SHAPING A WORLD OF TRUST

2020 NON-FINANCIAL STATEMENT
2020 will remain in our memory for many years. The pandemic disrupted all of our daily lives, upending the roadmap of most businesses and making health and safety the top priority. On behalf of the Board of Directors, I would like to thank all of our employees for their tireless efforts and exemplary service to our clients. I would also like to thank our clients, suppliers, subcontractors and shareholders for their trust.

Bureau Veritas did its utmost to keep its employees safe, ensure the continuity of its business and deliver continuing excellence to its clients. Our management team made some courageous decisions in order to safeguard our Company, including a tight rein on expenditure, a temporary reduction in investments, and pay cuts in many regions.

“This year once again, Bureau Veritas has proved exemplary in matters of transparency, the basis for the trust that lies at the heart of its mission.”
In these unprecedented circumstances, to protect Bureau Veritas from the worst of the crisis and retain its ability to bounce back when the pandemic ends, the Board of Directors unanimously decided to recommend that the Shareholders’ Meeting cancel the dividend payment. This important decision also reflects our values and responsibility towards our ecosystem.

Throughout this period of upheaval, Bureau Veritas stands out for its robust financial position and resilient business model. The profound transformation begun in 2015, which has seen us sharpen our focus on new, fast-growing markets, diversify our geographic footprint and digitalize our services, has proven its effectiveness. Thanks to this strategy, we have been able to weather the storm, supported by the strong fundamentals of the Group and the TiC market as a whole, whose structural growth outlook remains upbeat.

In this context, our role of building trust by minimizing risks and optimizing the performance of our clients in terms of quality, health and safety, and sustainability takes on even more importance. We therefore look to the future with confidence, aware that the Group will continue to create value over the long term for all of its stakeholders, thanks to its robust business model.

This year once again, Bureau Veritas has proved exemplary in matters of transparency – the basis for the trust that lies at the heart of its mission – and of corporate social responsibility. The Group picked up various awards for its efforts in these areas in 2020, including being listed as a “Gold Class” member in the 2021 Sustainability Yearbook compiled by S&P Global – Dow Jones Sustainability Indices (DJSI).

In terms of corporate governance, the Board of Directors took an active role in supporting and assisting management during this unprecedented year. The Directors therefore met more frequently than usual to monitor the business and take the decisions needed to protect the Company.

At the same time, we also worked to prepare for the future. The Board and the Strategy Committee analyzed the 2025 strategic plan and Bureau Veritas’ value proposition going forward.

In 2021, Bureau Veritas will present its strategic roadmap for the next few years. This plan will be anchored in the strategy pursued by the Group since 2015. The Board of Directors is confident in the Group’s ability to swiftly return to profitable and sustainable growth. I would also like to express my full and wholehearted support for Didier Michaud-Daniel and the management team who will oversee the execution of the plan and help us achieve our shared goals. Bureau Veritas is well positioned to continue its development, to build trust between organizations and their clients and to promote responsible progress – a major concern for us all.
I am proud of the ongoing efforts of each of our 75,000 employees and I commend the exemplary commitment they have shown throughout 2020. In every country in which Bureau Veritas does business, our teams have worked to support all of our stakeholders, driven by the Group’s values of responsibility, trust and humility. Their remarkable contribution has demonstrated our agility, innovation and adaptability in a particularly uncertain environment.

As soon as the initial lockdown measures were introduced in China, the Group’s most important base in terms of workforce and second most important in terms of revenue, we realized the gravity of the situation. We took immediate action, coordinated by a crisis committee covering all our operations. Our immediate priority was to protect the health and safety of all our employees and clients in the 140 countries in which we operate.

In parallel, our entire Group mobilized to mitigate the impacts of the crisis. Decisive steps were taken to protect the Group’s financial solidity, and ensure business continuity with and for our clients, both on the ground and remotely with the help of digital technologies.

The record speed and the success with which our “Restart Your Business with BV” solution and “SafeGuard” label were launched to help businesses in all sectors and public organizations restart their operations post-lockdown to restore confidence is a perfect illustration of the reactivity and agility of our teams. Close to 5,000 companies and public institutions across the globe have trusted us to work with them to implement their health protocols.

I am proud of the ongoing efforts of each of our 75,000 employees and I commend the exemplary commitment they have shown throughout 2020.
Despite the major crisis that has hit the global economy, I want to underline the remarkable resilience of our business model, which is the result of the diversification strategy we have pursued since 2015. We have stepped up our presence in Buildings & Infrastructure, a business in which we are now world leader. We have also strengthened our expertise and our international presence in Agri-Food, and continued to develop our resilient Opex activities in the energy sector. 2020 revenue totaled €4.6 billion, an organic decline of 6.0%. Adjusted operating margin came in at 13.4%, while free cash flow generation amounted to €634 million. We have a solid balance sheet, with €1.6 billion in cash and cash equivalents.

On behalf of Bureau Veritas’ management team, I would like to thank our Board of Directors for its unwavering support throughout the year, as well as our shareholders, who agreed to waive their dividend for 2020 in order to protect the business at the worst of the crisis.

Thanks to this exceptional measure together with our strict cash discipline, our indebtedness at December 31, 2020 was 1.8x(1).

In the context of the Covid-19 pandemic, the Group decided to postpone the announcement of its next strategic plan to the second half of 2021. On this occasion, Bureau Veritas will unveil the components of its financial ambition through 2025. Action plans are already in place in all Group entities for the major strategic directions we have identified as growth drivers for the coming years. A great example of this is the launch of our Green Line of services and solutions, which is designed to support businesses in delivering their sustainability goals in areas such as production and the use of natural resources, supply chains and consumption, construction and infrastructure, new mobilities, ethics, and adequate governance. Investments in solar, wind or water power related to the energy transition, in particular as part of stimulus plans such as the European Green Deal, will provide growth opportunities for Bureau Veritas, which can offer expertise across all these areas.

For the global economy, this crisis has acted as a catalyst for the development of quality, health and safety, digital technology, supply chain management, and sustainability. Driven by our determination to be a role model for the industry on corporate social responsibility, during the past year we stepped up our efforts and reinforced the structure of our strategic sustainability goals. We are proud of having been singled out on several occasions in 2020 for our achievements in this regard and being awarded the status of “Gold Class” member in the 2021 Sustainability Yearbook compiled by S&P Global – DJSI.

Our role as an independent third party is essential for building trust between economic players. This has now become a vital link in the chain of actions designed to make our economy more responsible for our planet and its inhabitants. More than ever, I am convinced of the relevance of our company vision of Shaping a World of Trust founded on responsible progress. This is the virtuous cycle of a Business to Business to Society company.

(1) Bank covenant defined as the ratio of adjusted net financial debt divided by consolidated EBITDA (net profit, or earnings before interest, tax, depreciation, amortization and provisions), adjusted for any entities acquired over the last 12 months.
THE GROUP’S PRIORITIES IN ADDRESSING THE COVID-19 PANDEMIC

1. ENSURING EMPLOYEE HEALTH AND SAFETY
   - Introduction of stringent hygiene, cleaning and disinfection protocols;
   - Appropriate protective equipment provided to employees;
   - Widespread deployment of remote working arrangements, particularly for roles not requiring a physical on-site presence.

2. PROTECTING THE FINANCIAL SOLIDITY OF THE GROUP
   - Acceleration of billing and cash collection processes;
   - Freeze on travel expenses and reduction in discretionary spending;
   - Freeze on non-essential investments;
   - Mergers and acquisitions put on hold;
   - Reduction in working hours and pay agreed with some employees in certain geographies;
   - Freeze on recruitment and pay increases;
   - Exceptional cancellation of the proposed dividend;
   - Take-up of government support schemes (furlough, deferral of tax payments and of employment contributions, etc.);
   - Full drawdown of the €600 million syndicated credit facility.

3. ENSURING BUSINESS CONTINUITY WITH AND FOR CLIENTS
   - Activation of business continuity plans across the globe;
   - Maintaining on-the-ground and remote services through digital technologies, notably to ensure that supply chains remain resilient and that infrastructure continues to function as needed;
   - Implementation of e-learning solutions to inform and train clients on regulatory and compliance issues;
   - Development and marketing of the “Restart Your Business with BV” solution.

BUREAU VERITAS ALSO TOOK PART IN A HOST OF PROJECTS INTENDED TO ADDRESS COVID-19 ACROSS THE GLOBE AND IT COMMENDS THE EXEMPLARY COMMITMENT SHOWN BY ITS EMPLOYEES:

- Construction of an emergency hospital in China (Shenzhen): engineering consulting and safety management services for the hospital, which was built in 20 days;
- Emergency field hospital in France (Mulhouse): inspection of the electrical installations before commissioning of the military field hospital;
- Employee safety in the US retail industry: assistance in implementing safety measures, including the installation of protective equipment at points of sale;
- Supply of PPE: initiatives targeting local communities in the different regions of the world in which the Group operates, including donations of personal protective equipment (masks, gloves, etc.) to hospitals.
AN EXPERT RESPONSE TO A SOCIETAL CHALLENGE: REBUILDING TRUST

● “Restart Your Business with BV” is a suite of solutions to support clients as they reopen for business in the appropriate health, safety and hygiene conditions. It is enhanced with a comprehensive digital ecosystem providing traceability and transparency with regard to all stakeholders.

● “Restart Your Business with BV” is designed for public-sector organizations as well as companies of all sizes and sectors (hotels and restaurants, airlines, shipping companies, shopping centers, industrial and construction sites, transportation companies, premises open to the public, etc.).

AIMS OF THE OFFER

● Ensure that all appropriate health, safety and hygiene procedures are in place to support business resumption in compliance with local and international regulations and best health and safety practices.

● Certify that the procedures defined are relevant in light of the specific characteristics of the industry in question, and are properly implemented.

● Issue a label or certificate of compliance as a trusted independent third party.

A TAILOR-MADE APPROACH BASED ON A FULLY DIGITAL PROCESS

DEFINE THE LIST OF CONTROL POINTS

Clients can either use Bureau Veritas’ ready-to-use checklists or customize them with the support of BV specialists according to their specific needs.

CONDUCT THE AUDIT

Audits can be conducted either in the field or remotely, via a dedicated digital platform, providing global coverage.

GRANT THE LABEL OR CERTIFICATE

A label is granted based on compliance with all specified requirements, after an independent verification by a duly qualified auditor. Clients can use the Bureau Veritas SafeGuard label or design their own label with dedicated branding (in accordance with Bureau Veritas rules).

ONE SINGLE REPOSITORY (OPEN DATA MODEL)

Audit results are gathered in an official central repository where the data are available to the client for use in its websites or applications.

CLOSE TO 5,000 COMPANIES AND PUBLIC INSTITUTIONS ACROSS THE GLOBE HAVE TRUSTED US

Sodexo and Bureau Veritas joined forces to develop a label certifying the quality of hygiene measures for all of the group’s food and facilities management services (company restaurants, deliveries of meals to the elderly, etc.). This labeling system was introduced in June 2020 in France, the UK, the US and Canada, and has since been gradually extended to other countries.

Accor, a world leader in hospitality, and Bureau Veritas joined forces to launch the ALLSAFE labeling system for the accommodation and catering industries. The system guarantees the highest level of hygiene standards in the Accor group’s hotels through 40 audit points relating to hygiene and cleanliness, from rules on social distancing, the cleaning of contact points and stocking up on masks, employee training to the ability of management to adequately respond in case of a suspected contamination. All of these factors are audited during visits by Bureau Veritas experts.

Find the sites with the label SafeGuard and affiliates at restartwith.bureauveritas.com
Our fundamentals

Identity

Bureau Veritas is a world leader in laboratory testing, inspection and certification services. Created in 1828, the Group has 75,000 employees located in more than 1,600 offices and laboratories around the globe. Bureau Veritas helps its clients improve their performance by offering services and innovative solutions in order to ensure that their assets, products, infrastructure and processes meet standards and regulations in terms of quality, health and safety, environmental protection and social responsibility.

Bureau Veritas is a Business to Business to Society service company that contributes to positively transforming the world we live in. We work closely with our clients to address the critical challenges they face and to link these to the emerging aspirations of society. We play a pivotal role in building and protecting companies’ reputations, supporting them as they forge the foundations of trust that is built to last.

Our values, our absolutes

Focused on our clients, driven by society

Manifesto

Trust is the very foundation upon which relationships between citizens, public authorities, and companies are built. In today’s fast-changing world, this essential link is no longer a given.

Citizens and consumers are seeking out verified and verifiable information on how companies develop, produce and supply their goods and services. Decision makers across all organizations face the challenge of proving their CSR commitments in order to remain competitive and sustainable.

At Bureau Veritas, our work enables organizations to operate and innovate safely and perform better. Thanks to our unrivalled expertise, technical knowledge and worldwide presence, we support them by managing quality, safety, health and sustainability risks, to the benefit of society as a whole.

As a Business to Business to Society company, we believe that today more than ever, trust depends on evidence of responsible progress.

We bring more to the table than testing, inspection and certification. The work we do goes beyond verifying compliance and has a much wider impact.

Since 1828, we have acted as trust makers between companies, governments and society. We are independent, impartial guarantors of our clients’ word.

We play a pivotal role in building and protecting companies’ reputations, supporting them as they forge the foundations of trust that is built to last.

Our mission: Shaping a World of Trust by ensuring responsible progress.
A GLOBAL PRESENCE

EUROPE
Revenue (including France 18%)
16,950 employees
480 locations

AMERICAS
Revenue (including USA 11%)
20,980 employees
460 locations

AFRICA, MIDDLE EAST
Revenue
7,010 employees
130 locations

ASIA PACIFIC
Revenue (including China 16%)
29,990 employees
545 locations

37%

31%

23%

9%

2028
Bureau Veritas founded

€4.6 bn
in revenue

400,000
clients

75,000
employees

1,600+
offices & laboratories in 140 countries

3,500
agreements & accreditations

Bureau Veritas • 2020 Non-Financial Statement
OUR 6 BUSINESSES

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.

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. 1 in terms of the number of ships.

AGRI-FOOD & COMMODITIES

Oil and petrochemicals, Metals & Minerals (including 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 & Gas, Power & Utilities, Chemicals and Processing (cement, paper, etc.), Manufacturing (equipment, machines and modules), Metals & Minerals, Transportation and Logistics, and Automotive.

- Our role:
  Ensure the safety, security, reliability and integrity of industrial assets throughout their lifecycle, 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

2020

8% Marine & Offshore
22% Agri-Food & Commodities
21% Industry
29% Buildings & Infrastructure
7% Certification
13% Consumer Products

(1) Global market position.
(2) Quality, health and safety, environmental protection and social responsibility.
BUILDINGS & INFRASTRUCTURE

Residential and office buildings, industrial facilities, infrastructure and equipment, in-service equipment in buildings and environmental analyses.

- **Our role:**
  - From planning and design to construction and operation, provide assurance that property assets and infrastructure meet objectives defined for quality, safety, compliance and performance. Ensure business continuity and environmental protection by assessing the safety and efficiency of in-service installations and by analyzing all environmental data, including 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):
  - No. 2.

CONSUMER PRODUCTS

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

- **Our role:**
  - Test and verify consumer product conformity, quality, safety and performance. Inspect, verify the compliance and improve the efficiency, traceability and reliability of supply chains.

- **Our market position** (1):
  - No. 3.

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(1) Global market position.
(2) Alternative performance indicator defined and reconciled with IFRS in section 5.6 of the 2020 Universal Registration Document.
1. Offshore wind turbine lifecycles monitored
2. Project management assistance for solar power plant construction performed
3. Biofuel certified
4. Respect for human rights verified
5. Responsible fishing controlled
6. Timber legality and forest management certified
7. Carbon footprint monitored
8. Energy savings verified
9. Industrial environmental emissions controlled
10. Supply chain resilience & ESG criteria audited
11. Product components tested
12. Organic products certified
13. Circular economy verified
BÂTIR UN MONDE DE CONFIANCE
AVEC NOTRE LIGNE VERTE DE SERVICES ET SOLUTIONS DÉDIÉS AU DÉVELOPPEMENT DURABLE

1. Cycle de vie des éoliennes offshore contrôlé
2. Assistance à la gestion de projet pour la construction de panneaux solaires réalisée
3. Biocarburant certifié
4. Respect des droits humains vérifié
5. Pêche responsable contrôlée
6. Légalité du bois et gestion forestière certifiées
7. Empreinte carbone contrôlée
8. Économies d’énergie vérifiées
9. Émissions environnementales industrielles contrôlées
10. Critères ESG et résilience des chaînes d’approvisionnement audités
11. Composants produits testés
12. Produits biologiques certifiés
13. Économie circulaire vérifiée
14. Green building certified
15. “Green roads” improvement project managed
16. Infrastructure lifecycle management performed
17. Electric vehicle charging stations inspected
18. LNG ship inspected
19. Social audits performed
20. Health, safety and hygiene audits conducted
21. Precision farming monitored
22. Data privacy and cybersecurity certified
23. Efficiency and compliance of transmission and distribution networks verified
24. Onshore wind turbines certified and inspected
25. Hydrogen value chain certified
26. Animal welfare certified
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 STRATEGIC PILLARS**

- **Expand market coverage,** through 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.

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

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

- **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 small and mid-size companies in specific markets and geographies.

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

**OUR 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.

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(1) TIC: Testing, Inspection and Certification.
OUR 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, offering the Group a more dynamic growth profile and helping it consolidate its diversification strategy for its portfolio of businesses.

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 4 KEY DRIVERS

FINANCIAL AMBITION

In the context of the Covid-19 pandemic, the Group decided to postpone the announcement of its next strategic plan to the fourth quarter of 2021. On this occasion, Bureau Veritas will unveil the components of its financial ambition through 2025.

The Group’s strong fundamentals remain unchanged and clearly demonstrate the soundness of the ongoing strategy. Thus, while awaiting the announcement of its next strategic plan, Bureau Veritas will continue to develop the strategy initiated in 2015, which is proving to be very successful. The major strategic directions identified as growth drivers for the coming years are already the subject of action plans in all Group entities.
OUR 2025 CSR PLAN

SHAPING A BETTER WORLD: A STRATEGIC INTERNAL DIMENSION BUILT UPON THREE STRATEGIC AXES

Aiming for Industry Leadership in CSR

Bureau Veritas' 2025 CSR strategy is aligned with five of the UN's Sustainable Development Goals and draws on three sustainability pillars. Based on these five goals, the Group has identified 20 CSR priorities that will be measured using 17 key performance indicators, some of which will be published every quarter:

<table>
<thead>
<tr>
<th>Strategic axes</th>
<th>SHAPING A BETTER WORKPLACE</th>
<th>SHAPING A BETTER ENVIRONMENT</th>
<th>SHAPING BETTER BUSINESS PRACTICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability pillars</td>
<td>Social &amp; Human Capital</td>
<td>Environment</td>
<td>Governance</td>
</tr>
<tr>
<td>United Nations Sustainable Development Goals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupational health and safety;</td>
<td>Equal remuneration for women and men;</td>
<td>Employment;</td>
<td>Energy efficiency;</td>
</tr>
<tr>
<td>Human rights;</td>
<td>Diversity and equal opportunity;</td>
<td>Non-discrimination;</td>
<td>GHG emissions;</td>
</tr>
<tr>
<td>Access to quality essential healthcare services;</td>
<td>Workplace harassment;</td>
<td>Capacity building;</td>
<td>Risks and opportunities due to climate change.</td>
</tr>
<tr>
<td>Employee volunteering services.</td>
<td>Women in leadership.</td>
<td>Availability of skilled workforce.</td>
<td></td>
</tr>
<tr>
<td>CSR priorities for Bureau Veritas</td>
<td></td>
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</tr>
<tr>
<td>Safety is an “absolute”: achieve 0.26 accident rate (TAR(1))</td>
<td>Reach 35% of female representation in leadership positions(2)</td>
<td>Achieve 35 training hours per employee (per annum)</td>
<td>Reduce CO2 emissions(3) to 2 tons per employee (per annum)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Reach 99% of employees trained to the Code of Ethics</td>
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</table>

Key performance indicators are compiled, checked, and monitored using “Clarity”, a CSR strategy management solution developed by Bureau Veritas. The indicators are validated at three levels: Group level, operating group level and key country/region level.

Clarity is designed for three main tasks:
- to serve as a single dashboard for all key performance indicators;
- to act as an overall sustainability index in line with the UN's Sustainable Development Goals and the sustainability pillars;
- to provide a single dashboard for monitoring and addressing requirements set by non-financial ratings agencies and investors.

Clarity also enables the Group to track the CSR indicators of its main stakeholders.
A STRATEGIC EXTERNAL DIMENSION SERVING CLIENTS AND STAKEHOLDERS

PARTNERING CLIENTS THROUGH THE GREEN LINE OF SERVICES AND SOLUTIONS

The Green Line is a suite of services and solutions available to all Bureau Veritas clients and their stakeholders that helps them to improve their performance and increase the transparency and credibility of their initiatives across all areas, particularly sustainability.

The Green Line of services and solutions specifically acts to further the following UN Sustainable Development Goals:

- **RESOURCES & PRODUCTION**
  - Renewables & alternative energies
  - Energy transition
  - Offshore and offshore
  - Wind farms, solar power
  - Plants from project to asset management, biofuel and hydrogen certifications

- **SUSTAINABLE USE OF NATURAL RESOURCES**
  - Agribusiness harvest monitoring and precision farming, responsible fishing, forest certification and maritime pollution prevention

- **INDUSTRY CARBON FOOTPRINT**
  - Carbon footprint monitoring, energy saving verification, industrial environmental control and testing and emissions control

- **CONSUMPTION & TRACEABILITY**
  - Sustainable supply chains, food certification
  - Product component testing, organic certification, supply chain resilience audit, circular economy verifications and ESG supply chain audits

- **BUILDINGS & INFRASTRUCTURE**
  - Green building certification, project management for infrastructure improvement in developing countries and infrastructure lifecycle asset management in mature countries

- **NEW MOBILITY**
  - E-mobility, alternative propulsion
  - Batteries, charging station, connectivity testing, LNG ship inspection (new build, conversion)

- **SOCIAL, ETHICS & GOVERNANCE**
  - Social practices
  - Social audits, health, safety, hygiene and inclusion protocols

- **CSR STRATEGY**
  - Policy monitoring, management systems improvement, reporting verification

- **ETHICS & BUSINESS PRACTICES**
  - Human rights assessment, supplier assessment, anti-bribery certification, data privacy and cybersecurity certifications

The Group proposes services to address these issues across all of its businesses and will continue to develop new services in step with the changes made by its clients. In this way, Bureau Veritas helps to make its clients’ CSR efforts visible and provides them with the tools they need to protect their brands and their reputations.

For example, the Group’s clients and their stakeholders can monitor and verify the development of their CSR strategies and indicators through Clarity, a digital platform developed for this purpose.

Bureau Veritas is also well placed to benefit from new structural trends supporting sustainable development, including the energy transition, supply chain management, and economic stimulus plans such as the EU’s Green Deal.
OUR VALUE CREATION MODEL

MEGATRENDS

Our approach to social and environmental challenges

ECONOMIC GROWTH, 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.), ACCELERATION OF THE DIGITAL TRANSFORMATION, SHORTER PRODUCT LIFECYCLES:
- Increase in and subcontracting of testing
- Greater oversight of the supply chain and the number of subcontractors to be managed
- Greater investment in digital infrastructure and new technologies
- Critical challenge of ensuring the security of systems and communications, and data protection

SUPPLY CHAIN STRUCTURES INCREASINGLY COMPLEX:
- Need for support in making supply chains more transparent and resilient
- Need for comprehensive solutions across the value chain

ACCELERATION OF SUSTAINABLE DEVELOPMENT:
- Commitment by States to social and environmental issues, with stricter regulation and substantial investments
- Sine qua non for businesses to ensure viability and improve economic and financial performance in the long term

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 controlling shareholder and a widely-held free float
- A robust, balanced financial model underpinned by a long-term vision
- €1,286 million in equity

HUMAN CAPITAL
- 75,000 employees
- Qualified, highly-trained personnel in a supportive environment
- An inclusive culture: 20% of executive-level managers are women; 34% of employees are in the 25-34 year age bracket and 50% in the 35-54 year bracket
- 155 nationalities represented within the Group
- An entrepreneurial culture
- A global network of subcontractors

INDUSTRIAL CAPITAL
- A network spanning almost 140 countries
- More than 1,600 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

SOCIAL 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
- Dedicated services and solutions to support organizations in confidently and transparently delivering their sustainability strategy
- With our contribution, businesses can measurably demonstrate the impact of their ESG actions by making them traceable, visible and reliable

OUR PURPOSE

• Since 1828, we have acted as trust makers between companies, governments and society, independent, impartial guarantors of our clients’ world.

VISION

• Our employees serve our clients and are inspired by society; they make Bureau Veritas a Business to Business to Society service company that contributes to positively transforming the world we live in.

OUR SERVICES

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

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

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

(1) Proposed dividend, subject to Shareholders’ Meeting approval.
OUR ACHIEVEMENTS AND RESULTS

MISSION
- Shaping a World of Trust by ensuring responsible progress.
- Thanks to our unrivalled expertise, technical knowledge and worldwide presence, we support our clients by managing quality, safety, health and sustainability risks, to the benefit of society as a whole.

ECONOMIC CAPITAL
- Organic revenue decline was limited to 6.0%, despite the Covid-19 pandemic
- Free cash flow of €634 million
- €0.36 dividend per share (1)

HUMAN CAPITAL
- Bureau Veritas ranked as a diversity leader by the Financial Times
- 23.9 training hours given per employee
- 10,880 hires under permanent (or similar) contracts
- Employee engagement rate of 69%
- Total accident rate down 66% since 2014
- 98.5% of employees trained on the Code of Ethics

INDUSTRIAL CAPITAL
- New sites opened, especially laboratories in the Asia Pacific region and the Americas (e.g., 5G labs in China, Taiwan and South Korea)
- Disposal of non-strategic businesses and assets in targeted markets and geographies

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

SOCIETAL AND ENVIRONMENTAL CAPITAL
- Contributing to a safer, more trusting world
- 84% of activities ISO 14001-certified
- Signatory of Act4Nature commitments to protecting biodiversity
- Ecovadis “Gold” rating for environmental practices
- DJJS score of 84/100, compared with the industry average of 35/100
- “B” rating from the CDP, above the industry average (B-)
- €387 million in payroll charges
- Adjusted effective tax rate of 36.6%

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

- €4.6 bn in 2020 revenue
- €1.4 bn due to suppliers (purchases of goods and services) and subcontractors (engagements)
- €1.9 bn in wages, salaries and bonuses due to employees
- €176 m in taxes
- €88 m in net capex to support the development of our businesses for and with our clients
- €0.36 (1) due to shareholders (dividend per share)
OUR FINANCIAL AND NON-FINANCIAL PERFORMANCE

OUR FINANCIAL KEY FIGURES
(as of December 31)

CHANGE IN CONSOLIDATED REVENUE, TOTAL GROWTH AND ORGANIC GROWTH
In millions of euros and as a percentage

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Total growth</th>
<th>Organic growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>4,549</td>
<td>(0.6)%</td>
<td>(9.8)%</td>
</tr>
<tr>
<td>2017</td>
<td>4,689</td>
<td>3.1%</td>
<td>2.2%</td>
</tr>
<tr>
<td>2018</td>
<td>4,796</td>
<td>4.0%</td>
<td>2.3%</td>
</tr>
<tr>
<td>2019</td>
<td>5,100</td>
<td>6.3%</td>
<td>4.3%</td>
</tr>
<tr>
<td>2020</td>
<td>4,601</td>
<td>(0.6)%</td>
<td>(9.8)%</td>
</tr>
</tbody>
</table>

CHANGE IN OPERATING PROFIT, ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING MARGIN
In millions of euros and as a percentage

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating profit</th>
<th>Adjusted operating profit</th>
<th>Adjusted operating margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>610</td>
<td>735</td>
<td>16.2%</td>
</tr>
<tr>
<td>2017</td>
<td>606</td>
<td>746</td>
<td>15.9%</td>
</tr>
<tr>
<td>2018</td>
<td>637</td>
<td>758</td>
<td>16.3%</td>
</tr>
<tr>
<td>2019</td>
<td>721</td>
<td>832</td>
<td>16.3%</td>
</tr>
<tr>
<td>2020</td>
<td>407</td>
<td>615</td>
<td>13.4%</td>
</tr>
</tbody>
</table>

ADJUSTED OPERATING MARGIN BY BUSINESS IN 2020
As a percentage

- **Group**: 13.4%
- **Marine & Offshore**: 21.9%
- **Agri-Food & Commodities**: 12.1%
- **Industry**: 11.2%
- **Buildings & Infrastructure**: 11.0%
- **Certification**: 15.8%
- **Consumer Products**: 17.6%
CHANGE IN NET CASH GENERATED FROM OPERATING ACTIVITIES

In millions of euros

<table>
<thead>
<tr>
<th>Year</th>
<th>Free cash flow</th>
<th>Net investment(1)</th>
<th>Interest paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3.2%</td>
<td>2.8%</td>
<td>2.6%</td>
</tr>
<tr>
<td>2017</td>
<td>2.4%</td>
<td>2.6%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

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

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

In millions of euros and multiples

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted net financial debt</th>
<th>Bank covenant</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1,996</td>
<td>1,329</td>
</tr>
<tr>
<td>2017</td>
<td>2,094</td>
<td>1,280</td>
</tr>
<tr>
<td>2018</td>
<td>2,115</td>
<td>1,330</td>
</tr>
<tr>
<td>2019</td>
<td>1,813</td>
<td>1,310</td>
</tr>
<tr>
<td>2020</td>
<td>1,813</td>
<td>1,329</td>
</tr>
</tbody>
</table>

(1) Net financial debt after currency hedging instruments as defined in the bank covenant calculation.

(2) Ratio of adjusted net financial debt divided by consolidated EBITDA (earnings before interest, tax, depreciation, amortization and provisions), adjusted for any entities acquired over the last 12 months.

