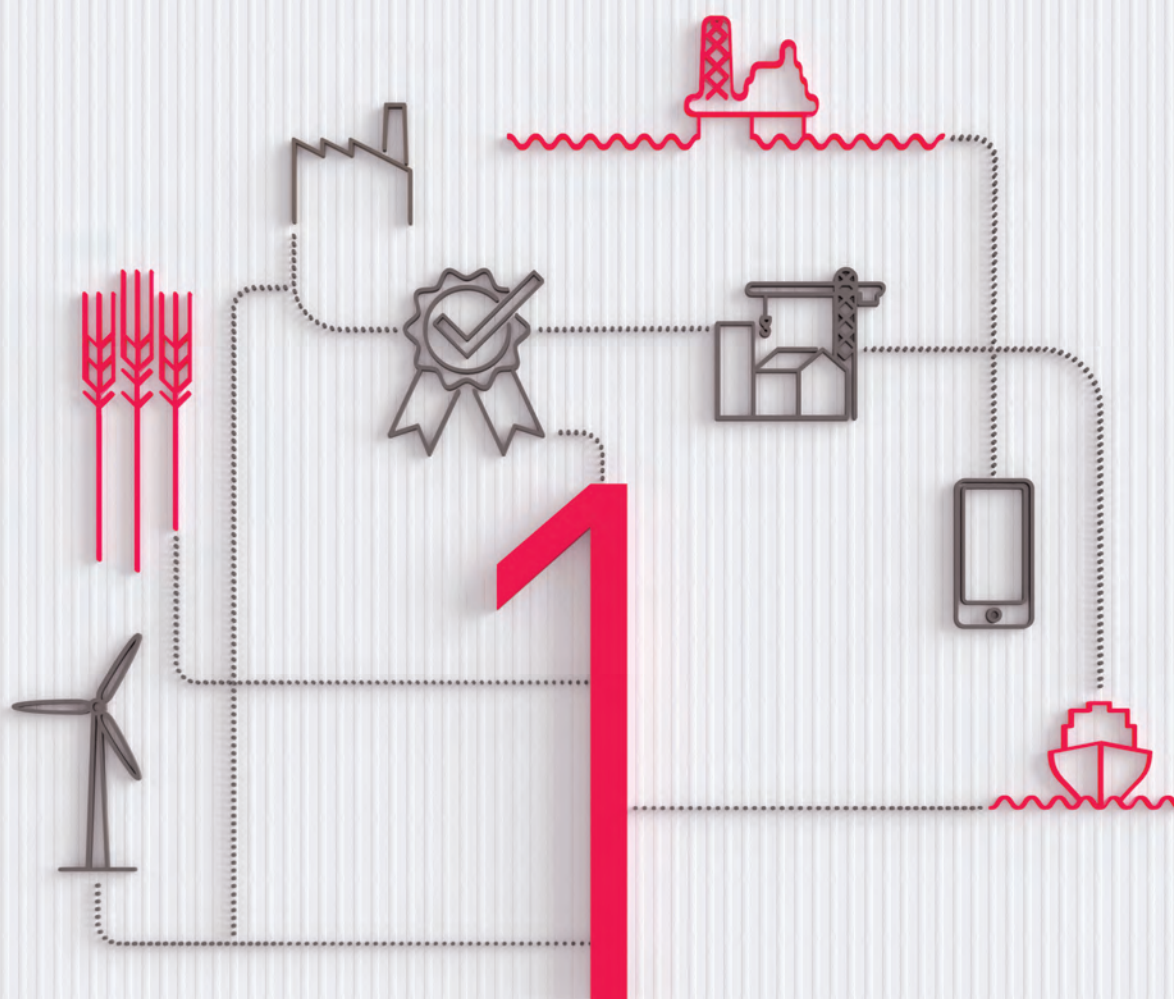
Didier Michaud-Daniel is assisted by an international team of men and women with broad-based skills and diverse backgrounds. They all share the desire to drive forward the Group's transformation, particularly in the digital domain, and have a strong client focus.

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

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

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

(4) At December 31, 2018.



PRESENTATION OF THE GROUP

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The Non-Financial Statement is identified in this table of contents with the sign **NFS**
 Components of the Annual Financial Report are identified in this table of contents with the sign **AFR**

1.1 General overview of the Group

Mission

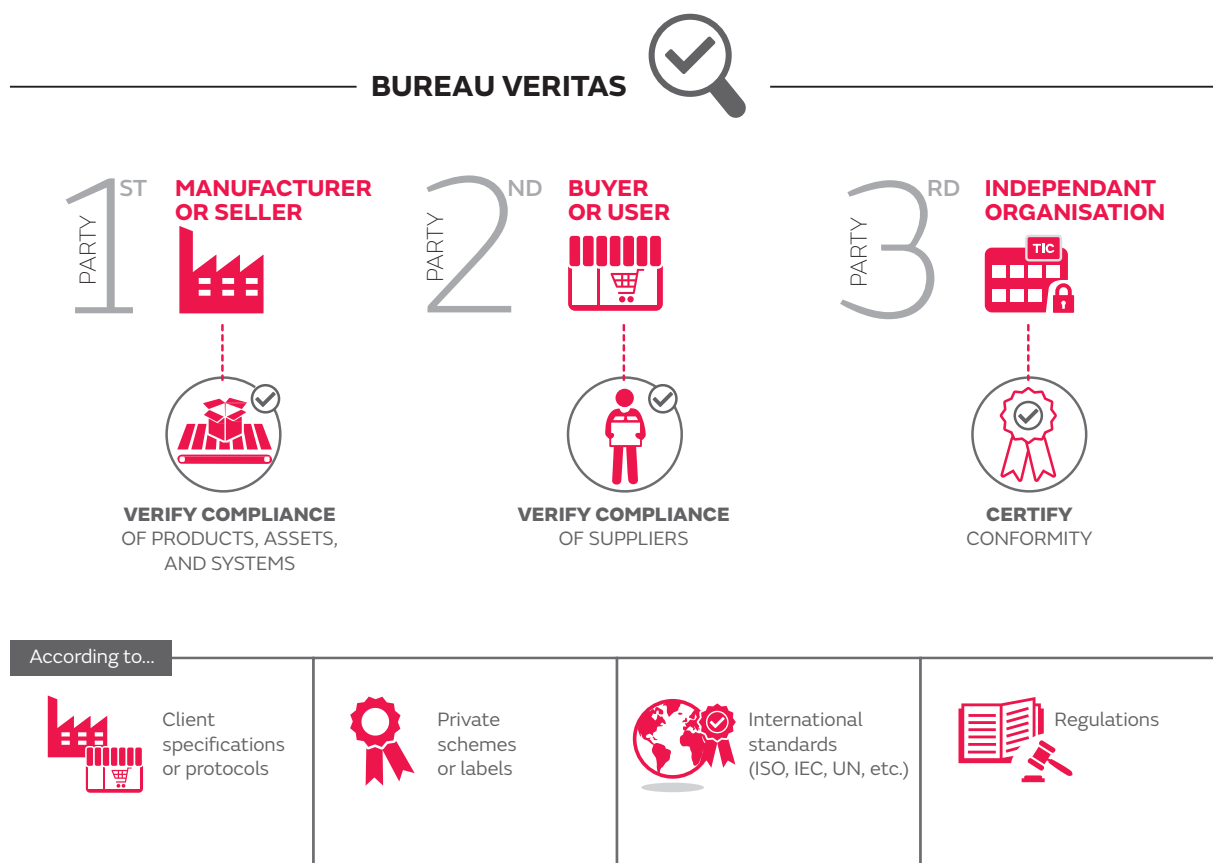
Bureau Veritas is a global leader in Testing, Inspection and Certification (“TIC”) services.

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

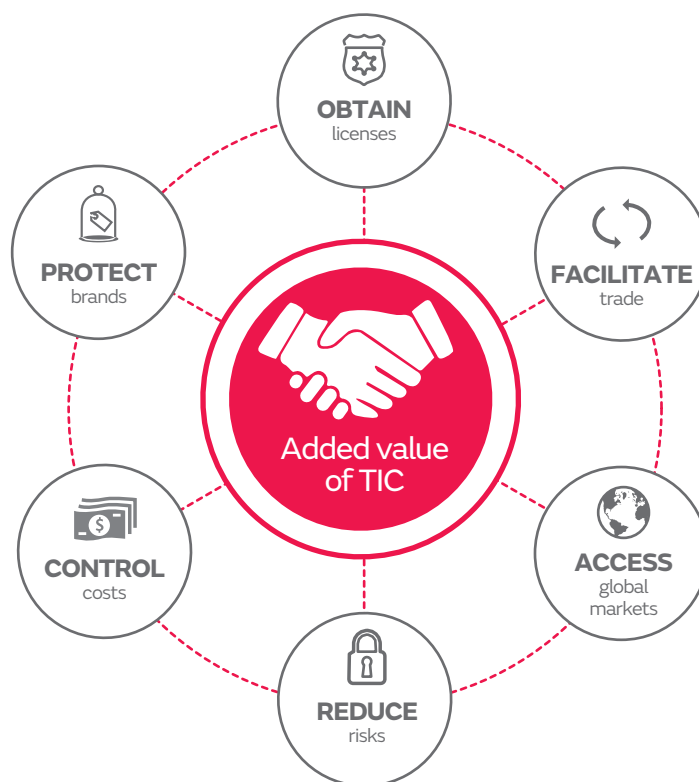
The services provided by Bureau Veritas are designed to ensure that products, assets and management systems conform to different standards and regulations in terms of quality, health,

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

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



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



Obtaining a license to operate

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

Facilitating trade

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

Accessing global markets

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

Reducing risks

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

Keeping costs in check

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

Protecting brands

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

Services

Bureau Veritas offers three main types of services:

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

The Group's services cover:

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

Clients

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

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

Organization

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

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

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

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

Changes in the organization of the Group's businesses

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

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

The Group continued to adapt its organization in 2017. The Government Services & International Trade division was absorbed into the CIF division: government services and international trade were integrated into the Agri-Food & Commodities business, and automotive activities into the Industry business. In addition, most of the Inspection & In-Service Verification business was allocated to Construction 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 1.6 – Presentation of business activities of this 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. Eduardo Camargo took up this office on February 1, 2019 but has been a member of the Executive Committee for 13 years. Within the scope of his recent appointment, he is responsible for reinforcing the Group's sales and client culture and for supporting the Group's

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

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

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

1.2 Selected financial information

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

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

SELECTED INCOME STATEMENT DATA

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

(a) Alternative performance indicators.

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

RECONCILIATION OF OPERATING PROFIT WITH ADJUSTED OPERATING PROFIT

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

(a) Alternative performance indicators.

SELECTED CASH FLOW DATA

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

(a) Alternative performance indicators.

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Presentation of the Group

1.2 Selected financial information

SELECTED STATEMENT OF FINANCIAL POSITION DATA

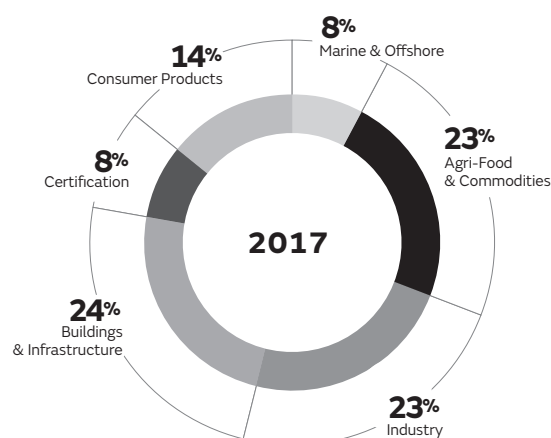
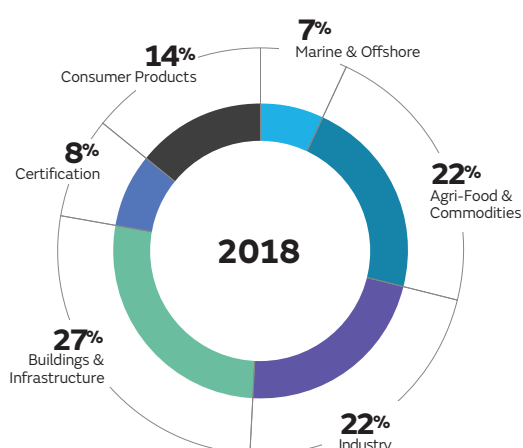
(€ millions)	2018	2017	2016
Total non-current assets	3,367.4	3,361.2	3,401.4
Total current assets	2,728.9	1,987.8	2,693.8
Total assets	6,096.3	5,350.2	6,095.2
Total equity	1,007.6	1,013.1	1,243.0
Total non-current liabilities	3,205.5	2,809.9	3,040.5
Total current liabilities	1,883.2	1,526.2	1,811.7
Total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

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

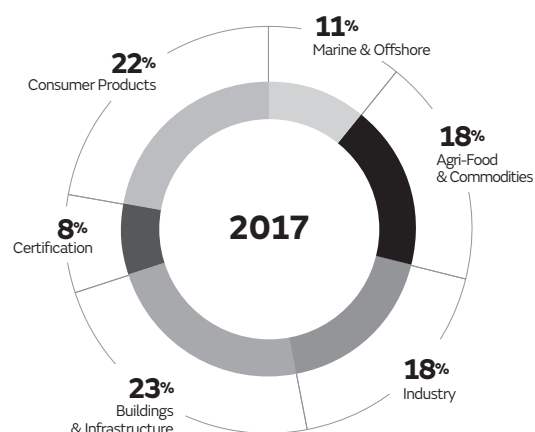
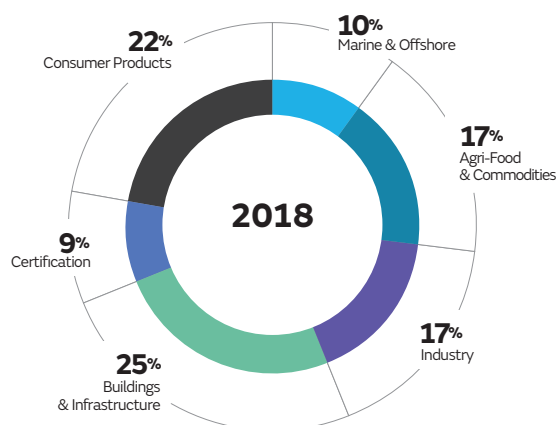
(b) Net financial debt after currency hedging instruments as defined in the calculation of bank covenants.

Revenue and adjusted operating profit by business

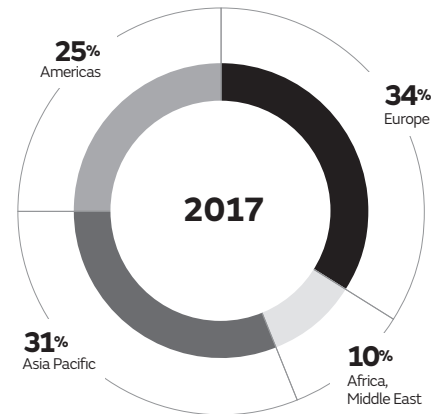
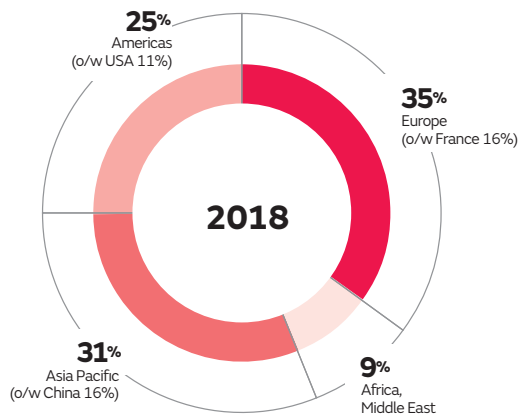
REVENUE



ADJUSTED OPERATING PROFIT



Revenue by geographic area



1.3 History

1828: Origins

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

1920: Modern industrial revolution

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

1960: Technical progress

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

1990: Diversification and worldwide expansion

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

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

2007: Initial public offering (IPO)

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

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

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

2015: New strategic roadmap

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

2017: 2020 ambition reaffirmed

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

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

Changes in ownership structure

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

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

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

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

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

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

1.4 The TIC industry

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

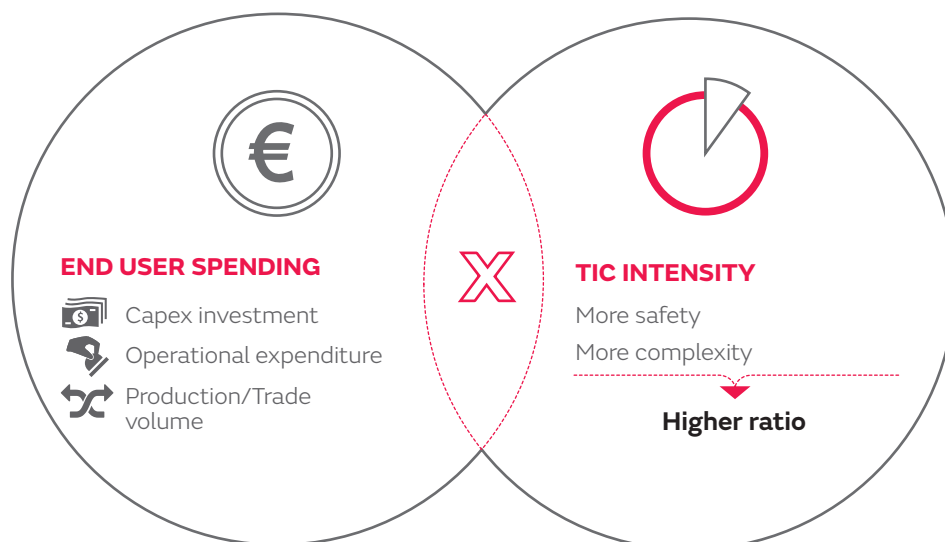
1.4.1 A market worth an estimated €200 billion plus

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

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

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

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

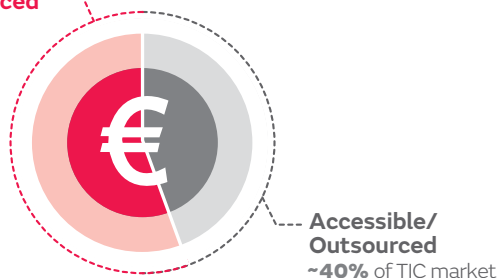


1 Presentation of the Group

1.4 The TIC industry

The TIC market
> €200BN

**Government/
 Insourced**



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

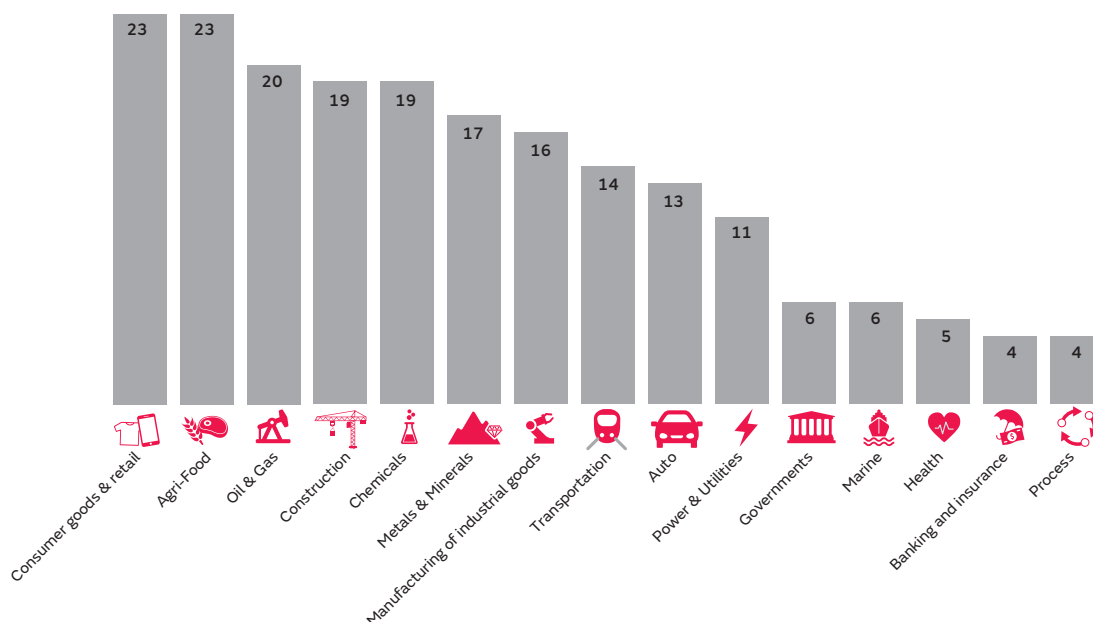
- the accessible (outsourced) market, where services are provided by specialized private organizations or firms, such as Bureau Veritas;
- the internal (insourced) market, where the companies themselves perform these services as part of quality control and assurance; along with the market served by public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

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

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

The TIC market

In € billions



THE TIC MARKET

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

1.4.2 Evolving growth drivers

TIC market growth is driven by six main factors:

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

Global economic growth continues to influence the market

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

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

1.4.3 High barriers to entry

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

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

Long-term structural trends

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

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

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

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

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

1.4.4 Regional, national or global markets

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

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

throughout the world and increase their presence on local markets.

In light of the Group's global network, its position as one of the world leaders in each of its businesses and its experience in carrying out acquisitions, Bureau Veritas is well placed to be one of the main actors in TIC consolidation. A more detailed description of the Group's acquisition strategy is provided in section 1.5.6 – Acquisitions: an active and selective external growth strategy of this 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 and international trade	Low	Four main players for government services.
Industry	High	A few large European or global players. A large number of highly specialized local players.
Buildings & Infrastructure	High	A few regional players. A large number of local players.
Certification	High	A few global players and quasi-state-owned national certification bodies, and many local players.
Consumer Products	Medium	A relatively concentrated market for toys, textiles and hardline products. Fragmented markets for electrical products and electronics.

1.5 Strategy and objectives

1.5.1 Key competitive advantages

An efficient international network

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

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

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

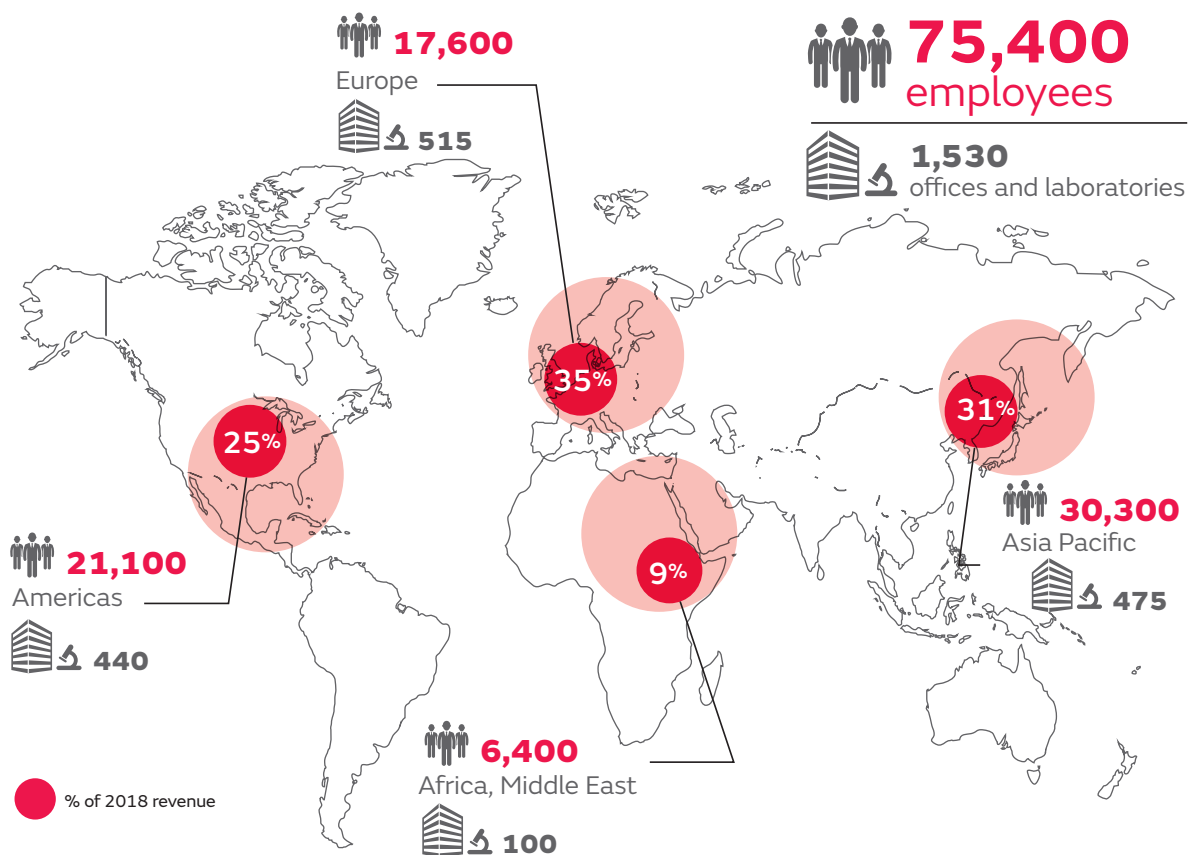
The Group's scale is one of its core assets, providing value and differentiation both commercially and operationally.

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

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

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

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



A strong brand image of technical expertise and integrity

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

Technical expertise recognized by the authorities and by many accreditation bodies

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

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

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

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

A profitable, cash-generating growth model

Bureau Veritas' financial model has the following four characteristics:

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

1.5.2 Five-pillar strategy

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

1. Expand market coverage through key Growth Initiatives

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

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

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

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

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

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

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

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

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

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

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

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

1.5.3 Initiatives to accelerate growth

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

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

1. Buildings & Infrastructure⁽¹⁾

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

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

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

3. Agri-Food⁽¹⁾

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

4. Automotive⁽¹⁾

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

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

5. SmartWorld⁽¹⁾

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

6. Certification global contracts

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

7. Marine & Offshore

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

8. Adjacent segments – retail and mining

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

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

1.5.4 Two key markets: the United States and China

United States

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

The Group's strategy has three main focuses:

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

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

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

China

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

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

1.5.5 Four major factors

Human capital

Motivated and skilled employees

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

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

An experienced management team

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

Key account management

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

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

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

Excellence@BV

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

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

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

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

The Lean approach takes the form of six strategic initiatives:

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

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

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

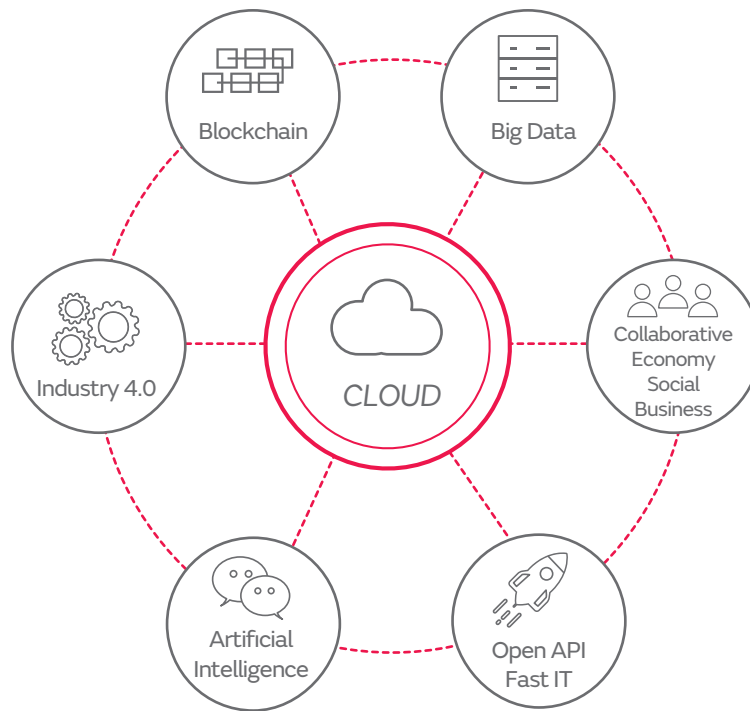
- (1) reducing the cost of the goods or services which Bureau Veritas buys, particularly by leveraging volumes through global contracts;
- (2) creating an actionable supplier database. This means reducing the number of suppliers and purchasing contracts put in place;
- (3) ensuring compliance with clearly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

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

Digital@BV

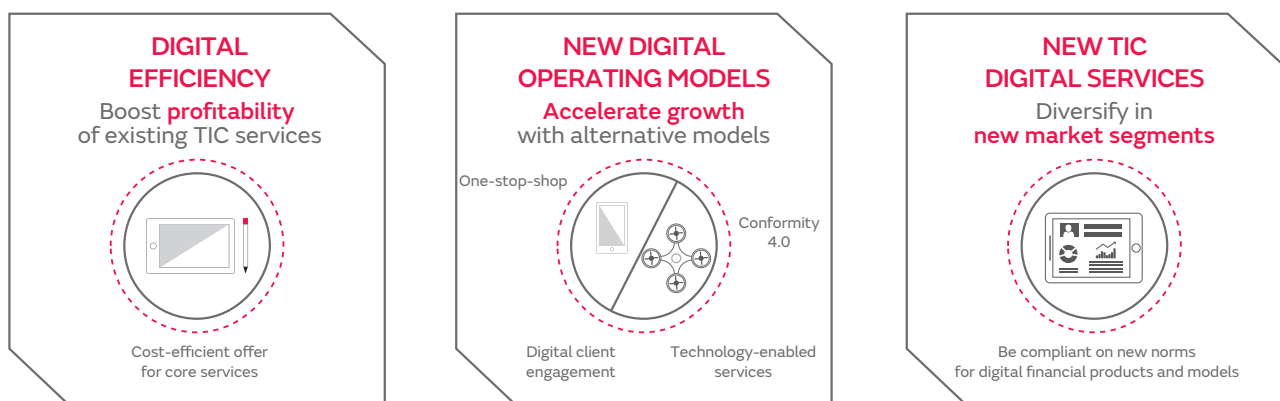
Digitalization to improve efficiency and drive growth across all businesses

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



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

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



Innovation program to incubate all new technologies

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

Digital efficiency

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

Digital collaboration platform

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

Integrated operating platform

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

Streamlined laboratory systems

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

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

New digital operating models

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

Marine & Offshore

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

Consumer Products

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

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

Buildings & Infrastructure

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

Industry: Opex services

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

Agri-Food

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

DataLab

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

Development of partnerships with digital players

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

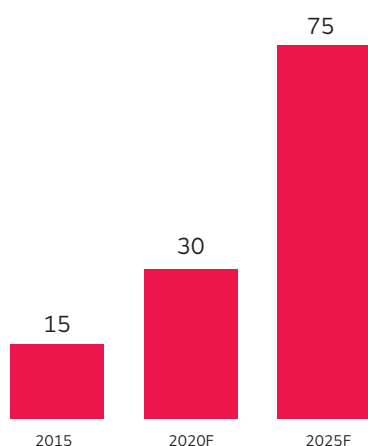
New Digital TIC Services

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

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

EVOLUTION OF THE NUMBER OF IOT OBJECTS

(in billions)

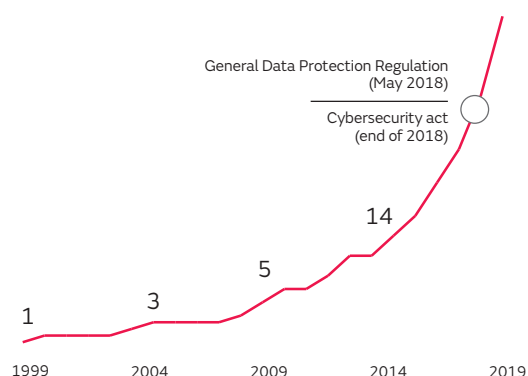


In this context, Bureau Veritas offers the market **management systems certification** which include cybersecurity:

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

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

EVOLUTION OF THE NUMBER OF DIGITAL NORMS



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

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

1.5.6 Acquisitions: an active and selective external growth strategy

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

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

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

which are described in section 1.3 – History in this chapter of the 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 2018, Bureau Veritas made six acquisitions, representing cumulative annual revenue of around €85 million.

1.5.7 2020 Ambition

Bureau Veritas' 2020 financial ambition is as follows:

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

The Group is also committed to its non-financial performance, and measures its progress through the various indicators set out in Chapter 2 of this 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)⁽³⁾;
- **Inclusion:** Achieve 25% of women in the Group's executive management team;
- **Environment⁽⁴⁾:** Reduce CO₂ emissions by 10% per full-time equivalent employee, increase the use of renewable energies by 10% and have 75% of the Group's businesses ISO 14001 certified (environmental management).

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

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

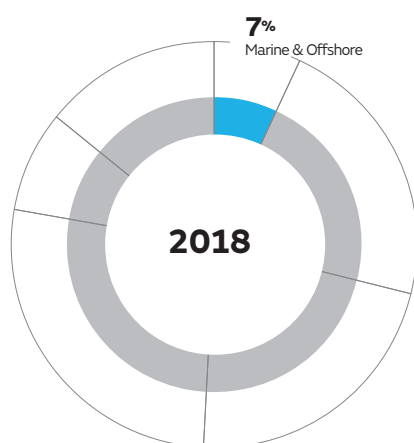
(3) Compared to 2014 consolidated results.

(4) Compared to 2015 consolidated results.

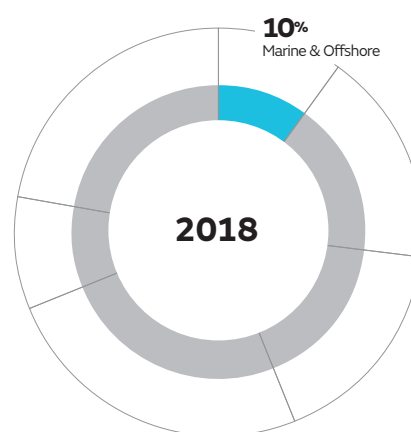
1.6 Presentation of business activities

1.6.1 Marine & Offshore

GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT



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

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

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

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

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

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

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

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

Worldwide network

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

A highly diverse fleet classed by Bureau Veritas

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

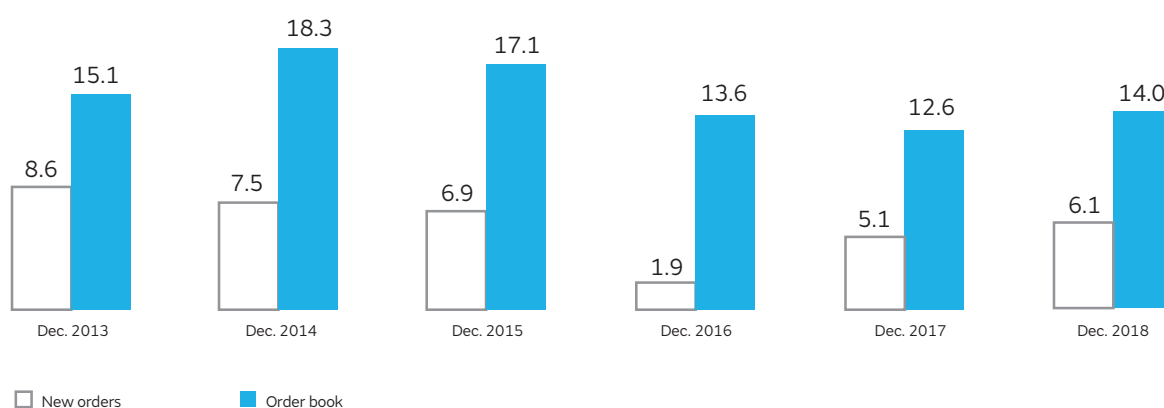
A diversified and loyal client base

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

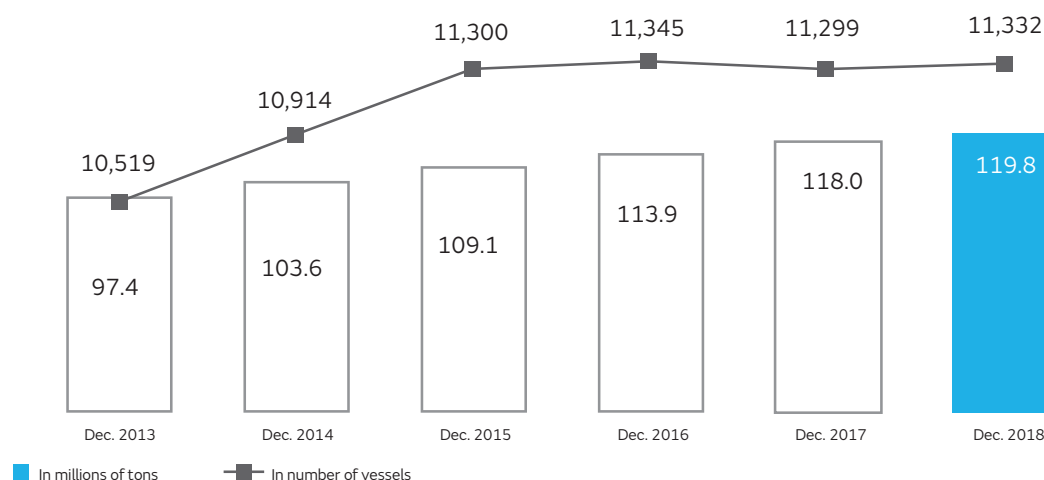
- shipyards and shipbuilders around the world;
- equipment and component manufacturers;
- shipowners;
- oil companies and Engineering, Procurement, Installation and Commissioning (EPIC) contractors involved in the construction and operation of offshore production units;
- insurance companies, P&I clubs⁽¹⁾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

Changes in the order book

in millions of gross registered tonnage (GRT)



Changes in the Group's in-service fleet



(1) Protection & Indemnity.

A changing market

A changing regulatory environment

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

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

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

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

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

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

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

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

- digitalization; and
- high value-added services.

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

Digital innovations focused on performance

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

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

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

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

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

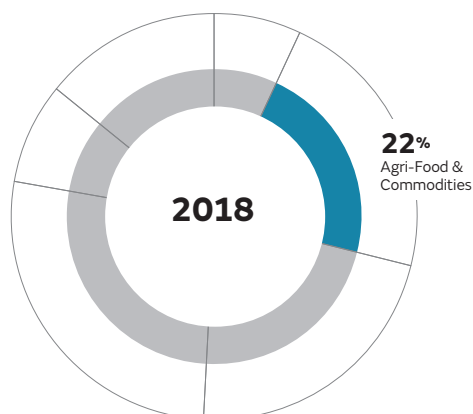
Partnering our clients beyond the regulatory and compliance field

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

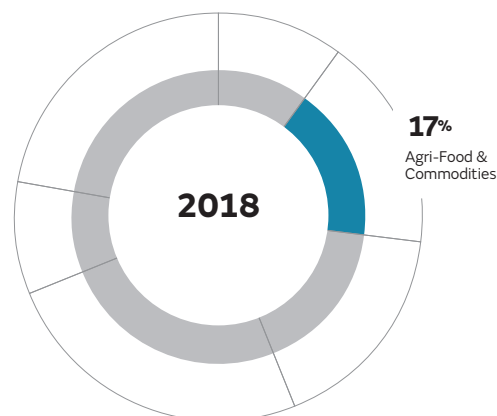
In 2018, the division launched **Bureau Veritas Solutions Marine & Offshore** to consolidate this range of services under a common banner. Objectives include providing stronger support to Group clients with regard to changes in regulations, particularly environmental regulations (identification of hazardous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

1.6.2 Agri-Food & Commodities

GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT

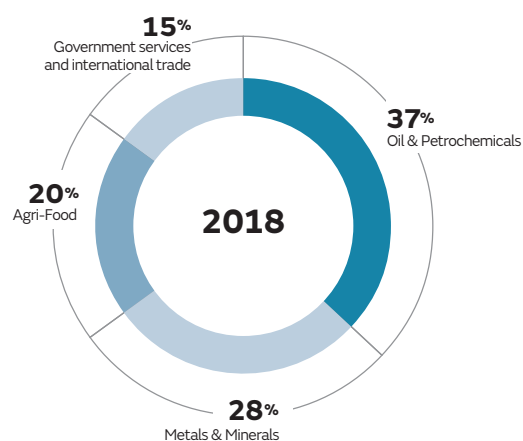


The Commodities business provides a wide range of inspection and laboratory testing services in three main market segments: Oil & Petrochemicals, Metals & Minerals (including coal) and Agri-Food. The Group has a diversified business portfolio covering all commodities at each stage of the production cycle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

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

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

REVENUE BY BUSINESS SEGMENT



Oil & Petrochemicals

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

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

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

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

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

Extensive global coverage and a key presence in major refining centers

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

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

Metals & Minerals

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

These services can be split into two categories:

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

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

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

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

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

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

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

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

Leading-edge laboratories

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

Agri-Food

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

These services can be split into three categories:

Upstream agricultural services

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

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

Agricultural commodities inspection and testing

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

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

Grading and laboratory analyses determine product quality and phytosanitary condition.

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

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

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

Food inspection and testing

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

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

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

Government services and international trade

A comprehensive and diversified portfolio of services

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

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

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

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

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

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

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

A changing market

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

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

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

Established presence with major companies and governments

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

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

Solid competitive advantages

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

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

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

A leading position built through acquisitions

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

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

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

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

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

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

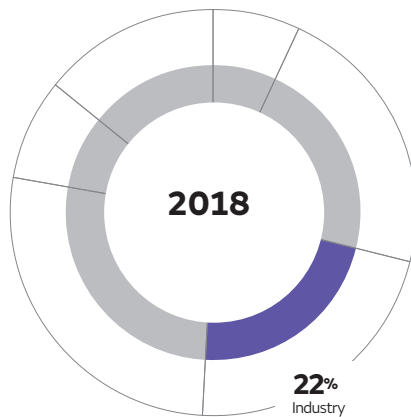
In the Metals & Minerals segment, Bureau Veritas' priority is still to provide a coherent, comprehensive offer, develop new services and optimize the Group's geographic presence. Its ambition is to increase its market share in trade-related inspections and in testing services through an expanded network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

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

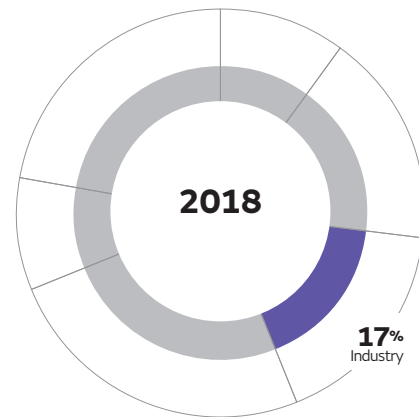
In terms of government services and international trade, the Group's strategy is based on supporting the transition to Single Windows. Recommendations by international organizations encourage governments to set up secure web platforms to restructure and simplify government services. Single Windows facilitate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

1.6.3 Industry

GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT



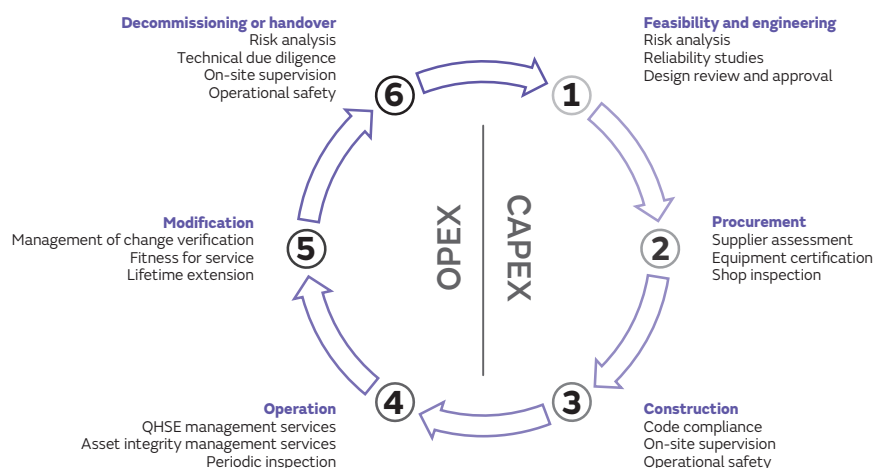
A portfolio of services covering the entire asset lifecycle

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

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

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

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



Broad coverage of industrial markets

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

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

A fairly diversified client base

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

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

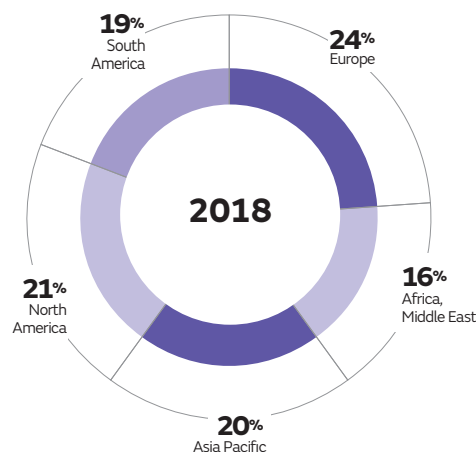
The Group's biggest client in its Industry business operates in the Oil & Gas sector and accounts for around 3% of divisional revenue.

A global presence and significant exposure to high-potential regions

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

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

REVENUE BY GEOGRAPHIC AREA



Key market growth factors

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

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

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

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

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

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

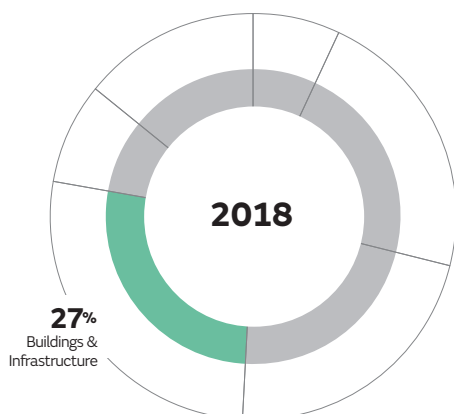
In terms of diversification, it has identified key markets such as Power & Utilities, Transport, Automotive and Chemicals, offering significant growth potential.

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

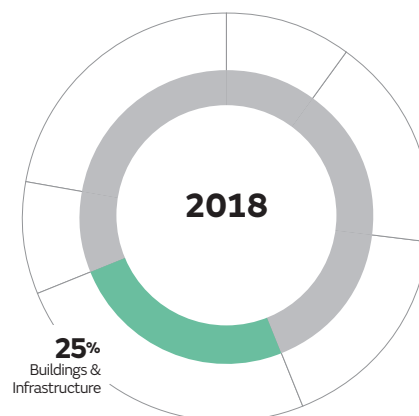
The automotive market is having to contend with several deep-seated trends, including the relocation of production and consumption to emerging countries and the fundamental shift to "smart" cars and electric technologies. These trends will generate additional needs for TIC services. Bureau Veritas has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

1.6.4 Buildings & Infrastructure

GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT



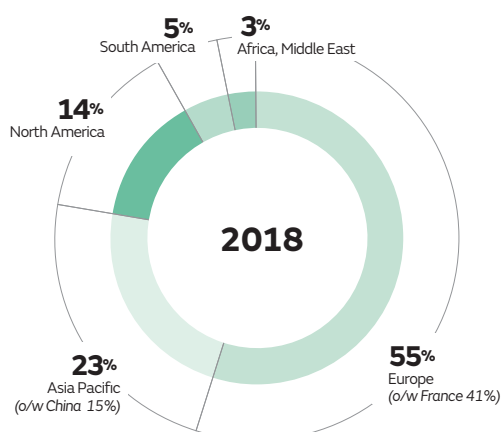
Bureau Veritas services in Buildings & Infrastructure cover the entire construction value chain. The Group's solutions are structured to support the life cycle of the different assets, from planning and design, through procurement of components, equipment and services to construction and operation. In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

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

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

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

REVENUE BY GEOGRAPHIC AREA



In-Service Inspection & Verification (Opex)

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

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

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

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

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

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

World leader

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

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

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

A market that benefits from structural growth drivers

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

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

A strategy focused on geographic expansion, innovation and productivity gains

Continuing to improve the geographic balance

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

Developing services focused on performance management assistance for real estate assets

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

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

Service quality excellence and improved profitability

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

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, engineers and construction firms, and help them attain the quality, safety and performance objectives for their projects while complying with regulations and the best international standards.

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

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

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

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

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

A global leader in compliance assessment for the construction market

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

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

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

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

Geographic expansion supported by a strong record of acquisitions

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

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

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

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

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

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

An innovative portfolio of services tailored to new client requirements

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

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

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

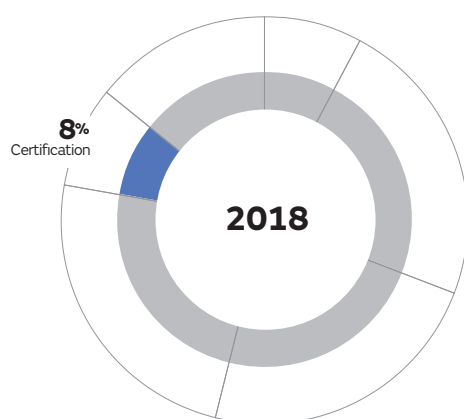
As for the infrastructure asset management services, the Group in Brazil is performing an integrated technical assistance to one of the largest highway concessionaire in the country for monitoring and controlling the status of the different assets comprising the highway infrastructure. Bureau Veritas'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

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

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

1.6.5 Certification

GROUP REVENUE



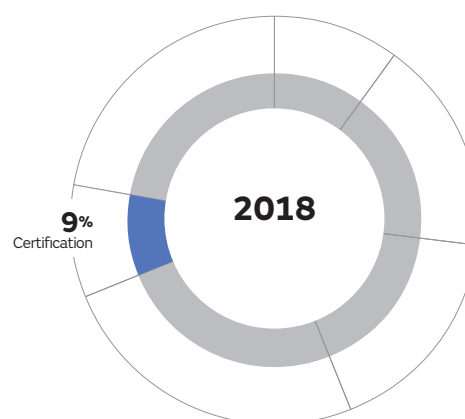
A full range of customized audit and certification services

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

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

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

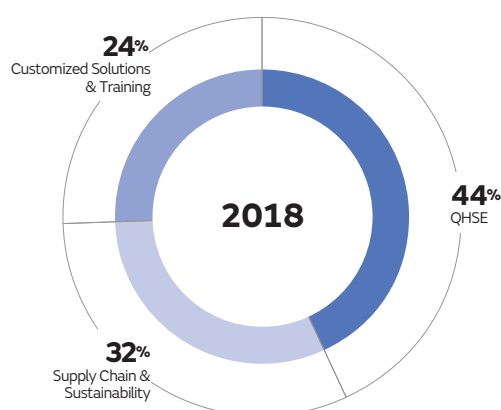
GROUP ADJUSTED OPERATING PROFIT



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

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

REVENUE BY BUSINESS SEGMENT



A resilient market

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

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

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

End of the transition to new QHSE and Transportation standards

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

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

A diversified client portfolio

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

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

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

Market position

A front-ranking player

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

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

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

Bureau Veritas boasts strong competitive advantages:

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

A strategy focused on key accounts and new product development

Increase business with key accounts

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

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

Development of new products and services

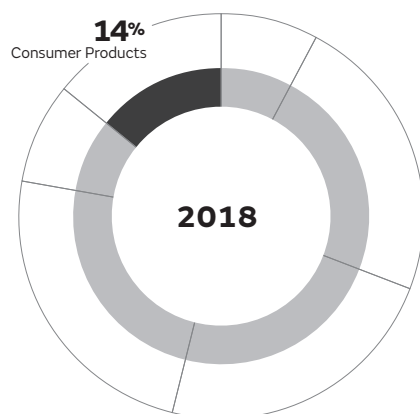
In March 2018, the International Standard Organization (ISO) released the ISO 45001:2018 management systems standard on Health & Safety. To assist its clients in implementing ISO 45001, Bureau Veritas developed bespoke client services which include online training, self-assessment tools and pre-audits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

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

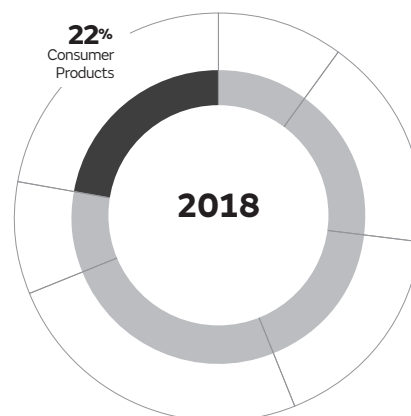
Bureau Veritas is also stepping up the drive to digitalize its services through several solutions. These include e-learning solutions for training services on the e-commerce platform allowing small and mid-sized business clients to purchase their certification services directly online and benefit from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

1.6.6 Consumer Products

GROUP REVENUE



GROUP ADJUSTED OPERATING PROFIT



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

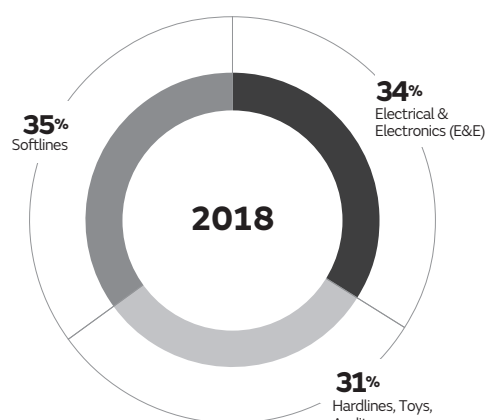
The Group provides quality management solutions and compliance assessment services for the consumer products manufacturing and supply chain. These solutions and services, which include inspection services, laboratory testing and product certification, as well as production site and social responsibility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

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

The main product categories include:

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

REVENUE BY PRODUCT CATEGORY



The Group provides services:

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

A concentrated and loyal client base

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

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

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

A market driven by innovation and new regulations

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

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

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

Leading positions in key market segments

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

A particularly robust presence in the US

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

Growth in market share in Europe

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

A growth strategy focused on domestic markets in Asia

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

Unique supply chain quality management solutions

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

A breakthrough in wireless technologies and SmartWorld

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

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

A new platform in the Automotive sector

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

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

1.7 Accreditations, approvals and authorizations

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

Marine & Offshore (M&O) division

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

Commodities, Industry & Facilities (CIF) division

Industry & Facilities

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

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

All such accreditations and approvals are regularly renewed upon expiration.

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

Commodities

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

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

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

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

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Presentation of the Group

1.8 Material contracts

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

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

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

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

Consumer Products (CPS) division

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

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

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

1.8 Material contracts

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

1.9 Research and development, innovation, patents and licenses

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

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

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

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

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

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

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

1.10 Information and management systems

The Group's IT department is responsible for:

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

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

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

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

1.11 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 Registration Document, before taking any investment decisions. At the date this Registration Document was filed, the risks presented below are the main risks which the Group believes could have a significant adverse effect on the Group, its businesses, its financial position, its results 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 4.4 of this Registration Document.

The Group has also taken out various insurance policies, as described in further detail in section 1.13 – Insurance of this 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.

However, other risks may exist or may come to exist that could have the same adverse impact but are not known by Bureau Veritas at the date of this Registration Document, or that are 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 were they to materialize.

The risk factors shown are sorted into the following six risk categories:

- risks relating to the Group's operations and activities;
- risks relating to new technologies and information systems;
- risks relating to governance and integrity;
- risks relating to acquisitions;
- financial and market risks;
- human risks.

Within each category and sub-category, risk factors are presented in decreasing order of importance as determined by the Company at the date of the Registration Document, taking into account the probability that the risk will materialize and its impact on the Group, its businesses, its financial position, its earnings and/or its outlook. The order of importance as determined by Bureau Veritas could change at any time, in light of new external facts or circumstances that may emerge and/or trends in the Group's businesses.

For certain risks, references are made to specific chapters or sections of this 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 4.4 of this Registration Document.

1.11.1 Risks relating to the Group's operations and activities

Risks related to the Group's competitive environment and innovation

Risks related to the geopolitical environment

Legal risks

Risks related to changing regulations

Risks related to litigation or pre-litigation proceedings to which the Group is a party

Risks related to the Group's business insurance coverage

Risks related to the non-renewal, suspension or loss of certain Authorizations

Risks related to outsourcing and subcontracting

Risks related to international economic sanctions

Risks related to the macroeconomic environment

1.11.2 Risks relating to new technologies and information systems

Risks related to information systems, data protection and cybersecurity

Risks related to technological change

1.11.3 Risks relating to governance and integrity

Risk of ethical violations

Image and reputational risk

Risks related to the production of forged certificates

1.11.4 Risks relating to acquisitions

Risks related to Group acquisitions

Risk of impairment of intangible assets resulting from acquisitions

1.11.5 Financial and market risks

Counterparty and credit risk

Risks related to taxation

Currency risk

Liquidity risk

Risks related to Group debt, sources of financing and commitments

Interest rate risk

1.11.6 Human risks

Risks related to human capital

Risks related to health and safety

1.11.1 Risks relating to the Group's operations and activities

Risks related to the Group's competitive environment and innovation

Description

The markets in which the Group is present are subject to intense competition which could increase in the future.

The Group's main competitors operate at national or global level on one or more of the Group's markets and may, given their scale, possess more financial, commercial, technical or human resources than the Group. These competitors may in the future adopt aggressive pricing policies, diversify their service offering or develop increased synergies within their range of services. They may develop long-term strategic or contractual relationships with current or potential clients in markets where the Group is present or seeking to develop its business, or even acquire companies or assets representing potential targets for the Group. As a result, Bureau Veritas could lose market share and its profitability could be affected if it were unable to offer prices, services or quality of service at least comparable to those offered by its competitors, or if it were unable to take advantage of new commercial opportunities. A sharp increase in competition on the Group's markets could therefore result in decreased revenue, a loss of market share and/or a decline in profitability, and could thus have a significant adverse effect on the Group's business, financial position, earnings or outlook.

The Group's competitiveness could also be adversely impacted if its innovation efforts proved inadequate relative to its competitors. The environment in which Bureau Veritas carries on its businesses is in fact constantly changing owing to the emergence of new technologies and services. The Group may not be able to anticipate these changes satisfactorily or make the technological adjustments needed to preserve its competitiveness, maintain a high level of performance and operational excellence, and best meet the needs and demands of its clients. This could have a significant adverse effect on the Group's business, financial position, earnings or outlook.

Risk management

Bureau Veritas works tirelessly to ensure it remains a world-leading provider of Testing, Inspection and Certification services. The central Corporate Development team is in charge of innovation and strategy in close collaboration with the operating units and with the aim of strengthening the Group's competitive edge. This team also carries out a periodic review of the businesses and strategies of the Group's major competitors in the TIC industry so that these are factored into their strategic approach.

Bureau Veritas has rolled out a large number of organic growth initiatives in order to develop its business in the most attractive market segments. Updates are given regularly on these initiatives, mainly during tri-annual operating reviews.

To limit the impact of these risks, Bureau Veritas also carries out acquisitions and develops partnerships on certain programs.

In innovation, a digital transformation plan was incorporated into the Group's 2020 strategy. The first results of the plan (integration of new technologies within the Group's businesses, creation of new offerings combining digital and personal services, enhanced testing and certification capabilities for digital products and services) are presented in "Risks related to technological change" in section 1.11.2 of this Registration Document.

Risks related to the geopolitical environment

Description

Given the variety and number of regions in which the Group operates, its businesses may be affected by political change or instability (elections, referendums, presidential or governmental regime change, etc.), social unrest, terrorist attacks, riots, war, and health crises (epidemics and pandemics). These risks could have an adverse impact on the viability or continuity of the Group's businesses in one or more countries (e.g., suspension or cessation of business operations, arbitrary change in the financial, tax and regulatory environment, and employee exposure to administrative or legal proceedings).

Risk management

The Group endeavors to diversify the geographic footprint of its businesses in order to reduce its exposure to the risks described above. By engaging in ongoing diplomatic and commercial efforts, the Group is better able to anticipate crises, and with the help of its internal and external counsel, makes sure that its contracts and agreements are secure.

Bureau Veritas has also set up an internal and external intelligence unit to anticipate events, along with a crisis management procedure enabling all stakeholders to quickly respond to a crisis and limit any potential consequences. A Crisis Alert Committee has been set up for this purpose. It provides any manager facing a crisis situation with immediate assistance in organizing an appropriate response.

To better protect itself against such risks, safety and security plans also exist. In this respect, guides and information are circulated to raise awareness of safety and security issues, training is given to safety and security teams, security at Group sites is reinforced, and a travel ban is enforced for countries considered high-risk.

Changes in the geopolitical environment could lead Bureau Veritas to suspend business operations in certain countries, as is the case for example in Iran and Benin.

The Group cannot however ensure that it will be able to develop and apply procedures, policies and practices allowing it to anticipate or control these risks or manage them effectively. In this case, its business, financial position, earnings or growth prospects may be adversely affected.

Legal risks

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.

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.

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 in such a manner that the Group can no longer do business in those countries.

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 become the object of multiple litigation proceedings and may be required to pay substantial damages and interest 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 regulation to be overly restrictive.

In general, the Group cannot guarantee that rapid and/or important changes in current regulations will not have a significant adverse effect on its business, financial position, earnings or outlook in the future.

Risk management

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 International Federation of Inspection Agencies (IFIA), and the International Association of Classification Societies (IACS), Bureau Veritas is able to keep informed of any such regulatory changes.

Risks related to litigation or pre-litigation proceedings to which the Group is a party

Description

In the normal course of some of its businesses, the Group is involved with respect to some of its activities in a large number of litigation or pre-litigation proceedings seeking to establish its professional liability. Although the Group takes care to manage risks and ensure the quality of the services it provides, certain disputes involving the Group may give rise to material financial penalties, result in its criminal liability being invoked, and/or have an adverse impact on its reputation and image.

Due to the French Spinetta Law of January 4, 1978 which establishes a presumption of joint and several liability for technical inspectors, there is a high and recurring claim rate to which Bureau Veritas' Construction business in France is particularly exposed. The Group's other businesses are not subject to a presumption of liability, and the various litigation proceedings to which the Group is party are proportionately fewer than for the Construction business in France with regard to the number of services provided.

In professional civil liability litigation, there may be a substantial delay between the date the services are provided and the date a claim is filed.

We cannot rule out that new claims may be made against Bureau Veritas in the future leading to substantial liability for the Group and this could have a significant adverse effect on the Group's business, financial position, earnings or outlook. A detailed description of major litigation proceedings to which the Group is party is provided in section 1.12 – Legal, administrative and arbitration procedures and investigations of this Registration Document.

Risk management

Bureau Veritas has implemented procedures aimed at preventing, monitoring and managing litigation. These procedures are described in section 4.4 – Internal control and risk management procedures of this Registration Document.

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 5.1 – Consolidated financial statements, Note 25 – Provisions for liabilities and charges of this Registration Document.

Risks related to the Group's business insurance coverage

Description

The Group seeks to adequately insure itself against all financial consequences of claims asserting professional civil liability. However, there can be no guarantee that all claims made against the Group or all losses incurred are or will be effectively covered by its insurance, or that the policies in place will always be adequate to cover all costs and financial penalties that may result from such proceedings. Insurers may also look to reduce or challenge damage claims filed by the Group. In the event of claims which are not covered or which significantly exceed the insurance policy coverage, or in the event of a significant repayment claim from insurers, the related costs and rulings could have a significant adverse impact on the Group's business, financial position, earnings or outlook.

The insurance premiums paid by the Group over the last five years have remained fairly stable while the coverage terms have been extended – despite growth in the Group's business. However, the insurance market could evolve in a manner unfavorable to the Group, or several events could occur giving rise to substantial damage claims in a given year, generating an increase in premiums or making it impossible or much more expensive to obtain adequate insurance coverage. These factors could result in a substantial increase in insurance costs, or possibly cause the Group to withdraw from certain markets, which could have a significant adverse impact on the Group's business, financial position, earnings or outlook.

Risk management

Wherever possible, the Group continues to take out worldwide insurance policies by increasing coverage where appropriate and putting in place operational risk management procedures. The Group seeks to build long-term relationships with its insurers in order to obtain the best possible coverage for its businesses.

The Group's Legal Affairs & Audit department is responsible for setting up and monitoring global insurance policies. Claims made against the Group must be systematically reported to the Legal, Risk & Compliance department so that the Group's insurers can be promptly informed. As part of its acquisitions process, the Group reviews risks and insurance to ensure that adequate policies are in place within all of the Group's entities.

A detailed presentation of the Group's insurance policies is provided in section 1.13 – Insurance of this Registration Document.

Risks related to the non-renewal, suspension or loss of certain Authorizations

Description

A significant part 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 and international trade 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 real or perceived conflicts of interest, 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.

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.

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 (the "Contracts") signed with or granted by governments or public authorities.

At the date this Registration Document was filed, the Group had around 50 Contracts, most of which involved services for countries in Africa, the Middle East and Asia. These Contracts 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.

Risk management

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, Industry and Marine & Offshore businesses, through optimum organization and implementation of control tools (especially employee qualification management and supervision, Internal Audit management, a shared service center 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.

Measures are also in progress to reinforce the centralized management of international Authorizations and streamline their geographical footprint in order to limit the Group's exposure to the risk of losses. Internal initiatives aimed at raising awareness of potential conflicts of interest 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 1.7 – Accreditations, approvals and authorizations and section 4.4 – Internal control and risk management procedures of this Registration Document.

Risks related to outsourcing and subcontracting

Description

The Group regularly uses subcontractors to carry out its activities in fields where it does not have the necessary resources (personnel, skills, equipment, etc.) or adequate geographical coverage, Authorizations or expertise to fulfill a contract or comply with local regulations. Subcontracting requests are issued by the local line managers in charge of assessing the resources needed to respond to calls for tender or in certain cases other needs at the level of the Group.

Subcontracting is common practice in the industry but represents a risk which must be closely tracked according to the Group's own quality standards. The risk of failure or unlawful practices by its subcontractors could cause the Group to violate contractual provisions or applicable regulations, and may lead to the loss of certain Authorizations or could raise compliance issues (corruption, fraud, conflicts of interest, data protection, integrity, etc.). This could have a significant adverse effect on the Group's business, financial position, earnings or outlook.

Risk management

To manage its risks related to outsourcing and subcontracting, the Group reviews its subcontractors in carrying out the Group's business. The Group's Commitment Committees may also be called on to analyze and prevent certain situations that could lead to risks or conflicts of interest.

On formalizing their relationship with the Group, subcontractors are required to sign a subcontracting agreement which contains numerous compliance clauses, notably regarding respect for the Group's Code of Ethics. They are also required to provide a high quality of service and to comply with strict payment terms with regard to expenses and fees due.

Risks related to international economic sanctions

Description

Certain countries in which the Group may operate could be subject to economic sanctions, embargoes or other restrictive measures provided for by the laws and regulations of certain governments or international organizations. In particular, the European Union and the United States have adopted a number of regulations seeking to limit trade with certain countries, especially Iran, Syria and Russia. The Group considers that its operations in the countries concerned do not infringe the economic sanctions adopted by a Member State or other member of the international community. However, the Group cannot guarantee that current or future regulations in terms of economic sanctions will not have a significant adverse effect on its business, financial position, or reputation. In 2018, changes in US regulations imposing sanctions on Iran led the Group to terminate all of its business in that country. A breach of these regulations could result in material civil, criminal and/or financial penalties for the Group.