SIMPLIFIED OWNERSHIP STRUCTURE

As of December 31, 2020

- 35.6% Wendel Group
- 62.9% Free Float
- 0.6% Treasury shares
- 0.9% Executive Committee & Employees

Alternative performance indicators are defined and reconciled with IFRS in section 5.6 of the 2020 Universal Registration Document.
OUR NON-FINANCIAL KEY FIGURES
(as of December 31)

CHANGE IN HEADCOUNT

<table>
<thead>
<tr>
<th>Year</th>
<th>Total headcount</th>
<th>New hires (permanent contracts or similar)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>68,042</td>
<td>12,362</td>
</tr>
<tr>
<td>2017</td>
<td>73,417</td>
<td>13,101</td>
</tr>
<tr>
<td>2018</td>
<td>75,428</td>
<td>13,330</td>
</tr>
<tr>
<td>2019</td>
<td>78,395</td>
<td>14,954</td>
</tr>
<tr>
<td>2020</td>
<td>74,930</td>
<td>10,880</td>
</tr>
</tbody>
</table>

CHANGE IN THE PROPORTION OF WOMEN WITHIN THE GROUP
As a percentage

<table>
<thead>
<tr>
<th>Level</th>
<th>Board of Directors</th>
<th>Executive Committee</th>
<th>Senior management</th>
<th>Junior management</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>42%</td>
<td>36%</td>
<td>20%</td>
<td>23%</td>
<td>30%</td>
</tr>
<tr>
<td>2020</td>
<td>42%</td>
<td>30%</td>
<td>20%</td>
<td>24%</td>
<td>30%</td>
</tr>
</tbody>
</table>

CHANGE IN SAFETY INDICATORS

<table>
<thead>
<tr>
<th>Year</th>
<th>TAR (Total Accident Rate)</th>
<th>LTR (Lost Time Rate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.81</td>
<td>0.02</td>
</tr>
<tr>
<td>2017</td>
<td>0.49</td>
<td>0.22</td>
</tr>
<tr>
<td>2018</td>
<td>0.41</td>
<td>0.21</td>
</tr>
<tr>
<td>2019</td>
<td>0.38</td>
<td>0.23</td>
</tr>
<tr>
<td>2020</td>
<td>0.26</td>
<td>0.17</td>
</tr>
</tbody>
</table>

CHANGE IN EMISSIONS OF CO₂ EQUIVALENT
In tons

<table>
<thead>
<tr>
<th>Year</th>
<th>Direct emissions (Scope 1)</th>
<th>Indirect emissions (Scope 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>66,790</td>
<td>63,315</td>
</tr>
<tr>
<td>2020</td>
<td>58,654</td>
<td>77,390</td>
</tr>
</tbody>
</table>

23.9 training hours per employee in 2020
98.5% of employees trained on the Code of Ethics
Gold Class and Industry Mover in S&P Global Sustainability Yearbook 2021
B rating from the Carbon Disclosure Project (CDP), above the industry average (B-)

2020 was a very atypical year from an environmental performance standpoint due to the Covid-19 pandemic. In 2020, the Group’s CO₂ emissions scope covered 96% of the headcount (81% in 2019).
Bureau Veritas aims to improve its ratings among the main non-financial ratings agencies in order to maintain its reputation among its clients, as well as investor confidence.

**SELECTION OF KEY INDICATORS**

<table>
<thead>
<tr>
<th>Key performance indicators</th>
<th>2019</th>
<th>2020</th>
<th>2025 target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SOCIAL AND HUMAN CAPITAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Accident Rate (TAR)</td>
<td>0.38</td>
<td>0.26</td>
<td>0.26</td>
</tr>
<tr>
<td>Lost Time Rate (LTR)</td>
<td>0.23</td>
<td>0.17</td>
<td></td>
</tr>
<tr>
<td>ISO 45001 certification rate (1)</td>
<td>86%</td>
<td>87%</td>
<td></td>
</tr>
<tr>
<td>Number of human rights infringements</td>
<td>Ø</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Proportion of women</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall proportion of women</td>
<td>30%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Female/male equal pay ratio (excluding leadership positions)</td>
<td>1.02</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Number of training hours per employee</td>
<td>19.0</td>
<td>23.9</td>
<td>35.0</td>
</tr>
<tr>
<td>Percentage of employees receiving performance and career development appraisals</td>
<td>31.4%</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Employee engagement rate</td>
<td>64%</td>
<td>69%</td>
<td></td>
</tr>
<tr>
<td><strong>ENVIRONMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CO₂ emissions per employee (tons per year)</td>
<td>2.85</td>
<td>2.44</td>
<td>2.00</td>
</tr>
<tr>
<td>ISO 14001 certification rate (1)</td>
<td>76%</td>
<td>83%</td>
<td></td>
</tr>
<tr>
<td><strong>GOVERNANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of employees trained to the Code of Ethics</td>
<td>97.1%</td>
<td>98.5%</td>
<td>99%</td>
</tr>
<tr>
<td>Number of Code of Ethics infringements</td>
<td>Ø</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>ISO 9001 certification rate (1)</td>
<td>87%</td>
<td>91%</td>
<td></td>
</tr>
<tr>
<td>Net Promoter Score (NPS)</td>
<td>43.3%</td>
<td>48.3%</td>
<td></td>
</tr>
<tr>
<td>Percentage of acceptance of the Business Partner Code of Conduct (BPCC)</td>
<td>Ø</td>
<td>53%</td>
<td></td>
</tr>
</tbody>
</table>

Ø Data not available.
(1) Percentage of the global headcount belonging to certified entities.

**NON-FINANCIAL RATINGS AGENCIES ARE KEY FOR ASSESSING THE DEVELOPMENT OF THE GROUP’S CSR STRATEGY**

Bureau Veritas aims to improve its ratings among the main non-financial ratings agencies in order to maintain its reputation among its clients, as well as investor confidence.

**MAIN NON-FINANCIAL RATINGS AGENCIES USED BY THE GROUP TO TRACK ITS PROGRESS**

<table>
<thead>
<tr>
<th>Rating aims</th>
<th>Ratings agencies</th>
<th>Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain the Group’s reputation among its clients</td>
<td>CDP</td>
<td>B, above the industry average (B-)</td>
</tr>
<tr>
<td>Maintain investor confidence</td>
<td>Sustainalytics</td>
<td>AA</td>
</tr>
<tr>
<td></td>
<td>MSCI</td>
<td>Robust, ranked #9 in its market sector</td>
</tr>
<tr>
<td></td>
<td>Sustainalytics</td>
<td>Low Risk, ranked #1 in the TIC sector</td>
</tr>
</tbody>
</table>

(1) Percentage of the global headcount belonging to certified entities.
OUR BOARD OF DIRECTORS (1)

12 DIRECTORS

ALDO CARDOSO
INDEPENDENT
Chairman of the Board of Directors
Aged 64(1) – French national
Director of companies

ANDRÉ FRANÇOIS-PONCE
Vice-Chairman of the Board of Directors
Aged 65(1) – French national
Chairman of the Executive Board of Wendel

JÉRÔME MICHELS
Aged 46(1) – French national
Executive Vice-President, Chief Financial Officer of Wendel

STÉPHANIE BESNIER (2)
Aged 43(1) – French national
Managing Director of Wendel

CLAUDE EHLINGER
Aged 58(1) – Luxembourg national
Non-Executive Chairman of LCH SA

ANA GIROS CALPE
INDEPENDENT
Aged 46(1) – Spanish national
Senior Executive VP Group – APAC/AIMECA Regions & Industrial Key Accounts at SUEZ

IEDE GOMES YELL
INDEPENDENT
Aged 64(1) – British and Brazilian national
Researcher and Director of companies

SIÂN HERBERT-JONES
INDEPENDENT
Aged 60(1) – British national
Director of companies

FRÉDÉRIC SANCHEZ
INDEPENDENT
Aged 60(1) – French national
Chairman of Fives SAS

PASCAL LEBARD
INDEPENDENT
Aged 64(1) – French national
Chief Executive Officer of Sequana and Chairman of PLI

PHILIPPE LAZARE
INDEPENDENT
Aged 64(1) – French national
Director of companies

LUCIA SINAPI-THOMAS
INDEPENDENT
Aged 56(1) – French national
Executive Director of Capgemini Ventures

97% average attendance rate

67% of Directors are independent

42% of Directors are women

BOARD COMMITTEES (3)

<table>
<thead>
<tr>
<th></th>
<th>Audit &amp; Risk Committee</th>
<th>Nomination &amp; Compensation Committee</th>
<th>Strategy Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average attendance rate</td>
<td>97%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Members</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aldo CARDOSO</td>
<td>●</td>
<td></td>
<td></td>
</tr>
<tr>
<td>André FRANÇOIS-PONCE</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Jérôme MICHELS</td>
<td>●</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claude EHLINGER</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Ana GIROS CALPE</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Ieda GOMES YELL</td>
<td>●</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Siân HERBERT-JONES</td>
<td>●</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frédéric SANCHEZ</td>
<td>●</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pascal LEBARD</td>
<td>●</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philippe LAZARE</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Lucia SINAPI-THOMAS</td>
<td>●</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stéphanie BESNIER (2)</td>
<td>●</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of members</td>
<td>5</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>● Chair ● Member</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) As of December 31, 2020.
(2) Stéphanie Besnier resigned from the Board of Directors on February 24, 2021.
(3) At the filing date of the 2020 Universal Registration Document.
AIMS AND PRINCIPLES OF THE COMPENSATION POLICY

The compensation policy has three main aims:

- **Reward Performance**
- **Attractiveness & Competitiveness**
- **Align Stakeholders’ Interests**

A STRICT PROCESS WHEN PREPARING EXECUTIVE COMPENSATION

Dialogue with Shareholders

The heads of Investor Relations and Legal Affairs & Audit and the Chairman of the Board of Directors liaise with the Group’s shareholders and voting advisors. Continual efforts are made to improve communication of the various principles underlying executive compensation in order to facilitate shareholder disclosure.

Shareholder Vote

Approval of the compensation policy by the Shareholders’ Meeting.
In the context of the Covid-19 pandemic, the Group decided to postpone the announcement of its next strategic plan to the fourth quarter of 2021. On this occasion, Bureau Veritas will unveil the components of its financial ambition through 2025.

Q4 2021 Digital Investor Day
PRESENTATION OF THE GROUP

1.1 GENERAL OVERVIEW OF THE GROUP

1.2 HISTORY

1.3 THE TIC INDUSTRY

1.3.1 A market worth an estimated €200 billion plus

1.3.2 Evolving growth drivers

1.3.3 High barriers to entry

1.3.4 Regional, national or global markets

1.4 STRATEGY AND OBJECTIVES

1.4.1 Key competitive advantages

1.4.2 Five-pillar strategy

1.4.3 Initiatives to accelerate growth

1.4.4 Two key markets: the United States and China

1.4.5 Four key drivers

1.4.6 Acquisitions: an active and selective external growth strategy

1.4.7 Financial and non-financial ambition

1.5 PRESENTATION OF BUSINESS ACTIVITIES

1.5.1 Marine & Offshore

1.5.2 Agri-Food & Commodities

1.5.3 Industry

1.5.4 Buildings & Infrastructure

1.5.5 Certification

1.5.6 Consumer Products

1.6 ACCREDITATIONS, APPROVALS AND AUTHORIZATIONS

1.7 RESEARCH AND DEVELOPMENT, INNOVATION, PATENTS AND LICENSES

1.8 INFORMATION AND MANAGEMENT SYSTEMS
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 and safety, and sustainable development. Leveraging its renowned expertise, as well as its impartiality, integrity and independence, Bureau Veritas has helped build trust between companies, public authorities and consumers for more than 190 years.

The services provided by Bureau Veritas are designed to ensure that products, assets and management systems conform to different standards and regulations in terms of quality, health, safety, environmental protection and social responsibility ("QHSE").

Depending on its clients’ needs and on applicable regulations, standards or contractual requirements, Bureau Veritas acts:

- as a "third party", i.e., an independent body issuing reports and conformity certificates for products, assets, systems, services or organizations;
- as a "second party" on behalf of and upon the instructions of its clients to ensure better control of the supply chain; or
- 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.

---

Diagram:

1. **1st Party (Manufacturer or Seller)**
   - Verify compliance of products, assets, and systems

2. **2nd Party (Buyer or User)**
   - Verify compliance of suppliers

3. **3rd Party (Independent Organization)**
   - Certify conformity

According to:

- Client specifications or protocols
- Private schemes or labels
- International standards (ISO, IEC, UN, etc.)
- Regulations
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 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 launch new projects and products safe in the knowledge 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 the 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 highly reputed independent player.
PRESENTATION OF THE GROUP
General overview of the Group

SERVICES
Bureau Veritas offers three main types of services:

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

The Group’s services cover:

- **Assets**, such as:
  - ships, trains and planes,
  - buildings, infrastructure and networks,
  - power plants, refineries, pipelines and other industrial installations;
- **Products**, such as:
  - consumer products – mass consumer electronics, textiles, toys, automotive and food products, and connected devices,
  - industrial equipment – pressure equipment, machines, electrical equipment,
  - commodities – oil, petrochemical products, minerals, metals and other commodities;
- **Systems**, such as:
  - conventional QHSE management systems (ISO 9001, ISO 14001, OHSAS 18001, ISO 27001, ISO 45001, ISO 50001, etc.),
  - sector-specific QHSE management systems (automotive, aeronautics, food, etc.),
  - supply chain management, including audits of suppliers.

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

At December 31, 2020, the ten biggest clients in terms of revenue generated during the year represented around 7% of the Group’s consolidated revenue, while the 25 biggest clients accounted for around 11%. 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 applied 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 the deployment of its strategic plan.

In 2016, the Group 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 (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 a 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.

Bureau Veritas has accompanied the implementation of this new, more market-focused organization with a change in 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, followed by a more detailed description given in section 1.5 – Presentation of business activities, of this Non-Financial Statement.

### Industry

Bureau Veritas checks the reliability and integrity of industrial assets and their conformity with regulations, as well as with client specifications. 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.

### 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, Monitoring & Audit (existing assets)

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

### Construction (mainly Capex services)

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

### Certification

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

### Consumer Products

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

Certain Group Executive Committee members are responsible for the Group’s support functions. Central support functions are represented on the Executive Committee by:

- Eduardo Camargo, Executive Vice-President, Group Transformation & Business Development. He is responsible for reinforcing the Group’s sales and client culture and for supporting the Group’s transformation, notably through digitalization and operational excellence. Eduardo Camargo is also in charge of acquisitions support. Up until the end of 2020, he was also head of the Commodities, Industry & Facilities (CIF) division in Latin America, assisted on site by Alberto Bedoya. On January 1, 2021, Alberto Bedoya joined the Group’s Executive Committee as Executive Vice-President, Commodities, Industry & Facilities in Latin America. His biography is included in section 3.3.2 – Executive Committee, of the 2020 Universal Registration Document;
- François Chabas, Executive Vice-President and Chief Financial Officer, is in charge of finance, tax, investor relations and purchasing;
- Helen Bradley, Executive Vice-President in charge of Human Resources as well as Quality, Health & Safety and Environment, Corporate Social Responsibility and External Affairs;
- Béatrice Place Faget, Executive Vice-President in charge of Group Legal Affairs and Internal Audit. Béatrice Place Faget took up her duties and joined the Group Executive Committee on August 3, 2020, replacing Pascal Quint, who decided to retire at the end of July 2020.

1.2 HISTORY

1828: Origins

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

1920: Modern industrial revolution

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

1960: Technical progress

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

1990: Diversification and worldwide expansion

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

2007: Initial public offering (IPO)

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

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

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

History

2015: New strategic roadmap
The Group conducted in-depth analyses of its markets and defined a strategic roadmap through 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 (the United States 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 event, 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 facing with challenging market conditions. Bureau Veritas highlighted that it had achieved 40% of its external growth ambition as outlined in its strategic roadmap through 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.

2020: announcement of the Group’s new strategic plan postponed until 2021
In light of the Covid-19 pandemic, the Group decided to push back the announcement of its new strategic plan to the fourth quarter of 2021. The Group’s strong fundamentals nevertheless remain unchanged, clearly demonstrating the soundness of its current strategy. Pending this announcement, Bureau Veritas will continue to develop the successful strategy in place since 2015 and to lay the foundations for the new strategic plan.

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 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, after which the Wendel group held around 35% of the capital and 52% of the voting rights of Bureau Veritas.

At December 31, 2020, the Wendel group held 35.56% of the capital and 51.58% of the exercisable voting rights of Bureau Veritas (51.33% of the theoretical voting rights).

(1) After the June 2013 four-for-one stock split.
1.3 THE TIC INDUSTRY

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

1.3.1 A MARKET WORTH AN ESTIMATED €200 BILLION PLUS

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

The overall TIC market depends on product and asset values and the associated risk. The TIC “intensity” corresponds to the proportion of the value of the product or asset allocated by the manufacturer of the product or the operator of the asset to control activities. In general, the TIC intensity falls within a range of between 0.1% and 0.8% of the value of the product or asset. The total estimated value of the TIC market can be calculated by multiplying the TIC intensity by the amount spent by manufacturers, operators, and the buyers and sellers of goods and products.

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

END USER SPENDING
- Capex investment
- Operational expenditure
- Production/Trade volume

TIC INTENSITY
- Increased safety
- Increased complexity
- Higher ratio
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 by sector shows that the biggest TIC 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.
1.3.2 EVOLVING GROWTH DRIVERS

TIC market growth is driven by six main factors:

- growth in the world economy and in local and 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 by independent third parties to facilitate and secure transactions and operations;
- subcontracting by businesses;
- privatization by government bodies;
- digitalization of the economy and of the service offer.

Long-term structural trends

Long-term structural trends (“megatrends”) should boost growth prospects in the TIC industry. Six 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 to meet the needs of increasing urbanization.

2. The use of more complex technologies, for example in the case of the Internet of Things, is increasing the number of prototypes that need to be tested on each product and the number of subcontractors that need to be managed. Shorter product lifecycles 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. As the digital transformation of the economy gathers pace, companies are investing more heavily in digital infrastructure and new technologies. Consequently, along with data protection, system and transaction security are now crucial risks that need to be addressed in a regulatory environment that remains fairly immature.

1.3.3 HIGH BARRIERS TO ENTRY

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

- have a reputation for integrity and independence in order to forge long-term partnerships with companies in managing their risks;
- obtain authorizations and accreditations in a large number of countries in order to do business. Obtaining an authorization or accreditation is a lengthy process. Acquiring a broad portfolio of authorizations and accreditations can therefore only be achieved over the long term;
- have a dense geographic network at both local and international levels. Local network density is particularly important for rolling out the portfolio of services and benefiting from economies of scale. At the same time, an international network makes it possible to support global clients at all their facilities;
- offer a broad spectrum of services and inspections, particularly for key accounts, undertake certain large contracts and stand out from local players;
- boast highly qualified technical experts. The technical prowess and professionalism of the Group’s teams give it a competitive edge by providing high value-added solutions;
- have an internationally recognized brand.

3. Supply chain management has become a key imperative for businesses, which need to identify and manage the inherent risks more effectively. Globalization has led to highly complex supply chains, which now involve a large number of stakeholders from many different countries. Companies are expressing a need to be assisted by providers offering comprehensive solutions in order to make their supply chains more transparent and resilient.

4. Sustainable development has become a key concern for public- and private-sector organizations as regulations become ever stricter – particularly within the European Union. If businesses wish to have staying power and also improve their economic and financial performance over the long term, they now have to opt for sustainable development. Prompted by governments, organizations have made strong social and environmental commitments: for example, to becoming carbon-neutral, developing recycling and the circular economy, and investing in and using renewable energy sources. These organizations need support in rolling out their commitments, gauging their progress and achieving their sustainability goals. As an example, investments in the energy transition, including stimulus plans such as the EU’s Green Deal, will help support growth in the TIC industry.

5. 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.

6. Public authorities are increasingly contracting out their control activities to specialized firms, which have the necessary flexibility to adapt to the constraints of the markets in which they operate, allowing them to considerably reduce their spending on such activities.

Bureau Veritas targets above-market growth by offering a range of innovative services that meet clients’ new demands, thereby increasing its market share in the fastest-growing sectors and regions, and seizing opportunities related to the outsourcing and privatization of certain markets.
1.3.4 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 around 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 a world leader in each of its businesses and its experience in carrying out acquisitions, Bureau Veritas is well placed to be one of the main actors in TIC consolidation. A more detailed description of the Group’s acquisition strategy is provided in section 1.4.6 – Acquisitions: an active and selective external growth strategy, of this Non-Financial Statement.

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

1.4.1 An efficient international network

Bureau Veritas has an extensive global network of more than 1,600 offices and laboratories in almost 140 countries. This network is particularly well developed in countries with mature economies (e.g., France, the United States, Canada, Japan, the United Kingdom, Spain, Italy, the Netherlands, Australia and South Korea), 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 faster growing economies like China, Brazil, Chile, Colombia, the United Arab Emirates and 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 a successful global business based on its long-standing reputation for 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 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 level of qualification of its personnel and its management systems comply with the requisite standards, norms, guidelines or regulations.

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

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

These values are the focal point of the work carried out by the TIC profession in 2003 under the leadership of the TIC Council (the international association representing independent testing, inspection and certification companies), which led to the drafting of the Group’s first Code of Ethics, published in October 2003.

A profitable, cash-generating growth model

Bureau Veritas’ financial model has the following four characteristics:

- it is based on two growth drivers: organic growth and growth through acquisitions. With the exception of 2020, when revenue shrank by 6.0% in the context of the crisis caused by the Covid-19 pandemic, the Group posted weighted average annual revenue growth of 8% between 2007 and 2019. A little less than half of this came from organic growth, while the other half was the result of a selective acquisitions strategy primarily targeting small companies;
- it focuses on profitable growth: the Group’s adjusted operating margin in 2020 was significantly affected by the health situation and lockdown measures, coming in at a relatively low 13.4%. Nevertheless, between 2007 and 2019, the adjusted operating margin remained above 16% on average;
- it generates significant, regular cash flow: between 2007 and 2020, the Group generated more than €360 million in free cash flow per year on average, including nearly €490 million over the last five years. Bureau Veritas kept a tight rein on its cash and liquidity in 2020, generating free cash flow of €634.2 million, above that generated during the period 2007-2019;
- it is underpinned by the Group’s strategy of strict cash allocation: net debt must be maintained well below bank ratios and the Group must be able to fund acquisitions and pay dividends.
1.4.2 FIVE-PILLAR STRATEGY

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

1. Expand market coverage

The Group will further penetrate its traditional markets through a broader range of services. It has identified several initiatives to achieve this objective, such as 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 urbanization and consumer spending, including the Building & Infrastructure, Agri-Food, and SmartWorld (connected devices) segments.

2. Become the partner of choice of 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, and 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;
- North America, including 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;
- Asia, including China, with the gradual opening of the domestic TIC market.

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

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

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

At the end of 2015, to help sustain its growth, the Group identified eight Growth Initiatives: Building & Infrastructure, In-Service Inspection & Verification (Opex services), Agri-Food, Automotive, SmartWorld (connected devices), Certification global contracts, Marine & Offshore, and Adjacent segments – retail and mining.

Given market trends and the contribution and potential of each of these eight Growth Initiatives, the Group decided to focus its development efforts on those that have proved most successful, namely:

**Buildings & Infrastructure**

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, particularly in terms of environmental protection, should 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.

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

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.

**Agri-Food**

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, particularly in Asia, while enlarging its portfolio of services.

**SmartWorld (connected devices)**

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 (such as 5G technology) and data security. Bureau Veritas will benefit from its leading position, expertise, and reputation in this segment.
1.4.4 TWO KEY MARKETS: THE UNITED STATES AND CHINA

United States

A global economic powerhouse, the United States is a priority market for Bureau Veritas. Many global companies are headquartered there, 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 11% of total Group revenue in 2020.

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 and Aeronautics;
- 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 country, 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 2020, China (including Hong Kong – Special Administrative Region) represented over 16% of Group revenue.
**1.4.5 FOUR KEY DRIVERS**

### 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 nearly 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.

The initiatives launched by the Human Resources department are described in section 2.3.2 – Grow human capital, of this Non-Financial Statement.

**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.

The biographies of Group Executive Committee members are given in section 3.3.2 – Executive Committee, of the 2020 Universal Registration Document.

### 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:

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

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

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

1. Reducing the cost of the goods or services that 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.

**Key account management**

Key account management is a strategic market segment for Bureau Veritas, with key companies selected at local, regional and global levels among the Group’s 400,000 clients. Key accounts represent around one-quarter of sales and offer above-average growth potential for the Group.

Since the needs of these clients are so specific, a key account management team has been in place since 2014. It 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.

The Group continues to deploy its best practice initiative in its various geographies. This initiative is paying off, particularly in terms of local clients. Global knowledge-sharing has helped to create new value propositions for the Group’s key accounts and has unlocked new growth potential for Bureau Veritas.

Initiatives were rolled out for global key accounts to further develop Bureau Veritas’ leadership in delivering global contracts in many different countries and locations, as well as to engage more fully in innovation and development of integrated solutions.
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 integrated its digital transformation plan into its 2020 strategy and focused its digital strategy around three business priorities:

- **DIGITAL EFFICIENCY**
  - Boost profitability of existing TIC services
  - Cost-efficient offer for core services
- **NEW DIGITAL OPERATING MODELS**
  - Accelerate growth with alternative models
  - One-stop-shop
  - Digital client engagement
  - Technology-enabled services
- **NEW TIC DIGITAL SERVICES**
  - Diversify in new market segments
  - Conformity 4.0
  - Be compliant with new norms for digital financial products and models

Innovation program to incubate all new technologies
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 has rolled out a state-of-the-art cloud-based collaboration and communication platform (Salesforce) that is to be used by all Group entities. The platform will significantly reduce upstream work ahead of the launch of inter-entity initiatives and projects, and will significantly improve personal performance.

Integrated operating platform

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

Streamlined laboratory systems

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

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

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. The developments described below illustrate digital progress in these two businesses:

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 systemically bear an electronic signature that can be verified online to ensure its authenticity.

- **Cybersecurity scorecards**: Bureau Veritas has developed a cybersecurity scorecard, which has already been adopted by a number of ship owners. A suite of cyber risk management services has also been developed in this regard.

- **“Data” strategy**: the Marine & Offshore division has defined a data assessment strategy and launched new projects in this area. These include a number of initiatives using artificial intelligence supported by the Group’s DataLab.

Consumer Products

- **InSpec by BV, an international e-commerce platform**: following the overhaul of OneSource, the Group’s client portal, an e-commerce platform was launched allowing the division’s clients to verify the quality of their supplies through supplier inspections.

- **Cybersecurity for connected products**: a range of automated cybersecurity tests has been developed in partnership with CEA-LIST. These tests enable automatic assessment of the risks and vulnerabilities of electronic products.

The segments concerned by initiatives designed to ramp up the Group’s growth have also benefited from these digitalization efforts, including for example:

Buildings & Infrastructure

- **Project management assistance**: management support solutions for major construction projects using PRIManager have been rolled out to more than ten countries.

- **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 incorporation into the regulations of many countries 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. Bureau Veritas has developed extensive expertise in BIM technology. This three-pronged strategy focuses on:

1. **Core business transformation**: technical inspections and project management assistance increasingly use BIM technology, providing substantial efficiency gains;
2. 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;

3. Launch of BIM-based asset management services: after the construction phase, Bureau Veritas can ensure ongoing BIM compliance and optimal maintenance costs.

Industry: Opex services

- Drone-based inspections have increased sharply in different sectors and countries, leading to efficiency gains (substantial reduction in costs) and greater security for inspectors.
- Digital twin implementation services have grown considerably for different asset types, leading to better risk analysis, as well as new digital twin compliance services.

Agri-Food

- International deployment (in Latin America) of an integrated operating platform for agricultural commodities: the SurvAgri platform 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 crop monitoring: Bureau Veritas has developed a suite of new precision farming services using images captured by drones or satellites. These services enable crops to be supervised and improved, while yields can be estimated more accurately.
- Traceability solution based on blockchain technology: Bureau Veritas has rolled out several pilot food traceability solutions based on blockchain technology, defining common requirements for the industry, resulting in real-time traceability of products from farm to fork.

Accelerated launch of new products and services thanks to the Fast Track digital platform

The restrictions put in place by governments to tackle the Covid-19 pandemic have limited businesses’ ability to physically provide certain services. To overcome this, the Group has used its digital assets to deploy its resources digitally and to launch new services adapted to the global crisis situation.

The Group’s existing remote inspection, audit and training capabilities were rolled out more extensively and across a wider range of media, allowing Bureau Veritas to maintain a broad spectrum of services despite the obstacles to on-site client visits.

Fast Track, a digital platform, was set up to support the deployment of new services such as the “Restart Your Business with BV” solution designed to assess the hygiene measures put in place to tackle the Covid-19 pandemic. Fast Track is based on three main modules:

- Onboarding: this e-commerce platform for businesses allows immediate processing of online orders and payments for field or remote inspection and audit services. The module is used for the mass market as well as framework agreements (https://onboardwith.bureauveritas.com);
- Digital Audit: this business tool for assessing both standard and customized checklists with client control points can be used by the client (self-assessment) or by an inspector or auditor who may or may not be working for Bureau Veritas. This module allows clients to monitor field or remote audits, and automatically generates reports and certificates along with the associated labels and bar codes;
- Insights: this module enables the inspection/audit results to be presented in the form of an online dashboard for both public and/or private use (see https://restartwith.bureauveritas.com, an Open Data public database of sites with Bureau Veritas-approved health protocols).
In addition to the “Restart Your Business with BV” solution, the Fast Track platform already supports several other new services, including “Supply-R”, which measures industrial supply chain resilience, and “ChargeScan by BV”, a comprehensive solution designed for electric vehicle charging stations. The platform enables swift (1 to 3 months) roll-out of new services from end to end, using a digital progress-based model.

The Group also has a data lake that gathers data from different applications in order to facilitate large-scale data matching and mining, and helps to improve data use through big data analytics and artificial intelligence.

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 features requiring testing or certification, such as on-board connectivity, UX and sensor safety, telemetry and infotainment systems, cybersecurity and data privacy. This trend is spreading to all objects (ships, buildings, industrial assets, health equipment, wearable technologies, etc.) and is prompting fast-paced development of new digital and cybersecurity standards and regulations. Examples of this include the EU Cybersecurity Act, the Regulation on Cybersecurity in the automotive sector adopted by the United Nations Economic Commission for Europe (UNECE), and the decision taken by the International Association of Classification Societies (IACS) to include cybersecurity in maritime classification.

Different views and needs are therefore emerging, particularly as regards cybersecurity risk management and insurance in line with these regulations, and manufacturers are seeking better protection, sometimes beyond the requirements of applicable regulations, by imposing contractual constraints on their audited suppliers.

In this regard, Bureau Veritas has developed a digital conformity management solution incorporating cybersecurity for IT systems, operating technology (OT) systems, and the Internet of Things (IoT).

This solution consists of three main elements:

1. **IT system certification**, based notably on ISO 27K, TL 9000 and TISAX standards. Bureau Veritas has developed a technical reference and certifications system to ensure protection of personal data as defined per the European Union General Data Protection Regulation (GDPR), and assesses and certifies Data Protection Officers to this end;

2. **Cyber resilience testing for connected products (IoT)**: Bureau Veritas has developed five security labels for the Internet of Things based on levels of criticality. These have been 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;

3. **Conformity analysis and certification for industrial assets and sites (OT)**, based notably on standards such as IEC 62443, but also on its cybersecurity standards for ships with the additional SYS-COM class notation.

(1) “Wearable” technology denotes an item of clothing or an accessory incorporating smart devices. Wearables are everyday objects used to detect, analyze and transmit information on body signals to the wearer.
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) and to the strong ties forged with the world’s major producers of connected objects. This strategy is part of the SmartWorld Growth Initiative launched to coincide with the 2016-2020 strategic plan.

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

1.4.6 ACQUISITIONS: AN ACTIVE AND SELECTIVE EXTERNAL GROWTH STRATEGY
As a player in a highly fragmented market, Bureau Veritas positions itself as an active consolidating force in its industry. The Group’s history has been shaped by numerous acquisitions that today allow it to enjoy front-ranking positions in many different countries and businesses.

Over the last ten years, the Group has made 77 acquisitions, representing aggregate cumulative revenue of almost €1.1 billion. Acquisitions also represent an important part of the Group’s strategy and contribute to growth in key financial indicators such as revenue, operating margin and net cash generated from operating activities.