Risk management

The Group conducts frequent regulatory monitoring and identification of risks associated with international sanctions. It has established specific control procedures and awareness-raising programs so that it may conduct its business in compliance with applicable rules and regulations. It also maintains regular contact with the competent authorities.

Risks related to the macroeconomic environment

Description

The Group is present in almost 140 countries through a network of over 1,500 offices and laboratories. Through its six global businesses (Marine & Offshore, Agri-Food & Commodities, Industry, Buildings & Infrastructure, Certification, and Consumer Products), the Group offers its clients services in numerous sectors of the economy. While the Group's business is diversified and fairly resilient to different economic cycles, it is sensitive to changes in the overall macroeconomic environment. Demand for the Group's services, the price of those services and the margin they represent, are directly related to the level of its clients' business activity, which itself is sensitive to global economic growth.

Developments in certain sectors of the world economy may also have a significant impact on some of the Group's businesses. In particular, developments in international trade could impact the Marine & Offshore, Agri-Food & Commodities and Industry businesses; investments in the oil and gas and mining sectors could particularly impact the Industry and Agri-Food & Commodities businesses; household consumption could impact the Consumer Products business, and new building construction in industrialized and fast-developing countries could impact the Buildings & Infrastructure business.

In light of the Group's broad geographic presence, particularly in emerging countries, its business may be sensitive to inflation trends, recession and financial market volatility in these countries.

By impacting commercial flows between countries and reducing the technical obstacles to trade, free trade agreements could have an adverse impact on demand for tests, inspections and certification.

Macroeconomic trends and an economic slowdown are currently affecting several of the Group's markets, for example Marine & Offshore is affected by a decline in maritime transport linked to international trade, while Agri-Food & Commodities and Industry are suffering from the effects of commodity price volatility, with low oil prices triggering a slowdown in investment spending. These factors could have a significant adverse impact on the Group's business, financial position, earnings or outlook.

1

Presentation of the Group

1.1.1 Risk factors

Risk management

The Group's presence on geographically diverse markets and in a wide range of sectors reduce its sensitivity to a downturn in a given market.

The relevant indicators for measuring global trade volumes, investments and consumption are monitored by regional heads and heads of the operating businesses. These data are reviewed

by Group management at the time of the tri-annual operating reviews, in order to anticipate changes and adjust the service offering and resources accordingly.

As part of its 2020 strategy, the Group has launched a series of Growth Initiatives aimed at further diversifying its exposure to different economic sectors, particularly towards consumer products. These help to rebalance the Group's business portfolio and make it more resilient.

1.1.1.2 Risks relating to new technologies and information systems

Risks related to information systems, data protection and cybersecurity

Description

The Group's activities and processes are increasingly dependent on technical infrastructure and IT applications, which are central to the production of services. In addition, the Group's international scope requires multiple, interconnected information systems able to process increasing volumes of data. Malfunctions or shutdowns related to external threats (viruses, hacking) or internal threats (malicious acts, violation of data protection) could lead to an inability to ensure continuity of service for the critical information systems that host operating and strategic information, to lost or leaked information, delays and/or additional costs representing a risk for the Group's strategy. Furthermore, if these databases and the related back-ups were destroyed or damaged for any reason whatsoever, the Group's business could be disrupted. This could have financial consequences (loss of client contracts, penalties, etc.), consequences on the Group's reputation (disclosure of confidential and personal information) and/or legal consequences (liability with regard to legal entities and/or individuals on which the Group holds information).

As part of its business, the Group compiles and processes personal data. Regulations on personal data are becoming increasingly strict, particularly in Europe. Regulation (EU) No. 2016/679 of the European Parliament and of the Council on data protection (hereafter the "Regulation") entered into force on May 25, 2018. As well as providing for legal and IT checks, the Regulation also introduces the obligation to report any data leaks to the competent authorities. Failure to comply with such regulations could result in criminal and financial penalties for the Group and harm its reputation.

Risk management

Bureau Veritas has a groupwide strategy based on ISO 27001 that ensures it is aligned with market expectations in the context of a standardized, auditable framework. It has also designed specific operating policies in this regard. These policies roll down into operating measures, processes and techniques, which take into account constant and fast-paced changes in the nature of the threats. Despite this, there is no such thing as zero risk and the Group cannot guarantee that it will not fall victim to incidents and hacking to which it must be able to respond.

Risks related to technological change

To protect itself against malicious acts, central security systems have been devised and put in place, offering protection against

software attacks (viruses, spam, etc.), and against attempts to hack into the Group's systems. These security measures and policy are audited every year by a specialized independent company, which simulates intrusion attempts besides its audit work.

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

With regard to data processing security, the Group's main data centers are covered by a Disaster Recovery Plan (DRP) that enables them to migrate their critical software and infrastructure to an alternative data center in under 24 hours in the event of a major disaster, and with the loss in data not exceeding two hours.

In 2019, the Group will continue to upgrade its protection by installing cutting-edge systems enabling it to better protect itself against new types of attack.

Human and process risks

In terms of information security, the Group's strategy is based on ISO 27001. A series of operating policies have been established in this regard, which roll down into applicable organizational, process and technical measures (see section 2.2.5). All work carried out by the technical teams follows detailed, documented procedures applicable to the Group's four data centers. This enables teams from other centers around the world to carry out the tasks normally assigned to a different center, thus ensuring continuity of service in the event of social or geopolitical unrest.

The Group has also put in place a charter defining the rights and responsibilities of Group information system users in terms of data protection and cybersecurity. A security assurance plan has also been put in place to provide a secure basis for contractual relations with suppliers and service providers.

In 2018, training and awareness-raising initiatives targeting all Group users were rolled out to the Group's IT staff, helping to reduce vulnerability to hacking and the risk that viruses and other threats will spread. These training initiatives will be extended to the whole Group in 2019 and 2020 (see section 2.2.5).

Data confidentiality and security, particularly in terms of personal data, is one of the issues taken up in the Group's Compliance Program. This program puts in place the measures needed to enhance the Group's procedures and organization in terms of personal data protection. The same program is applicable to all Group entities and contains 68 legal and technical measures, described in further detail in section 2.2.1 of this Registration Document.

The Group's Compliance Program is described in further detail in section 4.4 – Internal control and risk management procedures of this Registration Document.

For more details concerning initiatives rolled out to reduce cybersecurity and data protection risks, see section 2.2.5 of this Registration Document. All the aforementioned initiatives help prevent and where necessary, detect, any infringement resulting from inappropriate behavior by Group employees or external parties.

Risks related to technological change

Description

The Group conducts its business on markets which are experiencing profound changes in the value chain linked to mass use of digital technologies (cloud computing, social media, drones, sensors, robots, marketplaces, artificial intelligence, blockchain, etc.).

While offering many new development opportunities, digital media are likely to result in new conditions for the Group's businesses that may reduce the scope of its operations, for example by reducing the need for inspectors' on-the-ground presence, or slow the growth of the Group's business in general. Digital media may also make some of the Group's activities obsolete, since technology is gradually replacing certain demand for tier-one tests and inspections performed by independent organizations such as Bureau Veritas. Consequently, the pace at which the Group adopts digital technologies in its businesses is key to its competitiveness in the industry and is therefore a risk factor for Bureau Veritas.

However, the rash development of certain technological solutions unsuited to the market and/or to applicable regulations on account of inaccurate forecasts of market trends or expectations or ongoing technological change, and the use of poor or unsuitable external service providers, could expose the Group to the reputational risks (decline in the quality of services offered), legal risks (penalties in the event of failure to comply with applicable regulations) and/or financial risks (unprofitable investments, loss of markets, etc.).

In certain markets, Bureau Veritas clients may lose substantial market share to digital players operating with a different business model. This loss in revenue may directly impact the Group's businesses, since demand for the Group's services, the price of those services and the margin they represent are directly linked to its clients' business levels.

More generally, the Group cannot guarantee that rapid and/or important changes in current technologies will not have significant adverse effects on its business, financial position, earnings or outlook going forward.

Risk management

To address these new challenges, a digital transformation plan was incorporated into the Group's 2020 strategy under the responsibility of the Chief Digital Officer. The plan identifies three main priorities and has already delivered some initial results:

- *Digital efficiency*: increase and optimize the Group's capabilities in its existing businesses thanks to digital technologies (roll-out in 2018 of collaborative digital operational platforms, streamlined cloud-based laboratory systems, etc.);
- *New digital operating models*: support the Group's organic growth goals by putting in place digital platforms for rolling out global services for customers and their ecosystems thanks to systematic internal and external data mining (roll-out in 2018 of InSpec by BV, an e-commerce platform for inspections and audits of consumer product suppliers; digital services associated with Building Information Modeling and with key project management assistance in the Buildings & Infrastructure sector (PRIManager); operational and service platforms in precision farming; 3D classification in Marine & Offshore; and development of new services based on artificial intelligence in numerous sectors);
- *New TIC for the digital economy*: develop new TIC capabilities adapted to the digital world (development and deployment in 2018 of new cybersecurity service offers, notably in the Marine & Offshore segment; roll-out of certification services for personal data).

In 2018, Bureau Veritas also continued its strategy of teaming up with digital players in many different sectors, including Construction (Autodesk), Marine and Nuclear Power (Dassault Systèmes), and Industry (Avitas Systems, a GE Ventures company). Other partnerships, including Worldline (an Atos subsidiary) for blockchain, and Microsoft for artificial intelligence, focus on specific technologies. As well as accelerating the Group's digital transition, these alliances will enable Bureau Veritas to focus on creating value in its core verification-of-conformity business.

The Group also actively monitors technological changes through its membership of several innovation networks and involvement in collaborative projects with its clients. It also signs partnerships with organizations offering technological expertise.

1.1.1.3 Risks relating to governance and integrity

Risk of ethical violations

Description

Ethics is 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.). The risk of isolated acts in breach of these values and principles by Group personnel, 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.). Such acts may lead other parties to claim that Group employees, managers or companies are liable. This risk is heightened by the number and diverse nature of the commercial partners working with the Group (intermediaries, partners and subcontractors) and by the fact that the Group does business in certain countries particularly at risk of corruption. This situation could 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.

Risk management

The Group has implemented a Compliance Program dedicated to ethics. This includes a Code of Ethics along with a manual of internal rules and procedures applicable to all employees, a dedicated organization and training course, a map of ethical violation risks and a risk management framework under the responsibility of the Group’s Ethics Committee.

The Group’s Compliance Program is described in further detail in section 4.4 – Internal control and risk management procedures and in section 2.2.1 – Ethics, an “absolute” of this Registration Document.

Image and reputational risk

Description

Bureau Veritas’ ability to fulfill its responsibilities as a trusted third party relies heavily on its reputation for integrity, independence and competence. Publication in the media of confidential information, particularly as regards any certain or alleged difficulties, notably in terms of the performance of major or sensitive projects, could impact the Group’s clients and affect the Group’s image and credibility among its clients (dissatisfaction, complaints, etc.), partners, and prospective and current employees.

Risk management

Bureau Veritas has implemented a four-pronged approach to reducing its image and reputational risk.

• Explain the scope of its services

Bureau Veritas is strengthening its business line communications among third parties, with the aim of explaining the conditions in

which its services are provided and how they can help reduce risks and improve client performance. These communications should result in a better understanding of its professional discipline and the scope of its actions and consequently, the limits of its liability;

• Preventing risks

The Group regularly identifies the risks to which it is exposed through its activities and the work performed by its employees. It strives to control these risks preventively by implementing appropriate policies and processes. This approach covers in particular technical, operational, ethical and reputational risks for all of the Group’s businesses. New recruits are made aware of ethics and safety/security risks through online training modules;

• Detect and manage crises

A crisis management procedure describes the rules put in place by Bureau Veritas to act effectively in times of potential or known crises. This procedure enables all stakeholders to respond quickly to a crisis in order to limit any consequences. A Crisis Alert Committee has been set up for this purpose. This committee considers the critical nature of the situation for the Group and helps each Group entity facing a crisis situation to devise an appropriate response in the shortest possible time;

• Information network oversight

The circulation of (founded or groundless) damaging information facilitated by social media, could also harm the Group’s corporate image. In a globalized world where information is immediately available, Bureau Veritas has set up a media and social network intelligence unit which allows it to identify any signs or uncontrolled circulation of information potentially harmful to its image.

Risks related to the production of forged certificates

The Group’s main missions include ensuring that products, assets and management systems conform to a given framework (mainly standards and regulations in terms of environmental protection, social responsibility, quality, health and safety). Bureau Veritas acts as an independent body and issues reports and certificates stating that products, assets, and management systems conform to applicable standards and regulations. Certification enables companies to strengthen their reputation, access new markets or simply carry out their activities.

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 in violation of the Code of Ethics (a malicious act for example) or, more commonly, external sources (fraudulent behavior by a client or third party in order to meet regulatory requirements).

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 impact the Group's businesses, reputation, image, financial position, earnings and/or outlook.

Risk management

A policy aimed at preventing counterfeit certificates 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 reports on the matter to clients, accreditation bodies and, if necessary, government and

customs authorities, particularly in light of 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.

The Group's Compliance Program, described in further detail in section 4.4 – Internal control and risk management procedures and in section 2.2.1 – Ethics, an "absolute" of this Registration Document, helps to prevent and where necessary, detect, any fraud resulting from inappropriate employee conduct.

For some of its businesses, the Group is developing an electronic signature for its certificates and the use of QR codes 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.

1.1.1.4 Risks relating to acquisitions

Risks related to Group acquisitions

Description

The Group's external growth strategy is largely based on acquisitions of businesses or assets and on the creation of joint ventures or strategic alliances with local players, providing access to new markets and/or creating synergies with the Group's existing businesses.

The Group may not however be able to identify appropriate targets, complete the acquisitions on satisfactory terms (particularly as to price), adequately identify the potential risks related to each acquisition under the due diligence performed to examine financial, legal, ethical, tax, operational or IT matters, or efficiently integrate the acquired companies or activities and achieve the anticipated benefits in terms of cost and synergies.

The Group may also encounter difficulties and/or experience delays in integrating acquired companies, due in particular to the loss of clients, possible incompatibilities between systems and procedures (particularly accounting and control systems) or corporate policies and cultures, the loss of personnel and particularly senior management, and the assumption of liabilities or costs, especially material litigation not foreseen at the time of the acquisition.

The Group's competitors, as well as its financial investors and private equity funds in particular, could acquire companies or assets representing potential targets for the Group, or could cause acquisitions sought by the Group to be more difficult or expensive.

If the Group fails to pursue an active and competitive acquisition policy in comparison with other market players, its ability to meet its revenue growth targets and to grow or maintain its market share could be affected, and this could have a significant adverse effect on the Group's business, financial position, earnings or outlook.

Risk management

Bureau Veritas and the central Corporate Development team have a specific organization devoted to external growth operations. This team is responsible for overseeing and managing the external growth process through the Mergers and Acquisitions Committee,

which meets every two weeks to work with the operating groups and the central functions concerned to validate the acquisition targets. This team is also responsible for direct involvement with the local teams during the negotiation and due diligence stages.

Management rules governing external growth transactions are defined in a specific procedure. This procedure describes the steps involved in evaluating and validating transactions, the requisite documents (content of presentations, points to be covered, financial analyses required), as well as the respective roles and responsibilities of the operating departments and the headquarters' support functions. The different support functions (Legal, Risk and Compliance, Audit and Acquisitions Services, Treasury and Financing, Tax and Consolidation) review and approve projects before the Group makes any commitment. External growth projects (acquisitions or divestments) worth over €10 million are reviewed by the Strategy Committee, which then submits the project to the Board of Directors for approval.

The Group has also implemented a dedicated organization and internal procedures governing the acquisition integration plan. Additional information is provided in section 4.4 – Internal control and risk management procedures of this Registration Document.

Risk of impairment of intangible assets resulting from acquisitions

Description

A significant proportion of the Company's assets correspond to intangible assets and goodwill resulting from business combinations. The value of these items essentially depends on the future operating profit of the companies acquired and the discount rates used, which are themselves based on the current and future economic and financial environment.

Changes in the assumptions underpinning their valuation can lead the Group to write down some of its assets, thereby reducing the Group's attributable net profit and equity.

Under existing IFRS standards, these write-downs cannot be reversed. However, cash flow for the period would not be affected.

Risk management

The Group carries out half-yearly impairment tests to ensure that the fair value of its intangible assets in the statement of financial position is appropriate. The testing approach used is detailed in section 5.1 – Consolidated financial statements, Note 3 – Summary of significant accounting policies of this Registration Document.

1.11.5 Financial and market risks

Counterparty and credit risk

Description

Financial instruments that may expose the Group to counterparty risk are mainly trade receivables, cash and cash equivalents and derivatives.

Risk management

Counterparty risk arising on trade receivables is limited due to the large number of clients and the broad range of businesses and countries concerned (France and international).

A detailed description of counterparty risk management is provided in section 5.1 – Consolidated financial statements, Note 5 – Financial risk management and Note 18 – Trade and other receivables of this Registration Document.

Risks related to taxation

Description

Group companies are bound by the tax regimes of the countries in which they operate. In the event of a significant change in applicable tax regulations and/or tax audit arrangements, the Group could be exposed to a tax risk which could impact its business and earnings.

The Group is currently in talks with the competent local authorities after it was notified of proposed tax adjustments in several countries. Given the current status of the pending matters and based on the information available to date, the Company believes that these audits and adjustments have been adequately provisioned in the Group's consolidated financial statements, although the Group cannot comment on the outcome of these ongoing proceedings.

Risk management

The Group's Tax department keeps a close watch on the main changes in tax regulations in the countries in which Bureau Veritas operates, to ensure that the Group complies with all such regulations.

In the event of a tax audit or reassessment, the Group's positions are defended by external counsel, whose responsibilities are coordinated by the Group's Tax department.

Currency risk

Description

Due to the international scope of its operations, the Group is exposed to fluctuations in exchange rates (in particular the euro against the US dollar, Canadian dollar, Hong Kong dollar, Chinese yuan, Brazilian real and Australian dollar) and to currency devaluations.

Risk management

A detailed description of currency risk management is provided in section 5.1 – Consolidated financial statements, Note 5 – Financial risk management Note 22 – Borrowings and financial debt and Note 31 – Additional financial instrument disclosures of this Registration Document.

Liquidity risk

Description

In a crisis, the Group may not be able to access financing or roll over the debt it needs to meet its investment commitments, or it may not be able to obtain satisfactory financial conditions.

Risk management

The Group seeks to ensure that it has confirmed, undrawn credit lines at all times in order to service its debt. At December 31, 2018, the Group had access to an undrawn confirmed revolving syndicated facility totaling €600 million (syndicated loan) in addition to cash. This facility was set up in May 2018 for a five-year term and includes two one-year extension options.

A detailed description of liquidity risk management is provided in section 5.1 – Consolidated financial statements, Note 5 – Financial risk management and Note 22 – Borrowings and financial debt of this Registration Document.

Risks related to Group debt, sources of financing and commitments

Description

Group debt consists of (i) five private placements of debt securities with US and UK investors (US Private Placements – "USPP") drawn in different currencies, (ii) two Schuldschein-type private placements ("SSD") with investors on the German market, and (iii) five bond issues. Debt also includes other bank loans, overdrafts and accrued interest. The Group also has an undrawn syndicated loan. A detailed description of Group debt is provided in section 4.3 – Cash flows and sources of financing and in section 5.1 – Consolidated financial statements, Note 22 – Borrowings and financial debt of this Registration Document.

The USPP, SSD and the syndicated loan contain the usual clauses limiting the Group's operational flexibility, and particularly its ability to grant security interests, take out or grant loans, provide guarantees, undertake acquisitions, disposals, mergers or restructuring operations, or make certain investments. They also include bank ratios, as well as clauses applicable in the event of a change of control and clauses requiring full or partial repayment should certain events occur:

- if the change of control clause is enforced (in the event a third party, acting alone or in concert, should directly or indirectly hold more than one-third of the voting rights and more voting rights than the current majority shareholder Wendel), lending banks or investors could require early repayment of the entire amounts owed by the Group and/or force the Group to renegotiate its financing agreements under less favorable terms and conditions;
- USPP also contain a make-whole clause which may notably be exercised in the event of default and which is in addition to the aforementioned early repayment clause for Group debt: the Group may be required not only to repay capital and accrued interest to lenders but also to compensate them according to a calculation based on a comparison between the fixed rate payable over the remaining term of the debt and the yield curve on treasury bonds over the same period. It should be specified that change of control does not represent a default incident for the USPP debt.

The Group has always complied with the specified covenants and fulfilled its obligations under these agreements. However, the Group's future ability to comply with the contractual covenants and obligations contained in certain loans or agreements, or to refinance or repay its loans according to the conditions agreed, will depend in particular on its future operating performance and could be affected by numerous factors beyond its control, such as economic conditions, market conditions for debt and regulatory changes.

In the event these different restrictions were to apply, this could affect the Group's ability to pursue its external growth policy, maintain its borrowing costs stable or adapt its businesses to competitive pressures; lead to a slowdown in its markets; or affect general economic conditions. In the event of a liquidity shortfall, the Group may also be required to reduce or postpone its investment spending, sell assets, look for additional funding or restructure its debt.

1.11.6 Human risks

Risks related to human capital

Description

The Group employs over 75,000 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;
- insufficient employee diversity;
- inadequate employee engagement.

Risk management

A detailed description of Group debt is provided in section 4.3 – Cash flows and sources of financing and in section 5.1 – Consolidated financial statements, Note 22 – Borrowings and financial debt of this Registration Document.

A detailed description of liquidity risk management is provided in section 5.1 – Consolidated financial statements, Note 5 – Financial risk management and Note 22 – Borrowings and financial debt of this Registration Document. The Group looks to achieve a balanced debt repayment schedule.

Interest rate risk

Description

The Group's interest rate risk arises primarily from assets and liabilities bearing interest at floating rates. At December 31, 2018, 10% of the Group's gross debt was at floating rates.

Risk management

The Group seeks to limit its exposure to a rise in interest rates through the use of derivative financial 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.

A detailed description of interest rate risk management is provided in section 5.1 – Consolidated financial statements, Note 5 – Financial risk management, Note 22 – Borrowings and financial debt and Note 31 – Additional financial instrument disclosures of this Registration Document.

Risk management

To address these risks, Bureau Veritas has formally set down an HR policy in the form of an "HR Compass". This places employees at the heart of its strategy, with efforts focused on attracting, engaging and developing talented candidates.

Managing human capital risk entails attracting and developing talented employees, ensuring diversity and inclusiveness, and providing a high-quality working environment.

The Group endeavors to provide rewarding career and development opportunities to its employees. It looks to foster employee loyalty as part of an inclusive culture within a high-quality working environment.

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

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

Based on a formal annual process, the Group also strives to identify high-potential employees among its managers who it believes have the ability to fill executive and/or senior management positions in the medium to long term. It also prepares succession plans for more junior managerial roles and specifically monitors career transitions.

In 2018, the Group launched several major projects aimed at helping to manage risks relating to Human Resources, including:

- a “Talent” strategy, drawn up at the end of 2018;
- an Employee Value Proposition (EVP) development project;
- discussions on how to improve the performance management system;
- a feasibility study focused on employee engagement.

Additional information on Human Resources management is provided in section 2.3 – Employee engagement of Chapter 2 – Corporate Social Responsibility of this Registration Document which, along with the Business Model in the introduction of this Registration Document, constitutes the Non-Financial Statement.

Risks related to health and safety

Description

Bureau Veritas directly employs over 75,000 people in over 1,500 offices and laboratories across the globe and also uses many different subcontractors. Those working at either Group or

client facilities may be exposed to physical, mechanical, chemical or biological risks.

A serious accident or epidemic with potentially devastating human consequences or, more generally, poor working or health and safety conditions, represent a risk likely to affect the availability of internal resources or subcontractors, thereby disrupting Bureau Veritas’ operations.

Risk management

To prevent accidents and ensure the safety of its employees and subcontractors along with the availability of those needed to deliver services for its clients, Bureau Veritas has defined safety and security as an “absolute”.

Measures and policies to improve working conditions, health, safety, and the well-being of employees and third parties are rolled out in every country in which the Group does business. Safety and security standards have been defined at Group level and rolled out across the globe. These standards are audited and improved in order to ensure good conduct and ongoing improvement in these areas. A project has been launched by Bureau Veritas to analyze, manage and reduce risks related to personal safety.

A detailed description of employee health and safety in general and the measures put in place in this field is presented in section 2.4 – Health and safety of Chapter 2 – Corporate Social Responsibility of this Registration Document which, along with the Business Model in the introduction of this Registration Document, constitutes the Non-Financial Statement.

1.12 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 Registration Document, the Group is involved in the main proceedings described below.

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.

At the hearing 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 executing it.

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.

Dispute concerning the Gabon Express airplane crash

Following the crash of an airplane of Gabon Express at Libreville on June 8, 2004 causing the death of 19 passengers and crew members and injuries to 11 persons, the General Director of the subsidiary Bureau Veritas Gabon SAU ("**BV Gabon**") at that time was sued for involuntary homicide and injury. BV Gabon has been sued for civil liability in Gabon.

At the date of this Registration Document, no quantified claim has been made in a court of law and the assignment of liability is not yet known. The main proceedings have not yet begun, due to procedural difficulties. The application for withdrawal of the judgment of June 18, 2013 filed by BV Gabon in September 2013 was dismissed in February 2015 by a decision of the Court of

Cassation in Libreville. The evidence should have subsequently been referred back to the Criminal Court to set a hearing on the merits, although this has not yet occurred. BV Gabon had summonses delivered directly to the foreign brokers and insurers who had illegally invested the policy covering the aircraft in order to include them as party in the proceedings.

Based on the available insurance coverage 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.

Dispute concerning technical inspector accreditation in France

Proceedings were brought before the Cergy-Pontoise Administrative Court by **Fédération CINOV**, an association of trade unions in the intellectual property, consulting, engineering and digital sectors, seeking annulment of the November 2, 2016 ruling in which the French Ministry for the Environment, Energy and the Sea, responsible for international relations focused on climate issues (now known as the Ministry for Ecological and Solidary Transition) and the Ministry for Housing and Sustainable Habitat (now known as the Ministry for Regional Cohesion) (hereafter the "**Ministries**") awarded Company subsidiary Bureau Veritas Construction SAS accreditation as a technical inspector for a period of three years as from the date of the accreditation decision.

Bureau Veritas Construction SAS, the receiving party of the disputed ruling, resolved to join the defense proceedings in support of the findings presented by the Ministries concerned.

After considering the opinion of its legal counsel, the Group believes that the arguments put forward by Fédération CINOV are unfounded and that the Ministries are likely to be able to assert their position in the courts. Although the consequences and/or costs of this claim cannot be predicted with any certainty, the Group does not expect the claim to have a material impact on its financial position or profitability. Consequently, no provision has been accrued in this respect in the consolidated financial statements.

Tax disputes

There are no legal, administrative, government and arbitration procedures and 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 12 months,

a material impact on the Group's financial position or profitability. A detailed description of the provisions for claims and disputes booked by the Group is provided in section 5.1 - Consolidated financial statements, Note 25 of this Registration Document.

1.13 Insurance

In 2018, the Group continued:

- its policy of centralizing insurance programs, 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;
- its optimization of coverage limits and procedures for obtaining insurance or reinsurance with appropriate deductibles.

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, XL Insurance Company and Chubb. All insurers selected by the Group have a minimum S&P rating of A-.

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 has been rolled out on a country-by-country basis since 2014. This policy 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;
- the policy that covers professional missions.

The Group also set up a cybersecurity policy with effect from January 1, 2019.

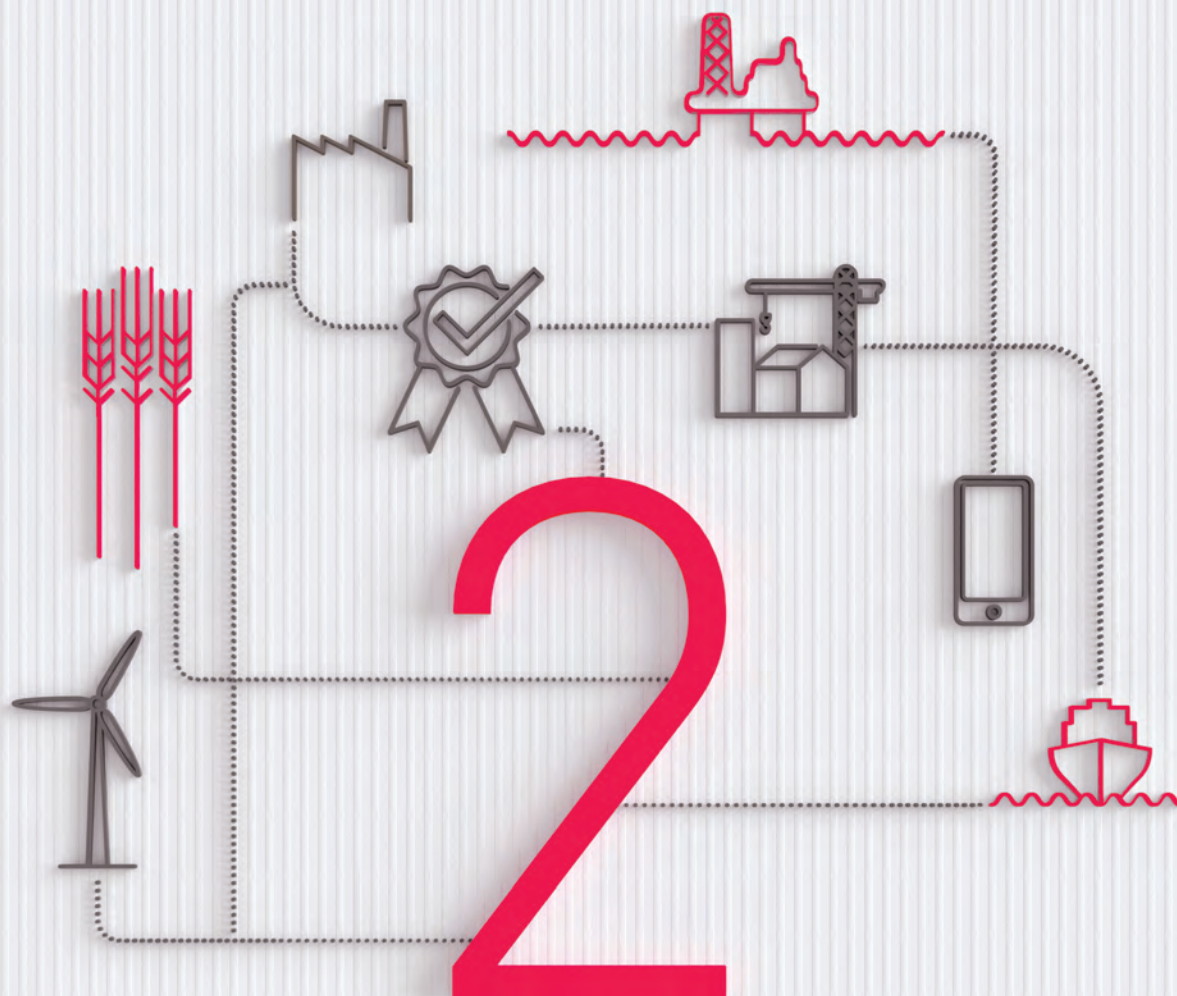
Other risks must be managed locally. Insurance policies such as for vehicle fleets or "worker's compensation" are taken out on a national basis in compliance with local practices and regulations and to provide coverage for the relevant risks. The Construction business in France, for example, is insured locally due to the specific characteristics of technical inspections and the ten-year mandatory construction guarantee (see section 1.6.4 – Buildings & Infrastructure of this chapter). In the event of a claim, Group companies pay the deductible as provided for in these various insurance policies.

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 to optimize the insurance premiums it pays. 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 2018, 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, 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.



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The Non-Financial Statement is identified in this table of contents with the sign **NFS**
 Components of the Annual Financial Report are identified in this table of contents with the sign **AFR**

This chapter of the Registration Document was initially reserved for a presentation of Bureau Veritas' social and environmental policy, otherwise known as the Corporate Social Responsibility (CSR) report. Owing to changes in CSR regulations, the Group has developed this chapter, which is now called Corporate Social Responsibility. This chapter, as well as the business model (presented in the preamble to this Registration Document), include the "Non-Financial Statement" ("NFS"). This allows Bureau Veritas to better meet the new regulatory requirements outlined below.

The regulations taken into account in preparing this chapter include:

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

Given the late publication of:

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

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

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

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

- presentation of the "business model", which is a systematic, concise representation of the source of the Company's added value and a description of how it shares that added value with its different stakeholders (presented in the preamble to this Registration Document);

- analysis of major risks: unlike Grenelle II legislation that required companies to report on 42 issues using a materiality matrix, the Non-Financial Statement is primarily based on a risk analysis. Accordingly, data is only presented for issues that represent major risks;
- policy and action plans are now specified for each major risk;
- performance indicators and measures will be specified for each risk, enabling the implementation and effectiveness of the action plans to be monitored.

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

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

The highlights described in these chapters include:

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

2.1 Non-financial vision, risks and challenges

2.1.1 Mission of Bureau Veritas

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

Promoting trust

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

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

A “Business to Business to Society” services company

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

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

Bureau Veritas is entering a new era

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

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

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

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

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

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

2.1.2 Bureau Veritas’ CSR commitment

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

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

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

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

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

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



BUREAU VERITAS COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

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

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

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

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

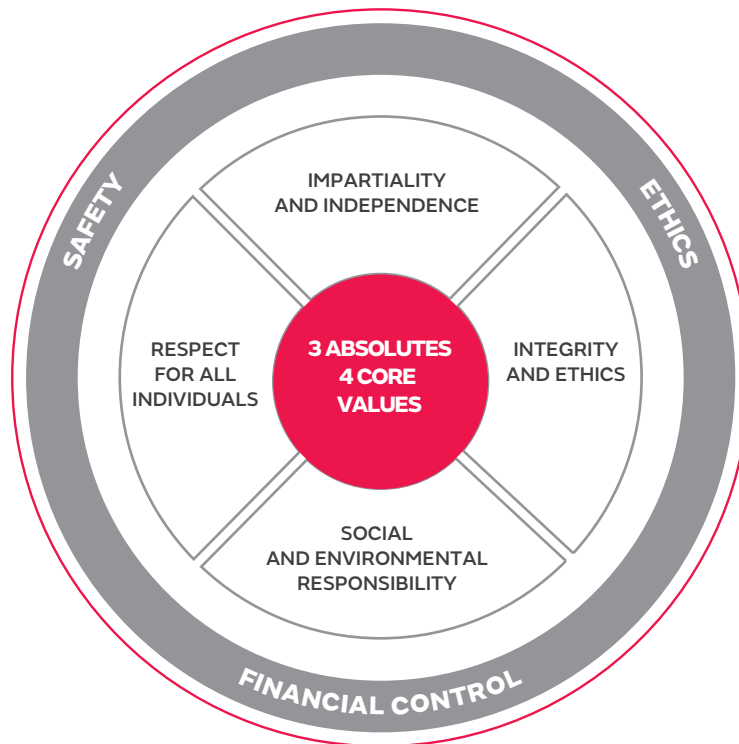
Aldo Cardoso
Chairman of the Board

Didier Michaud-Daniel
Chief Executive Officer

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

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

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



A CSR strategy that supports the Group's clients

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

A community-minded CSR strategy

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

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

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

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

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



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

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

Corporate Social Responsibility

2.1 Non-financial vision, risks and challenges

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

The "Be part of it" program draws together the Group's philanthropic initiatives.

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

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

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

The "Inclusion" program draws together the Group's inclusiveness policies and initiatives.

2.1.4 CSR oversight

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

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

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

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

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

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

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

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

2.1.5 Non-financial risks and opportunities

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

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

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

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

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

2.1.6 Stakeholders

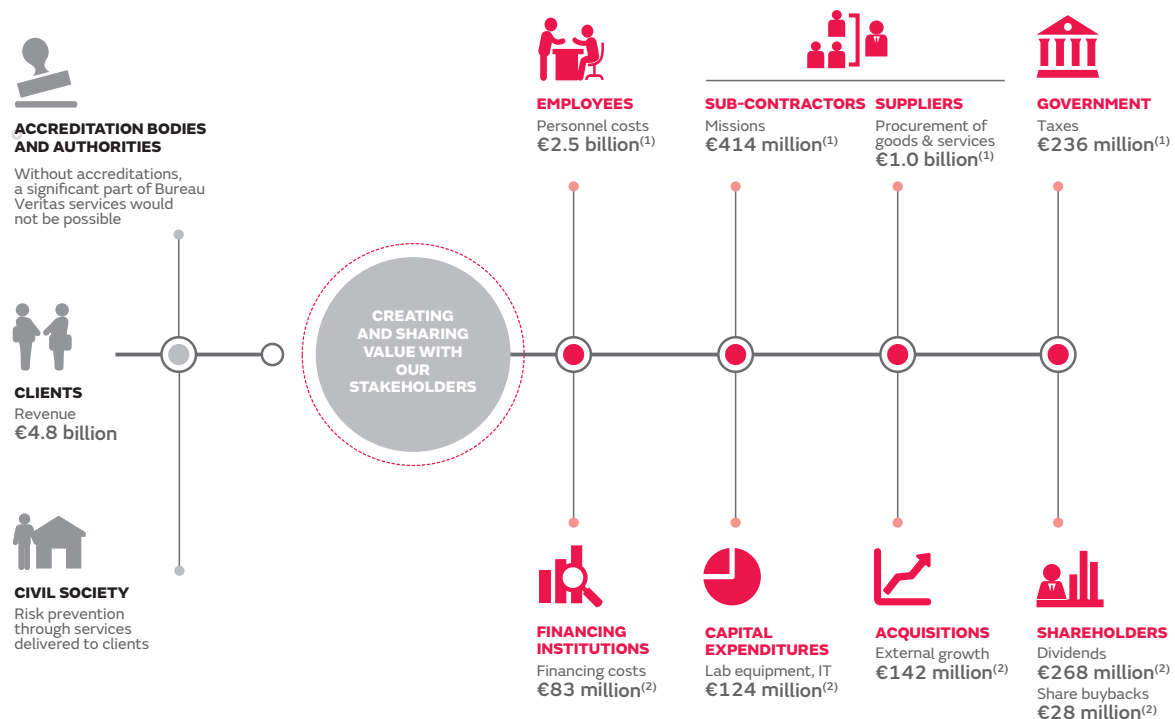
The Group's main stakeholders are employees, shareholders, clients, suppliers and subcontractors, as well as accreditation bodies, governments, public authorities and society at large.

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

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

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

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



(1) 2018 P&L impact.

(2) 2018 cash impact.

(3) Adjusted net debt.

DIALOGUE WITH STAKEHOLDERS:

STAKEHOLDERS	EXPECTATIONS	BASIS FOR DIALOGUE
SOCIETY 	→ Improve quality → Reduce risk → Protect the environment → Human rights and ethical conduct → Consumer protection	→ CSR Focus Committee → Fairs and exhibitions
CLIENTS 	→ Ethical conduct → Service quality → Operational excellence → Occupational health and safety	→ 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
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

2.2 Governance and operational excellence

2.2.1 Ethics, an “absolute”

Initiatives rolled out to reduce “Integrity” risk

Group Code of Ethics

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

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

It has four core principles:

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

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

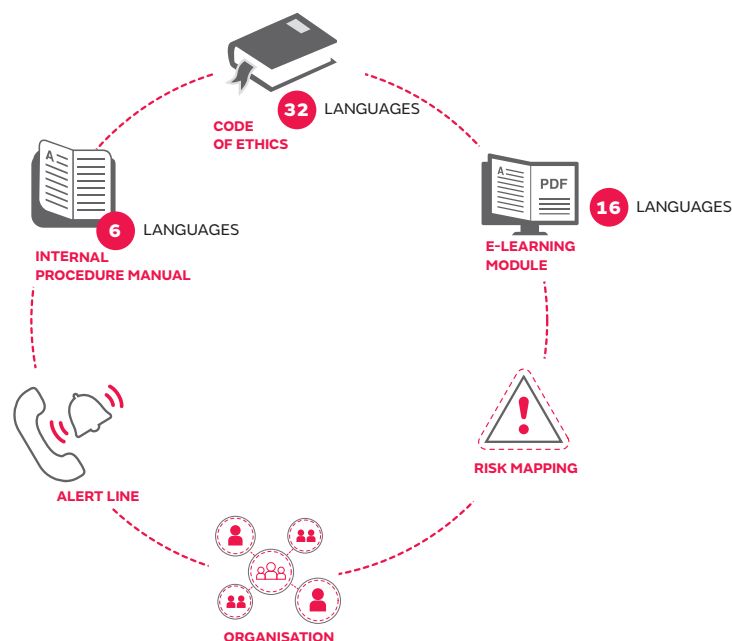
Similarly, the Group’s business partners such as intermediaries, subcontractors, joint-venture partners and key suppliers are also required to take note of and commit in writing to act in compliance with the Code of Ethics when dealing with Bureau Veritas.

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

Group Compliance Program

Worldwide program

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



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

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

Regularly reinforced procedures

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

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

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

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

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

Monitoring the implementation of the Compliance Program

An organization with dedicated resources

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

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

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

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

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

Global annual assessments

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

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

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

Regular internal and external audits

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

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

Centralized and systematic processing of complaints through a professional whistleblowing hotline

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

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

2.2.2 Client relationships are an overwhelming priority at Bureau Veritas

Initiatives rolled out to reduce “client relationship” risk

Description of risk

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

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

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

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

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

Action plan

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

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

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

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

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

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

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

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

A quality management system

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

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

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

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

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

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

Performance indicators

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

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

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

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

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

2.2.3 Supply chain management

Initiatives rolled out to reduce "Supply chain management" risk

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

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

Description of risk

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

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

These risks are mitigated by various measures, such as:

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

Group Purchasing department

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

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

The objectives of the Purchasing department reflect these three concerns:

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

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

Details of suppliers and subcontractors

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

2018 highlights

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

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

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

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

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

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

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

The new P2P module in Project FLEX will notably allow:

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

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

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

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

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

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

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

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

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

Evaluation of suppliers' CSR practices

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

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

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

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

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

Action plans

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

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

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

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

2.2.4 Human rights

Initiatives rolled out to reduce "Human rights" risk

Description of risk

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

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

Action plan

Respect for human rights underpins Bureau Veritas' core values

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

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

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

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

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

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

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

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

Performance indicators

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

2.2.5 Cybersecurity and data protection

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

Description of risk

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

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

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

1. Information systems security and operating policies

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

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

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

Action plan

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

IT security is based on four pillars:

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

and a combination of two approaches:

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

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

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

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

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

	2018	2019	2020
Number of audits performed	5	20	20

2. Operating controls, processes and practices

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

- the "Security by Design" approach applies to digital projects and covers all of project phases, from design to production support;
- toolkits have been created for various functions, including: purchasing and subcontractor management with the introduction of a Security Assurance Plan; application development; and more robust servers for IT administrators;
- GDPR compliance framework,

- governance and management based on risk and performance indicators,
- broader role of Company directories for access and identity management (AD/LDAP);
- introduction of quality and security controls for applications and databases: risk analysis (EBIOS approach), vulnerability scans, code audits, external audits and penetration testing for critical, sensitive applications;
- business continuity: introduction of business continuity plans for critical IT services. These contingency plans are designed to enable operations to be resumed within 24 hours and to reduce the period of data loss to a maximum of two hours.

	2018	2017	2016
Vulnerability scans completed	51	33	16

3. Dedicated teams

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

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

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

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

4. Specialized and evolving technologies

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

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

(I) Compliance approach

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

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

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

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

(II) Technology-based approach

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

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

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

2.3 Employee engagement

Initiatives rolled out to reduce “Employee engagement” risk

Description of risk

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

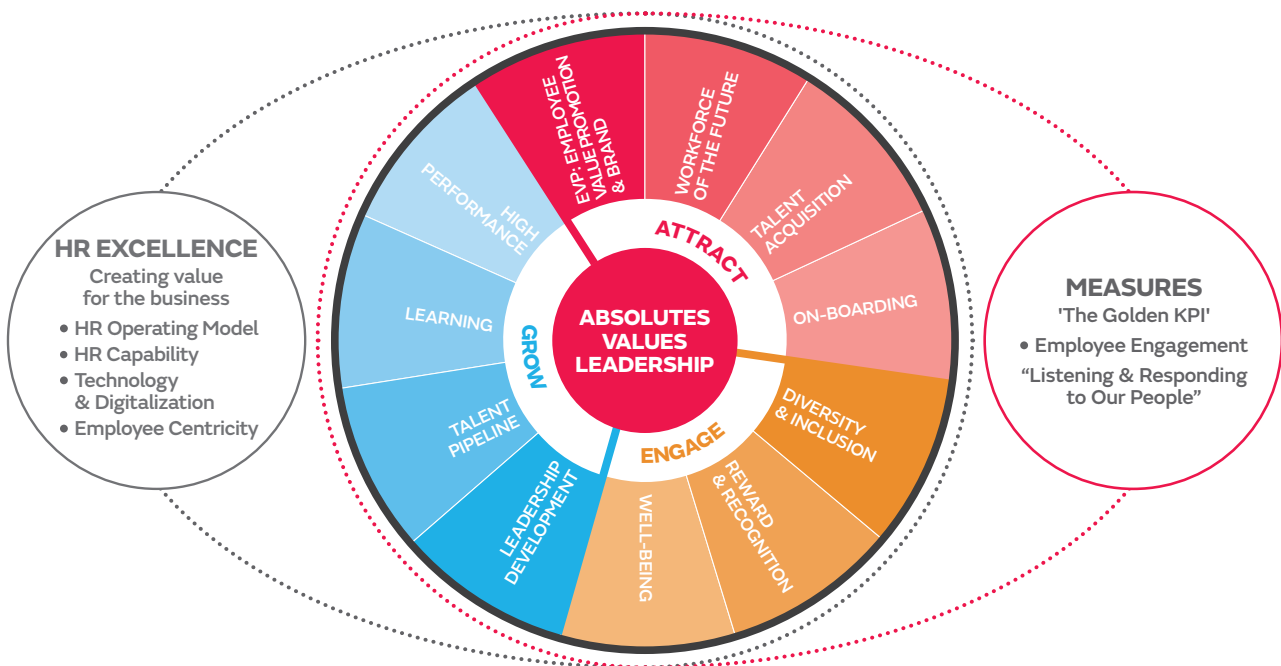
Management of HR risks is a key part of risk management at Bureau Veritas. Challenges include ensuring that new recruits are highly qualified and have diverse backgrounds, which helps to forge an attractive employer brand. Other challenges include securing employee engagement, which guarantees employee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

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

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

Action plan

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



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



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

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

2.3.1 Attracting and retaining talent

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

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

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

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

(a) Permanent contracts (or similar)

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

An active and modern recruitment and integration policy

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

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

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

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

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

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

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

Employee integration

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

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

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

Nurturing and retaining talent

Talent identification and support

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

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

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

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

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

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

Promoting internal mobility

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

This policy is rolled out through four measures:

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

Creating a performance-driven culture

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

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

Motivating employees through compensation

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

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

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

In addition, a Group savings plan has been in place within the Group since 2007 (see section 2.3.3 of this Registration Document).

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

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

Becoming a learning organization

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

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

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

Technical upskilling and accreditations

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

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

Employee development

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

Training programs and regional development

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

Training for all: My Learning

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

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

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

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

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

Pilot 360 questionnaire

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

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

Building a strong employer brand

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

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

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

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

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

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

2.3.2 An inclusive environment



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

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

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

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

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

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

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

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

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

Countering discrimination

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

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

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

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

Promoting a better gender balance

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

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

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

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

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

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

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

Enrichment through difference

Disability

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

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

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

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

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

Getting the most from age diversity

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

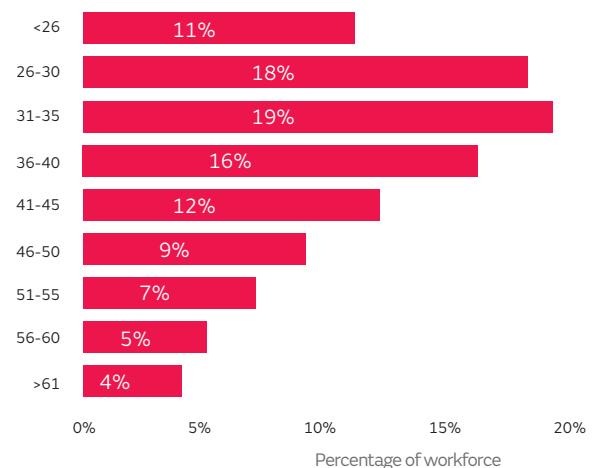
Millennials (18-38 years old) represent more than 60% of the workforce. The Group is striving to attract and develop "tomorrow's managers" through its dynamic policy of career management and its ongoing digital transformation.

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

For example:

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

Age bracket



Inclusive academic policy

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

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

2.3.3 Promoting a high-quality working environment

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

Promoting extensive welfare protection worldwide

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

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

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

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

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

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

Phase 1: Leveraging existing coverage

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

Phase 2: Aligning needs

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

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

Phase 3: Creating value

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

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

Employee safety and security at all times

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

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

Promoting constructive labor relations

Work organization

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

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

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

Absenteeism

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

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

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

Labor relations

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

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

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

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

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

Profit-sharing agreements

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

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

Statutory profit-sharing

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

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

Contractual profit-sharing

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

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

Group savings plan

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

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

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

Creating a modern, digital working environment

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

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

At the end of 2017, the Group rolled out the "Success Factors" solution in all of the countries in which it is based. Through this tool, the Group endeavors to harmonize and simplify its processes and reduce processing times for administrative tasks to allow staff to spend more time on higher value-added activities such as identifying or recruiting talented professionals, career development, internal mobility, and so on. HRIS implementation within Bureau Veritas helps reinforce the role of HR, which is a crucial partner for Group management;

- in 2018, Bureau Veritas also introduced "PeopleDoc", a global solution offering a high quality of service to Group employees. Employees now have direct access to a database containing HR documentation; their requests are handled and addressed centrally, enabling more efficient processing and a quicker response time. Employees also each have a digital safe storing all of their personal documents (pay slips, employment contract, etc.). This tool was set up for all employees in France and will be gradually rolled out to other major countries where the Group operates;
- in 2018, the Group also launched the roll-out of the Microsoft Office 365 suite of services, allowing employees to work more easily in teams, share and co-edit documents, take part in telephone conferences and connect to the network more easily from their mobile phones. These new services have been put in place for employees of the Group in Europe and Africa and will be gradually rolled out to all Group employees in the coming year.

Promotion of and compliance with the fundamental conventions of the International Labour Organization

Bureau Veritas endeavors to comply with and promote the fundamental conventions of the International Labour Organization (ILO) in all the countries in which it operates.

The ILO's fundamental conventions cover various topics, including respect for freedom of association and collective bargaining, the elimination of discrimination in respect of employment and occupation, the abolition of forced labor, and the abolition of child labor.

2.4 Health and safety

Initiatives rolled out to reduce the “Occupational health and safety” risk

Ensuring the physical safety of Group employees at any time, in any place, and in any situation

Description of risk

Occupational health and safety risk is unique at Bureau Veritas insofar as most of the Group’s inspection services are conducted at the premises of its clients or their suppliers, at sites that Bureau Veritas does not necessarily know and which are not always free from risk. This increases the risks to which the Group’s employees are exposed, particularly when the sites in question do not have their own safety/security plans.

A high degree of risk also exists in specific situations such as assignments carried out in confined spaces, situations with exposure to ionizing radiation, and assignments at sea on ships or offshore rigs.

Action plan

For Bureau Veritas, safety is an “absolute”, a non-negotiable priority without which the business could not continue.

The CSR risk map has highlighted a health and safety risk for all Bureau Veritas employees. The action plan to manage this risk is included within the “Safety is our responsibility” project.

A project targeting continuous improvement in health and safety was set up as part of Bureau Veritas’ 2020 strategic plan. The Group’s strategy is clear and it strives to improve its performance on three key indicators year after year as part of its “Safety is our responsibility” project:

- total accident rate (with and without lost time), or Total Accident Rate (TAR);
- frequency of lost time accidents, or Lost Time Rate (LTR);
- severity of accidents, or Accident Severity Rate (ASR);

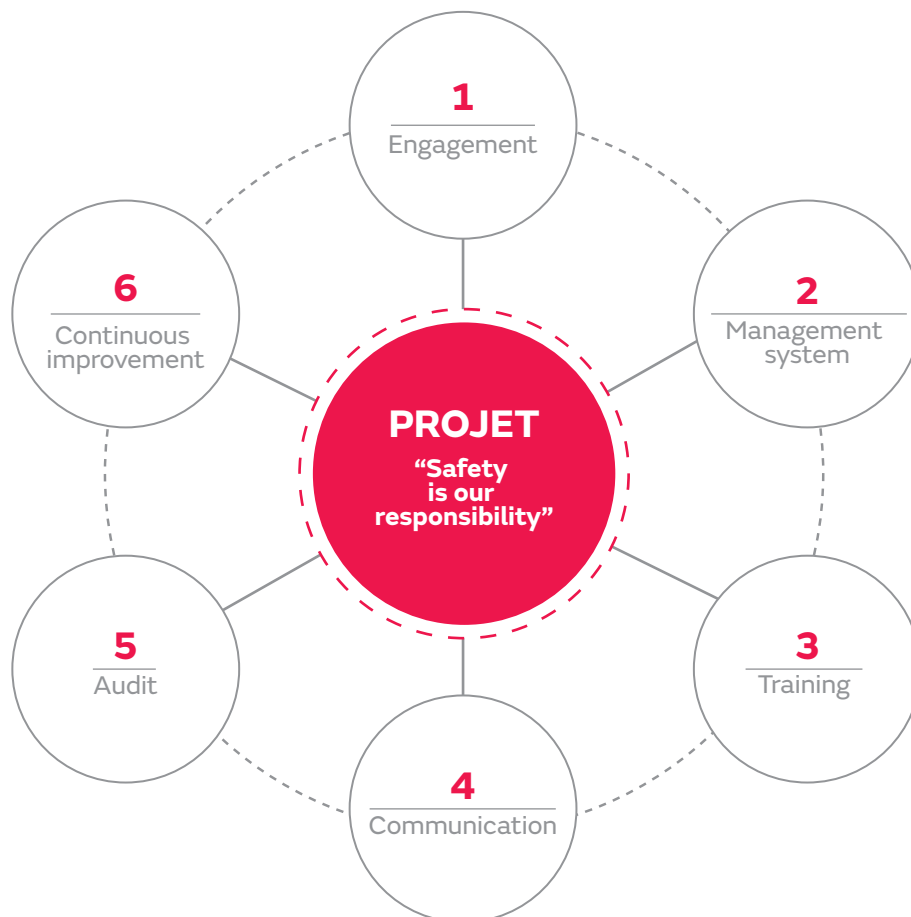
The Group’s aim is to halve these accident rates by 2020 (TAR and LTR based on consolidated results at end-2014).

The Group’s safety culture, driven by the goal of being a zero-accident company, is a key focus. The Group’s expansion into new countries and industrial sectors gives rise to many challenges. These challenges have been addressed by Bureau Veritas thanks to the unwavering commitment of its management and the expertise of its Health, Safety and Environment (HSE) managers. Since 2015, when the Group’s first series of reliable indicators were established, the number of accidents has fallen sharply.

“Safety is our responsibility”

2018 saw work on the “Safety is our responsibility” project continue, aimed at improving the quality of Group health and safety reporting, reducing risk in the Group’s operations, reducing the accident rate, securing continued management involvement in the security policy and also training employees in day-to-day health and safety issues.

“Safety is our responsibility” is based on six key areas:



The Group’s HSE policy has been defined in light of the following challenges:

- successful integration of a large number of new employees each year into a growing Group;
- harmonization of local HSE practices in an international network of 140 countries;
- performance of a wide range of activities that carry different HSE risks;
- missions on client sites in working environments that the Group cannot control; and
- protection against the risk of road accidents during work-related travel.

A local and global HSE organization

Bureau Veritas has put in place the following HSE organization in order to provide effective management at Group level and consistent local implementation of objectives, programs and practices.

The strength of this organization lies in the balance between its network and the importance of its activities.

Title	Role and responsibilities
Chief Executive Officer	Responsible for safety and security for the entire Bureau Veritas Group.
Executive Vice-President, Corporate Affairs	Responsible for defining the QHSSE (Quality, Health & Safety, Security and Environment) strategy under the aegis of the CEO and the Executive Committee.
QHSSE director	Recommends and rolls out the QHSSE strategy.
HSSE Steering Committee	Helps to define the Group's HSSE strategy, and more specifically to select prevention campaigns. Monitors performance and progress on objectives defined in the BV 2020 strategic plan.
CSR Steering Committee	Helps to define the Group's HSSE strategy, of which environmental issues are an integral part. Monitors performance and progress on objectives defined in the BV 2020 strategic plan, including QHSSE objectives.
HSSE managers	Implement HSSE policies, factor in the local constraints associated with the Group's various businesses, languages, cultures and regulatory environments.
HSSE network	Reviews HSSE performance during quarterly steering committees in order to set clear directions for HSSE objectives and programs; participates in the development and implementation of new tools in order to share best practices.
Ionizing Radiation Safety Committee	Ensures that all activities using ionizing radiation equipment under Bureau Veritas' responsibility deliver their services safely.

2.4.1 Safety commitment

Strong and unwavering commitment of the Group's Senior Management

Security is an "absolute" at Bureau Veritas. Each Executive Committee meeting and operating review start with a follow-up of the safety and security performance of the scope concerned. The Group's performance is monitored each year in light of the 2020 strategic plan by the QHSSE department in order to set objectives for the coming year. The three key indicators for the Group's leadership are:

- "Safety walks" carried out by managers;
- organization of safety and security briefings;
- review of each serious accident by the person responsible for the scope concerned as well as the Group Executive Vice-President in charge of QHSSE.

More than 1,244 safety walks in 2018 by managers in France

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

In 2018, Bureau Veritas rolled out its QESIS (Quality, Environment, Health & Safety System) App for mobiles. In 2019, Bureau Veritas will roll out a new module enabling all safety walks to be recorded.

In signing an HSSE statement, the Group's Senior Management has undertaken to enshrine safety at work, along with health and environmental issues, within the core values of the corporate culture. This clear undertaking reflects the Group's long-term commitment to continuously improve its HSSE performance.

This statement includes the following commitments:

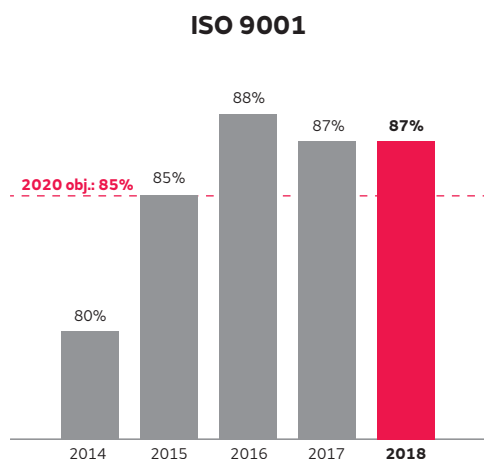
1. provide a safe workplace and safe working methods to prevent accidents and injuries to Group employees;
2. prevent pollution, minimize energy consumption and waste and protect biodiversity;
3. increase Bureau Veritas employees' HSE awareness and safe behavior;
4. comply with all relevant HSE legislation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

These commitments are also reflected in the active participation of the Group's Senior Management in the analysis of serious accidents, in the conduct of specific HSE reviews, the setting of HSE certification objectives and the quarterly monitoring of performance indicators and action plans.

A video outlining this commitment was made and circulated among all employees. In it, Bureau Veritas' Chief Executive Officer sets out his vision, commitment and expectations in terms of safety and security.

Since September 2018, this video has been an integral part of the welcome kit given to each new employee when joining Bureau Veritas. The video is available in the seven most commonly used languages within the Group.

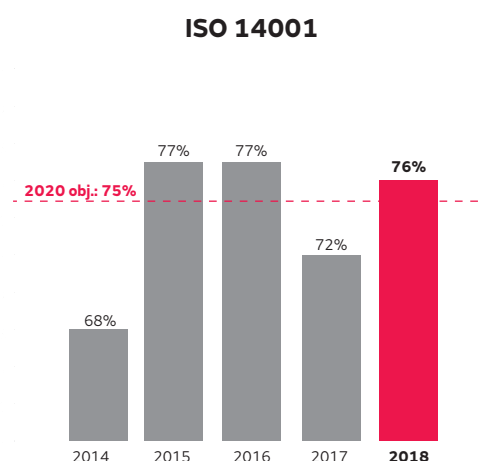
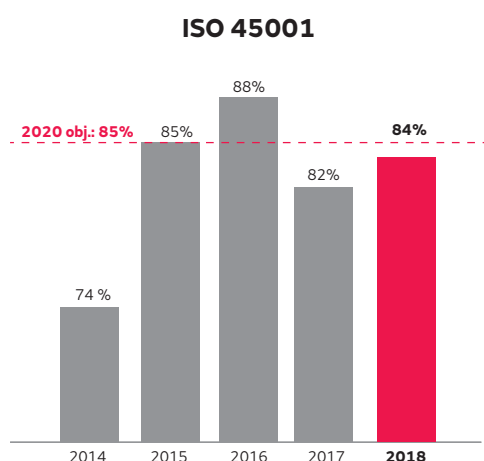
2.4.2 Management system



Bureau Veritas has had an integrated management system for many years now. The system guarantees that common practices will be shared across the globe and incorporates ISO 9001 quality management, OHSAS 18001/ISO 45001 health and safety management and ISO 14001 environmental management standards.

In 2018, a project was carried out to improve the management system and incorporate ISO 45001. More than 25 working groups enabled Bureau Veritas to strengthen its processes while retaining its focus on reducing and managing risk.

The Group is seeking to obtain certification for its management system in all entities with more than 200 employees. Group entities under this threshold are nevertheless required to comply with specific Bureau Veritas standards even though certification is not the goal.



These figures present Group certifications outside the Certification business, which receives specific accreditations, and excluding companies acquired in 2018, which have one year within which to roll out the Group's management system and be covered by Bureau Veritas Certification. Some acquired companies have their own certification. Since the calculation of the number of employees covered by an environmental management system includes rough estimates, the indicator showing the percentage of businesses certified to ISO 14001 should be interpreted as guidance only.

2.4.3 Training

Training in health and safety, security and environmental issues is a top priority at Bureau Veritas. A training catalog has been developed allowing each employee to source information and be trained to manage HSSE issues. These training courses take the form of e-learning sessions, talks or classroom-based training.

In light of the Group's growth and its training needs, in mid-2018 the Group HR department set up a mandatory training process to be completed by all new recruits during their induction phase. Since September 2018, all new Group employees therefore receive the "Welcome On-Boarding Package". This package includes:

- a video featuring the Chief Executive Officer's presentation of safety and security challenges at Bureau Veritas;
- the e-learning module explaining the cardinal safety rules.

This induction training is supplemented with specific modules that are defined by each country based on the risks employees may be exposed to when performing their duties and in accordance with regulatory requirements. Training is provided with respect to the entry into confined spaces, working at heights, first aid, use of firefighting equipment, handling of pressurized cylinders and preventive action, as well as many other topics. Training leading to a certification is also provided for the members of the HSE network on HSE management systems, applicable standards, internal audits and accident investigations.

12,000 hours of classroom-based safety and security training given in France in 2018

2,000 training sessions taken on rootcause analysis since 2016

"My Learning" e-learning platform

Substantial resources were allocated by HSE teams so that all training courses available at Group level could be incorporated into the My Learning global platform. A total of 15 modules were configured in several languages, some 200 local administrators identified and trained, automatic reports created and best practices exchanged with other Group entities using this platform. As a result, more than 30 HSE courses have been posted online since 2015.

This platform, available to all the Group's employees, offers multilingual training modules on health, safety and environmental issues such as the Cardinal Safety Rules, the handling of chemical products, working at heights, defensive driving for two and four-wheeled vehicles, eco-driving and the handling of gas cylinders. Specifically-designed modules are also made available to the managers and concern measures the managers must take with respect to personal protection equipment, ionizing radiation, working at heights and the entry into confined spaces.

93,000 HSE e-learning sessions taken in 2018

30,000 e-learning training hours followed in 2018

In 2019, new sessions will be added to the HSSE training catalog in order to address risk analysis issues within the Group as well as the expectations of Bureau Veritas employees. The following topics will be covered in the next few months:

- business travel and safety/security;
- work environment (brightness, noise, air quality, humidity, temperature, teleworking and well-being at work);
- leadership and safety/security for managers.

As part of the Integrated Management System continuous improvement project and in line with changes in standards, the Group established an HSSE training and skills management policy in late 2018. This policy defines the mandatory and recommended training to be followed by each employee population.

All HSE managers received ISO 45001 training in 2018

2.4.4 Communication

Each year, Bureau Veritas runs two safety and security campaigns to raise employee awareness of safety and security issues as well as other specific topics. These campaigns are rolled out locally by QHSSE departments to achieve 100% coverage. In 2018, the two campaigns focused on:

- Cardinal Safety Rules;
- dangerous situations, near-accidents and the right to say no.

Cardinal Safety Rules

The Cardinal Safety Rules define the fundamental safety rules at Bureau Veritas. These rules were enhanced in 2017 in order to

make them more specific and clearer for all of the Group's employees. An e-learning module was designed to support the implementation of these changes and must be completed by each new employee during the induction process. To help everyone understand these rules, they have been translated into 13 languages.

More than 60,000 employees were trained in the Cardinal Safety Rules in 2018.

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



Dangerous situations, near-accidents and the right to say no

A second campaign was launched in the third quarter to provide broader support to Group employees in identifying dangerous situations and in applying their right to say no, as well as to highlight the importance of feedback from the ground. Based on such feedback, QHSSE departments can continuously improve and upgrade processes, adapt risk analyses, strengthen protective measures and introduce pertinent training.

This campaign was translated into 17 languages.

Security alerts

In addition to these worldwide campaigns, a host of other initiatives are carried out locally or at Group level. In this respect, there were over ten security alerts within the Group in 2018 following analyses of the root causes of serious accidents. These alerts are designed to remind all employees of the rules to follow and the best practices to adopt.

Safety briefings

Safety briefings are a key preventive measure for accidents and are part of the Group's internal processes.

These management-led discussions help remind employees of the importance of safety in their day-to-day work, highlight areas of business requiring particular vigilance and help develop an open dialog about these issues with employees. For employees, the safety briefings are an opportunity to share any doubts or suggestions for improvement they may have and are an important link in the knowledge chain.

In 2018, the Group set the goal of ensuring that each employee participated in at least six safety briefings per year. This goal was achieved to differing degrees across the Group, depending on the maturity of the entity in question.

More than 2,200 QHSSE briefings were conducted in France in 2018

2.4.5 Audit

In addition to the external audits conducted by the Group's clients or by an independent third party enabling Bureau Veritas to be certified to ISO 9001, OHSAS 18001, ISO 14001, ISO 17020 and ISO 17025, the QHSSE department also establishes a three-yearly internal audit program. More than 61 audits were performed in 2018 by the Group's pool of internal auditors.

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

In 2018, the QESIS app was rolled out worldwide. The app provides audit program traceability and makes a record of all incidents along with an analysis of their causes and the corresponding action plans.