Acquisitions must meet criteria for the Group in terms of price, scale, profitability and value creation. While some acquisitions are aimed at developing new platforms (four acquisitions with revenue above €100 million carried out over the past 20 years, most of which are described in section 1.2 – History, in this chapter of the Non-Financial Statement), most are bolt-on acquisitions of smaller companies. Acquisitions enable the Group to expand its portfolio of businesses and to:

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

In 2020 amidst the Covid-19 pandemic, the Group focused on monitoring and protecting its cash levels and temporarily put its M&A activities on hold.

The pipeline of opportunities remains healthy and the Group will continue to deploy a selective bolt-on acquisitions strategy, in targeted areas (notably Agri-Food, Buildings & Infrastructure, and cybersecurity) and geographies (North America and Asia, particularly China).
1.4.7 FINANCIAL AND NON-FINANCIAL AMBITION

In the context of the Covid-19 pandemic, the Group decided to postpone the announcement of its next strategic plan to the fourth quarter of 2021. On this occasion, Bureau Veritas will unveil the components of its financial ambition through 2025.

The Group’s strong fundamentals remain unchanged and clearly demonstrate the soundness of the ongoing strategy. Thus, while awaiting the announcement of its next strategic plan, Bureau Veritas will continue to develop the strategy initiated in 2015, which is proving to be very successful. The major strategic directions identified as growth drivers for the coming years are already the subject of action plans in all Group entities.

Besides these financial goals, Bureau Veritas aims to be a role model for the industry in terms of its positive impact on people and the planet. The Group remains committed to sustainability issues and presented its Corporate Social Responsibility (CSR) strategy through 2025 to coincide with the publication of its annual results on February 25, 2021 (see section 2.6 – 2025 CSR strategy, of this Non-Financial Statement).

With the overall goal of “Shaping a Better World”, Bureau Veritas’ 2025 CSR strategy is built upon three strategic axes:

- "Shaping a better workplace”;
- "Shaping a better environment”;
- "Shaping better business practices”.

This strategy, aligned with the United Nations’ Sustainable Development Goals (SDGs), draws on three sustainability pillars: "Social & Human Capital”, “Environment” and “Governance”.

Bureau Veritas’ non-financial targets through 2025 will be monitored using key performance indicators, of which the following five will be published every quarter:

- **Social & Human Capital**: Safety is an “absolute”: achieve 0.26 accident rate (TAR(1)); reach 35% of female representation in leadership positions (2); and achieve 35 training hours per employee (per annum);
- **Environment**: Reduce CO₂ emissions(3) to 2 tons per employee (per annum);
- **Governance**: Reach 99% of employees trained to the Code of Ethics.

The Group’s CSR five key indicators and targets for 2025 are detailed below:

<table>
<thead>
<tr>
<th>Key performance indicators</th>
<th>2019</th>
<th>2020</th>
<th>2025 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Accident Rate (TAR)</td>
<td>0.38</td>
<td>0.26</td>
<td>0.26</td>
</tr>
<tr>
<td>Proportion of women in leadership positions (senior/executive management roles from the Executive Committee to Band III)</td>
<td>19.5%</td>
<td>19.8%</td>
<td>35%</td>
</tr>
<tr>
<td>Number of training hours per employee (per year)</td>
<td>19.0</td>
<td>23.9</td>
<td>35.0</td>
</tr>
<tr>
<td>CO₂ emissions per employee (tons per year)</td>
<td>2.85</td>
<td>2.44</td>
<td>2.00</td>
</tr>
<tr>
<td>Proportion of employees trained to the Code of Ethics</td>
<td>97.1%</td>
<td>98.5%</td>
<td>99%</td>
</tr>
</tbody>
</table>

(1) TAR: Total Accident Rate (number of accidents with and without lost time x 200,000/number of hours worked).
(2) Proportion of women from the Executive Committee to Band III (internal grade corresponding to a management or executive management position) in the Group (number of women on a full-time equivalent basis in a leadership position/total number of full-time equivalents in leadership positions).
(3) Greenhouse gas emissions from offices and laboratories, tons of CO₂ equivalent per employee and per year for Scopes 1, 2 and 3 (emissions related to business travel).
1.5 PRESENTATION OF BUSINESS ACTIVITIES

1.5.1 MARINE & OFFSHORE

GROUP REVENUE

<table>
<thead>
<tr>
<th>Year</th>
<th>Group Revenue</th>
<th>Marine &amp; Offshore</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td></td>
<td>8%</td>
</tr>
</tbody>
</table>

GROUP ADJUSTED OPERATING PROFIT

<table>
<thead>
<tr>
<th>Year</th>
<th>Group Adjusted Operating Profit</th>
<th>Marine &amp; Offshore</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td></td>
<td>13%</td>
</tr>
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</table>

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 2020, 40% of Marine & Offshore revenue was generated by the classification and certification of ships under construction and 60% was generated by the surveillance of ships in service and complementary services.

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

Worldwide network

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

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

A diversified and loyal client base

The Group has several thousands of clients, and the largest represents 1.3% of the business segment’s revenue. Key clients include:

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

Changes in the order book

_In millions of gross registered tonnage (GRT)_

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<thead>
<tr>
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<tbody>
<tr>
<td>New orders</td>
<td>6.9</td>
<td>1.9</td>
<td>5.1</td>
<td>6.1</td>
<td>6.5</td>
<td>6.1</td>
</tr>
<tr>
<td>Order book</td>
<td>17.1</td>
<td>13.6</td>
<td>12.6</td>
<td>14.0</td>
<td>14.2</td>
<td>14.1</td>
</tr>
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</table>

Changes in the Group’s in-service fleet

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<tbody>
<tr>
<td>In millions of tons</td>
<td>11,300</td>
<td>11,345</td>
<td>11,299</td>
<td>11,332</td>
<td>11,394</td>
<td>11,456</td>
</tr>
<tr>
<td>In number of vessels</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

109.1
113.9
118.0
119.8
126.6
131.8

(1) Protection & Indemnity.
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 ship owners reduce energy costs, Bureau Veritas has developed a range of dedicated services and tools. The forthcoming adoption of emissions reductions targets for existing ships will open up a broad spectrum of new business opportunities for Bureau Veritas;
- 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. These regulations came into force at the start of September 2017 and have since been the object of various implementation measures, giving classification societies a greater role in verifying the effectiveness of ballast water management systems;
- 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 countries. This should represent at least 40% of the gross tonnage of the global merchant vessel fleet;
- the European Ship Recycling Regulation, which came into force at the end of 2018 for new ships and as from January 1, 2021 for existing ships and those flying the flag of a non-Member State. The regulation requires ships to have on board a certified 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. This has since been rounded out by the Recommendation on Cyber Resilience;
- 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’s mandatory Data Collection System (DCS) for tracking the fuel oil consumption of ships was also introduced in 2019. The European Union’s efforts to align these systems have led to moves to include the shipping industry in the EU’s emissions trading system;
- the IMO Guidelines for Ships Operating in Polar Waters, or “Polar Code”, which came into effect on January 1, 2017;
- Annex VI (amended) of the MARPOL convention, which reduced the maximum worldwide sulfur content of fuel oil used by ships to 0.50% (from 3.50% previously) as from January 1, 2020.

Signs of a market rally in new ship construction

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

After years shaped by low levels of new orders, the market rallied in 2013, buoyed by opportunistic orders placed as prices in shipyards fell, despite significant residual overcapacity in the market. 2014 and 2015 benefited from this rally, whereas 2016 saw a downturn in the cycle shaped by a slump in new orders. The level of orders bounced back in 2017, with contractual tonnage more than doubling that of the previous year. This positive trend was confirmed in 2018, with an improvement over 2017 levels. However, total order volumes remain sharply down on the average for the past 20 years. Volatility and uncertainty dominated 2019, with declining worldwide economic demand and geopolitical risks affecting both maritime and offshore markets. However, orders taken by Bureau Veritas in 2019 were above market levels in terms of both volume and market share.

2020 was undoubtedly shaped by the Covid-19 pandemic. Like all areas of the economy, maritime transport slowed sharply during the year, with tonnage ordered down 17% on 2019. Although the pandemic affected each segment differently, all segments were hit by the global slump in demand and therefore in global maritime traffic, leading to a collapse in freight rates. The regulation capping sulfur content in fuel oil used on ships (bunker fuel) applicable as from January 1, 2020 predictably led to further downward pressure on ship owners’ already thin margins, despite the fall in crude oil prices.

These weaknesses and uncertainties are compounded by uncertainties surrounding the choice of future propulsion technologies amid increasingly strict regulations on reducing greenhouse gas emissions: the 2023, 2030 and 2050 deadlines set by the IMO involve difficult decisions for ship owners, who either have to opt for solutions still being developed, or for solutions not considered wholly satisfactory. In Asia, the recovery in economic activity – including shipbuilding – led to an upturn in certain segments as from the fourth quarter of 2020. While passenger vessels (cruise liners and ferries) like the tourism industry at large have been extremely hard hit by the crisis, tankers and energy markets have shown signs of rallying. The key players in both of these segments – major liners and oil companies – are opting for LNG fuel, currently considered the best technology for the transition. Bureau Veritas has capitalized on its LNG leadership, offering its classification services for LNG carriers and suppliers and LNG-fueled vessels.
In these very challenging conditions, Bureau Veritas continued to grow its market share and has countered the market collapse in tonnage by hitting almost the same levels as in 2019. The entire existing fleet also continued to grow in all segments, underlining the Group’s operational excellence. In 2021, Bureau Veritas will continue to support its ship owner, shipyard and charterer clients in transitioning to cleaner energy, lending its technical expertise to solutions for today’s and tomorrow’s world.

On offshore markets, extreme volatility in oil prices has threatened the profitability outlook for many projects. The result has been a virtual freeze in FPSO and drilling rig orders. However, 2020 saw a significant rise in offshore windfarm projects, for both fixed and floating wind turbines.

Offshore operators and ship owners 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

The digital revolution in the maritime industry is gathering momentum. Through its Digital Classification services, Bureau Veritas Marine & Offshore is reinventing the role of technology in the operating model for classifying its clients’ ships and offshore facilities. The Group put the finishing touches to its Digital Classification offer in 2020, launching new digital processes for providing its classification services. By leveraging digital twin, drone, remote virtual visit, artificial intelligence and cloud platform technologies, Bureau Veritas can help its clients make safer, more effective, data-driven decisions.

Digital Classification is built around three key services:

- **3D classification** is bringing the design review and monitoring process for the construction of new vessels and offshore facilities into the digital age using a 3D model. This eliminates the need for 2D drawings and offers a collaborative solution for users to interact directly with the 3D model. Ship owners, shipyards, ship designers and Bureau Veritas can therefore work more effectively across a collaborative platform to perform calculations, exchange updated information and address classification comments;

- **Remote and augmented surveys** use digital tools to help ship owners and operators perform eligible classification inspections in a safer, more flexible and effective manner by reducing logistics costs such as transport and on-board access preparation;
  - The remote inspection solution rolled out by Bureau Veritas is based on virtual ship visits that do not require any specific on-board equipment. The Group has also reorganized its operating teams with the launch of a network of eight remote inspection centers,
  - By using smart devices such as drones, crawlers and ROVs, onboard surveyors can safely inspect hazardous or difficult-to-access areas of ships, while ship owners and operators can reduce scaffolding costs and better anticipate the extent of repairs to be planned;

- **Optimized and predictive survey schemes** allowing clients to set up inspection programs based on an analysis of risks specific to their facility and equipment, and an in-service monitoring and maintenance program based on predictions of the operating condition of their equipment. In 2021, Bureau Veritas will launch two critical solutions to roll out this offering:
  - a fully digital platform for compiling and processing data on vessels’ ultrasonic thickness measurements (UTM), and a digital solution facilitating implementation of in-service monitoring and maintenance programs for vessel machinery and for continuous improvement during the vessel’s operating life.

Partnering the Group’s clients beyond the regulatory and compliance field

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

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

2019 was the first full year of operations for Bureau Veritas Solutions Marine & Offshore. The clear business purpose of this independent company – to provide technical advice, asset management and insurance – has won over the Group’s clients.

Bureau Veritas Marine & Offshore Solutions has reported strong, growing demand for services, as ship owners and operators look to experts to improve the performance of their assets.

2020 saw the launch of the BVS eAcademy online training platform in July and of the dedicated Bureau Veritas Marine & Offshore Solutions website in October. The Group broadened its service offering in line with its commitment to sustainability, launching a mobile version of its Praxis software (previously only available online), which allows users to conduct inventories of hazardous materials, and setting up internal working groups to encourage and support innovation in connection with the energy transition.
1.5.2 AGRI-FOOD & COMMODITIES

GROUP REVENUE

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, and more recently signed a contract on fuel marking with the government of Niger.

Bureau Veritas is committed to supporting businesses and society to build a more sustainable world. Its services provide a vital contribution to the discovery and safe, efficient extraction and distribution of natural resources to supply global needs. Bureau Veritas is building transparency and promoting sustainability from farm to fork with its global, end-to-end expertise covering inspection, audit & certification, and testing services. The Group is committed to supporting responsible use of natural resources and animal welfare, as well as ensuring the reliability of complex supply chains, enabling end consumers to make informed decisions.

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 throughout the value chain, from harvesting grain and marine resources to manufacturing complex food products such as infant formula, as well as operating global foodservice and retail brands. All the services offered by the Agri-Food & Commodities business also maximize the synergies within the Group across the global network of testing laboratories.

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

GROUP ADJUSTED OPERATING PROFIT

REVENUE BY BUSINESS SEGMENT
Oil & Petrochemicals

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

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

The Group also offers laboratory testing services with oil refiners, 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 their products comply with industry standards.

The Group also offers its clients high value-added adjacent services such as crude oil assays, LPG services, cargo treatment, bunker quantity and quality surveys, biofuel certification, lube oil analysis and measurement services. The Maxxam activity in North America 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 volume of consumption of these products. Bureau Veritas’ 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 regionally, with a significant presence in four strategic locations: Houston, Singapore, London and Rotterdam/Antwerp. 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, Shanghai, Geneva, Buenos Aires, Dubai and Canada (the activities are managed out of Toronto, with the main laboratories located in the Alberta and Saskatchewan regions).

Metals & Minerals

The Metals & Minerals segment provides a wide range of inspection and laboratory testing services to the mining and metals industries, covering coal, iron ore, base metals, bauxite, gold, uranium and processed products such as coke, steel, copper cathodes and bullion.

These services can be split into two market categories:

Exploration and production-related services or “Upstream services” (around 65% of Metals & Minerals revenue)

The Group provides laboratory testing services, including sample preparation and 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, client activities are supported by the favorable long-term outlook for key metal prices. At a local level, they can also be strongly influenced by local currency exchange rates 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 the 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, Chile and Canada.

Inspection and testing services relating to trade (around 35% 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 lifecycle.

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 hubs in London, Singapore, Shanghai, Perth, Santiago, Lima, Vancouver and Houston. These locations are major trading centers and headquarters for many of the 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, quality of service, technical excellence and innovation cultivated by the Group over the years allow Bureau Veritas to offer high-quality service across all laboratories and inspection facilities around the globe.

Agri-Food

Bureau Veritas is 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 drone and satellite imagery, supplemented by ground-based investigations. 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 of their investments.

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 the traceable sustainability programs offered to the grower, trade and retail industry. Committed to maintaining its leading position in this segment with a view to meeting increasing demand from its agri-commodities clients, the Group is expanding the service of traceability for grains and oil seeds throughout its global key locations.

Food inspection and testing

Key analyses chiefly cover veterinary drug residues, pesticides, heavy metals, organic contaminants, nutritional testing, allergens, colorants and dyes, GMOs and 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 clients 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 products are safe, healthy and fresh. The Group also performs food safety and brand standards inspections for 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 improved traceability, transparency and safety in order to raise client and consumer trust levels.

Government services

A comprehensive and diversified portfolio of services

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

In the context of these programs, the Verigates client portal enables foreign trade operators and government authorities to confidentially track inspection records step by step through to delivery of the certificate on a dedicated secure 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. However, as mandatory PSI contracts are set to disappear in the short term, the Group offers governments mainly Verification of Conformity (VOC) contracts of imported merchandise with existing regulations and standards, which are intended to prevent unfair competition and fraudulent imports of non-compliant, counterfeiter or poor quality products. This service (VOC) now represents the main part of revenue generated from Government services.
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).

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

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

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

A changing market

The increase in international trade since the early 1980s has generated strong demand for trade inspections and verifications. However, due to new liberalization rules issued by the World Trade Organization and the reduction in customs duties in most countries, traditional PSI controls appear less strategic for the countries concerned and are gradually being replaced by Verification of Conformity (of products with standards) contracts.

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

Established presence with major companies and governments

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

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

Solid competitive advantages

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

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

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

A leading position built through acquisitions

Today, the market for commodities testing and inspection is relatively concentrated. Bureau Veritas has been an active participant in the consolidation of the segment, building up its lead position in these markets with multiple acquisitions over the past ten years. This policy has also enabled it to extend its geographical footprint throughout the world with different platforms: Australia, North America and Latin America, Asia, Europe and Africa.

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.

In Agri-Food, the 2019 creation of the Bureau Veritas Asure Quality joint venture allowed the Group to consolidate its leading position in South East Asia, thanks to a highly integrated network of labs in Singapore, Malaysia, Vietnam and Thailand. The growth of Bureau Veritas in Agri-Food was also fueled by solid organic growth on a global scale, demonstrating the Group’s ability to accelerate the growth of the acquired testing platforms.
The main acquisitions made by the Group since 2007 are as follows:
- CCI, Amdel (commodities, Australia);
- Cesmec, GeoAnAlitica (commodities, Chile);
- Advanced Coal Technology (commodities, South Africa);
- Inspectorate (a global leader in the inspection and analysis of commodities, including oil, metals and minerals and agricultural products);
- Maxxam Analytics, ACME Labs, OTI Canada Group, (oil analysis services, Canada);
- Analysts Inc. (oil condition monitoring, North America);
- Lubrication Management SL (lubricating oil analysis, Europe);
- DTS (food testing, leader in services for the dairy industry, Australia);
- Kuhlmann Monitoramento Agrícola Ltda – KMA (agricultural commodities, Brazil);
- Schutter Group (agricultural commodities, Brazil and Europe);
- BVAQ, Shandong Cigna Detecton Technologies, Shenzhen Total Test Technologies, Permulaab, Food and Environmental Analysis Center – FEAC (Agri-Food, Asia);
- Labomag (Agri-Food, Morocco);
- Q Certificazioni (organic food certification, Italy).

In the context of the Covid-19 outbreak, the Group made no acquisitions in 2020.

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

The recent economic environment has been extremely turbulent, which has had a major impact on oil prices and demand for products in some of the main markets. However, Bureau Veritas’ portfolio mix has proven to be robust and it has been able to maintain its global operational capability throughout the crises of 2020. The Group continues to expand in this segment, reinforcing its market share in inspections and testing of marine cargo by deepening its geographic footprint and opening new sites. The Group’s strategy is also to develop its laboratory testing for lube oil, marine fuel and natural gas, and to manage laboratories outsourced by clients.

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

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

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

A portfolio of services covering the entire asset lifecycle

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

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

- services for industrial projects during the engineering, procurement and construction phases (Capex), including design review, risk and safety studies, reliability studies, shop and on-site inspections, from feasibility to commissioning;
- independent third-party certification of equipment, facilities and projects, in accordance with regional, national or international regulations and standards;
- services related to production continuity and asset integrity management during the operation phase (Opex) in order to optimize asset performance, reduce risk and minimize costs. These services include regulatory and voluntary inspections and audits during the operation of industrial facilities, asset management solutions, non-destructive testing and measurement of fugitive emissions;
- HSE services for industry, technical training of staff, and the delivery of qualifications relating to technical standards and client specifications.
Bureau Veritas’ Industry services cover many different sectors, including Oil & Gas (upstream, midstream, downstream), representing around 31% of revenue in 2020, as well as Power & Utilities (nuclear, conventional and renewable (particularly offshore & onshore wind and solar) 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.).

REVENUE BY GEOGRAPHIC AREA

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenue Share</th>
</tr>
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<tbody>
<tr>
<td>Europe</td>
<td>26%</td>
</tr>
<tr>
<td>South America</td>
<td>20%</td>
</tr>
<tr>
<td>North America</td>
<td>22%</td>
</tr>
<tr>
<td>Africa, Middle East</td>
<td>12%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>20%</td>
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</tbody>
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A fairly diversified client base

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

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

The Group’s biggest client in its Industry business accounts for around 4% of divisional revenue.

A global presence and significant exposure to high-potential regions

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

The Industry business is reported in the Group’s Commodities, Industry & Facilities (CIF) division, which is managed by Global Service Lines.

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 2020.

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

- **Accelerating global efforts to fight climate change:** the energy transition is gaining momentum and most economies across the globe have now set net-zero emission targets (“carbon neutrality”) for their countries. This has unlocked significant opportunities in renewable power generation (particularly offshore & onshore wind, as well as solar), but also for power grids, as well as e-mobility and Power-to-X technologies to build a low-carbon transport sector. Key industrial and Oil & Gas actors are also engaging their transition to low-carbon strategy by reducing emissions and changing the energy mix, notably through gas-as-transition fuel and alternative fuels. This translates to an evolution of the backlog of Capex projects towards Gas and LNG.

- **The number of industrial projects and the development of new regions and industries:** Bureau Veritas believes that investments in industrial facilities and infrastructure will remain significant, particularly in high-potential economies. Most sectors should benefit from this trend, including the Chemicals market. The development of new industries such as 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 reinining 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 notably through the focus on emissions control.
More and increasingly stringent regulations and standards at both a regional and an international level, along with the globalized nature of the supply chain, are making the operational environment increasingly complex for industrial firms. In addition, 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 (particularly Renewables and Power Grids); 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 in capturing recurring business and securing long-term client relationships.

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

Developing existing and new sustainability services

The Group has also reinforced and consolidated its industry services dedicated to sustainability under its Green Line of services and solutions.

Organizations learned during the first half of 2020 about the resilience of global supply chains and their ability to face disruptions. An urgent need was identified by many companies to reassess the sustainability of their supply chain based on factual data from the field, to make sure that all elements are properly addressed, assessed and visible to enhance decision-making process.

In 2020, Bureau Veritas launched Supply-R, a solution designed to meet companies’ new challenges relating to supplier network reliability and ensuring business continuity in all circumstances. Supply-R is a unique solution that brings together a customized risk assessment of supply chain resilience, based on field data collected from independent on-site verification of critical suppliers consolidated through a customized digital platform.

Across all sectors, companies want to positively impact climate change, help preserve natural resources and protect the environment. Implementing efficient action plans and measuring their carbon footprint are crucial steps in their journey towards a net-zero carbon future.

The key sustainability solutions offered within the industry service portfolio are as follows:

Renewables & alternative energies:
- onshore & offshore wind lifecycle solutions;
- solar power from project development to asset management;
- power grid stability & renewables integration;
- e-mobility, Power-to-X & hydrogen assurance.

Following the commitments made during COP21, Oil & Gas Companies have implemented ambitious policies to reduce their carbon footprint. Bureau Veritas offers integrated services that support the complete scope of clients’ business model transformations. Once implemented, these projects enable clients to meet their de-carbonization and sustainability objectives.

The Group’s numerous fields of expertise and knowledge of innovative technologies enables it to help clients assess their current carbon footprint, identify areas for improvement, and monitor, quantify and limit emissions.

Industry carbon footprint reduction solutions:
- carbon footprint monitoring;
- definition of carbon reduction strategy;
- energy-saving verification;
- certification of carbon emission savings;
- industrial environmental control;
- testing and emissions control.
Bureau Veritas’ services in Buildings & Infrastructure cover the entire lifecycle of the different assets from planning to design, execution and operation. These services are either related to new construction projects or to existing assets.

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

- “In-Service Inspection, Monitoring & Audit” (around 60% of divisional revenue), focusing on the periodic inspections required by regulations applicable to different equipment or assets, on tests/diagnoses/monitoring services related to the health and safety of building occupants, and on asset management solutions to optimize property management;

- “Construction services” (around 40% of divisional revenue), providing independent technical assistance, control and supervision at the planning, design, construction and operation stages, as well as project management assistance.

The Buildings & Infrastructure business is reported in the Group’s CIF division, which is managed by Global Service Lines.
IN-SERVICE INSPECTION, MONITORING & AUDIT (EXISTING ASSETS)

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 and operators, in order to help them reach their performance, safety and regulatory compliance objectives when operating their real estate assets, by reference to the best international practices.

Bureau Veritas designs a suite of services tailored to the needs of its clients and their environment (market, local regulations, operating and maintenance practices), 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, electric, fire safety, air conditioning, heating, elevators and lifting equipment, pressure equipment, indoor air/water quality and acoustics. In-Service Inspection, Monitoring & Audit services are recurrent because of regulations and of condition changes over time. 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, educational facilities, stores and supermarkets, logistics warehouses, industrial buildings and multipurpose complexes), public buildings and sports and leisure facilities.

It also includes inspections, monitoring and audit of all types of infrastructures (road, rail, airport, port, hydraulic, telecom, urban). The Group has global coverage of in-service inspection, monitoring and audit 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).

A strategy focused on geographic expansion, innovation and productivity gains

Improving the geographic balance

The Group has built a solid network in the main high-growth countries. It has developed its presence by supporting the international expansion of key international accounts and by offering solutions for local markets. These include developing voluntary services in the Chinese market for large global clients, fire safety inspections in shopping malls in Brazil, and factory inspections in India and South East Asia for the subcontractors of large international retailers.

Developing services focused on performance management assistance for real estate assets

Bureau Veritas participates in projects that require data processing capacities 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.

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.

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, Monitoring & Audit market:

- being 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, offering a full range of mandatory/voluntary inspection services;
- being involved in the construction phase of certain assets, providing an optimal position for next inspection services;
- using 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;
- taking advantage of its leading position to access 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, Monitoring & Audit has been 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 operations;
- the outsourcing by public authorities of mandatory building and facility inspections.
CONSTRUCTION (MAINLY “CAPEX”)

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

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

Bureau Veritas builds a range of services tailored to the needs of its clients and their environment (project development, local regulations, design and construction techniques), combining the best design review and testing techniques for the production and pre-production phases and the best calculation, supervision and project management tools. The Group has an international network of experts in all infrastructure and building segments with high professional experience in many 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, educational facilities, stores and supermarkets, logistics warehouses, industrial buildings, multipurpose complexes), public buildings, road and highway, rail, port, airport, hydraulic and telecom infrastructure, and sports and leisure facilities.

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

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

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

A global leader in compliance assessment for the construction market

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

- the increasing urbanization of high-potential countries, giving 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 the 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 keep 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

In order to diversify its geographical exposure, notably in Asia with a focus on China, North America and Latin America, and in different market segments including infrastructure, commercial buildings and buildings in operation, to which it caters through its various services, the Group has made a significant number of acquisitions over the past decade.

The Group has established a solid network in the main high-growth countries, in regulated businesses as well as in order to meet project management needs. It is worth noting that Bureau Veritas deliberately opted to limit its exposure in China to the infrastructure market.

The main acquisitions carried out were therefore as follows:

- Huaxia, Shangdong Chengxin, Shanghai TJU Engineering Service, Chongqing Liansheng, Shanghai Project Management (mandatory supervision and project management assistance of construction projects, China);
Sistema PRI (construction project management assistance, work supervision, planning and technical support, Brazil);

INCA (technical supervision of building projects, highly recognized in both Capex and Opex highway services, Mexico);

Primary Integration Solution (leader in building commissioning and operational risk management services for data center facilities, United States);

McKenzie (leader in mandatory property compliance services, Australia);

EMG (technical assessment and project management assistance mainly focusing on Opex activities, United States);

Capital Energy (consulting and support services for white certificate-eligible projects, France);

Owen Group and California Code Check (buildings and infrastructure compliance services, United States).

In the context of the Covid-19 outbreak, the Group made no acquisitions in 2020.

**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 Europe, China and Latin America and is adapting its services and internal tools to this collaborative design methodology.

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

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

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

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

Providing sustainability services to support the buildings and infrastructure end-market evolution

For many years, the Group has been developing services related to the sustainability of buildings and infrastructure and is currently strongly increasing its focus on this domain.

Green building labels are an important part of it, and Bureau Veritas is providing Consulting services for the most widespread schemes: LEED, BREEAM, HQE, 3-STARS, etc. These schemes may concern new or existing buildings. Moreover, a partnership is in place with the US Green Building Council (USGBC), founder of the LEED™ certification system, to perform LEED Certification in China and Brazil.

The demand of owners/concessionaires of buildings (commercial, housing) and infrastructure (roads, rail, airports, ports) for energy efficiency and carbon footprint monitoring keeps on increasing worldwide. Bureau Veritas is therefore constantly deploying new audit/inspection frameworks to address client needs and regulatory compliance.

Besides energy efficiency and carbon footprint, the Group is present, through its expert network, in all fields related to the environment: air pollution, noise, waste water, solid waste, biodiversity, social impact. The environmental services developed by Bureau Veritas address the whole value chain: from preliminary studies (environmental impact assessment), through construction (green construction site monitoring), to operations (environmental performance monitoring).

New mobilities, in particular electric vehicles, have created a new area for sustainability services, which is currently growing rapidly. Bureau Veritas has created a full range of services dedicated to electric vehicle charging stations (EVCS), which bring value to owners and operators in terms of quality, safety, security and performance: consulting and technical support at both the design and permitting stages; charger control, construction control and cybersecurity at the construction stage; commissioning, asset management and certification at the testing & operation stage.
A full range of customized audit and certification services

As a certification body, Bureau Veritas certifies that the management systems utilized by its 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 (ISO 45001:2018 replacing OHSAS 18001);
- certification in accordance with specific sector schemes, in particular for the automotive industry (IATF 16949 as well as new services for VDA 6.1, 6.2, 6.3 and TISAX for cybersecurity), aeronautics (AS/EN 9100), rail (IRIS – ISO/TS 22163), Agri-Food (BRC, IFS, ISO 22000, HACCP), the forestry sector (FSC/PEFC), and health services. In France, Bureau Veritas also provides label certification services in the Agri-Food sector, e.g., Label Rouge, Agriculture Biologique (AB) and Origine France Garantie;
- environment-related services: verification of sustainability practices in the fields of climate change (EU ETS, ISO 14064-1, CORSIA), energy management systems (ISO 50001), timber supply chain, biomass and biofuel sustainability (ISCC, REDCert, 2BSvs for the EU Renewable Energy Directive and other requirements), carbon footprinting (ISO 14067) carbon offsetting (Gold Standard, Verified Carbon Standard), social responsibility (SA 8000, SMETA, ISO 26000), assurance of sustainability reporting (AA 1000, GRI, ISAE 3000) and green finance (Green Bonds and Climate Bonds Initiative);
- Enterprise Risk services relating to emerging business risks include: Information Security (ISO 27001, ISO 27017, ISO 27018), Personal Data Protection Certification (for ISO 27701, GDPR and other regulations), Anti-Bribery (ISO 37001), Business Continuity (ISO 22301) and Asset Management (ISO 55001);
- customized certification and second-party audits, based on social programs like SMETA for Social Responsibility or specific standards defined by clients to audit or certify their distribution network or suppliers’ management systems;
- training: accredited by the Chartered Quality Institute (CQI) and the International Register of Certificated Auditors (IRCA), the Certification business offers training for companies in quality, health and safety, environment, social responsibility, food safety, information security, business continuity and energy management, as well as certification for individuals in technical and regulatory matters.
A resilient market

The Certification market has seen steady growth in line with growth in the world economy. This correlation can be explained by the fact that Certification covers a wide variety of sectors and has 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 (less than 10%) and mostly reflects clients who have discontinued their business, who no longer seek to be active in the markets for which certification was required or who have reduced and consolidated their numerous certification programs into one single program.