61 QHSSE audits performed by the 17 QHSSE auditors

1,370 audits in 2018 versus 800 in 2017

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

Best practices identified up by more than 300%

2.4.6 Continuous improvement

The strategy of ongoing improvement is defined at all levels of the Group. This strategy headed up by the QHSSE departments is paying off and is enabling Bureau Veritas to deliver a positive performance along with ambitious but realistic safety and security goals.

Digitalization

Feedback from the ground is critical in aligning the management system with the Group's operating needs. This is why Bureau Veritas rolled out its mobile app in 17 languages in 2018, allowing employees to:

- report a dangerous situation or near-accident;
- analyze risks before carrying out their assignment ("2 mins for my safety");
- analyze risks before undertaking any international business travel ("2 mins for my security");
- record any safety walks completed;
- trace any security inspections.



Analyzing the root causes of an accident

Analyzing the root causes of an accident is an essential factor of improvement and prevention. The internal accident investigation procedure was changed in 2015 to incorporate more effective tools for the identification of root causes and the determination of appropriate long-term corrective and preventive measures. An e-learning module has also been developed to support this change and was rolled out in the second quarter of 2017 to all the relevant people who perform accident analyses.

The causes of the most serious accidents, 56 in 2018, were analyzed by the management of the concerned entities together with the Group QHSSE department and Senior Management in order to raise managers' awareness of this approach. The three main types of accidents are slips and falls, accidents with handling equipment and road accidents. These three categories represented 60% of accidents within the Group in 2018. The two main causes of accidents are a lack of attention and failure to comply with working methods. These causes accounted for over half of accidents.

Security surveys

Various Bureau Veritas Group entities ask their employees to identify avenues for improvement in terms of safety and security risk management.

For example, in addition to Company initiatives launched several years ago to improve employee safety and security, in 2018 the Marine & Offshore division took measures aimed at assessing the safety culture and the view of its operations experts on the conditions in which the corresponding rules were implemented. These measures were based on a survey conducted by a specialist organization adapted to the businesses concerned.

Responses were collected from 71% of the employees concerned, confirming their deep-seated commitment to the measures taken, demonstrating their keen interest in issues regarding their safety and working conditions. The response rate also corroborates the findings of the survey.

The survey also made it possible to benchmark the Company's performance against the average for the industry, covering 245 companies and 160,000 employees. In each of the areas looked at, the survey found that the Group's Marine & Offshore division performed better than the industry average.

Responses supplied by the participating employees helped identify avenues for improvement which are subsequently taken up in action plans following in-house consultation. These action plans are currently being rolled out.

In light of the interest expressed in the survey and its findings, a similar exercise will be carried out at regular intervals within the scope of the ongoing improvement in the Group's safety and security culture and its implementation throughout the Marine & Offshore division.

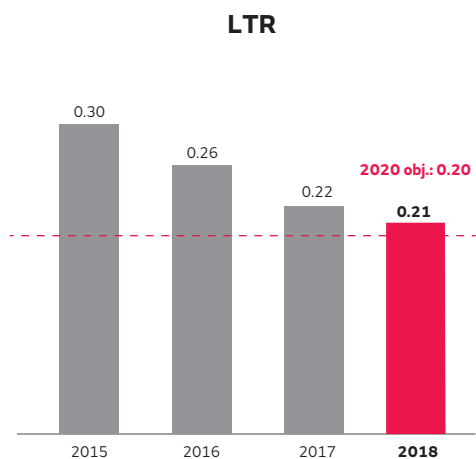
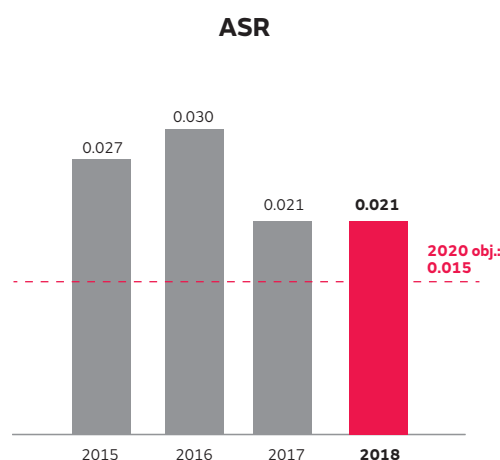
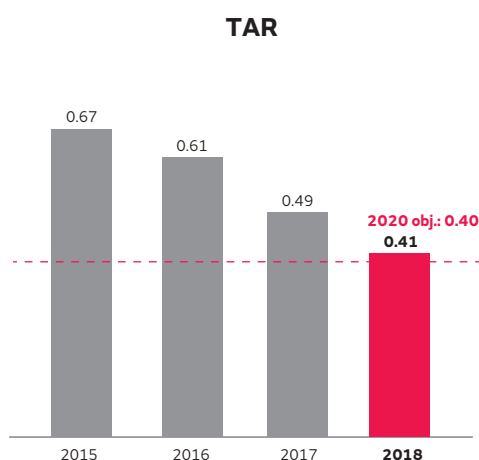
This best practice is shared and strongly encouraged across the Group.

Performance indicators

7,500 near-accidents reported in 2018: up 300% on 2015

To allow it to more closely monitor key performance indicators in terms of safety and security, Bureau Veritas has improved the corresponding IT systems. The QESIS and Business Intelligence tools were linked up in 2018, allowing the Group's key performance indicators to be updated on a daily basis.

5,000 Unsafe Conditions (UC) reported in 2018: up 300% on 2015



Since 2014, the Total Accident Rate (TAR) has fallen by 47% and the Lost Time Rate (LTR) by 51%, while the Accident Severity Rate (ASR) has been reduced by 32%. Nevertheless, we deeply regret the three fatal accidents that occurred in 2018, two of which were road accidents.

Since the implementation of its 2020 strategy and its "Safety is our responsibility" project, the Group has continued to make overall progress. This is also thanks to the programs put in place to improve the analysis of root causes and the effectiveness of the measures adopted, as well as the day-to-day input of line management. In 2018, all accidents categorized as "serious" according to the Group's own criteria were closely monitored: the analysis of the accidents and the related action plans were reviewed by the HSE department and then presented by the line management to their superiors at a specific meeting. This information is also provided to the Bureau Veritas' Chief Executive Officer during quarterly operating reviews. All Bureau Veritas managers were given a safety management guide by their line managers or their HSE organization at their annual evaluations or during a meeting on these issues. This guide constitutes the basis for understanding the role of management in deploying the safety culture.

TAR: Number of accidents with and without lost time x 200,000/Number of hours worked.

LTR: Number of accidents with lost time x 200,000/Number of hours worked.

ASR: Number of days lost x 1,000/Number of hours worked.

2.5 Environment and climate

Initiatives rolled out to reduce “Environmental and climate” risk

Reduce our environmental footprint, adapt to climate change and protect biodiversity

Description of risk

Based on the Group's CSR risk analysis, two risks are associated with this topic:

- **Environmental risk:** Bureau Veritas is exposed to environmental risks, since its businesses can impact the environment in the form of pollution, CO₂ emissions, and so on;
- **Climate change risk:** climate change can lead to more frequent extreme weather such as flooding, fires or excessive temperatures. Indirectly, this may affect the businesses of the Group's clients and have an impact on its own business operations.

As Bureau Veritas is a services company, environmental and climate change risks are not considered major risks for the Group. In its wish to lead by example, however, Bureau Veritas has decided to address these risks. As environmental and climate change risks are extremely significant for many of the Group's

clients with industrial operations, Bureau Veritas considers them as opportunities insofar as it offers its clients services that help them reduce such risks (see section 2.6.1).

The environmental measures described below represent Bureau Veritas' action plan to reduce the Group's environmental footprint and/or the severity of the risks mentioned above. Indicators exist for tracking the effectiveness of these mitigation measures.

The growth of Bureau Veritas has also had an impact on its environmental footprint, mainly in terms of electricity consumption and CO₂ emissions which are linked to work-related travel. Bureau Veritas has developed internal programs to reduce the impact of the Company's carbon footprint.

Bureau Veritas' environmental policy applies to all its activities. The Group sets annual targets for reducing the environmental impact and implements specific programs to reduce its most significant environmental impacts. Several action plans have been implemented since 2015. As part of the 2020 strategic plan, the environmental policy identified three key objectives (compared to the 2015 consolidated results):

Reduce CO₂ emissions by 10% per full-time equivalent employee by 2020

Increase the use of renewable energies by 10%

Have 75% of Group businesses certified to ISO 14001

Reduction of CO₂ emissions

Given the nature of the Group's activity as a service provider, its environmental impact is fairly limited. The sources of Bureau Veritas' CO₂ emissions were mapped in 2008 through full carbon audits of a representative sample using the carbon footprint methodology created in 2004 by France Bilan Carbone.

The results showed that 98% of Bureau Veritas' total CO₂ emissions stemmed from work-related travel, the consumption of energy, paper and water, leaks of ozone-depleting substances and waste generation. The breakdown of CO₂ emissions among these different sources varies according to the nature of the task performed within the Group. Work-related travel was the main source of CO₂ emissions for inspection and office activities, for example, while energy consumption was the main source of CO₂ emissions for laboratories.

Based on these findings, the Group-led environmental programs and tools focused on these six sources while requesting more detailed reports on the data related to work-related travel and energy consumption.

The overall picture remains valid despite the Group's growth and the increase in laboratory activities.

As a result, Bureau Veritas is determined to minimize its normative energy consumption and carbon footprint linked to work-related travel. In order to do so, the Group sets annual objectives.

The Group's environmental indicators are calculated using the Environmental and Carbon Reporting tool.

The environmental data for 2018 cover the period from October 1, 2017 to September 30, 2018.

Helping clients to reduce their environmental impact

Bureau Veritas offers a range of services enabling its clients to reduce their environmental footprint. These are detailed in section 2.6.1 of this Registration Document.

Provisions and guarantees

Provisions and guarantees for environmental risks are monitored at local level depending on the potential impact of Bureau Veritas' activities. In addition, the Group has taken out insurance coverage for all of its business activities (see section 1.13 of this Registration Document).

Noise and other forms of pollution

Noise and other forms of pollution related to the Group's activities are monitored in accordance with applicable local regulations;

Due to the nature of its service businesses, Bureau Veritas causes little noise pollution in the local communities in which it is present. However, where excessive noise is identified, e.g., at laboratories carrying out resistance tests on concrete or metal parts, appropriate sound insulation has been installed and protective measures are taken for the personnel concerned.

Climate change

Climate change can have many different consequences for Bureau Veritas' operations. In addition to measures taken to reduce the Group's impact on climate change, Bureau Veritas decided to identify areas of risk across the globe. Climate change can lead to more frequent extreme weather such as flooding, fires or excessive temperatures, which can impact the continuity of the Group's businesses. To address this risk, certain entities located in high-risk areas have put in place business continuity plans. Some of these plans were tested in 2018.

The due diligence process for acquisitions now includes questions regarding the acquired company's exposure to the impact of climate change. This allows an action plan to be drawn up when the company is absorbed into the Group. Bureau Veritas has identified the main areas of its business impacting climate change and aims to eliminate non-essential emissions and reduce the emissions needed for the Group's development.

2.5.1 Energy management

To achieve the targets set by the Group, local action plans have been rolled out, documented and communicated. These action plans may be persuasive (information campaigns), behavioral (regulated watering, careful control of indoor temperatures, optimized lighting) or managerial (procedures, management systems).

Bureau Veritas laboratories

Eighty percent of the total volume of electricity consumed by the Group is attributable to the laboratories, and the remaining 20% attributable to offices. Bureau Veritas has chosen to focus on data linked to the electricity and gas consumption of laboratory activities in laboratories with more than 25 people.

In 2018, reliable data for electricity consumption were collected for premises attributable to 93% of staff and to 94% of Group laboratories with more than 25 people.

The following energy-related data consolidate the data on electricity and gas consumption. The increase between 2009 and 2010 is due to the acquisition of various laboratories in North America.

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

The table below shows the gross electricity consumption for Group laboratories between 2015 and 2018:

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

CO₂ emissions

The BV Carbon tool developed internally in 2009 to measure the Group's CO₂ emissions and assess the effectiveness of environmental programs has been consolidated within the Environmental and Carbon Reporting tool since 2014.

The following emission scopes are taken into account:

- Scope 1 – Direct emissions: sum of direct emissions resulting from burning fossil fuels such as oil and gas or from resources owned or controlled by the Group;
- Scope 2 – Indirect emissions: sum of indirect emissions arising from the purchase or production of electricity;
- Scope 3 – Other emissions: sum of all other indirect emissions including work-related travel.

By analyzing available data, energy consumption can be identified as one of the two areas of the business generating the majority of the Group's CO₂ emissions.

Work-related travel is the second largest contributor to CO₂ emissions. In 2018, reliable consolidated data on the offices' carbon footprint resulting from work-related travel was monitored for 97% of the staff in Group offices with more than 50 people and for 88% of Group offices with more than 50 people.

In view of the volume of CO₂ emissions resulting from work-related travel undertaken by office staff as compared to laboratory staff, Bureau Veritas has chosen to focus on office data for offices with more than 50 people.

The initiatives described above, put in place in Group offices to reduce energy consumption, should allow Bureau Veritas to continue reducing its CO₂ emissions.

GROUP CO₂ EMISSIONS ARISING FROM ENERGY CONSUMPTION

Energy	Tons of CO ₂ /person 2018	Tons of CO ₂ /person 2017	Tons of CO ₂ /person 2016	Tons of CO ₂ /person 2015
Laboratories	3.14	3.48	3.10	3.07

Initiatives to improve energy efficiency in Bureau Veritas buildings

LEED certification for Group buildings

LEED certification (Leadership in Energy and Environmental Design) changes the way in which buildings are designed, built, maintained and managed across the globe. The benefits of LEED certification include:

- LEED helps organizations to reduce costs, save energy, reduce water consumption and encourage innovation;
- LEED-certified buildings are cheaper to run, with up to 40% lower energy and water costs; and
- LEED buildings take into account the site on which they are built, the materials used, the water and energy consumed, the human experience involved and the health and safety of their occupants.

In a LEED-certified building, the benefits include 31% energy savings, 52% drinking water savings and the avoidance of 95% of building waste (source: <https://new.usgbc.org>). These benefits are the result of a number of different measures, including the use of more energy efficient heating, ventilation, air conditioning and lighting equipment, the adoption of paler flooring to reduce the heat island effect, the use of more efficient flow facilities, the installation of meters to track consumption and identify possible additional savings or even the introduction of larger windows to let in more light.

At December 31, 2018, ten of Bureau Veritas' buildings had obtained LEED certification, mainly in Asia.

LED lighting project

Using less energy is one of the main ways of reducing CO₂ emissions. LED lighting offers many benefits including increased energy performance, reduced waste and longer life. LED lighting is more efficient than traditional lighting such as fluorescent lights and light bulbs: 95% of LED energy is converted into light with only 5% wasted in the form of heat. A typical 84-watt fluorescent light can be replaced by a 36-watt LED light with the same energy output.

The introduction of LED lighting in Bureau Veritas' Consumer Products division has resulted in energy savings of 55% and in the reduction of waste production and necessary maintenance. LED lighting has already been fitted in one-fifth of Consumer Products laboratories worldwide.

Green energy

Using renewable energies is also a way of reducing CO₂ emissions. An increasing number of suppliers include renewable energies in their service offering. Bureau Veritas works actively to use green energy wherever available.

In Italy for example, purchasing and QHSSE teams launched a program in 2015 aimed at using only green electricity. This goal was already achieved in 2018, with programs to be launched throughout the Group.

2.5.2 Fuel management

GROUP CO₂ EMISSIONS ARISING FROM WORK-RELATED TRAVEL – OFFICES

Work-related travel	Tons of CO ₂ /person 2018	Tons of CO ₂ /person 2017	Tons of CO ₂ /person 2016	Tons of CO ₂ /person 2015
Offices	1.94	2.09	2.35	2.46

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

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

Since the calculation of CO₂ emissions involves rough estimates, analyses of trends in CO₂ emissions per person are not deemed to be relevant for the time being.

Streamlining work-related travel

Bureau Veritas' businesses involve numerous visits to clients' premises, resulting in high levels of fuel consumption.

To contribute to the overall objective of reducing the Group's carbon footprint, initiatives have been in place within Bureau Veritas for many years now to reduce CO₂ emissions from its car fleet.

Depending on culture and usage across the globe, regular reviews of car fleet policies for company vehicles aim to reduce emissions per kilometer among other objectives. In France for example, teams are putting in place a program aimed at replacing vehicles which are more than three years old with more fuel-efficient vehicles in order to reduce average fuel consumption. This will reduce the emissions resulting from work-related travel. At December 31, 2018, theoretical average emissions relating to the car fleet policy in France were below 100 g of CO₂ per km.

9,000 vehicles in the Bureau Veritas fleet

There are 9,000 vehicles in the Bureau Veritas fleet. In order to reduce their CO₂ emissions, local initiatives have been put in place, mainly in Europe, Australia and Latin America.

Bureau Veritas Spain is also working to reduce the CO₂ emissions from its car fleet. In a pilot initiative launched a few months ago, the registered office acquired two iOn models in order to promote

sustainable mobility among its employees. This means modernizing the Spanish fleet and incorporating new, more ecological, sustainable and cleaner vehicles. Bureau Veritas Spain will step up efforts in this area with the aim of promoting respect for the environment and reinforcing its corporate values and role as a responsible corporate citizen. Bureau Veritas is aware of the importance of continuing to develop initiatives in the areas of quality, health and safety, security and the environment, and having a positive impact on society.

Innovative solutions for reducing work-related travel

To limit work-related travel for its employees, Bureau Veritas has put in place various technological solutions allowing for a richer video and telephone conference experience. Three main tools were used in this respect: Polycom, Zoom and GoToMeeting.

In 2018, more than 140 Bureau Veritas meeting rooms across the globe were equipped with video conferencing facilities and more than 30,000 video conferences took place.

In 2019, the focus shifted, with all employees offered a single global platform designed to forge stronger links across the work environment. The aim is to more actively promote this way of working, which drastically reduces the number of work-related journeys and Bureau Veritas' carbon footprint.

Eco-driving training for employees

Raising employee awareness through training is also an integral part of the Group's program to reduce emissions resulting from work-related travel. The Group has designed an e-learning training module on the topic of eco-driving. This module recalls driving techniques that help decrease fuel consumption as well as reduce stress at the wheel and hence the risk of accidents.

In 2018, employees took 9,880 e-learning sessions.

2.5.3 Waste management

Potential pollution resulting from the Group's office, inspection and laboratory activities is described in the table below. Compliance with requirements in terms of pollution is verified by local authorities and by ISO 14001 certification bodies.

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

Measures for the prevention, recycling and removal of waste

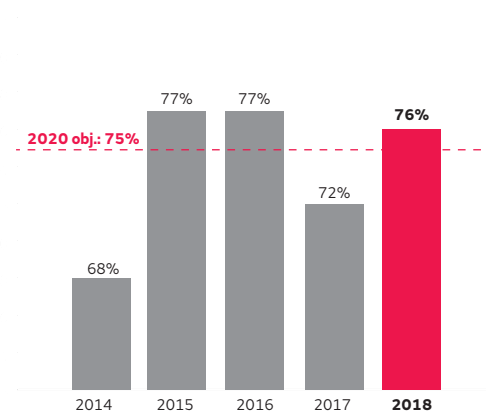
The nature of Bureau Veritas' activities means that its main waste product in terms of volume is paper. In order to limit its consumption and reduce the waste generated, several initiatives have been set up within various Group entities regarding the generation of electronic reports, as well as electronic printing and archiving when permitted by clients and applicable regulations. Bureau Veritas is working towards its paperless goal for the Consumer Products business (reduction of paper consumption, storage and shipment).

Other types of waste such as cardboard, plastic, glass, batteries, light bulbs, as well as waste resulting from electrical and electronic equipment, chemicals and mineral samples arising from laboratory tests carried out by the Group, are measured and managed in accordance with local regulations requiring that they be disposed of by specialized companies.

Due to the growing importance of the Group's laboratory activities, waste reporting has been improved in order to better measure the information reported and ensure its reliability.

Lastly, ISO 14001 certification guarantees good management of the environment and of the waste produced by Bureau Veritas' business activities. Accordingly, the Group has set itself the goal to having 75% of its business activities certified to ISO 14001 by 2020.

ISO 14001



Since the calculation of the number of employees covered by an environmental management system involves rough estimates, the indicator showing the percentage of businesses certified to ISO 14001 should be interpreted as guidance only.

2.5.4 Involving employees

Involving all employees

Since 2009, Bureau Veritas has celebrated World Environment Day every June 5 around the theme announced by the United Nations (UN). For this event, the Group's Quality, Health & Safety, Security and Environment department asks employees to organize initiatives to reduce their environmental impact. The involvement of all employees in this ongoing effort to improve environmental protection is celebrated with an in-house competition. A selection committee meets to examine and evaluate each project submitted.

For the last few years, more than 100 action programs have been implemented, with an ever greater number of participants.

More than 350 action programs since 2015

43,000 employees on average involved in action programs

The best action programs receive a trophy.

In 2017, four trophies were awarded in the Creativity, Education and Social Media categories in addition to the category representing the year's theme, "Connecting People to Nature".

In 2018, the UN's chosen theme was plastic. The Group continues to promote locally managed projects. Whether in Europe, Latin America, Canada or Asia, numerous local initiatives have given employees the opportunity to get involved.

Examples of initiatives carried out in 2018 in India, which hosted the 2018 World Environment Day:

- Bureau Veritas India, whose Mumbai office is home to some 800 employees, chose to support the cause by taking part in the Dadar Beach Clean-Up Drive in association with the Jay Foundation, organized on June 3 in connection with the World Environment Day. In all, 35 employees volunteered for the beach clean-up;
- in the "Road Clean Up Drive" organized on June 5 by 45 employees at 72 Business Park, Andheri, employees helped to collect plastic in the city over a week-long period. The event also gave rise to a best photo competition aimed at raising awareness among the widest possible population.

2.5.5 Biodiversity



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

Joint commitments:

1. **embed biodiversity in our corporate strategy** based on available scientific knowledge;
2. **talk to all of our stakeholders** about their expectations, our impacts, our actions and our progress;
3. **assess the different aspects of biodiversity that concern us** using direct and indirect indicators of impacts, risks and progress and, when relevant for decisions, assess our impact from a business point of view and our dependence on the proper functioning of ecosystems;
4. **promote the gradual inclusion of biodiversity in decisions throughout our value chains**, from raw material production to end of product life after use by consumers;
5. **first avoid, then reduce and lastly offset our environmental impact, with the aim of achieving zero net biodiversity loss and even a net biodiversity gain** in our business activities and major regions, taking into account the need for ecosystems to adapt to climate change;
6. **focus on developing nature-based solutions**, ensuring that solution implementation is scientifically grounded and beneficial for biodiversity, notably by promoting a degree of variety in these solutions;
7. **embed biodiversity in any discussions with public authorities**, to support the inclusion of this issue in public policies; where we are invited to, **contribute to nationwide biodiversity strategies** for the countries in which we operate;

8. **raise employee awareness and train our employees** in biodiversity and its relationship to their businesses; **promote and encourage their initiatives** to protect nature and reward these initiatives and practices;
9. **mobilize resources** and establish appropriate partnerships to support our concrete actions; provide follow-up;
10. **publicly report on our implementation of these commitments** and of the individual commitments detailed below.

Bureau Veritas has also committed to other initiatives, illustrating its desire to act effectively with its employees, suppliers and clients to reduce the impact on biodiversity.

Protecting biodiversity and the environment is written into the very DNA of Bureau Veritas, whose mission is to ensure that operations, assets and products conform to standards on quality, safety, security, environmental protection and social responsibility.

Bureau Veritas helps its clients achieve compliance with regulatory requirements and improve their performance. Through their expertise and their dealings with clients, each day the men and women at Bureau Veritas act in the service of major CSR issues such as biodiversity and environmental protection.

Illustrating this commitment, a variety of projects have been launched within Bureau Veritas. In Brazil, 35 Group employees took part in a reforestation project, planting 2,500 trees in the Pinhais region. Many different tree species were planted, including *Eugenia aggregata*, *Handroanthus albus*, *Eugenia uniflora*, *Plinia cauliflora* and *Psidium cattleianum*.

A campaign was run at the same time to raise the awareness of all Bureau Veritas Brazil employees.

Other projects were also undertaken in 2018 covering reforestation, participation in the World Clean-Up Day and awareness-raising initiatives for the protection of biodiversity.

2.5.6 Information and communication technologies

The growth of Bureau Veritas has led to an increase in the volume of data, emails, and digital services used, and consequently to an impact on the Group's IT capacity requirements.

For the past few years, the Group IT department has been focused on three major areas to reduce its environmental impact:

- reducing energy used by data centers;
- reducing energy used by computing equipment;
- devising innovative solutions for reducing work-related travel.

Data centers

To meet the challenges resulting from the Group's growth, the IT department has used three main data centers for many years, located in France, Hong Kong and the United States.

Data centers are big consumers of energy and hence a source of significant CO₂ emissions. The following actions have been analyzed as a means of reducing CO₂ emissions:

- data center streamlining;
- server virtualization;
- cloud migration.

Different projects have been carried out helping to considerably reduce Bureau Veritas' footprint. In France for example, the virtualization of many servers reduced the number of servers by 1,300 and helped save 353 tons of CO₂ in 2018, the equivalent of 250 Paris-Shanghai return flights. Similar projects have been undertaken in the United States.

By 2020, the aim is to save even more energy by migrating data centers into the cloud. Based on a survey conducted by Amazon, cloud migration combines just the right amount of energy with a cleaner energy mix, enabling CO₂ emissions to be slashed by 88%.

Management of computing equipment

Since 2011, the IT department has streamlined its computing equipment in order to reduce the energy consumed by desktop and portable PCs and tablets provided to Bureau Veritas employees.

The theoretical average energy consumed by Bureau Veritas computing equipment has been reduced by 40% since 2011 and stood at 54 kWh/year in 2018.

The turnover rate for computing equipment has resulted in significant energy savings. The average energy consumed by computing equipment was 53 kWh/year in 2018, down from 108 kWh/year in 2011. Bureau Veritas is aiming to reach 50 kWh/year for its computing equipment by 2020.

2.5.7 Evaluations and partnerships

A recognized environmental commitment

Since 2009, the Group has voluntarily had all of its environmental practices and its overall CSR program evaluated by the ECOVADIS agency along with the Carbon Disclosure Project and the Dow Jones Sustainability Index.



ECOVADIS is an independent non-financial rating agency that annually evaluates labor practices, environmental protection initiatives, business ethics and the implementation of responsible criteria in the acquisition of companies operating in all business sectors. For some of the Group's largest clients, a supplier's evaluation by ECOVADIS is a prerequisite for becoming an approved supplier.

Since 2016, the Bureau Veritas Group has been awarded a 68/100 rating, thanks to which it maintains its "Gold" commitment level.



CDP, formerly known as the Carbon Disclosure Project, is a not-for-profit charity that evaluates the impact of the world's major publicly traded companies on climate change. CDP analyzes data published by each company, based on which it assigns scores for environmental performance. More than 650 investors holding over 87,000 billion assets request information on climate change, water and forests. Bureau Veritas has been involved in this non-financial evaluation for many years now.

In 2018, the Group was again evaluated and awarded a score of B, placing it above the average for its industry.

Bureau Veritas committed to driving CSR forward

As a member of several different organizations, Bureau Veritas works to promote CSR, to bring discussions about changes in CSR issues to organizations and to offer the necessary advice to companies wishing to assess and reduce their environmental footprint. The Group takes an active role in events organized by AFEP (French association of private companies) through its CSR Club, and also by the International Federation of Inspection Agencies (IFIA).

2.6 Society

2.6.1 Serving the general interest

Initiatives rolled out to reduce the “CSR contribution to society” risk

Bureau Veritas’ CSR contribution to society is an opportunity. Through its business, the Group helps many companies improve their social commitment and to reduce their environmental footprint on a daily basis.

In parallel, Bureau Veritas asks its partners to be committed CSR players, as described in section 2.7 of this Registration Document, and a duty of care plan has been drawn up for this purpose.

CSR at the heart of our business

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

Faced with the growing commitment to CSR issues, Bureau Veritas has enriched its range of services by developing a specific CSR solution to assist clients in putting in place responsible and sustainable CSR policies.

Indirectly through its clients, CSR therefore provides Bureau Veritas with an opportunity to create value for its clients and for society at large.

The development of CSR solutions is an important aspect of the Group’s development strategy and one of the drivers of its operating efficiency model. It uses its expertise to foster sustainable, inclusive, transparent growth, helping to maintain trust in a fast-changing environment.

By helping its clients to protect their brands, manage their risks and improve their performance, Bureau Veritas serves the general interest.

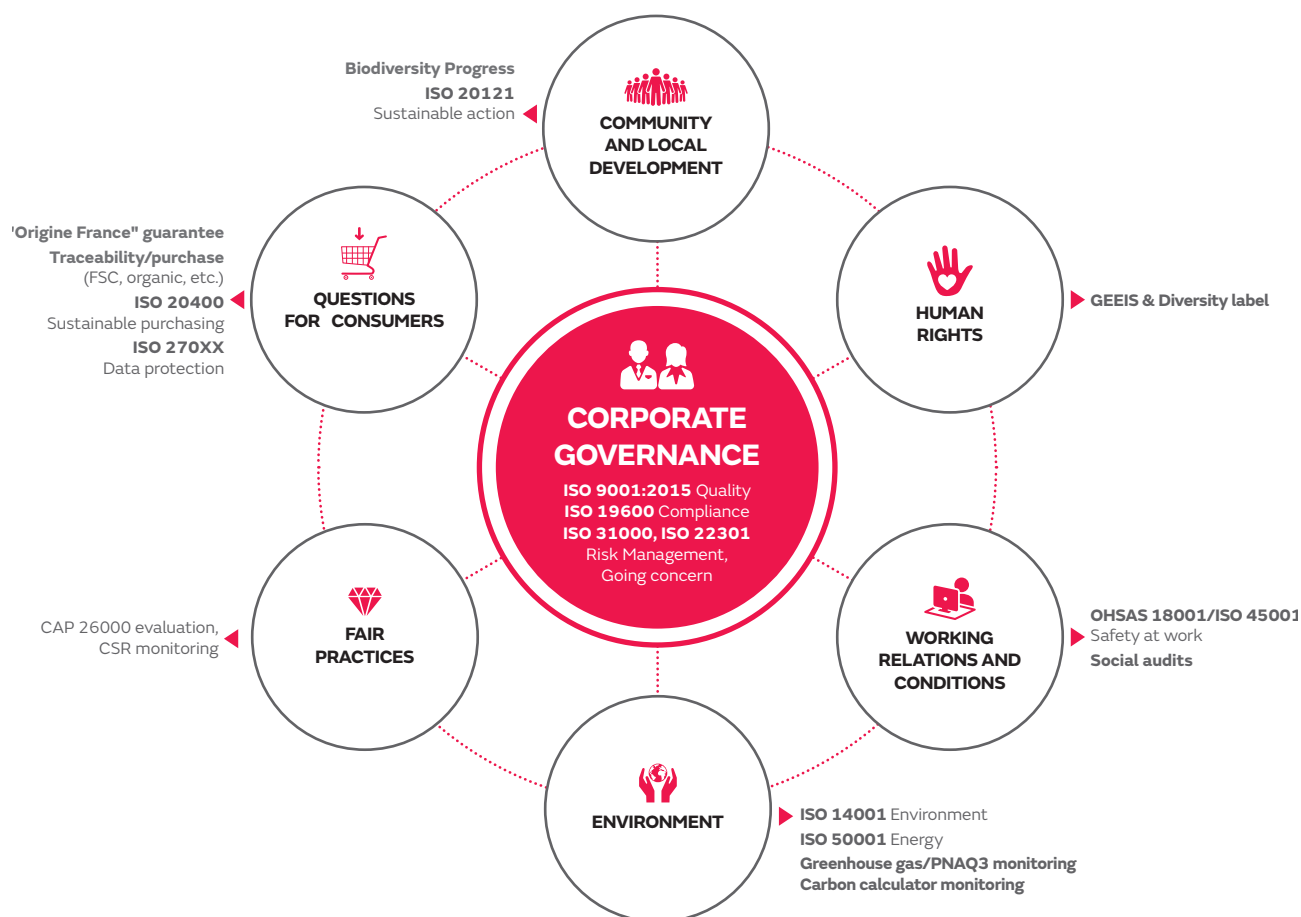
Bureau Veritas acts in the general interest in accordance with the following commitments to:

- identify and reduce risks for the benefit of the public and economic spheres, consumers and end users, and society in general;
- comply with its Code of Ethics which includes, in particular, rules relating to independence, integrity and impartiality in providing objective and impartial, unbiased professional opinions;
- promote local initiatives in response to local problems.

CSR services

A significant proportion of services provided by Bureau Veritas are aligned with the UN's Sustainable Development Goals. The table set out in section 2.1.2 provides a list of the main services corresponding to each goal.

However, some services contribute more naturally in helping companies transform their operations by improving their CSR impacts. The table below shows the Group's main audit and certification services concerned.



How the services provided by Bureau Veritas contribute to CSR

Any organization looking to improve its long-term Corporate Social Responsibility performance needs to adopt a strict approach generally involving the identification and analysis of risks and their impacts for the Company. This should be done before putting in place the appropriate risk management programs and selecting the indicators to be monitored in order to track progress over time.

Bureau Veritas assists its corporate clients across the globe in putting in place CSR programs by certifying management systems in accordance with recognized independent standards.

Bureau Veritas has developed a suite of process and management system audit services to help companies manage their CSR impacts and move towards a circular economy-type model. In this circular economy model, resources and waste are reduced as far as possible and when a product reaches the end of its life, it is reused or its materials are recycled to create even more value. The circular economy business model was adopted by the European Union in the form of its Circular Economy Package, in force since July 2018.

Towards a circular economy

The services developed by Bureau Veritas provide companies with a framework in which to rethink their processes step by step, gradually moving them towards a circular economy.

ISO 14001 on environmental management is a key aspect of this approach. The standard promotes a particular view of the life cycle of products and services and provides a framework in which to analyze impacts, helping the business to move towards a circular economy. Bureau Veritas manages more than 20,000 ISO 14001 certificates which were delivered to its clients by December 31, 2018.

Specific certification systems cover three main components of production: resource management; the environmental impacts of production and trade, including energy consumption and greenhouse gas emissions; and social impacts, including health and safety and the supply chain. The Group also verifies data and reports to help companies become transparent.

Managing natural resources

The supply chains for metals and minerals have become increasingly globalized and complex, making it difficult to trace the origin of the raw materials. As part of their CSR strategy, companies look to manage the social and environmental impacts of these resources throughout their life cycle, from extraction and processing through to reuse and recycling. Major CSR risks are (i) human rights risks, which cover child and forced labor, and (ii) environmental risks, covering water pollution and atmospheric emissions.

Modern supply chains are complex and highly globalized, making it difficult for companies to identify the origin of high-risk materials such as metals and minerals. Companies wish to improve their CSR performance as regards these materials: they seek to manage the environmental and social impacts resulting from the extraction and handling of the materials, which can range from child or forced labor to water and air pollution. They must also identify possibilities for reusing these precious, finite resources.

Worldwide, Bureau Veritas has over 3,400 CSR auditors and is therefore able to assist companies in certifying a broad range of materials management schemes. For example, Bureau Veritas is able to certify companies to the Aluminium Stewardship Initiative, and can also conduct 3TG audits for standards on precious metals used in the consumer electronics industry. Bureau Veritas is also one of the leading organizations for the certification of timber products. In all, Bureau Veritas Certification conducted over 47,500 audits on environmental management and social responsibility in 2018.

Environmental impacts

Following on from the commitments set out in the Paris Climate Accord to keep global warming below 2°C, governments and businesses are focusing on reducing their energy consumption and greenhouse gas emissions, with a particular emphasis on CO₂. Companies need specific ways of understanding and optimizing their energy consumption so that they can reduce their emissions.

Bureau Veritas supports clients' energy management efforts through ISO 50001 certification, audits and training. Demand for ISO 50001 certification is growing fast and the standard has been adopted across the globe. Bureau Veritas has reported average annual ISO 50001-linked growth of 50% since 2010.

Bureau Veritas also verifies greenhouse gas emissions for the EU's emissions trading system (EUETS) and for voluntary GHG emissions inventories. Bureau Veritas also validates and verifies carbon offsetting based on voluntary programs, including projects falling within the scope of climate obligations for carbon finance.

Social impacts

Companies have to contend with a number of social risks. Two of the most important are health and safety and ensuring compliance with ethical rules and working practices throughout the supply chain.

Bureau Veritas was among the first certification bodies to be accredited for the new ISO 45001:2018 occupational health and safety standard in July 2018, following its publication in March. Bureau Veritas can deploy 2,150 auditors across the globe to support companies in applying the new standard, which is designed to protect both employees and business owners.

The Group also supports companies in addressing risks upstream of the supply chain through ethical trade and social responsibility certification audits. These audits address a broad spectrum of risks, from child and forced labor to remuneration and working hours. In 2018, Bureau Veritas Certification conducted 20,000 days of social audits in many different industries.

Verification and assurance

Companies must ensure that the information and indicators they use to track their CSR performance are reliable, representative, true and fair. Using guidelines such as the Global Reporting Initiative (GRI) and the AA 1000 Assurance Standard and having their CSR reports audited allows companies to demonstrate the true and fair nature of their claims.

In 2018, Bureau Veritas Certification conducted more than 600 audits and certified over 80 companies, helping to highlight their commitment to conservation, environmental protection and social responsibility. As a certification body, Bureau Veritas certifies that the management systems utilized by clients comply with international standards, usually ISO, or with national or industry standards or standards specific to large companies.

Action plan

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

- enrich and update the catalog of CSR services, incorporating all testing and certification services;
- train the Group's client-facing employees in Bureau Veritas' CSR offer;
- offer clients a series of CSR awareness-raising initiatives and training;
- enhance external communication and marketing to highlight this CSR offer;
- track trends in orders and revenue generated by these CSR services.

Performance indicators

The performance indicator published this year is revenue growth for CSR certification activities related to sustainable development, environment, safety and security. These activities accounted for 27% of Certification revenue.

Revenue generated by these activities in 2018 was 5% higher than in 2017.

2.6.2 Community engagement

Supporting local development

The Group has a strong international presence.

This makes it possible to provide a “one stop” response to clients that generally operate around the globe. However, the Group’s presence on the ground, its understanding of the local language and dialects and the availability of its employees are what allows it to really understand the human issues at local level. This is how Bureau Veritas is able to provide effective local solutions with global support.

The Group’s highly decentralized organization favors local hiring in the 140 countries in which it does business. In this way, Bureau Veritas helps to further socio-economic development in the countries in which it operates, including through its network of local suppliers and partners.

The Group takes care to ensure that each of its 1,530 offices and laboratories across the globe develops local skills and expertise in partnership with the authorities and the stakeholders concerned.

Action for the community

The community initiatives rolled out by Bureau Veritas are decided locally in each of the 140 countries in which the Group does business. They are part of the more general “Be part of it” program.

More than 150 local initiatives were organized in 2018 in the form of skills sponsorship and donations, mainly in the fields of health, education and the environment. The initiatives include:

- environment:
 - tree planting (Latin America),
 - plastic waste collection (India),
 - park clean-ups (Asia), etc.;
- health:
 - skills sponsorship and outreach tournaments for not-for-profit associations for people with disabilities (Europe),
 - food collection for food banks (Asia, Americas, etc.),
 - help for women on the street (Africa, France, etc.), donations for the homeless (Americas), etc.;
- education:
 - support and donations for associations helping disadvantaged young people (France, Australia, Africa, Americas, etc.),
 - mentoring for young unemployed people (France),
 - donations to associations promoting the education of young girls (Africa).

2.7 Duty of care plan

Bureau Veritas has put in place a duty of care plan in compliance with French Law no. 2017-399 of March 27, 2017 on the duty of care of parent companies and subcontracting companies.

This duty of care plan aims to cover all of Bureau Veritas' businesses and all of its subsidiaries and controlled companies, as well as those of its subcontractors and suppliers with which it has long-standing business relationships. The plan includes measures to identify and prevent risks of serious infringements to human rights and fundamental freedoms, the health and safety of persons as well as the environment.

The duty of care plan includes the following five measures:

- a risk map that identifies, analyzes and ranks risks;

- procedures to regularly assess, in accordance with the risk map, the situation of subsidiaries, subcontractors or suppliers with whom the Company maintains an established business relationship;
- appropriate actions to mitigate risks or prevent serious violations;
- a whistleblowing mechanism that collects signals of potential or actual risks, developed in partnership with the trade union organizations of the concerned company;
- a monitoring system to follow up the measures implemented and assess their effectiveness.

This section reports on the implementation of the duty of care plan at the end of 2018.

2.7.1 Governance

Bureau Veritas has put in place specific governance arrangements for preparing and tracking the implementation of the plan.

A Duty of Care Steering Committee has been set up under the responsibility of Group CSR Director, comprising representatives from the following Group departments:

- QHSE, for issues relating to health and safety and the environment;
- HR, for training, inclusiveness and the working environment;
- Purchasing, for all purchasing-related issues;
- CSR, for issues relating to basic freedoms and human rights;

- IT security, for data protection issues.

The Committee works closely alongside the Legal Affairs & Audit department.

Bureau Veritas' policy regarding its partners (suppliers, subcontractors, sales agents and co-contractors) is defined in the Partner Code of Conduct which covers the Group's requirements in terms of ethics, security, the environment and human rights.

The policy applicable to its employees is set out in various documents, including the Code of Ethics, the Cardinal Safety Rules, the Environmental policy and the Human Rights policy.

2.7.2 Risk mapping

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

- issues related to duty of care were integrated into the risk maps drawn up by the Group in 2017 and revised in 2018;
- a specific analysis was performed in-house to assess the most significant risks for the Group:
 - major human rights risks were identified using the UN's Human Development Index published in March 2018 and taking into account the map on children's rights worldwide published by *Humanium*. For suppliers, this approach was

supplemented by a detailed analysis of risk for each category of purchases,

- major environmental risks were identified based on environmental impact assessment of the business activities carried out by the Group and its subcontractors. Owing to the low environmental risk associated with most of its businesses, the major risks only concern laboratories for their treatment of waste,
- major safety and security risks were identified in all countries reporting a significant number of serious accidents in 2018, both within Bureau Veritas and at its subcontractors;

- an external review was performed by a specialist independent firm to identify priority issues. This review was carried out through audits, reviews of documentation, interviews with the departments concerned and cross-checks with external statistical data bases, namely the Social Hotspots DataBase (SHDB). The SHDB grades risks on a scale of 1 to 4. The average risk score was calculated for each category and only risks graded 3 or higher with associated purchase volumes of over €10 million in 2018 are shown in the table below:

	SIGNIFICANT RISKS	BUREAU VERITAS	JV PARTNERS	SUBCONTRACTORS	SUPPLIERS	INTERMEDIARIES
 HUMAN RIGHTS	FREEDOM OF ASSOCIATION	Asia - USA Middle East		UAE China - USA	China - USA Office services	
	WORKING HOURS			China - South Korea Japan UK - UAE	China Office services	
	SOCIAL BENEFITS			USA	USA Office services	
 ENVIRONMENT	WASTE MANAGEMENT SOIL POLLUTION	Laboratories		Laboratories	Chemicals	
 HEALTH & SAFETY	WORK ACCIDENTS	India - Vietnam Brazil - Argentina France	China	France - Brazil	Brazil - France Office services	

RISK LEVELS:

□ Low risk ■ Moderate risk ■ Medium risk ■ High risk

Source: Social Hotspot Data Base.

On the basis of the above, Bureau Veritas has begun to prepare and implement appropriate actions for reducing risks or preventing serious violations.

2.7.3 Action plan for Bureau Veritas

The initiatives launched in 2018 for employees are described in the corresponding sections of this Non-Financial Statement:

- health and safety: section 2.4;
- environment: section 2.5;
- human rights: section 2.2.4.

A specific action plan was launched in 2018, covering for example:

- safety and security:
 - launch of training for employees on the Group's "absolutes" (Ethics, Safety and Financial Control),
 - creation and roll-out of a new training module on the Group's Cardinal Safety Rules, incorporated into the compulsory induction program for all employees,
 - audit of safety organizations and processes in China, the US and France;
 - publication of a new Human Rights policy that has been circulated among all employees;
 - follow-up of the "Inclusion@BV" program.

2.7.4 Action plans for suppliers and subcontractors

Risks associated with subcontractors and suppliers were incorporated within the Group's risk map (section 2.1.3.); the three sections on Health, Safety and Security (section 2.4), Environment (section 2.5) and Human Rights (section 2.2.4) all deal with the specific policies applicable to subcontractors and suppliers.

Bureau Veritas drew up a Partner Code of Conduct in 2018. This will be progressively rolled out as from 2019.

Reference to this Code will gradually be included in standard contracts with partners and in the Group's general terms and conditions of purchase.

Action plans for subcontractors

The most critical topics for the Group's subcontractors, which correspond to two of the Group's three "absolutes", are ethics and health, safety and security.

Concerning human rights, subcontractors are required to comply with the Human Rights policy formulated by the Group in its **Partner Code of Conduct**, which also covers ethics, health, safety and security and environmental issues. The Code of Conduct will be sent first in early 2019 to subcontractors in the high-risk country mentioned in the table in section 2.7.2.

Concerning health, safety and security, the Group ensures that subcontractors comply with Bureau Veritas' health and safety rules, although subcontractors remain responsible for their own safety. This program is described in further detail in section 2.4.2.

An action plan was launched and includes the following initiatives:

- subcontractors are systematically informed of applicable health, safety and security requirements for all Group assignments, including when these incorporate additional requirements imposed by the client or site of work;
- all serious accidents with subcontractors involved in Bureau Veritas assignments are reported and followed up through a root cause analysis. In 2018, only one serious accident was reported, in Ukraine;
- safety and security instructions and safety campaigns prepared by Bureau Veritas for its employees are communicated to the subcontractors concerned.

Based on an analysis of accidents involving subcontractors in 2018, subcontractors conducting inspections of raw materials are a high-risk category on which the Group has decided to focus. An initiative will be launched by the HSE network in the first quarter of 2019 to reiterate the Group's safety and security rules and verify that they are duly applied and complied with.

Concerning the environment, subcontractors operating in environmental analysis laboratories will be closely monitored in terms of waste treatment, airborne emissions and liquid discharge.

A specific initiative will be launched by the HSE network in this respect in 2019.

Action plans for suppliers

In 2014, Bureau Veritas launched a continuous Purchasing improvement program from a CSR perspective. The actions undertaken in this area, including the work carried out with ECOVADIS, an independent platform evaluating suppliers in terms of sustainable development and Corporate Social Responsibility, are detailed in section 2.2.3.

In addition, in 2018 the Group Purchasing department revised the general purchasing risk map and, within this framework, defined a strategy for managing such risks. Among the risks identified, particular attention was given to corruption and CSR risks for which an action plan was defined with a view to risk mitigation.

A specific action plan was launched in 2018 as part of the deployment of the action plan, including in particular the insertion of CSR clauses in contracts and general terms and conditions of purchase, and the integration of the purchasing process in the Integrated Management System (IMS). This plan will be rolled out gradually in 2019 and 2020.

Concerning human rights, the risk analysis identified cleaning, maintenance and security service providers as a priority focus. Targeted initiatives will be launched in 2019 to provide the relevant service providers with the Bureau Veritas' Partner Code of Conduct.

Concerning health, safety and security, no major risks were identified. The Group will ensure that staff employed by suppliers and service providers on its sites comply with the safety and security rules applicable to Bureau Veritas' own employees. Compliance will be verified by site managers assisted by the HSE network.

Concerning the environment, suppliers of chemical products for the Group's laboratories and waste collection companies will be especially monitored. Targeted initiatives will be launched in 2019 to provide the relevant service providers with Bureau Veritas' Partner Code of Conduct.

2.7.5 Indicators and results

Indicators are defined differently, depending on whether the duty of care plan is being monitored for employees or partners. Indicators will be gradually introduced.

They are detailed in each of the following sections: Health and safety (section 2.4), Environment (section 2.5) and Human rights (section 2.2.4).

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

Topic	Bureau Veritas			Suppliers and subcontractors		
	KPI	2018 results	2019 goals	KPI	2018 results	2019 goals
Health, safety and security	TAR	0.41	0.40	New stakeholders having received the PCC	N/A	50%
Environment	Transportation-related CO ₂ emissions (t/person)	1.94	1.75	New stakeholders having received the PCC	N/A	50%
Human rights	New stakeholders having received the policy	-	100%	New stakeholders having received the PCC	N/A	50%

2.7.6 Whistleblowing mechanism

The whistleblowing mechanism put into place as part of the Group's Compliance Program (see details of this whistleblowing mechanism in section 2.2.1 of this Registration Document) will be gradually extended to all of the areas covered by the duty of care law.

The opening of the whistleblowing line to suppliers and to subcontractors is in progress.

2.8 Information compilation methodology

Labor-related information

Bureau Veritas SA's social audit is available at the registered office upon request.

The information published in this document is mainly taken from the Group's HR reporting system. It is published and submitted on a monthly basis to Executive Committee members and to the HR departments of the various operating groups. Within the Group HR department, a reporting team is in charge of verifying and publishing these data in conjunction with the local managers.

An annual survey is also conducted among the HR Directors of the operating groups to compile the relevant qualitative information presented in section 2.3 of this chapter.

Scope of consolidation

The HR data are continuously updated in the Group HR information system (HRIS), except for the training indicators, which are updated by the local teams and are reported on a quarterly basis.

Workforce data are provided on a Group-scope basis.

Training data and data on absenteeism cover 100% of the Group's workforce.

For data on training hours and hours worked/absenteeism, the Group respectively uses a rolling three-month and rolling one-month period for the reporting. Training data for 2018 therefore relates to the period between October 1, 2017 and September 30, 2018, while data on hours worked and absenteeism for 2018 covers the period between December 1, 2017 and November 30, 2018.

Other data are not reported on a rolling basis and cover the full 2018 calendar year.

The data on the profit-sharing agreements extend beyond Bureau Veritas SA and cover the Company's six French subsidiaries: Bureau Veritas Services, Bureau Veritas Services France, Bureau Veritas Exploitation, Bureau Veritas Construction, Bureau Veritas GSIT and Bureau Veritas Marine & Offshore.

Documentation and training for users

Detailed, regularly updated documentation is available in the Group's IT systems. Each new user and/or contributor to HR reporting must complete training on how to collect and enter data, as well as on the online consultation of indicators. This training is provided by the Group HR department.

Health, Safety and Environment (HSE)

In the absence of recognized public standards for inspection operations, Bureau Veritas has defined its own set of HSE indicators including specific definitions, scopes and methods of consolidation, responsibilities, and information verification.

These indicators are described in the manuals for the areas in question (HSE). They are regularly updated in order to take into account the introduction of additional programs and any changes in the scope (program extended to existing entities, integration of new acquisitions).

Information gathering

HSE indicators fall under the responsibility of the HSE department, which relies on the data provided by the network and the IT systems.

HSE indicators are input by Group entities using an online tool.

Data on accidents are registered in real time. Details about the registration methodology can be found in section 2.4.6 of this chapter.

Environmental indicators are input through a single reporting process known as "Environmental and Carbon Reporting" (see below for more details).

Scope and methods of consolidation

HSE indicators are consolidated at Group level or within specific programs. The indicated exclusions concern entities for which data for the previous year are not available or are not reliable, as well as entities acquired in the previous year. Moreover, to ensure that the data collected are consistent, the indicators are only consolidated from the second year of data reporting.

Energy consumption includes the consumption of electricity used in buildings and processes.

The number of employees used in the calculation of health, safety and environment indicators is based on the quarterly average number of employees.

By default, the number of hours used to calculate the frequency and severity rates is set at 160 per month and per employee.

Since 2014, in order to facilitate and improve reporting on the main environmental impacts and CO₂ emissions, Bureau Veritas has used a single tool called "Environmental and Carbon Reporting". A note on methodology has also been prepared to serve as guidance for those reporting information.

Each entity must report annually on energy, paper and water consumption, waste generation and work-related travel and every other year on ozone-depleting substances. Exceptions are provided for in the reporting procedure in the following cases:

- data cannot be obtained because they are included in the overall rental charge, there is no meter installed, and it would be too costly to put one in place;
- newly acquired entities have two years to improve their data reporting, so that they can begin with pilot sites and then roll out the reporting process to the entire entity.

In order to ensure that the data reported by newly acquired entities are consistent with the Group's processes, the first reporting year is documented but the data are not included in the Group's consolidated results.

In this report:

- the health and safety data cover 2018 in its entirety (from January 1 to December 31, 2018). The number of employees used in the calculation of health and safety indicators is based on employees in November 2018;
- the environmental data are those for the year 2018 (from October 1, 2017 to September 30, 2018).

Any entity whose annual data cannot be reliably verified is excluded from the Group's consolidated results in accordance with the internal control process.

Indicators that are not relevant to Bureau Veritas' businesses

Bureau Veritas' operations are not affected by the adaptation to the consequences of climate change and measures for protecting or increasing biodiversity, and are carried out in compliance with the relevant local regulations. With respect to the Group's portfolio of services, these areas have business potential. For example, the Group has carried out a project to define a framework for preparing business continuity plans in accordance with ISO 22301, as required by regulations in certain countries.

The business activities of Bureau Veritas do not involve the use of soil or land, apart from the use of the buildings which the Group usually leases as a tenant. They do not involve the consumption of raw materials except fuel, more details of which are provided in section 2.5.2 along with the measures taken to improve fuel efficiency.

The Group's business activities do not involve the use of water, except water consumed by employees and during certain testing processes in laboratories. Its business activities are carried out in compliance with the relevant local standards and regulations on water consumption and discharge. As part of ISO 14001 certification, water consumption is monitored in those businesses in which it is considered significant, and measures are adopted to reduce and optimize consumption.

Lastly, the Group's business activities did not generate any significant food waste.

2.9 Cross-reference index

With articles L. 225-102-1, R. 225-104 et seq. of the French Commercial Code

The following table indicates the chapters of this Registration Document that correspond to the information required in the Non-Financial Statement as specified in article R225-105 of the French Commercial Code.

1. Labor-related information	Section(s)	Page(s)
a) Employees		
• Total headcount and breakdown of employees by gender, age and geographic area	2.3.1, 2.3.2	94-97, 98-99
• Hirings and layoffs	2.3.1	94
• Remuneration and changes in remuneration	2.3.1, 2.3.3	96, 101-102
b) Work organization		
• Organization of working time	2.3.3	100
• Absenteeism	2.3.3	100
c) Health and safety		
• Health and safety conditions in the workplace	2.4	103-110
• Accidents at work, in particular, their frequency and severity, and work-related illnesses	2.4	103-110
d) Labor relations		
• The organization of labor relations, notably procedures for informing, consulting and negotiating with employees	2.3.3	100-101
• The status of collective agreements, particularly as regards health and safety in the workplace	2.3.3	100-101
e) Training		
• Training policies put in place, particularly in terms of environmental protection	2.3.1, 2.4.3, 2.5	94-97, 107, 111-117
• Total number of training hours	2.3.1	96
f) Equal treatment		
• Measures to promote gender equality	2.3.2	98-99
• Measures to promote the employment and inclusion of people with disabilities	2.3.2	99
• Anti-discrimination policy	2.3.2	98
2. Environmental information	Section(s)	Page(s)
a) General environment policy		
• Organization of the Company to take into account environmental issues, and if applicable, environmental assessment or certification approaches	2.5	111-117
• Resources allocated to the prevention of environmental risks and pollution	2.4.3, 2.5	107, 111-117
• Provisions and guarantees for environmental risks, provided that this information does not cause serious harm to the Company in an ongoing dispute	2.5	112
b) Pollution		
• Measures to prevent, reduce or address air, water or soil pollution having a serious impact on the environment	2.5.3	115
• Consideration of all forms of pollution specific to an activity, particularly noise and light pollution	2.5	112
c) Circular economy		
i) Waste management and prevention		
• Measures to prevent, recycle, reuse, recover and remove waste	2.5.3	115
• Measures to fight against food waste	N/A	

2. Environmental information	Section(s)	Page(s)
ii) Sustainable use of resources:		
● Water consumption and water supply in accordance with local restrictions	N/A	
● Consumption of commodities and measures taken to use them more efficiently	N/A	
● Consumption of energy and measures taken to improve energy efficiency and increase the use of renewable energies	2.5.1	112-113
● Use of soil	N/A	
d) Climate change		
● Material sources of greenhouse gas emissions generated by the Company's operations and notably by the use of goods and services produced by the Company	2.5.1, 2.5.2	112-113, 114
● Measures taken to adapt to the consequences of climate change	2.5	111-117
● Voluntary mid- and long-term reduction targets set to cut greenhouse gas emissions and the resources put in place to achieve this	2.5.1, 2.5.2	112-113, 114
e) Protection of biodiversity		
● Measures taken to preserve or develop biodiversity	2.5.5	116

3. Societal information	Section(s)	Page(s)
a) Corporate social commitments for sustainable development		
● Impact of the Company's business in terms of employment and regional development	2.1	77-84
● Impact of the Company's business in terms of local or neighboring communities	2.3.2, 2.6	98-99, 118-121
● Relations with Company stakeholders and conditions for dialogue with these persons/organizations	2.1.6, 2.6.2	83-84, 121
● Partnership or sponsorship initiatives	2.6.2	121
b) Subcontractors and suppliers		
● The inclusion of social and environmental issues in purchasing policies	2.2.3, 2.7	88-90, 122-125
● The inclusion of corporate social and environmental responsibility in dealings with suppliers and subcontractors	2.2.3, 2.7	88-90, 122-125
c) Fair practices: measures to protect the health and safety of consumers		
1. Information on the fight against corruption. Measures taken to prevent corruption	2.2.1	85-86
2. Information on human rights initiatives		
a) Promotion and compliance with the fundamental conventions of the International Labor Organization in relation to:		
● Respect for freedom of association and the right to collective bargaining	2.2.4, 2.3.3	90, 102
● Elimination of discrimination in respect of employment and occupation	2.2.4, 2.3.3	90, 102
● Elimination of forced labor	2.2.4, 2.3.3	90, 102
● Abolition of child labor	2.2.4, 2.3.3	90, 102
b) Other measures implemented in respect of human rights	2.2.4, 2.3.2	90, 98-99

2.10 Opinion of the independent third party

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

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

For the year ended December 31, 2018

To the Shareholders,

In our capacity as independent third party accredited by COFRAC under number 3-1050 (whose scope is available at www.cofrac.fr) and as a member of the network of one of the Statutory Auditors of Bureau Veritas (hereinafter the "entity"), we hereby report to you on the consolidated Non-Financial Statement for the year ended December 31, 2018 (hereinafter the "Statement"), included in the management report pursuant to the legal and regulatory provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

The entity's responsibility

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented in light of those risks and the outcome of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available on request from the entity's registered office.

Independence and quality control

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with ethical requirements, French professional standards and applicable legal and regulatory requirements.

Responsibility of the independent third party

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

- the consistency of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105, I, 3 and II of the French Commercial Code, i.e., the outcome of the policies, including key performance indicators, and the measures implemented in light of the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation;

- the consistency of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional standards applicable in France to such engagements, as well as with ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

Our procedures allowed us to assess the consistency of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the main labor and environmental risks associated with their activities and, where applicable, the impact of these risks on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of labor and environmental information set out in article L. 225-102-1 III, as well as information regarding compliance with human rights and the anti-corruption and tax evasion legislation;
- we verified that the Statement includes an explanation for the absence of the information required under article L. 225-102-1 III, 2;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant in light of the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;

- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
 - we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with article L. 233-16, within the limitations set out in the Statement;
 - we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
 - for the key performance indicators and other quantitative results that we considered to be the most important and are presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities, comprising Maxxam, BVQI Morocco, CYBRA Brazil (BV DO Brazil and Inspectorate do Brasil Inspecoes Ltda), CIF China (Bureau Veritas Investment Shanghai Co Ltd, Shandong Chengxin Engineering Consulting, Chongqing Liansheng Construction Project and Shanghai Construction Project Management).
- These entities cover between 12% and 15% of the consolidated data selected for these tests (12% of total CO₂ emissions resulting from energy consumption and business travel; 15% of employees);
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important and that are presented in Appendix 1;
 - we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities;

- We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of five people between September 2018 and February 2019 and took a total of around 12 weeks.

We conducted seven interviews with the people responsible for preparing the Statement, representing the HR, Quality, Health and Safety, Security and Environment, Purchasing, Data Protection and Legal Affairs departments.

Conclusion

Based on our work, we did not identify any material misstatements causing us to believe that the Statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly and in accordance with the Guidelines.

Comments

Without qualifying the opinion expressed above, and pursuant to article A. 225-3 of the French Commercial Code, we have the following comments to make:

We noted that the new Human Rights and Environment policies and the Partner Code of Conduct have been recently drawn up and had not yet been fully rolled out at the date of our work.

Furthermore, the data published on changes in headcount are not expressed in the form of key performance indicators at Group level (aggregate/voluntary attrition rates).

Paris-La Défense, March 11, 2019

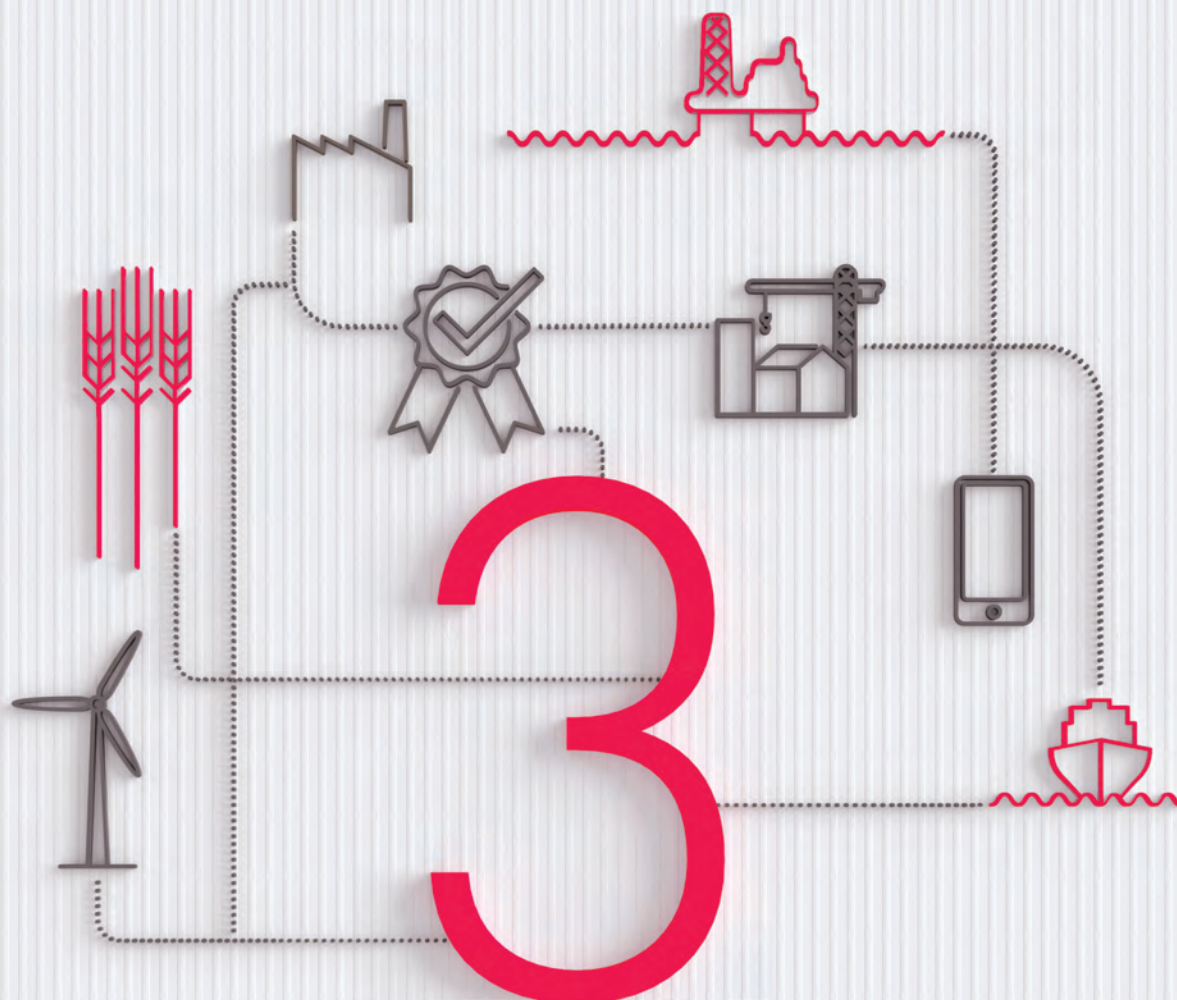
The independent third party
ERNST & YOUNG et Associés

Éric Duvaud
Partner, Sustainable Development

Jean-François Bélorgey
Partner

APPENDIX 1: INFORMATION CONSIDERED TO BE THE MOST IMPORTANT

Labor-related information	
<i>Quantitative information (including key performance indicators)</i>	<i>Qualitative information (measures and outcomes)</i>
Total headcount	Leadership review process
Hirings and layoffs	Inclusiveness program
% female representation on the Group's Senior Management team	Recruitment policy
Health and safety and environmental information	
<i>Quantitative information (including key performance indicators)</i>	<i>Qualitative information (measures and outcomes)</i>
LTR: Lost Time Rate (frequency of lost time accidents)	QESIS software roll-out
ASR: Accident Severity Rate	Environmental management system
TAR: Total Accident Rate	
Tons of CO ₂ emissions per capita (resulting from energy consumed by laboratories and from work-related travel for offices)	
% businesses certified to ISO 14001	
Societal information	
<i>Quantitative information (including key performance indicators)</i>	<i>Qualitative information (measures and outcomes)</i>
	Local measures of client satisfaction
	Organization of information systems security
	Compliance Program
	Human rights initiatives (particularly with subcontractors)



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Components of the Annual Financial Report are identified in this table of contents with the following sign **AFR**

Pursuant to article L. 225-37-4 of the French Commercial Code, 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 2018.

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 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 to be held on May 14, 2019 to approve the principles and criteria for determining, allocating and awarding the fixed, variable and extraordinary components of the total compensation and benefits in-kind awarded to 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 January 17, 2019. It was reviewed in draft form and approved by the Board of Directors at its meeting of February 27, 2019.

3.1 Governance

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 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. On December 15, 2017, André François-Poncet was co-opted as a Director of the Company and appointed Vice-Chairman of the Board of Directors to replace Frédéric Lemoine, effective as of 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 to the Shareholders' Meeting. He oversees the proper functioning of the Company's executive bodies, ensuring in particular that the Directors are able to fulfill their duties.

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

3.1.1 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 Registration Document was filed, the Board of Directors had 12 members.

These members are appointed by 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 recommendation of the Board and appoint or renew 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 end of each 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" below.

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 also guaranteed by four-year terms of office. Appointments and reappointments to the Board are also staggered to ensure maximum diversity.

Pursuant to this policy, out of a total of 12 Directors as of December 31, 2018:

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

Changes in the composition of the Board of Directors

Changes in the composition of the Board of Directors in 2018 include (i) André François-Poncet taking up office as Director and Vice-Chairman of the Board of Directors as from January 1, 2018 after his co-optation on December 15, 2017 to replace Frédéric Lemoine; and (ii) Philippe Lazare's co-optation on October 3, 2018, based on a recommendation of the Nomination & Compensation Committee, to replace Jean-Michel Ropert who tendered his resignation to the Board on the same day, for Mr. Ropert's remaining term of office, i.e., until the end of the Annual Shareholders' Meeting to be held to approve the financial statements for the year ending 2021.

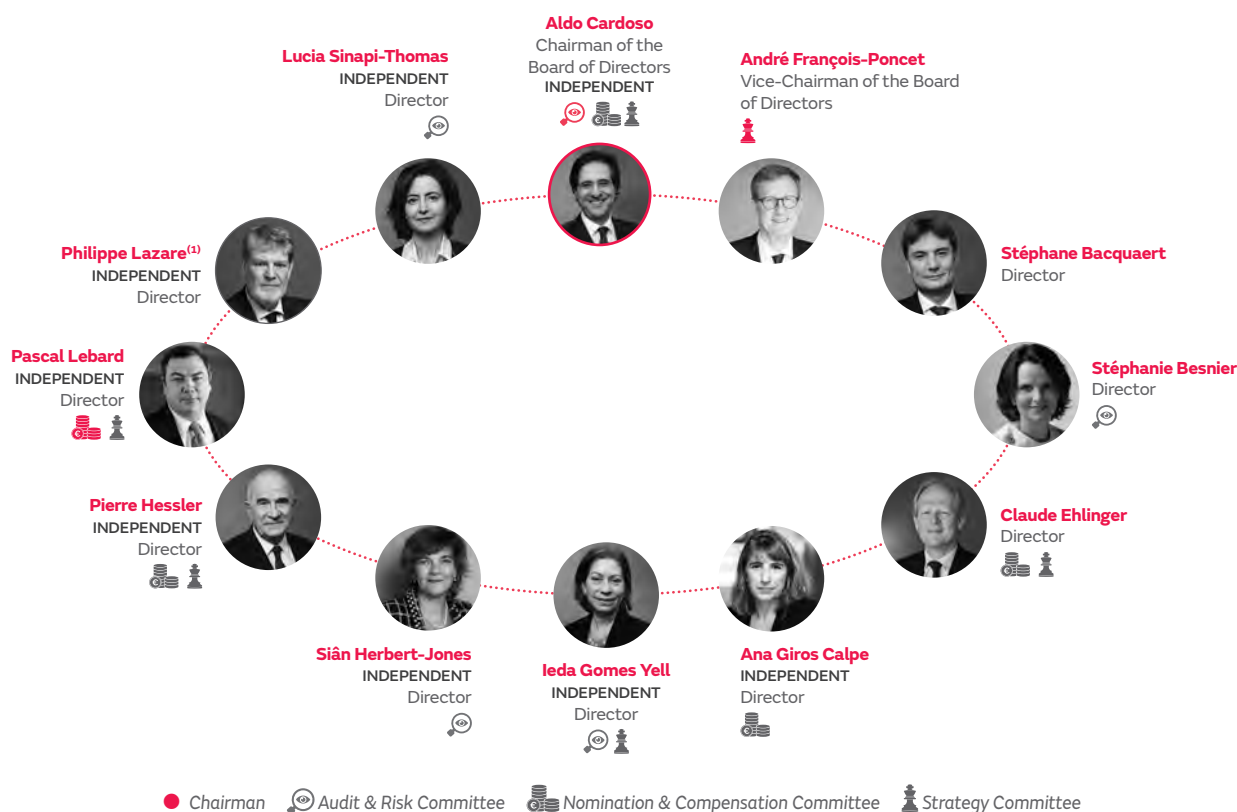
The forthcoming Annual Shareholders' Meeting will be asked to ratify this appointment pursuant to article L. 225-24 of the French Commercial Code.

Philippe Lazare will bring to the Board his broad industry expertise as a former senior manager of a global integrated payment solutions leader at the heart of the digital revolution. Digitalization is a cornerstone of Bureau Veritas' strategy.

Philippe Lazare has followed a full induction program.

At December 31, 2018, the Company's Board of Directors comprised 12 members: Aldo Cardoso (Chairman), André François-Poncet (Vice-Chairman), Stéphane Bacquaert, Stéphanie Besnier, Claude Ehlinger, Ana Giros Calpe, Ieda Gomes Yell, Siân Herbert-Jones, Pierre Hessler, Pascal Lebard, Lucia Sinapi-Thomas and Philippe Lazare.

The new composition of the Board of Directors is shown below:



8/12 Directors are independent
i.e., 67% of the Board⁽²⁾

5 women
on the Board of Directors,
i.e., 42%⁽³⁾

4 women
on the Audit &
Risk Committee

1 woman
on the Nomination and
Compensation Committee

1 woman
on the Strategy
Committee

(1) Director co-opted by the Board of Directors and whose ratification will be submitted to the Annual General Meeting to be held on May 14, 2019.
(2) Significantly above the 33% proportion recommended by the AFEP-MEDEF Corporate Governance Code.
(3) Above the 40% threshold.

Representation of employees and employee shareholders on the Board of Directors

The Company has not appointed an employee Director since 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, 2018, employees held only 1.22% of the Company's capital.

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 February 27, 2019, and based on the recommendation of the Nomination & Compensation Committee meeting held on January 17, 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 particularly considered the independence of six Directors:

- (i) Lucia Sinapi-Thomas, in light of her relationship with the majority shareholder;
- (ii) Ieda Gomes Yell, Siân Herbert-Jones, Lucia Sinapi-Thomas and Ana Giros Calpe, in light of the links existing between the Company and Saint-Gobain, Cap Gemini and Suez, respectively, companies in which these Directors hold office;
- (iii) Pierre Hessler, in light of the term of his office in excess of 12 years;
- (iv) Philippe Lazare, as a new Director co-opted by the Board of Directors on October 3, 2018.

Independence assessment of Lucia Sinapi-Thomas in light of her relationship with the majority shareholder and of the criterion regarding business relationships with the Company

The Board reassessed Lucia Sinapi-Thomas' situation in light of her relationship with the Wendel group, which had recommended her appointment to the Board in 2013. Since she had been appointed to the Board in May 2013 following her recommendation by Wendel, the Group did not classify her as an independent Director at that time.

After having noted that:

- she had no other relations with the Wendel group;
- she had not received any compensation whatsoever from Wendel;

the Board of Directors considered, five years after Lucia Sinapi-Thomas' initial appointment to the Board, that the circumstances of her appointment no longer called her independence into question.

The Board also considered her situation in light of the criterion regarding the business relationship between the Company and the Capgemini group, where Lucia Sinapi-Thomas is also a Director. Details of this analysis are presented below.

Based on the report of the Nomination & Compensation Committee, the Board decided that Lucia Sinapi-Thomas qualified as an independent Director.

Independence assessment of Ieda Gomes Yell, Siân Herbert-Jones, Lucia Sinapi-Thomas and Ana Giros Calpe in light of the business relationship criterion

The Board assessed the situation of Ieda Gomes Yell, Siân Herbert-Jones, Lucia Sinapi-Thomas and Ana Giros Calpe in light of the business relationship criterion. This criterion specifies that 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 Company and Saint-Gobain, Capgemini and Suez Environment, groups in which the Company's 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 2018 between Group companies and the companies of the group in which the Director also holds office, and (ii) the absence of economic dependency or exclusivity between the parties.

Analysis of the business relationship of Ieda Gomes Yell

The Board performed an in-depth assessment of the independence of Ieda Gomes Yell in light of her office as a Director of Saint-Gobain. Based on an analysis of the business relationship, Saint-Gobain was deemed a direct or indirect (through its subsidiaries) customer of the Bureau Veritas Group, it being specified that services are provided to Saint-Gobain by some 60 Bureau Veritas subsidiaries in various countries, mainly France.

Having noted that:

- revenue generated by the Group from this relationship in 2018 represented less than 0.1% of the Group's consolidated revenue; and
- the parties are not economically dependent;

the Board concluded, based on the report of the Nomination & Compensation Committee, that the business relationship between Bureau Veritas and Saint-Gobain was not likely to call Ieda Gomes Yell's classification as an independent Director into question.

Analysis of the business relationship of Siân Herbert-Jones and Lucia Sinapi-Thomas

The Board performed an in-depth analysis of the independence of Siân Herbert-Jones and Lucia Sinapi-Thomas in light of their offices as Directors of Capgemini. Based on an analysis of the business relationship, Capgemini is not a major customer of Bureau Veritas but provides consulting services to Bureau Veritas subsidiaries in France.

Having noted that:

- revenue generated by the Bureau Veritas Group from this relationship in 2018 did not represent a material percentage of its consolidated revenue;
- revenue generated by Capgemini with Bureau Veritas was not material to the Capgemini group as a whole; and
- the parties are not economically dependent;

the Board concluded, based on the report of the Nomination & Compensation Committee, that the business relationship between Bureau Veritas and Capgemini was not likely to call the classification of Siân Herbert-Jones and Lucia Sinapi-Thomas as independent Directors into question.

Analysis of the business relationship of Ana Giros Calpe (Suez)

The Board performed an in-depth assessment of the independence of Ana Giros Calpe in light of her offices as a member of the Executive Committee of Suez and Chief Executive Officer of the Latin America region. Based on an analysis of the business relationship, Suez was found to be a direct or indirect (through its subsidiaries) customer of the Bureau Veritas Group, it being specified that services are provided to Suez through around 30 Bureau Veritas subsidiaries in various countries, mainly France. Suez is also a service provider for Bureau Veritas subsidiaries in Europe.

Having noted that:

- revenue generated by the Group from the relationship in 2018 represented less than 0.1% of the Group's consolidated revenue;
- revenue generated by Suez with Bureau Veritas was not material to the Suez group as a whole; and
- the parties are not economically dependent;

the Board concluded, based on the report of the Nomination & Compensation Committee, that the business relationship between Bureau Veritas and Suez was not likely to call Ana Giros Calpe's classification as an independent Director into question.

Independence assessment of Pierre Hessler in light of the seniority criterion

The Board of Directors may decide that a Director does not qualify as independent, even if the criteria in the table on the following page are met, in light of his/her specific situation or the specific situation of the Company with regard to its shareholder base, or for any other reason. Conversely, the Board may deem a Director to be independent even if the above criteria are not met. When Pierre Hessler was reappointed, the Board of Directors had carefully examined his situation with regard to the AFEP-MEDEF Code, which recommends that Directors not *"have been a Director of the Company for more than twelve years"*. It considered that this criterion alone was not sufficient to automatically disqualify Pierre Hessler as an independent Director and decided not to apply it for the reasons set out in the table in section 3.1.5 of this Registration Document.

Following the recommendation of the Nomination & Compensation Committee, the Board of Directors' meeting of February 27, 2019 confirmed its position.

Independence assessment of Philippe Lazare in light of all of the independence criteria set out in the AFEP-MEDEF Code

The Board of Directors assessed the independence of Philippe Lazare, co-opted by the Board of Directors on October 3, 2018, in light of the independence criteria set out in the AFEP-MEDEF Code and shown in the table below.

Based on the report of the Nomination & Compensation Committee, the Board decided to classify Philippe Lazare as an independent Director pursuant to all of the AFEP-MEDEF Code independence criteria.

At the Board of Directors' meeting of February 27, 2019, eight of the 12 Directors were classified as independent: Aldo Cardoso, Ana Giros Calpe, Ieda Gomes Yell, Siân Herbert-Jones, Lucia Sinapi-Thomas, Pierre Hessler, Pascal Lebard and Philippe Lazare.

At December 31, 2018, 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, 2019, these percentages have not changed.

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⁾

First name, last name	Aldo Cardoso	André François-Poncet	Stéphane Bacquaert	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	June 2, 2008	October 18, 2016	October 18, 2016
End of term of office	AOSM ^(a) 2022	AOSM ^(a) 2021	AOSM ^(a) 2021	AOSM ^(a) 2020	AOSM ^(a) 2020
Total time in office	9 years	1 year	10 years	2 years	2 years
AFEP-MEDEF independence criteria					
Not to be, or not to have been over the previous five years:	✓				
- an employee or an Executive Officer of the Company; - an employee, an Executive Officer or Director of a company consolidated by the Company; - an employee, an Executive Officer or Director of the Company's parent company or of a company consolidated by the parent company.		Chairman of the Executive Board of Wendel	Managing Director of Wendel Africa and member of the Investment Committee of Wendel	Managing Director of Wendel	Chief Executive Officer of Oranje-Nassau, Managing Director and member of the Investment Committee of Wendel
Not to be an Executive Officer of an entity in which the Company holds a directorship, directly or indirectly, or in which an employee designated as such or an Executive Officer of the Company (currently in office or having held such office in the previous five years) is a Director.	✓	✓	✓	✓	✓
Not to be a customer, supplier, investment banker or commercial banker:	✓	✓	✓	✓	✓
- that is significant for the Company or its Group; - or - that has a significant part of its business with the Company or its Group.					
Not to be related by close family ties to a Corporate Officer of the Company or its Group.	✓	✓	✓	✓	✓
Not to have been a Statutory Auditor of the Company, or of a Group company within the previous five years.	✓	✓	✓	✓	✓
Not to have been a Director of the Company for more than 12 years.	✓	✓	✓	✓	✓
Not to receive or have received variable cash compensation, securities or any other performance-based compensation from the Company or the Group.	✓	✓	✓	✓	✓

(a) Annual Ordinary Shareholders' Meeting.

(b) Philippe Lazare was co-opted as a Director of the Company by the Board of Directors on October 3, 2018, replacing Jean-Michel Ropert.

(c) As from October 3, 2018, Jean-Michel Ropert is no longer a Director.

Independent Directors are identified in **red**.

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

Ana Giros Calpe	Ieda Gomes Yell	Siân Herbert-Jones	Pierre Hessler	Pascal Lebard	Lucia Sinapi-Thomas	Philippe Lazare ^(b)	Jean-Michel Ropert ^(c)
Director	Director	Director	Director	Director	Director	Director	Director
May 16, 2017	May 22, 2013	May 17, 2016	June 19, 2002	December 13, 2013	May 22, 2013	October 3, 2018	December 21, 2005
AOSM ^(a) 2021	AOSM ^(a) 2021	AOSM ^(a) 2020	AOSM ^(a) 2019	AOSM ^(a) 2022	AOSM ^(a) 2021	AOSM ^(a) 2022	Until October 3, 2018
19 months	5 years	2 years	16 years	5 years	5 years	6 months	
√	√	√	√	√	√	√	
√	√	√	√	√	√	√	
√	√	√	√	√	√	√	
√	√	√	√	√	√	√	
√	√	√	√	√	√	√	
√	√	√	√	√	√	√	
√	√	√	X	√	√	√	
√	√	√	√	√	√	√	

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

Name	Nationality	Age ^(c)	Main business address	Current office within Company	Main functions
Aldo Cardoso^(a)	French	62	Bureau Veritas Immeuble Newtime 40/52, boulevard du Parc 92200 Neuilly-sur-Seine France	Chairman of the Board of Directors	Director of companies
André François-Poncet	French	59	Wendel 89, rue Taitbout 75009 Paris France	Vice-Chairman of the Board of Directors	Chairman of the Executive Board of Wendel
Stéphane Bacquaert	French	47	Wendel Anaplace Centre d'affaires Est Boulevard de la Corniche Ain Diab 20100 Casablanca Morocco	Member of the Board of Directors	Managing Director of Wendel Africa and member of the Investment Committee of Wendel
Stéphanie Besnier	French	41	Wendel 89, rue Taitbout 75009 Paris France	Member of the Board of Directors	Managing Director of Wendel
Claude Ehlinger	Luxembourgish	56	Wendel London 63 Brook Street London, W1K 4HS United Kingdom	Member of the Board of Directors	Chief Executive Officer of Oranje-Nassau, Managing Director and member of the Investment Committee of Wendel
Ana Gíros Calpe^(a)	Spanish	44	SUEZ Groupe Tour CB2116 place de l'Iris 92 040 Paris La Défense	Member of the Board of Directors	Chief Executive Officer for Latin America and Executive Committee member at Suez
Ieda Gomes Yell^(a)	British and Brazilian	62	Bureau Veritas Immeuble Newtime 40/52, boulevard du Parc 92200 Neuilly-sur-Seine France	Member of the Board of Directors	Consultant, Researcher
Siân Herbert-Jones^(a)	British	58	Bureau Veritas Immeuble Newtime 40/52, boulevard du Parc 92200 Neuilly-sur-Seine France	Member of the Board of Directors	Director of companies
Pierre Hessler^{(a)(d)}	French	75	23, rue Oudinot 75007 Paris France	Member of the Board of Directors	Consultant, Researcher
Pascal Lebard^(a)	French	56	Sequana 8, rue de Seine 92517 Boulogne-Billancourt Cedex France	Member of the Board of Directors	Chairman and Chief Executive Officer of Sequana
Lucia Sinapi-Thomas^(a)	French	54	Capgemini 76 avenue Kleber 75116 Paris France	Member of the Board of Directors	Executive Director, Capgemini's Business Platforms
Philippe Lazare^(a)	French	62	Bureau Veritas Immeuble Newtime 40/52, boulevard du Parc 92200 Neuilly-sur-Seine France	Member of the Board of Directors	
Jean-Michel Ropert	French	52	Bureau Veritas Immeuble Newtime 40/52, boulevard du Parc 92200 Neuilly-sur-Seine France	Member of the Board of Directors until October 3, 2018	

(a) Independent Director.

(b) Annual Ordinary Shareholders' Meeting.

(c) At December 31, 2018.

(d) Director whose term of office expires at the next Shareholders' Meeting.

(1) At the date this 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 2022	Chairman	Member	Member
Co-opted as Director and appointed as Vice-Chairman: January 1, 2018	AOSM ^(b) 2021			Chairman
Co-opted as member of the Supervisory Board: June 2, 2008 Director: June 3, 2009	AOSM ^(b) 2021			
Director: October 18, 2016	AOSM ^(b) 2020	Member		
Director: October 18, 2016	AOSM ^(b) 2020		Member	Member
Director: May 16, 2017	AOSM^(b) 2021		Member	
Director: May 22, 2013	AOSM^(b) 2021	Member		Member
Director: May 17, 2016	AOSM^(b) 2020	Member		
Chairman of the Supervisory Board: June 19, 2002 Vice-Chairman of the Supervisory Board: June 27, 2005 Director: June 3, 2009	AOSM^(b) 2019		Member	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			

Changes in the composition of the Board of Directors and the Board Committees in 2018 (Annex 3 of the AFEP-MEDEF Code)

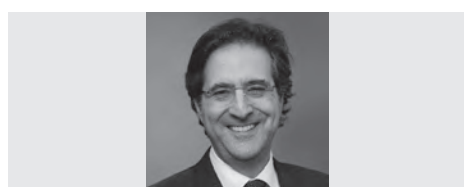
AS OF THE DATE THIS REGISTRATION DOCUMENT WAS FILED

	Appointment/co-optation	Renewal of term of office	Departure
Board of Directors		Aldo Cardoso as Director (Annual Shareholders' Meeting of May 15, 2018) and as Chairman of the Board (Board of Directors' meeting of May 15, 2018)	
		Pascal Lebard as Director (Annual Shareholders' Meeting of May 15, 2018)	
		Jean-Michel Ropert as Director (Annual Shareholders' Meeting of May 15, 2018)	Jean-Michel Ropert as Director following his resignation (Board of Directors' meeting of October 3, 2018)
	Philippe Lazare as Director to replace Jean-Michel Ropert (Board of Directors' meeting of October 3, 2018)		
Audit & Risk Committee			
Nomination & Compensation Committee	Pascal Lebard as Chairman of the Nomination & Compensation Committee (Board of Directors' meeting of May 15, 2018)		Pierre Hessler as Chairman of the Nomination & Compensation Committee (Board of Directors' meeting of May 15, 2018)
Strategy Committee	Aldo Cardoso as member of the Committee (Board of Directors' meeting of December 19, 2018)		

Expertise and experience in corporate management of the members of the Board of Directors and positions held over the last five years⁽¹⁾

(Annex 3 of the AFEP-MEDEF Code)

Positions held by the Directors



Aldo Cardoso

**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

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.

62 years old^(a)

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 AOSM

Number of shares held in the Company

12,000

Current positions^(a)

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

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

Director: Accor^(b), Orange^(b), Penauille Polyservices, Gecina^(b), Axa Investment Manager, Rhodia^(b) and Mobistar^(b).

Multiple directorships^(c)

5 offices as Director.

(a) As of December 31, 2018.

(b) Listed company.

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

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



André François-Poncet

Vice-Chairman of the Board of Directors

Committee membership:

- Chairman of the Strategy Committee

Biography

André François-Poncet graduated from École des Hautes Etudes 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.

59 years old^(a)

Nationality: 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 AOSM

Number of shares held in the Company

1,200

Current positions^(a)

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.

Partner: CIAM (Paris).

Multiple directorships^(c)

2 offices as Director and 1 as Executive Corporate Officer.

(a) As of December 31, 2018.

(b) Listed company.

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



Stéphane Bacquaert

Member of the Board of Directors

Biography

Stéphane Bacquaert, member of the Supervisory Board of the Company since June 2008, was appointed as Director on June 3, 2009 when the Company's governance and management structure changed. He began his career as a strategy consultant at Bain & Company in Europe and Latin America. He later joined Netscapital, a merchant bank specialized in media and information technologies, as Chief Executive Officer. He was made Partner in charge of the Paris office of Atlas Venture, an international venture capital firm. He joined the Wendel group in June 2005 and has been Managing Director since June 2008. Stéphane Bacquaert is a graduate of the École Centrale Paris and the Institut d'études politiques de Paris, and has an MBA from Harvard Business School.

47 years old^(a)

Nationality: French

Main business address

Wendel Anaplace Centre d'affaires Est
Boulevard de la Corniche Ain Diab
20100 Casablanca - Morocco

First appointment:

Supervisory Board meeting of June 2, 2008

End of term of office:

2021 AOSM

Number of shares held in the Company

1,200

Current positions^(a)

Director: IHS, Saham group and Tsebo
Solutions Group Holdings.

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

Member of the Management Board: Materis Parent Sarl and Winvest Conseil Sarl.

Director: Oranje-Nassau Mecatherm, Oranje-Nassau Développement SA Sicar and Winvest International SA Sicar.

Multiple directorships^(b)

1 office as Director.

(a) As of December 31, 2018.

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



Stéphanie Besnier

Member of the Board of Directors

Committee membership:

- Member of the Audit & Risk Committee

Biography

Stéphanie Besnier was appointed as 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.

41 years old^(a)

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 AOSM

Number of shares held in the Company

1,200

Current positions^(a)

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, 2018.

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



Claude Ehlinger

Member of the Board of Directors

Committee membership:

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

Biography

Claude Ehlinger was appointed as 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 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).

56 years old^(a)

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 AOSM

Number of shares held in the Company

1,200

Current positions^(a)

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, Global Performance 17 SA Sicar.

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, 2018.

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



Ana Giros Calpe

**Member of the Board of Directors,
independent Director**

Committee membership:

- Member of the Nomination & Compensation Committee

Biography

Ana Giros Calpe has been a member of the Board of Directors since May 16, 2017. She is the Chief Executive Officer for Latin America and a member of the Executive Committee at SUEZ. 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.

44 years old^(a)

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 AOSM

Number of shares held in the Company

1,200

Current position^(a)

Director: SUEZ Treatment Solutions Spain.

Permanent member of the Board: IAM
(Inversiones Aguas Metropolitanas) (Chile)^(b).

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

None.

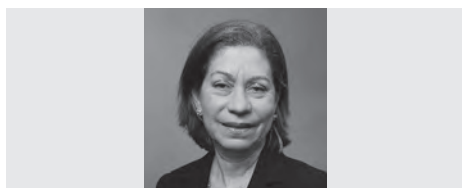
Multiple directorships^(c)

2 offices as Director.

(a) As of December 31, 2018.

(b) Listed company.

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



Ieda Gomes Yell

**Member of the Board of Directors,
independent Director**

Committee membership:

- Member of the Audit & Risk Committee
- Member of the Strategy Committee

Biography

Ieda Gomes Yell was appointed 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 a Council Member of Women In Leadership in Latin America (WILL).

62 years old^(a)

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 AOSM

Number of shares held in the Company

1,200

Current position^(a)

Director: Saint-Gobain^(b), InterEnergy Holdings, Exterran Corporation^(b) and Odebrecht SA.

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)

2 offices as Director.

(a) As of December 31, 2018.

(b) Listed company.

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



Siân Herbert-Jones

**Member of the Board of Directors,
independent Director**

Committee membership:

- Member of the Audit & Risk Committee

Biography

Siân Herbert-Jones was appointed as 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 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.

58 years old^(a)

Nationality: 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 AOSM

Number of shares held in the Company

1,200

Current positions^(a)

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

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

Director of 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 Solutions 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, One SAS.

Permanent representative of Sofinsod SAS on the Supervisory Board: One SCA.

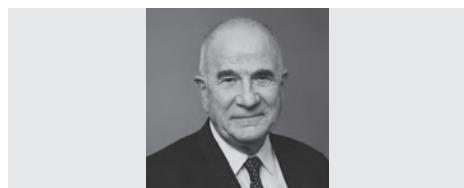
Multiple directorships^(c)

3 offices as Director.

(a) As of December 31, 2018.

(b) Listed company.

(c) Recommendation no. 18 of the AFEP-MEDEF Code: number of offices held as Executive Corporate Officer and Director, including at Bureau Veritas SA.



Pierre Hessler

**Member of the Board of Directors,
independent Director**

Committee membership:

- Member of the Nomination & Compensation Committee
- Member of the Strategy Committee

Biography

Pierre Hessler, Chairman of the Supervisory Board from 2002 to 2005 and Vice-Chairman of the Supervisory Board since June 2005, was appointed as Director of the Company and Chairman of the Nomination & Compensation Committee on June 3, 2009 when the Company's governance and management structure changed. Pierre Hessler began his career at IBM where he spent approximately 27 years, holding positions at IBM Switzerland (from 1965 to 1980) where he was Director of Agencies in the computer field, then IBM Europe from 1980 to 1993 where he served as Director of Operations, Director of Marketing and Services, Regional General Director, Chairman of IBM France and General Director of Operations, Marketing and Services. From 1982 to 1984, he held positions as Director of Development at IBM Corporation, then as Director of Corporate Marketing from 1989 to 1991 and finally IBM Vice-President. In 1993, he joined Capgemini where he served in various executive management roles, including Chairman and Chief Executive Officer of Gemini Consulting, member of the Management Board, and Executive Officer, then Director, in 2000. Pierre Hessler is currently manager of Actideas and advisor to Capgemini. He holds a Bachelor's degree in Law and Political Economy from the University of Lausanne in Switzerland.

75 years old^(a)

Nationality: French

Main business address

23, rue Oudinot
75007 Paris – France

First appointment:

Shareholders' Meeting of June 19, 2002

End of term of office:

2019 AOSM

Number of shares held in the Company

1,200

Current position^(a)

Advisor: Capgemini Government Solutions, Washington.

Manager: Actideas SARL.

Positions no longer held (but held in the last five years)

Board Advisor: Capgemini SE^(b).

Director: A Novo Paris^(b) and various companies in the Capgemini group.

Manager: Médias holding SARL and Médias SARL.

Multiple directorships^(c)

1 office as Director.

(a) As of December 31, 2018.

(b) Listed company.

(c) Recommendation no. 18 of the AFEP-MEDEF Code: number of offices held as Executive Corporate Officer and Director, including at Bureau Veritas SA.



Pascal Lebard

**Member of the Board of Directors,
independent Director**

Committee membership:

- Chairman of the Nomination & Compensation Committee
- Member of the Strategy Committee

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 then 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.

56 years old^(a)

Nationality: 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 AOSM

Number of shares held in the Company

1,200

Current position^(a)

Chairman and Chief Executive Officer: Sequana^(b).
Director and member of the Strategy Committee: Lisi SA^(b).
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.

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), 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.

Multiple directorships^(c)

2 offices as Director and 1 as Chairman and Chief Executive Officer.

(a) As of December 31, 2018.

(b) Listed company.

(c) Recommendation no. 18 of the AFEP-MEDEF Code: number of offices held as Executive Corporate Officer and Director, including at Bureau Veritas SA.



Lucia Sinapi-Thomas

**Member of the Board of Directors,
independent Director**

Committee membership:

- Member of the Audit & Risk Committee

Biography

Lucia Sinapi-Thomas was appointed as 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), extended to Risk Management and Insurance (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. She has been Executive Director of Capgemini Ventures since January 1, 2019.

She has been a member of the Board of Directors of Dassault Aviation since May 15, 2014, and is also a member of its Audit Committee. She joined the Board of Directors of Capgemini SE on May 24, 2012 and has been a member of Capgemini SE's Compensation Committee since June 20, 2012.

54 years old^(a)

Nationality: 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 AOSM

Number of shares held in the Company

2,000

Current position^(a)

Director: Capgemini SE^(b) and Dassault Aviation^(b).

Positions held in subsidiaries of the Capgemini group

Chairman: Capgemini Employees Worldwide SAS.

Director: Sogeti Sverige AB (Sweden), Sogeti Sverige MITT AB (Sweden), Capgemini Sogeti Danmark AS (Denmark), Sogeti Norge A/S (Norway), Sogeti SA (Belgium) and Capgemini Business Services (Guatemala).

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)

Director: Sogeti AS/NV (Belgium), Euriware SA, Capgemini Reinsurance International (Luxembourg) and Capgemini Polska Sp. z o.o. (Poland).

Chairman of Prosodie SAS.

Chief Executive Officer of Capgemini Outsourcing Services SAS and Sogeti France SAS.

Multiple directorships^(c)

3 offices as Director.

(a) As of December 31, 2018.

(b) Listed company.

(c) Recommendation no. 18 of the AFEP-MEDEF Code: number of offices held as Executive Corporate Officer and Director, including at Bureau Veritas SA.



Philippe Lazare

**Member of the Board of Directors,
independent Director**

Biography

Philippe Lazare was 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 Ecole Supérieure d'Architecture.

62 years old^(a)

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 AOSM

Number of shares held in the Company

2,000

Current positions^(a)

Positions no longer held (but held in the last five years)

Chairman and Chief Executive Officer of Ingenico SA.

Multiple directorships^(b)

1 office as Director.

(a) As of December 31, 2018.

(b) Recommendation no. 18 of the AFEP-MEDEF Code: number of offices held as Executive Corporate Officer and Director, including at Bureau Veritas SA.

3.1.2 Executive Management

Didier Michaud-Daniel has been Chief Executive Officer of the Company since March 1, 2012.

Name, Age ⁽¹⁾	Nationality	Main business address	Position	Main function	Start of term of office	End of term of office	Company shares held ⁽¹⁾
Didier Michaud-Daniel 60 years old	French	Bureau Veritas Immeuble Newtime 40/52, boulevard du Parc 92200 Neuilly-sur-Seine France	Chief Executive Officer	Chief Executive Officer, Bureau Veritas	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 28, 2022	379,440

(1) As of December 31, 2018.

Expertise and experience in corporate management of the Chief Executive Officer and positions held over the last five years

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 Officer of Otis France, and in 1992 was promoted to Paris Field and Sales Operations Director. He was named Deputy General Manager of Operations in January 1998. From September 2001 to August 2004, Didier Michaud-Daniel was Managing Director of Otis United Kingdom and Ireland. He was Chairman of Otis for the United Kingdom, Germany and Central Europe region from August 2004 to May 2008, until his appointment as Chairman of Otis Elevator Company in May 2008.

Didier Michaud-Daniel is a graduate of École supérieure de commerce de Poitiers with a degree in Business Management and a graduate of INSEAD.

Didier Michaud-Daniel is a *Chevalier de la Légion d'honneur*.

Current positions⁽¹⁾

None.

Positions held within the Group

Chairman of Bureau Veritas International SAS.

Positions no longer held (but held in the last five years)

None.

3.1.3 Statements related to Corporate Officers

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 been 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.

There are no family relationships linking Corporate Officers (Directors and the Chief Executive Officer).

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 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

(1) As of December 31, 2018.

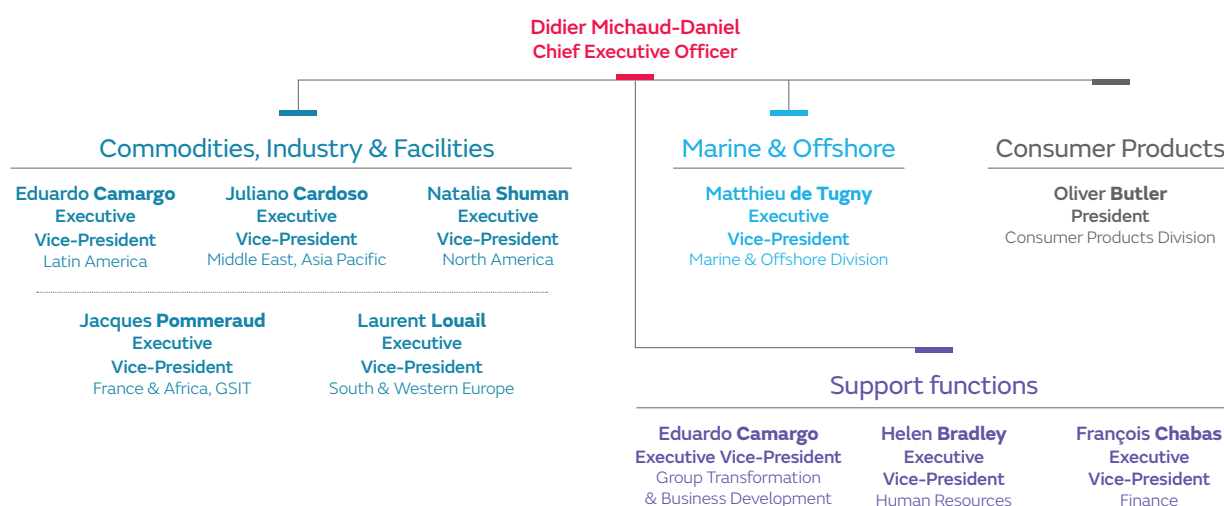
the Company. In cases where a business relationship is under consideration between (i) the Company or the Group and (ii) directly or indirectly a Director or the Chief Executive Officer, the procedure governing related-party agreements as set forth in articles L. 225-38 et seq. of the French Commercial Code, is followed.

With the exception of related-party agreements and commitments that were entered into or remained in effect during 2018 and are presented in the section on related-party transactions in section 6.10 of this 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.

3.1.4 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 Registration Document, the Executive Committee had ten members:

- Didier Michaud-Daniel, Chief Executive Officer;
- François Chabas, Executive Vice-President, Finance;
- Helen Bradley, Executive Vice-President, Human Resources;
- Oliver Butler, President, Consumer Products division;
- Jacques Pommeraud, Executive Vice-President, Commodities, Industry & Facilities – France & Africa, GSIT;
- Eduardo Camargo, Executive Vice-President Group Transformation & Business Development; Commodities, Industry & Facilities – Latin America;
- Juliano Cardoso, Executive Vice-President, Commodities, Industry & Facilities – Middle East, 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.

Bureau Veritas Executive Committee Members

Didier Michaud-Daniel – Chief Executive Officer

See Didier Michaud-Daniel's biography in section 3.1.2.

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 finance auditor at Ernst & Young. In 2003, he joined Bureau Veritas as 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 is a graduate of HEC (France, 1997) and holds a degree in History from La Sorbonne University (1997).

Helen Bradley, Executive Vice-President, Human Resources

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, Ms. Bradley 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 Internal 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. Ms. 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.

Oliver Butler – President, Consumer Products division

Oliver Butler joined Bureau Veritas in 2004 to set up the Electrical & Electronics platform. In 2008, he became Senior Vice-President in charge of Global Testing Operations for the Consumer Products Services division. Since June 2010, he has served as Chief Operating Officer for the Consumer Products Services division. Before joining Bureau Veritas, Mr. Butler held senior management positions in both the IT and nuclear industries in Europe and North America, notably with Ontario Power Generation and Exelon Corporation of Chicago.

Oliver Butler obtained his final certificate in Radio Telecommunications and Computers from the Crawford Institute of Technology, Cork, Ireland.

Jacques Pommeraud, Executive Vice-President, Commodities, Industry & Facilities – France & Africa, GSIT

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 and International Trade (GSIT) 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 Ecole 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 from an Executive Management course at INSEAD (France).

Juliano Cardoso – Executive Vice-President, Commodities, Industry & Facilities – Africa, 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 in 2006, 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 was relocated to New York in 2000 to take over Kelly Services' 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 – Southern and Western 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. Mr. Louail holds a Master's degree in Mechanical Engineering from the Compiègne University of Technology (UTC).

Matthieu de Tugny, 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. Mr. de Tugny was Marine Chief Executive Officer in France, North America, and South Asia, and has managed the offshore business. He graduated from École Nationale de la Marine Marchande with a dual Officer diploma and holds a Master's degree in Electrical Engineering from École Supérieure d'Électricité (France).

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.

The percentage of women on the Executive Committee went from 0% in 2017 to 20% in 2018 with the appointment of Helen Bradley, as Executive Vice-President, Human Resources. Ms. Bradley joined Bureau Veritas in 2018 and was the second woman on the Group Executive Committee alongside Natalia Shuman, Executive Vice-President North America, who joined the Committee in 2017. 20% of Executive Committee members are now women.

Between 2016 and 2018, the percentage of women among the 10% of employees holding the most senior roles also increased, from 6% to 17%.

One of the Group's commitments is to have 25% of women in senior executive/management roles by 2020.

For more details, see section 2.3.2 of the Registration Document on the Group's inclusiveness policy.

3.1.5 Corporate Governance Code

Since December 16, 2008, the Company has referred to the AFEP-MEDEF Code, which was last updated in June 2018.

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, this report details the provisions of the AFEP-MEDEF Code that the Group has not complied with and the reasons for these exceptions in the table below.

AFEP-MEDEF recommendations	Bureau Veritas practices/explanations
Independent Directors (section 8.5.6 of the Code) Directors cannot be members of the Board for more than 12 years.	The Board of Directors carefully examined Pierre Hessler's situation when it renewed his term of office in 2016, and confirmed its position in 2017 and 2018. It noted that Pierre Hessler's seniority on the Board granted him a more extensive ability to understand the issues and risks at hand, and to question Executive Management, added weight to the opinions he expressed and enabled him to formulate balanced and objective judgments, regardless of the circumstances, with regard to Executive Management. Pierre Hessler's ability to think critically during debates and decision making by the Board, his personality, skills, leadership and commitment, which are widely recognized by the Company's shareholders, 98.79% of whom voted to approve the renewal of his term of office on May 17, 2016, also illustrate his independence of spirit. The Board also considered essential the attention Pierre Hessler has always paid to the proper organization of the Board's work as Chairman of the Nomination & Compensation Committee, in particular within the scope of the annual evaluations and the appointment and renewal of terms of office of independent Directors. These qualities, combined with a strong grasp of the challenges faced by the Company, make a major contribution to the Board's deliberations and to the contextualization of its decisions. On the recommendation of the Nomination & Compensation Committee, the Board of Directors confirmed its position at its February 27, 2019 meeting, under which the 12-year criterion set out in the Code was not sufficient to automatically disqualify Mr. Hessler as an independent Director. Pierre Hessler's term of office expires at the end of the Shareholders' Meeting to be held on May 14, 2019 and he is not up for renewal. Accordingly, this practice will no longer appear as an exception to the Code as of May 14, 2019.
Evaluation of the Board of Directors (section 9.2 of the Code) The three-yearly evaluation of the Board of Directors by a specialist firm assesses each Director's contribution to the Board's work.	During the annual evaluation of the Board of Directors and the Board Committees, each Director is asked about the organization of the Board's work and has the opportunity to discuss any problems. Directors who so wish can therefore freely express their opinion on the actual contributions of each Director during their one-on-one discussions with the Chairman of the Nomination & Compensation Committee, who subsequently reports back to each of the Directors. 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. Every three years, the Board is evaluated by a specialist firm. Given the positive findings of the annual evaluation, with individual contributions generally found to be satisfactory, to date the Board has not expressed a wish for the specialist firm to conduct a formal evaluation of each Director's contribution, since it considers this could adversely affect the culture of trust.

3.1.6 Conditions governing the preparation and organization of the work of the Board of Directors

Conditions governing preparation and organization

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 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, a meeting and various sessions are held without the Chief Executive Officer. 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's specific nature, its businesses and sector of activity.

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 legal, regulatory and by-laws' provisions, and were 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 to the evaluation of the Board of Directors.

The Internal Regulations also provide the limitations imposed on the powers of Executive Management, 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 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 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 Executive Management to provide him/her with any useful documents.

Insider Trading Policy

The Company aims to ensure compliance with the 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 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 ending the day after their publication, and a period beginning 15 days before the publication of quarterly financial information and ending the day after its publication, during which the concerned people must abstain from any transactions on the Company's shares.

The Charter was updated by the Board of Directors' meeting of 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.

Work of the Board of Directors

In 2018, the Company's Board of Directors met ten times with an attendance rate of 93%. 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 2017 and the first half of 2018, 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, 2018 meeting, the Board reviewed and approved the draft Group budget for 2019.

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 2018, as well as "Say on Pay", and set the objectives and compensation of the Chief Executive Officer and the methods for allocating Directors' fees among the Directors. It decided to renew the term of office of the Chairman of the Board and co-opt a Director. It also 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.

On February 28, 2018, based on the financial statements for the year ended December 31, 2017, the Board of Directors noted the extent to which the performance conditions for the performance share and stock subscription/purchase option plans of July 15, 2015, July 21, 2016 and June 21, 2017 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 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.

With regard to strategic matters, the Board of Directors monitored implementation of the Group's strategy and digital transformation and approved the Group's major planned acquisitions as well as the one-off guarantees given to its subsidiaries.

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.

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 so as 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 a firm based on individual meetings with each Director.

In 2018, the evaluation was conducted by the Chairman of the Nomination & Compensation Committee, who then reported to that Committee at its meeting of December 18, 2018 and to the Board of Directors at its meeting of December 19, 2018.

The recommendations resulting from this annual evaluation cover (i) Corporate Social Responsibility (CSR), (ii) the organization of meetings with operating managers involved in M&A assignments, (iii) the length of meetings of the Board and its Committees, (iv) maintaining good cohesion within the Board, and (v) the organization of an annual strategy seminar outside France.

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 2018, 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 role of the Committee further to Regulation (EU) No. 537/2014 and Ministerial Order No. 2016-315 of March 17, 2016 on statutory audit engagements.

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 Auditor's independence. It prepares and facilitates the work of the Board of Directors in these areas.

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 services, other than statutory 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 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 2018, 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, 2018, the Audit & Risk Committee had five members: Aldo Cardoso (Chairman), Stéphanie Besnier, Ieda Gomes Yell, Siân Herbert-Jones and Lucia Sinapi-Thomas. 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 2018 with an attendance rate of 97%. The meetings were attended variously by the Chief Financial Officer, the Directors of Legal Affairs & Audit, Group Financial Control and Internal Audit & Acquisitions Services. The heads of Treasury, Tax Affairs and Investor Relations were also called upon by the Committee on specific items on the 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 2018, the Audit & Risk Committee examined the parent company and consolidated financial statements for 2017, the half-year results for 2018 and revenue for the first and third quarters of 2018, 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 2017 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 covered monitoring action plans to improve working capital, tax-related developments, the share buyback program, changes in debt, the financing plan, the Group's various financing arrangements, the evaluation of the Statutory Auditor's work and independence and their advisory fees, and the Group's financial documentation. The Audit & Risk Committee's work also focused on the roll-out of new financial reporting systems.

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 Legal Affairs & Audit Director presented his interim reports on risk management (including a risk map), litigation and compliance (fight against corruption, international sanctions, investigations, regulatory intelligence, etc.) to the Audit & Risk Committee. The Statutory Auditors informed the Committee of their main observations regarding the identification of risks and their assessment of the internal control procedures.

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 half-year financial statements at the Board meeting at which these financial statements were finalized. 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.

The Strategy Committee may, at its own discretion, organize meetings with the members of Executive Management, after having informed the Chief Executive Officer, or 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, 2018, the Strategy Committee had five members: André-François Poncet (Chairman), Claude Ehlinger, Ieda Gomes Yell, Pascal Lebard and Pierre Hessler. Three out of five members are independent.

In 2018, the Strategy Committee met nine times with a 93% attendance rate. It chiefly examined the appropriateness and feasibility of the different strategic options available to it, as well as (i) the implementation of the Group's strategic plan and five growth initiatives, (ii) planned acquisitions, (iii) feedback from previous acquisitions, (iv) the Group's competitive environment, (v) the Group's business portfolio and (vi) a progress report on the Group's digital innovation approach.

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 senior management positions, focusing particularly on current and potential Executive Committee members including the Chief Executive Officer.

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 Nomination & Compensation 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, 2018, the Nomination & Compensation Committee comprised five members, four of whom independent: Pascal Lebard (Chairman), Aldo Cardoso, Claude Ehlinger, Ana Giros Calpe and Pierre Hessler. 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 2018, the Nomination & Compensation Committee met five times with a 100% 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 2018, as well as the quantitative and qualitative criteria used to determine the variable portion of compensation in respect of 2017. It also recommended putting in place performance share and stock purchase option plans, which were approved by the Board of Directors on June 19, 2018, and discussed possible changes to these plans. It looked at the basis for allocating Directors' fees among the Directors, and the compensation proposals for Executive Committee members following the changes to the Group's organization. The Committee also worked on the procedure for renewing the Chief Executive Officer's term of office, issues relating to succession planning within the Group, particularly at Executive Committee level, and 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 members. At its meeting on December 19, 2018, 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.

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;
- (v) 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.

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	10	7	6	9
Directors				
Aldo Cardoso	100%	100%	100%	
André François-Poncet	100%			100%
Pierre Hessler	80%		100%	89%
Stéphane Bacquaert	80%			
Pascal Lebard	100%		100%	89%
Lucia Sinapi-Thomas	90%	100%		
Ieda Gomes Yell	100%	100%		89%
Siân Herbert-Jones	100%	86%		
Stéphanie Besnier	100%	100%		
Claude Ehlinger	100%		100%	100%
Ana Giros Calpe	90%		100%	
Philippe Lazare ^(a)	100%			
Jean-Michel Ropert ^(b)	75%			
TOTAL	93%	97%	100%	93%

(a) Co-opted as a Director of the Company on October 3, 2018, replacing Jean-Michel Ropert.

(b) Director until October 3, 2018.

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 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 15, 2018 (14 th resolution)	18 months, i.e., until November 14, 2019 Renewal proposal to be submitted to the Shareholders' Meeting of May 14, 2019	Maximum purchase price per share: €45 10% of the share capital ^(a)	1,700,000 shares bought back Average price of €21.87
Delegation of authority granted to the Board of Directors to issue, by public offer, 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	SM of May 15, 2018 (15 th resolution)	26 months, i.e., until July 14, 2020 Renewal proposal to be submitted to the Shareholders' Meeting of May 14, 2019	Maximum nominal amount of capital increases: €5,300,000 ^(b) Maximum nominal amount of debt securities: €1 billion ^(c)	Not used
Delegation of authority granted to the Board of Directors to issue, by public 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	SM of May 15, 2018 (16 th resolution)	26 months, i.e., until July 14, 2020 Renewal proposal to be submitted to the Shareholders' Meeting of May 14, 2019	Maximum nominal amount of capital increases: €5,300,000 ^(b) Maximum nominal amount of debt securities: €1 billion ^(c)	Not used
Authorization granted to the Board of Directors, in the event of an issuance 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	SM of May 15, 2018 (17 th resolution)	26 months, i.e., until July 14, 2020 Renewal proposal to be submitted to the Shareholders' Meeting of May 14, 2019	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	SM of May 15, 2018 (18 th resolution)	26 months, i.e., until July 14, 2020 Renewal proposal to be submitted to the Shareholders' Meeting of May 14, 2019	15% of the initial issue ^{(b)(c)(d)}	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
Authorization granted to the Board of Directors to grant stock subscription options with express waiver by the shareholders of their preemptive subscription rights, or stock purchase options to employees and/or Executive Corporate Officers of the Group	SM of May 15, 2018 (19 th resolution)	26 months, i.e., until July 14, 2020 Renewal proposal to be submitted to the Shareholders' Meeting of May 14, 2019	1.5% of the share capital ^(a) Sub-ceiling applicable to Corporate Officers: 0.1% of the share capital ^(a)	1,100,400 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	SM of May 15, 2018 (20 th resolution)	26 months, i.e., until July 14, 2020 Renewal proposal to be submitted to the Shareholders' Meeting of May 14, 2019	1% of the share capital ^(a) Sub-ceiling applicable to Corporate Officers: 0.1% of the share capital ^(a)	1,196,340 performance shares granted, or 0.27% 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	SM of May 15, 2018 (21 st resolution)	26 months, i.e., until July 14, 2020 Renewal proposal to be submitted to the Shareholders' Meeting of May 14, 2019	Maximum nominal amount of capital increases: 1% of the share capital ^(d) Maximum nominal amount of debt securities: €1 billion ^(d)	Not used

- (a) The maximum amount allocated to the share buyback program is €1,989,000,000, corresponding to a maximum of 44,200,000 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, 2017. In the event of acquisitions, mergers, spin-offs or contributions, 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 15th and 16th resolutions may not exceed €5,300,000.
- (c) The overall maximum nominal amount of securities representing debt securities that may be issued under the 15th and 16th resolutions may not exceed €1 billion.
- (d) Overall maximum nominal amount of capital increases: €14,000,000 (shared with the 19th, 22nd, 23rd and 24th resolutions of the Shareholders' Meeting of May 16, 2017 and the 18th and 21st resolutions of the Shareholders' Meeting of May 15, 2018), and the overall maximum nominal amount of issues of debt securities: €1 billion (shared with the 19th, 23rd and 24th resolutions of the Shareholders' Meeting of May 16, 2017 and the 21st resolution of the Shareholders' Meeting of May 15, 2018).
- (e) The overall maximum number of shares that may be granted under the 19th and 20th resolutions 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 19th and 20th resolutions).

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
Issuance, with preemptive subscription rights, of (i) ordinary shares in the Company and/or (ii) equity securities that give immediate and/or future access to existing or new shares of the Company and/or one of its subsidiaries and (iii) securities representing debt securities that give or may give access to new shares issued by the Company or any of its subsidiaries	SM of May 16, 2017 (19 th resolution)	26 months, i.e., until July 15, 2019 Renewal proposal to be submitted to the Shareholders' Meeting of May 14, 2019	Maximum nominal amount of capital increases: €8,000,000 ^(a) Maximum nominal amount of debt securities: €1 billion ^(a)	Not used
Increase in the share capital by capitalizing reserves, retained earnings, share premiums or any other sum that may be capitalized	SM of May 16, 2017 (22 nd resolution)	26 months, i.e., until July 15, 2019 Renewal proposal to be submitted to the Shareholders' Meeting of May 14, 2019	Maximum nominal amount of capital increases: €6,000,000 ^(a)	Not used
Issuance of (i) ordinary shares of the Company and/or (ii) securities giving immediate and/or future access to the Company's share capital as consideration for in-kind contributions granted to the Company	SM of May 16, 2017 (23 rd resolution)	26 months, i.e., until July 15, 2019 Renewal proposal to be submitted to the Shareholders' Meeting of May 14, 2019	Maximum nominal amount of capital increases: 10% of the share capital ^(a) Maximum nominal amount of debt securities: €1 billion ^(a)	Not used
Issuance of (i) ordinary shares of the Company and/or (ii) securities giving access immediately and/or in the future to the Company's share capital as consideration for share contributions made under a public exchange offering initiated by the Company	SM of May 16, 2017 (24 th resolution)	26 months, i.e., until July 15, 2019 Renewal proposal to be submitted to the Shareholders' Meeting of May 14, 2019	Maximum nominal amount of capital increases: €4,000,000 ^(a) Maximum nominal amount of debt securities: €1 billion ^(a)	Not used
Reduction in the share capital by canceling all or some of the shares acquired under the share buyback program	SM of May 16, 2017 (25 th resolution)	26 months, i.e., until July 15, 2019 Renewal proposal to be submitted to the Shareholders' Meeting of May 14, 2019	10% of the share capital	Not used

(a) Overall maximum nominal amount of capital increases: €14,000,000 (shared with the 19th, 22nd, 23rd and 24th resolutions of the Shareholders' Meeting of May 16, 2017 and the 18th and 21st resolutions of the Shareholders' Meeting of May 15, 2018), and the overall maximum nominal amount of issues of debt securities: €1 billion (shared with the 19th, 23rd and 24th resolutions of the Shareholders' Meeting of May 16, 2017 and the 21st resolution of the Shareholders' Meeting of May 15, 2018).

3.1.7 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 6.11 – Information on the Company and the capital

of this 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 conferred to all fully paid-up registered shares held by the same shareholder for at least two years.

3.1.8 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 1.11.5 – Risks related to Group debt, sources of financing and commitments (change of control clauses defined in the financing documentation), 3.1.1 – Board of Directors, 3.1.6 – Limitations placed on the powers of the Chief Executive Officer by the Board of Directors and the

summary table of the delegations of authority and authorizations granted by the Shareholders' Meeting to the Board of Directors, 6.6.3 – Acquisition of treasury shares, 6.7.1 – Group ownership structure and 6.11 – 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 Registration Document.

3.2 Corporate Officers' compensation

3.2.1 Compensation for members of the Board of Directors

Compensation policy for members of the Board of Directors

The members of the Company's Board of Directors receive Directors' fees. The maximum aggregate amount of Directors' fees that can be awarded to members of the Board is set by the Shareholders' Meeting.

The annual maximum amount of Directors' fees that can be awarded to members of the Board was set at €1,000,000 at the Shareholders' Meeting of May 16, 2017. The total amount paid in respect of 2018 was €822,000.

Directors' fees were awarded taking into account the attendance and participation of Directors at Board and Committee meetings. In order to comply with the recommendations of the AFEP-MEDEF Code, the method for awarding Directors' fees was changed by the Board of Directors at its meeting of December 11, 2014 to make the variable portion primarily dependent on attendance and participation in Board Committees.

Directors' fees are allocated in accordance with the rules of allocation decided by the Board of Directors.

In 2018, the basis for allocating Directors' fees was the same as in 2017:

Directors

- fixed annual fee of €15,000 per Director;
- attendance: €2,250 per Board of Directors' meeting.

Committee chairs

- fixed annual fee of €20,000 (€40,000 for the Audit & Risk Committee);
- attendance: €2,000 per Committee meeting.

Committee members

- fixed annual fee of €7,500 per member;
- attendance: €2,000 per Committee meeting.

The balance of the Directors' fees 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. This type of allocation was not made in 2018.

Compensation and benefits in-kind received by members of the Board of Directors

TABLE ON DIRECTORS' FEES AND OTHER COMPENSATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS FROM BUREAU VERITAS OR A GROUP COMPANY (AMF TABLE 3)

The table below shows the Directors' fees awarded and paid to members of the Board of Directors by Bureau Veritas and by any Group company for the 2017 and 2018 financial years. 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.

Member of the Board of Directors (in €)	Directors' fees		Other compensation (fixed, variable and extraordinary compensation and benefits in-kind)	
	Awarded for 2017, paid in 2018	Awarded for 2018, paid in 2019	Due for 2017	Due for 2018
Aldo Cardoso	112,750	127,000	180,227 ^(g)	220,000
André François-Poncet ^(a)	-	75,500	-	-
Stéphane Bacquaert	35,250	33,000	-	-
Stéphanie Besnier	58,750	59,000	-	-
Claude Ehlinger	65,226	80,500	-	-
Ana Giros Calpe	31,428	52,750	-	-
Ieda Gomes Yell	78,000	82,500	-	-
Siân Herbert-Jones	58,750	57,000	-	-
Pierre Hessler	90,750	78,623	-	-
Pascal Lebard	71,476	86,377	-	-
Lucia Sinapi-Thomas	52,500	56,750	-	-
Philippe Lazare ^(b)	-	8,240	-	-
Nicoletta Giadrossi ^(c)	23,322	-	-	-
Patrick Buffet ^(c)	19,072	-	-	-
Jean-Michel Ropert ^(d)	35,250	24,760	-	-
Frédéric Lemoine ^(e)	69,250	-	-	-
TOTAL	801,774	822,000^(f)	180,227	220,000

(a) André François-Poncet took office on January 1, 2018.

(b) Philippe Lazare took office on October 3, 2018, after he was co-opted by the Board of Directors' meeting held on the same day.

(c) The terms of office of Nicoletta Giadrossi and Patrick Buffet expired at the Ordinary and Extraordinary Shareholders' Meeting of May 16, 2017.

(d) Jean-Michel Ropert's term of office expired on October 3, 2018.

(e) Frédéric Lemoine's term of office expired on December 31, 2017.

(f) The annual amount of Directors' fees awarded to members of the Board of Directors was set at €1,000,000 by the Ordinary and Extraordinary Shareholders' Meeting of May 16, 2017.

(g) Acting on the recommendation of the Nomination & Compensation Committee, the Board of Directors' meeting of March 8, 2017 set the Chairman of the Board's annual fixed compensation at €220,000. Given that Aldo Cardoso took up office on that date, his annual fixed compensation for 2017 amounted to €180,227.

Compensation and benefits in-kind received by non-Executive Corporate Officers from Wendel

Pursuant to article L. 225-37-3 of the French Commercial Code, as the Company is controlled by a company whose shares are admitted for trading on a regulated market, the amount of compensation and benefits in-kind (as well as the amount of compensation, indemnities or benefits due or likely to be due in the event of the take-up, termination or change of corporate

office duties of Bureau Veritas) that each Corporate Officer of the Company received during 2018 from (i) the Company, (ii) the companies it controls, and (iii) the Company or companies that control it within the meaning of article L. 233-16 of the French Commercial Code, is indicated below.

Corporate Officers of the Company holding a corporate office at Wendel

In 2018, André François-Poncet, as Chairman of the Management Board of Wendel, was awarded the following compensation and benefits:

	2018				2017	
(in €)	Fixed compensation (excluding Directors' fees)	Variable compensation ^(a)	Directors' fees and other compensation	Benefits in-kind	Total compensation	Total compensation
André François-Poncet, Chairman of the Management Board of Wendel ^(b)	1,050,000	-	105,677	12,766	1,168,443	-

(a) André François-Poncet's fixed remuneration and targets to be achieved to qualify for the variable portion are approved each year in March for that year by Wendel's Supervisory Board, based on and after consideration of the proposal of the Governance Committee, which makes its recommendation for the total amount of remuneration with reference to market practices for listed companies and investment companies in Europe. The amount of variable remuneration is set on the basis of qualitative and quantitative targets. Directors' fees are included in the total compensation.

(b) André François-Poncet took office as Chairman of the Wendel Management Board on January 1, 2018.

Corporate Officers of the Company holding salaried positions at Wendel

Stéphane Bacquaert, Stéphanie Besnier and Claude Ehlinger held salaried positions as Managing Directors within the Wendel group in 2018.

They hold no other corporate office in the Bureau Veritas Group and receive no benefit or compensation of any kind other than the

Directors' fees paid by the Company (see Table 3 on Directors' fees and other compensation received by non-Executive Corporate Officers from Bureau Veritas or a Group company, in section 3.2.1 of this Registration Document).

These Directors' fees represent a minority of the payments and benefits in-kind they receive in connection with their salaried positions within the Wendel group.

3.2.2 Executive Corporate Officers' compensation

Compensation policy for Executive Corporate Officers

Pursuant to article L. 225-37-2, paragraph 2 of the French Commercial Code, this section presents the principles and criteria for determining, allocating and awarding the fixed, variable and extraordinary components of the total compensation and benefits in-kind that may be granted to the Executive Corporate Officers of Bureau Veritas with respect to their office.

It also presents the compensation policy for the Chief Executive Officer and the Chairman of the Board of Directors for the fiscal years ended December 31, 2018 and December 31, 2019. The components relating to 2019 will be submitted for approval to the Ordinary Shareholders' Meeting to be held on May 14, 2019.

The payment in 2020 of the variable portion and extraordinary components of the compensation for 2019 described below are subject to the approval of the Ordinary Shareholders' Meeting on such components, pursuant to article L. 225-100 of the French Commercial Code.

Chief Executive Officer

Principles for determining the compensation of the Chief Executive Officer

The compensation paid to the Chief Executive Officer of Bureau Veritas is:

- linked to the Group's performance;
- balanced, taking into account the expectations of all stakeholders (including those of shareholders);
- demanding, given that it is aligned with best market practices;
- consistent with the principles applied by Bureau Veritas to all its executives around the world;
- set by the Board of Directors, on the basis of the recommendation of the Nomination & Compensation Committee and in accordance with the recommendations set out in the AFEP-MEDEF Code to which the Company refers;
- reviewed and discussed by the Board of Directors every year;
- determined according to the Executive's level of responsibility; and
- determined by taking into account all of the components of compensation to ensure a comprehensive view of the compensation of the Chief Executive Officer.

Chief Executive Officer compensation policy

General principles

In accordance with the recommendations of the AFEP-MEDEF Code, the Nomination & Compensation Committee considered the principles described below when issuing recommendations to the Board of Directors for compensation systems that are in line with the Group's values.

Balance and clarity

The Chief Executive Officer's compensation consists of four components, each linked to a specific objective:

- an annual fixed portion (basic salary) that acknowledges the importance and scope of the position. Each year, this portion is compared with the practices of French and international companies with comparable challenges, characteristics and environments;
- an annual variable portion, consisting of quantifiable and qualitative components. The variable portion recognizes the achievement of demanding, formal yearly objectives and is reviewed each year by the Nomination & Compensation Committee, which in turn makes a recommendation to the Board of Directors;
- a long-term incentive plan (stock subscription or purchase option and performance share grants) aligned with shareholders' best interests, the implementation of which is subject to approval of the corresponding resolutions at the Shareholders' Meeting and to the decision of the Board of Directors;
- a termination benefit linked to the position of Corporate Officer. This benefit is restricted in time and is subject to performance conditions.

A balance must be achieved between each component of compensation, with an emphasis on the shareholding component (stock option and performance share grants).

The Chief Executive Officer is also entitled to a company car and is eligible for the same benefit plans as the Group's other executive officers and employees.

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 executive officers 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 an external consultant based on French and international companies;
- the recommendations of the applicable Corporate Governance Code (AFEP-MEDEF Code).

Simplicity and understandability

The rules governing the Chief Executive Officer's compensation are simple by choice.

Each year, the Nomination & Compensation Committee recommends quantifiable and qualitative 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.

Chief Executive Officer compensation policy for 2018

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.

Variable portion

The annual variable portion of the Chief Executive Officer's compensation represents 100% of the fixed portion if the quantifiable and qualitative objectives are met in full.

As of January 1, 2018, quantifiable objectives represented 60% of the variable portion and qualitative objectives the remaining 40%.

Quantifiable criteria

The quantifiable criteria chosen for 2018 by the Board of Directors at its meeting of February 28, 2018, 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%. These criteria differ from those used in 2017 and now include a leverage target. As a result, the weighting of the Group's AOP and organic growth within the quantifiable criteria was reduced from 25% in 2017 to 20% in 2018.

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 150%.

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.

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 quantifiable criteria for the purpose of determining the variable portion of the Chief Executive Officer's compensation have been defined in detail but are not disclosed for confidentiality reasons.

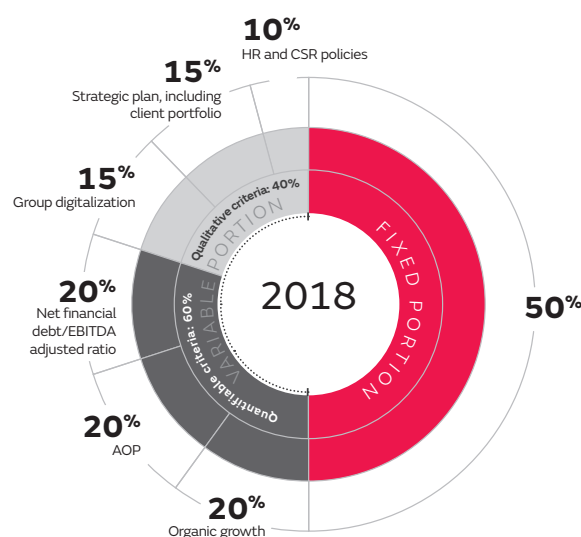
If the objectives for the quantifiable portion are exceeded, the variable portion is capped at 150% of the target variable portion (i.e., 150% of the fixed portion).

Qualitative criteria

The qualitative criteria relate to the implementation of the 2020 strategic plan and include:

- acceleration of the Group's digitalization (15%);
- implementation of the 2020 strategic plan, including the customer portfolio review (15%);
- monitoring of the Group's HR and CSR policies (10%).

The qualitative 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

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 by the Ordinary and Extraordinary Shareholders' Meeting. This 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.

This 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). Currently, the performance conditions for stock subscription or purchase options and performance shares are the extent to which the Group's 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.

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 has decided, on the recommendation of the Nomination & Compensation Committee, that for the performance shares and stock subscription options granted on June 22, 2018, 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.

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.

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 officers and employees.

Chief Executive Officer compensation policy for 2019

At its meeting of February 27, 2019, and on the recommendation of the Nomination & Compensation Committee, the Board of Directors set the compensation policy applicable to the Chief Executive Officer for 2019.

It is based on the general principles, presented above, for determining the compensation of Executive Corporate Officers and the Chief Executive Officer.

Annual fixed portion

On the recommendation of the Nomination & Compensation Committee, the amount of the Chief Executive Officer's annual

fixed compensation (€900,000) has been confirmed by the Board of Directors for 2019.

Variable portion

The target amount of annual variable compensation for 2019 and the percentage of the maximum compensation remain unchanged. The quantifiable criteria for 2019 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.

	Criteria	Type	Weighting
Quantifiable criteria (60%)	Group organic growth	Quantifiable	20%
	Group AOP	Quantifiable	20%
	Net financial debt/EBITDA adjusted ratio	Quantifiable	20%
Qualitative criteria (40%)	Group digitalization	Qualitative	12.5%
	2020 strategic plan and Group transformation	Qualitative	12.5%
	Preparation of the 2020 Management team	Qualitative	10%
	Corporate social responsibility (CSR)	Qualitative	5%
TOTAL			100%

In accordance with article L. 225-100, paragraph 6 of the French Commercial Code, the payment of the Chief Executive Officer's variable portion with respect to 2019 is contingent on the shareholders' approval of his compensation components at the Ordinary Shareholders' Meeting to be held in 2020.

Long-term incentive plan

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 Executives of the Group. Stock subscription or purchase options and/or 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 2019, 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 2019 in the form of performance shares and stock subscription or purchase options is estimated at between 115% and 125% of his total gross annual compensation. In light of the macroeconomic climate and market volatility, this estimate is based on forecasts that may change over time.