A strong recovery following the impact of the Covid-19 crisis

In 2020, the Bureau Veritas Certification activity was heavily impacted by the Covid-19 outbreak, notably due to the lockdown measures and travel restrictions imposed in many countries. With management working remotely, employees at home and manufacturing sites closed, many clients requested their audits to be postponed and classroom training to be canceled, strongly impacting the Certification activity with negative organic growth during the first half of 2020.

Thanks to the implementation of remote audits and virtual training, Bureau Veritas was able to limit the impact of the Covid-19 crisis in 2020. Remote audits represented on average 10% to 15% of the audits delivered with a peak to 33% in March and April.

In addition, Bureau Veritas has developed a BioSafety Management System and a “SafeGuard” Label to demonstrate that companies have defined processes and implemented measures to protect their clients and employees. These innovative solutions have partially offset the Certification audits postponed or cancelled in 2020.

At the end of the year, the business continuity plan, remote audits and virtual classroom, and the development of new solutions all helped create the conditions for a rebound in the business (organic growth of 10.7% in the fourth quarter).

A diversified client portfolio

The Group manages a large volume of certificates (over 151,000 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’ 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;
PRESENTATION OF THE GROUP
Presentation of business activities

- expertise universally acknowledged by over 70 national and international accreditation bodies;
- one-stop-shop offer: thanks to its very broad range of expertise, Bureau Veritas Certification simplifies management for the Certification contracts and most complex delivery projects (numerous sites, multiple standards, global accreditations, etc.);
- efficient report management tools, enabling clients to consult audit results for all of their sites throughout the world and monitor key indicators such as the number of audits already planned, non-compliances, certificates issued and invoicing;
- a certification brand that is known and respected across the globe as a symbol of expertise and professionalism, enabling clients to enhance the image of their company and gain the confidence of their clients and partners.

A strategy focused on key accounts and new product development

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

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

Development of new digital products and services
Other new products round out its existing offering in several critical areas. In risk management, the Group continues to develop the Enterprise Risk portfolio including solutions for asset management, business continuity, and anti-bribery management systems. The Group’s new offerings in the digital field include information security and the protection of personal data linked to the European GDPR and the ISO 27701:2019 standard on privacy information management.

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

Digitalization has also been stepped up in the field of training, with the Group now offering several VCR (virtual classroom), e-learning and hybrid training programs. To support the new Certification training initiatives, the Group is investing in and deploying an online management, sales and payment platform for its training programs in many different countries. This platform can be used by companies to purchase the online training and certification services best suited to their needs. Bureau Veritas is also rolling out an e-certificate platform. The validity of these new, secure digital certificates can be verified on the platform in just one click thanks to a QR code.

New Corporate Responsibility and Sustainability Certification supporting Bureau Veritas’ Green Line

With its new Corporate Responsibility and Sustainability Certification services, Bureau Veritas helps companies verify their energy efficiency, carbon and environmental footprint, greenhouse gas emissions, social responsibility commitments and sustainability reports.

To demonstrate companies’ contribution to the fight against climate change, Bureau Veritas offers Certification services for renewable and bio energy and energy management systems and verifies greenhouse gas emissions to demonstrate companies’ carbon footprint, carbon offsetting and net-zero emissions target achievement.

To support companies’ responsible supply chain, Bureau Veritas has a large portfolio of services for responsible sourcing in food and seafood, forestry and wood, metals and minerals, pharmaceuticals and biomaterials. Bureau Veritas has also developed responsible production services for raw materials, water and waste management, which are part of Circular+, the Bureau Veritas holistic suite of solutions to help companies evolve toward a Circular Economy model.

In CSR, Bureau Veritas continues to invest in social audits such as SA 8000 managed by Social Accountability International (SAI) and the four-pillar audits designed by SEDEX Members Ethical Trade Audit (SMETA), which focus on social, security, environmental and ethical practices. Bureau Veritas is also developing new services for Gender Equality (GEEIS) and Sustainability Report Assurance. The Group has reinforced its services for green finance and leveraged its Enterprise Risk Management services to cover Environmental, Social and Governance assessments for investors and thereby foster and seize the growing opportunity represented by the certification of responsible investments.

The Group’s Corporate Responsibility and Sustainability Certification services are contributing to the BV Green Line of services and solutions dedicated to sustainability launched in the fourth quarter of 2020.
1.5.6 CONSUMER PRODUCTS

GROUP REVENUE

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

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

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

GROUP ADJUSTED OPERATING PROFIT

REVENUE BY PRODUCT CATEGORY
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.

Over the past few years, the Consumer Products division has diversified its client base, incorporating more small- and medium-size business clients in the mass market. Most of the revenue from this business was traditionally generated by some 100 key accounts. The 20 largest clients represented 28% of the revenue for this business in 2020.

Usually, the Group is accredited by a client-retailer or brand 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/SmartWorld technologies and their emergence in all types of products;
- the continuing tendency of retailers to outsource quality control and product compliance assessment;
- stricter standards and regulations regarding health, safety, and environmental protection;
- the emergence of new requirements linked to wireless integration systems in terms of connectivity, interoperability, safety and quality of service;
- growing demand from middle-class consumers in emerging countries for safer, higher-quality products;
- the gradual opening up of previously unexploited markets (India and China) to foreign players;
- the migration of manufacturing facilities to South Asia (Bangladesh, India, Pakistan and Sri Lanka) and South East Asia (Cambodia, Indonesia, Malaysia, Myanmar, the Philippines and Vietnam).

Since 2018, Bureau Veritas has noted the escalation of tariffs between the United States and China. The Group is closely monitoring the situation and, thanks to its global network of laboratories, is entirely capable of assisting its clients with the relocation of their production units, as is the case in the textile industry, to Cambodia, Vietnam, Indonesia, 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 domestic markets, particularly in China. Measures have been taken to accelerate growth in the Chinese market, as well as in South Asia, South East Asia, Europe and Africa.

Leading positions in key market segments

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

A particularly robust presence in the US

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

Growth in market share in Europe

Business in Europe has grown significantly over the past few years, mainly in France, Germany and Italy, which have become important markets. The Group continues to expand its activities and offering in Europe to reinforce its client base and optimize its position in the textiles and hardlines segment.

A growth strategy focused on domestic markets in Asia

To adapt to a market in Asia that is driven increasingly by domestic consumption rather than by exports, the Group has devised a plan to develop its activities on fast-growing domestic markets, particularly China. This means growing organically, as well as through acquisitions, partnerships or joint ventures with local firms. Leveraging its leading position among global luxury brands, BV CPS Italy/Certest also helps foster growth with international luxury brands accessing emerging markets across Asia.

Unique supply chain quality management solutions

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

A breakthrough in wireless technologies and SmartWorld

Innovation remains one of the key factors driving growth. The SmartWorld initiative was launched to address growth opportunities resulting from the exponential growth in the number of connected devices, as regards equipment testing, new connected services, and data security.
Thanks to its acquisition of 7layers in Germany in January 2013, the Group became one of the world’s leaders in wireless.smart technologies. Working hand-in-hand with a broad spectrum of industries involved in the continuous improvement and increased usage of wireless communications technologies, devices, services and applications for all facets of modern life. In early 2017, the Group strengthened its foothold on this market by acquiring Siemic, one of the main telecoms testing and certification bodies in the United States. In December 2017, Bureau Veritas entered the growing market for smart payment testing and certification services through an acquisition in South Korea. Growth in this market is buoyed by strong consumer demand for contactless and mobile payment methods.

Since 2019, the Group has invested in 5G to support business development in wireless/smart technologies and their emergence in all types of products of the Internet of Things. Test platforms in Asia (China, Taiwan, South Korea) have been in operation since the first half of 2020 and were rounded out by capacity in the United States (California) in the second half of the year. In 2021, Bureau Veritas will continue to invest in 5G technology testing equipment in order to fully capitalize on its growth potential.

A new platform in Automotive and in the new mobilities sector

The Automotive market and new mobilities sector are 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 are generating additional needs for TIC services.

Through acquisitions and internal investments, Bureau Veritas has technology testing laboratories in Asia, Europe and North America. This puts the Group in good stead to help automotive suppliers meet their compliance and performance requirements for on-board electronics as well as current and future electric and connected vehicles. The Group provides solutions enabling testing or certification of various new features such as on-board connectivity, UX and sensor safety, telemetry and infotainment systems, cybersecurity and data privacy. Lastly, as the market for cars and new mobilities using electric technologies continues to grow, Bureau Veritas also offers battery and electrical system (performance and safety) testing solutions.

Supporting the development of sustainable products and more virtuous supply chains

The CPS division is involved in groupwide efforts to roll out the Green Line, a suite of solutions and services designed to help organizations execute their sustainability strategies with trust and transparency. Through its various services, Bureau Veritas helps its clients develop their strategies for all product categories, offering both testing services and inspection and audit/certification solutions.

Supporting a more efficient, sustainable management of resources

Bureau Veritas offers a range of services to its clients, for example assistance in managing chemical waste across their supply chain. These services include wastewater testing, chemical and environmental audits and atmospheric emissions assessments. By leveraging its expertise, the Group is able to identify hazardous substances that need to be replaced in order to create a more sustainable supply chain.

Bureau Veritas also assists its clients through product lifecycle analyses and eco-design support. To this end, the Group awards the certified “Footprint Progress” label to products meeting eco-design credentials. The aim is to provide consumers with proof of a product’s environmental benefits through legible, visible markings. This certification allows businesses to communicate on the progress made in reducing the environmental footprint of a given product throughout its lifecycle.

Meeting the need for traceability and durability

Besides becoming more discerning with regards to a product’s environmental credentials, consumers are also now demanding increased visibility as to a product’s origin and its durability. Regulations in force in certain countries, including France as from 2021, will encourage the repair and reuse of a product rather than its replacement. This will especially apply to electrical and electronic products, which consumers automatically tend to discard and replace. Bureau Veritas has developed solutions that address these new requirements, including product reparability analyses and durability testing. This is the case in the textile industry for example, where durability is gaining currency (investment in better-quality products) over “fast fashion”, a trend that spread across the globe at the end of the 1990s and start of the 2000s.

Offering guarantees and trust in terms of respect for human rights and ethical principles

Rising consumer demand for transparency and traceability has meant that respect for human and labor rights along with ethical principles has gained traction with brands, regulators and also end consumers. Many countries have introduced stricter regulations, for example to fight against modern slavery. Bureau Veritas has seen greater demand for inspection services and for social and safety audits designed to ensure that supply chains comply with applicable regulations, as well as the commitments taken by brands in terms of corporate social responsibility.
To conduct its business, the Group has numerous licenses to operate “Authorizations”, which vary depending on the country or business concerned: accreditations, approvals, delegations of authority, official recognition, certifications or listings. These Authorizations may be issued by national governments, public or private authorities, and national or international organizations, as appropriate.

MARINE & OFFSHORE (M&O) DIVISION

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

COMMODITIES, INDUSTRY & FACILITIES (CIF) DIVISION

Industry & Facilities

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

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

All such accreditations and approvals are regularly renewed upon expiration.

 Commodities

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

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

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

Many of the Group’s laboratories have ISO 17025 accreditation from various accreditation bodies, including the National Association of Testing Authorities, Australia (NATA), the Standards Council of Canada (SCC), the American Association for Laboratory Accreditation (A2LA), the Singapore Laboratory Accreditation Scheme (SINGLAS), United Kingdom Accreditation Services (UKAS), El Instituto Nacional de Normalización, Chile (INN), and the China National Laboratory Accreditation for Conformity Assessment (CNAS). Moreover, most of the Group’s US laboratories are also registered with 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, 2020, the Government services business had some 30 government contracts.

Several Group laboratories are recognized by governments for testing for Transportable Moisture Limit (TML), these 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 Sicherheits Technik (ZLS), Hong Kong Laboratory Accreditation Scheme (HKLAS), 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, Brazilian National Telecommunications Agency (ANATEL) and Brazilian National Institute of Metrology, Quality and Technology (INMETRO).

Each of the Group’s businesses has put in place a dedicated organization for managing and monitoring these authorizations on a centralized basis, and the authorizations are subject to regular audits by the authorities concerned. Obtaining, renewing and maintaining these authorizations must be justified by qualitative and quantitative criteria concerning the independence, impartiality and professional capabilities of the beneficiaries, such as proof of experience in the field concerned, the existence of trained and qualified technical personnel, technical resources and methodologies, proof of a quality management system that complies with applicable standards, such as ISO/IEC 17020 for inspection companies, ISO/IEC 17021 for management system certification bodies, ISO/IEC 17065 for products and services certification, or ISO/CEI 17024 for personnel certification, or those relating to testing and calibration laboratories (ISO/IEC 17025).

1.7 RESEARCH AND DEVELOPMENT, INNOVATION, PATENTS AND LICENSES

As part of its research and innovation strategy, the Group carries out experimental development activities on strategic projects that aim to bolster its positioning or enable it to capture new markets. The Group’s R&D strategy is rolled down through:

- a research partnership with the French Alternative Energies and Atomic Energy Commission (CEA), with which projects are carried out each year on issues such as cybersecurity, IoT and additive manufacturing;
- 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 Ecole 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 auditors and inspection/audit 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 €2.2 million research tax credit was recognized as a subsidy in the 2020 consolidated financial statements. A total of €8.1 million in research and development costs relating mainly to the Marine & Offshore business was recognized under expenses in 2020.
1.8 INFORMATION AND MANAGEMENT SYSTEMS

The Group’s IT department is responsible for:

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

The department is organized into six Regional Shared Services Centers, covering North America, Latin America, Europe, France/Africa, Asia and the Middle East/Pacific. These shared services centers provide different support services (network, help desks, hosting, support, etc.) to countries in their respective regions.

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

In 2020, operating expenses and running costs for the Group’s information systems represented around 3% of the Group’s consolidated revenue.
More committed than ever to sustainable development, Bureau Veritas has launched the BV Green Line of services and solutions dedicated to sustainable development. The Group is placing its CSR roadmap to 2025 at the heart of its strategy.
2.1 BUREAU VERITAS’ COMMITMENT TO SOCIETY

2.1.1 Mission of Bureau Veritas
2.1.2 BV Green Line of services & solutions dedicated to sustainability
2.1.3 CSR commitment
2.1.4 CSR governance and organization
2.1.5 Sustainable Development Goals
2.1.6 Principles of the UN Global Compact
2.1.7 Stakeholders
2.1.8 Bureau Veritas’ impact on society
2.1.9 Key achievements in 2020
2.1.10 Ratings and rewards

2.2 MAIN NON-FINANCIAL RISKS AND OPPORTUNITIES

2.2.1 Definition and methodology
2.2.2 Main risks and opportunities
2.2.3 Other risks
2.2.4 Materiality matrix

2.3 THE FOUR PILLARS OF THE ROADMAP TO BUILDING TRUST

2.3.1 Enhance operational excellence
2.3.1.1 Ethics, an “absolute”
2.3.1.2 Client relationships are a priority at Bureau Veritas
2.3.1.3 Supply chain management
2.3.1.4 Cybersecurity and data protection
2.3.1.5 Innovation
2.3.2 Grow human capital
2.3.2.1 Talent management
2.3.2.2 An inclusive culture and diverse workplace
2.3.2.3 Respect for human rights
2.3.2.4 Health and safety
2.3.2.5 Support for local communities and outreach
2.3.3 Protect the environment
2.3.3.1 Fighting climate change and adapting to a new paradigm
2.3.3.2 Reducing environmental impact and protecting biodiversity
2.3.4 Develop green services and solutions
2.3.4.1 Adapt to market changes
2.3.4.2 The Green Line of services & solutions

2.4 CLIMATE PLAN

2.5 TAXONOMY

2.6 2025 CSR STRATEGY

2.7 DUTY OF CARE PLAN

2.8 INDICATORS AND CROSS-REFERENCES

2.9 INFORMATION COMPILATION METHODOLOGY

2.10 OPINION OF THE INDEPENDENT THIRD PARTY
2.1 MISSION OF BUREAU VERITAS

Since 1828, we have acted as trust makers between companies, governments and society. We are independent, impartial guarantors of our clients’ word.

Identity

Bureau Veritas is a world leader in laboratory testing, inspection and certification services. Created in 1828, the Group has 75,000 employees located in more than 1,600 offices and laboratories around the globe. Bureau Veritas helps its clients improve their performance by offering services and innovative solutions in order to ensure that their assets, products, infrastructure and processes meet standards and regulations in terms of quality, health and safety, environmental protection and social responsibility.

Bureau Veritas is a Business to Business to Society service company that contributes to positively transforming the world we live in. We work closely with our clients to address the critical challenges they face and to link these to the emerging aspirations of society. We play a pivotal role in building and protecting companies’ reputations, supporting them as they forge the foundations of trust that is built to last.

Manifesto

Trust is the very foundation upon which relationships between citizens, public authorities, and companies are built. In today’s fast-changing world, this essential link is no longer a given.

Citizens and consumers are seeking out verified and verifiable information on how companies develop, produce and supply their goods and services. Decision makers across all organizations face the challenge of proving their CSR commitments in order to remain competitive and sustainable.

At Bureau Veritas, our work enables organizations to operate and innovate safely and perform better. Thanks to our unrivalled expertise, technical knowledge and worldwide presence, we support them by managing quality, safety, health and sustainability risks, to the benefit of society as a whole.

As a Business to Business to Society company, we believe that today more than ever, trust depends on evidence of responsible progress.

We bring more to the table than testing, inspection and certification. The work we do goes beyond verifying compliance and has a much wider impact.

Since 1828, we have acted as trust makers between companies, governments and society. We are independent, impartial guarantors of our clients’ word.

We play a pivotal role in building and protecting companies’ reputations, supporting them as they forge the foundations of trust that is built to last.

Our mission: Shaping a World of Trust by ensuring responsible progress.

Vision

A Business to Business to Society company

Our employees serve our clients and are inspired by society; they make Bureau Veritas a Business to Business to Society service company that contributes to positively transforming the world we live in.

Mission

Shaping a World of Trust by ensuring responsible progress

Thanks to our unrivalled expertise, technical knowledge and worldwide presence, we support our clients by managing quality, safety, health and sustainability risks, to the benefit of society as a whole.
2.1.2  BV GREEN LINE OF SERVICES & SOLUTIONS DEDICATED TO SUSTAINABILITY

As a Business to Business to Society company, Bureau Veritas is dedicated to building trust between businesses, public authorities and consumers.

As a world leader in audit and certification services, Bureau Veritas helps its 400,000 clients to be more efficient, more methodical and more trustworthy in their journey towards a more sustainable business and a more sustainable world.

Sustainability is embedded into the Group’s strategy, its entire organization, and across all its businesses.

With its expertise, Bureau Veritas partners its clients, helping them to meet the challenges of product and service quality, health and safety, environmental protection and social responsibility all along the value chain:
- supporting its clients’ efforts to reduce their carbon footprint, achieve net-zero emissions targets, use resources sustainably and manage the energy transition;
- offering its expertise at every point in the supply chain, from raw materials sourcing to product use, ensuring fair, responsible procurement with full traceability;
- supporting its Buildings & Infrastructure clients throughout all project phases: from planning and design to construction, operation, and refurbishment;
- playing a vital role in the field of New Mobility, with services including battery testing, as well as a comprehensive range of services for electric vehicle charging stations.

Bureau Veritas strives to accompany all clients in delivering their sustainability strategy, and meeting the expectations of their employees and stakeholders.

Through its Green Line of services and solutions, Bureau Veritas empowers organizations – both private and public – to implement, measure and achieve their sustainability objectives with confidence and transparency.

2.1.3  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 social and environmental challenges. Going further than compliance with CSR regulations, Bureau Veritas seeks above all to meet the needs of its clients and employees, as well as 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, by offering a broad range of services aimed at improving its clients’ impact on health and safety, security, environment and sustainability.

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

This view is echoed in the commitment to CSR made by the Chairman of Bureau Veritas’ Board of Directors and the Group’s Chief Executive Officer, as set out below.
BUREAU VERITAS CORPORATE SOCIAL RESPONSIBILITY COMMITMENT

Bureau Veritas is firmly committed to Corporate Social Responsibility (CSR). It rounds out our “absolutes” and our fundamental values.

CSR is embedded in our purpose – being a responsible and sustainable business is part of our very DNA. Given the nature of our businesses, our mission as a company is to build trust between businesses, governments and citizens/consumers, while improving health, safety and quality, and protecting the environment.

As a leader of our market, we want to lead by example. In 2020, four key actions were initiated to accelerate the Group’s CSR program. These involved:

- Supporting our clients across the world when they restarted business following the Covid-19 lockdowns by defining and putting in place health protocols to enable them to resume operations while also protecting their employees, users and clients;
- Launching our GREEN LINE of services and solutions dedicated to sustainability to support our clients in their transition to a more environmentally and socially sustainable economy;
- Updating our 2025 CSR STRATEGY by refining our priorities and objectives, along with our ambition of becoming the CSR leader in our business sector;
- Preparing a CLIMATE PLAN according to Task Force on Climate-related Financial Disclosures (TCFD) recommendations, which we have integrated into our strategy.

More than ever, Bureau Veritas and each of its employees remain dedicated to further improving the Group’s footprint, particularly by protecting the environment, preserving biodiversity, defending human rights, acting ethically, and reinforcing safety and security.

Through our support for the United Nations’ Sustainable Development Goals and the principles of the Global Compact, we want Bureau Veritas to remain a model company, responsible and committed towards the Society.

Aldo Cardoso
Chairman of the Board of Directors

Didier Michaud-Daniel
Chief Executive Officer

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

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

Reinforced by three “absolutes” rooted in Group practices (safety, ethics and financial control), 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, are decisive in helping to protect the brand’s image and the Group’s reputation, as well as in driving value creation.

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

Bureau Veritas has chosen to act in accordance with the UN’s Sustainable Development Goals (SDGs) in order to promote prosperity and protect the planet.
2.1.5.1 SDGs aligned with Bureau Veritas’ missions

Thanks to its mission as a Business to Business to Society company and the broad range of markets and clients it serves, Bureau Veritas makes a positive contribution to all of the SDGs. However, one SDG in particular is a priority for the Group:

**Goal 3: Good health and well-being**
Ensure healthy lives and promote well-being for all at all ages. This is the primary aim of the Group’s risk prevention actions.

Five other goals also provide a strong focus for Bureau Veritas:

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

**Goal 9: Industry, innovation and infrastructure**
Build resilient infrastructure, promote sustainable industrialization and foster innovation. (through the Industry, Buildings & Infrastructure, and Marine & Offshore businesses)

**Goal 11: Sustainable cities and communities**
Make cities and communities inclusive, safe, resilient and sustainable. (through the Buildings & Infrastructure business)

**Goal 12: Responsible consumption and production**
Ensure sustainable consumption and production patterns. (through the Agri-Food & Commodities, and Consumer Products businesses)

**Goal 13: Climate action**
Take urgent action to combat climate change and its impacts. (through the Certification business)

2.1.5.2 SDGs aligned with Bureau Veritas’ CSR program

Through its commitment to social and environmental issues, there are five SDGs for which Bureau Veritas can have a more significant impact than elsewhere:

**Goal 3: Good health and well-being**
Ensure healthy living and promote well-being for all at all ages. (in line with our Safety “absolute” and our health, safety and well-being policies)

**Goal 5: Gender equality**
Achieve gender equality and empower all women and girls. (in line with our commitment and policy on inclusion)

**Goal 8: Decent work and economic growth**
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. (in line with our policies on responsible recruitment, training and operational excellence)

**Goal 13: Climate action**
Take urgent action to combat climate change. (in line with our policies on the environment and global warming)

**Goal 16: Peace, justice and strong institutions**
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. (in line with our commitment to ethics, client service and partner responsibility)
2.1.6 PRINCIPLES OF THE UN GLOBAL COMPACT

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

- the Universal Declaration of Human Rights
- the ILO Declaration on Fundamental Principles and Rights at Work
- the International Labour Organization
- the Rio Declaration on Environment and Development
- the United Nations Convention against Corruption

The ten principles are as follows:

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

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

**Environment**
7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and

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

2.1.7 STAKEHOLDERS

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

The health crisis and its many social and economic consequences hit hard in 2020, with variable impacts on the Group’s stakeholders, as shown in the table below:

<table>
<thead>
<tr>
<th>Impacts on stakeholders</th>
<th>2020</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clients/Revenue</td>
<td>4,601</td>
<td>5,100</td>
<td>(9.8)%</td>
</tr>
<tr>
<td>Employees/Salaries</td>
<td>(2,344)</td>
<td>(2,597)</td>
<td>(9.7)%</td>
</tr>
<tr>
<td>Subcontractors/Missions</td>
<td>(464)</td>
<td>(471)</td>
<td>(1.5)%</td>
</tr>
<tr>
<td>Suppliers/Purchases of goods and services</td>
<td>(886)</td>
<td>(967)</td>
<td>(8.4)%</td>
</tr>
<tr>
<td>Shareholders/Dividends</td>
<td>(18)</td>
<td>(262)</td>
<td>(93.1)%</td>
</tr>
<tr>
<td>Governments/Taxes</td>
<td>(176)</td>
<td>(257)</td>
<td>(31.5)%</td>
</tr>
<tr>
<td>Financial institutions/Finance cost</td>
<td>(87)</td>
<td>(80)</td>
<td>+8.8%</td>
</tr>
<tr>
<td>Capex/Laboratory &amp; IT equipment</td>
<td>(88)</td>
<td>(123)</td>
<td>(28.5)%</td>
</tr>
<tr>
<td>Acquisitions/External growth</td>
<td>(18)</td>
<td>(99)</td>
<td>(81.8)%</td>
</tr>
<tr>
<td>Governments/Payroll taxes</td>
<td>(387)</td>
<td>(434)</td>
<td>(9.2)%</td>
</tr>
</tbody>
</table>
BREAKDOWN OF PERFORMANCE

ACCRREDITATION BODIES AND AUTHORITIES
Without accreditations, a significant part of Bureau Veritas services would not be possible.

CLIENTS
Revenue €4.6 billion

CIVIL SOCIETY
Risk prevention through services delivered to clients

EMPLOYEES
Personnel costs €2.3 billion(1)

SUBCONTRACTORS
Missions €464 million(1)

SUPPLIERS
Procurement of goods & services €886 million(1)

GOVERNMENTS
Taxes €176 million(1)

FINANCING INSTITUTIONS
Financing costs €87 million(2)

CAPITAL EXPENDITURE
Lab equipment, IT €88 million(2)

ACQUISITIONS(4)
External growth €18 million(2)

SHAREHOLDERS
Dividends paid €18 million(3)

(1) 2020 P&L impact.
(2) 2020 cash impact.
(3) 2020 equity impact.
(4) Acquisitions of subsidiaries (net of disposals of businesses) and repayment of amounts owed to shareholders.
A Young Employees Committee was set up in 2019 to factor the expectations of younger generations into the Group’s strategy. Known as “START” and composed of 28 young people from around the globe representing all of the Group’s businesses, this committee was tasked with gathering information on young employees’ expectations in terms of Bureau Veritas’ CSR commitment. START submitted its findings, emphasizing the importance of CSR in the Group’s strategy through actions to be taken to improve its social and environmental impact and new missions designed to support clients with their own CSR challenges.

An External CSR Focus Committee with eight independent expert members was set up in 2019, comprising CSR managers from international companies in different industries, CSR experts, representatives from civil society (associations, NGOs, etc.), investors and non-financial analysts. The committee’s brief is to outline its expectations in terms of Bureau Veritas’ CSR policy. This involves assessing the nature and critical importance of non-financial risks and opportunities, especially in terms of impacts on the environment and on people. The committee met twice in 2020, addressing the following topics:

- Bureau Veritas’ CSR program;
- quantification of Bureau Veritas’ impact on society;
- responsible supply chain management;
- Bureau Veritas’ non-financial ratings;
- the 2025 CSR strategy;
- the Green Line of services and solutions dedicated to sustainability;
- update of non-financial risks and the materiality matrix.
2.1.8 BUREAU VERITAS’ IMPACT ON SOCIETY

For the second year, Bureau Veritas published the value of its qualitative and quantitative impact on society.

The approach applied is based on an assessment of the positive and negative impacts of the Group’s activities on each of its stakeholders, as shown below. Social, environmental and economic impacts are taken into account.

Value chain and qualitative impacts

As part of this approach, the following methodological assumptions were applied:

- the quantitative impact on clients is calculated on the basis of the estimated reduction in their poor quality costs (PQC) due to Bureau Veritas’ work. This estimate is weighted for each activity, depending on the proportion of tests performed by Bureau Veritas;
- to calculate the environmental impact, the price of a ton of carbon was estimated at €49 (1);
- to calculate the safety impact (accidents), only lost-time accidents were considered, taking into account the direct and indirect costs of these accidents;
- to calculate the impact on employees, costs entailed by absenteeism and attrition were considered.

In addition to the quantitative impact, Bureau Veritas has a truly qualitative impact, with businesses benefiting from improved CSR performance. Examples include the following (for more details, see section 2.3.4 – Develop green services and solutions):

- assisting an international oil company to define and introduce measures for reducing its CO₂ emissions with a view to committing to a net zero-emissions target;
- developing new vessel classification rules for carbon-free propulsion, such as hydrogen and ammonia systems;
- reviewing and validating an international agri-food company’s non-financial report;
- testing car CO₂ emission in real-life driving conditions for a French automaker;
- performing safety inspections on many solar and wind power installations;
- conducting building energy audits to reduce energy consumption;
- certifying energy management systems for companies in many sectors.

Based on the assessment of each of these impacts, Bureau Veritas has a positive net impact of €7,292 million on civil society, as detailed below. Due to the health crisis, this figure is down by around 8% on 2019.