In 2019, in the proposed 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, the Shareholders' Meeting will be asked to approve 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 2019, Didier Michaud-Daniel continues to be entitled to the termination benefit described above. This commitment is not likely to be modified until the next renewal of the Chief Executive Officer's term of office.

Benefits in-kind

In 2019, the Chief Executive Officer continues to be entitled to the same benefits in-kind (company car and benefit plan) as in 2018.

Chairman of the Board of Directors

Chairman of the Board of Directors compensation policy for 2018

Since March 8, 2017, the compensation of the Chairman of the Board of Directors comprises:

- a fixed portion determined by the Board of Directors, following a recommendation by the Nomination & Compensation Committee, in line with the principles described above and in particular with the responsibilities allocated to the Chairman, his experience and market practices;
- Directors' fees, allocated in line with the rules for allocation decided by the Board of Directors and presented in section 3.2.1 – Compensation policy for members of the Board of Directors of this Registration Document.

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 (i.e., stock subscription/purchase option or performance share) plans.

The Chairman of the Board is not eligible for any benefits in-kind, pension scheme, termination benefit or non-competition indemnity.

Chairman of the Board of Directors compensation policy for 2019

The Chairman of the Board of Directors' compensation for 2019 is the same as in 2018 (annual fixed portion of €220,000 and Directors' fees).

Compensation of Executive Corporate Officers for 2018

This section presents the components of compensation due or paid to each Executive Corporate Officer by the Board of Directors, on the recommendation of the Nomination & Compensation Committee, for the year ended December 31, 2018.

Summary of Executive Corporate Officers' compensation for 2018

TABLE SUMMARIZING THE COMPENSATION, OPTIONS AND SHARES AWARDED TO EACH EXECUTIVE CORPORATE OFFICER (AMF TABLE 1)

(in €)	Didier Michaud-Daniel, Chief Executive Officer	
	2018	2017
Compensation due in respect of the financial year (shown in Table 2)	1,958,610	1,872,300
Valuation of the multi-annual variable compensation awarded during the year	-	-
Valuation of stock options granted during the year (shown in Table 4)	658,103 ^(a)	407,419 ^(a)
Valuation of the performance shares granted during the year (shown in Table 6)	1,696,136	1,515,342 ^(a)
TOTAL	4,312,849	3,795,061^(b)

(a) The amounts in the above table reflect the accounting fair value of options and shares in accordance with IFRS standards.

(b) In 2018, the Chief Executive Officer's compensation in the form of performance shares and stock subscription or purchase options was capped at 120% of his total gross annual compensation.

(in €)	Aldo Cardoso, Chairman of the Board of Directors (since March 8, 2017)	
	2018	2017
Compensation due in respect of the financial year, including Directors' fees (shown in Table 2)	347,000	292,977
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	347,000	292,977

TABLE SUMMARIZING THE CONTRACTS, PENSION SCHEMES, BENEFITS AND INDEMNITIES APPLICABLE TO EXECUTIVE CORPORATE OFFICERS (AMF TABLE 11)

Executive Corporate Officers	Employment contract		Supplementary pension scheme		Benefits or advantages due or likely to be due as a result of termination or change of corporate office		Non-competition indemnity	
	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								
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		✓		✓		✓		✓

In 2018, Didier Michaud-Daniel was entitled, as a Corporate Officer, to a termination benefit that was subject to a performance condition and could not exceed a maximum amount equal to the fixed compensation received by him in the 12 months preceding the termination of his term of office, plus the most

recent amount of variable compensation collected. The performance conditions, entitlement criteria and payment methods are described above in section 3.2.2 – Chief Executive Officer compensation policy for 2018 – Deferred commitments, page 176, of this Registration Document.

Components of the Chief Executive Officer's compensation for 2018

Compensation and benefits awarded during 2018

TABLE SUMMARIZING THE COMPENSATION PAID TO THE CHIEF EXECUTIVE OFFICER (AMF TABLE 2)

(in €)	Didier Michaud-Daniel – Chief Executive Officer			
	2018		2017	
	due	paid	due	paid
Fixed compensation	900,000	900,000	900,000	900,000
Annual variable compensation	1,040,445 ^(a)	954,300	954,300	560,175
Multi-annual variable compensation	-	-	-	-
Extraordinary compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in-kind	18,165 ^(b)	18,165 ^(b)	18,000	18,000
TOTAL	1,958,610	1,872,465	1,872,300	1,478,175

(a) Variable compensation due in respect of 2018 was set by the Board of Directors on February 27, 2019, on the recommendation of the Nomination & Compensation Committee.

(b) Company car and the same benefit plans as the Group's other Executives and employees.

Annual fixed compensation

The fixed compensation due to Didier Michaud-Daniel for 2018 amounts to €900,000 and is unchanged since 2015.

Variable compensation

On the recommendation of the Nomination & Compensation Committee, the Board of Directors decided at its meeting of February 28, 2018 to set Didier Michaud-Daniel's target variable compensation for 2018 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 27, 2019 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 2018 at 115.6% of the target compensation, or €1,040,445, based on the following:

	Criteria	Type	Assessment	Achievement rate
Quantifiable criteria (60%)	Group organic growth	Quantifiable	Significantly above target	77.6%
	Group AOP	Quantifiable	On target	
	Net financial debt/EBITDA adjusted ratio	Quantifiable	On target	
Qualitative criteria (40%)	Group digitalization	Qualitative	Slightly below target	38.0%
	Strategic plan, including a customer portfolio review	Qualitative		
	Monitoring of HR and CSR policies	Qualitative		
TOTAL				115.6%

The level of achievement required for quantitative criteria and the details of qualitative criteria have been specifically defined by the Board of Directors but cannot be disclosed for confidentiality reasons.

Long-term incentive plan

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' Meeting of June 22, 2018 decided to grant stock purchase options and performance shares to Group employees. This plan was converted into a stock subscription option plan by the Board of Directors on February 27, 2019.

The grant concerned 502 Group employees, corresponding to a total of 2,296,740 shares (1,196,340 performance shares and 1,100,400 stock purchase options), equivalent to approximately 0.52% 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 15, 2018, under the 19th and 20th resolutions.

Awards of stock options and performance shares are subject to:

- a service condition: the departure of the beneficiary leads to the cancellation of his or her rights;
- two performance conditions: the Group's AOP for 2018 and the Group's adjusted operating margin (ratio of AOP to revenue) for 2019 and 2020. The condition based on the Group's adjusted operating margin for 2019 and 2020 applies to the number of options determined according to the level of achievement of the AOP condition for 2018;

- With regard to the Group's AOP for 2018:
 - 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 2019 and 2020:
 - 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 percentage of options or shares determined by the level of achievement of the AOP may be exercised or may vest, provided that the service condition has been met.

Details of the maximum number of stock purchase options and performance shares granted to the Chief Executive Officer for 2018 are provided in the tables below.

STOCK SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING 2018 TO THE CHIEF EXECUTIVE OFFICER BY BUREAU VERITAS AND BY ANY COMPANY OF THE GROUP (AMF TABLE 4)

Name of Executive Corporate Officer	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	06/22/2018	Stock subscription or purchase options	€658,103	240,000	€22.02 ^(a)	06/22/2021 to 06/22/2028 ^(b)	^(c)

(a) The subscription/exercise price was set at €22.02, corresponding to the average undiscounted opening price during the 20 trading days preceding the date of the grant.

(a) Service condition: a three-year vesting period has been set during which the beneficiary must remain a Corporate Officer. Requirement to hold shares in registered form: 5% of the shares resulting from the exercise of stock subscription or purchase options must be held in registered form until the expiration of his corporate office within the Group.

(c) Performance conditions: depending on the level of achievement of the Group's AOP objective for 2018 and on the Group's adjusted operating margin objective (ratio of Group AOP to Group revenue) for 2019 and 2020, between 0% and 100% of the stock subscription or purchase options granted to the beneficiary may vest. Details of these performance conditions are presented above.

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 2018 is limited, representing 0.05% of the share capital of Bureau Veritas.

STOCK SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING 2018 BY THE CHIEF EXECUTIVE OFFICER (AMF TABLE 5)

The Executive Corporate Officer did not exercise any options during 2018.

Name of Executive Corporate Officer	No. and date of the plan	Number of options exercised during the year	Exercise price
Didier Michaud-Daniel	-	-	-

PERFORMANCE SHARES GRANTED DURING 2018 TO THE CHIEF EXECUTIVE OFFICER BY BUREAU VERITAS AND BY ANY COMPANY OF THE GROUP (AMF TABLE 6)

Name of Executive Corporate Officer	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	06/22/2018	80,000	€1,696,136	06/22/2021	06/22/2021 ^(a)	^(b)

(a) Service condition: a three-year vesting period has been set during which the beneficiary must remain as Corporate Officer. Requirement to hold shares in registered form: 20% of the vested performance shares must be held in registered form until the expiration of the corporate office within the Group.

(b) Performance conditions: depending on the level of achievement of the Group's AOP objective for 2018 and on the Group's adjusted operating margin objective (ratio of Group AOP to Group revenue) for 2019 and 2020, between 0% and 100% of the performance shares granted to the beneficiary may vest. Details of these performance conditions are presented above.

The dilutive effect of the performance shares granted during 2018 is limited, representing 0.02% of the share capital of Bureau Veritas.

PERFORMANCE SHARES THAT BECAME AVAILABLE TO THE CHIEF EXECUTIVE OFFICER DURING 2018 (AMF TABLE 7)

A total of 78,320 performance shares became available to the Executive Corporate Officer during 2018.

Name of Executive Corporate Officer	No. and date of the plan	Number of shares that became available during the year	Vesting conditions
Didier Michaud-Daniel	July 15, 2015	78,320	Group AOP for 2015 and Group adjusted operating margin for 2016 and 2017

PAST GRANTS OF STOCK SUBSCRIPTION OR PURCHASE OPTIONS – INCLUDING TO THE CHIEF EXECUTIVE OFFICER SPECIFICALLY (AMF TABLE 8)

Information on stock subscription or purchase options^(b)

Date of the Shareholders' Meeting	05/22/2013	05/20/2015	05/17/2016	05/17/2016	05/15/2018
Date of the Board of Directors' meeting	07/16/2014	07/15/2015	06/21/2016	06/21/2017	06/22/2018
Total number of shares to be subscribed or purchased	1,261,200	1,344,000	1,312,400	1,229,060	1,100,400
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	07/16/2017	07/15/2018	06/21/2019	06/21/2020	06/21/2020
Performance conditions	(c)	(c)	(c)	(c)	(c)
Expiration date	07/16/2022	07/16/2025	06/21/2026	06/21/2027	06/21/2027
Subscription or purchase price	€20.28 ^(a)	€20.51 ^(a)	€19.35 ^(a)	€20.65 ^(a)	€22.02 ^(a)
Number of shares subscribed or purchased as of December 31, 2018	104,370	113,379	0	0	0
Total number of stock subscription or purchase options canceled or lapsed as of December 31, 2018	523,742	120,883	977,120	117,800	31,400
Stock subscription or purchase options remaining as of December 31, 2018	633,088	1,109,738	335,280	1,111,260	1,069,000

(a) The stock subscription or purchase option price corresponds to the average undiscounted opening price during the last 20 trading days preceding the date of the grant.

(b) The number of options and the stock subscription or purchase option prices were revised following the June 2013 capital increase and share split.

(c) At the end of the vesting period, the number of stock subscription or purchase options that can be delivered to each beneficiary depends on the level of achievement of the Group AOP 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.

PAST GRANTS OF PERFORMANCE SHARES – INCLUDING TO THE CHIEF EXECUTIVE OFFICER SPECIFICALLY (AMF TABLE 10)

Information on performance share grants

Date of the Shareholders' Meeting	05/22/2013	05/22/2013	05/20/2015	05/17/2016	05/17/2016	05/15/2018
Date of the Board of Directors' meeting	07/22/2013	07/16/2014	07/15/2015	06/21/2016	06/21/2017	06/22/2018
Total number of shares granted	800,000	1,291,600	1,136,200	1,131,650	1,207,820	1,196,340
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	07/22/2017 or 07/22/2018	07/16/2018 or 07/15/2019	06/21/2019	06/21/2020	06/22/2021
Performance conditions	(a)	(b)	(b)	(b)	(b)	(b)
End of holding period	07/21/2021 or 07/21/2022	07/16/2019	07/15/2020	-	-	-
Number of vested shares as of December 31, 2018	0	737,506	448,343	0	0	0
Total number of shares canceled or lapsed as of December 31, 2018	80,000	554,094	211,264	679,878	92,358	34,700
Remaining performance shares awarded as of December 31, 2018	720,000	0	476,593	451,772	1,115,462	1,161,640

- (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 50% 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 determined by linear interpolation. If the TSR is equal to 7%, the beneficiary may vest 20% of the shares in the tranche at the end of the vesting period. If the TSR is below 7%, no shares in the tranche will vest. A nine-year vesting period has been set during which the beneficiary must remain as Corporate Officer, followed by a mandatory two-year holding period.
- (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.

PAST GRANTS AND FINAL VESTING OF STOCK SUBSCRIPTION OR PURCHASE OPTIONS AND THE CHIEF EXECUTIVE OFFICER'S PERFORMANCE SHARES

Stock subscription and purchase options

Grant date	Start of exercise period	End of exercise period	Options granted	Options lapsed	Exercisable options	Exercise Price (€)
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

Performance shares

Grant date	Vesting date	End of holding period	Performance shares granted	Performance shares lapsed	Performance shares vested
07/22/2013	06/21/2021 or 06/22/2022	07/21/2021 or 07/21/2022	800,000	80,000	-
07/22/2013	07/22/2016	07/21/2018	88,000	-	88,000
07/16/2014	07/17/2017	07/16/2019	80,000	28,080	51,920
07/15/2015	07/15/2018	07/15/2020	80,000	1,680	78,320

Components of the Chairman of the Board of Directors' compensation for 2017 and 2018

Compensation and benefits awarded since March 8, 2017

TABLE SUMMARIZING THE COMPENSATION PAID TO ALDO CARDOSO (AMF TABLE 2)

(in €)	Aldo Cardoso, Chairman of the Board of Directors (since March 8, 2017)			
	2018		2017	
	due	paid	due	paid
Fixed compensation	220,000	220,000	180,227	180,227
Annual variable compensation			-	-
Multi-annual variable compensation			-	-
Extraordinary compensation			-	-
Directors' fees	127,000 ^(a)	112,750 ^(b)	112,750	-
Benefits in-kind			-	-
TOTAL	347,000	332,750	292,977	292,977

a) Directors' fees for 2018 paid in 2019.

b) Directors' fees for 2017 paid in 2018.

Annual fixed compensation

Acting on the recommendation of the Nomination & Compensation Committee, the Board of Directors' meeting of March 8, 2017 set the Chairman of the Board's annual fixed compensation at €220,000.

In line with the compensation policy applicable to the Chairman of the Board in 2017, as Aldo Cardoso took office on March 8, 2017, his annual fixed compensation was calculated *pro rata* for 2017 and amounted to €180,227.

In line with the compensation policy applicable to the Chairman of the Board in 2018, Aldo Cardoso was awarded annual fixed compensation of €220,000 for 2018.

Variable compensation

The compensation policy applicable to the Chairman of the Board does not provide for any variable compensation.

Directors' fees

Aldo Cardoso received €127,000 in Directors' fees for 2018. This amount was calculated in accordance with the rules for allocating Directors' fees set by the Board of Directors (see section 3.2.1 – Compensation policy for members of the Board of Directors, page 171, of this Registration Document).

Long-term incentive plan

The compensation policy applicable to the Chairman of the Board does not provide for any long-term compensation (i.e., stock subscription or purchase options or performance share awards).

Tables summarizing the components of Executive Corporate Officers compensation for 2018 to be submitted to an ex post vote at the Shareholders' Meeting to be held to approve the financial statements for the year ended December 31, 2018

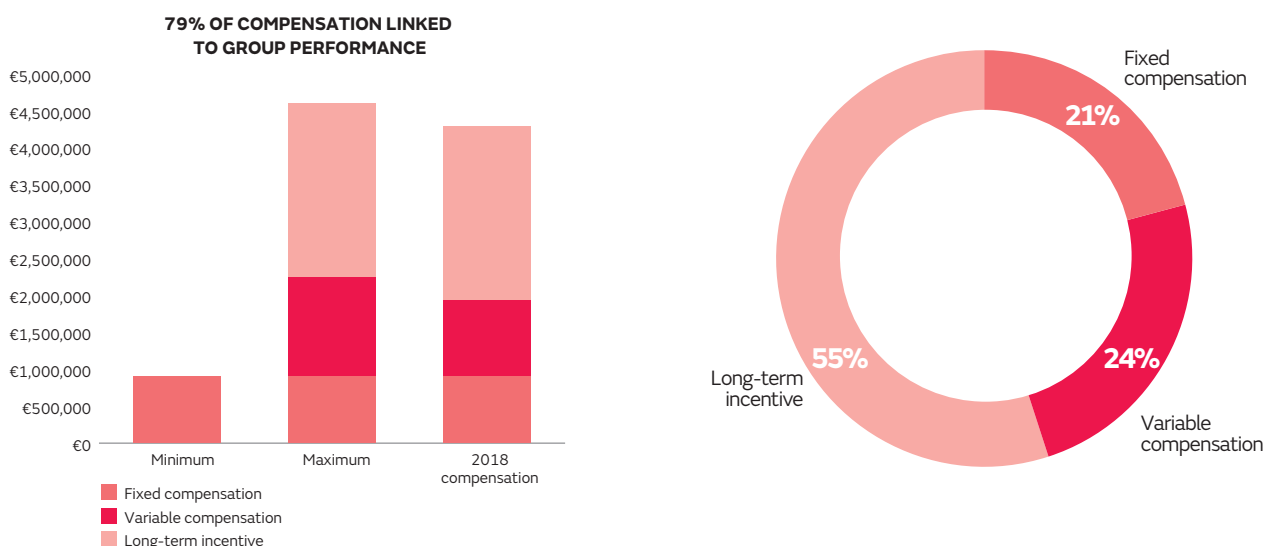


TABLE SUMMARIZING THE COMPONENTS OF COMPENSATION OF DIDIER MICHAUD-DANIEL, CHIEF EXECUTIVE OFFICER, FOR 2018

	Amounts or accounting valuation submitted to a vote	Details
Fixed compensation	€900,000	On the recommendation of the Nomination & Compensation Committee, the Board of Directors' meeting of February 28, 2018 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.
Target variable compensation	€900,000	
Annual variable compensation	€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 quantifiable and qualitative 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 quantifiable and qualitative 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 this Registration Document. Payment of the Chief Executive Officer's variable compensation for 2018 is subject to the approval of the Shareholders' Meeting to be held to approve the financial statements for the year ended December 31, 2018 (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 purchase options, performance shares and any other long-term compensation	€2,354,239 (accounting amount)	On the recommendation of the Nomination & Compensation Committee, the Board of Directors' Meeting of June 22, 2018 decided to grant 240,000 stock subscription/purchase options (valued at €658,103) and 80,000 performance shares (valued at €1,696,136) to the Chief Executive Officer as part of its policy to make annual grants to senior management (in application of the 19th and 20th resolutions adopted at the Shareholders' Meeting of May 15, 2018). The grants are subject to two performance conditions: (i) the Group's AOP for 2018 and (ii) the Group's adjusted operating margin (ratio of Group AOP to Group revenue) for 2019 and 2020. The condition based on the Group's adjusted operating margin for 2019 and 2020 applies to the number of options and performance shares determined according to the level of achievement of the AOP condition for 2018. Details of the performance criteria, vesting conditions and holding requirements are presented in section 3.2.2, page 181, of this Registration Document. Limited dilutive effect of the stock subscription/purchase options and performance shares granted to Didier Michaud-Daniel: respectively 0.05% and 0.02% of the share capital of Bureau Veritas. During 2018, 78,320 performance shares granted under previous plans became available to Didier Michaud-Daniel.
Directors' fees	N/A	Didier Michaud-Daniel does not receive Directors' fees.
Benefits in-kind	€18,165	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 officers 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 3.2.2, page 176, of this 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 OF ALDO CARDOSO, CHAIRMAN OF THE BOARD OF DIRECTORS, FOR 2018

	Amounts submitted to a vote	Details
Fixed compensation	220,000	On the recommendation of the Nomination & Compensation Committee, the Board of Directors' meeting of March 8, 2017 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 2018 was €220,000.
Directors' fees	127,000	Aldo Cardoso received €127,000 in respect of his Directors' fees for 2018. This amount, to be paid in 2019, was calculated in accordance with the rules for allocating Directors' fees set by the Board of Directors.

3.3 Interests of Executive Corporate Officers, Directors and certain employees

3.3.1 Interests of Executive Corporate Officers and Directors in the Company's capital

As of the publication date of this Registration Document, the interests of Executive Corporate Officers and Directors in the capital of Bureau Veritas were as follows:

Executive Corporate Officer	Number of shares	Percentage of capital
Didier Michaud-Daniel	379,440	nm

Didier Michaud-Daniel, Chief Executive Officer, also holds 1,386,720 stock subscription and purchase options granted under the July 18, 2012, July 22, 2013, July 16, 2014, July 15, 2015, June 21, 2016, June 21, 2017 and June 22, 2018 plans.

A detailed description of stock subscription and purchase option plans is provided below in section 3.3.4 – Stock subscription and purchase options, of this Registration Document.

Directors	Number of shares	Percentage of capital
Aldo Cardoso	12,000	nm
André François-Poncet	1,200	nm
Stéphane Bacquaert	1,200	nm
Stéphanie Besnier	1,200	nm
Claude Ehlinger	1,200	nm
Ana Giros Calpe	1,200	nm
Ieda Gomes Yell	1,200	nm
Siân Herbert-Jones	1,200	nm
Pierre Hessler	1,200	nm
Pascal Lebard	1,200	nm
Philippe Lazare ⁽¹⁾	2,000	nm
Lucia Sinapi-Thomas	2,000	nm

(1) Philippe Lazare took office on October 3, 2018, after he was co-opted by the Board of Directors' meeting held on the same day.

3.3.2 Transactions executed by the management on Company shares

To the best of the Company's knowledge, and according to the declarations made to the AMF, transactions executed on Company shares during the year by the 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
Philippe Lazare	Director	Acquisition	10/01/2018	22.47	44,956.80	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 2018 and the date of this Registration Document by the 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
None	-	-	-	-	-	-

3.3.3 Performance shares

Date of the Shareholders' Meeting	05/22/2013	05/22/2013	05/20/2015
Grant date	07/22/2013	07/16/2014	07/15/2015
Number of shares granted (adjusted)	800,000	1,291,600	1,136,200
Total maximum number of Company shares to which shares granted give right (adjusted)	800,000	1,291,600	1,136,200
Number of shares vested	-	737,506	448,343
Number of shares canceled	80,000	554,094	211,264
Number of shares granted and not yet vested	720,000	-	476,593
Total number of shares vested or that can be vested by Corporate Officers	720,000	51,920	78,320
Total number of shares vested or that can be vested by the top ten employee grantees	-	38,965	72,037
Expiration of vesting period	06/21/2021	07/16/2018 or 07/16/2017 for employees of a French company	07/15/2019 or 07/15/2018 for employees of a French company
Duration of the lock-up period starting from the transfer of ownership of the shares	2 years	None except for two years for employees of a French company	None except for two years for employees of a French company
Vesting conditions	Service and performance ^(b)	Service and performance ^(a)	Service and performance ^(a)
Share price on the grant date (€)	21.00	19.88	20.79
Value of one share (€)	5.77	15.67	16.49

(a) Details of the service and performance conditions for performance share plans are presented in Table 10, section 3.2.2, page 183, of this Registration Document.

(b) Details of the extraordinary grant of performance shares on July 22, 2013 are provided in Table 10, section 3.2.2 of this Registration Document.

Performance shares granted to the top ten employee grantees (excluding Corporate Officers) during 2018

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)	234,000	€21.20	06/22/2018

Information regarding Corporate Officers is provided in Tables 6 and 7, section 3.2.2, pages 181 and 182 of this Registration Document.

05/16/2016	05/16/2016	05/15/2018	Total
06/21/2016	06/21/2017	06/22/2018	
1,131,650	1,207,820	1,196,340	6,763,610
1,131,650	1,207,820	1,196,340	6,763,610
-	-	-	1,185,849
679,878	92,358	34,700	1,652,294
451,772	1,115,462	1,161,640	3,925,467
12,000	80,000	80,000	1,022,240
15,460	188,000	234,000	548,462
06/21/2019	06/21/2020	06/22/2021	
None	None	None	
Service and performance ^(a)	Service and performance ^(a)	Service and performance ^(a)	
19.39	20.78	23	
17.65	18.94	21.20	

3.3.4 Stock subscription and purchase options

Date of the Shareholders' Meeting	06/18/2007	06/18/2007	05/27/2011	05/27/2011	05/27/2011
Plan date	07/23/2010	07/23/2010	07/18/2011 ^(a)	12/14/2011 ^(a)	07/18/2012 ^(a)
Number of shares concerned by stock subscription options granted (adjusted)	540,000	436,800	714,000	260,000	1,346,400
Total maximum number of Company shares to which options granted give right (adjusted)	540,000	436,800	714,000	260,000	1,346,400
Number of options exercised	540,000	436,800	560,700	176,580	505,200
Number of options canceled	0	0	36,000	4,940	59,654
Number of stock options granted and in force	0	0	117,300	78,480	781,546
Total number of shares subscribed or that can be subscribed/purchased by Corporate Officers	0	0	0	0	240,000
Total number of shares subscribed or that can be subscribed/purchased by the top ten employee grantees	120,000	74,000	90,000	78,480	183,600
Start of the option exercise period	07/23/2013	07/23/2013	07/18/2014	12/14/2014	07/18/2015
Option expiration date	07/23/2018	07/23/2018	07/18/2019	12/14/2019	07/18/2020
Subscription/purchase price adjusted at the date of this Registration Document (€)	11.58	11.58	14.42	13.28	17.54

(a) Stock purchase option plans.

05/22/2013	05/22/2013	05/20/2015	05/17/2016	05/17/2017	05/15/2018	Total
07/22/2013 ^(a)	07/16/2014 ^(a)	07/15/2015	06/21/2016	06/21/2017	06/21/2017	
1,240,800	1,261,200	1,344,000	1,312,400	1,229,060	1,100,400	10,785,060
1,240,800	1,261,200	1,344,000	1,312,400	1,229,060	1,100,400	10,785,060
206,400	104,370	113,379	0	0	0	2,643,429
179,606	523,742	120,883	977,120	117,800	31,400	2,051,145
854,794	633,088	1,109,738	335,280	1,111,260	1,069,000	6,090,486
240,000	155,760	234,960	36,000	240,000	240,000	1,386,720
159,600	105,406	235,338	58,140	438,500	438,000	1,981,064
07/22/2016	07/16/2017	07/15/2018	06/21/2019	06/21/2020	06/22/2021	
07/22/2021	07/16/2022	07/15/2025	06/21/2026	06/21/2027	06/22/2028	
21.01	20.28	20.51	19.35	20.65	22.02	

Options exercised during 2018

AGGREGATE INFORMATION

	Plan	Number of options exercised	Exercise price (€)
Stock subscription options plan	07/23/2010	216,000	11.58
Stock purchase options plan	07/18/2011	68,700	14.42
Stock purchase options plan	07/18/2012	36,000	17.54
Stock purchase options plan	07/22/2013	146,400	21.01
Stock purchase options plan	07/16/2014	67,665	20.28
Stock purchase options plan	07/15/2015	113,379	20.51
TOTAL		648,144	

STOCK SUBSCRIPTION OR PURCHASE OPTIONS GRANTED TO THE TOP TEN EMPLOYEE GRANTEEES (EXCLUDING CORPORATE OFFICERS) AND OPTIONS EXERCISED BY THE LATTER DURING 2018 (AMF TABLE 9)

Nature of the options	Total number of options granted/shares subscribed or purchased	Weighted average price (€)	Plan
Options granted in 2018 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)	438,000	22.02	06/22/2018
Options granted by the issuer and by the companies referred to above, exercised in 2018 by the ten employees of the issuer or its subsidiaries having subscribed to or purchased the highest number of options (aggregate information)	192,000	11.58	07/23/2010
	68,700	14.42	07/18/2011
	36,000	17.54	07/18/2012
	136,800	21.01	07/22/2013
	52,089	20.28	07/16/2014
	92,673	20.51	07/15/2015

Information regarding Corporate Officers can be found in Tables 4 and 5, section 3.2.2, page 181, of this Registration Document.

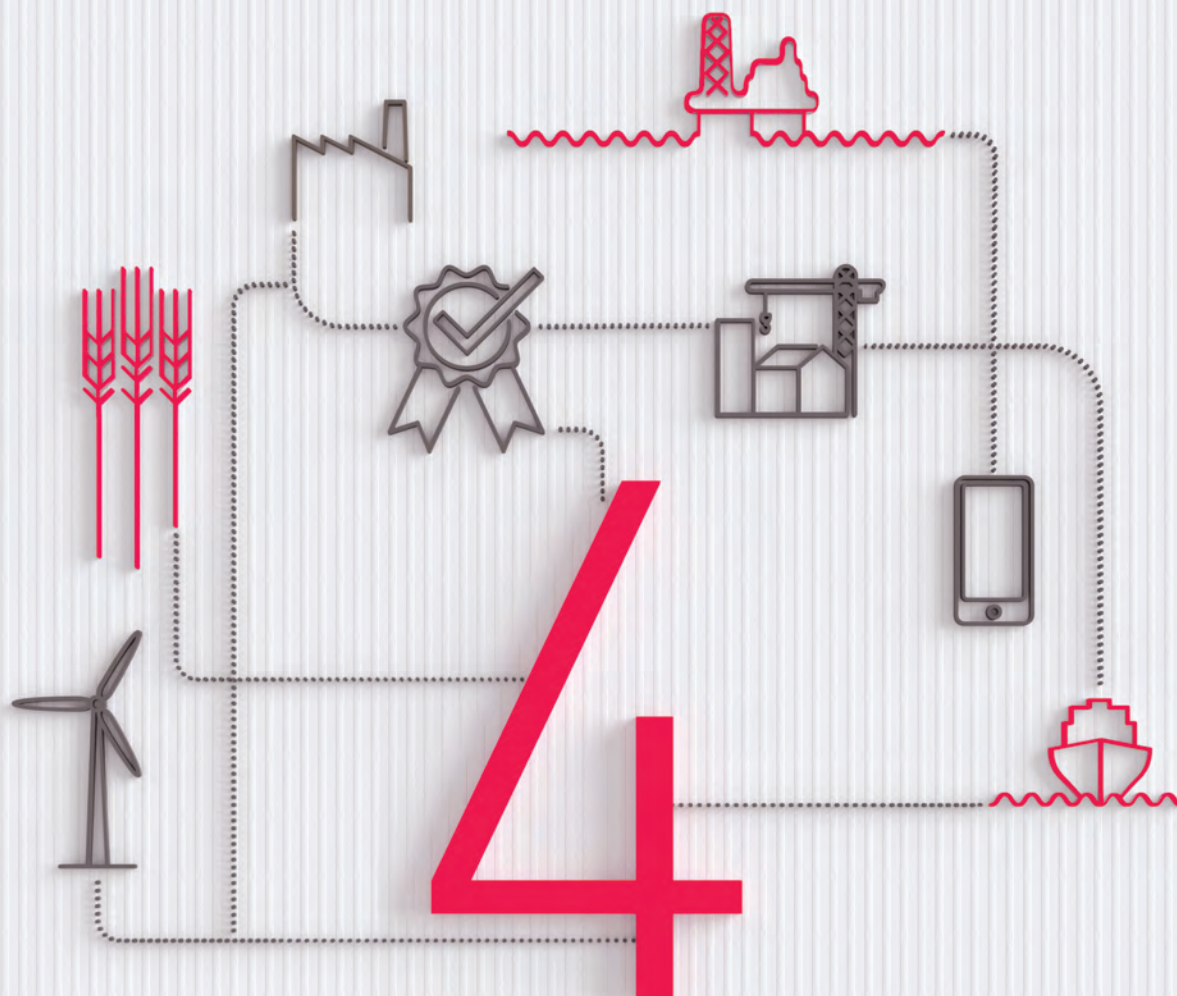
3.3.5 Potential impact of shares giving access to Company capital

As of December 31, 2018, a total of 3,625,278 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, 2018, namely 442,216,000 shares, issuing all of these shares would represent 0.82% of Bureau Veritas' capital.

Based on the share capital as of December 31, 2018, issuing all of the 3,925,467 performance shares granted would result in a further maximum potential dilution of 0.89%, bringing the total dilutive effect (stock subscription options and performance shares) to 7,550,745 shares, or 1.71% of the Company's capital.

3.3.6 Service agreements involving Executive Corporate Officers or Directors and Bureau Veritas or one of its subsidiaries

At the date this Registration Document was filed, there were no service agreements between Executive Corporate Officers or Directors and the Company or its subsidiaries providing for any benefits.



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Components of the Annual Financial Report are identified in this table of contents with the sign **AFR**

This report covers the Group's results and business activities for the year ended December 31, 2018 and was prepared based on the 2018 consolidated financial statements, included in section 5.1 of this Registration Document.

4.1 2018 highlights

4.1.1 Robust advances in Growth Initiatives and improvement in the base business

Group organic revenue growth amounted to 4.0% in 2018, accelerating in the second half with 4.4% in the last quarter. This is explained by:

- steady growth for the five Growth Initiatives (36% of Group revenue), up 6.3% organically. High single-digit growth was achieved in Opex services, Buildings & Infrastructure and SmartWorld and mid-single digit for Agri-Food and Automotive;
- improvement over the year in the Base Business (64% of Group revenue), up 2.9% organically with organic growth of 4.1% in the last quarter. Marine & Offshore (7% of Group revenue) turned to positive organic growth in the second half of the year

(up 4.0% versus a 5.4% decrease in the first half) following eight negative quarters, a reflection of improving market conditions, particularly in China. Oil & Gas Capex-related activities (less than 4% of Group revenue) bottomed out (down 6.6% with 3.6% organic growth in second-half 2018), benefiting from favorable comparables and the ramp-up of contracts in North America and Africa in particular. The Group's other activities performed well, notably with Metals & Minerals reporting a full recovery and Certification benefiting from the exceptional workload generated by the revision of standards in 2017/2018.

Percentage year-on-year change	Fourth-quarter 2018	Full-year 2018
Opex services	+5.6%	+6.7%
Buildings & Infrastructure	+3.5%	+6.9%
Agri-Food	+9.0%	+4.3%
Automotive	(2.3)%	+5.4%
SmartWorld	+9.6%	+8.0%
Growth Initiatives	+5.0%	+6.3%
Base business	+4.1%	+2.9%
TOTAL ORGANIC GROWTH	+4.4%	+4.0%

4.1.2 Acquisitions accelerating the Group's diversification and transformation

Six acquisitions in 2018 supporting the Growth Initiatives

In 2018, Bureau Veritas completed six acquisitions representing around €85 million in annualized revenue (or 1.8% of 2018 Group revenue). The scope effect was a positive €138.6 million in 2018, adding 3.0% to consolidated revenue growth. These transactions consisted of bolt-on acquisitions, allowing the Group (i) to expand the range of services offered to its existing clients while capturing new clients, and (ii) to gain a foothold on new markets. All of the acquisitions in 2018 supported the Growth Initiatives and were carried out in different countries, providing Bureau Veritas with a broader geographical presence.

The Group's expansion focused particularly on the Buildings & Infrastructure market in the United States with the acquisition of EMG, a leader in construction technical assessment and project management assistance, asset management assistance and real estate transaction services.

Bureau Veritas also expanded its presence in Agri-Food, particularly in Asia through its acquisitions of China's Shandong Cigna (food testing and analysis services), Japan's FEAC (food and environmental testing services) and Malaysia's Permulab (food, water and environmental testing services). The Group also acquired Labomag in Morocco, specializing in food testing and analysis services.

Bureau Veritas also broadened its reach in Opex services through its acquisition of Spain's Lubrication Management, a leading provider of lubricating oil analyses in Europe (previously the industrial oil analysis business of IK4-TEKNIKER).

Formation of BVAQ, a joint venture with AsureQuality

On January 3, 2019⁽¹⁾, Bureau Veritas announced the formation of Singapore-based BVAQ, a food testing company providing analysis services to markets in South East Asia. BVAQ is a joint venture with AsureQuality, the New Zealand state-owned company providing food safety and biosecurity services.

BVAQ combines Bureau Veritas' newly established food testing laboratories in Vietnam, Indonesia and Thailand as well as its majority share in Permulaq acquired in 2018 (a leader of water and food analysis services in Malaysia), with AsureQuality's state-of-the-art food testing facility operating in Singapore since 2010.

Bureau Veritas holds a 51% majority stake in the new business, while AsureQuality holds the remaining stake. The two partners

will therefore provide laboratory analysis services to all food companies in South East Asia, with an unparalleled geographical presence and testing scope as they can serve clients from a "hub and spoke" model throughout Singapore, Malaysia, Indonesia, Thailand and Vietnam.

Bureau Veritas had already successfully teamed up with AsureQuality in 2016 to purchase Dairy Technical Services (DTS), Australia's leading provider of food analysis services. For Bureau Veritas, AsureQuality Singapore brings on board its capabilities and expertise while enabling Bureau Veritas' laboratory network to expand in South East Asia.

In all, joint ventures between Bureau Veritas and AsureQuality in South East Asia represent a network of nine laboratories and over 500 employees.

4.1.3 Sustained financing activity in favor of greater diversification and optimization of the average cost of debt

Bureau Veritas' financing activity in 2018 demonstrates the strong support and confidence in its business model from the Group's banks and credit investor base:

- on March 29, 2018, Bureau Veritas SA successfully issued a €200 million, unrated, zero-coupon senior fixed-rate note with a 13-month maturity. This new instrument allows the Group to benefit from incremental liquidity without incurring additional interest costs;
- on May 17, 2018, Bureau Veritas SA signed a €600 million multicurrency Revolving Credit Facility replacing the previous €450 million facility on more favorable terms. This new facility has a five-year maturity, with two one-year extension options which can be exercised in 2019 and 2020. This facility, which further enhances the Group's liquidity profile, was substantially oversubscribed by an international syndicate of 14 banks;

- on September 27, 2018, Bureau Veritas SA successfully issued a €500 million, unrated bond issue maturing in January 2025 and carrying a coupon of 1.875%. This transaction was twice oversubscribed, illustrating the quality of the Group's credit profile.

Following these successful operations, Bureau Veritas further diversified its debt profile, with access to various sources of liquidity, including the bank loan market, euro-denominated bonds, US private placements, Schuldschein notes and commercial paper. In addition, these transactions enabled the Group to anticipate the refinancing of its 2019 maturities and to lengthen the average maturity of its debt while optimizing its borrowing costs.

At the end of December 2018, the average duration of the Group's financial debt was almost five years⁽²⁾, while the blended average cost of debt during 2018 was 3.0%.

4.1.4 Management changes strengthening the Group's organization

In 2018, Bureau Veritas appointed new members to the Group Executive Committee:

- Jacques Pommeraud, as Executive Vice-President, in charge of the Commodities, Industry & Facilities division in France and Africa as well as the Government Services and International Trade operating group (effective May 1, 2018);
- Laurent Louail, as Executive Vice-President, in charge of the Commodities, Industry & Facilities division in South & West Europe (effective May 1, 2018);
- Helen Bradley, as Executive Vice-President, in charge of Group Human Resources. Helen's responsibilities further extend to Quality, Health & Safety and Environment, Corporate Social Responsibility and External Affairs (effective June 1, 2018);
- François Chabas, as Executive Vice-President and Group Chief Financial Officer (effective September 3, 2018).

On January 17, 2019, Bureau Veritas announced the appointment, effective January 1, of Matthieu de Tugny as Executive Vice-President,

in charge of the Marine & Offshore division, succeeding Philippe Donche-Gay who retired from the Bureau Veritas Group on January 31, 2019. Matthieu de Tugny was also appointed member of the Group Executive Committee.

Bureau Veritas announced the appointment, effective February 1, 2019, of Eduardo Camargo as Executive Vice-President, Group Transformation & Business Development. Eduardo Camargo will continue to serve as head of the Commodities, Industry & Facilities (CIF) division in Latin America, assisted on site by a dedicated leader for this region.

These changes strengthen the governance of Bureau Veritas, with even more international leadership, aligned with the Group's broad global presence. They also strengthen the management of the Group's operations on a day-to-day basis with a leaner decision-making process, thereby enhancing its transformation throughout the 2020 strategic plan.

As a result of these appointments, the Group Executive Committee is now composed of ten members.

(1) Transaction completed on December 28, 2018.

(2) Based on gross debt adjusted for 2019 maturities for an amount of €444 million, refinanced during 2018.

4.2 Business review and results

(€ millions)	2018	2017	Change
Revenue	4,795.5	4,689.4	+2.3%
Purchases and external charges	(1,418.0)	(1,394.1)	
Personnel costs	(2,507.1)	(2,449.0)	
Other expenses	(233.2)	(240.0)	
Operating profit	637.2	606.3	+5.1%
Share of profit of equity-accounted companies	0.4	0.6	
Net financial expense	(93.2)	(103.7)	
Profit before income tax	544.4	503.2	+8.2%
Income tax expense	(189.3)	(164.8)	
Net profit	355.1	329.8	+7.7%
Non-controlling interests	22.5	21.8	
ATTRIBUTABLE NET PROFIT	332.6	308.0	+8.0%

4.2.1 Revenue

Revenue trends

Bureau Veritas revenue totaled €4,795.5 million in 2018, up 2.3% year on year. This reflects:

- organic growth of 4.0%;
- a positive 3.0% impact from changes in the scope of consolidation; and
- a negative 4.7% impact from currency fluctuations, in connection with the appreciation of the euro against the US dollar and pegged currencies, as well as most emerging countries' currencies.

Organic revenue growth: definition and target

The Group internally monitors and publishes “organic” revenue growth, which it considers to be more representative of the Group's operating performance in its business sector. Organic revenue growth is also used by most companies in the TIC industry.

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 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 – such as for example owing to international sanctions) and changes in exchange rates for businesses exposed to forex 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 activity, based on constant scope of consolidation (i.e., excluding acquisitions) and exchange rates over comparable periods.

4.2.2 Operating profit

Consolidated operating profit totaled €637.2 million in 2018, jumping 5.1% year on year. Expenses relating to purchases and external charges were up 2.1% overall. Other expenses fell by 2.8%.

4.2.3 Adjusted operating profit

The Group internally monitors “adjusted” operating profit that management considers to be more representative of the operating performance in its business sector. This indicator is also used by most companies in the TIC industry.

Adjusted operating profit is defined as operating profit before the adjustment items described in Note 4, section 5.1 of this Registration Document.

The table below shows a breakdown of adjusted operating profit in 2018 and 2017:

(€ millions)	2018	2017	Change
Operating profit	637.2	606.3	+5.1%
Amortization of intangible assets resulting from acquisitions	75.1	77.1	
Restructuring costs	42.1	57.1	
Acquisitions and disposals	3.6	5.0	
Total adjustment items	120.8	139.2	
ADJUSTED OPERATING PROFIT	758.0	745.5	+1.7%

Adjustment items totaled €120.8 million in the year, compared to €139.2 million in 2017, and comprised:

- €75.1 million in amortization of intangible assets resulting from acquisitions;
- €42.1 million in restructuring costs recognized in all regions and businesses, primarily concerning Government Services, Buildings & Infrastructure, and activities relating to Commodities;
- €3.6 million relating mainly to acquisition fees arising on acquisitions carried out in the year.

The Group's adjusted operating profit climbed 1.7% to €758.0 million in 2018.

Adjusted operating margin expressed as a percentage of revenue was 15.8% in 2018, down 10 basis points on 2017. On a constant

currency basis, adjusted operating margin widened by around 20 basis points in 2018 to 16.1%. Changes in scope had a neutral impact on adjusted operating margin in 2018.

Four out of the Group's six business activities posted improving margins, adding 30 basis points to the Group's organic margin. This was driven by a significant improvement in Certification and strong performances in both Consumer Products and Industry. This improvement is the result of a combination of operating leverage, strict cost management, “Lean” efforts and restructuring pay-back.

Agri-Food & Commodities and Buildings & Infrastructure experienced lower margins due to price pressure and/or change in the mix for these activities.

4.2.4 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)	2018	2017
Finance costs, gross	(84.3)	(88.1)
Income from cash and cash equivalents	1.8	1.3
Finance costs, net	(82.5)	(86.8)
Foreign exchange gains/(losses)	(5.7)	(12.1)
Interest cost on pension plans	(2.3)	(2.8)
Other	(2.7)	(2.0)
NET FINANCIAL EXPENSE	(93.2)	(103.7)

Net financial expense was €93.2 million in 2018 compared with €103.7 million in 2017.

- the decrease in net finance costs, to €82.5 million in 2018 from €86.8 million in 2017, essentially derives from: (i) a decrease in average indebtedness (due notably to the lower carry cost of the September 2018 bond issue intended to refinance 2019 maturities compared to the September 2016 bond issue intended to refinance 2017 maturities) and to a lesser extent, the lower average interest rate; (ii) a loss arising on hedges of financial foreign exchange risk as opposed to a gain in 2017; and finally (iii) an increase in income from cash and cash equivalents;

- the Group's foreign exchange gains and losses result from the impact of currency fluctuations on the assets and liabilities of the Group's subsidiaries denominated in a currency other than their functional currency. In 2018, the appreciation in the US dollar and the euro against most emerging market currencies generated €5.7 million in foreign exchange losses, compared to a foreign exchange loss of €12.1 million in 2017;
- the interest cost on pension plans was also slightly lower year on year. This was more than offset by an increase in other financial expenses in 2018.

4.2.5 Income tax expense

Consolidated income tax expense totaled €189.3 million in 2018 compared to €164.8 million in 2017. The effective tax rate, corresponding to income tax expense divided by the amount of pre-tax profit, was 34.8% in 2018 compared with 32.8% in 2017. The adjusted effective tax rate was 33.3%, up 1.5 basis points compared to 2017 (31.8%). This increase is mainly attributable to

the impact of a combination of one-off items in 2017, including the refund of the 3% dividend contribution after this was declared null and void by the French Constitutional Court, and the positive impact recognized on deferred taxes as a result of the US tax reform bill voted at the end of 2017.

4.2.6 Attributable net profit

Attributable net profit for the period was €332.6 million versus €308.0 million in 2017. Earnings per share (EPS) came out at €0.76, compared to €0.71 in 2017.

4.2.7 Adjusted attributable net profit

Adjusted attributable net profit is defined as attributable net profit adjusted for other items after tax.

CHANGE IN ADJUSTED NET PROFIT

(€ millions)	2018	2017
Attributable net profit	332.6	308.0
EPS ^(a) (in euros per share)	0.76	0.71
Adjustment items	115.4	139.2
Net profit (loss) from discontinued operations	-	8.6
Tax impact on adjustment items	(30.8)	(39.7)
ADJUSTED ATTRIBUTABLE NET PROFIT	417.2	416.1
ADJUSTED EPS^(a) (IN EUROS PER SHARE)	0.96	0.95

(a) Calculated using the weighted average number of shares: 435,786,895 shares in 2018 and 436,422,741 shares in 2017.

Adjusted attributable net profit amounted to €417.2 million, edging up 0.3% year on year. Adjusted earnings per share stood at €0.96 in 2018 versus €0.95 one year earlier.

4.2.8 Results by business

CHANGE IN REVENUE BY BUSINESS

(€ millions)	2018	2017	Growth			
			Total	Organic	Scope	Currency
Marine & Offshore	348.6	364.9	(4.5)%	(0.9)%	+0.2%	(3.8)%
Agri-Food & Commodities	1,073.7	1,072.6	+0.1%	+4.5%	+1.1%	(5.5)%
Industry	1,061.3	1,096.3	(3.2)%	+3.5%	0.0%	(6.7)%
Buildings & Infrastructure	1,267.2	1,119.9	+13.2%	+4.3%	+10.9%	(2.0)%
Certification	374.5	368.6	+1.6%	+7.8%	0.0%	(6.2)%
Consumer Products	670.2	667.1	+0.5%	+4.3%	+0.7%	(4.5)%
TOTAL GROUP	4,795.5	4,689.4	+2.3%	+4.0%	+3.0%	(4.7)%

CHANGE IN ADJUSTED OPERATING PROFIT BY BUSINESS

(€ millions)	Adjusted operating profit			Adjusted operating margin					
	2018	2017	Change	2018	2017	Total change (basis points)	Organic change	Scope	Currency
Marine & Offshore	73.5	80.2	(8.4)%	21.1%	22.0%	(90)	+10	0	(100)
Agri-Food & Commodities	132.0	134.6	(1.9)%	12.3%	12.5%	(25)	(10)	+15	(30)
Industry	131.1	133.1	(1.5)%	12.4%	12.1%	+20	+35	0	(15)
Buildings & Infrastructure	188.2	170.1	+10.6%	14.8%	15.2%	(35)	(35)	+15	(15)
Certification	66.4	62.9	+5.6%	17.7%	17.1%	+65	+185	0	(120)
Consumer Products	166.8	164.6	+1.3%	24.9%	24.7%	+25	+50	(15)	(10)
TOTAL GROUP	758.0	745.5	+1.7%	15.8%	15.9%	(10)	+20	0	(30)

CHANGE IN ADJUSTED OPERATING MARGIN

(in percentage and basis points)

Adjusted operating margin in 2017	15.9%
Organic change	+20bps
Organic adjusted operating margin	16.1%
Scope	0bp
Constant currency adjusted operating margin	16.1%
Currency	(30)bps
ADJUSTED OPERATING MARGIN IN 2018	15.8%

Marine & Offshore

Revenue was marginally down (-0.7%) on a constant currency basis, including 0.9% negative organic growth and 0.2% acquisition-led growth after accelerating recovery in the second half, mainly driven by new construction activity in China. Fourth-quarter 2018 revenue rose 6.9% on an organic basis.

Revenue for the In-service ship segment (61% of divisional revenue) was slightly negative year on year (down 1.0%), with the following situation by sub-segment: Core In-Service decreased slightly, a reflection of some price pressure and a broadly stable fleet (+0.3% in number of ships). Offshore-related activities recorded a low single-digit growth, driven by the rebound of risk assessment studies and the extension of services provided to clients. Loss adjusting services showed some stabilization in fourth-quarter 2018.

At December 31, 2018, the fleet classified by Bureau Veritas comprised 11,332 ships and represented 119.8 million of Gross Register Tonnage (GRT), up 1.6% year on year.

Revenue from the New Construction segment (39% of divisional revenue) also slightly decreased over the full year (-0.8%), with an improvement in the second half, which was primarily driven by the equipment certification business in China.

New orders amounted to 6.1 million gross tons at the end of December 2018, up from 5.1 million gross tons in the prior year period. The order book progressed by 11% to 14.0 million gross tons at the end of the period (versus 12.6 million gross tons at December 31, 2017). It remains very diversified by type of ships with Bulk, Tankers and LNG vessels expanding their share.

Adjusted operating margin for the year came in at 21.1%, down 90 basis points compared to 2017, primarily explained by a negative foreign exchange impact while the organic was up 10 basis points, benefiting from restructuring measures. In the course of 2018, the Group undertook additional restructuring actions to transform the operating model of its In-Service activity.

Outlook: In 2019, Bureau Veritas expects organic revenue growth in this business to be positive. This reflects (i) a recovery in New Construction thanks to solid new orders won end-2017 and 2018, notably led by China; (ii) resilient In-Service activity including the Offshore-related activities, and limited benefit from IMO 2020. Profitability wise, the Group expects the adjusted operating margin to improve with the restructuring benefit being mitigated by a negative foreign exchange impact.

Agri-Food & Commodities

Revenue grew by 5.6% on a constant currency basis, including organic growth of 4.5% and acquisition led growth of 1.1%, driven primarily by Agri-Food acquisitions (Shandong Cigna, FEAC, Labomag and Permucab). Fourth-quarter revenue rose 4.9% on an organic basis.

Oil & Petrochemicals (O&P) segment (37% of divisional revenue) reported 1.9% organic growth, with low growth in O&P trade activities - in the context of a challenging price and competitive environment - and a much stronger performance for O&P upstream activities. Growth was particularly strong in Africa, high in China, robust in Europe and low in North America (primarily fueled by Maxxams Analytics). The Group strategic initiatives (oil condition monitoring, marine fuels testing) delivered a double-digit performance and increasingly contributed to the growth of the business. In fourth-quarter 2018, cargo inspection services improved in most geographies.

Metals & Minerals segment (28% of divisional revenue) achieved a strong performance with organic growth of 8.7% in 2018, led primarily by Upstream activities. These activities, including coal, recorded double-digit growth driven by the strength in the gold sector and positive trends in base metals (especially copper) and some other non-ferrous metals (new bauxite mine development in West Africa). Significant mine site outsourcing contract wins also contributed to growth. Coal activities benefited from a strong recovery due to the development of Bureau Veritas' Mozambique business following a large contract win. Trade activities experienced low single digit growth led by robust growth for non-coal trade minerals and, with particularly steady growth in Europe and in Africa.

Agri-Food (20% of divisional revenue) recorded solid 4.4% organic growth for the full year, benefiting from high single-digit growth in Food activities while agricultural testing and inspection activities grew slightly. Overall, the Agri business was impacted by poor weather conditions (poor crops in Northern Europe due to dry summer, drought in Argentina) and other exogenous factors (truckers' strike in Brazil disrupting the export supply chain, United States-China disputes impacting US export programs) though growth resumed in the last quarter supported by contract wins and new services (including precision agriculture). Conversely, Food activities remained buoyant, led by new lab openings, contract wins and the benefits from past acquisitions. In Canada, Maxxams Analytics performed very well. At the end of 2018, including acquisitions, the Group enjoys a network of 75+ Agri-Food laboratories across the globe.

Government Services (15% of divisional revenue) achieved 4.1% organic revenue growth with an improvement in the second half compared to the first half (down 1.5% organically). Despite the end of some PSI (Pre-Ship Inspection) contracts, revenue benefited from the ramp-up of VOC (Verification of Conformity) and SW (Single Window) contracts in Ghana, Côte d'Ivoire and in the Democratic Republic of the Congo. Also, the Iraq contract stabilized throughout the year. 2018 was characterized by the further gradual disappearance of PSI in the revenue mix (18% of divisional revenue at the end of 2018 with an ambition to tend to zero by end 2019). This participates in the overall reduction of the risk profile from the Government Services activities.

Adjusted operating margin for the year was broadly stable on an organic basis, although slightly lower on a reported basis at 12.3% due to currency effects, versus 12.5% in 2017.

Outlook: In 2019, the Group expects its Agri-Food & Commodities business to deliver similar organic revenue growth compared to 2018, fueled by solid Metals & Minerals markets, robust Agri-Food businesses, improving Government Services and resilient Oil & Petrochemicals markets. The Group expects a margin improvement driven by restructuring benefits and positive mix effects.

Industry

Revenue increased by 3.5% on a constant currency basis for the full year. Organic growth in Industry confirmed its recovery in 2018, up 3.5%, including growth of 6.2% in the last quarter. This reflects the benefits of the strategy of diversification towards Opex and non-Oil & Gas markets together with improving market conditions in Oil & Gas towards the second half of the year.

The Group registered robust growth in Opex-related activities (up 7.3%), being part of the Group's strategic plan Growth Initiatives. Power & Utilities Opex-related activities grew by 17.4%, with the ramp up of several contracts in Latin America. The Nuclear segment performed well, notably in Europe (including the United Kingdom).

In Oil & Gas markets (36% of divisional revenue), the situation improved throughout the year on all fronts: Opex-related activities grew mid-single digit organically, benefiting from strong volume increases, across nearly all geographies (and in Latin America notably), largely offsetting persistent price pressure. The large Qatargas contract won in first-half 2018 started to contribute to growth. Capex-related activities declined at a high mid-single digit pace, although a return to growth in the second half (including growth of 5.5% in fourth-quarter 2018) saw them on improving trends. This was fueled by positive developments in the United States and in South Korea, thanks to a number of Capex projects, while business stabilized in Latin America, including Brazil. In Asia, the business remained weak. During the year, the Group experienced a build-up of predominantly small-sized Capex opportunities in the pipeline.

By geography, growth was strong in Latin America (led primarily by Colombia, Peru and Argentina) thanks to sector diversification, while business remained solid in North America (led by the United States) and in certain European countries (including the United Kingdom and Eastern Europe).

Adjusted operating margin for the year climbed 20 basis points to 12.4%, from 12.1% in 2017, including a 35 basis point improvement organically thanks to restructuring actions and a less negative mix effect on the back of the decline in Oil & Gas Capex.

Outlook: In 2019, Bureau Veritas expects its Industry business to deliver similar organic revenue growth compared to 2018, fueled by the pursuit of its successful Opex services diversification alongside improving Oil & Gas Capex markets skewed to the second half of the year. The Group expects a margin improvement driven by restructuring benefits and positive mix effects.

Buildings & Infrastructure

The Buildings & Infrastructure business posted strong revenue growth of 15.2% at constant currency in 2018 with a 10.9% impact from external growth due notably to the completion of the acquisition of EMG in the United States.

Organically, growth amounted to 4.3% for the year (of which 4.5% in the last quarter) spread across most geographies. Slightly stronger organic growth was recorded in Building In-Service activities (58% of divisional revenue) than for Construction-related activities (42% of divisional revenue).

Growth in Europe (55% of divisional revenue) was above the divisional average, led notably by a robust performance in France (41% of revenue). The latter was primarily powered by Opex-related activities (regulatory driven) where the Group gained market share in the mass market and launched several growth initiatives.

In Asia Pacific (23% of divisional revenue), solid growth was primarily driven by Australia (up double-digit on the back of the McKenzie acquisition). China (15% of Buildings & Infrastructure revenue), also continued to deliver healthy growth in energy and infrastructure project management assistance thanks to past acquisitions.

In the Americas (19% of divisional revenue), growth was below the divisional average, with mixed growth in Latin America (dragged down by Chile while Brazil recovered in the last quarter) and solid growth in the United States, in particular for code compliance services. In the United States, the Group also recorded a significant scope effect, following the acquisitions of California Code Check (June 2017), Primary Integration Solutions (November 2017) and EMG (February 2018). The integration of EMG continued on track with several synergy opportunities underway.

Adjusted operating margin for the year decreased by 35 basis points to 14.8%, due to price pressure and geographical mix effects.

Outlook: In 2019, the outlook for the business remains positive overall with similar organic revenue growth led by both Capex and Opex related services. Profitability wise, the Group expects its margin to slightly improve year on year.

Certification

The Certification business recorded strong organic growth of 7.8% for the full year 2018, with growth spread across most regions and categories.

Growth was primarily fueled by the revision of standards (ISO 9001, 14001, AS 9100 in the Aerospace and IATF in the Automotive sectors), especially in both the second and third quarter of 2018, ahead of the transition deadline on September 15, 2018. At end-December 2018, 99% of Bureau Veritas' clients had transitioned to the new QHSE Standards (ISO 9001: 2015 and ISO 14001: 2015), showing a very high transition and retention rate. In the last quarter, organic revenue growth declined by 3.5% reflecting the end of the three-year standards revision period. After the transition in fourth-quarter 2018 and 2019, QHSE and transportation Certification markets are expected to decline due to the absence of transition man-days.

Double-digit growth was posted in Supply Chain, led by Automotive and Aeronautics. Energy Management, Forestry, Food Management Systems and Organic Certification also recorded double-digit growth, while Social & Customized audits delivered mid-single digit growth.

The Group also benefited from strong growth on the back of the development of its Enterprise Risks offering including anti-bribery, business continuity, cybersecurity and GDPR Data privacy certification.

Global Certification contracts grew by 6.5% organically, with the ramp-up of new contracts signed with international companies, notably in Automotive, Aerospace, Food, Services, Utilities and Oil & Gas sectors.

By geography, double-digit growth was achieved in Northern Europe (Germany) and Southern Europe (Italy and Spain), high single-digit in France and Asia (led by China), while a mid-single digit pace was recorded in Latin America (led by Argentina and to some extent Brazil).

Adjusted operating margin for the year rose 65 basis points to a healthy 17.7%. This reflects a strong organic increase led by operating leverage and mix, mostly offset by a negative forex impact (owing to the depreciation of most emerging countries' currencies, and especially in Latin America).

Outlook: In 2019, the Certification business is expected to deliver slightly negative organic revenue growth: this reflects: (i) the impact of the QHSE and transportation transition which ended in September 2018 and creates challenging comparables for the first nine months of the year; (ii) solid growth elsewhere primarily driven by Food schemes, Sustainability, Training and Customized audits. Profitability wise, the Group will focus on margin protection.

Consumer Products

Revenue increased by 5.0% on a constant currency basis, of which 4.3% was organic, with a solid performance across all service categories. Fourth-quarter 2018 revenue was up 4.5% at constant currency, benefiting from a 4.0% increase on an organic basis.

The Electrical & Electronics segment (34% of divisional revenue) posted mid-single digit organic revenue growth led by double-digit

growth in Automotive and high single-digit growth in Mobile testing, primarily in South Asia, East Asia and Europe.

Hardlines performed slightly above the divisional average, driven by China and strong momentum with key accounts, notably in Europe; Toys remained broadly stable compared to last year.

Lastly, Softlines (35% of divisional revenue) grew mid-single digit, with strong growth in Europe fueled by large contract wins as well as very strong momentum in South Asia and South East Asia benefiting from the relocation of Chinese manufacturing activities. South Asia and South East Asia now represent a significant proportion of the Consumer Products business.

As regards the escalating tariffs between the United States and China, the Group continues to closely monitor the situation. Bureau Veritas is engaged proactively with clients and is ideally positioned to follow any manufacturing relocation with its wide geographical network of laboratory capabilities. In this uncertain context, the Group has further accelerated development in the Chinese domestic market and outside of the United States (notably in South East Asia and Europe). The tariff increases may also provide an opportunity for the Group, as its services will become even more important to ensure that product quality is maintained during sourcing shifts.

Adjusted operating margin for the year improved by 25 basis points to a strong 24.9% including a 50 basis point organic improvement led by margin initiatives (cost management/Lean) as well as negative forex and scope effects.

Outlook: In 2019, the Group expects similar organic growth compared to 2018, with strong momentum in South Asia and South East Asia, solid growth in Europe and resilient performance in both the United States and China. Profitability wise, the Group will focus on margin protection.

4.3 Cash flows and sources of financing

4.3.1 Cash flows

(€ millions)	2018	2017
Profit before income tax	544.4	503.2
Elimination of cash flows from financing and investing activities	87.4	103.8
Provisions and other non-cash items	25.8	(0.3)
Depreciation, amortization and impairment	200.3	203.7
Movements in working capital attributable to operations	4.1	(59.5)
Income tax paid	(176.5)	(169.7)
Net cash generated from operating activities	685.5	581.2
Acquisitions of subsidiaries	(141.5)	(164.8)
Proceeds from sales of subsidiaries and businesses	-	-
Purchases of property, plant and equipment and intangible assets	(130.9)	(142.3)
Proceeds from sales of property, plant and equipment and intangible assets	6.8	8.9
Purchases of non-current financial assets	(18.6)	(32.2)
Proceeds from sales of non-current financial assets	9.9	10.3
Change in loans and advances granted	(0.8)	7.3
Dividends received from equity-accounted companies	0.2	0.7
Net cash used in investing activities	(274.9)	(312.1)
Capital increase	2.6	3.4
Purchases/sales of treasury shares	(30.9)	(36.8)
Dividends paid	(277.7)	(295.4)
Increase in borrowings and other financial debt	833.4	172.6
Repayment of borrowings and other financial debt	(166.4)	(717.0)
Repayment of amounts owed to shareholders	-	(3.4)
Interest paid	(83.0)	(98.2)
Other	-	(0.3)
Net cash generated from (used in) financing activities	278.0	(975.1)
Impact of currency translation differences	(8.5)	(27.7)
Impact of changes in accounting policy	-	0.2
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	680.1	(733.5)
Net cash and cash equivalents at beginning of year	354.5	1,088.0
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	1,034.6	354.5
o/w cash and cash equivalents	1,046.3	364.3
o/w bank overdrafts	(11.7)	(9.8)

Net cash generated from operating activities

Net cash generated from operating activities surged 17.9% to €685.5 million, despite an estimated negative currency effect of €36.8 million. The change in working capital requirement in 2018 corresponds to €4.1 million in sources of funds, compared to €59.5 million in uses of funds in 2017. Despite accelerating organic revenue growth in the fourth quarter (4.4%), the improvement in working capital requirement benefited from initiatives launched within the scope of the “Move for Cash” program. This positive effect was also supported by the

improvement in profit before income tax and the favorable change in non-cash items (increase in unrealized foreign exchange income on non-operating items and positive effect of deferred lease payments) in 2018.

Working capital requirement stood at €433.1 million at December 31, 2018, compared to €426.7 million at December 31, 2017 (€453.2 million published in 2017 prior to restatement for the application of IFRS 9). As a percentage of revenue, working capital requirement decreased to 9.0%, compared to 9.1% in 2017 (9.7% published in 2017 prior to restatement for the application of IFRS 9).

(€ millions)	2018	2017
Net cash generated from operating activities	685.5	581.2
Purchases of property, plant and equipment and intangible assets	(130.9)	(142.3)
Proceeds from sales of property, plant and equipment and intangible assets	6.8	8.9
Interest paid	(83.0)	(98.2)
FREE CASH FLOW	478.4	349.6

Free cash flow (net cash flow generated from operating activities after tax, interest expense and acquisitions of property, plant and equipment and intangible assets) was €478.4 million in 2018, a sharp 36.8% rise on 2017. On an organic basis, free cash flow

increased by 42.2% in 2018. 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 acquisitions of non-current assets during the period.

CHANGE IN FREE CASH FLOW

(€ millions)	
Free cash flow at December 31, 2017	349.6
Organic change	+147.4
Organic free cash flow	497.0
Scope	+12.9
Free cash flow at constant currency	509.9
Currency	(31.5)
FREE CASH FLOW AT DECEMBER 31, 2018	478.4

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 & International Trade, 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 €124.1 million. The Group's net-Capex-to-revenue ratio was 2.6% in 2018, compared to 2.8% in 2017.

Interest paid

Interest paid fell to €83.0 million from €98.2 million in 2017. The 2017 figure included the last 3.75% annual coupon paid in May 2017 following the redemption of the bond issue maturing in May 2017 in an amount of €500 million.

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)	2018	2017
Purchase price of acquisitions	(131.4)	(189.9)
Cash and cash equivalents of acquired companies	1.8	15.2
Contingent price consideration payable in respect of acquisitions in the year	6.3	30.9
Equity-settled payments	4.0	-
Purchase price paid in relation to acquisitions in prior periods	(18.1)	(15.1)
Impact of acquisitions on cash and cash equivalents	(137.4)	(158.9)
Acquisition fees	(4.1)	(5.9)
ACQUISITIONS OF SUBSIDIARIES	(141.5)	(164.8)

Acquisitions and disposals of companies

The Group carried out six acquisitions in 2018. A detailed description of these acquisitions is included in section 4.1 – 2018 Highlights and in Note 12 to the 2018 consolidated financial statements included in section 5.1 of this Registration Document.

The net financial impact of the acquisitions was €144.4 million, and includes:

- €141.5 million in respect of acquisitions of subsidiaries;
- €2.9 million in debt of acquired companies.