For the same reasons, value created for clients declined by almost 6%, as calculated using a comparable approach, amounting to €7,986 million in 2020.
2.1.9  KEY ACHIEVEMENTS IN 2020

2020 was the last year in the 2015-2020 period for which Bureau Veritas had set targets for performance improvements to CSR indicators. Most of the 2020 CSR targets have been achieved – or even exceeded – as shown in the following table:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2015 results</th>
<th>2019 results</th>
<th>2020 results</th>
<th>2020 target</th>
<th>Target achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Safety indicators</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Accident Rate (TAR)</td>
<td>0.67</td>
<td>0.38</td>
<td>0.26</td>
<td>0.40</td>
<td>✓</td>
</tr>
<tr>
<td>Lost Time Rate (LTR)</td>
<td>0.30</td>
<td>0.23</td>
<td>0.17</td>
<td>0.20</td>
<td>✓</td>
</tr>
<tr>
<td>Accident Severity Rate (ASR)</td>
<td>0.027</td>
<td>0.029</td>
<td>0.022</td>
<td>0.015</td>
<td>✓</td>
</tr>
<tr>
<td>ISO 45001 certification rate(a)</td>
<td>85%</td>
<td>86%</td>
<td>87%</td>
<td>85%</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Labor-related impacts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of women in leadership positions</td>
<td>11%</td>
<td>19.5%</td>
<td>19.8%</td>
<td>25%</td>
<td>✓</td>
</tr>
<tr>
<td>Voluntary attrition rate</td>
<td>11.5%</td>
<td>11.6%</td>
<td>9.8%</td>
<td>&lt;15%</td>
<td>✓</td>
</tr>
<tr>
<td>Absenteeism rate</td>
<td>1.14%</td>
<td>1.1%</td>
<td>1.4%</td>
<td>&lt;2%</td>
<td>✓</td>
</tr>
<tr>
<td>Proportion of employees having taken at least one training course</td>
<td>N/A</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Environmental indicators</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CO₂ emissions per employee (decrease expressed as a % versus 2015)</td>
<td>N/A</td>
<td>11%</td>
<td>23%</td>
<td>10%</td>
<td>✓</td>
</tr>
<tr>
<td>ISO 14001 certification rate(a)</td>
<td>77%</td>
<td>76%</td>
<td>83%</td>
<td>75%</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Quality indicator</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISO 9001 certification rate(a)</td>
<td>85%</td>
<td>87%</td>
<td>91%</td>
<td>85%</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Ethics indicator</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees having signed the Code of Ethics</td>
<td>N/A</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>✓</td>
</tr>
</tbody>
</table>

(a) Percentage of the global headcount belonging to certified entities.

In 2020, seven major initiatives were launched to accelerate the Group’s CSR program:

- work with the External CSR Focus Committee to adjust the CSR strategy and priorities (see section 2.6);
- publication of new CSR policies for:
  - anti-harassment,
  - employee representation,
  - flexible work,
  - CSR due diligence process for acquisitions,
  - employee well-being;
- creation of the Green Line of services and solutions to support businesses on their CSR projects (see sub-section 2.3.4.2);
- development of the Clarity solution for managing the CSR program and tracking CSR indicators (see section 2.6.4);
- release of a climate plan in line with TCFD recommendations (see section 2.4);
- reporting of data on sustainable activities in line with with the European Taxonomy Regulation (see section 2.5);
- ongoing action on:
  - being a fairer, more inclusive company,
  - improving employee safety,
  - reducing our environmental impact.
### RATINGS AND REWARDS

List of CSR assessments, ratings and rewards received in 2020

Bureau Veritas’ ratings by rating agencies improved across the board in 2020.

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Rating</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P Global</td>
<td><strong>RR</strong></td>
<td>Listed in Europe and World indexes, &quot;Gold Class&quot; and &quot;Industry Mover&quot; in S&amp;P Global Sustainability Yearbook 2021</td>
</tr>
<tr>
<td>MSCI</td>
<td><strong>AA</strong></td>
<td>Gold CSR rating for France</td>
</tr>
<tr>
<td>CDP</td>
<td><strong>B</strong></td>
<td>Rated B, above sector average (B-)</td>
</tr>
<tr>
<td>V.E</td>
<td><strong>Robust</strong></td>
<td>Rated &quot;Robust&quot;, Ranked #9/102 of its market sector</td>
</tr>
<tr>
<td>Sustainalytics</td>
<td><strong>Low Risk</strong></td>
<td>Rated Low Risk, Ranked #2 in Research and Consulting category</td>
</tr>
<tr>
<td>EthiFinance</td>
<td><strong>Prime</strong></td>
<td>Rated 83/100, above sector average (51/100)</td>
</tr>
</tbody>
</table>

**Rated 84/100, above industry average (35/100)**

Listed in Europe and World indexes

"Gold Class" and "Industry Mover" in S&P Global Sustainability Yearbook 2021
The Group collected various prizes from its clients or professional organizations for service quality, safety, ethical conduct, working conditions and employment, as illustrated below.

**GROUP AWARDS**

- Bureau Veritas was awarded the “Grand Prix de la Transparence 2020” recognizing the quality and transparency of its Universal Registration Document.
- Bureau Veritas was included in the Financial Times list of “Diversity leaders 2021”.
- Bureau Veritas was awarded Britain’s Top Employers Certification for the eighth year in a row. This certification was awarded by the Top Employers Institute in recognition of the excellent working conditions provided by Bureau Veritas.
- Bureau Veritas was for the first time ranked in this year’s Forbes’ Top 500 World's Best Employers.
- The Group again appeared in Universum’s listing of the most attractive employers for university graduates and experienced professionals in France. Bureau Veritas improved its ranking in 2020 at 86th (89th in 2019) for graduates and 46th (58th in 2019) for experienced professionals.

**CLIENT AWARDS**

A large number of Bureau Veritas entities have received awards from clients or national associations recognizing their engagement and performance in safety, quality, environment, ethics.

**AWARDS BY COUNTRY**

- Turkey: Respect for People Award (for 2020) for Contribution in hiring of women and Respect to candidates throughout the hiring process being transparent, inclusive and impartial.
- USA: Bureau Veritas Primary Integration ranked #2 for providing commissioning services with top 3 challenges: Quality of staffing, training and the economy’s impact on the construction market.
- Canada: Safest Chemistry Employer award received from The Chemistry Industry Association of Canada.
- France: Marine & Offshore was certified by HappyIndex®Trainees, an official classification by the website “choosemycompany.com” and the newspaper Les Echos Start.
- China: Bureau Veritas was awarded the 2020 Excellence in Corporate Social Responsibility (CSR) designation by the country’s most influential public job board, 51JOB.
- United Kingdom: Bureau Veritas continues to hold the Gold award from Prince William, in recognition of its induction program in favor of British army veterans and the opportunities this gives them to build a second career.
- Italy: Bureau Veritas was awarded the designation of Welfare Champion for having improved the well-being of its employees with a special mention for its support to its employees and the community during Covid-19.
2.2 MAIN NON-FINANCIAL RISKS AND OPPORTUNITIES

2.2.1 DEFINITION AND METHODOLOGY

Bureau Veritas updated its analysis of financial and non-financial risks in 2020. This work was carried out under the responsibility of the Risk department, which consulted all operating units and support functions. The non-financial section of the risk map was then reviewed and completed by the External CSR Focus Committee and the team of CSR experts. As a result of this work, three new risks were taken into account that were not included in the previous map of non-financial risks: risks related to mergers and acquisitions, changing market needs, and counterfeit certificates.

2.2.2 MAIN RISKS AND OPPORTUNITIES

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

<table>
<thead>
<tr>
<th>Risks and opportunities</th>
<th>Section(s)/Sub-section(s)</th>
<th>Policies</th>
<th>Actions</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational excellence</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Ethics</td>
<td>2.3.1.1</td>
<td>Code of Ethics</td>
<td>Take decisions in line with the Group’s ethical rules: prevent corruption</td>
<td>● Proportion of employees trained to the Code of Ethics \n ● Number of Code of Ethics infringements</td>
</tr>
<tr>
<td>2 Client relationships</td>
<td>2.3.1.2</td>
<td>Quality policy</td>
<td>Guarantee the high quality of services, reports and certificates</td>
<td>● Net Promoter Score (NPS) \n ● Proportion of the global headcount belonging to ISO 9001-certified entities</td>
</tr>
<tr>
<td>3 Supply chain management</td>
<td>2.3.1.3</td>
<td>Business Partner Code of Conduct (BPCC)</td>
<td>Ensure partners comply with Bureau Veritas values and CSR policy</td>
<td>● Percentage of acceptance of the BPCC</td>
</tr>
<tr>
<td>4 Cybersecurity and data protection</td>
<td>2.3.1.4</td>
<td>IS/IT Charter</td>
<td>Ensure Group robustness and data protection</td>
<td>● Proportion of employees having taken at least one training course</td>
</tr>
<tr>
<td>5 Innovation</td>
<td>2.3.1.5</td>
<td>Service Line action plans</td>
<td>Adapt offer to emerging market needs</td>
<td>● Growth of activities related to new services</td>
</tr>
<tr>
<td>Human capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Talent management</td>
<td>2.3.2.1</td>
<td>Employer Value Proposition</td>
<td>Attract, nurture and retain talent</td>
<td>● Employee engagement rate \n ● Voluntary attrition rate</td>
</tr>
<tr>
<td>7 Diversity and inclusion</td>
<td>2.3.2.2</td>
<td>BV Values</td>
<td>Develop equal opportunities and promote diversity and inclusion</td>
<td>● Female/male equal pay ratio \n ● Proportion of women at different levels of responsibility in the organization</td>
</tr>
<tr>
<td>8 Human rights</td>
<td>2.3.2.3</td>
<td>Human rights policy</td>
<td>Ensure human rights are respected in all the countries where Bureau Veritas operates</td>
<td>● Number of human rights policy infringements</td>
</tr>
</tbody>
</table>
### Main non-financial risks and opportunities

<table>
<thead>
<tr>
<th>Risks and opportunities</th>
<th>Section(s)/Sub-section(s)</th>
<th>Policies</th>
<th>Actions</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 Health, safety and well-being</td>
<td>2.3.2.4</td>
<td>Safety policy</td>
<td>Ensure the health and safety of the Group’s employees and partners during each assignment</td>
<td>• Total Accident Rate (TAR) • Lost Time Rate (LTR) • Proportion of the global headcount belonging to ISO 45001-certified entities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cardinal Safety Rules</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Safety procedures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 Support for local communities and outreach</td>
<td>2.3.2.5</td>
<td>Philanthropy policy</td>
<td>Help nurture local communities</td>
<td>• Donations and time dedicated to sponsorship work</td>
</tr>
<tr>
<td>Environmental protection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 Fight against climate change</td>
<td>2.3.3.1</td>
<td>Environment policy</td>
<td>Reduce the Group’s CO₂ emissions and prepare the business to face climate changes</td>
<td>• CO₂ emissions per employee (tons per year) • Proportion of renewable energies in overall electricity consumption</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Climate commitment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Operational eco-efficiency policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Climate plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 Protect the environment and biodiversity</td>
<td>2.3.3.2</td>
<td>Environment policy</td>
<td>Protect the environment and biodiversity</td>
<td>• Proportion of the global headcount belonging to ISO 14001-certified entities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Action for biodiversity</td>
<td></td>
<td>• Number of trees planted</td>
</tr>
<tr>
<td>Services and solutions for sustainability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13 Adaptation to changing markets</td>
<td>2.3.4.1/2.3.4.2</td>
<td>New CSR services portfolio</td>
<td>Support clients with their CSR strategies</td>
<td>• Growth in proportion of CSR services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BV Green Line of services and solutions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 2.2.3 OTHER RISKS

#### 2.2.3.1 CSR integration for acquisitions

Before proceeding with any acquisition, Bureau Veritas carries out due diligence on the CSR practices of the company in question. This is to confirm that the company’s business is consistent with Bureau Veritas’ social and environmental commitment and that its practices are in line with the Group’s CSR strategy. The due diligence process covers eight points:
- CSR management system;
- environment and climate;
- social;
- safety and security;
- governance;
- information systems – data protection;
- taxonomy;
- supply chain and responsible purchasing practices.

The process is carried out under the responsibility of topic owners, by means of questionnaires and site audits, where necessary. The findings are submitted to the Mergers & Acquisitions (M&A) department. They are included in the target’s assessment and taken into account when deciding whether or not to proceed with the acquisition.

If the acquisition is approved, the CSR topic owners approach the newly-acquired company to determine methods for it to roll out Bureau Veritas’ CSR policies, indicators and targets.

Consolidation within the Bureau Veritas group is carried out by an entity which is specially appointed for this task, and the process is monitored to verify aspects such as inclusion in Bureau Veritas CSR reporting. The maximum time frame for consolidation is one year.
2.2.3.2 Counterfeiting

In the last decade, Bureau Veritas has noticed that the number of forged or counterfeit certificates has gradually been increasing. In 2015, the Group introduced a policy for identifying, investigating and reporting cases of counterfeit certificates to protect the Bureau Veritas brand and image and to meet accreditation requirements where the related certificates were issued as part of a specific accreditation or recognition. When necessary, Bureau Veritas has informed the relevant authorities, accreditation bodies, or owners of certification programs, and has taken legal action against the persons responsible for the forged or counterfeit certificates to the extent possible.

To reduce the number of counterfeit or forged certificates, protect the brand, and safeguard the Group from liability, other specific actions have been implemented since 2016:

- all certificates and/or final reports (inspection, certification or testing) are issued in PDF format, electronically signed and timestamped and bear a unique QR code;
- the QR code can easily be scanned by end users to check the validity of a certificate.

These actions are intended to limit the number of counterfeit certificates and reinforce the level of trust in certificates bearing the Bureau Veritas name.

2.2.3.3 Tax evasion

Bureau Veritas ensures that its businesses comply with laws and regulations governing tax evasion(1), and more generally strives to conduct its business activities in strict compliance with applicable tax regulations by putting in place appropriate resources and procedures. Section 4.4 – Legal, administrative and arbitration procedures and investigations, of the 2020 Universal Registration Document provides details of tax positions that may have given rise to tax inspections and/or proposed tax adjustments.

2.2.3.4 Food insecurity – Animal welfare

Bureau Veritas does not consider preventing food insecurity, respect for animal welfare, and equitable, sustainable and responsible food as significant risks to which the Group should respond(2).

2.2.4 MATERIALITY MATRIX

Non-financial risks and opportunities for Bureau Veritas are assessed by the External CSR Focus Committee and the team of CSR experts. The findings of their assessment are shown in the materiality matrix below.

Most significant changes in risks and opportunities since 2018 (date of the previous risk map):

- **New risks**: Mergers and acquisitions, Market changes, Certificate counterfeiting;
- **Higher materiality**: Climate, Environmental protection, ESG services and Human Rights.

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(1) Referenced to in article 20 of French law no. 2018-898 of October 23, 2018 (anti-fraud law).
(2) French law no. 2018-938 of October 30, 2018 on preventing food insecurity.
2.3 THE FOUR PILLARS OF THE ROADMAP TO BUILDING TRUST

The 13 significant risks and opportunities highlighted by the materiality assessment fall into four main categories, shaping the Bureau Veritas CSR roadmap:

**Enhance operational excellence**
- Ethics
- Client relations
- Supply chain management
- Cybersecurity and data protection
- Innovation

**Grow human capital**
- Talent management
- Diversity and inclusion
- Human rights
- Health, Safety and Well-being
- Support for local communities and outreach

**Protect the environment**
- Fight against climate change
- Protect the environment and biodiversity

**Develop services and solutions for sustainable development**
- Adaptation to changing markets
- BV Green Line of services & solutions

---

2.3.1 ENHANCE OPERATIONAL EXCELLENCE

2.3.1.1 Ethics, an “absolute”

Background
Bureau Veritas’ business inherently requires independence, impartiality and integrity. For this reason, ethics is one of the Group’s three “absolutes”.

The Ethics absolute covers four major principles, set out in a Code of Ethics. These include a commitment to combat corruption. Because of its broad geographical coverage and its business of second- or third-party inspection and certification, Bureau Veritas is potentially exposed to passive corruption risks in the countries most prone to this phenomenon. All corruption and influence peddling risks are identified in a specific map.

Bureau Veritas prevents these risks by means of a compliance program founded on managerial commitment, risk mapping and risk management. Prevention begins with education via a Code of Ethics, a Business Partner Code of Conduct, and a training program. It also involves making prior checks via an authorization platform for gifts, invitations, sponsorship activities and donations, along with a third-party due diligence procedure for entering into new business relationships. There is an alert system in place to detect possible risk occurrences and a monitoring procedure involving several stages of verification, including the due diligence procedures carried out by Internal Audit as part of its annual review of the anti-corruption system. Wherever necessary, remedial measures are taken, along with penalties if applicable.

The Group’s business partners, such as intermediaries, subcontractors, joint venture partners and key suppliers, are contractually bound to apply the Business Partner Code of Conduct (BPCC) in their dealings with Bureau Veritas. The BPCC includes the main principles and rules of the Code of Ethics, starting with the requirement to prevent corruption, influence peddling and conflicts of interest.
Policy

Code of Ethics

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

The Code of Ethics applies to all Group employees and complies with the requirements of the TIC Council. It has four core principles:

- Rigorously apply Bureau Veritas’ Code of Ethics
- Conduct governed by the principles of transparency, honesty and fairness
- Comply with the laws and regulations of the countries in which we operate
- Fight corruption

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

The Code of Ethics is available on the Group’s website and regularly updated, most recently in 2020. The latest update involved a change in writing style and the inclusion of many practical examples, intended to make the Code of Ethics easier to read, understand and apply. The Bureau Veritas Code of Ethics is available in 25 languages.
Compliance Program
The Bureau Veritas Compliance Program expresses a corporate governance commitment and includes the following components:
- the Group’s Code of Ethics;
- the Business Partner Code of Conduct (BPCC);
- a manual of internal procedures;
- a corruption risk mapping process;
- 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;
- internal and/or external due diligence procedures for business partners;
- control procedures, including for accounting, with the allocation of specific accounts for regulated transactions (gifts, donations, etc.);
- the annual certification of guidance frameworks and regular control and assessment processes, mainly conducted via an annual self-assessment campaign; and
- internal and external audits, including a specific audit for anti-corruption measures.

In 2016, the e-learning module pertaining to the Compliance Program was transferred to the Group’s dedicated “My Learning” platform in order to enhance and facilitate its worldwide deployment. The Compliance Program is rolled out by a dedicated global network of Human Resources managers.
Regularly reinforced procedures

By applying dedicated internal rules and procedures, the Group takes particular care when selecting its business partners (intermediaries, joint venture partners, subcontractors, main suppliers), assesses its clients 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. After entering into a business relationship, Bureau Veritas monitors all operations and controls payments made in the most sensitive cases. In addition, the financing of political parties is prohibited.

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

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

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

Monitoring procedures

Organization
The Group’s Compliance Officer is the head of the Group’s Legal Affairs & Audit department. He or she defines, implements and oversees the Compliance Program, assisted by a deputy and a network of Compliance Officers within each operating group.

The Group’s Ethics Committee comprises the Chief Executive Officer, the Chief Financial Officer, the Human Resources Director and the Group Compliance Officer. The committee meets at least once a year and otherwise whenever necessary. It oversees the implementation of the Compliance Program and deals with all ethical issues submitted to it by the Group Compliance Officer. The Group Compliance Officer reports the violations he or she has been made 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. He or she also reports to the Executive Committee on the progress made in action plans.

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, ensure that they receive all necessary training, inform them of their duties in simple, practical and concrete terms, and 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 further to which a declaration is issued by the legal representative of each entity.

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

Complying with Bureau Veritas’ ethical principles and rules is also taken into account in managers’ annual appraisals. Each manager is required to confirm compliance with the Group’s ethical standards during his or her annual appraisal. 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 the 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. From 2019, Internal Audit teams have carried out a specific engagement to ensure the Compliance Program complies with the Sapin II law.

In addition, the Compliance Program is subject to a yearly external audit by an independent audit firm, which issues a certificate of compliance to the Compliance Officer, who subsequently sends it to the Compliance Committee of the TIC Council, the international association representing independent testing, inspection and certification companies. Each year, the Compliance Officer presents the findings of this audit to the Ethics Committee and subsequently to the Executive Committee and the Audit & Risk Committee.

Whistleblowing system

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

If no satisfactory solution is forthcoming, if the employee is reluctant to discuss matters with his or her line manager, or if 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. The matter will be treated confidentially, and the employee’s identity will not be disclosed.

Action plan

A new version of the e-learning module is currently being developed and will take into account updates to the Code of Ethics. It will be rolled out in 2021.

In addition, in-depth work is being carried out on continuous adjustments made to the third-party due diligence procedure. Work has also begun on a review of accounting control procedures.

Indicators

Various indicators are tracked on a quarterly basis, including:

- a metric to ensure that all employees receive training on the Code of Ethics; new recruits have one month in which to complete this training;
- a metric for declarations by the operating group Compliance Officers on ethics alerts sounded and the conclusions of investigations. These are logged via a dedicated platform. Alerts are categorized according to the Code of Ethics. In 2020, there were very few alerts concerning non-compliance with the Code of Ethics section entitled “Being compliant: Conformity” and none at all relating to human rights.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of employees trained to the Code of Ethics(^a)</td>
<td>96.5%</td>
<td>97.1%</td>
</tr>
<tr>
<td>Number of Code of Ethics infringements(^b)</td>
<td>57</td>
<td>N/A</td>
</tr>
</tbody>
</table>

\(^a\) This calculation includes all online and in-person training completed by employees after their first month at the Group. It does not include interns, students on work-study programs, temporary staff, employees who have been with the Company for less than one month, and employees hired before the rollout of the SuccessFactors integrated HR IT system.

\(^b\) Certain reports made in 2020 are still being reviewed and could therefore give rise to new cases involving infringements of the Code of Ethics.
2.3.1.2 Client relationships are a priority at Bureau Veritas

Background

The nature of the services provided by Bureau Veritas systematically brings clients into contact with the Group’s operations, 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 and growth.

Poor quality will impact the sustainability of the Group’s business and have direct influence on client satisfaction and loyalty. Risks the Group seeks to prevent include:

- lack of responsiveness and unavailability in dealing with client needs;
- failure to understand client expectations or inappropriate service provided to client;
- poor quality services (excessively long assignment and execution, insufficient expertise, reporting inaccuracies, etc.);
- failure to provide post-assignment follow-up in order to explain findings.

These risks can contribute to an erosion of the relationship between Bureau Veritas and its clients, impacting the Group’s reputation and results.

Policy

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

- the Group management system, the infrastructure supporting the entities across the globe with standard policies, processes and strategies for continuous improvement;
- monitoring of the client experience, including client satisfaction surveys.

Action plan

A quality management system

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

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

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

The quality of the Group’s operations is monitored by two entities, the QHSE and the TQR departments:

1. The QHSE (Quality, Health, Safety, Security and Environment) 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 management reviews are performed in compliance with the requirements of ISO 9001 and encompass an analysis of the results, the progress made and an assessment of the risks and opportunities. In addition, the management system and the implementation of its components are certified to ISO 9001 by an accredited independent international body (outside the Group’s Certification business);

2. Deployed at the level of the operating groups, the Technical, Quality and Risk (TQR) departments are responsible for ensuring that missions are compliant with the Licenses to Operate and meet the technical and organizational standards laid down by supervisory authorities such as government ministries and accreditation bodies. The department validates the approach and methodology used in the Group’s assignments. They also ensure that work is performed by skilled workers and conduct audits to verify that these requirements are duly met. They are consulted upstream in order to verify compliance to complex service offers, ensuring the Group’s ability to execute those services to the highest quality standard.

The QHSE 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 established by accreditation bodies and its clients, as well as the continuous improvement of these processes, allows Bureau Veritas to deliver high-quality services to society worldwide.

Bureau Veritas has had an integrated management system for many years now. The system guarantees that common standards will be implemented across the globe to Quality ISO 9001, Environment ISO 14001 and Occupational Health and Safety, ISO 45001 standards.

The following graph shows a breakdown of the global headcount belonging to ISO 9001-certified entities. Similar KPIs are presented below for the Environment and Occupational Health and Safety standards in the appropriate sub-sections (see sub-section 2.3.3.1 – Fighting climate change and adapting to a new paradigm) ISO 14001 and ISO 45001 (see sub-section 2.3.2.4 – Health and safety).

PERCENTAGE OF THE GLOBAL HEADCOUNT BELONGING TO ISO 9001-CERTIFIED ENTITIES

These figures present Group quality certifications outside the Certification business, which has an independent accreditation scheme, and excludes companies acquired in 2020, which have one year to roll out the Group’s management system and be covered by Bureau Veritas Certification.
Client experience

Client satisfaction is a major concern at Bureau Veritas and is at the heart of its management approach. Besides day-to-day dealings between Bureau Veritas teams and their clients, the entities regularly conduct client satisfaction surveys. Results at local and global level enable Bureau Veritas to continue improving the satisfaction levels of its clients.

In 2020, the Group conducted numerous client satisfaction surveys based on the Net Promoter Score (NPS) method. This survey method assesses the potential for clients to recommend Bureau Veritas services to a third party, mitigated by ones who are not willing to. It is used in addition to the satisfaction surveys of the operating entities to help define a pertinent groupwide indicator, while giving each entity the scope to design satisfaction surveys more suited to their needs.

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

Indicators

Client satisfaction surveys are organized locally for each operating entity. These surveys systematically include a standard question that is the same for each operating entity and asks clients to rate their satisfaction on a scale of 1 to 10. In 2020, more than 360,000 questionnaires were sent out, representing a decrease of approximately 10% versus last year. The Covid-19 outbreak and the crisis management mode that entities had to adopt naturally played an important role in this reduction. The questionnaires were sent out to clients irrespective of the country in which they are based and the type of services they use. The overall level of satisfaction, calculated as the average rating of the answers received, was 86 out of 100 in 2020, a decrease of nine points compared with the previous year and the same score compared with 2018.

NPS has been rolled out across many of the Group’s activities, including in France, for example, where it has been implemented for many years. In 2020, the France Operating Group increased its NPS by six points. NPS implementation plans across the globe were severely hampered by the pandemic, limiting the expansion of this initiative.

As well as client satisfaction measures, the Group has rolled out a client complaint management solution (QESIS) across all its entities. Providing end-to-end traceability, this solution involves all stakeholders in the complaints handling process. It also strives to identify the causes of the complaints and effective remedial action plans.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client satisfaction index</td>
<td>86/100</td>
<td>95/100</td>
<td>86/100</td>
</tr>
<tr>
<td>Net promoter score (NPS)</td>
<td>43.9%</td>
<td>43.9%</td>
<td>N/A</td>
</tr>
<tr>
<td>ISO 9001 certification scope</td>
<td>91%</td>
<td>87%</td>
<td>87%</td>
</tr>
</tbody>
</table>

(a) Scope 2020: France, Spain, Canada CPS division.
(b) Scope 2019: France (in 2020 France rated 90%).
(c) Percentage of the global headcount belonging to ISO 9001-certified entities.

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

2.3.1.3 Supply chain management

Background

Purchases made by Bureau Veritas include operating purchases and purchases related to testing laboratories and the subcontracting of services.

The Purchasing department deals primarily with suppliers, as well as with subcontractor companies, for which it liaises with the local internal departments responsible for management on a daily basis.

The Group’s responsible sourcing strategy is based on its duty of care plan, which covers social and environmental responsibility and ethical business conduct. These principles apply to its supply chain and are an integral part of the general purchasing terms and conditions, the Code of Ethics and the associated Business Partner Code of Conduct (BPCC), as detailed in section 2.7.1 – Governance and policies, of the duty of care plan.

All Group purchasers are made aware of the issues pertaining to a responsible supply chain, and receive training on the Group Code of Ethics.

The Group’s new ERP, named FLEX, focuses in particular on the supply chain and especially the Procure to Pay (P2P) value chain, which covers the whole process, from purchase order to supplier payment. This enables the Group to:

- enhance its relationships with suppliers while facilitating supplier database supervision;
- develop analytical capabilities (visibility over Group expenditure, list of suppliers and expense categories);
- ensure purchasing procedures are respected and guarantee the segregation of duties.

Deployment of this module is currently in progress and will be completed in 2022. By 2020, it covered most countries, accounting for around 70% of Group revenue. The Purchasing department relies on the P2P value chain to strengthen its supplier listing policy, monitor the approach taken on issues relating to social and environmental responsibility, and assess suppliers on business ethics.
Policy

The Purchasing function has changed shape since 2018, with four main strategic goals defined in the Group’s strategic plan:

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

Since 2019, the Group purchasing policy has been supported by the digital and strategic transformation of the function, along with the tools needed to fulfill this ambition. It is being rolled out and communicated throughout the organization at the same time as the new ERP.

The Covid-19 crisis has considerably disrupted Bureau Veritas’ Purchasing function. In the short term, the focus was placed on protecting financial health and managing supply chain risks, but the situation has also contributed toward creating a more responsible approach with partners. The unprecedented crisis has intensified the need for closer control over the supply chain, with a strategy centered around more fluid, better structured collaboration with third parties. This involves digitizing purchasing processes, building efficient supplier relations, and close collaboration between buyers and other Group functions.

Action plan

Digitalization is key to continuous improvement in responsible purchasing

As part of its efforts to secure sourcing processes, in 2019 the Purchasing department included classification of Bureau Veritas partners in the template of the FLEX project P2P module. 2020 saw an upgrade to partner listings in the system, with automated risk tracking for operational monitoring of responsible suppliers. In the countries where FLEX has been rolled out, the general purchasing terms and conditions have been updated to refer to the Business Partner Code of Conduct (BPCC) and Code of Ethics.

A communication and training campaign was run in 2020 on the new-format partner listings. This new system is now operational in more than 15 countries.

Digital transformation of the Purchasing function accelerated in 2020. Along with the implementation of the ERP, a new business intelligence platform was developed. This collates all ERP data to give Purchasing teams a holistic view of all expenditures and suppliers in the countries where the new information system is in place. This digital solution will enhance strategic vision across the supply chain by improving access to and analysis of supplier information and purchasing categories, and by nurturing a data culture. It enables the Purchasing function to cross an important threshold of economic legitimacy within Bureau Veritas. The new system includes indicators on responsible purchasing to ensure compliance with duty-of-care rules (acceptance of the Code of Ethics and the BPCC).

Training campaigns for the buyer network were rolled out in late 2020. The dashboards and performance indicators will enable buyers to optimize their operations, broaden their scope of intervention and improve control over risks in various Bureau Veritas expense categories.

Responsible management of strategic suppliers

To bring suppliers into alignment with a responsible sourcing approach, Bureau Veritas used a risk map updated in 2018. This analysis is described in further detail in section 2.7.2 – Risk mapping, of the duty of care plan. Based on this exercise, the risks identified at the level of the supply chain range from low to moderate risks in the Social Hotspots DataBase (SHDB). These risks concern certain regions (China, the United States and Brazil) and certain purchasing categories (chemical products, office services). A selective approach focusing on strategic suppliers was rolled out in 2020, with the aim of listing the main high-risk partners and supporting them in their improvement efforts.

Two tools were used for this purpose in 2020: the Ecovadis platform and the responsible supplier self-assessment questionnaire.

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. Ecovadis uses 21 criteria when evaluating suppliers, based on four main themes: environment, fair working conditions, business ethics and responsible procurement.

For strategic suppliers not evaluated by Ecovadis, the Purchasing department designed a responsible supplier self-assessment questionnaire based on the five themes of the duty of care plan described in section 2.7 – Duty of care plan, of this Non-Financial Statement. This questionnaire is being introduced across the Group and incorporated into the FLEX ERP.

To fine-tune the assessment procedure, Bureau Veritas began a selective supplier management program in late 2020, for phase-in alongside ongoing development of assessment measures.

Indicators

The responsible sourcing performance indicator is now included within Purchasing department performance indicators. In 2020, it covered metrics including:

1. the number of suppliers having accepted the BPCC. For those countries in which FLEX has been rolled out, 19,042 partners have accepted the BPCC (53%);
2. the number of suppliers having agreed to reply to Ecovadis questionnaires. An evaluation campaign was finalized with Ecovadis in 2020 with a total of 146 strategic suppliers responding to the questionnaire.
2.3.1.4 Cybersecurity and data protection

Background
Information systems and digital solutions are key to driving the Group’s strategy and growth going forward. Faced with continually evolving threats and increasing digital exposure, protecting clients’ confidential data is one of the Group’s major concerns. Bureau Veritas also seeks to protect its businesses and expertise, ensure compliance with laws and regulations, and secure its strategic and financial data.