Net cash generated from (used in) financing activities

Capital transactions (capital increases/reductions and share buybacks)

To cover its stock option and performance share plans, the Company carried out share buybacks net of capital increases in 2018 for €28.3 million.

Dividends paid

In 2018, the Group paid out €277.7 million in dividends, including €243.7 million paid by Bureau Veritas SA to its shareholders in respect of 2017 (dividend of €0.56 per share).

Financial debt

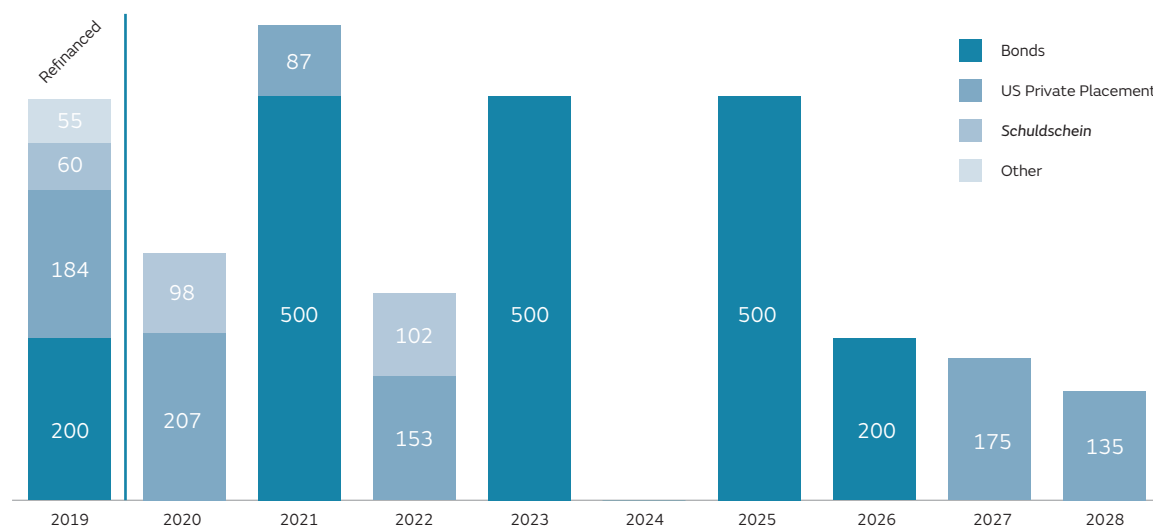
Gross financial debt on the statement of financial position increased by €705.7 million at December 31, 2018 compared with December 31, 2017. This increase essentially reflects the early refinancing operations carried out in the year in order to take advantage of favorable market conditions (see further details in section 4.1.3 of this Registration Document).

Adjusted net financial debt edged up €20.7 million, primarily reflecting:

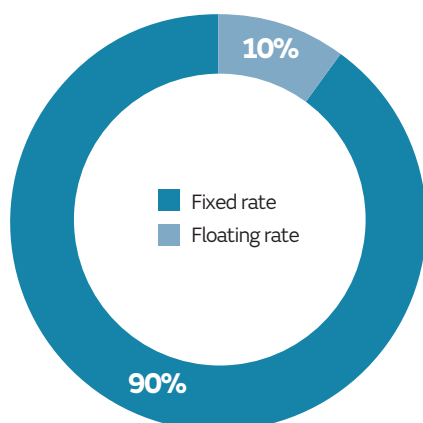
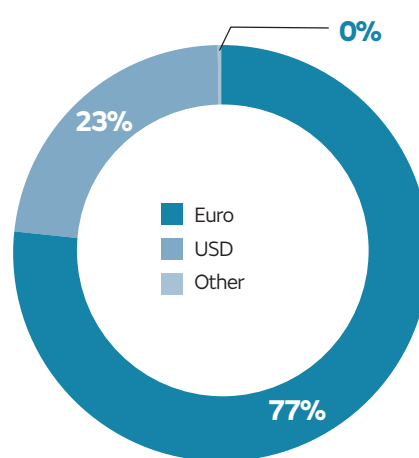
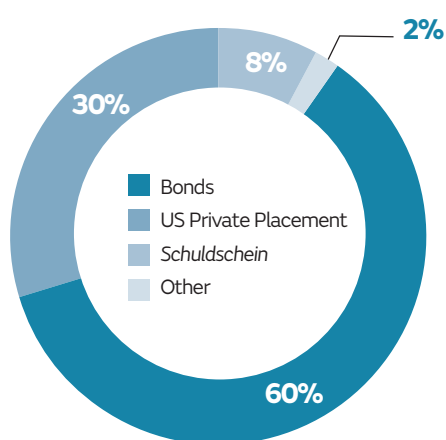
- €141.5 million in payments relating to acquisitions carried out in the year, €277.7 million in dividends paid and €30.9 million in purchases of treasury shares;
- €478.4 million in free cash flow and €39.0 million related to the negative impact of currency fluctuations on borrowings and debt at end-2018.

4.3.2 Financing

DEBT MATURITY PROFILE AT DECEMBER 31, 2018



BREAKDOWN OF DEBT



Sources of Group financing

Main sources of financing

At December 31, 2018, the Group's gross debt totaled €3,154.7 million, comprising the items listed below.

Non-bank financing:

- 2008 US Private Placement (€141.7 million);
- 2010 US Private Placement (€184.1 million);
- 2011 & 2014 US Private Placement (€174.7 million);
- 2013 & 2014 US Private Placement (€131.0 million);
- 2017 US Private Placement (€310.0 million) carried on the books of Bureau Veritas Holdings, Inc.;

- 2018 US Private Placement carried on the books of Bureau Veritas Holdings, Inc. (undrawn);
- different tranches of the Schuldschein "SSD" notes (€260 million); and
- 2014, 2016 and 2018 bond issues (€1.9 billion).

Bank financing:

- 2018 syndicated credit facility (undrawn);
- bank financing carried on the books of Bureau Veritas Investment Shanghai Co., Ltd. (undrawn);
- other bank debt (€15.0 million);
- bank overdrafts (€11.7 million).

Other borrowing costs and accrued interest (€26.5 million).

The change in the Group's gross debt is shown below:

(€ millions)	December 31, 2018	December 31, 2017
Bank borrowings due after one year	2,655.7	2,240.0
Bank borrowings due within one year	487.3	199.2
Bank overdrafts	11.7	9.8
GROSS DEBT	3,154.7	2,449.0

The table below shows the change in cash and cash equivalents and net debt:

(€ millions)	December 31, 2018	December 31, 2017
Marketable securities	607.5	7.1
Cash at bank and on hand	438.8	357.2
Cash and cash equivalents	1,046.3	364.3
Gross debt	3,154.7	2,449.0
NET DEBT	2,108.4	2,084.7
Currency hedging instruments	6.7	9.7
ADJUSTED NET FINANCIAL DEBT	2,115.1	2,094.4

Adjusted net financial debt (net financial debt after currency hedging instruments as defined in the calculation of covenants) amounted to €2,115.1 million at December 31, 2018, compared to €2,094.4 million at December 31, 2017.

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, 2018. The commitments can be summarized as follows:

- 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, 2018, it stood at 2.34;
- the second covenant represents consolidated EBITDA (earnings before interest, tax, depreciation, amortization and provisions), 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, 2018, it stood at 10.95.

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	141.7	GBP & USD	At maturity	Fixed

2010 US Private Placement

The terms and conditions of this financing (USPP 2010) are as follows:

Maturity	Amounts (€ millions)	Currency	Repayment	Interest
July 2019	184.1	EUR	At maturity	Fixed

2011 & 2014 US Private Placement

In 2011, the Group set up a US Private Placement (2011 USPP) with an investor.

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.

Maturity	Amounts (€ millions)	Currency	Repayment	Interest
October 2021	87.3	USD	At maturity	Fixed
May 2022	87.3	USD	At maturity	Floating

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.

Maturity	Amounts (€ millions)	Currency	Repayment	Interest
September 2020	65.5	USD	At maturity	Floating
July 2022	21.8	USD	At maturity	Floating
July 2022	43.7	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	174.7	USD	At maturity	Fixed

At December 31, 2018, 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	135.4	USD	At maturity	Fixed

At December 31, 2018, 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	174.7	USD	At maturity	Fixed

At December 31, 2018, the USD 200 million financing facility carried on the books of Bureau Veritas Holdings, Inc. had not yet been drawn down.

Schuldschein notes (SSD)

In 2011 and 2012, the Group put in place multi-tranche Schuldschein-type private placements on the German market for a total amount of €193 million, redeemable at maturity. A total of €92 million of this debt was redeemed in 2015, €14 million in 2016 and €27 million in 2017.

A new private placement for €200 million was set up in July 2015, maturing at five and seven years. The total amount outstanding under this facility represented €260 million at December 31, 2018.

2014, 2016 and 2018 bond issues

The Group carried out five unrated bond issues totaling €1.9 billion. The bonds have the following terms and conditions:

Maturity	Amounts (€ millions)	Currency	Repayment	Interest
April 2019	200	EUR	At maturity	0.000%
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%

Negotiable European Commercial Paper ("NEU CP")

The Group put in place a NEU CP program with 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, 2018.

Negotiable European Medium-Term Notes ("NEU MTN")

The Group set up a NEU MTN program with 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, 2018, 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. This facility replaces the syndicated loan set up in 2012.

At December 31, 2018, 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, 2018, this facility had not been drawn down.

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, 2018 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 depends on the Group complying with its covenants.

Ongoing and planned investments

Main investments in progress

At end-December 2018, the main investments in progress represented €3.2 million and chiefly concerned:

- IT and technical investments for certain government contracts in Africa (€2.2 million);
- IT infrastructure equipment in North America (€1 million).

Main planned investments

The 2019 capital expenditure budget is around €154 million, higher than 2018 expenditure (€131 million).

4.4 Internal control and risk management procedures

Organization and general approach to internal control and risk management

Senior Management

Group Senior 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 adapted 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 2018 are provided in section 3.1.6 – Board's Committees of this Registration Document.

Internal Audit

The Internal Audit & Acquisitions Services 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 & Acquisitions Services 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 Senior 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 & 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 Senior Management. Where appropriate, audit reports set out short- and medium-term corrective 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 Senior Management a monthly progress update on the implementation of recommendations. In 2018, 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 procedures").

Central departments

The implementation of internal control procedures is the responsibility of the central departments in their respective areas of expertise, i.e., Legal Affairs & Audit, Human Resources, Finance, Technical, Quality and Risk and Quality, Health, Safety, Security and Environment.

- The Legal Affairs & Audit department provides advice and assistance for any legal, 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.

- 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 procedures

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 identify 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.

Internal control and risk management

Financial and accounting information

In order to implement internal control procedures relating to the production of financial and accounting information, the Group refers to:

- **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 business units. 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 Senior 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.

Risk management

Organization

The Group's risk management policy is focused on the prevention of professional civil liability suits 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.

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 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.

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 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 IFIA requirements, 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.

Bureau Veritas assisted in the roll-out of its Code of Ethics by putting in place the **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 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.), 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 groups, 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 in 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 IFIA's Compliance Committee.

A detailed description of the Compliance Program appears in section 2.2.1 – "Ethics: an absolute" of this 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.

Changes in internal control and risk management procedures

In the next few years, the Group will aim for better coordination and integration 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.

4.5 Events after the end of the reporting period

Acquisition of Capital Energy

On January 16, 2019, Bureau Veritas announced it had acquired Capital Energy SAS, a French company providing consulting and support services for white certificate projects. Its client base comprises energy suppliers and large retailers. Capital Energy also helps housing associations, local authorities, industry and building contractors to implement energy efficiency programs. Capital

Energy, founded in 2010 in Paris, also has offices in Nantes. The company has 36 employees and generated revenue of around €23 million in 2017. This acquisition enables Bureau Veritas to expand its range of energy efficiency services for the building and industrial asset sector. White certificates are a rapidly expanding market segment driven by voluntary energy efficiency initiatives. Capital Energy is one of the leading players in the French market.

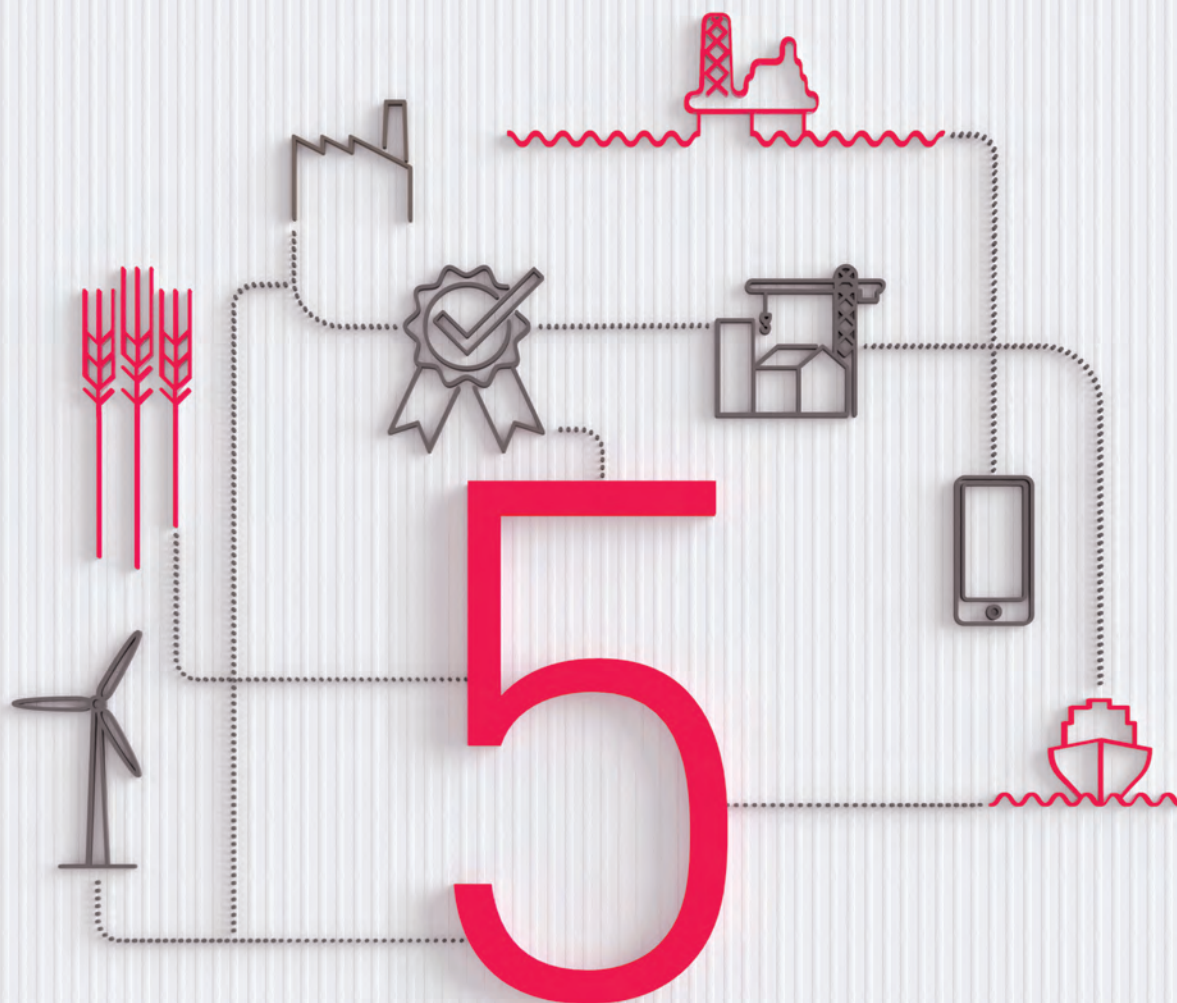
4.6 Significant changes in financial and trading conditions

None.

4.7 2019 outlook

For full-year 2019, the Group expects:

- solid organic revenue growth;
- continued adjusted operating margin improvement at constant currency;
- sustained strong cash flow generation.



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5.1 Consolidated financial statements

Consolidated income statement

(€ millions, except per share data)	Notes	2018	2017
Revenue	7	4,795.5	4,689.4
Purchases and external charges	8	(1,418.0)	(1,394.1)
Personnel costs	8	(2,507.1)	(2,449.0)
Taxes other than on income		(46.2)	(46.4)
Net (additions to)/reversals of provisions	8	(11.8)	(11.5)
Depreciation and amortization	13/14	(200.3)	(203.7)
Other operating income and expense, net	8	25.1	21.6
Operating profit		637.2	606.3
Share of profit of equity-accounted companies		0.4	0.6
Operating profit after share of profit of equity-accounted companies		637.6	606.9
Income from cash and cash equivalents		1.8	1.3
Finance costs, gross		(84.3)	(88.1)
Finance costs, net		(82.5)	(86.8)
Other financial income and expense, net	9	(10.7)	(16.9)
Net financial expense		(93.2)	(103.7)
Profit before income tax		544.4	503.2
Income tax expense	10	(189.3)	(164.8)
Net profit from continuing operations		355.1	338.4
Net profit (loss) from discontinued operations		-	(8.6)
Net profit		355.1	329.8
Non-controlling interests		22.5	21.8
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY		332.6	308.0
Earnings per share (in €)			
Basic earnings per share	28	0.76	0.71
Diluted earnings per share	28	0.76	0.70

Consolidated statement of comprehensive income

(€ millions)	Notes	December 2018	December 2017
Net profit		355.1	329.8
Other comprehensive income			
Items to be reclassified to profit			
Currency translation differences ^(a)		(62.0)	(217.1)
Cash flow hedges ^(b)		(0.1)	0.6
Tax effect on items to be reclassified to profit	10	-	(0.2)
Total items to be reclassified to profit		(62.1)	(216.7)
Items not to be reclassified to profit			
Actuarial gains/(losses) ^(c)	24	5.8	(3.4)
Tax effect on items not to be reclassified to profit	10	(1.6)	2.2
Total items not to be reclassified to profit		4.2	(1.2)
Total other comprehensive income/(expense), after tax		(57.9)	(217.9)
TOTAL COMPREHENSIVE INCOME		297.2	111.9
Attributable to:			
owners of the Company		271.5	94.8
non-controlling interests		25.7	17.1

- (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 Australian dollar (€28.0 million), Brazilian real (€14.2 million) and Canadian dollar (€14.2 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 (€5.8 million) relates chiefly to actuarial gains of €7.1 million booked in France.

Consolidated statement of financial position

(€ millions)	Notes	December 31, 2018	December 31, 2017 – restated	First-time application of IFRS 9	December 31, 2017 – reported
Goodwill	11	2,011.6	1,965.1		1,965.1
Intangible assets	13	634.6	640.2		640.2
Property, plant and equipment	14	471.1	486.3		486.3
Non-current financial assets	16	114.8	124.3		124.3
Deferred income tax assets	15	135.3	145.3	6.9	138.4
Total non-current assets		3,367.4	3,361.2	6.9	3,354.3
Trade and other receivables	18	1,615.9	1,546.6	(26.5)	1,573.1
Current income tax assets		49.8	52.8		52.8
Derivative financial instruments	17	3.8	3.8		3.8
Other current financial assets	16	13.1	20.3		20.3
Cash and cash equivalents	19	1,046.3	364.3		364.3
Total current assets		2,728.9	1,987.8	(26.5)	2,014.3
Assets held for sale		-	1.2		1.2
TOTAL ASSETS		6,096.3	5,350.2	(19.6)	5,369.8
Share capital	20	53.0	53.0		53.0
Retained earnings and other reserves		906.3	917.4	(18.7)	936.1
Equity attributable to owners of the Company		959.3	970.4		989.1
Non-controlling interests		48.3	42.7	(0.9)	43.6
Total equity		1,007.6	1,013.1	(19.6)	1,032.7
Non-current borrowings and financial debt	22	2,655.7	2,240.0		2,240.0
Derivative financial instruments	17	6.7	6.7		6.7
Other non-current financial liabilities	23	125.0	120.2		120.2
Deferred income tax liabilities	15	127.4	143.3		143.3
Pension plans and other long-term employee benefits	24	185.6	190.1		190.1
Provisions for liabilities and charges	25	105.1	109.6		109.6
Total non-current liabilities		3,205.5	2,809.9		2,809.9
Trade and other payables	26	1,182.8	1,119.8		1,119.8
Current income tax liabilities		71.2	73.6		73.6
Current borrowings and financial debt	22	499.0	209.0		209.0
Derivative financial instruments	17	4.4	9.7		9.7
Other current financial liabilities	23	125.8	114.1		114.1
Total current liabilities		1,883.2	1,526.2		1,526.2
Liabilities held for sale		-	1.0		1.0
TOTAL EQUITY AND LIABILITIES		6,096.3	5,350.2	(19.6)	5,369.8

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, 2016	53.0	42.3	(17.1)	1,164.8	1,243.0	1,197.4	45.6
Capital reduction	-	(6.3)	-	-	(6.3)	(6.3)	
Exercise of stock options	-	3.1	-	-	3.1	3.1	
Fair value of stock options	-	-	-	19.0	19.0	19.0	
Dividends paid	-	-	-	(255.5)	(255.5)	(239.8)	(15.7)
Treasury share transactions	-	-	-	(30.5)	(30.5)	(30.5)	
Additions to the scope of consolidation	-	-	-	13.8	13.8	-	13.8
Other movements	-	-	-	(65.8)	(65.8)	(48.6)	(17.2)
Total transactions with owners	-	(3.2)	-	(319.0)	(322.2)	(303.1)	(19.1)
Net profit				329.8	329.8	308.0	21.8
Other comprehensive income			(217.1)	(0.8)	(217.9)	(213.2)	(4.7)
Total comprehensive income	-	-	(217.1)	329.0	111.9	94.8	17.1
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)
At December 31, 2017 – restated	53.0	39.1	(234.2)	1,155.2	1,013.1	970.4	42.7
Exercise of stock options		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
Acquisition of non-controlling interests	-	-	-	(14.7)	(14.7)	(14.7)	
Other movements ^(a)	-	-	-	(21.4)	(21.4)	(17.3)	(4.1)
Total transactions with owners	-	2.5	-	(305.2)	(302.7)	(282.6)	(20.1)
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

(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.

Consolidated statement of cash flows

(€ millions)	Notes	December 2018	December 2017
Profit before income tax		544.4	503.2
Elimination of cash flows from financing and investing activities		87.4	103.8
Provisions and other non-cash items		25.8	(0.3)
Depreciation, amortization and impairment	13/14	200.3	203.7
Movements in working capital attributable to operations	27	4.1	(59.5)
Income tax paid		(176.5)	(169.7)
Net cash generated from operating activities		685.5	581.2
Acquisitions of subsidiaries	12	(141.5)	(164.8)
Purchases of property, plant and equipment and intangible assets		(130.9)	(142.3)
Proceeds from sales of property, plant and equipment and intangible assets		6.8	8.9
Purchases of non-current financial assets		(18.6)	(32.2)
Proceeds from sales of non-current financial assets		9.9	10.3
Change in loans and advances granted		(0.8)	7.3
Dividends received from equity-accounted companies		0.2	0.7
Net cash used in investing activities		(274.9)	(312.1)
Capital increase	20	2.6	3.4
Purchases/sales of treasury shares		(30.9)	(36.8)
Dividends paid		(277.7)	(295.4)
Increase in borrowings and other financial debt	22	833.4	172.6
Repayment of borrowings and other financial debt	22	(166.4)	(717.0)
Repayment of amounts owed to shareholders		-	(3.4)
Interest paid		(83.0)	(98.2)
Other		-	(0.3)
Net cash generated from (used in) financing activities		278.0	(975.1)
Impact of currency translation differences		(8.5)	(27.7)
Impact of changes in accounting policy		-	0.2
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		680.1	(733.5)
Net cash and cash equivalents at beginning of year		354.5	1,088.0
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		1,034.6	354.5
Of which cash and cash equivalents	19	1,046.3	364.3
Of which bank overdrafts	22	(11.7)	(9.8)

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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, 2018, Wendel held 35.33% of the capital of Bureau Veritas and 51.91% of its exercisable voting rights.

These consolidated financial statements were adopted on February 27, 2019 by the Board of Directors.

Note 2 2018 highlights

Acquisitions

In 2018, the main acquisition carried out by the Group was:

- EMG Corporation, a US company providing technical assessment and project management assistance, asset management assistance and real estate transaction services in the United States.

Further details of this acquisition, along with its impact 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 2018:

- placement of a €200 million, unrated, zero-coupon fixed-rate note with a 13-month maturity;

- signature of a €600 million multicurrency syndicated credit facility replacing the previous €450 million syndicated facility. This new facility has a five-year maturity, with two one-year extension options which can be exercised in 2019 and 2020;

- issuance of a €500 million, unrated, 1.875% bond maturing in January 2025, intended to refinance the EUR debt maturing in 2019 for a total of €444 million.

Dividend payout

On May 22, 2018, the Company paid out dividends on eligible shares totaling €243.7 million in respect of 2017.

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, 2018 and December 31, 2017 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.

IFRS – new standards/amendments to existing standards

As from January 1, 2018, the Group applies the following new or amended standards:

- IFRS 15, Revenue from Contracts with Customers, effective for accounting periods beginning on or after January 1, 2018.

Under this new standard, revenue is recognized when control of the goods or services is transferred to the customer. The impact and method of first-time application of IFRS 15 are described in Note 3.14 – Revenue recognition;

- IFRS 9, Financial Instruments, effective for accounting periods beginning on or after January 1, 2018.

IFRS 9 deals with the classification, measurement and derecognition of financial assets and liabilities; introduces new hedge accounting rules; and sets out a new financial asset impairment model.

The Group has applied IFRS 9 retrospectively as of January 1, 2018. Data for the comparative 2017 accounting period have not been restated.

IFRS 9 does not have a material impact on the measurement of the Group's financial assets, the recognition of its financial liabilities or its hedge accounting.

Classification and measurement of financial assets

The table below shows the classification of financial assets at January 1, 2018 based on IAS 39 and IFRS 9 categories.

(€ millions)	IAS 39 category	Carrying amount	Basis of measurement in the SOFP				IFRS 9 category
			Amortized cost	Cost	Fair value through equity	Fair value through profit or loss	
AT JANUARY 1, 2018							
Financial assets							
Investments in non-consolidated companies	FVPL	1.3	-	-	-	1.3	FVPL
Other non-current financial assets	HTM	118.4	118.4	-	-	-	AC
Trade and other receivables	LR	1,520.0	1,520.0	-	-	-	AC
Current financial assets	LR	20.3	20.3	-	-	-	AC
Derivative financial instruments	FVPL/FVE	3.8	-	-	-	3.8	FVPL/FVE
Cash and cash equivalents		364.3	-	-	-	364.3	
Money market funds (SICAV)	FVPL	7.1	-	-	-	7.1	FVPL
Cash and cash equivalents	AC	357.2	-	-	-	357.2	AC

NB: The following abbreviations are used to represent IFRS 9 financial instrument categories:

- FVPL for instruments at fair value through profit or loss (excluding accrued interest not yet due);
- FVE for instruments at fair value through equity (excluding accrued interest not yet due);
- AC for debt measured at amortized cost.

Impairment of financial assets

In terms of the new impairment model based on expected losses and no longer solely on identified losses as under IAS 39, the Group accounts for expected losses on all of its trade receivables as from initial recognition using a matrix tracking historical default rates by maturity of receivables. Where appropriate, estimates may be adjusted to reflect country risk or future changes in the Group's environment.

Bureau Veritas elected to apply IFRS 9 retrospectively from January 1, 2018 without restating the 2017 comparative income statement. An additional impairment provision for €26.5 million was booked against its trade receivables with an offsetting entry posted to equity:

- IFRIC 22, Foreign Currency Transactions and Advance Consideration, effective for accounting periods beginning on or after January 1, 2018. Under IFRIC 22, purchases and sales that include the payment of advance consideration in a foreign currency are to be translated into euros at the exchange rate applicable at the date on which the asset or liability was initially recognized. This standard does not have a material impact on the 2018 consolidated financial statements;
- amendment to IFRS 2, Share-based Payment, effective for accounting periods beginning on or after January 1, 2018. This amendment clarifies the measurement and accounting treatment of modifications in cash-settled share-based payment plans, as well as the accounting treatment of cash-settled tax withholdings relating to share-based payment plans. IFRS 2 had no impact on the 2018 consolidated financial statements.

The following new standards, amendments to existing standards and interpretations have been adopted by the European Union and are available for early adoption in accounting periods beginning on or after January 1, 2018:

- 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 on the statement of financial position for virtually all leases. The only exceptions concern short-term leases or leases of low-value items. The impact and method of first-time application of IFRS 16 are described in Note 30 – Off-balance sheet commitments and pledges;

- IFRIC 23, Uncertainty over Income Tax Treatments, effective for accounting periods beginning on or after January 1, 2019.

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 amount to €24.9 million.

The Group will apply IFRIC 23 with effect from 2019. Data for the comparative 2018 accounting period will not be restated.

The Group is currently finalizing its estimate of the impact of IFRIC 23 on the measurement of its provisions for tax risks at January 1, 2019. Provisions for tax risks will be included in non-current deferred tax liabilities in 2019.

The following new and/or amended standards and interpretations effective for accounting periods beginning on or after January 1, 2018 are not relevant to the Group's operations and have not therefore been applied:

- amendments to IAS 40, Transfers of Investment Property, effective for accounting periods beginning on or after January 1, 2018;
- amendment to IFRS 1, Deletion of Short-term Exemptions for First-time Adopters, effective for accounting periods beginning on or after January 1, 2018;

- amendment to IAS 28, Measuring an Associate or Joint Venture at Fair Value, effective for accounting periods beginning on or after January 1, 2018;
- amendments to IFRS 4, Insurance Contracts, effective for accounting periods beginning on or after January 1, 2018.

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.

New principles

Impairment of trade receivables

An impairment loss is recognized against trade receivables to reflect the expected risk on all trade receivables as soon as the Group is unable to collect all amounts due according to the original terms of the transaction. The expected risk is calculated using a matrix tracking historical default rates by maturity of receivables. 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".

Principles requiring management input

3.2 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.

3.3 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 which 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

3.4 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 31 – Additional financial instrument disclosures.

3.5 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.

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 2017, the Group decided to align its CGUs with its segment reporting (by business) and to no longer monitor certain CGUs by region. Bureau Veritas has gradually evolved by structuring its businesses by global customer segment with a view to better supporting and serving its customers both in France and across the world. It has also put in place global functions in order to optimize and standardize processes associated with its service offering and functional activities.

In light of this global management approach, the Group allocates goodwill to each business segment in which it operates.

The Group applies the principles set out in IAS 36, especially IAS 36.97 and IAS 36.98. CGUs included within groups of CGUs are tested individually for impairment, before testing the Group to which they belong.

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, 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.

3.6 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:

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 3.7 – 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 or on the basis of production units when the future economic benefits resulting from the software will not be consumed on a linear basis but according to use (estimated in number of users). 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.

3.7 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 at the lowest levels for which there are separately identifiable cash flows (CGUs or groups of CGUs).

Impairment tests may be performed if there are indications that the assets have suffered a loss in value. Such indications include:

- the loss of one or more major contracts for the CGU;
- where the CGU's performance proves significantly worse than expected;
- where significant changes with an adverse effect on the CGU have taken place in the technological, market, economic or legal environment in which it operates.

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. Impaired non-financial assets other than goodwill are reviewed at the end of each annual or interim reporting period to determine whether the impairment should be reversed. Fair value less costs to sell is estimated based on past experience, by reference to a multiple of operating profit adjusted for other operating income and expense and amortization expense recognized in respect of intangible assets arising from business combinations.

Note 11 – Goodwill, sets out the methods and main assumptions used for carrying out goodwill impairment tests.

3.8 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 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.

3.9 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.

3.10 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 debt is recognized within financial liabilities; the adjusting entry is posted to equity attributable to non-controlling interests for the carrying amount and to equity attributable to owners of the Company for the residual balance.

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.

3.11 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 when estimating pension obligations are recognized in equity in the consolidated statement of comprehensive income in the period in which they arise.

3.12 Provisions for liabilities and charges

Provisions for liabilities and charges are recognized when the Group considers that at the end of the reporting period it has a present legal obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and 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.

3.13 Share-based payment

In 2007, the Group awarded stock subscription options and set up new long-term compensation plans in connection with its initial public offering (IPO). These plans have been in place since 2008. The Group applies IFRS 2, Share-based Payment to stock subscription option plans set up in 2007 in connection with the IPO, and to the plans put in place since 2008 and described below.

Share-based payment plans set up since 2008

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 21 – 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.

3.14 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 using a percentage-of-completion method based on the completion of each project.

Other contracts cover longer-term projects, especially in the Marine & Offshore, Buildings & Infrastructure businesses (see Note 7 – Segment information). For these contracts, the Group uses the percentage-of-completion method based on costs incurred (cost to cost method) to determine the amount of revenue to be recognized during a given period, to the extent the outcome of the contracts concerned can be reliably estimated. The percentage of completion is determined by reference to the contract costs incurred up to the end of the reporting period as a percentage of the estimated total costs for the contract. 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.

IFRS 15, Revenue from Contracts with Customers

Based on an analysis of IFRS 15 accounting principles applicable to the main types of contracts in each of its six sectors, the Group did not register any impact at January 1, 2018, notably in terms of the date of revenue recognition. Revenue under contracts containing an enforceable right to payment or meeting the condition that another entity would not need to re-perform the work the entity has completed at the end of the reporting period, continues to be recognized using the percentage-of-completion method. The Group has applied the modified retrospective approach which requires recording the impact of first-time application of the standard in retained earnings at January 1, 2018, with no restatement of the comparative period.

Standard principles applicable

3.15 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 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.

3.16 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 mainly 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 2018 or 2017.

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.

3.17 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.

3.18 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 3.7 – 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.

3.19 Investments in non-consolidated companies

This caption includes investments in companies over which the Group does not exercise control or significant influence.

On initial recognition, these investments are stated at purchase price plus transaction costs. If the fair value of these financial assets cannot be measured reliably at the end of the reporting period, the assets are carried at historical cost less any accumulated impairment losses.

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".

3.20 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.

3.21 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.

3.22 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.

3.23 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.

3.24 Trade and other receivables

Trade and other receivables are measured at fair value less any impairment losses.

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”.

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”.

3.25 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.

3.26 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.

3.27 Leases

Leases under which the majority of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the lease term.

Bureau Veritas acquires minor items of equipment under finance leases that transfer to the Group substantially all the risks and rewards of ownership. These assets are reported as property, plant and equipment for an amount equal to the estimated present value of future minimum lease payments. The corresponding liabilities are included in bank borrowings and debt.

3.28 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)	2018	2017
Operating profit	637.2	606.3
Amortization of intangible assets resulting from acquisitions	75.1	77.1
Restructuring costs	42.1	57.1
Gains on disposals of businesses and other income and expenses relating to acquisitions	3.6	5.0
ADJUSTED OPERATING PROFIT	758.0	745.5

Adjusted attributable net profit is defined as attributable net profit adjusted for other items after tax, and concerns continuing operations only.

(€ millions)	2018	2017
Net profit attributable to owners of the Company	332.6	308.0
Income and expenses relating to acquisitions and other adjustments	115.4	139.2
Net profit (loss) from discontinued operations	-	8.6
Tax impact	(30.8)	(39.7)
ADJUSTED ATTRIBUTABLE NET PROFIT	417.2	416.1

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)	2018	2017
Net cash generated from operating activities	685.5	581.2
Purchases of property, plant and equipment and intangible assets	(130.9)	(142.3)
Proceeds from sales of property, plant and equipment and intangible assets	6.8	8.9
Interest paid	(83.0)	(98.2)
FREE CASH FLOW	478.4	349.6

Adjusted net financial debt is defined in Note 22 – Borrowings and financial debt.

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 Finance and Treasury 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 4.0% of total consolidated revenue in 2018 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 31 – Additional financial instrument disclosures, as well as Note 17 – 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 31 – Additional financial instrument disclosures.

Credit risk

The Group derives revenue from its business with around 400,000 clients in almost 140 countries.

The Group's revenue is not dependent on major clients. In 2018, its largest client accounted for 1.0% of consolidated revenue and the total revenue generated with its 20 largest clients represented less than 12% of consolidated revenue.

However, some of the Group's businesses, particularly Consumer Products, Industry and Agri-Food & Commodities, generate significant revenue at their level with some clients.

For example in 2018, the biggest client of the Consumer Products and Industry businesses each accounted for 3.5% of that business's revenue. The loss of these two major clients could have a material adverse impact on the activity, financial position, results or outlook of the business concerned.

The Group does not consider that its credit risk exposure could have a material adverse impact on its business, financial position, results or outlook.

Note 18 – 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, 2018, 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 22 – Borrowings and financial debt.

Counterparty risk

Counterparty risk arising on trade receivables is limited due to the large number of clients and the broad range of businesses and countries concerned (France and international).

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. Cash and cash equivalents totaling €438.8 million are spread among the Group's subsidiaries, thereby limiting concentration risk. Marketable securities and similar receivables amounting to €607.5 million essentially relate to short-term investments of the Company's cash surpluses. Financial transactions are chiefly entered into by the Company with a limited number of investment grade banks under FBF-type or similar master arrangements.

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 3.12 – 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 3.7 – 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 15 – Deferred income tax, for details of the deferred income taxes recognized by the Group).

Revenue recognition

The Group uses the percentage-of-completion method in accounting for certain service contracts (see Note 3.14 – 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 24 – 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 21 – Share-based payment.

Note 7 Segment information

Only a segment analysis of revenue and operating profit is presented as monitored by Group management.

Intra-segment transactions have been eliminated.

Financial income and expense and income tax expenses are not allocated by business segment as they are managed at country level rather than by business.

Operating income and expenses relating to holding companies are allocated to the different segments in proportion to segment revenue.

In accordance with IFRS 8, operating segments, the Group's business segments are organized according to the type of services provided and the markets and characteristics of clients. These segments correspond to the six businesses described in section 1.1 – General overview of the Group and section 1.6 – Presentation of business activities of the 2018 Registration Document.

(€ millions)	Revenue		Operating profit	
	2018	2017	2018	2017
Marine & Offshore	348.6	364.9	64.7	72.7
Agri-Food & Commodities	1,073.7	1,072.6	90.6	84.0
Industry	1,061.3	1,096.3	105.9	93.2
Buildings & Infrastructure	1,267.2	1,119.9	153.7	141.3
Certification	374.5	368.6	64.0	59.8
Consumer Products	670.2	667.1	158.3	155.3
TOTAL	4,795.5	4,689.4	637.2	606.3

Note 8 Operating income and expense

(€ millions)	2018	2017
Supplies	(105.4)	(98.2)
Operational subcontracting	(414.2)	(385.0)
Lease payments	(144.6)	(150.3)
Transportation and travel costs	(404.3)	(396.1)
Service costs rebilled to clients	106.5	85.4
Other external services	(456.0)	(449.9)
Total purchases and external charges	(1,418.0)	(1,394.1)
Salaries and bonuses	(1,988.2)	(1,922.0)
Payroll taxes	(438.8)	(438.4)
Other employee-related expenses	(80.1)	(88.6)
Total personnel costs	(2,507.1)	(2,449.0)
Provisions for receivables	(16.9)	(18.2)
Provisions for liabilities and charges	5.1	6.7
Total (additions to)/reversals of provisions	(11.8)	(11.5)
Gains/(losses) on disposals of property, plant and equipment and intangible assets	(4.2)	(2.2)
Gains/(losses) on disposals of businesses	0.6	-
Other operating income and expense	28.7	23.8
TOTAL OTHER OPERATING INCOME AND EXPENSE, NET	25.1	21.6

“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 2018, “Other operating income and expense” includes income of €7.8 million corresponding to the 2018 CICE tax credit (2017: €10.3 million), as well as income of €3.5 million corresponding to the research tax credit (2017: €2.5 million). Contingent consideration on acquisitions in previous years is also included in this caption, representing a net negative amount of €0.1 million in 2018, compared to a positive amount of €1.0 million in 2017.

Note 9 Other financial income and expense

(€ millions)	2018	2017
Implicit return on funded pension plan assets	0.3	0.3
Other financial income	0.3	0.3
Foreign exchange gains/(losses)	(5.7)	(12.1)
Interest cost on pension plans	(2.6)	(3.1)
Other	(2.7)	(2.0)
Other financial expense	(11.0)	(17.2)
OTHER FINANCIAL INCOME AND EXPENSE, NET	(10.7)	(16.9)

In 2018, the interest rate component of gains and losses on foreign currency derivatives represented a total expense of €0.9 million (2017: €1.1 million gain) and was recorded within “Finance costs, gross”.

Note 10 Income tax expense

Income tax expense on consolidated revenue amounted to €189.3 million in 2018 compared to €164.8 million in 2017. The effective tax rate, corresponding to income tax expense divided by the amount of pre-tax profit, was 34.8% in 2018 compared with 32.8% in 2017.

The adjusted effective tax rate was 33.3%. This increase of 1.5 percentage points in the effective tax rate compared to 2017 (31.8%) primarily reflects the impact of a combination of one-off items in 2017, including the refund of the 3% dividend

contribution after this was declared null and void by the French Constitutional Court, and the remeasurement of consolidated deferred taxes following the US tax reform bill approved at the end of 2017.

Deferred tax represents income of €9.6 million in 2018 (2017: income of €24.2 million), and essentially corresponds to the reversal of a deferred tax liability on non-deductible amortization charged against customer relationships.

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)	2018	2017
Current income tax	(198.9)	(189.0)
Deferred income tax	9.6	24.2
TOTAL	(189.3)	(164.8)

(€ millions)	2018	2017
Profit before income tax	544.4	503.2
French parent company tax rate	34.4%	34.4%
Theoretical income tax charge based on the parent company tax rate	(187.5)	(173.3)
Income tax impact of transactions subject to a reduced tax rate	2.3	2.4
Differences in foreign tax rates ^(a)	47.6	47.1
Impact of unrecognized tax losses	(9.7)	(11.2)
Utilization of previously unrecognized tax losses	3.9	1.5
Permanent differences	(15.3)	(4.1)
Changes in estimates	(7.4)	9.1
CVAE tax	(11.5)	(10.8)
Tax on income distributed	-	(7.2)
Tax on dividends received from subsidiaries	(12.0)	(18.3)
Other	0.3	-
ACTUAL INCOME TAX EXPENSE	(189.3)	(164.8)
EFFECTIVE INCOME TAX RATE	34.8%	32.8%

(a) In 2018, the biggest differences in tax rates compared to France were found in China, Hong Kong, United Kingdom, Taiwan, Bangladesh, Vietnam, Canada, Turkey, Russia and South Korea.

The breakdown of the tax effect on other comprehensive income is as follows:

	2018			2017		
(€ millions)	Before tax	Tax	After tax	Before tax	Tax	After tax
Currency translation differences	(62.0)		(62.0)	(217.1)		(217.1)
Actuarial gains/(losses)	5.8	(1.6)	4.2	(3.4)	2.2	(1.2)
Cash flow hedges	(0.1)	-	(0.1)	0.6	(0.2)	0.4
TOTAL OTHER COMPREHENSIVE INCOME/(EXPENSE)	(56.3)	(1.6)	(57.9)	(219.9)	2.0	(217.9)

Note 11 Goodwill

Changes in goodwill in 2018

(€ millions)	2018	2017
Gross value	2,111.1	2,128.0
Accumulated impairment	(146.0)	(150.4)
Net goodwill at January 1	1,965.1	1,977.6
Acquisitions of consolidated businesses during the year	63.6	126.6
Currency translation differences and other movements	(17.1)	(139.1)
Net goodwill at December 31	2,011.6	1,965.1
Gross value	2,152.9	2,111.1
Accumulated impairment	(141.3)	(146.0)
NET GOODWILL AT DECEMBER 31	2,011.6	1,965.1

Allocation of goodwill to CGUs in 2018

Goodwill allocated to the Group's main cash-generating units (CGUs) at December 31, 2018 can be analyzed as follows:

(€ millions)	December 31, 2018	December 31, 2017
Marine & Offshore	40.4	40.2
Agri-Food & Commodities	791.5	753.7
Industry	399.6	414.9
Buildings & Infrastructure	431.1	381.3
Certification	36.0	34.4
Consumer Products	313.0	340.6
TOTAL	2,011.6	1,965.1

Impairment testing 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.

In 2017, the Group had carried out an in-depth review of the groups of CGUs identified for its different businesses. This review followed changes made to the Group's organizational structure and reporting processes two years ago:

- a new "CIF" division was created by combining the Commodities and Industry & Facilities (I&F) divisions;
- in the CIF division, the role of the Global Service Lines (GSL) was reinforced and a matrix-based organization put in place;
- the former "GSIT" operating segment (government services and international trade) was included within the Industry (businesses related to the automotive market) and within Agri-Food & Commodities (other businesses) segments;

- regarding the former "IVS" operating segment (In-Service Inspection & Verification), IVS businesses related to industrial buildings (oil & gas, metals & minerals, energy, chemicals, automotive) were absorbed within the Industry segment, while other IVS activities (commercial buildings, public infrastructure) were absorbed within the Buildings & Infrastructure segment (which also includes the former Construction segment).

Since January 1, 2017 the Group's reporting has therefore been based on six operating divisions: Marine & Offshore, Agri-Food & Commodities, Industry, Buildings & Infrastructure, Certification and Consumer Products.

Following these organizational and reporting changes, the Group therefore reviewed its CGUs in 2017 in light of accounting standards (strategy, cash flow generation, operational management, decision centers) and adapted its current structure of CGUs and groups of CGUs for the upcoming impairment tests. Bureau Veritas decided to align its groups of CGUs with its operating segments.

In practice, since 2017 the Group has allocated goodwill to six CGUs or groups of CGUs:

- Marine & Offshore;
- Agri-Food & Commodities;
- Industry;
- Buildings & Infrastructure;
- Certification;
- Consumer Products.

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:

Growth assumptions: 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.

Discount rate: 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.

Results of 2018 impairment tests

The growth outlook for the Group as a whole remained largely unchanged.

The discount rate used in 2018 was 6.3% (2017: 6.5%) for the three groups of CGUs that remained the same relative to the reorganizations carried out up to 2016 (Consumer Products, Marine & Offshore, Certification).

The three other groups of CGUs are tested for impairment using the following discount rates: 8.2% for Agri-Food & Commodities (2017: 8.1%), 7.5% for Industry (2017: 7.7%) and 6.9% for Buildings & Infrastructure (2017: 7.1%).

Additional analyses may be carried out by region for the Industry and Buildings & Infrastructure groups of CGUs, as is the case for the Agri-Food & Commodities group of CGUs, for which further analyses are performed by business (Oil Products, Commodities and Agri-Food).

Sensitivity analysis

Sensitivity analyses were carried out to determine the impacts should the Group fail to achieve its business plan projections (updated in the second half of 2018), including revenue, operating margin and the discount rate. For revenue and operating margin, no reasonably possible change in these inputs could lead to the recoverable amount falling below the carrying amount. The findings were similar for the discount rate, even if the discount rate were to increase by two percentage points.

There is no reasonably possible change in key assumptions for a given input at one time that could result in the recoverable amount of a CGU being equal to the carrying amount.

Note 12 Acquisitions and disposals

Acquisitions during the period

In 2018, the main acquisitions carried out by the Group were:

ACQUISITIONS OF 100% INTERESTS

Month	Company	Business	Country
March	FEAC Co. Ltd.	Agri-Food & Commodities	Japan
June	Conmar d.o.o.	Marine & Offshore	Croatia

OTHER ACQUISITIONS

The amount of goodwill resulting from these acquisitions was calculated using the partial goodwill method.

Month	Company	Business	% acquired	Country
January	Lubrication Management S.L.	Agri-Food & Commodities	51.0%	Spain
January	Shandong Cigna Detection Technology Co. Ltd.	Agri-Food & Commodities	70.0%	China
February	EMG	Buildings & Infrastructure	86.0%	United States
March	Labomag	Agri-Food & Commodities	51.6%	Morocco
July	Permulab Sdb Bhd	Agri-Food & Commodities	70.0%	Malaysia
December	AsureQuality Singapore Pte. Ltd.	Agri-Food & Commodities	51.0%	Singapore

INCREASE IN SHAREHOLDINGS

Month	Company	Business	Ownership interest	Country
July	Hangzhou VEO Standards Technical Services Co. Ltd.	Consumer Products	100%	China

The purchase price for acquisitions made in 2018 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 2018:

(€ millions)	December 31, 2018		December 31, 2017	
Purchase price of acquisitions		131.4		189.9
Acquisition of non-controlling interests		(14.7)		-
Cost of assets and liabilities acquired/assumed		116.7		189.9
Assets and liabilities acquired/assumed	Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets	8.4	68.5	9.1	89.8
Current assets (excluding cash and cash equivalents)	24.3	24.3	81.8	81.8
Current liabilities (excluding borrowings)	(21.6)	(27.3)	(70.8)	(84.8)
Non-current liabilities (excluding borrowings)	(1.5)	(4.7)	(2.1)	(24.5)
Borrowings	(1.6)	(1.6)	(0.4)	(0.4)
Non-controlling interests acquired	(7.9)	(7.9)	(13.8)	(13.8)
Cash and cash equivalents of acquired companies	1.8	1.8	15.2	15.2
Total assets and liabilities acquired/assumed	1.9	53.1	19.0	63.3
GOODWILL		63.6		126.6

The main item of goodwill in the period relates to EMG for €45.9 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 2017 whose final accounting was completed in 2018, are recognized in the 2018 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)	2018	2017
Purchase price of acquisitions	(131.4)	(189.9)
Cash and cash equivalents of acquired companies	1.8	15.2
Purchase price outstanding at December 31 in respect of acquisitions in the year	6.3	30.9
Equity-settled payments	4.0	-
Purchase price paid in relation to acquisitions in prior periods	(18.1)	(15.1)
IMPACT OF ACQUISITIONS ON CASH AND CASH EQUIVALENTS	(137.4)	(158.9)

The amount of €141.5 million shown on the "Acquisitions of subsidiaries" line of the consolidated statement of cash flows includes €4.1 million in acquisition-related fees paid.

Contingent consideration

Contingent consideration for acquisitions carried out prior to January 1, 2018 was recognized in 2018. The impact of contingent consideration on the consolidated income statement was a net expense of €0.1 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 €124.6 million at December 31, 2018 (€91.5 million at December 31, 2017), and are set out in the table below:

(€ millions)	December 31, 2018	December 31, 2017
Agri-Food & Commodities	5.8	-
Buildings & Infrastructure	118.3	88.1
Consumer Products	0.5	3.4
TOTAL	124.6	91.5
Non-current	48.2	32.8
Current	76.4	58.7

Movements in the period were as follows:

(€ millions)	2018	2017
At January 1	91.5	41.7
New options	32.1	48.2
Options exercised	-	(8.6)
Change in the present value of the exercise price of outstanding options	1.0	10.2
AT DECEMBER 31	124.6	91.5

New options granted along with changes in the price of existing options had a negative €33.1 million impact on the "Other movements" line in the consolidated statement of changes in equity.

Comparative data

In 2018, the Group acquired companies and groups with aggregate annual revenue of around €95.8 million for the year (2017: €142.9 million) and operating profit before amortization of intangible assets resulting from business combinations of around €16.1 million (2017: €21.8 million).

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, 2018. Operating profit includes 12-month amortization charged against intangible assets resulting from the business combinations.

The main acquisitions carried out in 2018 do not have a material impact on comparative indicators in the consolidated statement of cash flows.

(€ millions)	2018	2017
Revenue		
As per financial statements	4,795.5	4,689.4
COMPARABLE	4,814.6	4,749.2
Operating profit		
As per financial statements	637.2	606.3
COMPARABLE	638.8	616.2
Net profit		
As per financial statements	355.1	329.8
COMPARABLE	355.5	332.5

Disposals

The Group sold its Mozambique subsidiary Bureau Veritas Controle Ltda in July 2018.

The table below shows the impacts on the statement of financial position and income:

(€ millions)	2018	2017
Assets and liabilities sold		
Non-current assets	-	0.3
Current assets	0.5	0.7
Current and non-current liabilities	(1.1)	(1.0)
Carrying amount of assets sold	(0.6)	-
Gains/(losses) on disposals of businesses	0.6	-
Proceeds from disposals of businesses	-	-
Of which payment received	-	-
Of which payment deferred	-	-

This sale had no impact on consolidated cash and cash equivalents.

Note 13 Intangible assets

(€ 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	84.8	(1.7)	(2.9)	0.5	6.2	86.9
Intangible assets in progress	8.5	14.1	-	-	(5.7)	16.9
INTANGIBLE ASSETS, NET	640.2	(62.7)	(2.9)	60.6	(0.6)	634.6

(€ millions)	December 31, 2016	Acquisitions/ Additions	Disposals	Changes in scope of consolidation	Currency translation differences and other movements	December 31, 2017
Customer relationships	999.2	-	(2.8)	80.7	-	991.5
Brands	67.2	-	-	-	(3.3)	63.9
Non-competition agreements	37.9	-	-	-	(2.5)	35.4
Other intangible assets	160.2	12.1	(3.7)	1.5	26.5	196.6
Intangible assets in progress	20.3	16.4	-	-	(28.2)	8.5
Gross value	1,284.8	28.5	(6.5)	82.2	(93.1)	1,295.9
Customer relationships	(428.4)	(71.4)	2.7	-	29.7	(467.4)
Brands	(52.3)	(3.4)	-	-	3.1	(52.6)
Non-competition agreements	(23.2)	(2.3)	-	-	1.6	(23.9)
Other intangible assets	(94.1)	(21.2)	1.2	-	2.3	(111.8)
Accumulated amortization and impairment	(598.0)	(98.3)	3.9	-	36.7	(655.7)
Customer relationships	570.8	(71.4)	(0.1)	80.7	(55.9)	524.1
Brands	14.9	(3.4)	-	-	(0.2)	11.3
Non-competition agreements	14.7	(2.3)	-	-	(0.9)	11.5
Other intangible assets	66.1	(9.1)	(2.5)	1.5	28.8	84.8
Intangible assets in progress	20.3	16.4	-	-	(28.2)	8.5
INTANGIBLE ASSETS, NET	686.8	(69.8)	(2.6)	82.2	(56.4)	640.2

All of the amounts allocated to "Changes in scope of consolidation" in 2018 and 2017 relate to the acquisitions respectively 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".

Amortization charged against intangible assets totaled €93.4 million in 2018 and €98.3 million in 2017.

Research and development costs expensed in 2018 totaled €13.0 million (2017: €10.9 million) and chiefly concern the Marine & Offshore business in France (€10.3 million) and Maxxam operations in Canada (€2.7 million).

Note 14 Property, plant and equipment

(€ 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

(€ millions)	December 31, 2016	Acquisitions/ Additions	Disposals	Changes in scope of consolidation	Currency translation differences and other movements	December 31, 2017
Land	19.3	-	-	-	(1.1)	18.2
Buildings	64.0	4.7	(5.4)	1.5	(1.8)	63.0
Fixtures and fittings, machinery and equipment	954.1	58.8	(46.6)	6.9	(30.5)	942.7
IT equipment and other	284.8	21.9	(18.9)	6.3	(17.2)	276.9
Intangible assets in progress	33.5	30.0	-	-	(38.7)	24.8
Gross value	1,355.7	115.4	(70.9)	14.7	(89.3)	1,325.6
Land	-	-	-	-	-	-
Buildings	(30.4)	(2.3)	1.6	(0.6)	1.3	(30.4)
Fixtures and fittings, machinery and equipment	(598.0)	(77.8)	41.4	(4.3)	36.1	(602.6)
IT equipment and other	(208.7)	(25.3)	15.9	(4.7)	16.5	(206.3)
Intangible assets in progress	-	-	-	-	-	-
Accumulated depreciation and impairment	(837.1)	(105.4)	58.9	(9.6)	53.9	(839.3)
Land	19.3	-	-	-	(1.1)	18.2
Buildings	33.6	2.4	(3.8)	0.9	(0.5)	32.6
Fixtures and fittings, machinery and equipment	356.1	(19.0)	(5.2)	2.6	5.6	340.1
IT equipment and other	76.1	(3.4)	(3.0)	1.6	(0.7)	70.6
Intangible assets in progress	33.5	30.0	-	-	(38.7)	24.8
PROPERTY, PLANT AND EQUIPMENT, NET	518.6	10.0	(12.0)	5.1	(35.4)	486.3

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.

The laboratories of our Consumer Products division are located mainly in Asia.

Depreciation charged against property, plant and equipment totaled €106.9 million in 2018 and €105.4 million in 2017.

Note 15 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, 2018	December 31, 2017 restated	First-time application of IFRS 9	December 31, 2017 – reported
Deferred income tax assets				
Non-current	63.5	86.8		86.8
Current	71.8	58.5	6.9	51.6
Total	135.3	145.3	6.9	138.4
Deferred income tax liabilities				
Non-current	(110.6)	(124.4)		(124.4)
Current	(16.8)	(18.9)		(18.9)
Total	(127.4)	(143.3)		(143.3)
NET DEFERRED INCOME TAX LIABILITIES	7.9	2.0	6.9	(4.9)

Deferred income taxes at December 31, 2018 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, 2018	December 31, 2017 – restated	First-time application of IFRS 9	December 31, 2017 – reported
Net deferred income tax assets (liabilities) at January 1	2.0	(21.9)		(21.9)
Deferred tax income/(expense) for the year	9.6	24.2		24.2
Deferred income taxes recognized directly in equity	0.7	3.9		3.9
Changes in scope of consolidation	(3.2)	(19.2)		(19.2)
First-time application of IFRS 9	-	6.9	6.9	-
Exchange differences	(1.2)	8.1		8.1
NET DEFERRED INCOME TAX LIABILITIES AT DECEMBER 31	7.9	2.0	6.9	(4.9)

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, 2016	39.4	1.1	31.6	(29.7)	(161.5)	97.2	(21.9)
Income/(expense) recognized in the income statement	(1.3)	0.5	18.1	4.9	34.2	(32.2)	24.2
Tax asset recognized directly in equity	2.2					1.7	3.9
Reclassifications							-
Changes in scope of consolidation	(0.7)	(0.1)	(0.1)	(1.1)	(18.3)	1.1	(19.2)
Exchange differences	(0.5)	(0.1)	(2.3)	2.6	12.3	(3.9)	8.1
At December 31, 2017	39.1	1.4	47.3	(23.3)	(133.3)	63.9	(4.9)
First-time application of IFRS 9						6.9	6.9
At December 31, 2017 – restated	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
Reclassifications							-
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

Deferred tax assets on tax loss carryforwards were calculated based on estimated future earnings of the loss-making subsidiaries. The calculation was made by reference to the 2019 budget and updated information taken from the 2020 strategic plan, both of which were drawn up in the last quarter of 2018. The timeframe used for these forecasts was within the period allowed by each country for the carry-forward of tax losses (pursuant to IAS 12.34).

Other deferred taxes relate mainly to non-deductible accrued charges and provisions.

At December 31, 2018, cumulative unrecognized tax loss carryforwards totaled €167.4 million, of which €37.8 million arose in 2018 (December 31, 2017: €123.7 million, of which €23.1 million arose in 2017).

The tax impact of these tax loss carryforwards was €39.7 million, of which €8.3 million arose in 2018 (December 31, 2017: €31 million, of which €5.3 million arose in 2017).

Note 16 Other financial assets

(€ millions)	December 31, 2018	December 31, 2017
Investments in equity-accounted companies	5.0	4.6
Investments in non-consolidated companies	1.6	1.3
Deposits, guarantees and other financial assets	108.2	118.4
NON-CURRENT FINANCIAL ASSETS	114.8	124.3
Deposits, guarantees and other financial assets	13.1	20.3
OTHER CURRENT FINANCIAL ASSETS	13.1	20.3

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, 2018 and December 31, 2017.

None of the Group's non-current financial assets had been pledged at December 31, 2018 (December 31, 2017: €3.9 million).

Other current financial assets

Other current financial assets include €7.3 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 €1.1 million at December 31, 2018 and 2017.

Note 17 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, 2018 were as follows:

Maturity	Notional amount	Fair value of derivatives (€ millions)
07/16/2020	GBP 40 million	(6.7)
NON-CURRENT LIABILITIES		(6.7)

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 December 31, 2018 were as follows:

Currency	Notional amount (millions of currency units)	Fair value of derivatives (€ millions)
AUD	96.0	(1.0)
CAD	(63.6)	1.2
CHF	(1.0)	-
CNY	(203.3)	(0.4)
CZK	(74.1)	-
DKK	12.9	-
GBP	(71.5)	(0.4)
HUF	71.9	-
JPY	668.4	0.1
MXN	38.8	-
NOK	(4.3)	-
PLN	4.7	-
RUB	287.6	(0.1)
SEK	(3.5)	-
SGD	(101.8)	(0.4)
USD	265.8	0.2
ZAR	(152.6)	0.2
NET CURRENT LIABILITY		(0.6)

The Group had no interest rate hedges at the reporting date.

A residual balance of €0.5 million was carried in equity at end-2018 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 €0.3 million in 2018.

No material ineffective portion was recognized in net financial expense in 2018 in respect of cash flow hedges.

Note 18 Trade and other receivables

(€ millions)	December 31, 2018	December 31, 2017
Trade receivables	1,282.7	1,214.0
Trade receivables – invoices issued	1,161.2	1,126.0
Trade receivables – invoices pending	121.5	88.0
Work-in-progress and contract costs	206.9	206.9
Inventories	19.9	19.9
Other receivables	187.4	189.3
Gross value	1,696.9	1,630.1
Provisions at January 1	(83.5)	(69.5)
Net additions/reversals during the period	5.1	8.3
Changes in scope of consolidation	(0.9)	(0.5)
Currency translation differences and other movements	(1.7)	4.7
Provisions at December 31	(81.0)	(57.0)
TRADE AND OTHER RECEIVABLES, NET – REPORTED	1,615.9	1,573.1
First-time application of IFRS 9		(26.5)
Provisions at December 31		(83.5)
TRADE AND OTHER RECEIVABLES, NET – RESTATED		1,546.6

Work-in-progress and contract costs for 2017 are presented in accordance with IFRS 15. They were included with trade receivables in the 2017 consolidated financial statements.

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, 2018	December 31, 2017
Trade receivables	1,282.7	1,214.0
of which		
• provisioned	79.9	82.4
• not provisioned and due:		
less than 1 month past due	162.8	173.3
1 to 3 months past due	124.2	111.6
3 to 6 months past due	69.3	70.2
more than 6 months past due	69.6	72.3

Note 19 Cash and cash equivalents

(€ millions)	December 31, 2018	December 31, 2017
Marketable securities	607.5	7.1
Cash at bank and on hand	438.8	357.2
TOTAL	1,046.3	364.3

The Group considers that cash and cash equivalents primarily comprise available cash.

Marketable securities correspond to units in monetary mutual funds (SICAV) which 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, 55% of the Group's cash at bank and on hand is located in 69 countries where loans or current

accounts are difficult or even impossible to put in place (e.g., South Korea, India, China, Benin and Angola). In this case, cash at bank and on hand is repatriated when dividends are paid.

Cash that cannot be pooled represents only around 1.1% of cash at bank and on hand and is defined as cash balances in countries which forbid 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, 2018	December 31, 2017
Cash and cash equivalents	1,046.3	364.3
Bank overdrafts (Note 22)	(11.7)	(9.8)
NET CASH AND CASH EQUIVALENTS AS REPORTED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS	1,034.5	354.5

Note 20 Share capital

Share capital

The total number of shares making up the share capital was 442,216,000 at December 31, 2018, and 442,000,000 shares at December 31, 2017.

All shares have a par value of €0.12 and are fully paid up.

Capital increase

Following the exercise of 216,000 stock options and the creation of 216,000 shares, the Company carried out a share capital increase which included a share premium of €2.5 million.

Treasury shares

At December 31, 2018, the Group held 6,301,555 of its own shares. The carrying amount of these shares was deducted from equity.

Note 21 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 options are granted to senior managers and other select employees. Awards between 2011 and 2014 consisted of stock purchase option plans which required the Group to buy back its shares on the market. All stock option plans granted up to 2010 and after 2015 concern stock subscription options which entitle their holders to subscribe for newly issued shares on exercise of their 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 22, 2018, the Group awarded 1,100,400 stock purchase options to select employees and to the Executive Corporate Officer. The options granted may be exercised at a fixed price of €22.02.

To be eligible for these awards, beneficiaries must have completed a minimum period of service and achieved certain performance targets based on 2018 adjusted operating profit and the operating margin (adjusted operating profit/revenue) for 2019 and 2020. The stock purchase options are valid for ten years after the grant date.

The average fair value of options granted during the year was €2.74 per option (2017: €1.70).

MOVEMENTS IN OPTIONS:

	Weighted average exercise price of options	Number of options	Average residual life of outstanding options
At December 31, 2016	18.55	6,550,437	5.8 years
Options granted during the year	20.65	1,229,060	
Options canceled during the year	19.38	(974,129)	
Options exercised during the year	14.31	(893,345)	
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

Out of the total number of outstanding options at each year-end, 3,574,946 options were exercisable at end-2018 (end-2017: 3,043,353 options).

OVERVIEW OF STOCK OPTION PLANS AT DECEMBER 31, 2018:

	Expiration date	Exercise price (in € per option)	Number of options	
			December 31, 2018	December 31, 2017
07/23/2010 Plan	07/23/2018	11.58	-	216,000
07/18/2011 Plan	07/18/2019	14.42	117,300	186,000
12/14/2011 Plan	12/14/2019	13.28	78,480	78,480
07/18/2012 Plan	07/18/2020	17.54	781,546	817,546
07/22/2013 Plan	07/22/2021	21.01	854,794	1,021,594
07/16/2014 Plan	07/16/2022	20.28	633,088	723,733
07/15/2015 Plan	07/15/2025	20.51	1,109,738	1,239,386
06/21/2016 Plan	06/21/2026	19.35	335,280	400,224
06/21/2017 Plan	06/21/2027	20.65	1,111,260	1,229,060
06/22/2018 Plan	06/21/2028	22.02	1,069,000	-
NUMBER OF OPTIONS AT DECEMBER 31, 2018			6,090,486	5,912,023

Measurement

The fair value of options granted in 2018 was calculated based on the following main assumptions and characteristics:

- exercise price: €22.02;
- expected share volatility: 19.3% (2017: 17%);
- average annual dividend yield: 2.8% (2017: 2.7%);
- expected option life: 6 years (2017: 4 years);
- risk-free interest rate: 0.11% (2017: -0.36%), 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 2018 (2017: 100%) and an attrition rate of 1% per annum in 2018 (2017: 1%). The performance condition attached to the June 21, 2017 stock purchase option plan was notably based on

2017 adjusted operating profit. The achievement rate for the performance condition was 100%.

In 2018, the expense recognized by the Group in respect of stock options amounted to €2.5 million (2017: €2.2 million).

Performance share plans**Description**

Pursuant to a decision of the Board of Directors, the Group awarded 1,196,340 performance shares to certain employees and to the Executive Corporate Officer on June 22, 2018. Beneficiaries must have completed three years of service to be eligible for the award. Eligibility for stock purchase options also depends on meeting a series of performance targets based on adjusted operating profit for 2018 and on the operating margin (ratio of adjusted operating profit to revenue) in 2019 and 2020.