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

Policy

a) IT security and operating policies
Bureau Veritas has a groupwide strategy based on ISO 27001 that ensures it is aligned with market expectations and has a standardized, auditable framework. It has also designed specific operating policies in this regard. These policies roll down into organizational measures, processes and techniques. The most relevant and non-confidential documents are available on the Group’s website: https://group.bureauveritas.com/group/corporate-social-responsibility/statements-policies

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 operating policies in this regard. These policies roll down into responsibilities of the Group’s entities and facilitate the alignment between rules and practices.

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

In 2020, maturity assessments for each division were introduced. The consolidated results of these assessments are submitted regularly to the Executive Committee and the Board of Directors.

In terms of personal data protection, and especially compliance with the General Data Protection Regulation (GDPR), the Group has established an identical framework for all entities, containing 63 legal and technical measures for all of the Group’s applications. It was devised jointly by (i) the Data Protection Officer (DPO), and (ii) the Group IT department and its IT Security unit.

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

More than 300 applications rolled out before 2018 are therefore monitored and regularly assessed. Furthermore, thanks to the “Security by Design” approach described below, new projects also comply with personal data protection rules from the outset, thereby meeting the key “Privacy by Design” principle.

Since 2018, internal audits have verified the compliance of software design and development. Any discrepancies are noted in a report and the teams provided with corrective action plans, which they must then carry out.

b) Operating controls, processes and practices
Several measures have been designed to bring IT security on board the Group’s business and digital processes:

- the “Security by Design” approach applies to digital projects and covers all project phases, from design to production support;
- toolkits have been created based on IT Security policies and are designed to help the Group’s various functions implement the measures. This includes, for example, the deployment of a Security Assurance Plan for the Purchasing department and subcontractor management, a best practice guide for developers, and guides for IT administrators on improving the robustness of technical architecture;
- quality and security controls for applications and databases have been put in place, including risk analysis (EBIOS approach), vulnerability scans, code audits, external audits and penetration testing for critical, sensitive applications;
- business continuity plans exist for critical IT services. These plans are designed to enable operations to be resumed within 24 hours, and to reduce the period of data loss to a maximum of two hours.

c) Dedicated teams
The Group’s target was to gradually scale up IT expenditure invested in cybersecurity and data protection, to reach at least 5% by 2021. This target was met by end-2020. Efforts will be continued and stepped up over the years to come.

To illustrate its ambition in this field, the Group also appointed a cybersecurity sponsor on the Board of Directors: Jérôme Michiels. He is responsible for managing and overseeing the Group’s strategy and performance in reducing cyber risk.

The IT Systems Security department works closely with both the IT department as a whole, as well as all Bureau Veritas operating groups. 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. It reports directly to the Group’s IT department.

In addition to central teams, IT Security Officers are appointed in each operating group to ensure that entities’ decisions and practices are duly aligned with Bureau Veritas policies and standards.
CORPORATE SOCIAL RESPONSIBILITY
The four pillars of the roadmap to building trust

The management of security operations was significantly strengthened in 2020 with the opening of an outsourced operational security center, resulting in improved incident detection and reaction capabilities and offering round-the-clock vigilance and support.

The center also provides expertise in crisis management, criminal intelligence and remediation of vulnerabilities.

d) Digital trust and compliance approach

The Group’s internal compliance standards are based on ISO 27001 and related guidance. A number of initiatives were launched in 2020, with certifications expected in 2021.

The Group also ensures that its IT security practices comply with its contractual obligations and with applicable laws and regulations. A governance model including IT Security Officers and the IT Systems Security department ensures that the compliance approach in each of the Group’s operating groups is aligned and consistent.

Particular attention is paid to purchases and services provided, especially as regards data protection. A toolkit has been developed 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.

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

e) Specialized and evolving technologies

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

Examples include: (1) advanced protection of property and equipment (servers, PCs); (2) centralized and filtered management of IT logs enabling information to be fed into the Group’s security information event management (SIEM) application; (3) definition of architecture and standards for cloud-based operations (AWS, Azure, Alibaba); and (4) provision of a cyber ranking solution enabling the Group to anticipate and identify vulnerabilities across its entire network and in all of its regions. The cyber ranking solution offers web exposure security for each division, along with capabilities for managing action plans on optimum protection. Two solutions to prevent data loss were also implemented in 2020 (DLP and CASB).

In 2020, a partnership was formed with a specialist in application security. This has significantly increased Bureau Veritas’ ability to perform vulnerability scans for all applications, along with penetration tests for the most critical ones.

Lastly, the Group continues to step up its use of independent technical audits performed by accredited bodies (ANSSI France) to improve its level of protection and robustness on an ongoing basis. These audits focus primarily on infrastructures and solutions that are critical across the Group.

Action plan

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

1. Roll out a NIST cybersecurity-type framework to rapidly improve maturity across the Group (eight cybermaturity audits undertaken in 2020 – one per operating group and one for headquarters);

2. Accelerate the implementation of audit programs either internally or supported by external independent firms, in order to increase the number of controls and penetration tests (50 vulnerability audits and 4 pen tests undertaken in 2020), identify areas for improvement, and coordinate corrective action for all Group entities;

3.Launch an ISO 27001 certification program by prioritizing at-risk business lines and activities that are critical for clients.

Indicators

INDICATORS AND COMMITMENTS FOR THE COMING YEARS

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cybersecurity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of training initiatives (cybersecurity, phishing simulations, GDPR)</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Number of cybermaturity audits performed</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Number of vulnerability scans performed</td>
<td>50</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Number of penetration tests performed</td>
<td>4</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Number of security incidents reported(a)</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of incidents involving client data</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of clients impacted by a security incident</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of fines/penalties related to a security incident and imposed by an authority</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

(a) Excluding incidents related to personal computers and with no data loss (e.g., detection of malware).

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data privacy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of “Privacy by Design” audits performed (GDPR)</td>
<td>21</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Number of claims received from clients and third parties</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of complaints to data privacy authorities</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
2.3.1.5 Innovation

Background

Technology is developing at a rapid pace, accompanied by social and environmental challenges. Thanks to artificial intelligence, greater data processing capacity and faster communication speeds, Bureau Veritas can design new services leveraging these new technologies to best effect.

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

At the same time, new social and environmental challenges require governments, companies and civil society to make the necessary transition to creating a more human, environmentally friendly world. These transitions mostly occur within the framework of standards and regulations that can be certified by Bureau Veritas. This is notably the case of the energy transition, the reduction in CO₂ emissions, respect for human rights and supply chain compliance.

Policy

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

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

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

Keeping a close eye on regulations enables Bureau Veritas to continually adapt its services to the new challenges facing society and businesses. It has also led to the creation of new services specifically designed to address new regulatory requirements, the latest technological innovations and the needs of the Group’s clients.

Action plan

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

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

Examples are provided below.

Projects based on technological partnerships:
- with Optel, Bureau Veritas launched V-trace, a comprehensive traceability solution for the Covid-19 vaccine;
- with Engie and CEA, Bureau Veritas uses blockchain technology to manage green energy traceability;
- Bureau Veritas works with the French Flag Register to support the innovative SeaOwl project on remote-controlled vessels.

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

Projects based on new product technology:
- new safety tests for smart objects in the consumer goods and automotive industries;
- a new solution for managing CSR performance across the supply chain;
- new inspections for renewable energy production infrastructure;
- classification of new vessels using carbon-free or low-carbon energies such as ammonia or liquid natural gas (LNG).

Projects based on new standards:
- new standards to assess health measures and enable safe business resumption during the health crisis (Covid-19);
- new solutions (ChargeScan by BV) to ensure compliance and performance of electric vehicle charging stations, during both construction and operation phases;
- creation of new cybersecurity and personal data protection services.

For additional references, see the following sections in this document:
- sub-section 2.3.1.3 – Supply chain management/Indicators: for the cybersecurity assurance plan included in the Business Partner Code of Conduct (see also section 2.7.1 – Governance and policies, of the duty of care plan);
- sub-section 2.3.2.1 – Talent management/Onboarding: for the global IS/IT user charter;
- sub-section 2.3.2.1 – Talent management/Training for all employees: MyLearning: for the mandatory cybersecurity training for IS/IT users;
- sub-section 2.3.2.3 – Respect for human rights: privacy compliance policy.

CORPORATE SOCIAL RESPONSIBILITY
The four pillars of the roadmap to building trust
Projects based on regulatory controls undertaken on behalf of public authorities:
- theory test for driving license applicants;
- review of applications for building permits.

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

2.3.2 GROW HUMAN CAPITAL

Description of risk

As Bureau Veritas is a services company, its people are its most important asset. They include engineers, technicians and other leaders and specialists skilled in quality, health and safety, security, environmental protection, and social responsibility. The ability to attract, engage and retain such professionals in a competitive market for talent is critical to Bureau Veritas’ success.

The specific people challenge for Bureau Veritas lies in attracting highly qualified talent from diverse backgrounds in order to innovate, drive change, and deliver outstanding service. The Group also needs to have an engaged workforce – people who are continually learning and developing – and to create an environment in which their careers can thrive. Bureau Veritas’ Human Resources strategy is therefore designed to engage employees in a workplace culture that is inclusive and development- and performance-focused, in which people are encouraged to be their authentic selves and perform to the best of their ability.

In addition, it is critical that employees have the right support if and when crises occur, such as Covid-19. The Group’s approach – which includes a focus on employee well-being – was deployed in 2020 to enable its people to respond, recover, and thrive in such situations.

Sustainable and agile approach

The HR strategy is expressed through a common framework of five major goals, each with its own areas of focus. In order to remain agile, the resources assigned to each area of focus are modified depending on business strategy and market conditions. This approach enables the Group to adjust its focus when required, an example of which is the increased attention paid to employee well-being in 2020. The underlying pillars of the strategy (the five major goals) ensure sustained value creation by remaining focused in the long run on initiatives that will progressively achieve a greater return on investment over time, such as measuring engagement.

HR STRATEGY
2.3.2.1 Talent management

Workforce planning

Bureau Veritas closely monitors changes in its headcount at the Group and local levels. This is key to ensuring the Group has the right capacity to meet its growth and profitability expectations.

2020 saw fewer new permanent hires and an increased focus on temporary recruitment was observed compared with recent years, which was in response to the downturn in economic activity brought about by Covid-19. This was also accompanied by increased lay-offs in 2020, although significant efforts were undertaken to ensure that these were minimized wherever possible by encouraging employees to take leave and, in certain countries, through the use of local furlough schemes.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>New hires</td>
<td>10,880</td>
<td>14,954</td>
<td>13,330</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>460</td>
<td>1,541</td>
<td>286</td>
</tr>
<tr>
<td>Lay-offs</td>
<td>4,153</td>
<td>3,369</td>
<td>4,468</td>
</tr>
<tr>
<td>Voluntary departures</td>
<td>7,373</td>
<td>9,368</td>
<td>8,709</td>
</tr>
</tbody>
</table>

The activity recorded in 2020 contributed to an overall headcount reduction for the Group in 2020 compared with 2019, with Spain, the United States, China, Colombia and Peru the most affected.

However, Bureau Veritas continued to deploy its strategy of targeted business acquisitions where this aligned with its growth objectives, resulting in a 58% increase in the headcount in Indonesia.

The Group undertakes strategic workforce planning, including talent analytics, which impacts activities such as talent acquisition. An example of this is the analysis of talent data performed further to the talent development and succession planning processes (see below for description), which identified that there were additional capabilities and dimensions in the Group’s workforce that were required to achieve the growth ambitions in the strategic plan. Such key capabilities and dimensions in the workforce in 2020 included:

- sales skills to drive organic growth;
- sustainability experts and sustainability leaders to develop, offer and market new services and expand existing ones as “green” markets continue to emerge across industries;
- digital skills to transform existing services and influence the design of new offerings to the market;
- more diverse talent with a focus on achieving a greater gender balance among managers (see section 2.3.2.2 – An inclusive culture and diverse workplace) in order to drive more innovation and creativity, to enhance Bureau Veritas’ employer brand, and to have a workforce that better reflects the societies it serves.

As a result of these findings based on the talent analytics insights, talent acquisition teams collaborated with managers to adjust recruitment activity. This included strengthening partnerships with external talent search providers, developing and deploying targeted recruitment campaigns, and enhancing the Group’s employer branding strategy.
These findings also impacted the efforts made in 2020 to identify and accelerate the development of high-potential women, and high-potential individuals with the priority capabilities described above (sales skills, sustainability experts and sustainability leaders, and digital skills).

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>December 31, 2020</th>
<th>December 31, 2019</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>16,981</td>
<td>17,763</td>
<td>17,630</td>
</tr>
<tr>
<td>including France</td>
<td>7,843</td>
<td>7,870</td>
<td>7,757</td>
</tr>
<tr>
<td>Africa and Middle East</td>
<td>7,007</td>
<td>7,373</td>
<td>6,378</td>
</tr>
<tr>
<td>Americas</td>
<td>20,981</td>
<td>22,655</td>
<td>21,131</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>29,991</td>
<td>30,584</td>
<td>30,289</td>
</tr>
<tr>
<td>TOTAL HEADCOUNT</td>
<td>74,930</td>
<td>78,395</td>
<td>75,428</td>
</tr>
</tbody>
</table>

Permanent contracts comprised 80.1% of the total headcount in 2020, while 94.3% of all employees were recorded as working full-time.

**Employer brand**

In order to attract the talent needed to achieve the Group’s growth ambitions, its employer brand, LEAVE YOUR MARK, which highlights Bureau Veritas’ expertise in many specialist fields and the benefit brought to society by this expertise, serves as the standard recruitment communications framework. In 2020, the Group used the brand to present career opportunities externally and internally, and to demonstrate its employer value to potential recruits.

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

- targeted social media, such as LinkedIn, Facebook, Instagram, Twitter, Spotify and Deezer;
- updating the Group website and those of its key countries to include more videos and employee stories, with a focus on diverse talent;
- agreement on and implementation of the Bureau Veritas employee experience standards for recruiters to apply;
- development and deployment of recruiter and manager interview guides and training programs;
- participation in forums and sponsorship of special events at leading engineering and business schools/universities;
- awareness programs for external recruitment partners;
- standardizing the Bureau Veritas standard job search and application process across the globe with the implementation of “SuccessFactors” in all major markets, including China in 2020.

Such employer branding efforts are contributing to the Group’s ability to attract the talent it needs. For example, in 2020, Bureau Veritas’ operations in France received approximately 71,000 applications for almost 1,300 open positions, with most of these roles having an average time to hire of 60 days. This ratio of 55 candidates for each role was an increase from 35 in 2019.

Bureau Veritas received several awards in 2020 recognizing the strength of its workplace culture and the increasing value of its employer brand, thus strengthening its ability to attract and retain talent.

- The Group was again included in the Financial Times’ Diversity Leaders ranking, improving its position from the 37th to the 26th percentile. Diversity Leaders recognizes and ranks 850 companies’ performance on diversity in all its forms, including gender, age, ethnicity, disability and sexual orientation.
- Bureau Veritas was for the first time ranked in Forbes’ Top 500 World’s Best Employers.
- Bureau Veritas’ leadership position in the Dow Jones Sustainability Index (Professional Services Industry) included a score of 87 out of a total 100 points for the “Social” dimension that includes Labor Practice Indicators, Human Capital Development, and Talent Attraction & Retention.
- In China, Bureau Veritas was awarded the 2020 Excellence in Corporate Social Responsibility (CSR) designation by the country’s most influential public job board, 51JOB.
- The Group again appeared in Universum’s listing of the most attractive employers for university graduates and experienced professionals in France. Bureau Veritas improved its ranking in 2020 to 86th (89th in 2019) for graduates and 46th (58th in 2019) for experienced professionals.
- In the United Kingdom, Bureau Veritas was awarded Britain’s Top Employers Certification for the eighth year in a row. This certification was awarded by the Top Employers Institute in recognition of the excellent working conditions provided by Bureau Veritas.
- Bureau Veritas in Italy was awarded the designation of Welfare Champion by the Italian prime minister for improving employee well-being. In addition, the Company received a Special Mention for its support to employees and the community during the Covid-19 pandemic.
- In Turkey, Bureau Veritas received the 2020 Respect for People Award for the fifth consecutive year from Kariyer.net, Turkey’s largest Human Resources professional organization. The award is based on transparency and ethics in recruitment processes.
- Bureau Veritas’ Marine & Offshore division in France was certified by HappyIndex®Trainees, an official classification by website choosemycompany.com and newspaper Les Echos Start.
- Bureau Veritas continues to hold the United Kingdom’s Gold award from Prince William, in recognition of its induction program targeting British army veterans and the opportunities this gives them to build a second career.
Talent selection

Attracting, assessing and selecting talent is crucial for Bureau Veritas to shape and enhance its culture. In 2020, the Group used its Absolutes and BV Values (see below) as a foundational element to assess candidates for appropriate “fit”. The Absolutes and Values clearly show the everyday words and actions that are required of all employees when performing their roles – they describe “how we do things at BV”.

In addition, Bureau Veritas’ Leadership Expectations (see below), were used to clarify the behaviors that are expected from employees with managerial responsibilities, and to help identify potential future leaders for management roles in the near term, as well as individuals for development into much larger roles in the future.
Onboarding

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

- the Cardinal Safety Rules, a program explaining the fundamental rules of workplace safety that all employees must understand and apply;
- the Bureau Veritas Compliance Program, which provides training on the Group’s Code of Ethics and other compliance programs, some of which vary according to employee location and include travel security, the General Data Protection Regulation, the global IS/IT user charter and driving safely;
- the BV Absolutes, BV Values and Leadership Expectations, in order to reinforce the expectations the Group has of all employees and all managers regarding the behaviors that make Bureau Veritas’ culture unique;
- the LEAVE YOUR MARK employer brand and the role that all employees and managers play to shape and enhance it;
- the Group’s Human Resources policies.

Onboarding procedures also apply whenever the Group acquires new organizations, as a means of ensuring that key personnel in the acquired entities are effectively and quickly integrated, including being given access to all of Bureau Veritas’ infrastructure and support. This includes technology, know-how, standards, processes & procedures, as well as resources to further team and individual career development. The Group’s acquisition policies and practices confirm this as a critical step within the pre-acquisition assessment and planning process. Any regrettable attrition from acquired companies is analyzed in order to understand the reasons for it and to put in place measures to avoid similar situations in the future.

Talent development and succession planning

At December 31, 2020, the Group had 1,575 managers (1,604 in 2019) with an average age of 49 (unchanged from 2019). This relatively high average age is explained by the deep degree of technical expertise acquired over many years that is needed in most roles. The Group also counted 4,000 team leaders.

In order to build a strong and diverse pipeline of talent for its managerial roles, the Group uses a Talent Strategy to identify, assess and develop talent. This includes identifying talented individuals, who are then divided into Talent Pools (see below). The pool to which employees may be assigned is based on an assessment of their potential for future roles, including an assessment of leadership potential for a number of possible roles, some of which may not exist currently. These people are then proposed targeted development to ensure there is a strong pipeline of talent in place to support the Group’s growth.

This strategy leverages the Group’s Talent Reviews, which have been in place since 2012 to track and manage the development of identified talent within the business.

TALENT POOLS

In 2020, a talent evaluation of the individuals holding the top 272 roles in the Group was undertaken by the Group and the Human Resources Executive committees. In addition, 4,025 positions were reviewed by the Group’s divisions. The employees identified as high-performing and high-potential were then specifically monitored at the Group or local level to accelerate their readiness as possible successors for different roles in the future.
Examples of initiatives undertaken to develop key talent include the following programs mainly delivered virtually due to Covid-19 situation:

Leadership Development Framework
In 2020, a revised senior leadership development framework comprising 12 Leadership Competencies and inspired by the Korn Ferry Leadership Architect was adopted. The 12 competencies (see below) were mapped across three talent pools for individuals in the most senior leadership roles: Future & Current Global Leaders, Rising Leaders and Emerging Leaders. Specific development programs have been designed to fast-track the development of individuals in these pools, based on the competencies.

**Leadership Development Framework**

**SELF**
- Nimble learning
- Manages ambiguity
- Demonstrates self-awareness

**THOUGHT**
- Customer focus
- Strategic mindset
- Cultivates innovation

**RESULTS**
- Resourcefulness
- Ensures accountability
- Drives results

**PEOPLE**
- Collaborates
- Builds effective teams
- Drives engagement

**Leading Teams@BV**
In order to build a consistent foundation of competency and knowledge among the Group’s approximately 5,500 managers and team leaders, the Leading Teams@BV program was developed and launched in 2020. At December 31, 2020, more than 50% of participants had completed the multi-module digital learning experience. The core capabilities targeted in the program include:
- how to apply the BV Values and Leadership Expectations to be an effective leader of teams;
- the leader’s role in executing the Bureau Veritas strategy:
  - driving vision and purpose,
  - building engaged teams,
  - growing people.

During the training, participants completed a development handbook to capture key learnings to apply to their day-to-day activities. They also identified one or two development priorities to be validated by their managers, recorded in MyDevelopment@BV and followed up regularly.

**BV Sales Leaders**
In 2020, a program was launched to reinforce the sales capabilities of sales specialists and sales leaders at Bureau Veritas. Leveraging a library of digital learning provided by CyberU, the program was complemented by a framework to evaluate and subsequently strengthen sales capabilities that was designed and deployed in parts of the Group.

**Leading Edge – South Asia**
This leadership development program in India targeted the population of Rising Leaders. A business simulation, 360 feedback, and individual coaching were part of the learning methodology. A total of 30 participants followed the program in 2020.

**F.U.E.L@BV (Foster & Uplift Emerging Leaders) – India**
Targeting the population of Rising Leaders, this program is a learning journey over five months for 60 participants that includes business simulations and mentoring from business leaders.

**European & African Development Center**
2020 saw the fourth edition of the European & African Development Center program. There are now more than 35 alumni of this program, which targets the development of individuals in the Rising Leader talent pool and combines a number of learning experiences, including 360 assessments, feedback/coaching, mentoring, and seminars. The center also includes team projects with ongoing support from leadership, a number of which have resulted in enhanced and new services offered to Bureau Veritas’ clients.

**Emerging Leaders – United Kingdom**
This leadership development program targets individuals in the Emerging Leaders talent pool and accelerates their development with a focus on influential communication and building highly engaged teams. Workshops, external seminars and coaching are all part of the program.
Leading into the Future – Italy
This management development program kicked off in 2020 to accelerate manager development, with a focus on effective team leadership and driving innovation. It includes a 360° assessment with feedback and coaching, after which participants – in conjunction with their managers – select digital modules for their personalized development.

Leadership – Africa
12 participants were selected for this program in 2020, which included digital sessions on management fundamentals. Virtual role-plays, workshops facilitated by business leaders, and self-assessment formed part of this experience that brought together participants across the continent to learn and network in a digital setting.

Open Voice and Leaders School – Brazil
In 2020, Brazil offered its Open Voice program to 21 participants via a virtual learning platform designed specifically for the Power, Electricity and Utilities division leaders, which focused on strengthening:
- Leadership Competencies;
- BV Absolutes, Values and Leadership Expectations;
- the Safety Culture.
The Leaders School is a program that focuses on continuously developing skills and knowledge foundations for managers, such as recruitment and selection, feedback, legal knowledge, time management, and engaging teams. In 2021, there were over 450 participants.

Leadership through Recognition – North America
In North America, a custom-designed recognition program, entitled “Bravo”, was implemented and leaders were trained on how to use recognition in order to praise employees for a range of contributions, thereby building long-term engagement.

Online coaching platform for high-potential senior talent – Marine & Offshore
An online coaching platform was provided to talented individuals around the world from the Future & Current Global Leaders talent pool (see above). The aim is to accelerate their readiness for larger and more complex roles in the future.

Technical training, vocational skills and externally recognized qualifications
Bureau Veritas operates across a large number of technical fields, and its technical learning offer is therefore very diverse. This training is essential to ensure that employees can work with full knowledge of current and emerging standards and regulations, inspection methods (sampling, analysis, non-destructive tests, measurements, etc.), the technical characteristics of the items inspected (products, processes, equipment, etc.), and safety standards. The Technical departments of each division monitor employee qualifications and skills, which are also audited by relevant accreditation bodies (COFRAC, IACS, UKAS, etc.).
A significant portion of the formal training hours recorded in 2020 (see below) reflects technical skills development, highlighting its importance in the TIC industry, as well as Bureau Veritas’ commitment to technical excellence.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total training hours recorded</td>
<td>1,793,928</td>
<td>1,477,602</td>
<td>1,273,381</td>
</tr>
<tr>
<td>Proportion of employees having taken at least one training course</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Average training hours recorded per employee</td>
<td>23.9</td>
<td>19.0</td>
<td>16.8</td>
</tr>
</tbody>
</table>

Bureau Veritas also collaborates with a number of external schools, higher education institutions, and training organizations to give its employees the opportunity to learn key vocational skills and acquire externally recognized qualifications and certifications. Examples include:
- in India, where technology specialists have access to a number of certificates of which the cost is covered by the Group, including in Agile methodology, Azure, SharePoint and Angular;
- in the UK, the Marine & Offshore division collaborates with Robert Gordon University to provide two-year paid scholarships and work experience in mechanical and electrical engineering;
- in France, employees are given the opportunity to study for certificates in Agile and Scrum methodologies, and contract management, with the costs covered by Bureau Veritas.
Training for all employees: MyLearning

In 2020, the online offer of the Group’s learning platform, MyLearning, was expanded in four key areas:

- support for all managers and employees in light of the Covid-19 pandemic, with topics such as remote management, managing stress, well-being, resilience, and yoga;
- professional development for all managers and team leaders in the Group with the ability to access 150 courses in 17 different languages focusing on leadership and management, sales and negotiation, project management, and personal efficiency. The course was also used to support job-specific learning needs, such as upskilling sales specialists and account managers in client loyalty and relationship-building;
- for people in the Emerging Leaders and Rising Leaders talent pools, an online learning leadership and professional development library focusing on priority subjects, as well as free choice personal development from a library of more than 3,000 courses;
- BV-customized courses on several priority topics such as mandatory cybersecurity training for IS/IT users, SalesForce implementation for sales data specialists, enhanced onboarding for new recruits, and specialist safety courses in light of Covid-19.

Faced with restrictions on physical classroom learning in 2020, the Group optimized mobile training solutions with some countries deploying new applications, such as in China, where employees used a new app to undertake compliance and professional development training. Thanks to the BV China Learning app, a new safety program launched to address Covid-19 specific needs achieved a 100% completion rate. Employees also used the app in various other situations, such as for onboarding and technical training.

Enhancing employee performance, career development, and internal mobility

In 2020, Bureau Veritas made significant improvements to its two fundamental and digitalized approaches to managing performance and development, MyPerformance@BV and MyDevelopment@BV, which involve specific processes carried out during each quarter of the year (see diagram below). These included introducing a robust evaluation of the BV Values to be demonstrated by all employees. Similarly, an evaluation of compliance by all managers/team leaders with the Leadership Expectations was introduced to ensure that all people with managerial responsibility are evaluated on their effectiveness as a leader. In addition, the process for reviewing and recording objectives was revised and streamlined.

MyPerformance@BV includes the following fundamental components:

- setting objectives that align with business strategy and with personal career ambitions;
- reviewing and re-setting objectives as needed in order to remain agile to market needs and conditions;
- evaluating performance based on feedback from people who have worked with the employee;
- basing performance evaluations on (i) achieving objectives (the “what”) and (ii) how objectives were achieved relative to the BV Absolutes, Values and Leadership Expectations (the “how”);
- effectively giving and receiving constructive feedback.

MyPerformance@BV and MyDevelopment@BV apply to all employees at Bureau Veritas and are recorded in one central system (Success Factors). The deployment of these approaches in 2020 was focused at the manager level and in 2021 will be expanded to all employees. In 2020, 36% of employees set performance objectives in MyPerformance@BV (using SuccessFactors) for 2020, following meetings with their managers that reviewed performance in 2019. In addition, employees also set objectives for 2020 in other local systems (in future years, these local systems will transition to the Group’s one central system). All 2020 objectives will be formally evaluated at the beginning of 2021.
Similarly, key components of MyDevelopment@BV are:

- guidance on preparing for and holding career development conversations (at least once each year for every employee);
- a digital record of agreed and reviewed development objectives;
- solutions proposed to help the employee meet development objectives, such as special projects, stretch assignments, mentoring, and training to accelerate development;
- the use of a career management framework that provides personalized solutions to employees (see below).

### Career development framework

<table>
<thead>
<tr>
<th>Key steps</th>
<th>Resources</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify</td>
<td>Identify the future roles, responsibilities, projects, etc. of interest to employees to advance their careers</td>
<td>Internal circulation of job opportunities, talent reviews, advice from mentors and managers, talent pools framework to guide careers towards management or expert tracks</td>
</tr>
<tr>
<td>Assess</td>
<td>Assess the skills needed for the roles, responsibilities, projects, etc. of interest to employees against their existing skills</td>
<td>BV Leadership Expectations and Leadership Competencies, multi-source (including 360) feedback, technical qualification and acquisition pathway assessments by experts</td>
</tr>
<tr>
<td>Develop</td>
<td>Develop plans to close identified skill gaps</td>
<td>Specific functional/technical courses of study and expert supervision for qualifications, Leadership development programs</td>
</tr>
</tbody>
</table>

The Group believes that internal mobility is an important avenue for people development. Employees are therefore encouraged to apply for new roles, express interest in contributing to new projects, take on different responsibilities, etc. These opportunities are facilitated and promoted at Bureau Veritas through various channels, including:

- structured questions in MyDevelopment@BV conversations between employees and managers and online fields to complete on geographic and functional mobility preferences;
- sharing employee profiles as part of talent reviews and succession planning;
- recruitment: virtually all job offers are advertised internally first;
- internal communications: appointments to new senior positions and promotions are announced via the Group’s SharePoint site.

In France, the percentage of roles filled by internal candidates in 2020 was 30%, which grew from 20% in 2019, thanks in part to targeted efforts to increase internal mobility.

### Measuring employee engagement

In December 2019, the Group partnered with an external provider, Glint (a subsidiary of LinkedIn), to measure people engagement through a pilot program named “BVocal”, with 5,500 employees invited to participate. In 2020, the survey expanded to include 16,000 people. The significant increase in participation and engagement that was recorded (see below) came after Bureau Veritas used the results in 2019 to take action to improve its workplace environment. These actions were coordinated through specific action plans, built collaboratively between managers and employees in their teams, after they openly discussed the team results.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee participation rate</td>
<td>73%</td>
<td>59%</td>
</tr>
<tr>
<td>Employee engagement rate</td>
<td>69%</td>
<td>64%</td>
</tr>
</tbody>
</table>

Following the results for 2020, action plans are again being developed and implemented collaboratively with employees to address the feedback provided via BVocal. Given this action-oriented and transparent approach, including sharing results and collectively planning for a better workplace, Bureau Veritas expects to see this upward trend in the engagement rate continue. The Group has set itself the objective of surveying 50% of its employees in 2021 and 100% in 2022.
CORPORATE SOCIAL RESPONSIBILITY
The four pillars of the roadmap to building trust

Workforce voluntary attrition is another important measure of an engaged workforce and, as such, is monitored closely at Bureau Veritas. Based on the figures shown below, the Group considers that the attrition rate is well managed. The reduction in voluntary employee departures in 2020 is the result of a series of efforts taken to enhance the Group’s workplace, as well as to measuring and improving employee engagement, and encouraging the take-up of the BV Values and Leadership Expectations.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total voluntary attrition rate</th>
<th>Total attrition rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>9.8%</td>
<td>15.3%</td>
</tr>
<tr>
<td>2019</td>
<td>11.6%</td>
<td>15.8%</td>
</tr>
<tr>
<td>2018</td>
<td>10.7%</td>
<td>17.0%</td>
</tr>
</tbody>
</table>

A great workplace
For Bureau Veritas, the essential building blocks of a great workplace are as follows:

- employee well-being;
- a digital employee experience;
- fair and competitive reward.

Employee well-being
Bureau Veritas has a role to play in ensuring the well-being of its employees, which is vital for the Group’s long-term success and benefits employees, business performance, clients, shareholders, and society alike. Part of this role requires the Group to monitor its total absenteeism rate, which reflects the total number of days of employee absence (due to illness, workplace accidents, or unauthorized absences). As shown below, while remaining well within acceptable limits, the absenteeism rate for 2020 did increase, largely due to the ongoing health crisis.

<table>
<thead>
<tr>
<th>Objective</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total absenteeism rate</td>
<td>&lt;2%</td>
<td>1.4%</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

Covid-19
In 2020, in light of the Covid-19 pandemic, the Group expanded its employee well-being initiatives by:

- launching new and revised Group policies concerning:
  - inclusion,
  - flexible work (where, when and how employees work),
  - anti-harassment,
  - learning, career development & talent,
  - well-being;
- providing a global toolkit for managers and additional digital learning containing:
  - advice and guidelines on leading teams during crises, including the importance of employee check-ins,
  - leading virtual teams and effective communication,
  - training modules on relevant topics such as Covid-19 precautions and prevention, planning for a pandemic, emotional intelligence, promoting self-care and reducing stress, and mindfulness;
- enhancing technology functionalities and capacity to enable more effective remote working;
- redesigning physical workplaces to ensure employee well-being is optimized;
- providing regular pandemic updates and advice to employees that are tailored to local contexts;
- placing extra focus on mental health in areas with exceptional lockdowns, such as in Melbourne, Australia, and to employees in especially difficult situations, including those who could not visit their home countries given closed borders, such as in the Middle East.

In addition, local Bureau Veritas offices provided well-being support that included:

- mental and physical health awareness campaigns;
- customized solutions to individual employees to minimize work absences;
- employee assistance programs;
- online meditation classes;
- subsidized health assessments and other health checks;
- subsidized gym memberships;
- discounted bicycle purchases;
- bicycle parking;
- reimbursement of home office equipment;
- employee volunteering in local communities during work hours;
- offering pro bono BV services to relevant local charities;
- special events, such as celebrating World Kindness Day, promoting a daily Kindness Calendar, and campaigns such as “Remain Inspired” that communicated inspirational achievements and connected people in a safe (often virtual) environment;
CORPORATE SOCIAL RESPONSIBILITY
The four pillars of the roadmap to building trust

- sabbaticals/career breaks;
- options for job-sharing and flexibility, including reduced hours at the employee’s request.

Welfare protection is also essential for employee well-being. Bureau Veritas is therefore progressively introducing more minimum employee benefits, while also reflecting local conditions. The Group has set up a process to assess local benefits in order to provide adequate support that:
- audits existing medical, death and disability benefits;
- ensures optimized tariffs at global, regional and country levels;
- provides minimum coverage for health and life insurance;
- proposes well-being and awareness programs.

In 2020, this support focused on organizing calls for tenders for provider contracts; special analyses and support were also provided to African and Latin American countries. In addition, in response to the Covid-19 pandemic, the Group collaborated with its suppliers to extend benefits and services to employees for increased support, such as hotlines for employees to obtain specialist advice such as counselling services.

Additional information on the Group’s Covid-19 pandemic response plan is presented under “Health” in sub-section 2.3.2.4 – Health and safety.

Digital employee experience
The Group is continuously improving and re-inventing the Bureau Veritas employee experience by leveraging technology. The Group-wide HR platform, Success Factors, serves as a foundation for this. In 2020, key changes that led to significant technology-driven improvements to the workplace included:
- the deployment of PeopleDoc, which gives employees access to an HR Knowledge base, a digital vault with their personal information that facilitates automated requests;
- the on-going deployment of SuccessFactors as the single platform to support the BV Candidate Experience, harmonizing the management of applications and providing greater interaction between external and internal tools to enhance the recruitment process;
- enhancements to the employee experience to manage individual/team performance, development, and career progression through MyPerformance@BV and MyDevelopment@BV;
- on-going revisions to MyLearning, both in terms of increasing the availability of relevant content to support employee development and career progression, as well as a better user experience (such as a more effective training search function);
- extending the deployment of a single technology, in partnership with an external provider, Glint, to run Bureau Veritas’ BVocal engagement survey.

Fair and competitive reward
The Group regularly carries out compensation surveys to ensure that its competitive positioning is maintained, enabling it to attract the right applicants and to compensate employees according to their level of performance for the roles they hold.

Managers qualify for bonuses that take into account their individual performance and the performance of the Group as a whole. Bureau Veritas also promotes long-term performance among some of its managers through a system of stock options and/or performance shares as part of a long-term incentive plan. The stock option and performance share plans implemented are detailed in sections 3.7.3 – Performance shares and 3.7.4 – Stock subscription and purchase options, of the 2020 Universal Registration Document.

Bureau Veritas also has profit-sharing agreements and savings plans in place, including the plan described below for Bureau Veritas SA (France).

Statutory profit-sharing
Regardless of seniority, all employees of the six subsidiaries of Bureau Veritas in France are entitled to participate in a special reserve calculated pursuant to the method set out in article L. 3324-1 of the French Labor Code (Code du travail). In 2020, statutory profit-sharing represented €10,697,239, with a total of 8,332 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.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of beneficiaries</td>
<td>8,186</td>
<td>8,428</td>
<td>7,458</td>
</tr>
<tr>
<td>Total contractual profit-sharing (in €)</td>
<td>7,462,041</td>
<td>6,391,171</td>
<td>5,067,554</td>
</tr>
</tbody>
</table>

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 constitute “related companies” (within the meaning of article L. 3332-15, paragraph 2, of the French Labor Code) to join the Group savings plan. The plan spans seven mutual funds in which €176,189,805 was invested as of December 31, 2020. Bureau Veritas contributes to the savings of its employees by paying a top-up contribution, up to a maximum of €1,525 per employee and per calendar year.
2.3.2.2 An inclusive culture and diverse workplace

Shaping and enhancing an inclusive culture

Diversity and inclusion are an integral part of the workplace at Bureau Veritas and critical for its long-term growth. The Group has developed organically and through acquisitions with a richness of diverse talent representing multiple identities, as defined in its inclusion policy:

Ethnicity, color, visible differences, religion, gender, heritage, socioeconomic status, age, sexual orientation, marital status, medical condition, disability, political opinion, and gender identity.

Shaping and enhancing Bureau Veritas’ inclusive culture is one of its main priorities in order to grow and develop new businesses. Remaining at the forefront of innovation is essential for success. The Group seeks to continually improve the diversity of its workforce: an essential source of the creativity that helps drive the execution of the Group’s strategy. It is also important for Bureau Veritas to reflect the diversity of the local markets (clients, talent, and communities) in which it operates.

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

Managers are further expected to enhance the Group’s inclusive culture by demonstrating the Leadership Expectations, two of which (see below) specifically target the on-going development of its inclusive culture: “Lead through Bureau Veritas Absolutes and Values” and “Build Engaged Teams”. This includes leading with words and actions that attract diverse talent, encourage open dialogue, and create a safe workplace where team member well-being is a priority, such as being a role model for others, and taking action when behavior is observed that is not aligned with the Group’s Absolutes & Values.

<table>
<thead>
<tr>
<th>VALUES</th>
<th>TAG LINE</th>
<th>DESCRIPTION</th>
<th>OBSERVABLE BEHAVIORS, EXAMPLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open &amp; Inclusive</td>
<td>We believe in the strength of diversity</td>
<td>Respect</td>
<td>We respect and value differences; we recognize individual and collective achievements.</td>
</tr>
<tr>
<td>Innovate</td>
<td></td>
<td></td>
<td>• Encourages diverse thinking to foster new perspectives.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Encourages and nurtures innovation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Open to new technologies, new perspectives &amp; new ways of working; contributes actively to change and agile innovation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Respects and values differences; applies others’ diverse experiences, styles, backgrounds and perspectives to get results.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Recognizes others for their contributions, sharing recognition when a team effort.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LEADERSHIP EXPECTATIONS</th>
<th>OBSERVABLE BEHAVIORS, EXAMPLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lead through Bureau Veritas Absolutes and Values</td>
<td>Is a role model for Bureau Veritas Absolutes and Values and expects same from his/her team.</td>
</tr>
<tr>
<td></td>
<td>Leads &amp; inspires his/her team and those that he/she comes in contact with to behave in line with Bureau Veritas Absolutes and Values.</td>
</tr>
<tr>
<td></td>
<td>Takes immediate action when behavior and actions are not aligned.</td>
</tr>
<tr>
<td>Build engaged teams</td>
<td>Attracts and selects diverse and high calibre talent to meet the Group’s needs.</td>
</tr>
<tr>
<td></td>
<td>Translates the Bureau Veritas vision, purpose and strategy in a way that people can relate to.</td>
</tr>
<tr>
<td></td>
<td>Provides his/her team with guidance needed for individual and collective success, favouring open dialogue and collaboration spirit.</td>
</tr>
<tr>
<td></td>
<td>Creates an environment where safety, health and well-being of his/her team members is a priority.</td>
</tr>
</tbody>
</table>
In 2020, the Group’s management continued to take actions that make it an industry leader in strengthening its open and inclusive culture. These actions contributed to the improvement in Bureau Veritas’ position in the Financial Times Diversity Leaders ranking for 2021, from the 37th to the 26th percentile. Examples of these actions include:

- revising and circulating the Group’s inclusion policy. This wide-reaching policy applies to candidates, employees (in areas such as recruitment, talent management and compensation), and external partners/suppliers;
- developing and implementing the Bureau Veritas Candidate Experience Standards, which provide minimum standards to ensure a quality candidate experience. The Group’s inclusion policy is applied at all stages of the recruitment process: candidate job search and application, candidate assessment, candidate selection and job offer, and pre-boarding;
- training managers and recruiters in effective candidate assessment and selection, including shortlists with at least one woman wherever possible;
- assessing the application of each BV Value and Leadership Expectation (for managers/team leaders), before assigning overall performance ratings;
- developing and launching a number of new Group Human Resources policies that reinforce the importance Bureau Veritas places upon diversity and inclusion, including policies on flexible work, anti-harassment, and well-being;
- training employees and managers to eliminate and prevent harassment and discrimination, including:
  - online training for managers at a Group level from CyberU available on MyLearning on several relevant subjects, such as:
    - Inclusive Leadership,
    - Understanding Unconscious Bias,
    - Disabled Adventures in Work and Recruitment;
  - local examples:
    - mandatory training on sexual harassment for managers in India,
    - mandatory training for managers on labor law and employee psychological risks in France;
- LGBTQ+ events held across the United Kingdom to celebrate Pride Month 2020, to promote Bureau Veritas’ inclusive culture for all employees, particularly those who identify as LGBTQ+;
- introducing a global inclusion calendar (based in part on the United Nations’ International Days) that is supplemented by additional local days celebrating and recognizing differences:

**Global inclusion calendar**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 8</td>
<td>International Women’s Day</td>
</tr>
<tr>
<td>March 21 to 27</td>
<td>Week of Solidarity with the Peoples Struggling against Racism and Racial Discrimination</td>
</tr>
<tr>
<td>April 21</td>
<td>World Creativity and Innovation Day</td>
</tr>
<tr>
<td>May 21</td>
<td>World Day for Cultural Diversity for Dialogue and Development</td>
</tr>
<tr>
<td>June 23</td>
<td>International Women in Engineering Day</td>
</tr>
<tr>
<td>June</td>
<td>Pride Month (LGBTQ+)</td>
</tr>
<tr>
<td>August 12</td>
<td>International Youth Day</td>
</tr>
<tr>
<td>October 1</td>
<td>International Day of Older Persons</td>
</tr>
<tr>
<td>October 10</td>
<td>World Mental Health Day</td>
</tr>
<tr>
<td>November 19</td>
<td>International Men’s Day</td>
</tr>
<tr>
<td>December 3</td>
<td>International Day of Persons with Disabilities</td>
</tr>
<tr>
<td>Any day</td>
<td>Selected locally by management/employees to celebrate and recognize differences</td>
</tr>
</tbody>
</table>

**Achieving better gender balance**

For Bureau Veritas, achieving greater gender balance is a key business priority and includes increasing the proportion of women in the workforce overall to 35% by 2025 (30% at December 31, 2020). At the most senior level of management, the Group Executive Committee comprised 36% women at the end of 2020 (compared with 20% at the end of 2019). The Group has set ambitious targets to continue the progress made to include significantly more women in leadership positions (senior management) in the coming years:

<table>
<thead>
<tr>
<th>Proportion of women in leadership positions (491 positions at end-2020)</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>End-2025 goal 35%</td>
<td>19.8%</td>
<td>19.5%</td>
<td>16.5%</td>
<td>14.5%</td>
</tr>
</tbody>
</table>

At December 31, 2020, 23% of all managers (out of 1,575) were women, 24% of junior managers were women (out of 1,084) and 20% of leadership positions (senior management) were held by women (out of 491).
A wide variety of local initiatives, some of which are described below, are in place to help achieve the Group’s gender balance goals.

**Development programs and opportunities**

- The Women@BV program in France is designed and run to accelerate the development of high-potential women. It includes mentoring from the Group’s senior leaders, as well as tailor-made learning content, and guest speakers to help women enhance their leadership capability.
- In Africa, the BV Women in Africa mentorship program was launched in 2020. It provides a platform to enable women to mentor other women and thereby help close the gender divide in leadership across the continent.
- In Chile, the Female Leadership Program saw all Chile’s senior female managers participate in workshops to enhance their personal leadership style, with a focus on effective communication.
- Actions were taken to enhance the visibility of female role models with respect to younger generations. Examples include Bureau Veritas’ CFO for France/Africa, Nathalie Pousin, who won the WeQual 2020 Award in the Finance category. Kathryn Dolan, VP Human Resources South and West Europe, was also nominated as a finalist in WeQual’s People Excellence category. The WeQual Awards recognize world-class women executives in roles one level below global Executive Committees for breaking the glass ceiling and for their potential to join the Executive Committees of the world’s biggest companies.

**Policies and other initiatives**

- In North America, Bureau Veritas offers parental (maternity) leave benefits providing two-thirds of an employee’s basic salary for a period of up to 13 weeks.
- In Australia, paid parental leave is provided to any employee who is the primary caregiver of a newborn or recently adopted child, once he or she has 12 months’ seniority. Paid leave is six weeks at the employee’s basic rate of pay, with a further two weeks’ pay if the employee returns to the business for at least one month. In addition, employees who are not the primary caregiver can use five days of accrued “personal leave” (sick and carer’s leave) when the child comes home.
- In Australia, a flexible working policy is in place to provide alternative working options such as compressed work schedules (full-time working in less than five workdays), flexible working hours, working from home, and job-sharing.
- In Europe, the Group holds the Gender Equality European and International Standard (GEEIS) certification in three key countries (Spain, Italy and Poland) after criteria were examined including ensuring specific people policies and practices were in place. As part of GEEIS’ standard procedure, this certification was audited in 2020.
- In France, the remote working policy has been revised and expanded to cover more employees.
- In India, parental leave benefits are extended to fathers, which is not required by law.
- In Spain, 15 days of paid maternity leave is available to employees beyond the legally required minimum; childcare contributions in the form of gifts and grants are also available.
- In Brazil, “welcome packs” are given to parents of newborn babies.
- International Women’s Day awareness initiatives are held in all Bureau Veritas’ divisions.

**Equal pay**

Another priority for Bureau Veritas is equal pay. The situation is closely monitored, and action taken to close any identified gender pay gaps. Excluding leadership positions, the female/male pay ratio in 2020 was 1.00 (fixed and variable compensation). This ratio is based on data from 74 countries, covering 76% of the employees concerned. The same ratio in 2019 was 1.02, based on 67% of the employees concerned.

**Enhancing ethnic and racial diversity**

The Group is also very committed to reinforcing the ethnic and racial diversity of its workforce, and that Bureau Veritas’ culture enables all people, regardless of their ethnicity and race to thrive. Bureau Veritas operates in close to 140 countries with 155 nationalities represented among its employees. It follows that diversity and an inclusive culture are critical to ensuring the Group’s success, and for understanding the different markets and societies in which it operates.

The BV Values, Leadership Expectations, and Group policies all feed into the commitment to improve ethnic and racial diversity, which applies at all levels, including the most senior leadership roles. For example, the Group Executive Committee includes a range of nationalities (French, Chinese, US, Brazilian, and British), with 36% of members being non-European.

Bureau Veritas continues to increase the capacity of individual managers to create a workforce of diverse ethnicity and race, and a workplace culture where everyone has equal opportunities to succeed and progress their careers. Initiatives taken in this direction include:
- training programs on unconscious bias, inclusive leadership, and effective interviewing;
- evaluation of managers’ demonstration of the BV Values and Leadership Expectations;
- local events to celebrate and recognize differences, and the inclusion of the Week of Solidarity with the Peoples struggling against Racism and Racial Discrimination in the Group’s global inclusion calendar.
CORPORATE SOCIAL RESPONSIBILITY
The four pillars of the roadmap to building trust

Supporting people with disabilities
The Group is constantly seeking ways to create a workplace that increases access to employment for people with disabilities. Beyond the Group’s HR policies in this area, specific initiatives undertaken in 2020 in various countries included:

- in France, Bureau Veritas retains accreditation from the DIRECCTE (local employment authorities) for its agreement on the employment of persons with disabilities. The employment rate for people with disabilities in France in 2020 was 2.72% (up from 2.33% in 2019). Initiatives to increase access to employment for people with disabilities included:
  - internal communication campaigns and collaboration with expert consultants to build awareness among all employees and managers,
  - digital recruitment campaigns on specialized websites such as Mission Handicap and Hello Handicap,
  - employee awareness-building through simulated disabled situations that were complemented by additional e-learning,
  - individual coaching to build skills in people with disabilities, in association with TREMPLIN, a student support association for people working and studying with disabilities,
  - a specialized training program in electrical inspection that led to the recruitment of 12 people with disabilities;

- in South Africa, Bureau Veritas partnered with training providers specializing in helping people living with disabilities to support their career development by funding their learning and providing exposure to meaningful work adapted to their disability;

- in Brazil, the People with Disabilities (PwD) project was launched with a dedicated recruitment and development “talent pool” for people with disabilities; also in Brazil, training was conducted as part of its Knowledge Academy for more than 250 people on judgment and prejudice in order to enable more people to live the “Open and Inclusive” BV Value more fully;

- in Spain, Bureau Veritas holds the Bequal certification, which assesses companies’ recruitment and human resources policies, and the retention and rehabilitation of workers with disabilities;

- Bureau Veritas participated in the Turkish Social Security’s Careers without Barriers program, which included job interview coaching.

Building a multi-generational workforce
The Group is developing tomorrow’s managers and leaders through its talent management strategy and its on-going digital transformation. The talent management strategy focuses on the identification, assessment and development of talent across all generations, which is critical given the significant number of employees at Bureau Veritas within different age groups (see graph for employee age groups at December 31, 2020). This strategy also includes targeting potential external recruits across multiple generations.

Fighting discrimination
Respect for all individuals is a central tenet of the BV Values. Upon joining Bureau Veritas, all employees agree to respect differences, which means that any form of discrimination based on the following aspects is completely unacceptable: ethnicity, skin color, visible differences, religion, gender, background, socioeconomic status, age, sexual orientation, marital status, medical condition, disability, political opinion, and gender identity.

As well as the inclusion policy issued in 2019 and updated in 2020, the Group published its human rights policy in 2018, which aims to eliminate all forms of discrimination and to promote, respect and protect human rights, regardless of the country in which the Group operates (see sub-section 2.3.2.3 – Respect for human rights).

(1) This estimation may be slightly adjusted depending on updated reporting definitions to be issued in July 2021.
The anti-harassment policy, which was issued in 2020, also reinforces the zero tolerance attitude taken by the Group to these types of behavior. In addition, the Group talent acquisition policy, launched in 2016 and reissued in 2020, reinforces Bureau Veritas’ commitment to providing equal opportunities in employment, along with fairness and objectivity in all aspects of recruitment, all of which are key to building a more diverse workforce in an inclusive culture.

Other policies at local levels also exist and serve to reinforce the Groupwide policies and help take into account the specific characteristics of each culture. No local policy may lessen the requirements or restrictions of the Group policies.

**Inclusive academic policy**

Bureau Veritas seeks to recruit people who will live its Values and Leadership Expectations and who have the skills, experience and qualifications needed to deliver excellence in the roles they hold, regardless of attendance at any specific educational institution. This inclusive academic policy gives the Group access to a wider, bolder, and more creative talent pool.

**Effective labor relations**

The Group recognizes that effective labor relations reinforce its inclusive culture. Bureau Veritas therefore communicates and negotiates actively with employees and their representative bodies as a means of continually enhancing the workplace, including by developing collective agreements in many countries (see below).

Bureau Veritas respects freedom of association and the right to collective bargaining, and the right of all employees to form or join trade unions in accordance with local laws. The Group endeavors to comply with and promote the International Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work, and its fundamental conventions, in all its host countries.

The ILO’s fundamental conventions cover various topics, including Freedom of Association and Protection of the Right to Organise Convention (ILO C87) and the Right to Organise and Collective Bargaining Convention (ILO C98). The Group applies a non-discriminatory policy in respect to union membership and activity in areas such as employment, promotion, transfer and dismissal. This also applies to employee representatives through the Group’s compliance with the ILO Convention on Workers’ Representatives (ILO C135).

Bureau Veritas aims to inform employees and/or their representatives as early as possible of any reorganizations. In addition, agreements are signed in some situations with employee representatives in order to support the on-going development of competencies. For example, in France an annual negotiation on the Gestion des Emplois et Parcours professionnel is planned in order to reach an agreement with employee representatives on competency development. This proactive approach to employee development is reinforced by assessing employees each year through MyPerformance@BV and MyDevelopment@BV.

It involves understanding the skills needed for current and future business requirements and developing plans to build these skills as part of the Group’s commitment to minimize restructuring operations with a long-term impact on employment.

**Grievance procedures**

Bureau Veritas also recognizes the need to give employees the means to give feedback and air grievances (including whistleblowing). Procedures in place include:

- an externally managed whistleblowing hotline and website;
- internal ethics officers;
- HR partners assigned to each employee;
- access to senior leaders through the Company’s “open door policy”;
- local country/division channels that reflect local customs, cultures, etc. For example, in China, Have Your Say is a mobile application allowing comments/suggestions from employees via a QR code linking to the application WeChat;
- employee representative bodies, such as works councils (for example, the Comité Social et Economique in France) and health and safety committees.

**Employee representative bodies**

Such bodies exist in most of the countries where the Group has significant numbers of employees, including:

- Australia, Belgium, Brazil, Canada, Chile, Côte d’Ivoire, Greater China, Denmark, Finland, France, Germany, India, Indonesia, Italy, Japan, Kazakhstan, Malaysia, Morocco, the Netherlands, Nigeria, Peru, the Philippines, Romania, Thailand, Senegal, Singapore, South Africa, South Korea, Spain, Sweden, Ukraine, the United Kingdom and the United States.

**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 of its members 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 the organization, mergers or discontinued operations, and large-scale redundancies.

**Collective agreements**

Collective agreements covering key HR topics (such as organization of working hours, compensation policy, working conditions, etc.) have been agreed with employee representative bodies in many of Bureau Veritas’ main markets, including Argentina, Australia, Belgium, Brazil, Canada, Chile, France, India, Italy, the Netherlands, Nigeria, Peru, Romania, Singapore, South Africa, Spain, Sweden, Ukraine, and Vietnam. Globally, 26% of employees are covered by a collective agreement.
2.3.2.3 Respect for human rights

Background
Respect for human rights underpins Bureau Veritas’ core values.
Bureau Veritas applies internationally recognized human rights principles, set out in the following documents (together referred to as “Standards on Human Rights”):
- the UN Universal Declaration of Human Rights;
- the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work and its Core Conventions;
- the UN Convention on the Rights of the Child;
- the UN Guiding Principles on Business and Human Rights.

The main risk identified by Bureau Veritas is failure to comply with the Group’s human rights policy, particularly as regards the elimination of discrimination and lack of support for diversity and inclusion. These issues are at the heart of the Group’s human resources policy. This risk is also significant for Bureau Veritas partners (see sub-section 2.3.1.3 – Supply chain management and section 2.7 – Duty of care plan).

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

The Group strives to promote and respect human rights, regardless of the countries in which it operates or the business in which it is engaged. It has published a human rights policy based on international standards and recommendations, covering the following topics:
- freedom of association;
- fight against human trafficking and forced labor;
- prevention of child labor;
- elimination of discrimination;
- support for diversity and inclusiveness;
- safety at work;
- protection of privacy.

The human rights policy should be considered in conjunction with the Code of Ethics and the Group’s four core values: Trusted, Responsible, Ambitious & Humble, and Open & Inclusive.

It applies to all employees and partners – subcontractors, suppliers, sales agents and co-contractors. It has been circulated among all employees through the Group’s website and a specific information briefing organized in each country. All Bureau Veritas partners signing contracts with the Group since July 1, 2019 also receive a copy. Their contracts include general purchasing terms and conditions that systematically refer to a Code of Conduct including requirements on compliance with the human rights policy.

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

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

Self-assessments looking at the application of the human rights policy in all of Group’s operational and support functions were conducted by each Executive Vice-President in 2019. Three avenues for improvement were identified:
- eliminating all forms of discrimination;
- promoting diversity and inclusion;
- protecting privacy.

The following measures were taken in order to mitigate these risks:
- including the human rights policy in the induction package for new recruits;
- accelerating the integration program for women in France and Africa;
- reviewing pay increases for female employees in France after their return from maternity leave;
- supporting initiatives promoting diversity in Southern and Western Europe;
- enhancing data protection and privacy in Southern and Western Europe.

Indicators
At the end of May 2019, based on self-assessments within each operating group, the percentage of employees working in entities respecting the criteria set out by the human rights policy was as follows:
- respect for human rights: 100%;
- freedom of association and the right to collective bargaining: 100%;
- fight against human trafficking and forced labor: 100%;
- prevention of child labor: 100%;
- elimination of all forms of discrimination: 85%;
- promotion of diversity and inclusion: 91%;
- providing a safe and secure working environment: 100%;
- protecting privacy: 91%.

In 2020, no human rights infringements were reported.

2.3.2.4 Health and safety

Background
Managing occupational health and safety risks is paramount for Bureau Veritas, insofar as most of its activities are conducted at the premises of clients or their suppliers. Nevertheless, the Group faces a wide variety of hazards in its own work spaces that can be changeable and occur in geographies with various levels of maturity. Ensuring every worker arrives home safe and sound is a priority for the Group and essential to its business.
Policy
The Group’s Health, Safety, Security and Environment (HSSE) policies have been defined in light of the following challenges:

- successful integration of a large number of new employees each year into a growing Group;
- harmonization of local HSSE practices across an international network of 140 countries;
- performance of a wide range of activities that carry extreme diversity in risks and regulatory frameworks;
- assignments at client sites that are not owned by the Group and therefore cannot be directly controlled;
- protection of workers against risks to their health and safety;
- protection against motor vehicle accidents while traveling for work-related purposes.

Management system
Bureau Veritas has an integrated (ISO 9001, 14001 and 45001) and certified management system that is audited regularly by a third-party organization. At the Group level, with the support of the operational network, the QHSE manual is updated and global standards are issued on a regular basis, based on management reviews, incident reviews, audit findings and an overall assessment of the program.

The Group has set itself the goal of increasing its ISO 45001 coverage. In practical terms, this means having more employees working in entities with certified management systems ensuring that a long-term continuous improvement process is in place, and ultimately reducing the number of work-related accidents.

Leadership
Bureau Veritas has put in place a governance structure to ensure that safety remains an absolute at all levels of the organization and as a means of achieving its objectives.

<table>
<thead>
<tr>
<th>Position</th>
<th>Role and responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>Overarching responsibility for the Group’s results.</td>
</tr>
<tr>
<td>Executive Vice-President, Human Resources, CSR and QHSE</td>
<td>Responsible for providing high-level guidance on QHSE and CSR matters. Reporting to the Chief Executive Officer ensures the appropriate level of authority to execute key and strategic initiatives.</td>
</tr>
<tr>
<td>Executive Committee (EXCOM)</td>
<td>Composed of the Chief Executive Officer and the Executive Vice-Presidents, the Executive Committee assesses results and trends on a regular basis and provides the appropriate level of oversight of the QHSE program.</td>
</tr>
<tr>
<td>QHSE Vice-President</td>
<td>Overall leadership of QHSE matters within the Group, performing detailed analysis of results and recommending solutions to the Executive Committee.</td>
</tr>
<tr>
<td>QHSE Leaders</td>
<td>Active role in determining risks and opportunities and support in defining and implementing solutions in the various entities over which they have oversight.</td>
</tr>
<tr>
<td>QHSE network</td>
<td>Review the QHSE indicators and support the operational leadership in the implementation of strategies to minimize risk at the entity level.</td>
</tr>
</tbody>
</table>

Occupational health and safety results
Since the introduction of the Occupational Health and Safety program, Bureau Veritas relies on three KPIs to measure performance: the Total Accident Rate (TAR), or the number of accidents with and without lost time per the number of hours worked; the Lost Time Rate (LTR), or the number of accidents with lost time per the number of hours worked; and the Accident Severity Rate (ASR), or the number of lost time days per the number of hours worked.
In 2020, Bureau Veritas made tremendous progress, reducing the TAR by 31% and the LTR by 26% versus the previous year. The ASR also improved by 24% compared with 2019, and is now at the same level as in 2018. However, 2020 was not a typical year, and the Covid-19 pandemic deeply impacted the global economy. The Group was certainly not isolated from this situation. And yet most laboratory and field activities (the most affected by occupational risk) continued to operate during the lockdowns. It follows that while the significant reduction can be explained in part by the pandemic, the accident prevention initiatives taken by the Group did pay off, providing a positive outlook for 2021 and beyond.