OVERVIEW OF PERFORMANCE SHARE PLANS AT DECEMBER 31, 2018:

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	476,593
06/21/2016 Plan	06/21/2019	451,772
06/21/2017 Plan	06/21/2020	1,115,462
06/22/2018 Plan	06/21/2021	1,161,640
NUMBER OF SHARES AT DECEMBER 31, 2018		3,925,467

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 select employees and the Executive Corporate Officer in 2018 was €21.20 per share (2017: €18.94), based on the following assumptions:

- share price at the grant date;
- average annual dividend yield: 2.9% (2017: 2.7%);

- discount corresponding to risks and liquidity requirements: N/A (2017: NA).

The number of shares that will vest is estimated based on an achievement rate of 100% for performance targets (2017: 100%) and an attrition rate of 5% per annum in 2018 (2017: 5%). The performance condition attached to the June 21, 2017 plan was based on adjusted operating profit for 2017. The achievement rate for the performance condition was 100%.

In 2018, the expense recognized by the Group in respect of performance shares amounted to €18.3 million (2017: €15.8 million).

Note 22 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, 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			
At December 31, 2017					
Bank borrowings and debt (long-term portion)	1,040.0		540.8	334.2	165.0
Bond issue	1,200.0		-	500.0	700.0
NON-CURRENT BORROWINGS AND FINANCIAL DEBT	2,240.0	-	540.8	834.2	865.0
Current bank borrowings and debt	199.2	199.2			
Bond issue	-	-			
Bank overdrafts	9.8	9.8			
CURRENT BORROWINGS AND FINANCIAL DEBT	209.0	209.0			

The Group negotiated a private placement in the United States for USD 200 million which was drawn on January 16, 2019 and is carried on the books of Bureau Veritas Holdings, Inc. (2018 USPP). This facility is intended to refinance the floating-rate tranches of the 2011 USPP and 2013 USPP which were repaid ahead of maturity in January 2019.

The Group negotiated fixed-rate bank financing for CNY 750 million carried on the books of Bureau Veritas Investment Shanghai Co., Ltd. This facility had not been drawn at December 31, 2018.

Gross debt increased by €705.7 million between December 31, 2017 and December 31, 2018, to €3,154.7 million.

This increase chiefly reflects the Group's early refinancing in 2018 of its facilities falling due in 2019.

(€ millions)	December 31, 2017	Changes in scope of consolidation	Cash flows	Currency translation differences and other movements	December 31, 2018
Bank borrowings and debt (long-term portion)	1,040.0	1.6	(32.5)	(53.4)	955.7
Bond issue	1,200.0	-	500.0	-	1,700.0
NON-CURRENT BORROWINGS AND FINANCIAL DEBT	2,240.0	1.6	467.5	(53.4)	2,655.7
Current bank borrowings and debt	199.2	1.3	(1.0)	87.8	287.3
Bond issue	-	-	200.0	-	200.0
Bank overdrafts	9.8	0.5	1.1	0.3	11.7
CURRENT BORROWINGS AND FINANCIAL DEBT	209.0	1.8	200.1	88.1	499.0
BORROWINGS AND FINANCIAL DEBT, GROSS	2,449.0	3.4	667.6	34.7	3,154.7

Cash flows totaling €667.6 million reflect:

- €1.1 million relating to the change in bank overdrafts, which are included in the change in cash and cash equivalents in the consolidated statement of cash flows;

- a negative amount of €0.5 million relating to the change in accrued interest, shown on the "Interest paid" line of the consolidated statement of cash flows.

(€ 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	323.5	77.6	67.3	109.0	69.6
Impact of cash flow hedges (principal and interest)	5.7	0.2	5.5	-	-

In the table above, interest takes into account the impact of debt hedging (currency derivatives).

At December 31, 2018, virtually all of the Group's gross debt related to the facilities described below.:

Non-bank financing

Non-bank financing includes:

- the 2008, 2010, 2011, 2013 and 2017 USPP totaling USD 816 million, €184.1 million and GBP 40 million, together with the undrawn 2018 USPP;
- the different tranches of Schuldschein notes (SSD) totaling €260 million;
- the bond issues launched in January 2014, September 2016, March 2018 and September 2018 for a total amount of €1.9 billion.

Bank financing

Bank financing chiefly comprises:

- a confirmed, undrawn 2018 syndicated facility for an amount of €600 million;
- undrawn fixed-rate bank financing for CNY 750 million carried on the books of Bureau Veritas Investment Shanghai Co., Ltd.

Available financing

At December 31, 2018, the Group had a confirmed financing line totaling €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, 2018, the same financial covenants were in force as at December 31, 2017. The Group complied with all such covenants at both end-2018 and end-2017.

- 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, 2018, it stood at 2.34.
- The second covenant represents consolidated EBITDA (earnings before interest, tax, depreciation, amortization and provisions) 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, 2018, it stood at 10.95.

Breakdown by currency

At December 31, 2018, gross borrowings and financial debt excluding bank overdrafts can be analyzed as follows:

Currency (€ millions)	December 31, 2018	December 31, 2017
US dollar (USD)	725.8	685.8
Euro (€)	2,407.1	1,742.0
Other currencies	10.1	11.3
TOTAL	3,143.0	2,439.1

The GBP tranches of the 2008 USPP were converted into euros using a currency swap and are therefore included on the "Euro (EUR)" line. Derivative financial instruments are described in further detail in Note 17 – Derivative financial instruments.

Fixed rate/floating rate breakdown

At December 31, 2018, gross borrowings and financial debt excluding bank overdrafts can be analyzed as follows:

(€ millions)	December 31, 2018	December 31, 2017
Fixed rate	2,844.3	2,147.5
Floating rate	298.7	291.6
TOTAL	3,143.0	2,439.1

The contractual repricing dates for floating-rates are six months or less. The reference rates used are Euribor for floating-rate borrowings in euros and USD Libor for floating-rate borrowings in US dollars.

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, 2018	December 31, 2017
US dollar (USD)	4.01%	2.85%
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 31 – 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, 2018	December 31, 2017
Non-current borrowings and financial debt	2,655.7	2,240.0
Current borrowings and financial debt	499.0	209.0
BORROWINGS AND FINANCIAL DEBT, GROSS	3,154.7	2,449.0
Cash and cash equivalents	(1,046.3)	(364.3)
NET FINANCIAL DEBT	2,108.4	2,084.7
Currency hedging instruments (as per banking covenants)	6.7	9.7
ADJUSTED NET FINANCIAL DEBT	2,115.1	2,094.4

Note 23 Other financial liabilities

(€ millions)	December 31, 2018	December 31, 2017
Payable on acquisitions of companies	32.8	52.7
Put options granted to holders of non-controlling interests	76.4	58.7
Other	15.8	8.8
OTHER NON-CURRENT FINANCIAL LIABILITIES	125.0	120.2
Payable on acquisitions of companies	31.4	23.9
Put options granted to holders of non-controlling interests	48.2	32.8
Other	46.2	57.4
OTHER CURRENT FINANCIAL LIABILITIES	125.8	114.1

The €46.2 million recorded in “Other” in other current financial liabilities chiefly includes:

- €7.3 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;

- €15.1 million relating to dividends payable to former shareholders of our Chinese subsidiaries acquired in 2017.

Note 24 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:

(€ millions)	Total		Pension benefits		Other benefit obligations	
	2018	2017	2018	2017	2018	2017
At January 1	217.4	203.4	100.4	90.4	117.0	113.0
Current service cost	13.7	16.2	3.2	4.9	10.5	11.3
Interest cost	2.6	3.1	1.2	1.5	1.4	1.6
Actuarial losses/(gains)	(6.5)	3.9	(3.0)	(0.1)	(3.5)	4.0
Currency translation differences	1.3	(5.3)	0.7	(2.0)	0.6	(3.3)
Benefits paid	(17.6)	(16.9)	(5.3)	(7.2)	(12.3)	(9.7)
Liabilities assumed in a business combination and other movements	10.3	12.1	9.8	12.9	0.5	(0.8)
Curtailments and settlements	-	0.9				0.9
AT DECEMBER 31	221.2	217.4	107.0	100.4	114.2	117.0
o/w partly or wholly funded			42.3	31.3		
o/w unfunded			64.7	69.1		
At January 1	(27.3)	(25.1)	(27.3)	(25.1)		
Implicit return on pension plan assets	(0.3)	(0.3)	(0.3)	(0.3)		
Actuarial (losses)/gains	0.7	(0.5)	0.7	(0.5)		
Currency translation differences	(0.8)	1.5	(0.8)	1.5		
Employer contributions	(0.8)	(1.6)	(0.8)	(1.6)		
Other movements	(7.1)	(1.3)	(7.1)	(1.3)		
AT DECEMBER 31	(35.6)	(27.3)	(35.6)	(27.3)		
DEFICIT/SURPLUS	185.6	190.1	71.4	73.1	114.2	117.0

Movements in employee benefit obligations recognized in the income statement and in the statement of comprehensive income are as follows:

(€ millions)	2018	2017
Expense recognized in the income statement	19.0	(22.9)
Actuarial (gains)/losses recognized in equity during the year	(5.8)	3.4
Experience adjustments	(3.8)	10.6
Changes in actuarial assumptions	(3.6)	(6.4)
Changes in return on pension plan assets	1.6	(0.8)
CUMULATIVE (GAINS)/LOSSES RECOGNIZED IN EQUITY AT DECEMBER 31	65.1	70.9

Plan assets break down as follows by type of financial instrument:

(€ millions)	December 2018		December 2017	
Equity instruments	20.1	56%	18.9	69%
Debt instruments	6.0	17%	6.7	25%
Other	9.5	27%	1.7	6%
TOTAL	35.6	100%	27.3	100%

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, 2018	December 31, 2017
Discount rate	2.0%	1.7%
Based on investment grade corporate bonds	iBoxx Corporate € AA	iBoxx Corporate € AA
Estimated increase in future salary levels	3.0%	3.0%
Mortality table	INSEE 2012/2014	INSEE 2012/2014

The sensitivity of benefit obligations to discount rates in France is as follows:

	Pension Benefits		Other benefit obligations	
	increase	decrease	increase	decrease
Change of 0.5 basis points in the discount rate	(7.0)%	7.7%	(6.7)%	7.5%

Defined contribution plans

Payments made under defined contribution plans in 2018 totaled €81.0 million (2017: €80.1 million).

Note 25 Provisions for liabilities and charges

(€ millions)	December 31, 2017	Additions	Utilized provisions reversed	Surplus provisions reversed	Impact of discounting	Changes in scope of consolidation	Currency translation differences and other movements	December 31, 2018
Provisions for contract-related disputes	47.2	3.1	(2.7)	(4.3)	0.3	0.4	0.3	44.3
Other provisions for liabilities and charges	62.4	20.1	(10.3)	(10.0)	-	-	(1.4)	60.8
TOTAL	109.6	23.2	(13.0)	(14.3)	0.3	0.4	(1.1)	105.1

(€ millions)	December 31, 2016	Additions	Utilized provisions reversed	Surplus provisions reversed	Impact of discounting	Changes in scope of consolidation	Currency translation differences and other movements	December 31, 2017
Provisions for contract-related disputes	57.8	4.1	(10.9)	(2.2)	0.7	-	(2.3)	47.2
Other provisions for liabilities and charges	63.8	26.5	(14.6)	(10.1)	-	2.1	(5.3)	62.4
TOTAL	121.6	30.6	(25.5)	(12.3)	0.7	2.1	(7.6)	109.6

Provisions for contract-related disputes

In the ordinary course of business, the Group is involved with regard to some of its activities in a number of litigation proceedings seeking to establish its professional liability in connection with services provided. Although the Group takes care to manage risks and the quality of the services it provides, some services may give rise to claims and result in financial penalties.

Changes in provisions for contract-related disputes result from changes in estimates and reflect developments in litigation proceedings during the period and newly identified risks which, in view of the Group's insurance coverage, are not material taken individually. Provisions may be set aside to cover the expenses

resulting from such proceedings and are calculated taking into account the Group's insurance policies.

In 2018, the Group decided to recognize a provision for some of these risks in an amount of €3.1 million (2017: €4.1 million) in light of the progress of certain claims.

The calculation of provisions for liabilities and charges at December 31, 2018 reflects changes in the one-off dispute arising in 2004 in relation to the construction of a hotel and shopping complex in Turkey. The amount booked for the dispute arising in 2004 concerning the Gabon Express airplane crash remained unchanged during the year. A detailed description of the status of these disputes is provided in section 1.12 – Legal, administrative, government and arbitration procedures and investigations in the 2018 Registration Document.

For specific risks relating to the Government Services business described in section 1.11 – Risk factors, the Group, after taking advice from its counsel, considers that the provisions accrued in respect of the disputes in progress are adequate.

Based on the insurance coverage in place and the latest available information, and having received advice from counsel, the Group does not believe these disputes will have a material adverse impact on its consolidated financial statements.

Other provisions for liabilities and charges

Other provisions for liabilities and charges include provisions for restructuring, tax risks, losses on completion and miscellaneous other provisions, the amounts of which are not material taken individually.

The Group set aside an additional amount of €20.1 million under other provisions for liabilities and charges and wrote back provisions in an amount of €20.3 million, representing a net decrease of €0.2 million. Movements by type of provision during the period were not material.

Regarding ongoing tax disputes, the Group, having taken advice from counsel, deems that the provisions presented in its financial statements reflect the best assessment of the potential consequences of these disputes.

There are no legal, administrative, government and arbitration procedures and 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 12 months, a material impact on the Group's financial position or profitability.

Note 26 Trade and other payables

(€ millions)	December 31, 2018	December 31, 2017
Trade payables	390.0	372.8
Contract liabilities	22.8	-
Prepaid income	135.2	147.6
Accrued taxes and payroll costs	572.0	541.5
Other payables	62.8	57.9
TOTAL	1,182.8	1,119.8

Contract liabilities relate to performance obligations not yet satisfied but paid in full by Bureau Veritas' customers.

Prepaid income primarily corresponds to amounts invoiced on contracts in progress for services that have not yet been performed.

Note 27 Movements in working capital attributable to operations

Movements in working capital attributable to operations can be analyzed as follows:

(€ millions)	December 31, 2018	December 31, 2017
Trade receivables	(79.3)	(94.7)
Trade payables	38.3	35.6
Other receivables and payables	45.1	(0.4)
MOVEMENTS IN WORKING CAPITAL ATTRIBUTABLE TO OPERATIONS	4.1	(59.5)

Note 28 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)	2018	2017
Number of shares comprising the share capital at January 1	442,000	442,000
Number of shares issued during the year (accrual basis)		
Stock purchase or subscription options exercised	341	384
Number of shares held in treasury	(6,554)	(5,961)
Weighted average number of ordinary shares outstanding	435,787	436,423
Dilutive impact		
Performance shares awarded	3,747	3,595
Stock subscription or purchase options	(157)	(84)
WEIGHTED AVERAGE DILUTED NUMBER OF SHARES USED TO CALCULATED DILUTED EARNINGS PER SHARE	439,377	439,934

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.

	2018	2017
Net profit attributable to owners of the Company (€ thousands)	332,612	308,003
Weighted average number of ordinary shares outstanding (in thousands)	435,787	436,423
BASIC EARNINGS PER SHARE (€)	0.76	0.71

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 a series of 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.

	2018	2017
Net profit attributable to owners of the Company (€ thousands)	332,612	308,003
Weighted average number of ordinary shares outstanding (in thousands)	439,377	439,934
DILUTED EARNINGS PER SHARE (€)	0.76	0.70

Note 29 Dividend per share

On May 22, 2018, the Company paid out dividends on eligible shares totaling €243.7 million in respect of 2017, corresponding to a dividend per share of €0.56 (2017: €0.55).

Note 30 Off-balance sheet commitments and pledges

Off-balance sheet commitments relating to financing activities

2017 US Private Placement carried on the books of Bureau Veritas Holdings Inc.

At December 31, 2018, the Group has a non-bank financing facility totaling USD 355 million that is 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, 2018	397.2	183.4	192.7	21.1
At December 31, 2017	356.8	207.6	116.9	32.3

Guarantees given include bank guarantees and parent company guarantees:

- **Bank guarantees:** these are primarily bid and performance bonds:
 - bid bonds cover their beneficiaries in the event that a commercial offering is withdrawn, a contract is not signed, or requested guarantees are not provided,
 - performance bonds guarantee the buyer that the Group will meet its contractual obligations as provided under contract.

They usually represent a percentage of the contract price – generally around 10%.

- **Parent company guarantees:** these concern performance bonds which 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, 2018 and 2017, the Group considered that the risk of a cash outflow on these guarantees was low.

Operating leases: commitments and recognized lease charges

The Group leases offices, laboratories and equipment under both non-cancelable and cancelable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

Recognized lease charges can be analyzed as follows:

(€ millions)	2018	2017
Operating lease charges	144.6	150.3
Of which property leases	131.1	137.6
Of which equipment leases	13.5	12.7

Future aggregate minimum lease payments under non-cancelable operating leases relating to property (excluding rental service charges) can be analyzed as follows:

(€ millions)	December 31, 2018	December 31, 2017
Future minimum lease payments	316.2	310.0
Due within 1 year	85.3	107.0
Due between 1 and 5 years	163.1	159.4
Due beyond 5 years	67.8	43.6

Transition to IFRS 16

In 2018, the Group continued to identify payments under its lease contracts and used a special tool to track and report its lease contracts in accordance with the principles set out in IFRS 16.

The Group will apply the simplified retrospective approach and will record the impact of first-time application of the standard in retained earnings at January 1, 2019, with no restatement of the comparative 2018 period. The right-of-use assets relating to the Group's main property leases will be measured as though IFRS 16 had always been applied. The right-of-use assets relating to other property leases and leases of equipment will be aligned with the amount of the liability at January 1, 2019 (adjusted for lease payments made in advance or due).

At December 31, 2018, future minimum lease payments due by the Group under non-cancelable operating leases amounted to €351.7 million, including €35.5 million under equipment leases. This amount includes €29.6 million relating to short-term leases or leases of low-value assets, for which lease payments will continue to be recognized in operating expenses as of January 1, 2019.

As the Group's strategy is to introduce a certain degree of flexibility into its lease portfolio by using renewal options which it may choose to exercise at its discretion, certain lease contracts have been considered as virtually certain and taken into account

in measuring the corresponding liability. This was systematically the case for "3/6/9" leases in France, the term of which was aligned with that used for the depreciation of improvements to leased assets, i.e., nine years.

The Group estimates that the first-time application of IFRS 16 should result in an increase of around €320 million to €360 million in liabilities at January 1, 2019, around 20% of which will fall due within one year. Future lease payments were discounted based on the incremental borrowing rates applicable to subsidiaries according to the average remaining term of each of their lease contracts at January 1, 2019.

The refund of the liability and the related interest paid will be shown within financing transactions in the consolidated statement of cash flows, leading to an increase in cash flows relating to operating activities and a decrease in cash flows relating to financing activities representing around one-quarter of the liability at January 1, 2019.

Since the Group is in the process of finalizing its analysis of past payments under its main property leases, the amount corresponding to right-of-use assets will be disclosed in the 2019 interim consolidated financial statements. Based on the current stage of its analysis, the Group estimates that the impact on consolidated operating profit will be a gain of around €3 million.

Pledges

(€ millions)	Type	Amount of assets pledged (a)	Total amount in statement of financial position (b)	Corresponding % (a)/(b)
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%
At December 31, 2017				
Other current financial assets	Pledge	1.1	20.3	5.4%
Other non-current financial assets	Pledge	3.9	118.4	3.3%
TOTAL ASSETS PLEDGED		5.0	5,369.8	0.1%

Current financial assets were pledged by the Group for a total carrying amount of €1.1 million at December 31, 2018.

None of the Group's intangible assets or property, plant and equipment had been pledged at either December 31, 2018 or December 31, 2017.

Note 31 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:

(€ millions)	IFRS 9 category	Carrying amount	IFRS 9 basis of measurement in SOFP				Fair value
			Amortized cost	Cost	Fair value through equity	Fair value through profit or loss	
At December 31, 2018							
Financial assets							
Other non-current financial assets	AC/FVPL	109.9	108.3	-	-	1.6	109.9
Trade and other receivables	LR	1,562.0	1,562.0	-	-	-	1,562.0
Current financial assets	LR	13.1	13.1	-	-	-	13.1
Derivative financial instruments	FVPL/FVE	3.8	-	-	-	3.8	3.8
Cash and cash equivalents		1,046.3	-	-	-	1,046.3	1,046.3
<i>Money market funds (SICAV)</i>	FVPL	607.5	-	-	-	607.5	607.5
<i>Cash and cash equivalents</i>	AC	438.8	-	-	-	438.8	438.8
Financial liabilities							
Bank borrowings and debt	AC	3,143.1	3,143.1	-	-	-	3,214.0
Bank overdrafts	FVPL	11.7	-	-	-	11.7	11.7
Other non-current financial liabilities	AC/FVE	125.0	48.6	-	76.4	-	125.0
Trade and other payables	AC	1,182.8	1,182.8	-	-	-	1,182.8
Current financial liabilities	AC/FVE	125.8	83.5	-	42.3	-	125.8
Derivative financial instruments	FVPL/FVE	11.1	-	-	6.7	4.4	11.1
At December 31, 2017							
Financial assets							
Other non-current financial assets	AC/FVPL	119.7	118.4	-	-	1.3	119.7
Trade and other receivables	AC	1,520.0	1,520.0	-	-	-	1,520.0
Current financial assets	AC	20.3	20.3	-	-	-	20.3
Derivative financial instruments	FVPL/FVE	3.8	-	-	-	3.8	3.8
Cash and cash equivalents		364.3	-	-	-	364.3	364.3
<i>Money market funds (SICAV)</i>	FVPL	7.1	-	-	-	7.1	7.1
<i>Cash and cash equivalents</i>	AC	357.2	-	-	-	357.2	357.2
Financial liabilities							
Bank borrowings and debt	AC	2,439.1	2,439.1	-	-	-	2,530.6
Bank overdrafts	FVPL	9.8	-	-	-	9.8	9.8
Other non-current financial liabilities	AC/FVE	120.2	61.5	-	58.7	-	120.2
Trade and other payables	AC	1,119.8	1,119.8	-	-	-	1,119.8
Current financial liabilities	AC/FVE	114.1	81.3	-	32.8	-	114.1
Derivative financial instruments	FVPL/FVE	16.4	-	-	9.8	6.6	16.4

NB: The following abbreviations are used to represent IFRS 9 financial instrument categories:

- FVPL for instruments at fair value through profit or loss (excluding accrued interest not yet due);
- FVE for instruments at fair value through equity (excluding accrued interest not yet due);
- AC for debt measured at amortized cost.

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, 2010 USPP, 2011 USPP, 2014 USPP, 2017 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, 2013 USPP, 2014 USPP, 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:

(€ millions)		Interest	Adjustments for				Net gains/(losses) in 2018	Net gains/(losses) in 2017
			Fair value	Amortized cost	Exchange differences	Accumulated impairment		
Loans and receivables	LR	-	-	-	(4.0)	5.3	1.3	(8.2)
Financial assets and liabilities at fair value through profit or loss	FVPL	1.8	-	-	3.5	-	5.3	1.4
Borrowings and financial debt carried at amortized cost	AC	(84.3)	-	-	(5.2)	-	(89.5)	(83.8)
TOTAL		(82.5)	-	-	(5.7)	5.3	(82.9)	(90.6)

Sensitivity analysis

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.

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, part of the revenue is denominated in US dollars.

The proportion of 2018 consolidated revenue denominated in USD generated in countries with functional currencies other than the US dollar or currencies linked to the US dollar, totaled 9%.

The impact of a 1% rise or fall in the US dollar against all other currencies would have had an impact of 0.1% 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 2018, over 71% of Group revenue resulted from the consolidation of financial statements of entities with functional currencies other than the euro:

- 19.5% of revenue was generated by entities whose functional currency was the US dollar or a currency linked to the US dollar (including the Hong Kong dollar);
- 11.3% 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;

- 3.9% of revenue was generated by entities whose functional currency is the Australian dollar;
- 3.9% of revenue was generated by entities whose functional currency is the pound sterling;
- 3.2% 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 0.195% on 2018 consolidated revenue and of 0.198% on 2018 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 (EUR, USD and GBP) at December 31, 2018:

(€ millions)	Non-functional currency		
	USD	EUR	GBP
Financial liabilities	(964.5)	(93.2)	(66.9)
Financial assets	955.2	55.2	102.1
Net position (assets - liabilities) before hedging	(9.3)	(38.0)	35.2
Currency hedging instruments	232.2		(35.2)
Net position (assets - liabilities) after hedging	222.9	(38.0)	-
Impact of a 1% rise in exchange rates			
On equity	-	-	1.4
On net profit before income tax	2.2	(0.4)	-
Impact of a 1% fall in exchange rates			
On equity	-	-	(1.4)
On net profit before income tax	(2.2)	0.4	-

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 which 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 and other 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, 2018, 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, 2018:

(€ millions)	Less than 1 year	Between 1 and 5 years	More than 5 years	Total at December 31, 2018
Fixed-rate bank borrowings and debt	(480.2)	(1,355.1)	(1,009.0)	(2,844.3)
Floating-rate bank borrowings and debt	(7.1)	(291.6)	-	(298.7)
Bank overdrafts	(11.7)	-	-	(11.7)
Total - Financial liabilities	(499.0)	(1,646.7)	(1,009.0)	(3,154.7)
Total - Financial assets	1,046.3			1,046.3
Floating-rate net position (assets - liabilities) before hedging	1,027.5	(291.6)	-	735.9
Interest rate hedges	-	-	-	-
Floating-rate net position (assets - liabilities) after hedging	1,027.5	(291.6)	-	735.9
Impact of a 1% rise in interest rates				
On equity				
On net profit before income tax				7.4
Impact of a 1% fall in interest rates				
On equity				
On net profit before income tax				(7.4)

At December 31, 2018, 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 €7.4 million in interest income.

Debt maturing after five years, representing a total amount of €1,009.0 million, is essentially at fixed rates. At December 31, 2018, 90% of the Group's consolidated gross debt was at fixed rates.

Note 32 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)	2018	2017
Wages and salaries	2.2	1.7
Stock options	0.3	0.3
Performance shares awarded	1.5	1.5
TOTAL EXPENSE RECOGNIZED FOR THE YEAR	4.0	3.5

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 held a total of 516,000 stock purchase options at December 31, 2018 (510,960 at December 31, 2017), with a fair value per share of €2.23 (end-2017: €2.23).

The number of performance shares awarded to the Chief Executive Officer amounted to 892,000 at December 31, 2018 (890,320 at December 31, 2017).

Note 33 Fees paid to Statutory Auditors

The following amounts were expensed in the Group's 2018 income statement:

(€ millions)	2018			2017		
	PwC	EY	Total	PwC	EY	Total
Statutory audit	2.5	1.9	4.4	2.5	1.8	4.3
Issuer	0.4	0.4	0.8	0.6	0.5	1.1
Fully consolidated subsidiaries	2.1	1.5	3.6	1.9	1.3	3.2
Services other than the statutory audit^(a)	0.5	0.2	0.7	0.9	0.2	1.1
Issuer	0.2	0.1	0.3	0.2	-	0.2
Fully consolidated subsidiaries	0.3	0.1	0.4	0.7	0.2	0.9
Other services provided by members of the auditors' networks to consolidated subsidiaries^(a)	0.6	0.3	0.9	0.5	0.5	1.0
Tax, legal and employee-related services	0.6	0.3	0.9	0.5	0.5	1.0
TOTAL	3.6	2.4	6.0	3.9	2.5	6.4

(a) For 2018, services provided to the Group – other than the audit of the financial statements – related to:

- for PricewaterhouseCoopers Audit: consulting, reports and agreed-upon procedures;
- for Ernst & Young: legal compliance, reports and agreed-upon procedures.

Note 34 Events after the end of the reporting period

Acquisition

On January 16, 2019, the Group announced that it had acquired Capital Energy SAS, a French white certificates management company.

Dividends paid

The resolutions to be submitted for approval at the Ordinary Shareholders' Meeting of May 14, 2019 recommend a dividend of €0.56 per share in respect of 2018.

Note 35 Scope of consolidation

Fully consolidated companies at December 31, 2018

Type: Subsidiary (S); Bureau Veritas SA branch (B).

Country	Company	Type	% interest	
			2018	2017
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	CH International Argentina SRL	S	100.00	100.00
Argentina	Net Connection International SRL	S	100.00	100.00
Armenia	BIVAC Armenia	S	100.00	100.00
Australia	Bureau Veritas Asset Integrity & Reliability Services Australia Pty Ltd.	S	100.00	100.00
Australia	Bureau Veritas Asset Integrity & Reliability Services 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	Bureau Veritas Australia Pty Ltd.	S	100.00	100.00
Australia	Bureau Veritas HSE	S	100.00	100.00
Australia	Bureau Veritas International Trade Pty Ltd.	S	100.00	100.00
Australia	Bureau Veritas Minerals Pty Ltd.	S	100.00	100.00
Australia	Dairy Technical Services Pty Ltd.	S	51.00	51.00
Australia	MatthewsDaniel Int. (Australia) Pty	S	100.00	100.00
Australia	McKenzie Group Consulting (NSW) Pty Ltd.	S	64.70	65.00
Australia	McKenzie Group Consulting (QLD) Pty Ltd.	S	64.70	65.00
Australia	McKenzie Group Consulting (VIC) Pty Ltd.	S	64.70	65.00
Australia	McKenzie Group Consulting Pty Ltd.	S	64.70	65.00
Australia	TMC Marine Pty Ltd.	S	100.00	100.00
Australia	Ultra Trace Pty Ltd.	S	100.00	100.00
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 SA – Bahrain	B	100.00	100.00
Bangladesh	BIVAC Bangladesh	S	100.00	100.00
Bangladesh	Bureau Veritas Bangladesh Private Ltd.	S	100.00	100.00
Bangladesh	Bureau Veritas CPS Bangladesh 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	Association Bureau Veritas ASBL	S	100.00	100.00
Belgium	Bureau Veritas Certification Belgium	S	100.00	100.00
Belgium	Bureau Veritas Marine Belgium & Luxembourg SA	S	100.00	100.00
Belgium	Bureau Veritas SA - Belgium	B	100.00	100.00
Belgium	Inspectorate Antwerp NV	S	100.00	100.00
Belgium	Inspectorate Ghent NV	S	100.00	100.00
Belgium	SA Euroclass NV	S	100.00	100.00
Belgium	Schutter Belgium BVBA	S	100.00	100.00
Belgium	UniCar Benelux SPRL	S	100.00	100.00
Benin	BIVAC International Bénin SARL	S	100.00	100.00
Benin	Bureau Veritas Bénin SARL	S	100.00	100.00
Benin	Société d'exploitation du guichet unique du Bénin - SEGUB SA	S	46.00	46.00
Bermuda	MatthewsDaniel Holdings (Bermuda) Ltd.	S	100.00	100.00
Bermuda	MatthewsDaniel Services (Bermuda) Ltd.	S	100.00	100.00
Bolivia	Bureau Veritas Argentina SA Bolivia branch	S	100.00	100.00
Bolivia	Bureau Veritas Fiscalizadora Boliviana SRL	S	100.00	100.00
Bosnia	Bureau Veritas BH d.o.o. Sarajevo	S	100.00	100.00
Brazil	ACME Analytical Laboratorios Ltda	S	100.00	100.00
Brazil	Associação NCC Certificações do Brasil	S	100.00	100.00
Brazil	Auto Reg Serviços Técnicos de Seguros Ltda	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	Ch International do Brasil Ltda	S	100.00	100.00

Country	Company	Type	% interest	
			2018	2017
Brazil	Kuhlmann Monitoramento Agrícola Ltda	S	100.00	100.00
Brazil	MatthewsDaniel do Brasil Avaliação de Riscos Ltda	S	100.00	100.00
Brazil	NCC Certificações do Brasil Ltda	S	100.00	100.00
Brazil	Schutter do Brasil Ltda	S	100.00	100.00
Brunei	Bureau Veritas SA - Brunei	B	100.00	100.00
Bulgaria	Bureau Veritas Bulgaria Ltd.	S	100.00	100.00
Bulgaria	Inspectorate Bulgaria EOOD	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 Canada Inc.	S	100.00	100.00
Canada	Bureau Veritas Certification Canada 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
Canada	Maxxam Analytics International Corporation	S	100.00	100.00
Central African Republic	BIVAC Export RCA SARL	S	100.00	100.00
Central African Republic	BIVAC Export RCA SARL (Central African Republic branch)	S	100.00	100.00
Chad	BIVAC Tchad SA	S	100.00	100.00
Chad	Bureau Veritas Tchad SAU	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 do Brasil Soc Classificadora e Certificadora, Agencia en Chile (Chile Branch)	S	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	Bureau Veritas Chile SA	S	100.00	100.00
Chile	Centro de Estudios Medicion y Certificacion de Calidad Cesmec SA	S	100.00	100.00
Chile	ECA Control y Asesoramiento SA	S	100.00	100.00
Chile	Inspectorate Servicios de Inspeccion Chile Ltda	S	100.00	100.00
China	ADT (Shanghai) Corporation	S	100.00	100.00
China	Beijing Huali Bureau Veritas Technical Service Co. Ltd.	S	60.00	60.00
China	Beijing Huaxia Supervision Co. Ltd.	S	97.00	100.00
China	BIVAC Asian Cre (Shanghai) Inspection Co. Ltd.	S	100.00	100.00
China	Bizheng Engineering Technical Consulting (Shanghai) Co. Ltd.	S	100.00	100.00
China	Bureau Veritas (Tianjin) Safety Technology Co. Ltd.	S	100.00	100.00
China	Bureau Veritas 7 Layers Communications Technology (Shenzen) Co. Ltd.	S	100.00	100.00
China	Bureau Veritas Certification Beijing Co. Ltd.	S	100.00	100.00
China	Bureau Veritas Certification Hong Kong Ltd.	S	100.00	100.00
China	Bureau Veritas Commodities (Hebei) Co. Ltd.	S	67.00	67.00
China	Bureau Veritas CPS (Shenou) Zhejiang Co. Ltd.	S	51.00	51.00
China	Bureau Veritas CPS Guangzhou Co. Ltd.	S	100.00	100.00
China	Bureau Veritas CPS Hong-Kong (Hsinchu branch)	S	100.00	100.00
China	Bureau Veritas CPS Hong-Kong Ltd.	S	100.00	100.00
China	Bureau Veritas CPS Jiangsu Co. Ltd.	S	51.00	51.00
China	Bureau Veritas CPS Shanghai Co. Ltd.	S	85.00	85.00
China	Bureau Veritas Hong Kong Ltd.	S	100.00	100.00
China	Bureau Veritas Investment (Shanghai) Co. Ltd.	S	100.00	100.00
China	Bureau Veritas LCIE China Company Ltd.	S	100.00	100.00
China	Bureau Veritas Marine China Co. Ltd.	S	100.00	100.00
China	Bureau Veritas Quality Services Shanghai Co. Ltd.	S	100.00	100.00
China	Bureau Veritas Shenzhen Co. Ltd.	S	80.00	80.00
China	Bureau Veritas Solutions Marine & Offshore Ltd.	S	100.00	100.00
China	Bureau Veritas-CQC Testing Technology Co. Ltd.	S	60.00	60.00
China	Bureau Veritas-Fairweather Inspection & Consultants Co. Ltd.	S	100.00	100.00
China	Centre of Testing Service (Ningbo) Co. Ltd.	S	100.00	100.00
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
China	Hangzhou VEO Standards Technical Services Co. Ltd.	S	100.00	65.00
China	Inspectorate (Shanghai) Ltd JV China	S	85.00	85.00
China	MatthewsDaniel Offshore (Hong Kong) Ltd.	S	100.00	100.00
China	NDT Technology Holding Company	S	100.00	100.00
China	Ningbo Hengxin Engineering Testing Co. Ltd.	S	95.80	100.00

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			2018	2017
China	Shandong Chengxin Engineering Consulting & Jianli Co. Ltd.	S	70.00	70.00
China	Shandong Cigna Detection Technology Co. Ltd.	S	70.00	
China	Shandong Hengyuan Engineering Consulting	S	70.00	70.00
China	Shanghai Davis Testing Technology Ltd.	S	100.00	100.00
China	Shanghai Project Management Co. Ltd.	S	68.00	68.00
China	Shanghai TJU Engineering Service Co. Ltd.	S	70.00	70.00
China	SIEMIC (Nanjing-China) Infotech Ltd.	S	100.00	100.00
China	SIEMIC (Shenzhen-China) InfoTech Ltd.	S	100.00	100.00
China	Smart Car Testing and Certification Co.	S	60.00	60.00
China	Wuhu Liansheng Construction Project Management Co. Ltd.	S	80.00	80.00
China	Zhejiang Bureau Veritas CPS Shenyue Co. Ltd.	S	51.00	51.00
China	ICTK Shenzhen Co. Ltd.	S	55.00	55.00
China	Wuhan Detect Technology Company Ltd.	S	100.00	100.00
Colombia	Bureau Veritas Colombia Ltda	S	100.00	100.00
Colombia	BVQI Colombia Ltda	S	100.00	100.00
Colombia	ECA Interventorias Y Consultorias de Colombia Ltd.	S	100.00	100.00
Colombia	PRI Colombia SAS	S	100.00	100.00
Colombia	Tecnicontrol SAS	S	100.00	100.00
Congo	Bureau Veritas Congo SAU	S	100.00	100.00
Côte d'Ivoire	BIVAC Côte d'Ivoire CI SAU	S	100.00	100.00
Côte d'Ivoire	BIVAC Scan Côte d'Ivoire SA	S	61.99	61.99
Côte d'Ivoire	Bureau Veritas Côte d'Ivoire SAU	S	100.00	100.00
Côte d'Ivoire	Bureau Veritas Mineral Laboratories SAU	S	100.00	100.00
Croatia	Bureau Veritas Croatia SARL	S	100.00	100.00
Croatia	Bureau Veritas Solutions Marine & Offshore d.o.o.	S	100.00	
Croatia	Inspectorate Croatia Ltd.	S	100.00	100.00
Cuba	Bureau Veritas SA - Cuba	B	100.00	100.00
Cyprus	Bureau Veritas Cyprus Ltd.	S	100.00	100.00
Czech Republic	Bureau Veritas Czech Republic, spol. 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 A/S	S	100.00	100.00
Denmark	Bureau Veritas HSE Denmark AS	S	100.00	100.00
Denmark	Bureau Veritas SA - Denmark	B	100.00	100.00
Dominican Republic	ACME Analytical Laboratories (R.D.) SRL	S	100.00	100.00
Dominican Republic	Inspectorate Dominicana S.A.	S	100.00	100.00
Ecuador	Andes Control Ecuador SA Ancoesa	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
Egypt	Bureau Veritas Egypt LLC	S	100.00	90.00
Egypt	MatthewsDaniel Int. (Egypt) Ltd.	S	100.00	100.00
Egypt	Watson Gray Egypt Ltd. (UK branch)	S	100.00	100.00
Equatorial Guinea	Bureau Veritas SA – Equatorial Guinea	B	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	B	100.00	100.00
France	BIVAC International SA	S	100.00	100.00
France	BIVAC Mali SAS	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 Construction	S	100.00	100.00
France	Bureau Veritas CPS France SAS	S	100.00	100.00
France	Bureau Veritas Exploitation	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 5	S	100.00	100.00
France	Bureau Veritas Holding 6	S	100.00	100.00
France	Bureau Veritas Holding 7	S	100.00	100.00

Country	Company	Type	% interest	
			2018	2017
France	Bureau Veritas Holding 8	S	100.00	100.00
France	Bureau Veritas Holding France	S	100.00	100.00
France	Bureau Veritas International SAS	S	100.00	100.00
France	Bureau Veritas Laboratoires	S	100.00	100.00
France	Bureau Veritas Marine & Offshore SAS	S	100.00	100.00
France	Bureau Veritas Services France	S	100.00	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	Coreste SAS	S	99.60	99.60
France	Environnement Contrôle Services SAS	S	100.00	100.00
France	GUCEL SAS	S	90.00	90.00
France	Laboratoire Central des Industries Électriques SAS (LCIE)	S	100.00	100.00
France	MEDI Qual SAS	S	100.00	100.00
France	Océanic Développement SAS	S	100.00	100.00
France	SODIA SAS	S	100.00	100.00
France	Transcable Halec SAS	S	100.00	100.00
France	Unicar Group SAS	S	100.00	100.00
French Polynesia	Bureau Veritas SA – Tahiti	B	100.00	100.00
Gabon	Bureau Veritas Gabon SAU	S	100.00	100.00
Georgia	Bureau Veritas Georgie LLC	S	100.00	100.00
Georgia	Inspectorate Georgia LLC	S	100.00	100.00
Germany	7 Layers GmbH	S	100.00	100.00
Germany	BT Mülheim GmbH	S	100.00	100.00
Germany	Bureau Veritas Certification Germany GmbH	S	100.00	100.00
Germany	Bureau Veritas Construction Services GmbH	S	100.00	100.00
Germany	Bureau Veritas CPS Germany 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	Bureau Veritas SA – Germany	B	100.00	100.00
Germany	Bureau Veritas Solutions Marine & Offshore SAS (German Branch)	S	100.00	100.00
Germany	Inspectorate Deutschland GmbH	S	100.00	100.00
Germany	Schutter Deutschland GmbH	S	100.00	100.00
Germany	Unicar Germany GmbH	S	100.00	100.00
Germany	Wireless IP GmbH	S	100.00	100.00
Ghana	BIVAC International Ghana	S	100.00	100.00
Ghana	Bureau Veritas Ghana	S	100.00	100.00
Ghana	Bureau Veritas Oil and Gas Ghana Limited	S	80.00	
Ghana	Inspectorate Ghana Ltd.	S	100.00	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
Guyana	Bureau Veritas Minerals (Guyana) Inc.	S	100.00	100.00
Hungary	Bureau Veritas Magyarorszag	S	100.00	100.00
Iceland	Bureau Veritas EHF	S	100.00	100.00
India	Bhagavathi Ana Labs Private 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	Bureau Veritas Industrial Services Ltd.	S	100.00	100.00
India	Bureau Veritas SA – India	B	100.00	100.00
India	Inspectorate Griffith India Pvt Ltd.	S	100.00	100.00
India	Sievert India Pvt Ltd.	S	100.00	100.00
Indonesia	PT Bureau Veritas AQ Indonesia Lab	S	51.00	
Indonesia	PT Bureau Veritas CPS Indonesia	S	85.00	85.00
Indonesia	PT Bureau Veritas Indonesia LLC	S	100.00	100.00
Indonesia	PT IOL Indonesia	S	100.00	100.00
Indonesia	PT Matthews Daniel International Indonesia	S	80.00	
Iran	Bureau Veritas SA – Iran	B	100.00	100.00
Iran	Inspectorate Iran QESHM Ltd.	S	99.00	99.00
Iraq	Tariq Al Sedak	S	100.00	100.00
Ireland	Bureau Veritas Ireland Ltd.	S	100.00	100.00

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Country	Company	Type	% interest	
			2018	2017
Ireland	Primary Integration Solutions Europe Ltd.	S	76.21	76.90
Italy	Bureau Veritas Certest SRL	S	100.00	100.00
Italy	Bureau Veritas Italia Holding SPA	S	100.00	100.00
Italy	Bureau Veritas Italia Spa	S	100.00	100.00
Italy	Bureau Veritas Nexta SRL	S	100.00	100.00
Italy	Bureau Veritas Solutions Marine & Offshore Italy (Italy Branch)	S	100.00	
Italy	CEPAS Srl	S	100.00	100.00
Italy	Inspectorate Italia SRL	S	100.00	100.00
Jamaica	Inspectorate America Corporation (Jamaica branch)	S	100.00	100.00
Japan	Bureau Veritas Human Tech Co. Ltd.	S	100.00	100.00
Japan	Bureau Veritas Japan Co. Ltd.	S	100.00	100.00
Japan	FEAC Co. Ltd.	S	100.00	
Japan	IPS Tokai Corporation	S	100.00	100.00
Japan	Kanagawa Building Inspection Co. Ltd.	S	100.00	100.00
Jordan	BIVAC for Valuation Jordan LLC	S	100.00	100.00
Kazakhstan	Bureau Veritas Kazakhstan Industrial Services LLP	S	60.00	60.00
Kazakhstan	Bureau Veritas Kazakhstan LLP	S	100.00	100.00
Kazakhstan	Bureau Veritas Marine Kazakhstan LLP	S	100.00	100.00
Kazakhstan	Kazinspectorate Ltd.	S	100.00	100.00
Kenya	Bureau Veritas Kenya Limited	S	99.90	99.90
Kuwait	Bureau Veritas SA – Kuwait	B	100.00	100.00
Kuwait	Inspectorate International Ltd Kuwait	S	100.00	100.00
Kyrgyzstan	Bureau Veritas Kyrgyzstan (Rep Office BV KZ)	S	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	BIVAC Rotterdam (Lebanon branch)	S	100.00	100.00
Lebanon	Bureau Veritas Liban SAL	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	Bureau Veritas Luxembourg SA	S	100.00	100.00
Luxembourg	Soprefira SA	S	100.00	100.00
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	MatthewsDaniel (Malaysia) Sdn Bhd	S	100.00	100.00
Malaysia	Permulab Sdn Bhd	S	35.70	
Malaysia	Schutter Malaysia Sdn Bhd	S	100.00	100.00
Malaysia	Scientige Sdn Bhd	S	100.00	100.00
Mali	Bureau Veritas Mali SA	S	100.00	100.00
Malta	Bureau Veritas SA – Malta	B	100.00	100.00
Malta	Inspectorate Malta Ltd.	S	100.00	100.00
Mauritania	Bureau Veritas SA – Mauritania	B	100.00	100.00
Mauritius	Bureau Veritas SA – Mauritius	B	100.00	100.00
Mexico	Bureau Veritas CPS Mexico SA de CV	S	100.00	100.00
Mexico	Bureau Veritas Mexicana SA de CV	S	100.00	100.00
Mexico	BVQI Mexicana SA de CV	S	100.00	100.00
Mexico	CH Mexico International I sociedad de responsabilidad Limitada de C.V.	S	100.00	100.00
Mexico	Chas Martin Mexico City Inc.	S	100.00	100.00
Mexico	GS COVI SA DE CV	S	75.00	75.00
Mexico	Ingeniería, Control y Administración, S.A. de C.V. (INCA)	S	100.00	100.00
Mexico	Inspectorate de Mexico SA de CV	S	100.00	100.00
Mexico	MatthewsDaniel Company Inc. (Mexico branch)	S	100.00	100.00
Mexico	Supervisores de Construcción y Asociados, S.A. De C.V.	S	100.00	100.00
Mexico	Unicar Automotive Inspection Mexico LLC	S	100.00	100.00
Monaco	Bureau Veritas Monaco SAM AU	S	100.00	100.00

Country	Company	Type	% interest	
			2018	2017
Mongolia	Bureau Veritas Inspection & Testing Mongolia LLC	S	100.00	100.00
Morocco	Bureau Veritas Morocco SA	S	100.00	100.00
Morocco	Bureau Veritas SA – Morocco	B	100.00	100.00
Morocco	Labomag	S	51.00	
Morocco	Qualimag	S	51.55	
Mozambique	Bureau Veritas - Laboratorios de Tete Ltd.	S	66.66	66.66
Mozambique	Bureau Veritas Mozambique Ltda	S	100.00	100.00
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	Bureau Veritas Marine Netherlands BV	S	100.00	100.00
Netherlands	Bureau Veritas Nederland Holding	S	100.00	100.00
Netherlands	Certificatie Instelling Voor Beveiliging en Veiligheid BV	S	100.00	100.00
Netherlands	Inspectorate BV	S	100.00	100.00
Netherlands	Inspectorate Curaçao NV	S	100.00	100.00
Netherlands	Inspectorate II BV	S	100.00	100.00
Netherlands	Inspectorate Inpechem Inspectors BV	S	100.00	100.00
Netherlands	IOL Investments BV	S	100.00	100.00
Netherlands	Risk Control BV	S	100.00	100.00
Netherlands	Schutter Certification BV	S	100.00	100.00
Netherlands	Schutter Groep BV	S	100.00	100.00
Netherlands	Schutter Havenbedrijf 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	B	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
Norway	MatthewsDaniel International (Norge) A/S	S	100.00	100.00
Oman	Bureau Veritas Middle East Co. LLC	S	70.00	70.00
Oman	Sievert Technical Inspection LLC	S	70.00	70.00
Pakistan	Bureau Veritas CPS Pakistan Ltd.	S	80.00	80.00
Pakistan	Bureau Veritas Pakistan (Private) Ltd.	S	100.00	100.00
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 S.A.C	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	Bureau Veritas SA – Philippines	B	100.00	100.00
Philippines	BVCPS Philippines	S	100.00	100.00
Philippines	Inspectorate Philippines Corporation	S	80.00	80.00
Philippines	Inspectorate UK International Ltd. (Philippines branch)	S	100.00	100.00
Philippines	Schutter Philippines Inc.	S	100.00	100.00
Poland	Bureau Veritas Polska Spolka z ograniczona odpowiedzialnoscia	S	100.00	100.00
Portugal	BIVAC Iberica Unipessoal, Lda	S	100.00	100.00
Portugal	Bureau Veritas Certification Portugal SARL	S	100.00	100.00
Portugal	Bureau Veritas Rinave Sociedade Unipessoal Lda	S	100.00	100.00
Portugal	Inspectorate Portugal SA	S	100.00	100.00
Portugal	Registro International Naval – Rinave SA	S	100.00	100.00
Puerto Rico	Inspectorate America Corporation Puerto Rico	S	100.00	100.00
Qatar	Bureau Veritas International Doha LLC	S	100.00	100.00
Qatar	Bureau Veritas SA – Qatar	B	100.00	100.00
Qatar	Inspectorate International Ltd Qatar LLC	S	97.00	49.00
Qatar	Sievert International Inspection WLL	S	100.00	34.30
Romania	Bureau Veritas Romania Controle International Srl	S	100.00	100.00

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			2018	2017
Romania	Inspect Balkan SRL	S	100.00	100.00
Russia	Bureau Veritas Certification Russia	S	100.00	100.00
Russia	Bureau Veritas Rus OAO	S	100.00	100.00
Russia	JSC Inspectorate Russia	S	100.00	100.00
Russia	LLC MatthewsDaniel International (Rus)	S	100.00	100.00
Russia	Unicar Russia LLC	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 SA - Saudi Arabia	B	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
Senegal	Bureau Veritas Sénégal SAU	S	100.00	100.00
Serbia	Bureau Veritas Serbia d.o.o.	S	100.00	100.00
Singapore	AsureQuality Singapore Pte. Ltd.	S	51.00	
Singapore	7Layers Asia Private Ltd.	S	100.00	100.00
Singapore	Atomic Technologies Pte Ltd.	S	100.00	100.00
Singapore	Bureau Veritas Marine Singapore Pte Ltd.	S	100.00	100.00
Singapore	Bureau Veritas Singapore Pte Ltd.	S	100.00	100.00
Singapore	Bureau Veritas Solutions Marine and Offshore SAS (Singapore Branch)	S	100.00	100.00
Singapore	CKM Consultants 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	Schutter Inspection Services Pte Ltd.	S	100.00	100.00
Singapore	Sievert Veritas Pte Ltd.	S	51.00	100.00
Singapore	TMC Marine 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 Gazelle (Pty) Ltd.	S	70.00	70.00
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	Bureau Veritas South Africa (Pty) Ltd.	S	76.00	70.00
South Africa	Bureau Veritas Testing and Inspections South Africa (Pty) Ltd.	S	100.00	100.00
South Africa	Carab Technologies (Pty) Ltd.	S	76.00	70.00
South Africa	M&L Laboratory Services (Pty) Ltd.	S	73.30	73.30
South Africa	Tekniva (Pty) Ltd.	S	76.00	70.00
South Korea	Bureau Veritas CPS ADT Korea Ltd.	S	100.00	100.00
South Korea	Bureau Veritas CPS Korea Limited	S	100.00	100.00
South Korea	Bureau Veritas Korea Co. Ltd.	S	100.00	100.00
South Korea	Bureau Veritas SA - South Korea	B	100.00	100.00
South Korea	ICTK Korea	S	55.00	55.00
Spain	Activa, Innovación Y Servicios, SAU	S	100.00	100.00
Spain	Bureau Veritas Formacion SAU	S	95.00	95.00
Spain	Bureau Veritas Iberia SL	S	100.00	100.00
Spain	Bureau Veritas Inversiones SL	S	100.00	100.00
Spain	Entidad Colaborada De La Administración SLU	S	100.00	100.00
Spain	Inspectorate Española SAU	S	100.00	100.00
Spain	Instituto De La Calidad, SAU	S	100.00	100.00
Spain	Lubrication Management SL	S	100.00	
Spain	Unicar Spain SRL	S	100.00	100.00
Sri Lanka	Bureau Veritas CPS Lanka (Pvt) Ltd.	S	100.00	100.00
Sri Lanka	Bureau Veritas Lanka Private Ltd.	S	100.00	100.00
Sweden	Bureau Veritas Certification Sverige AB Ltd.	S	100.00	100.00
Sweden	Bureau Veritas SA – Sweden	B	100.00	100.00
Switzerland	Bureau Veritas Switzerland AG	S	100.00	100.00
Switzerland	Inspectorate Suisse SA	S	100.00	100.00
Syria	BIVAC Rotterdam (Syria branch)	S	100.00	100.00
Taiwan	Advance Data Technology Corporation	S	99.10	99.10
Taiwan	Bureau Veritas Certification Taiwan Co. Ltd.	S	100.00	100.00
Taiwan	Bureau Veritas CPS Hong Kong Ltd. (Taiwan branch)	S	100.00	100.00

Country	Company	Type	% interest	
			2018	2017
Taiwan	Bureau Veritas CPS Hong-Kong Ltd. (Taiwan branch)	S	100.00	100.00
Taiwan	Bureau Veritas SA – Taiwan	B	100.00	100.00
Taiwan	Bureau Veritas Taiwan Ltd.	S	100.00	100.00
Taiwan	SIEMIC Inc. (Taiwan branch)	S	100.00	100.00
Tanzania	Bureau Veritas Tanzania Ltd.	S	100.00	100.00
Tanzania	Bureau Veritas-USC Tanzania Ltd.	S	60.00	60.00
Thailand	Bureau Veritas AQ Lab Thailand Ltd.	S	51.00	
Thailand	Bureau Veritas Certification Thailand Ltd.	S	49.00	49.00
Thailand	Bureau Veritas CPS Thailand Ltd.	S	100.00	100.00
Thailand	Bureau Veritas Thailand Ltd.	S	49.00	49.00
Thailand	Inspectorate (Thailand) Co. Ltd.	S	100.00	100.00
Thailand	MatthewsDaniel International (Thailand) Ltd.	S	100.00	100.00
Thailand	Sievert Thailand Ltd.	S	100.00	100.00
Togo	Bureau Veritas Togo SARLU	S	100.00	100.00
Togo	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	49.90
Turkey	ACME Analitik Lab. Hizmetleri Ltd Sirketi	S	100.00	100.00
Turkey	Bureau Veritas CPS Test Laboratuvarlari Ltd Sirketi	S	100.00	100.00
Turkey	Bureau Veritas Deniz ve Gemi Siniflandirma Hizmetleri Ltd Sirketi	S	100.00	100.00
Turkey	Bureau Veritas Gozetim Hizmetleri Ltd Sirketi	S	100.00	100.00
Turkey	Inspectorate Uluslararası Gozetim Servisleri AS	S	100.00	100.00
Turkmenistan	Inspectorate Suisse SA (Turkmenistan branch)	S	100.00	100.00
Uganda	Bureau Veritas Uganda Limited	S	100.00	100.00
Ukraine	Bureau Veritas Certification Ukraine	S	100.00	100.00
Ukraine	Bureau Veritas Ukraine Ltd.	S	100.00	100.00
Ukraine	Inspectorate Ukraine LLC	S	100.00	100.00
United Arab Emirates	Bureau Veritas SA – Abu Dhabi	B	100.00	100.00
United Arab Emirates	Bureau Veritas SA – Dubai	B	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	MatthewsDaniel Services Bermuda Ltd. (Abu Dhabi branch)	S	100.00	100.00
United Arab Emirates	Sievert Emirates Inspection LLC	S	49.00	49.00
United 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 CPS UK Ltd.	S	100.00	100.00
United Kingdom	Bureau Veritas SA – United Kingdom	B	100.00	100.00
United Kingdom	Bureau Veritas UK Holdings Limited	S	100.00	100.00
United Kingdom	Bureau Veritas UK Ltd.	S	100.00	100.00
United Kingdom	HCD Building Control Ltd.	S	100.00	100.00
United Kingdom	HCD Eng. Ltd.	S	100.00	100.00
United Kingdom	HCD Group Ltd.	S	100.00	100.00
United Kingdom	HCD Management Ltd.	S	100.00	100.00
United Kingdom	HCD Specialist Services Ltd.	S	100.00	100.00
United Kingdom	Inspectorate Holdings PLC	S	100.00	100.00
United Kingdom	Inspectorate International Ltd.	S	100.00	100.00
United Kingdom	Maritime Assurance & Consulting Ltd.	S	100.00	100.00
United Kingdom	MatthewsDaniel Holdings Ltd.	S	100.00	100.00
United Kingdom	MatthewsDaniel International (Africa) Ltd.	S	100.00	100.00
United Kingdom	MatthewsDaniel International (London) Ltd.	S	100.00	100.00
United Kingdom	MatthewsDaniel Ltd.	S	100.00	100.00
United Kingdom	TMC (Marine Consultants) Ltd.	S	100.00	100.00
United Kingdom	TMC OFFSHORE Ltd.	S	100.00	100.00
United Kingdom	UCM Global Ltd.	S	100.00	100.00
United Kingdom	Unicar GB Ltd.	S	100.00	100.00
United Kingdom	Watson Gray Ltd.	S	100.00	100.00
United States	7 Layers Inc.	S	100.00	100.00
United States	BIVAC North America Inc.	S	100.00	100.00
United States	Bureau Veritas Certification North America Inc.	S	100.00	100.00
United States	Bureau Veritas CPS Inc.	S	100.00	100.00
United States	Bureau Veritas Holdings Inc.	S	100.00	100.00

Financial statements

5.1 Consolidated financial statements

Country	Company	Type	% interest	
			2018	2017
United States	Bureau Veritas Marine Inc.	S	100.00	100.00
United States	Bureau Veritas North America Inc.	S	100.00	100.00
United States	California Code check Inc.	S	100.00	100.00
United States	Clampett Industries LLC/DBA EMG	S	86.00	
United States	Curtis Strauss LLC	S	100.00	100.00
United States	EMG Holding Corporation	S	86.00	
United States	EMG Holding LLC	S	86.00	
United States	EMG Subsidiary Corporation	S	86.00	
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	MatthewsDaniel Company Inc.	S	100.00	100.00
United States	National Elevator Inspection Services Inc.	S	100.00	100.00
United States	OneCIS Insurance Company	S	100.00	100.00
United States	Primary Integration Acquisition Co.	S	76.21	76.90
United States	Primary Integration Solutions, Inc.	S	76.21	76.90
United States	Quality Project Management LLC	S	86.00	
United States	Quiktrak Inc.	S	100.00	100.00
United States	SIEMIC Inc.	S	100.00	100.00
United States	TMC Marine Inc.	S	100.00	100.00
United States	Unicar USA Inc.	S	100.00	100.00
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	
Venezuela	Bureau Veritas de Venezuela	S	100.00	100.00
Venezuela	BVQI Venezuela SA	S	100.00	100.00
Vietnam	Bureau Veritas AQ Vietnam Company Ltd.	S	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	Bureau Veritas 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

In accordance with IAS 27.13, the aforementioned entities are all fully consolidated since they are controlled by the Group. The Group has the majority of the voting rights in these entities or governs their financial and operating policies.

Companies accounted for by the equity method

Country	Company	Type	% interest	
			2018	2017
China	Beijing 7Layers Huarui Communications Technology Co. Ltd.	S	50.00	50.00
France	Assistance Technique et Surveillance Industrielle - ATSI SA	S	49.92	49.92
Japan	Japan Analysts Co. Inc.	S	50.00	50.00
Jordan	Middle East Laboratory Testing & Technical Services JV	S	50.00	50.00
Russia	Bureau Veritas Safety LLC	S	49.00	49.00

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, 2018

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, 2018.

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, 2018 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, 2018 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, which describes the first-time application of IFRS 9, Financial Instruments and IFRS 15, Revenue from Contracts with Customers.

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 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 3.14 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 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, 2018, Group revenue amounted to €4,795.5 million, including €327.5 million recorded on the balance sheet as work-in-progress.

Given (i) the materiality of its impact on the consolidated financial statements, (ii) the use of estimates to determine the percentage of 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. We also verified that the method used complies with IFRS 15, which was applied with effect from January 1, 2018.

Our audit approach consisted primarily in:

- verifying that the principles used to recognize revenue within the Group as defined by the Group Management Manual (GMM) were consistently applied;
- analyzing the accounting processes implemented and the configuration of the various management software programs 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, analyzing 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 a net total of €2,524.8 million in goodwill and intangible assets resulting from customer relationships.

Goodwill impairment test

Net goodwill in the consolidated balance sheet amounted to €2,011.6 million at December 31, 2018.

The impairment tests consist of comparing the carrying amount with the recoverable amount of each group of CGUs based on the discounted future cash flows estimated by management. If the recoverable amount of a group of CGUs is less than its carrying amount, an impairment loss is recorded.

At December 31, 2018, no impairment had been recorded for goodwill for any of the six CGU groups.

Customer relationships impairment test

At December 31, 2018, the Group's net amortizable intangible assets amounted to €634.6 million, including €513.3 million for customer relationships resulting from the allocation of the purchase price for various acquisitions.

The Group has implemented an annual review procedure for material 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 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 2019 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 corroborated the information provided to us with external market data (analysts' notes, sector studies, etc.).

Lastly, we 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).

Contract-related disputes and other provisions for liabilities and charges**Description of risk**

At December 31, 2018, provisions for liabilities and charges amounted to €105.1 million, including €44.3 million in provisions for contract-related disputes and €60.8 million in other provisions for liabilities and charges, comprising provisions for tax risks and restructuring. An analysis of the provisions and changes thereto is provided in Note 25 of 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 3.12, 6 and 25 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.

Other provisions for liabilities and charges

Other provisions for liabilities and charges consist mainly in provisions for restructuring and for tax risks.

Provisions for restructuring correspond to the restructuring plans announced before December 31, 2018 and that were still ongoing at that date. The costs of the ongoing plans are estimated based on assumptions made by management regarding the effective roll-out of these plans.

As regards tax audits, 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 risk of an adjustment further to a tax audit 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 these provisions for restructuring and 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 riskProvisions for 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 in 2018 and obtained information on the changes made to it since December 31, 2017.

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, Gabon Express airplane crash), 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 Note 3.12 and Note 25 to the consolidated financial statements.

Provisions for restructuring

We reviewed the ongoing restructuring plans and analyzed the inputs of provisions recognized at the end of the reporting period, in particular the authorizations obtained from management before the plans were implemented, the characteristics of each plan, and the estimates produced by the local Finance departments.

Provisions for tax risks

We gained an understanding of the centralized procedure implemented by Group management to identify tax risks and disputes and, where appropriate, estimate the corresponding provision required.

With the help of our tax experts, we examined the estimates made by management when provisioning for 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.

Lastly, we examined the appropriateness of the disclosures provided in Note 3.12 and Note 25 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 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, 2018, PricewaterhouseCoopers Audit was in the 27th year of total uninterrupted engagement and the 12th year since the securities of the Company were admitted to trading on a regulated market, and Ernst & Young was in the 3rd 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 & 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 15, 2019

The Statutory Auditors

PricewaterhouseCoopers Audit
François Guillon

Ernst & Young Audit
Nour-Eddine Zanouda

5.2 Bureau Veritas SA statutory financial statements

Balance sheet at December 31

(€ thousands)	Notes	Gross value	Depr., amort. and impairment	2018 net	2017 net
Intangible assets	1	1,255	(1,185)	70	87
Tangible assets	1	14,555	(9,893)	4,662	4,621
Long-term investments	1 & 2	2,137,202	(26,851)	2,110,351	2,112,789
Total non-current assets		2,153,012	(37,929)	2,115,083	2,117,497
Work-in-progress		4,192		4,192	3,627
Trade receivables	4	203,296	(12,696)	190,600	184,524
Other receivables	4	2,248,404	(24,688)	2,223,716	2,069,679
Marketable securities	4	604,097		604,097	6,592
Treasury shares		119,874		119,874	106,856
Cash at bank and on hand		143,239		143,239	136,062
Total current assets		3,323,102	(37,384)	3,285,718	2,507,340
Accrual accounts					
Prepaid expenses	4	5,976		5,976	8,841
Unrealized currency translation losses		2,999		2,999	4,616
TOTAL ASSETS		5,485,089	(75,313)	5,409,776	4,638,294
Share capital				53,066	53,040
Share premiums				39,985	37,510
Reserves and retained earnings				761,273	716,960
Net profit				339,207	287,321
Regulated provisions				973	973
Total equity	3			1,194,504	1,095,804
Provisions for liabilities and charges	5			72,833	71,039
Payables					
Borrowings and debt	4			2,826,920	2,264,004
Trade payables	4			184,067	179,231
Other payables	4			1,115,603	1,011,782
Accrual accounts					
Prepaid income	4			15,138	16,200
Unrealized currency translation gains				711	234
TOTAL EQUITY AND LIABILITIES				5,409,776	4,638,294

Income statement

(€ thousands)	Notes	2018	2017
Revenue	7	245,028	268,388
Other income	7	203,107	240,904
Total operating income		448,135	509,292
Operating expenses			
Supplies		(37)	(77)
Other purchases and external charges		(100,766)	(117,125)
Taxes other than on income		(7,119)	(6,259)
Wages and salaries		(109,328)	(123,332)
Payroll taxes		(27,243)	(30,906)
Other expenses		(135,262)	(153,061)
Charges in provisions for operating items		(522)	135
Depreciation and amortization		(1,294)	(2,022)
Operating profit		66,564	76,645
Net financial income	8	245,486	146,844
Profit from ordinary operations before income tax		312,050	223,489
Net exceptional income	9	23,293	36,646
Employee profit-sharing		-	(6)
Income tax benefit	10	3,864	27,192
NET PROFIT		339,207	287,321

Statement of cash flows

(€ thousands)	2018	2017
Cash flow from operations	297,525	259,877
Change in working capital	38,600	(13,168)
Net cash from operating activities	336,125	246,709
Capital expenditure	(1,307)	(912)
Acquisitions of equity interests	(124,460)	(6,616)
Sales of equity interests	33,208	29,752
Sales of non-current assets	89	19
Change in loans and other financial assets	139,482	(29,196)
Net cash from (used in) investing activities	47,012	(6,953)
Capital increase	2,501	3,159
Purchases of treasury shares, net	(20,081)	(25,308)
Dividends paid	(243,678)	(239,794)
Net cash used in financing activities	(261,258)	(261,943)
Increase (decrease) in gross debt	479,807	(539,900)
Increase (decrease) in cash and cash equivalents	601,686	(562,087)
Cash and cash equivalents at beginning of year	142,534	704,621
Cash and cash equivalents at end of year	744,220	142,534

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 | Between 5 and 10 years |

Tangible assets:

- | | |
|--------------------|------------------------|
| • vehicles | Between 4 and 5 years |
| • office equipment | Between 5 and 10 years |
| • IT equipment | Between 3 and 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, bankruptcy or legal reorganization proceedings), or whether the debtor is involved in any technical disputes.

Marketable securities

Marketable securities are carried at cost. 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.

Since there are no corresponding hedging instruments, translation losses are covered by a provision for the same amount in liabilities.

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 it has a present legal obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and 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 which 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 translations gains**

This account includes gains on the translation of the Company's foreign currency receivables and payables at the year-end rate.

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 swaps, 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 are not material are valued using the completed contract method.

Other operating income includes mainly 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 the local regulations in the countries where the Company's branches are located. Depreciation and amortization are calculated 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.

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 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 pursuant to articles 223 et seq. of the French Tax Code (*Code général des impôts*).

2018 highlights

Dividends paid

Pursuant to the resolutions adopted by the May 15, 2018 Shareholders' Meeting, on May 22, 2018 the Company paid eligible shareholders a dividend of €0.56 per share, representing a total payout of €243.7 million.

Financing

The Company carried out the following financing transactions in 2018:

- placement of a €200 million, unrated, zero-coupon fixed-rate note with a 13-month maturity;
- signature of a €600 million multicurrency syndicated credit facility replacing the previous €450 million syndicated facility. This new facility has a five-year maturity, with two one-year extension options which can be exercised in 2019 and 2020;
- issuance of a €500 million, unrated, 1.875% bond maturing in January 2025, intended to refinance the EUR debt maturing in 2019 for a total of €444 million.

Notes to the statutory financial statements

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Note 1 Non-current assets

NON-CURRENT ASSETS – GROSS VALUES

(€ thousands)	January 1, 2018	Increases	Decreases	Reclassifications and other movements	Currency translation differences	December 31, 2018
Other intangible assets	1,284	13	(5)	-	(37)	1,255
Intangible assets	1,284	13	(5)	-	(37)	1,255
Fixtures and fittings	2,952	45	(805)	98	28	2,318
Machinery and equipment	1,744	508	(95)	278	75	2,510
Vehicles	1,094	57	(138)	-	29	1,042
Furniture and office equipment	4,315	328	(179)	39	111	4,614
IT equipment	3,987	338	(345)	-	74	4,054
Tangible assets in progress	410	18	-	(415)	4	17
Tangible assets	14,502	1,294	(1,562)	-	321	14,555
Investments in subsidiaries and affiliates	1,928,733	125,698	(6,889)	4,861	-	2,052,403
Investments in non-consolidated companies	231	-	-	-	-	231
Deposits, guarantees and receivables	216,441	5,649	(145,131)	-	(40)	76,919
Treasury shares	6,443	92,052	(90,846)	-	-	7,649
Long-term investments	2,151,848	223,399	(242,866)	4,861	(40)	2,137,202
TOTAL	2,167,634	224,706	(244,433)	4,861	244	2,153,012

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 options or performance share plans or (ii) cancel the repurchased shares.

At December 31, 2018, the Company held 413,355 own shares classified in long-term investments, i.e., 193,143 shares held in connection with the liquidity agreement and 220,212 shares to be canceled.

DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF NON-CURRENT ASSETS

(€ thousands)	January 1, 2018	Increases	Decreases	Currency translation differences	December 31, 2018
Other intangible assets	(1,197)	(33)	5	40	(1,185)
Intangible assets	(1,197)	(33)	5	40	(1,185)
Fixtures and fittings	(1,526)	(208)	797	(12)	(949)
Machinery and equipment	(1,165)	(235)	57	(41)	(1,384)
Vehicles	(988)	(64)	134	(28)	(946)
Furniture and office equipment	(2,867)	(346)	146	(76)	(3,143)
IT equipment	(3,335)	(408)	342	(70)	(3,471)
Tangible assets	(9,881)	(1,261)	1,476	(227)	(9,893)
Investments in subsidiaries and affiliates	(38,904)	(3,107)	15,461	-	(26,550)
Investments in non-consolidated companies	(150)	-	-	-	(150)
Deposits, guarantees and receivables	(5)	(146)	-	-	(151)
Treasury shares	-	-	-	-	-
Long-term investments	(39,059)	(3,253)	15,461	-	(26,851)
TOTAL	(50,137)	(4,547)	16,942	(187)	(37,929)

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

(in thousands)	Share capital in local currency	Reserves in local currency	Average exchange rate		% interest
			Local currency	2018	
Bureau Veritas International SAS	843,677	379,587	EUR	1.000	100.00%
Bureau Veritas Holdings Inc.	1	277,694	USD	0.847	100.00%
Bureau Veritas Services SAS	3,778	183,308	EUR	1.000	100.00%
Bureau Veritas do Brasil Sociedade Classificadora e Certificadora Ltda	343,344	119,043	BRL	0.232	99.62%
Bureau Veritas Investment (Shanghai) Co., Ltd.	575,837	(72,920)	CNY	0.128	100.00%
Bureau Veritas Colombia Ltda	38,105,329	63,774,852	COP	0.000	100.00%
Bureau Veritas Japan Co. Ltd.	351,399	670,320	JPY	0.008	100.00%
Bureau Veritas Commodities Canada Ltd.	72,000	(62,437)	CAD	0.654	58.00%
Bureau Veritas Marine & Offshore SAS	10,001	(3,942)	EUR	1.000	100.00%
Bureau Veritas (India) Private Ltd.	877	1,036,817	INR	0.012	91.61%
Bureau Veritas Consumer Products Services (India) Private Ltd.	22,445	928,688	INR	0.012	100.00%
Bureau Veritas del Peru SA	24,046	(1,855)	PEN	0.258	99.69%
Bureau Veritas Argentina SA	5,984	271,835	ARS	0.030	59.74%
Rinave - Registro Internacional Naval SA	250	(94)	EUR	1.000	100.00%
Bureau Veritas Quality Services (Shanghai) Co. Ltd.	17,890	3,460	CNY	0.128	100.00%
PT Bureau Veritas Consumer Products Services Indonesia	2,665,000	50,237	IDR	0.000	85.00%
PT Bureau Veritas Indonesia LLC	21,424,058	(179,828)	IDR	0.000	99.00%
Bureau Veritas Senegal SAU	840,400	63,113	XOF	0.002	100.00%
Soprefira	1,262	33,467	EUR	1.000	99.98%
Bureau Veritas Slovakia Spol s r. o.	423	70	EUR	1.000	100.00%
Bureau Veritas Consumer Products Services Test Laboratuvarlari Ltd. Sti	3,350	1,442	TRY	0.175	99.00%
Bureau Veritas Consumer Products Services Bangladesh Ltd.	10	1,485,746	BDT	0.010	98.00%
Bureau Veritas Consumer Products Services France SAS	143	14	EUR	1.000	100.00%
Affiliates (less than 50%-owned by the Company)					
Bureau Veritas Inversiones SA	15,854	3,271	EUR	1.000	24.00%
CEPAS S.R.L.	75	665	EUR	1.000	10.64%
Bureau Veritas Chile SA	3,482,201	14,349,039	CLP	0.001	45.59%
SUBTOTAL					

Financial statements
5.2 Bureau Veritas SA statutory financial statements

Book value of shares held		Loans and advances granted	Guarantees and endorsements provided by the Company	Last published revenue	Last published net profit/(loss)	Dividends received by the Company during the year
Gross	Net					
1,270,571	1,270,571	1,085,844			183,395	221,992
200,313	200,313	149,785	310,044		8,030	
196,395	196,395	64,175			4,062	
119,471	119,471			94,514	5,920	2,807
78,424	78,424	30,617	21,873	32,364	27,906	901
29,825	29,825	68		38,095	(435)	
22,928	22,928			86,264	11,108	9,858
31,971	14,712	48,719		25,280	2,504	
13,501	13,501	32,260	2,500	94,052	2,153	
13,301	13,301			37,481	1,711	2,532
5,822	5,822			21,566	3,402	3,018
4,334	4,334	2,535		18,149	964	2,447
3,938	3,938	2,418		41,983	1,808	2,595
4,378	2,500			162	(51)	
2,214	2,214			33,645	3,270	
1,901	1,901			7,154	1,339	
1,477	1,477	2,758		14,646	14,975	
1,281	1,281		805	6,098	(40)	811
1,262	1,262		28,480			
1,144	1,144			1,611	62	46
1,138	1,138	320		10,632	1,408	
675	675			22,204	8,985	
1,496	666			3,956	(48)	121
31,370	31,370	22,934			6,856	1,047
1,216	1,216	29		2,492	911	66
1,109	1,109	18,656		49,395	(22)	1,519
2,041,457	2,021,491	1,461,117	363,702	641,744	289,973	249,782

B. General information about other subsidiaries and affiliates

(in thousands)	Share capital in local currency	Reserves in local currency	Local currency	Average exchange rate	
				2018	% interest
Bureau Veritas Nigeria Ltd.	40,000	(1,371,184)	NGN	0.002	60.00%
Bureau Veritas Liban SAL	752,000	224,236	LBP	0.001	99.93%
Bureau Veritas Industrial Services Ltd.	1,933	122,024	INR	0.012	100.00%
Bureau Veritas Guinea SAU	12,053,850	(9,989,148)	GNF	0.000	100.00%
Bureau Veritas Togo SARLU	1,000	(98,041)	XOF	0.002	100.00%
Bureau Veritas Vietnam Ltd.	4,024,900	5,431	VND	0.000	100.00%
Bureau Veritas Gozetim Hizmetleri Ltd. Sirketi	2,241	14,338	TRY	0.175	94.17%
Bureau Veritas Polska Spolka z.o.o	1,470	3,088	PLN	0.235	86.40%
Bureau Veritas CPS SDN BHD	500	13,431	MYR	0.210	100.00%
Bureau Veritas Consumer Products Services Vietnam Ltd.	2,387,550	50,071	VND	0.000	100.00%
Bureau Veritas Latvia Ltd.	249		EUR	1.000	100.00%
Bureau Veritas Congo SAU	69,980	(728,906)	XAF	0.002	100.00%
Bureau Veritas Magyarorszag Kft (Ltd)	8,600	1,179	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	23,958	MXN	0.044	99.34%
Bureau Veritas Azeri Ltd.	74	1,813	AZN	0.502	100.00%
Bureau Veritas Ecuador SA	3	123	USD	0.847	69.23%
Bureau Veritas Panama SA	50		PAB	0.847	100.00%
Bureau Veritas Lanka Private Ltd.	5,000	73,499	LKR	0.005	99.99%
Bureau Veritas Bulgaria Ltd.	85	155	BGN	0.511	100.00%
Bureau Veritas Lithuania Ltd.	43	4	EUR	1.000	100.00%
Bureau Veritas Pakistan (Private) Ltd.	2,000	124,239	PKR	0.007	99.00%
Bureau Veritas Egypt LLC	100	105,495	EGP	0.048	90.00%
Bureau Veritas Kenya Limited	2,000	(145,040)	KES	0.008	99.99%
Bureau Veritas Bel Ltd.	4	(390)	BYN	0.416	99.00%
Bureau Veritas Estonia	15	16	EUR	1.000	100.00%
Bureau Veritas Algérie SARL	500	57,507	DZD	0.007	99.80%
Bureau Veritas d.o.o Beograd	315	(57,747)	RSD	0.008	100.00%
Bureau Veritas de Venezuela			VES	0.001	100.00%
Bureau Veritas Bénin SARL	1,000	148,705	XOF	0.002	100.00%
Bureau Veritas Mali SA	10,000	(378,618)	XOF	0.002	100.00%
Bureau Veritas Tchad SAU	10,000	(50,735)	XAF	0.002	100.00%
Bureau Veritas Douala SAU	433,050	(53,665)	XAF	0.002	100.00%
Bureau Veritas Gabon SAU	919,280	150,029	XAF	0.002	100.00%
Bureau Veritas Consumer Products Services Thailand Ltd.	8,000	(21,057)	THB	0.026	99.99%
Bureau Veritas Luxembourg SA	31	(172)	EUR	1.000	99.90%
Bureau Veritas Angola Limitada	1,980	(5,570,262)	AOA	0.003	99.00%
Bureau Veritas Saudi Arabia Testing Services Ltd.	2,000	198	SAR	0.226	75.00%
Coreste SAS	75	(1,920)	EUR	1.000	99.60%
Bureau Veritas Holding 4 SAS	1	(3)	EUR	1.000	100.00%
Affiliates (less than 50%-owned by the Company)					
Bureau Veritas Marine China Co. Ltd.	50,000	37,308	CNY	0.128	6.00%
Société Tunisienne de Contrôle Veritas SA	2,400	2,370	TND	0.322	49.88%
Bureau Veritas Thailand Ltd.	4,000	(47,220)	THB	0.026	49.00%
ATSI SA	80	698	EUR	1.000	50.00%
Bureau Veritas Italia SPA	4,472	6,205	EUR	1.000	11.63%
Bureau Veritas Chile Capacitacion Ltd.	9,555	106,918	CLP	0.001	1.30%
BIVAC International SA	5,337	524	EUR	1.000	0.01%
Bureau Veritas Consumer Products Services Guatemala SA		7,381	GTQ	0.113	1.67%
Bureau Veritas Fiscalizadora Boliviana SRL	100	516	BOB	0.123	1.00%
TOTAL					

Financial statements
5.2 Bureau Veritas SA statutory financial statements

Book value of shares held		Loans and advances granted	Guarantees and endorsements provided by the Company	Last published revenue	Last published net profit/(loss)	Dividends received by the Company during the year
Gross	Net					
507	507	309		4,930	5,589	251
446	446			3,363	289	248
356	356			2,621	757	59
2,099	334	4,507		2,830	5	
391	306	1,025		1,901	483	
273	273			7,557	394	700
185	185			16,635	1,200	658
152	152			16,521	2,266	1,900
132	132			1,142	152	267
127	127			24,862	8,597	6,323
111	111			2,604	339	386
107	107	2,240		9,045	1,506	203
92	92			3,963	295	265
79	79			1,383	230	348
68	68			3,680	453	
60	60		8,384	1,252	(1,111)	
55	55			2,386	138	91
47	47	237		4,979	1,214	1,598
47	47			1,580	351	123
45	45			2,016	435	177
30	30			2,814	237	306
25	25			3,802	(110)	
22	22			5,526	1,388	7,466
19	19	797		5,961	2,960	381
15	15	143		783	122	
15	15			2,294	218	215
5	5	743		1,581	(387)	
4	4			1,400	803	190
782				5	648	
2		653		198	(164)	318
149		18,009		10,644	2,024	
15		1,409		529	(456)	
657		1,704		4,730	(612)	384
1,376		2,116		1,416	(3,141)	
275		3,597		1,656	(570)	
31		161			(4)	
73		5,241	13,057	14,050	(2,612)	
266		1,971		3,611	(576)	
1,006		1,670			(10)	
1					(2)	
346	346			65,004	17,946	823
230	230			3,578	354	875
63	63			11,670	4,578	2,428
48	48				(56)	
9	9			85,185	5,758	640
1	1			1,155	463	9
		1,185			(107)	
				4,734	633	6
99		212		67	(175)	2
2,052,402	2,025,853	1,509,045	385,143	989,385	342,908	277,400

Note 3 Shareholders' equity

Share capital

At December 31, 2018, share capital was composed of 442,216,000 shares, each with a par value of €0.12.

Changes in the number of shares comprising the share capital during the year were as follows:

(in number of shares)	2018	2017
At January 1	442,000,000	442,000,000
Capital reduction	-	(330,000)
Exercise of stock subscription options	216,000	330,000
AT DECEMBER 31	442,216,000	442,000,000

Movements in equity in 2018

(€ thousands)	
Share capital at January 1, 2018	53,040
Share capital increase following the exercise of stock options	26
Share capital at December 31, 2018	53,066
Share premiums at January 1, 2018	37,510
Increase in share premiums following the exercise of stock options	2,475
Share premiums at December 31, 2018	39,985
Reserves at January 1, 2018	716,960
Retained earnings (2017 net profit appropriation)	287,321
Dividend payout	(243,678)
Currency translation differences and other movements	670
Reserves at December 31, 2018	761,273
2018 net profit	339,207
Regulated provisions in 2018	973
TOTAL EQUITY AT DECEMBER 31, 2018	1,194,504

Breakdown of equity at December 31, 2018

(€ thousands)	
Share capital	53,066
Share premiums	39,985
Retained earnings	536,012
Legal reserve	5,316
Other reserves	219,945
Net profit for the year	339,207
Regulated provisions	973
TOTAL EQUITY AT DECEMBER 31, 2018	1,194,504

Note 4 Receivables and payables

Analysis of receivables

(€ thousands)	Gross	of which accrued income	1 year or less	More than 1 year
Trade receivables	203,296	75,197	203,296	
Social security taxes and other social taxes	130	130	130	
Income tax	16,716		16,716	
Other taxes, duties and similar levies	24,808		24,808	
Joint ventures and economic interest groupings	207		207	
Receivable from Group and associated companies	2,200,620		2,200,620	
Miscellaneous debtors	5,923	24	5,923	
Other receivables	2,248,404	154	2,248,404	
Marketable securities	604,097		604,097	
Prepaid expenses	5,976		5,976	
TOTAL RECEIVABLES	3,061,773	75,351	3,061,773	-

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	2,823,200	33,753	478,669	1,645,526	699,005
Other borrowings and debt	3,720		3,720		
Borrowings and debt	2,826,920	33,753	482,389	1,645,526	699,005
Trade payables	184,067	30,577	184,067		
Payable to employees	83,488	82,340	83,488		
Social security taxes and other social taxes	4,329	194	4,329		
Value added tax	2,429		2,429		
Other taxes, duties and similar levies	14,027	13,510	14,027		
Payable to Group and associated companies	994,869		994,869		
Miscellaneous payables	16,461	1,000	16,461		
Other payables	1,115,603	97,044	1,115,603		
Prepaid income	15,138		15,138		
TOTAL PAYABLES	4,141,728	161,374	1,797,197	1,645,526	699,005

Note 5 Provisions and impairment

A. Impairment of assets

(€ thousands)	2018	2017
Long-term financial investments	26,851	39,059
Trade receivables	12,696	10,398
Other receivables	24,688	27,533
IMPAIRMENT OF ASSETS	64,235	76,990

Impairment recognized against other receivables mainly concerns current account advances granted to subsidiaries.

B. Regulated provisions carried in liabilities

(€ thousands)	2018	2017
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)	2018	2017
Pensions and other employee benefits	40,763	42,999
Contract-related disputes	5,366	5,336
Provision for exchange losses	2,999	4,616
Other contingencies	22,539	17,339
Losses on completion	1,166	749
PROVISIONS FOR LIABILITIES AND CHARGES	72,833	71,039

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 1.57% for France-based employees at December 31, 2018, compared with 1.56% at end-2017.

MOVEMENTS DURING THE YEAR

(€ thousands)	2018	2017
At January 1	71,039	78,606
Additions	17,382	16,282
Reversals (utilized provisions)	(11,476)	(8,757)
Reversals (surplus provisions)	(4,277)	(13,103)
Other movements	165	(1,989)
AT DECEMBER 31	72,833	71,039

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.

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)	2018	2017
Bank guarantees on contracts	54,581	51,630
Miscellaneous bank guarantees	29,077	22,100
Parent company guarantees	234,777	199,650
COMMITMENTS GIVEN	318,435	273,380

B. Commitments related to Company and Group financing

Undrawn confirmed credit lines

At December 31, 2018, the Company has an undrawn secured syndicated credit facility totaling €600 million.

Bureau Veritas Holdings, Inc. 2017 US Private Placement

Bureau Veritas Holdings, Inc., a wholly-owned subsidiary, has a USD 355 million non-bank financing facility that is secured by the Company.

C. Derivative financial instruments

All of the derivative instruments that the Company has set up are used as part of its hedging strategy.

At December 31, 2018, currency derivatives hedging the 2008 US Private Placement debt denominated in GBP were as follows:

Maturity	Notional amount (millions of currency units)	Fair value of derivatives (millions of currency units)
07/16/2020	40.0	(6.7)
TOTAL AT DECEMBER 31, 2018		(6.7)

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.

Foreign exchange derivatives maturing within one year (currency swaps and forward purchases and sales) in place at December 31, 2018 were as follows:

Currency	Notional amount (millions of currency units)	Fair value of derivatives (millions of currency units)
AUD	208.5	(2.7)
CAD	(63.6)	1.2
CHF	(1.0)	(0.0)
CNY	(203.3)	(0.4)
CZK	(74.1)	(0.0)
DKK	12.9	(0.0)
GBP	(71.5)	(0.3)
HUF	71.9	0.0
JPY	668.4	0.1
MXN	38.8	(0.0)
NOK	(4.3)	0.0
PLN	4.7	(0.0)
RUB	287.6	(0.1)
SEK	(3.5)	(0.0)
SGD	(101.8)	(0.4)
USD	265.8	0.1
ZAR	(152.6)	0.1
TOTAL AT DECEMBER 31, 2018		(2.4)

The Company had no interest rate hedges at year-end. At December 31, 2018, the Company had no derivative instruments classified as trading instruments.

Note 7 Analysis of revenue

Analysis of revenue by business

(€ thousands)	2018	2017
Marine & Offshore	83,023	90,884
Agri-Food & Commodities	31,826	36,245
Industry	92,035	103,168
Buildings & Infrastructure	23,212	22,529
Certification	14,932	15,562
TOTAL	245,028	268,388

Analysis of revenue by geographic area

(€ thousands)	2018	2017
Europe, Middle East & Africa (EMEA)	207,547	225,336
Americas	407	367
Asia Pacific	37,074	42,685
TOTAL	245,028	268,388

Note 8 Net financial income (expense)

(€ thousands)	2018	2017
<i>Financial income</i>		
Dividends	284,047	205,858
Income from other marketable securities and receivables on non-current assets	274	74
Other interest income	28,625	23,318
Reversals of provisions	35,226	12,651
Exchange gains	29,932	17,236
Total financial income	378,104	259,137
<i>Financial expense</i>		
Additions to provisions	(19,247)	(14,099)
Interest expense	(85,578)	(85,796)
Exchange losses	(27,793)	(12,398)
Total financial expense	(132,618)	(112,293)
NET FINANCIAL INCOME (EXPENSE)	245,486	146,844

Note 9 Net exceptional income (expense)

(€ thousands)	2018	2017
Exceptional income		
On management transactions	1,092	1,235
On capital transactions	34,534	29,771
Reversals of provisions	4,283	12,888
Total exceptional income	39,909	43,894
Exceptional expense		
On management transactions	(1,350)	(985)
On capital transactions	(6,976)	(4,831)
Additions to provisions	(8,290)	(1,432)
Total exceptional expense	(16,616)	(7,248)
NET EXCEPTIONAL INCOME (EXPENSE)	23,293	36,646

Net exceptional income for 2018 includes a capital gain of €26.3 million resulting from the following intragroup transactions:

- sale to Bureau Veritas International SAS of all of the shares held in Bureau Veritas Romania Control International Srl, Bureau Veritas Certification Belgium NV and Bureau Veritas (Slovenia) d.o.o;
- sale to Bureau Veritas Singapore Pte of all of the shares held in Bureau Veritas (Bangladesh) Private Ltd;
- sale to Bureau Veritas Holding France of all of the shares held in ECS.

Note 10 Income tax

Breakdown of current and exceptional income tax

	2018		2017	
(€ thousands)	Amount before income tax	Income tax	Amount before income tax	Income tax
Profit from ordinary operations	312,050	(3,809)	223,489	(27,030)
Net exceptional income	23,293	(55)	36,646	(162)

The 2017 income statement was impacted by the refund received by the Company in December 2017 of the 3% dividend contribution which the Company has paid since 2013, after this was declared null and void by the French Constitutional Court in October 2017 and further to the claims made of the company.

Tax consolidation

In accordance with article 223A 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, SOD.I.A, Bureau Veritas Solutions Marine & Offshore, Bureau Veritas Holding France, Bureau Veritas Holding 4, Bureau Veritas Holding 5, 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 shall be 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)	2018	2017
Deferred tax assets	9,590	9,097
Deferred tax liabilities	(29)	(1)
NET DEFERRED TAX ASSETS	9,561	9,096

Deferred taxes at December 31, 2018 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, non-deductible accrued charges, and provisions for contract-related disputes.

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.

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.

Stock subscription and purchase option plans

Description

Stock subscription and purchase options are granted to senior managers and other selected employees.

Stock purchase or subscription option plans granted since 2011 will give rise to the purchase of shares on the open market, whereas stock option plans granted up to 2010 concerned only stock subscription options which entitled their holders to subscribe for newly issued shares on exercise of their options.

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 1,100,400 stock purchase options to certain employees and to the Executive Corporate Officer on June 22, 2018. The options granted may be exercised at a fixed price of €22.02.

To be eligible for the stock option plans, beneficiaries must complete a minimum period of service and meet certain performance targets based on 2018 consolidated adjusted operating profit and on the consolidated operating margin for 2019 and 2020.

OVERVIEW OF COMPANY STOCK OPTION PLANS AT DECEMBER 31, 2018:

Grant date	Expiration date	Exercise price (in euros per option)	Number of options		Contribution basis (in euros per option)
			2018	2017	
07/23/2010	07/23/2018	11.58	-	216,000	0.25
07/18/2011	07/18/2019	14.42	117,300	186,000	0.29
12/14/2011	12/14/2019	13.28	78,480	78,480	0.32
07/18/2012	07/18/2020	17.54	781,546	817,546	0.87
07/22/2013	07/22/2021	21.01	854,794	1,021,594	0.71
07/16/2014	07/16/2022	20.28	633,088	723,733	0.60
07/15/2015	07/15/2025	20.51	1,109,738	1,239,386	0.83
06/21/2016	06/21/2026	19.35	335,280	400,224	0.70
06/21/2017	06/21/2027	20.65	1,111,260	1,229,060	0.51
06/22/2018	06/22/2028	22.02	1,069,000	-	0.82
NUMBER OF OPTIONS AT DECEMBER 31			6,090,486	5,912,023	

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. Depending on the plan, performance shares are generally conditional on completing three to four 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 1,196,340 performance shares to certain employees and to the Executive Corporate Officer on June 22, 2018. To be eligible for the performance share plans, beneficiaries must

complete a minimum period of service and meet certain performance targets based on 2018 consolidated adjusted operating profit and the consolidated adjusted operating margin for 2019 and 2020.

Pursuant to a decision of the Board of Directors, the Company also awarded 800,000 performance shares to the Chief 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 Chief Executive 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, 2018:

Grant date	Expiration date	Number of shares		Contribution basis (in euros per option)
		2018	2017	
07/22/2013	07/22/2022	720,000	720,000	1.73
07/16/2014	07/16/2018	-	436,108	4.70
07/15/2015	07/15/2019	476,593	991,044	4.95
06/21/2016	06/21/2019	451,772	497,052	3.87
06/21/2017	06/21/2020	1,115,462	1,191,420	4.16
06/22/2018	06/22/2021	1,161,640	-	4.60
NUMBER OF SHARES AT DECEMBER 31		3,925,467	3,835,624	

Performance shares and stock purchase options awarded to beneficiaries not directly employed by the Company

The cost of awarding performance shares to beneficiaries not directly employed by the Company is borne by the Company through its purchases of shares on the market.

In 2018, the Company therefore recognized the estimated cost of performance shares and exercisable stock purchase options awarded to beneficiaries not directly employed by the Company under the new 2018 plan.

In parallel, the Company continued to implement a procedure under which the cost of the awards made to these beneficiaries are rebilled to the Group companies employing them. Income totaling €17.2 million was recognized in this respect in 2018 (€20.0 million in 2017).

Impact of share-based payment plans on the Company's financial statements

In 2018, the Company recognized a total expense of €12.7 million (€26.5 million in 2017) in respect of share-based payment plans. The expense reflects the cost of the shares to be delivered, estimated based on the price of the purchases made between 2013 and 2018, and the closing share price at December 31, 2018. In 2017, the expense reflected purchases made between 2013 and 2017 and the closing share price at December 31, 2017.

At December 31, 2018, the liability (amount payable to employees) amounted to €66.7 million (end-2017: €69.9 million).

At December 31, 2018, the Company held 5,888,200 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 €119.9 million (€106.9 million at end-2017).

Note 12 Employees

	2018	2017
Employees	1,985	2,015

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, 2018

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, 2018.

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 annual 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, 2018 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 €2,025.9 million in the balance sheet for the year ended December 31, 2018. Loans and advances to subsidiaries stood at €1,509 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. 225-37-3 of the French Commercial Code relating to remuneration and benefits received by the 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 your Company from controlling and controlled companies. 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, 2018, PricewaterhouseCoopers Audit was in the 27th year of total uninterrupted engagement and the 12th year since the securities of the Company were admitted to trading on a regulated market, and Ernst & Young Audit was in the third 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 15, 2019

The Statutory Auditors

PricewaterhouseCoopers Audit
François Guillon

ERNST & YOUNG Audit
Nour-Eddine Zanouda

5.3 Additional information regarding the Company in view of the approval of the 2018 financial statements

5.3.1 Activity and results of the parent company

(in €)	2018	2017
Revenue	245,027,559.24	268,388,075.10
Operating profit	66,563,753.71	76,645,230.00
Net exceptional income	23,293,475.31	36,645,685.81
Net profit	339,206,682.98	287,320,982.55
Equity	1,194,503,377.13	1,095,803,080.27

The bases of measurement used to prepare the annual statutory financial statements are identical to those adopted in previous years.

5.3.2 Recommended appropriation of 2018 net profit

The Board of Directors informs the shareholders that as of December 31, 2018:

- the legal reserve stood at €5,316,392.40 compared to share capital of €53,065,920.00, and therefore represents one-tenth of the share capital;
- net profit for the period was €339,206,682.98. Based on retained earnings of €536,011,706.25 at December 31, 2018, the Company's distributable profit amounted to €875,218,389.23.

The Board will recommend the following profit appropriation to shareholders:

- a dividend of €0.56 per share, representing a total amount of €247,640,960.00 based on the number of shares making up the share capital at December 31, 2018 (442,216,000 shares);
- the balance of €627,577,429.23 to be allocated to "Retained earnings".

In accordance with section 1 A, paragraph 1 of article 200A of the French Tax Code, 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 2, paragraph 3 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 2020 based on the income received in 2019.

The dividend will be paid as of June 11, 2019.

Shareholders will be asked to approve that any dividends unable to be paid on treasury shares shall 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 ^(d)
2015	€222,770,924.85	436,805,735	€0.51 ^(a)
2016	€239,794,093.00	435,989,260	€0.55 ^(b)
2017	€243,678,388.80	435,139,980	€0.56 ^(c)

(a) The dividend per share was paid during 2016.

(b) The dividend per share was paid during 2017.

(c) The dividend per share was paid during 2018.

(d) 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, paragraph 3 (2) of the French Tax Code.

The dividend distribution policy is set out in section 6.8.2 – Dividend distribution policy of this Registration Document.

5.3.3 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, 2018 take into account an amount of €121,476.42 in non-deductible expenditure within the meaning of article 39-4 of the French Tax Code, resulting in a tax effect of €41,828.38. This non-deductible expenditure will be submitted to the Shareholders' Meeting for approval.

5.3.4 Subsidiaries and affiliates

The table illustrating the Company's subsidiaries and affiliates can be found in Note 2, section 5.2 – Statutory financial statements of this Registration Document.

5.3.5 Five-year financial summary

(€ thousands, except per-share data expressed in euros)

	2018	2017	2016	2015	2014
I - Financial position					
a) Share capital	53,066	53,040	53,040	53,040	53,164
b) Number of shares issued ^(a)	442,216,000	442,000,000	442,000,000	442,000,000	443,032,700
c) Number of bonds convertible into shares	-	-	-	-	-
II - Comprehensive income from operations					
a) Revenue excluding taxes	245,028	268,388	950,481	952,763	869,571
b) Profit before taxes, depreciation, amortization, impairment and provisions	325,187	252,009	446,260	358,454	350,388
c) Income tax	(3,864)	(27,192)	66,790	42,495	27,069
d) Profit after taxes, depreciation, amortization, impairment and provisions	339,207	287,321	382,063	279,221	281,313
e) Distributed profit ^(b)	247,641	243,678	239,794	222,771	209,809
III - Earnings per share data					
a) Profit after taxes, but before depreciation, amortization, impairment and provisions	0.74	0.63	0.86	0.71	0.73
b) Profit after taxes, depreciation, amortization, impairment and provisions	0.77	0.65	0.86	0.63	0.63
c) Net dividend per share ^(b)	0.56	0.56	0.55	0.51	0.48
IV - Personnel costs					
a) Number of employees	1,985	2,015	8,581	8,523	8,282
b) Total payroll	109,328	123,332	396,496	402,571	373,216

(a) In 2018, the share capital comprised 442,216,000 shares, each with a par value of €0.12 following the 216,000 shares subscribed further to the exercise of options.

(b) The dividend for 2018 will be recommended to shareholders at the Shareholders' Meeting of May 14, 2019.

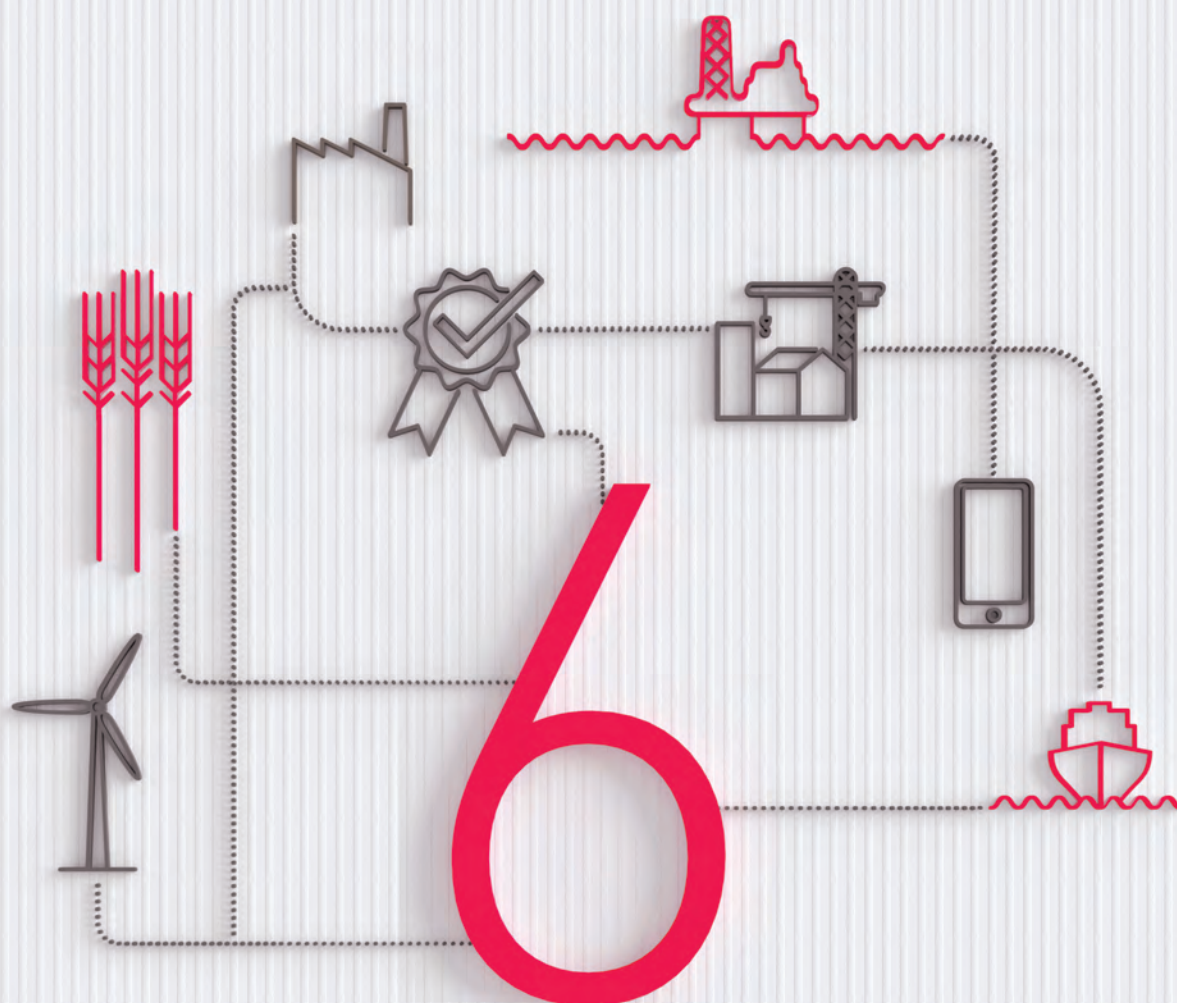
5.3.6 Information regarding payment terms

Since December 1, 2008, the Company has applied the provisions of the French Economic Modernization ("LME") Act and pay 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	1	41	9	2	12	64	28
Amount excl. VAT	(1,685)	113,059,399	27,788	2,800	21,812	113,111,799	2,088,275
%/Total purchases excl. VAT during the year	0.00%	76.75%	0.02%	0.00%	0.01%	76.78%	1.42%

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	0	186	6	64	311	567
Amount excl. VAT	0	21,875,373	508,027	3,392,518	23,734,024	49,509,942
%/Total revenue excl. VAT during the year	-	10.59%	0.25%	1.64%	11.49%	23.97%



INFORMATION ON THE COMPANY AND THE CAPITAL

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6.1 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 Maître 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

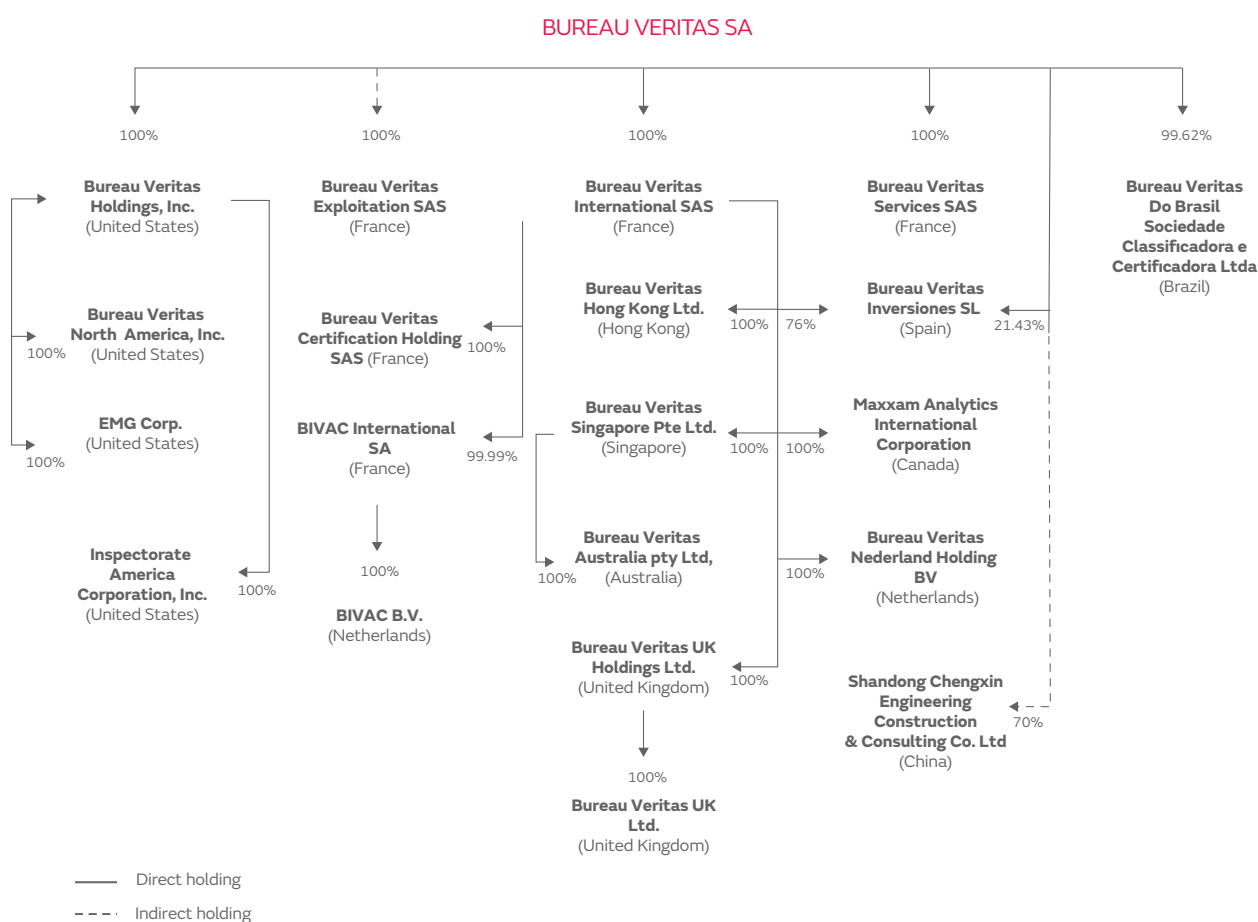
From January 1 to December 31 each year.

Website

The Company's website can be accessed at the following address: <https://group.bureauveritas.com/fr/> The information provided on the Company's website is not an integral part of this Registration Document unless it is referenced in the latter.

6.2 Simplified Group organization chart at December 31, 2018

The percentage interest shown in the organization chart above equates to the percentage of control.



6.3 Main subsidiaries in 2018

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 €245.0 million in 2018.

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 the Company and its subsidiaries are also presented in the special reports of the Statutory Auditors on related-party agreements, which are set out in section 6.10 – Related-party transactions of this Registration Document.

The Group had 521 legal entities at December 31, 2018 compared to 515 at December 31, 2017, reflecting the creation of 13 new entities, the consolidation of 16 acquired entities and, conversely, a reduction of 23 entities as part of the Group's streamlining initiative.

A description of the Group's 20 main direct and indirect subsidiaries is provided below.

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 the Group's subsidiaries is included in Note 35 – Scope of consolidation to the 2018 consolidated financial statements, in section 5.1 of this Registration Document.

The selected subsidiaries met at least one of the following five criteria during one of the last two financial years: i) the carrying amount of the entity's securities recorded in Bureau Veritas SA's statement of financial position exceeded €50 million; ii) the entity represented at least 5% of consolidated equity; iii) the entity represented at least 5% of consolidated net profit; iv) the entity represented at least 5% of consolidated revenue; and v) the entity represented at least 5% of total consolidated assets.

Bureau Veritas Holdings, Inc. (United States)

Bureau Veritas Holdings, Inc. is a US-based company incorporated in June 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.

Bureau Veritas North America, Inc. (United States)

Bureau Veritas North America, Inc. is a US-based company whose registered office is located at 1601 Sawgrass Corporate Parkway, Ste 400, Fort Lauderdale, FL 33323, United States. The company is a wholly-owned subsidiary of Bureau Veritas Holdings, Inc. It operates in the Health, Safety and Environment field and in construction. In 2018, it recorded external revenue of USD 174.2 million (€147.5 million).

EMG Corp. (United States)

EMG is a US-based company incorporated in 2005 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 Holding Inc. (United States). Its main activities cover managing construction projects (administration, project tracking, financing), asset management (installation planning, maintenance, capital assessment), architectural and project engineering reviews, and environmental due diligence. In 2018, it recorded external revenue of USD 83.6 million (€70.8 million).

Inspectorate America Corporation, Inc. (United States)

Inspectorate America Corporation, Inc. is a US-based company whose registered office is located at 12000 Aerospace Avenue, Suite 200, Houston, Texas 77034, United States. The company is wholly owned by Bureau Veritas Holdings, Inc. Its main activity is inspecting and testing oil and petrochemical products, metals and minerals and agricultural products. In 2018, it recorded external revenue of USD 175.5 million (€148.6 million).

Bureau Veritas Exploitation SAS (France)

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, providing services for In-Service Inspection & Verification, Health, Safety and Environment and Asset Management on existing constructions. In 2018, it recorded external revenue of €445.8 million.

Bureau Veritas Certification Holding SAS (France)

Bureau Veritas Certification Holding 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. Founded in March 1994, it is a wholly-owned subsidiary of Bureau Veritas International SAS. It controls most of the Certification subsidiaries.

BIVAC International SA (France)

BIVAC International SA is a French joint stock company (*société anonyme*) whose registered office is located at 8 Cours du Triangle, 92800 Puteaux, France. BIVAC International SA was founded in March 1991 as a holding company and headquarters for the Government Services & International Trade (GSIT) business. It is a 99.99%-owned subsidiary of Bureau Veritas International SAS.

Bureau Veritas Inspection Valuation Assessment and Control – BIVAC BV (Netherlands)

Bureau Veritas Inspection Valuation Assessment and Control – BIVAC BV is a Dutch joint stock company incorporated in September 1984 whose registered office is located at Boompjes 40 3011XB Rotterdam, Netherlands. BIVAC BV is a wholly-owned subsidiary of BIVAC International SA. Its main business is to manage support operations for Government Services & International Trade. In 2018, it recorded external revenue of €49.1 million.

Bureau Veritas International SAS (France)

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 March 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. (Hong Kong, China)

Bureau Veritas Hong Kong Ltd. is a Chinese company incorporated in October 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 recorded HKD 1,598.5 million in external revenue (€172.8 million) in 2018.

Bureau Veritas Singapore Pte Ltd. (Singapore)

Bureau Veritas Singapore Pte Ltd. is a Singaporean company incorporated in 2002 whose registered office is located at 20 Science Park Road, N°03-01 Teletelch Park, 117674, Singapore Science Park II, Singapore. The company is wholly-owned by Bureau Veritas International SAS. It operates in Singapore and owns certain Group operating assets in the region, particularly the 51% holding in the Australian company DTS, acquired in 2017. The company recorded external revenue of SGD 11.3 million (€7.1 million) in 2018.

Bureau Veritas Australia Pty Ltd. (Australia)

Bureau Veritas Australia Pty Ltd. is an Australian company incorporated in 1999 whose registered office is located at Unit 3, 435 Williamstown Road, Port Melbourne, VIC3207, Australia. It is a holding company for the Group's businesses in Australia and is wholly-owned by Bureau Veritas Singapore Pte Ltd. It also carries out certification and compliance assessments of industrial processes. In 2018, this operating activity recorded AUD 8.4 million in external revenue (€5.3 million).

Bureau Veritas UK Holdings Ltd. (United Kingdom)

Bureau Veritas UK Holdings Ltd. is a British company incorporated in November 2005 whose registered office is located at Suite 308, Fort Dunlop, Fort Parkway, Birmingham, West Midlands, B24 9FD, United Kingdom. Bureau Veritas UK Holdings Ltd. is a wholly-owned subsidiary of Bureau Veritas International SAS and owns the Group's operating assets (excluding Marine & Offshore) in the United Kingdom.

Bureau Veritas UK Ltd. (United Kingdom)

Bureau Veritas UK Ltd. is a British company incorporated in October 1983 whose registered office is located at Brandon House, 180 Borough High Street, London, SE1 1LB, United Kingdom. Bureau Veritas UK Ltd. is a wholly-owned subsidiary of Bureau Veritas UK Holdings Ltd. Its main business is In-Service Inspection & Verification. In 2018, it recorded external revenue of GBP 98.4 million (€87.1 million).

Bureau Veritas Services SAS (France)

Bureau Veritas Services SAS is a French company incorporated in 1987 whose registered office is located at 8 Cours du Triangle, 92800 Puteaux, France. The company is wholly-owned by Bureau Veritas SA. It provides support services in France for the Group worldwide and also owns holdings in France, particularly in the Industry and Buildings & Infrastructure sectors.

Bureau Veritas Inversiones SL (Spain)

Bureau Veritas Inversiones SL is the parent company of the ECA group, acquired by Bureau Veritas in October 2007. Established in 2003, its registered office is located at Cami Can Ametller 34, Edificio Bureau Veritas, 08195 Sant Cugat del Vallès, Barcelona, Spain. Bureau Veritas Inversiones SL is jointly owned by Bureau Veritas International SAS (76%) and Bureau Veritas SA (24%). It is a holding company and owns operating assets in Spain.

Maxxam Analytics International Corporation (Canada)

Maxxam Analytics International Corporation is a Canadian company whose registered office is located at 1919 Minnesota Court, Suite 500, Mississauga, Ontario L5N0C9, Canada. It is wholly-owned by Bureau Veritas International SAS. Maxxam is the Canadian leader in analytical services for the environmental, oil and gas and Agri-Food industries. In 2018, it contributed external revenue of CAD 260.9 million (€170.6 million).

Bureau Veritas Nederland Holding BV (Netherlands)

Bureau Veritas Nederland Holding BV is a Dutch company incorporated in 2009 whose registered office is at PO Box 2705, 3000 CS 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.

Shandong Chengxin Engineering Construction & Consulting Co. Ltd. (China)

Shandong Chengxin Engineering Construction & Consulting Co., Ltd. is a Chinese company incorporated in 1996 whose registered office is located at F22&23, Building A2-1, Hanyujing, High-tech Development Zone Jinan, Shandong, China. The company is 70%-owned by Bureau Veritas Investment (Shanghai) Co. Ltd. and 30%-owned by individuals. It provides technical supervision and assistance for construction projects. In 2018, it recorded external revenue of CNY 384.1 million (€49.2 million).

Bureau Veritas do Brasil Sociedade Classificadora e Certificadora Ltda (Brazil)

Bureau Veritas do Brasil Sociedade Classificadora e Certificadora Ltda is a Brazilian company whose registered office is located at Rua Joaquim Palhares 40-7e 8 Andares Cidade Nova, Rio de Janeiro 20260080, Brazil. The company is 99.98%-owned by Bureau Veritas SA. It mainly provides inspection, asset integrity management and technical verification services for Industry business and Marine & Offshore clients. In 2018, the Company recorded external revenue of BRL 395.6 million (€91.8 million).

6.4 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.

6.5 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.

6.6 Share capital and voting rights

6.6.1 Share capital

Change in share capital during the year ended December 31, 2018

At December 31, 2017, the share capital amounted to €53,040,000 and was divided into 442,000,000 shares with a par value of €0.12 each. The total number of theoretical voting rights amounted to 630,017,912 and the number of exercisable voting rights totaled 624,235,649.

At December 31, 2018, the share capital amounted to €53,065,920 and was divided into 442,216,000 shares with a par value of €0.12 each.

The Company's share capital changed over the course of 2018 with the issuance of 216,000 shares following the exercise of share subscription options

The increase in share capital resulting from the exercise of stock subscription options in 2018 was noted by the Board of Directors at its meeting on December 19, 2018.

At December 31, 2018, the total number of theoretical voting rights amounted to 608,314,450 and the number of exercisable voting rights totaled 601,988,367.

6.6.2 Securities not representing capital

At December 31, 2018, the Company had not issued any securities that do not represent capital.

6.6.3 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 regulation of the French financial markets authority (*Autorité des marchés financiers* – AMF), the share buyback program approved by the Annual Shareholders' Meeting of May 15, 2018.

Current share buyback program adopted at the Annual Shareholders' Meeting held on May 15, 2018

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 14th resolution of the Annual Shareholders' Meeting held on May 15, 2018 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; 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 16, 2017 in its 25th 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 15, 2018 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 €1,989,000,000 (excluding transaction costs), corresponding to a maximum of 44,200,000

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, 2017.

This authorization, granted for a period of 18 months as from the Shareholders' Meeting of May 15, 2018, rendered ineffective from the same date the unused portion of the authorization granted to the Board of Directors by the Shareholders' Meeting of May 16, 2017 under the terms of its 18th resolution.

Under this share buyback program and the program authorized by the Shareholders' Meeting of May 16, 2017, the Company carried out a number of share transfers and buybacks in 2018, as described below.

Transfer and buyback of treasury shares during 2018

During 2018, the Company maintained the liquidity agreement entrusted to Exane BNP Paribas on February 8, 2008, under which 3,997,274 shares were purchased at an average price of €21.44 and 3,907,638 shares were sold at an average price of €21.45. At December 31, 2018, there were 193,143 shares held under the liquidity agreement and the available balance stood at €3,550,900.

In addition, the Company bought back a total of 1,700,000 shares between January 1, 2018 and December 31, 2018 at a weighted average price of €21.87. All the shares bought back were allocated to cover performance share and share purchase option plans.

In 2018, the Company remitted 1,278,363 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, 2018, the Company held a total of 6,301,555 treasury shares representing approximately 1.42% of its share capital, with a carrying amount of €127,522,449 and a par value of €756,186.60.

Of these 6,301,555 shares held by the Company at December 31, 2018, 193,143 shares are allocated to the liquidity agreement, 5,888,200 shares are allocated to stock option plans or other share awards and the rest, i.e., 220,212 shares, are earmarked for cancellation.

New share buyback program to be submitted to the Annual Shareholders' Meeting to be held to approve the financial statements for the year ended December 31, 2018

A new share buyback program will be submitted for approval to the next Annual Shareholders' Meeting of May 14, 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 on May 14, 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 16, 2017 in its 25th 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.

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 on May 14, 2019, i.e., for information purposes, a number of shares not exceeding 44,221,600 based on the number of shares constituting the Company's share capital at December 31, 2018; 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 amount to €1,989,972,000 (excluding transaction costs).

This new authorization would be granted for a period of 18 months as from the decision of the Shareholders' Meeting convened on May 14, 2019, i.e. until November 13, 2020 inclusive, and would render ineffective the unused portion of the authorization granted by the Shareholders' Meeting on May 15, 2018 under the terms of its 14th resolution.

6.6.4 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 3.3 – Interests of Executive Corporate Officers, Directors and certain employees of this Registration Document.

The Company also granted performance shares, the main terms and conditions of which are set out in section 3.3 – Interests of Executive Corporate Officers, Directors and certain employees of this Registration Document, as well as in Note 21 – Share-based payment to the 2018 consolidated financial statements in section 5.1 of this Registration Document.

6.6.5 Conditions governing vesting rights or any obligations attached to capital subscribed but not fully paid up

None.

6.6.6 Pledges

To the Company's knowledge, at December 31, 2018, 1,396,700 shares in the Company, held by individuals, were pledged (i.e., around 0.28% of the number of shares comprising its share capital). As indicated in Note 30 – Off-balance sheet commitments and pledges to the 2018 consolidated financial statements in section 5.1 of this Registration Document, the Group had pledged current and non-current financial assets for a carrying amount of €1.1 million at December 31, 2018.

6.6.7 Changes in the share capital

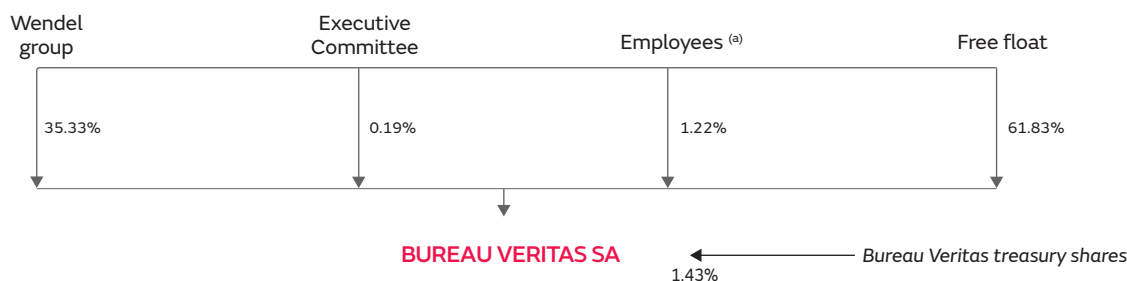
The table below shows changes in the Company's share capital during the past five years.

	2018	2017	2016	2015	2014
Capital at beginning of year					
In euros	53,040,000	53,040,000	53,040,000	53,163,924	53,045,040
In shares	442,000,000	442,000,000	442,000,000	443,032,700	442,042,000
Number of canceled shares during the year		330,000	149,600	1,547,500	-
Number of shares issued during the year	216,000	330,000	149,600	514,800	990,700
By free allocation of shares	-	-	-	-	-
By exercise of stock subscription options	216,000	330,000	149,600	514,800	990,700
Capital at end 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

6.7 Ownership structure

6.7.1 Group ownership structure

Simplified ownership structure at December 31, 2018



(a) Including direct holdings of registered shares.

Major direct and indirect shareholders

With almost €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 industrial 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. Through Oranje-Nassau Développement, which provides investment opportunities for growth, diversification or innovation, Wendel also has holdings in Tsebo and PlaYce in Africa.

Wendel SE is listed on Euronext Paris. Its 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, 2018, Wendel SE was 37.6%-owned by Wendel-Participations, 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 35.33% of its share capital and 51.37% of its theoretical voting rights at December 31, 2018.

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

Shareholders	At February 28, 2019		At December 31, 2018		At December 31, 2017		At December 31, 2016	
	% 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)	35.35%	51.89%	35.33%	51.91%	40.08%	56.76%	40.71%	56.96%
Free float ^(b)	62.90%	47.55%	62.76%	47.45%	57.84%	42.24%	57.05%	41.64%
FCP BV Next	0.28%	0.41%	0.29%	0.43%	0.30%	0.43%	0.33%	0.47%
Executive officers ^(c)	0.12%	0.15%	0.19%	0.21%	0.47%	0.57%	0.71%	0.93%
Treasury shares	1.35%	-	1.43%	-	1.31%	-	1.19%	-
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 51.37% of the theoretical voting rights at December 31, 2018.

(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 28, 2019.

Share ownership thresholds

Details of crossings of legal share ownership thresholds notified prior to January 1, 2018 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 6.11 - Articles of incorporation and by-laws of the 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%) or 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, 2018 are listed below.

To the best of the Company's knowledge, aside from the majority shareholder Wendel, only one other shareholder owned more than 5% of the Company's share capital or voting rights at March 25, 2019.

On October 30, 2018, the Wendel group sold 21 million shares as part of a private placement. Following that transaction, and at December 31, 2018, the Wendel group held 35.33% of the Company's share capital and 51.91% of its exercisable voting rights (51.37% of its theoretical voting rights).

On July 10, 2018, Harris Associates LP (111 S. Wacker Drive, Suite 4600, Chicago, IL 60606, United States), acting on behalf of the investment funds and clients whose assets it manages, declared that it had gone below the 5% shareholding threshold and that it held, on behalf of the above-mentioned investment funds and clients, 21,987,153 Bureau Veritas shares, representing 4.97% of the Company's share capital and 3.49% of its voting rights.

In accordance with the Company's by-laws:

- on July 19, 2018, Harris Associates informed the Company that it had gone below the 4% voting rights threshold;
- on September 13, 2018, Harris Associates informed the Company that it had gone below the 3% voting rights threshold;
- on September 20, 2018, Harris Associates informed the Company that it had gone below the 4% share capital threshold;
- on November 6, 2018, Harris Associates informed the Company that it had exceeded the 4% share capital threshold; and
- on November 20, 2018, Harris Associates informed the Company that it had exceeded the 3% voting rights threshold.

Moreover, in accordance with the Company's by-laws, other investors notified the Company that they had crossed shareholding and voting rights thresholds in 2018:

- in a letter received on May 22, 2018, an investor informed the Company that it had gone below the 2% voting rights threshold. In a letter received on May 25, 2018, this same investor informed the Company that it had gone below the 4% share capital threshold; and
- in a letter received on February 21, 2018, an investor informed the Company that it had gone below the 3% share capital threshold. In a letter received on March 6, 2018, this same investor informed the Company that it had gone below the 2% voting rights threshold. Lastly, in a letter received on May 7, 2018, this same investor informed the Company that it had gone below the 2% 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.

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, 2018, 166,098,450 shares carried double voting rights out of the 442,216,000 shares comprising the share capital.

Control of the Company

At December 31, 2018, the Company was controlled indirectly by Wendel SE, which held 35.33% of the share capital and 51.37% 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, 2018, 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, Pierre Hessler, Pascal Lebard, Siân Herbert-Jones, 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 – Board of Directors of this Registration Document.

6.7.2 Agreements that may lead to a change in control

None.

6.8 Stock market information

6.8.1 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, MSCI Standard
Codes	ISIN: FR 0006174348 Ticker symbol: BVI Reuters: BVI. PA Bloomberg: BVI-FP
Number of outstanding shares at December 31, 2018	442,216,000
Number of exercisable voting rights at December 31, 2018	601,988,367
Stock market capitalization at December 31, 2018	€7,869 million

6.8.2 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.

Subject to the approval of the Ordinary and Extraordinary Shareholders' Meeting, the Group is offering shareholders the option to receive the 2018 dividend in cash or in shares. In the event that shareholders elect to receive the dividend in shares, a 10% discount will be applied. The issue price of the new shares will include this 10% discount based on the average opening price of Bureau Veritas shares during the 20 trading days preceding the Ordinary and Extraordinary Shareholders' Meeting.

(in €)	In respect of		
	2018 ^(a)	2017	2016
Dividend per share	0.56	0.56	0.55

(a) To be proposed to the Shareholders' Meeting of May 14, 2019.

6.8.3 Share trends

At March 20, 2019, the Bureau Veritas share price was €21.50, representing a 5.7% decrease compared to January 2, 2018 (€22.79).

The Bureau Veritas share price has more than doubled since its IPO on October 24, 2007 (€9.44).

On average, 700,000 shares were traded on Euronext Paris each day in 2018, representing an average daily trading value of close to €16 million.



Monthly trading in 2018

Period	Trading volume	Value (€ millions)	Adjusted highs and lows (in €)	
			High	Low
January 2018	13,171,487	313.17	24.280	22.610
February 2018	18,923,104	413.84	23.860	21.200
March 2018	17,494,092	376.65	22.350	20.390
April 2018	13,739,987	290.46	21.870	20.410
May 2018	12,446,003	267.00	21.940	21.040
June 2018	19,390,702	440.44	23.800	21.230
July 2018	15,587,887	357.31	23.560	21.930
August 2018	11,798,527	262.30	22.910	21.710
September 2018	12,728,431	285.71	22.970	21.800
October 2018	22,366,772	447.60	22.510	18.735
November 2018	15,612,846	305.95	20.480	18.985
December 2018	14,477,910	262.50	19.975	16.965

Source: Euronext.

6.8.4 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 2018, the management of Bureau Veritas and the Investor Relations team met with more than 500 analysts and investors during roadshows, meetings and conferences in the main international financial markets, particularly in Europe and the United States. On September 20, 2018, a delegation of analysts and investors were invited by the Bureau Veritas Group to Mississauga in Ontario, Canada, to visit the cutting-edge laboratories of Maxxam Analytics, Canada's leading provider of analytical services. Acquired by Bureau Veritas in 2014, Maxxam Analytics has unparalleled expertise in environmental and food safety analyses.

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 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, Bureau Veritas has upgraded the Investors pages as part of an overhaul of its website, online since July 2018. 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.

During 2018, Bureau Veritas published its electronic shareholders' letter, 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 latest news and its financial results. It also offers readers the possibility to ask Bureau Veritas questions through a simple click.

2019 Financial calendar

April 25, 2019

First-quarter 2019 revenue

May 14, 2019

Annual Shareholders' Meeting

July 25, 2019

First-half 2019 results

October 24, 2019

Third-quarter 2019 revenue

Contacts

Shareholder information (France only, freephone)

0 800 434 241 Service & appel gratuits

Analyst/Investor information

Laurent Brunelle, Head of Investor Relations – laurent.brunelle@bureauveritas.com

Florent Chaix, Investor Relations Manager – florent.chaix@bureauveritas.com

Bureau Veritas

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6.9 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.

In accordance with Commission Regulation (EC) No. 809/2004 of April 29, 2004, the following documents may be consulted at Bureau Veritas' registered office or obtained on request by email:

- the by-laws of Bureau Veritas SA;

- all reports, letters and other documents, historical financial information, assessments and declarations made by external consultants, a part of which is included or mentioned in this Registration Document;
- the historical financial information of Bureau Veritas and its subsidiaries for each of the two financial years preceding the publication of this 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>.

6.10 Related-party transactions

6.10.1 Principal related-party transactions

A detailed description of the intra-group contracts and other related-party transactions is set out in section 6.4 – Intra-group contracts, in this chapter, and in Note 32 – Related-party transactions to the 2018 consolidated financial statements, presented in section 5.1 of this Registration Document.

6.10.2 Statutory Auditors' special report on related-party agreements and commitments

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.

Annual General Meeting for the approval of the financial statements for the year ended December 31, 2018

To the Shareholders,

In our capacity as Statutory Auditors of Bureau Veritas, we hereby report to you on related-party agreements and commitments.

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 and commitments 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 or commitments. 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 and commitments are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments 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. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments submitted for the approval of the Shareholders' Meeting

We were not informed of any agreement or commitment 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 and commitments already approved by the Shareholders' Meeting

In addition, we were informed that the following commitment, approved by the Shareholders' Meeting in prior years, was not implemented during the year.

Person concerned: Didier Michaud-Daniel, Chief Executive Officer of Bureau Veritas SA

Nature and purpose

Special termination benefit payable in favor of Didier Michaud-Daniel, Chief Executive Officer of Bureau Veritas SA.

At its meeting of March 8, 2017, the Board of Directors authorized a special termination benefit in favor of Didier Michaud-Daniel.

Terms and conditions:

The benefit may not exceed a maximum amount equal to the fixed compensation received by Didier Michaud-Daniel in the twelve (12) calendar months preceding the termination of his term of office, to which the most recent variable compensation payment will be added (the "Target Amount"). In accordance with the provisions of Article L.225-42-1 of the French Commercial Code, the Board of Directors has made payment of the benefit conditional upon the fulfillment of a performance condition linked to your Company's target margin (the "Margin") in each of the two financial years preceding Didier Michaud-Daniel's departure. The Margin is calculated as the ratio of the Company's adjusted operating profit to revenue, before tax. In respect of each of the two financial years pertaining to the performance condition, Didier Michaud-Daniel is entitled to a benefit of 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 will be 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 will be awarded 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 benefit awarded will be equal to the sum of the benefits calculated in respect of each of the two financial years preceding Didier Michaud-Daniel's departure.

The Board of Directors must recognize that the performance condition has been met before any benefit is awarded.

Neuilly-sur-Seine and Paris-La Défense, March 15, 2019

The Statutory Auditors

PricewaterhouseCoopers Audit
François Guillon

ERNST & YOUNG Audit
Nour-Eddine Zanouda

6.11 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 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.

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.

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.

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.

6.12 Persons responsible

Person responsible for the Registration Document

Didier Michaud-Daniel, Chief Executive Officer of Bureau Veritas

Declaration by the person responsible for the Registration Document

I hereby certify, after taking all reasonable measures to ensure that such is the case, that the information contained in the French language 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 6.14.2 of this 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.

I have received from the Statutory Auditors a letter stating that their work has been completed, in which they indicate that they have verified the information concerning the financial position and the financial statements presented in this document, and have read the entire document.

March 27, 2019

Didier Michaud-Daniel

Chief Executive Officer of Bureau Veritas

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

6.13 Statutory Auditors

6.13.1 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 Zanoouda
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.

6.13.2 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.

6.14 Cross-reference table

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NOTES

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BUREAU VERITAS
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