**TOTAL ACCIDENT RATE**

<table>
<thead>
<tr>
<th>Year</th>
<th>TAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.61</td>
</tr>
<tr>
<td>2017</td>
<td>0.49</td>
</tr>
<tr>
<td>2018</td>
<td>0.41</td>
</tr>
<tr>
<td>2019</td>
<td>0.38</td>
</tr>
<tr>
<td>2020</td>
<td>0.26</td>
</tr>
</tbody>
</table>

**LOST TIME RATE**

<table>
<thead>
<tr>
<th>Year</th>
<th>LTR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.26</td>
</tr>
<tr>
<td>2017</td>
<td>0.22</td>
</tr>
<tr>
<td>2018</td>
<td>0.21</td>
</tr>
<tr>
<td>2019</td>
<td>0.23</td>
</tr>
<tr>
<td>2020</td>
<td>0.17</td>
</tr>
</tbody>
</table>

**ACCIDENT SEVERITY RATE**

<table>
<thead>
<tr>
<th>Year</th>
<th>ASR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.021</td>
</tr>
<tr>
<td>2017</td>
<td>0.021</td>
</tr>
<tr>
<td>2018</td>
<td>0.021</td>
</tr>
<tr>
<td>2019</td>
<td>0.029</td>
</tr>
<tr>
<td>2020</td>
<td>0.023</td>
</tr>
</tbody>
</table>

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

Lost Time Rate (LTR): number of accidents with lost time x 200,000/number of hours worked.

Accident Severity Rate (ASR): number of days lost x 1,000/number of hours worked.

Nevertheless, there is still one indicator that raises a red flag, namely the increase in work-related fatalities. In 2019, there were three fatal accidents, and this number increased to five in 2020. The Group is putting in place an aggressive action plan to halt this unacceptable trend.

**Occupational health and safety strategic plan**

At Bureau Veritas, the main cause of work-related fatalities is traffic accidents. Employees travel frequently by car, motorcycle or public transportation to client premises and, given the broad range of countries in which the Group operates, as well as road conditions and customs in those countries, 75% of the Group’s work-related fatalities occur on the roads. Although Bureau Veritas has been ramping up initiatives on defensive driving and road risk awareness, these campaigns have not yet been effective in terms of preventing accidents. Accordingly, in 2020 Bureau Veritas decided to enhance the vehicle program with several controls to eliminate this trend.

**Vehicle use improvement program in 2020 and 2021**

In light of the traffic accident statistics, the Executive Committee decided to implement various initiatives designed to improve safety on the roads and to ensure employees arrive home safe and sound. The principal initiatives put in place at a global level included:

- Vehicle telematics: to enforce compliance with traffic regulations and at the same time educate employees on defensive driving habits, all vehicles leased or owned by the Group must be equipped with telematics systems by January 2022. These devices use existing technology to monitor speed, location, harsh braking, harsh cornering, acceleration and idling. In addition, all operating entities must implement procedures for analyzing data, recognizing/praising excellent behavior, and training and holding accountable drivers who repeatedly demonstrate unsafe performance on the roads. Preliminary pilot results are very encouraging, indicating reductions in vehicle incidents of around 80% and fuel consumption of 20%. This cross-cutting initiative will allow the Group to have more control over its safety performance, environmental footprint and productivity, allowing for greater agility in terms of route planning and management.
● Motorcycle reduction program: the use of motorcycles represents a significant risk for Bureau Veritas, which has opportunities to reduce this risk in two ways. First, through the elimination of motorcycles more powerful than 150cc by December 2022. The rationale behind this measure is that larger motorcycles travel faster and therefore have a higher potential for serious incidents, so eliminating them will decrease risk. Secondly, through the reduction of the use of small motorcycles. Today, several countries in the Bureau Veritas space are launching initiatives related to route planning and work organization to reduce the amount of kilometers driven by motorcycle, improving safety and productivity and replacing, whenever possible, motorcycles with cars.

● Fatigue and excessive driving: with the new global policy, Bureau Veritas introduced clear global policies on fatigue management, establishing that any journeys longer than 12 hours should be avoided (driving and work) and, if they are unavoidable due to business constraints, alternative solutions should be found, including two-person assignments, accommodation or other means of transportation. In addition, limits have been imposed on annual driving to 60,000 km (5,000 km per month) as the maximum that an employee can perform. If these thresholds are passed, local entities must develop alternative action plans, e.g., hire inspectors located closer to the clients, use air travel, hire professional drivers, etc.

Communication and employee engagement

While managing the pandemic and its response plans, it is crucial to have employees focused on safety and the protection of their well-being. In 2020, the Group rolled out two safety campaigns aimed at raising awareness of Covid-19-related risks, as well as on the traditional hazards that exist in the workplace. These campaigns were deployed for the first time in a unique format ensuring social distancing and at the same time keeping employees engaged in ensuring that there is no compromise on safety. The Country Chief Executives were asked to organize an event for all employees via Teams, or another medium, to ensure the full message could be conveyed.

In June, Bureau Veritas deployed the Safety Call to Action program. Beginning with video messages from the Executive Vice-President for Human Resources, QHSE and CSR, the Vice-President for QHSE and the Executive Vice-President of the relevant operating group, the program continued with one minute of silence in memory of colleagues who had passed away from Covid-19, a review of the results, and a discussion of recent serious incidents, concluding with a reminder of the Group’s expectations of managers and teams in the field.

In October, the Group rolled out its Safety Stand Down program, following the same format as Safety Call to Action but with a more specific message focusing on risk tolerance, namely how employees can become complacent or even blind to high risk situations. To convey this message, examples of incidents in which employees had received training and understood the rules and risks, but nevertheless decided to take a short cut. Working on risk perception and how humans become tolerant to risk is fundamental for the Group’s success in terms of achieving its goal for all employees to arrive home safe and sound. The program culminated with a video contest for employees on the topic “Why Safety is Important to Me”. Their videos will be shared via internal and external communication platforms to convey key messages around safety.

Periodic safety alerts: Bureau Veritas has a formal incident review process, further to which it frequently issues safety alerts to circulate the lessons learnt and improvements that must be put in place to improve results and manage risk.

Toolbox talks: to raise awareness and promote good communication between management and employees in the field on safety issues, Bureau Veritas employees around the world must take part in a minimum of six “toolbox talks”. Depending on the business segment, local regulatory requirements and local management choices, these talks can run for 15 to 30 minutes and cover such health, safety and security subjects as fall protection, Covid-19 response plans, and working in confined spaces.

Training

Competency to assess and manage risk is of primordial importance for Bureau Veritas. While operating at client premises, employees have a great deal of autonomy and the Group relies on them to make the right decision 100% of the time. Accordingly, in 2021, work will begin on two critical programs to enhance the Group’s ability to deal with at-risk conditions and act before it’s too late. These initiatives are summarized below.

2 Minutes for My Safety

The “2 Minutes for My Safety” approach asks employees to stop, assess their working conditions, and make the appropriate choices before proceeding. Training teams in the field to assess risks and manage them is fundamental to ensure that they make the right choices and that incidents are prevented. Bureau Veritas has defined a training program that will be mandatory for all field and laboratory employees. The program will consist in two parts: a theory-based component focusing on the importance of following the process, including testimonials, and a second component in which the learner will be exposed to real life situations and will have to identify and manage at-risk conditions. Ultimately, the training will give employees the technical skills to detect risks, but also empower them to take action whenever unacceptable conditions are present.

Safety Walks

Supervisors and managers perform site visits (Safety Walks) to ensure that safety and technical procedures are being respected. These visits serve to confirm, after all the training, awareness sessions, and toolbox talks, that operations are actually being carried out by the book. Having leaders with the ability to spot risk-prone situations and understand the root cause of those situations is paramount to avoiding accidents and to ensuring that all employees arrive home safe and sound. In 2021, the Group will be investing in a mandatory training module for all new and existing managers to ensure they have the necessary skills to oversee operations.
In summary, Bureau Veritas will be working on two levels to prevent incidents: firstly at the level of field/lab employees, in terms of their ability to identify and control risk, and secondly, at the management level, to ensure that supervisors are capable of carrying out safety visits and identifying the root cause of any deficiencies found.

In addition to these two programs, Bureau Veritas has developed a training catalogue to allow managers to assign training, and for employees to obtain information and training on HSSE matters. These training courses take the form of e-learning sessions, toolbox talks or classroom-based training.

In light of Bureau Veritas’ growth and its training needs, in mid-2018 the Group HR department set up a mandatory training program to be completed by all new recruits during their induction phase. Since September 2018, all new Group employees therefore follow the Welcome On-Boarding Package, which includes:

- a video featuring the Chief Executive Officer’s presentation of safety and security challenges at Bureau Veritas;
- the e-learning module explaining the Cardinal Safety Rules.

This induction training is supplemented with specific modules 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 entry into confined spaces, working at heights, first aid, use of firefighting equipment, handling of pressurized devices and preventive action, as well as many other topics. Training leading to a certification is also provided for the members of the HSSE network on HSSE management systems, applicable standards, internal audits and accident investigations.

**E-learning platform: My Learning**

My Learning is Bureau Veritas’ e-learning portal, which features an extensive library of training content in multiple languages. The platform covers all the disciplines within the Group’s universe, supporting the various departments. The QHSE department has been using it to release a variety of content from Covid-19 awareness and crisis management training to working at heights, safe riding and safe driving, safe chemical use, Cardinal Safety Rules, etc.

As the Group advances in its quest to zero injuries, new training packages are constantly being created and existing ones are updated on a regular basis, allowing the workforce to be permanently updated with the most recent and engaging information.

**498,000 hours of HSE training in 2020**

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.

Bureau Veritas operates in a vast range of industries, business and geographies. For every operation executed, there are Standard Operating Procedures that define in detail the tasks employees are supposed to perform while working in the Group’s laboratories or in the field. In addition, to guide the organization on what is and what is not appropriate behavior (DOs and DON’Ts), Bureau Veritas has defined its Cardinal Safety Rules. These are non-negotiable and fatality prevention expectations that cannot be circumvented in any circumstance. To support the implementation of these requirements, the organization has throughout the years deployed multiple training and communication initiatives, and used these at the core of decisions when it comes to accountability mechanisms.
Leadership

Strong and unwavering commitment from the chain of command

Supported by the Executive Committee, the Chief Executive Officer has issued a Health, Safety and Environment Statement that defines the Group’s long-term strategy and principal ambitions when it comes to HSSE. For Bureau Veritas, safety is an absolute, and the Group will not be satisfied until the organization is free from risks and zero accidents is achieved.

This statement includes the following commitments:

1. provide a safe workplace and appropriate working methods to prevent accidents and injuries to Group employees;
2. reduce energy consumption, pollution and waste, and protect biodiversity;
3. enhance the safety culture at Bureau Veritas;
4. comply with all relevant HSSE requirements (regulations, internal policies, client requirements, and other applicable requirements).

At the highest level and besides the regular Executive Committee meetings that take place during the year, the Chief Executive Officer chairs an annual management review during which an in-depth performance assessment and root-cause analysis are carried out, and priorities are defined for the coming year.

In addition, at the various levels of the organization, Bureau Veritas has implemented QHSE committees that have the objective of reviewing results, progress, initiatives, incidents, and new laws and regulations and defining policies to reduce the level of risk for employees, thus ensuring the continuous improvement of the Group’s results.

All fatal incidents are reviewed by an Executive Committee meeting chaired by the Chief Executive Officer. The goal of this review is to ensure the adequate level of oversight and guarantee that the investigating team reached the underlying causes of the incident and the appropriate action plan is being developed. A similar procedure is applied for other serious incidents: a review at an Executive Committee meeting chaired by the Operating Group Executive Vice-President. Less significant incidents are reviewed at the local level.

Systems and technology

To track QHSE activity, collect results and define trends, Bureau Veritas has deployed a platform known as QESIS (Quality, Environment, Health & Safety Information System) upon which all accidents, incidents, audits and unsafe acts or conditions are logged. This platform, coupled with a BI solution (Tableau), is of the utmost importance as they allow the Group to monitor all activity and develop performance dashboards and risk ratings within the organization.

To streamline processes, in 2018 the Group introduced a mobile app in 17 languages, allowing employees to:

- report unsafe conditions or near-hits;
- perform a job hazard analysis (“2 Mins for My Safety”);
- perform a job hazard analysis for business travel (“2 Mins for My Security”);
- perform a job hazard analysis for driving (“2 Mins for My Safe Driving”);
- perform a job hazard analysis for motorcycle riding (“2 Mins for my Safe Riding”);
- record any safety walks completed;
- track any safety/security inspections.

18,000 Safety Walks logged by managers in QESIS in 2020
120,000 “2 Mins for My Safety” checks performed by workers

Health

Covid-19 response plan

2020 will be forever marked by one of the biggest health crises of contemporary history. When the Covid-19 pandemic hit, lockdowns were imposed across much of the world, in a bid to deal with the unprecedented health crisis.

From the beginning, Bureau Veritas’ leadership took action to deploy emergency response plans to protect the Group’s employees and, at the same time, ensure the continuity of the business. At the onset of the pandemic, each operating group established a crisis committee to analyze the information available, the laws and regulations issued by the various authorities, and to listen to and support employees and clients. Keeping an adequate flow of information was absolutely critical to ensure the most effective level of response. From a QHSE standpoint, the Group set up a crisis committee to define global policies and share best practices in terms of:

- response plans;
- personal protective equipment (PPE);
- communication plans;
- training;
CORPORATE SOCIAL RESPONSIBILITY
The four pillars of the roadmap to building trust

- business continuity and support for field/lab operations;
- travel policies.

The Group was able to adapt very quickly to the new paradigm and way of working due to a culture of resilience and existing tools, such as Teams, that facilitated remote working and minimized the impact of the change. In addition, Bureau Veritas took the opportunity to support and help society to contain the pandemic with a new solution known as "SafeGuard", which offers clients the tools to ensure the appropriate procedures are in place to eliminate any possibility for infection in various types of buildings. In parallel, the Group also deployed these tools within its own buildings and laboratories.

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

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

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

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

Audits
The implementation of effective audit programs is crucial to ensure that field/lab operations are being carried out in line with Group expectations. The internal and external audit program was heavily impacted by the pandemic. With the travel restrictions imposed across the globe, Bureau Veritas was forced to adjust the existing audit model and turn to a remote audit program, whereby auditors use technology and perform audits remotely. Nonetheless, in 2020 the Group performed 20 internal and 64 external audits covering ISO 9001, ISO 45001, ISO 14001.

<table>
<thead>
<tr>
<th>64 audits performed by a third-party organization</th>
<th>20 internal audits – self-assessment</th>
<th>+200 auditing days</th>
</tr>
</thead>
</table>

2.3.2.5 Support for local communities and outreach

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

The Group takes care to ensure that each of its 1,615 offices and laboratories across the globe develops local skills and expertise in partnership with the authorities and the stakeholders concerned.

Policy
Bureau Veritas has launched Be part of it, a community-minded initiative in which it acts alongside its employees in providing help to the most disadvantaged. Be part of it is one of the components of the Group’s new community support policy. It encompasses a broad range of local initiatives, including, for example, food collection, environmental protection, support for women on the street and tree planting.

Bureau Veritas has developed a policy aimed at aligning the philanthropic initiatives launched by its operating entities with its CSR strategy. Three priority focuses were selected, which must cover more than 80% of actions taken at the local level. The focuses selected are health, inclusiveness and the environment, which correspond to the following UN SDGs:

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

The community initiatives rolled out by Bureau Veritas are decided locally in each of the countries in which the Group does business. In 2020, initiatives went ahead in many countries to help healthcare workers in the fight against the Covid-19 pandemic.

Four major partnerships were formed:

- With Banques Alimentaires on food relief.
  Bureau Veritas helped this organization by matching its employee donations and organizing volunteer operations to collect food donated by supermarkets (France, Spain);

- With Chemins d’Avenirs to promote education and higher education in rural areas.
  Bureau Veritas renewed this partnership, which involves an annual donation, providing accommodation for the Chemins d’Avenirs teams and Bureau Veritas employees sponsoring young students (France);

- With TWAA to help women in their professional life.
  Bureau Veritas contributed to design work on a women’s networking website to develop knowledge sharing and cooperation through coaching, training and mentorship (Africa);

- With the Fondation Notre-Dame to help finance reconstruction work on the Paris cathedral.

Indicators

In 2020, Bureau Veritas donated a total of €407,000 and carried out various sponsorship operations, corresponding to 1,400 hours donated in France, the United States, Brazil and China.

Much of this support was dedicated to the fight against the Covid-19 pandemic, which accounted for around a third of donations. The SDGs most impacted were 3 (Good health and well-being) and 4 (Quality education).

**BREAKDOWN OF DONATIONS BY CATEGORY**

<table>
<thead>
<tr>
<th>Donations by category</th>
<th>Amount (€)</th>
<th>%</th>
<th>No. of donations</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDG 3: Good health and well-being</td>
<td>196,000</td>
<td>48%</td>
<td>46</td>
<td>40%</td>
</tr>
<tr>
<td>SDG 4: Quality education</td>
<td>119,000</td>
<td>29%</td>
<td>12</td>
<td>10%</td>
</tr>
<tr>
<td>Other SDGs</td>
<td>92,000</td>
<td>23%</td>
<td>58</td>
<td>50%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>407,000</td>
<td>100%</td>
<td>116</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Donations by category**

<table>
<thead>
<tr>
<th>Donations by category</th>
<th>Amount (€)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charitable donations</td>
<td>273,000</td>
<td>67%</td>
</tr>
<tr>
<td>Local community investments</td>
<td>95,000</td>
<td>23%</td>
</tr>
<tr>
<td>Commercial initiatives</td>
<td>39,000</td>
<td>10%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>407,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

Healthcare:

- Aid to healthcare professionals in the fight against the Covid-19 pandemic, by providing numerous donations of both money and protection equipment (France, Spain, Asia, Africa);
- Collection of sanitary and beauty products for homeless women (France);
- Donations to help hospitals care for sick children (France, Africa);
- Aid to vulnerable families and isolated elderly people (Africa).

Education and gender equality:

- Awareness-raising for young girls on education and career development (Brazil);
- Practical support for disadvantaged young girls (South Africa).

Environment:

- Purchase of trees to celebrate employees’ birthdays and welcome new recruits (United States, Asia, Europe, Germany, etc.);
- Donations to The Water Project to provide access to drinking water for populations in sub-Saharan regions.
2.3.3 PROTECT THE ENVIRONMENT

2.3.3.1 Fighting climate change and adapting to a new paradigm

Background
Climate change can lead to frequent extreme weather such as flooding, fires or extreme temperatures, which could impact the Group’s operations and influence the continuity of its businesses and those of its clients.

In this context, Bureau Veritas has developed a strategy aimed at reducing its CO₂ emissions and adapting to the consequences of climate change.

The Group’s environmental footprint is influenced mainly by the electricity used in its laboratories and work-related travel (air travel first and foremost). Bureau Veritas’ programs are mainly focused on these two aspects, with the overall goal of reducing the carbon footprint.

Bureau Veritas is fully committed to fighting climate change, joining the French Business Climate Pledge launched by MEDEF, France’s largest employer federation.

Policy
Bureau Veritas’ environment policy applies to all its activities. The Group sets annual targets for reducing the environmental impact and implements specific programs to reduce its footprint.

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

Results
Bureau Veritas tracks a series of KPIs to help monitor its performance:

- ISO 14001 certification rate

Having a robust and certified management system deployed globally is critical to ensure the sustainability of the Group’s progress towards an environmentally friendly future. With this in mind, Bureau Veritas aims to grow the ISO 14001 certification footprint, which is measured through a headcount-based certified metric. In 2020, there was an eight-point increase in the footprint versus last year. All operating groups are making an effort to grow on this front, but the main explanation for the rise is the fact that the French entities expanded their ISO 14001 scope to cover more than 3,000 employees.

PERCENTAGE OF THE GLOBAL HEADCOUNT BELONGING TO ISO 14001-CERTIFIED ENTITIES

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laboratories</td>
<td>77%</td>
<td>72%</td>
<td>76%</td>
<td>76%</td>
<td>83%</td>
</tr>
<tr>
<td>Laboratories and offices</td>
<td>76%</td>
<td>72%</td>
<td>76%</td>
<td>76%</td>
<td>83%</td>
</tr>
</tbody>
</table>

Energy – CO₂ emissions

One of the key indicators tracked by the Group is energy consumption. In 2020, energy consumption represented 51.3% of the Group’s total emissions. Although the coverage rate for the laboratory and the combined laboratory plus office populations increased, both groups saw a reduction in their CO₂ emissions. There are several reasons for these results, including the health crisis, which disrupted business and caused temporary shutdowns, and various major initiatives implemented worldwide supported by the Group’s environmental policy, which delivered a positive impact versus last year.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Laboratories</td>
<td>78%</td>
<td>62%</td>
<td>4.23</td>
<td>4.97</td>
<td>3.14</td>
<td>3.48</td>
<td>3.10</td>
</tr>
<tr>
<td>Laboratories and offices</td>
<td>54%</td>
<td>48%</td>
<td>2.31</td>
<td>2.46</td>
<td>2.04</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Proportion of the sedentary headcount belonging to the sites concerned.
Work-related travel – CO₂ emissions

The other key indicator is the CO₂ emissions generated by work-related travel. In 2020, it was responsible for 46.9% of all the Group’s total emissions. As shown below, despite a significant increase in coverage (>10 points on both segments) the Group observed an important reduction in CO₂ emissions globally. A substantial portion of this is explained by the travel bans imposed by the pandemic and the long-term changes to ways of working, coupled with the introduction of new technologies favoring digital solutions.

<table>
<thead>
<tr>
<th>Work-related travel</th>
<th>2020 coverage rate(a)</th>
<th>2019 coverage rate</th>
<th>Tons of CO₂/employee 2020</th>
<th>Tons of CO₂/employee 2019</th>
<th>Tons of CO₂/employee 2018</th>
<th>Tons of CO₂/employee 2017</th>
<th>Tons of CO₂/employee 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices</td>
<td>89%</td>
<td>78%</td>
<td>1.59</td>
<td>1.69</td>
<td>1.94</td>
<td>2.09</td>
<td>2.46</td>
</tr>
<tr>
<td>Offices and laboratories</td>
<td>90%</td>
<td>78%</td>
<td>1.27</td>
<td>1.40</td>
<td>1.60</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) Proportion of the sedentary headcount belonging to the sites concerned.

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

The following emission scopes are considered:

• Scope 1 – Direct emissions: sum of direct emissions resulting from burning fossil fuels such as oil and gas or from resources owned or controlled by the Group (including fleet vehicles);
• Scope 2 – Indirect emissions: sum of indirect emissions arising from the purchase or production of electricity;
• Scope 3 – Other emissions: sum of other indirect emissions resulting from work-related travel (by air, train, rental car, and personal car). Emissions relating to commuting and computers are not included.

The data presented below cover:

<table>
<thead>
<tr>
<th>Tons of CO₂ equivalent</th>
<th>Scope 1</th>
<th>Scope 2</th>
<th>Scope 3(a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018(b)</td>
<td>39,323</td>
<td>61,689</td>
<td>77,948</td>
</tr>
<tr>
<td>2019(b)</td>
<td>66,700</td>
<td>63,315</td>
<td>49,682</td>
</tr>
<tr>
<td>2020(c)</td>
<td>58,694</td>
<td>77,399</td>
<td>39,543</td>
</tr>
</tbody>
</table>

(a) In 2018, the scope covered 148 operating entities and 84% of employees in the year.
(b) In 2019, the scope covered 157 operating entities and 81% of employees in the year.
(c) In 2020, the scope covers 174 operating entities and 96% of employees in the year.
(d) Scope 3 emissions only concern work-related travel.

The scope of the Group’s environmental reporting has been increasing year after year, and now covers 96% of the global headcount, which is a good indicator of growth in maturity. On the other hand, the exceptional circumstances of 2020 had a significant impact on emissions in Scopes 1 and 3 that are associated with overall business travel, fleet fuel consumption and air travel. Scope 2 emissions, however, are mainly influenced by the electricity consumed at the Group’s laboratories and offices, which were less sensitive to the very large variances generated by the pandemic, hence the 22% increase in this segment.

It is important to note that the main Scope 2 contributors are large laboratories based in China, which suffered minimal Covid-19 impacts.

Action plan

2020 was a very atypical year from an environmental performance standpoint due to the Covid-19 pandemic. On March 11, the World Health Organization declared the outbreak as a pandemic and Bureau Veritas immediately started implementing travel bans with global impact. Progressively, the travel bans moved to “essential-only” status, although there was a significant reduction in air travel. In 2020, the CO₂ emissions due to this source fell by 25% compared with the previous year. As stated before, it is one of the two main sources of CO₂ generation that was heavily impacted by the new normal created by the global health crisis. The impact of the crisis on ways of working increased the use of video conferencing and work from home or remotely, the use of remote auditing techniques, etc. This situation is expected to generate a permanent effect on the need for air travel, and therefore a long-term reduction in CO₂ emissions is expected in the years to come when compared with the “old normal” of 2019 and before.

Although anticipating significant reductions caused by the travel restrictions, the Group continued to work on next top CO₂ generator, namely the energy consumed by its laboratories. In 2020, the top 15 energy users embarked on special reduction programs that included actions such as energy audits and energy self-assessments, the replacement of lighting systems, the optimization of heating, ventilation and air conditioning (HVAC) systems, relocation to more efficient facilities, purchase of energy from green sources, etc.
Vehicle fleet
In October 2020, the Group released the new motor vehicle policy with global reach and included several enhancements with impact on the environment:
- all new passenger vehicles must comply with the emissions limit of <130 g of CO₂ per kilometer;
- existing passenger vehicles non-compliant with this expectation may be retained under the following conditions:
  - leased vehicles until the end of the contract,
  - owned until December 2022;
- all entities around the globe must include low-emissions (hybrids and hybrid plug-ins) or zero-emissions vehicles on the list of authorized vehicles proposed to Group employees;
- in addition, for safety (but also environmental) reasons, all Group vehicles will be fitted with a telematics monitoring system by January 2022. The system will enforce compliance with traffic regulations, but will also promote environmentally responsible habits. Pilots deployed in Europe point to fuel savings of approximately 20%, which is quite encouraging.

Energy performance in office buildings
Bureau Veritas encourages its entities to use green energy in order to reduce CO₂ emissions, and to opt for low-energy buildings. Choosing energy-efficient buildings is recommended whenever leases are up for renewal. At the end of 2019, 12 of Bureau Veritas’ buildings had obtained LEED certification, mainly in Asia. Bureau Veritas also recommends the use of LED lighting.

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

Using suitable IT equipment
This represents another potential area in which Bureau Veritas can reduce its environmental impact. The Group’s priorities are to use more eco-friendly equipment and encourage widespread use of the cloud to store data. In France, for example, using virtual servers has reduced the number of physical servers by 1,300, helping to save 353 tons of CO₂ in 2018. Similar projects have also been undertaken in the United States.

For the past few years, the Group IT department has focused on three major areas to reduce its environmental impact:
- reducing energy used by data centers;
- reducing energy used by computer equipment;
- creation of innovative solutions to reduce work-related travel.

Indicators

<table>
<thead>
<tr>
<th>Energy consumption</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total energy consumed (MWh)</td>
<td>252,559</td>
<td>293,219</td>
</tr>
<tr>
<td>Energy consumed by laboratories (%)</td>
<td>83%</td>
<td>88%</td>
</tr>
<tr>
<td>Energy consumed by offices (%)</td>
<td>17%</td>
<td>12%</td>
</tr>
<tr>
<td>Green energy consumed (MWh)</td>
<td>6,526</td>
<td>4,726</td>
</tr>
<tr>
<td>Green energy as a proportion of total energy consumed (%)</td>
<td>2.6%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Increase in the use of renewable energies (vs. 2015)</td>
<td>71%</td>
<td>24%</td>
</tr>
<tr>
<td>Energy consumed per employee (MWh)</td>
<td>6.48</td>
<td>7.85</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CO₂ emissions</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of participating sites</td>
<td>174</td>
<td>157</td>
</tr>
<tr>
<td>Headcount of participating sites</td>
<td>71,869</td>
<td>62,949</td>
</tr>
<tr>
<td>Coverage rate</td>
<td>96%</td>
<td>81%</td>
</tr>
<tr>
<td>CO₂ emissions – Scope 1 (t)</td>
<td>58,694</td>
<td>66,700</td>
</tr>
<tr>
<td>CO₂ emissions – Scope 2 (t)</td>
<td>77,399</td>
<td>63,315</td>
</tr>
<tr>
<td>CO₂ emissions – Scope 3 (t)(a)</td>
<td>39,543</td>
<td>49,682</td>
</tr>
<tr>
<td>CO₂ emissions (t)</td>
<td>175,636</td>
<td>179,697</td>
</tr>
<tr>
<td>CO₂ emissions offset (t)</td>
<td>428</td>
<td>1,075</td>
</tr>
<tr>
<td>Net CO₂ emissions (t)</td>
<td>175,208</td>
<td>178,622</td>
</tr>
<tr>
<td>CO₂ emissions per employee (t)</td>
<td>2.44</td>
<td>2.85</td>
</tr>
<tr>
<td>Decrease in CO₂ emissions per employee (vs. 2015)</td>
<td>24%</td>
<td>11%</td>
</tr>
<tr>
<td>Water consumed (cu.hm)</td>
<td>1,074</td>
<td>0.936</td>
</tr>
</tbody>
</table>

(a) Scope 3 emissions only concern work-related travel.
CORPORATE SOCIAL RESPONSIBILITY
The four pillars of the roadmap to building trust

### CO₂ emissions from energy consumption

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ emissions from laboratories (t)</td>
<td>76,533</td>
<td>79,505</td>
</tr>
<tr>
<td>CO₂ emissions from offices (t)</td>
<td>13,649</td>
<td>12,480</td>
</tr>
<tr>
<td>Total emissions (t)</td>
<td>90,182</td>
<td>91,985</td>
</tr>
<tr>
<td>As a proportion of total emissions</td>
<td>51.3%</td>
<td>51.2%</td>
</tr>
<tr>
<td>CO₂ emissions from laboratories per employee (t)</td>
<td>4.23</td>
<td>4.97</td>
</tr>
<tr>
<td>CO₂ emissions from offices per employee (t)</td>
<td>0.65</td>
<td>0.58</td>
</tr>
<tr>
<td>Total CO₂ emissions per employee (t)</td>
<td>2.31</td>
<td>2.46</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ emissions from work-related travel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CO₂ emissions from laboratories (t)</td>
<td>13,846</td>
<td>16,632</td>
</tr>
<tr>
<td>CO₂ emissions from offices (t)</td>
<td>68,590</td>
<td>68,003</td>
</tr>
<tr>
<td>Total emissions (t)</td>
<td>82,436</td>
<td>84,635</td>
</tr>
<tr>
<td>As a proportion of total emissions</td>
<td>46.9%</td>
<td>47.4%</td>
</tr>
<tr>
<td>CO₂ emissions from laboratories per employee (t)</td>
<td>0.65</td>
<td>0.83</td>
</tr>
<tr>
<td>CO₂ emissions from offices per employee (t)</td>
<td>1.59</td>
<td>1.69</td>
</tr>
<tr>
<td>Total CO₂ emissions per employee (t)</td>
<td>1.27</td>
<td>1.40</td>
</tr>
</tbody>
</table>

Other indicators are presented in section 2.8.1 – Non-financial indicators, of this Non-Financial Statement.

#### 2.3.3.2 Reducing environmental impact and protecting biodiversity

**Background**

Although its businesses do not generate substantial waste, Bureau Veritas is seeking solutions to reduce its environmental footprint and is committed to protecting biodiversity through the Act4Nature initiative.

**Policy**

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

**Action plan**

**Waste, paper management and air pollution prevention**

- **Waste management**: the waste management policy is rolled out through two initiatives:
  - all hazardous waste generated by laboratories is subject to a specific collection process;
  - recycling of office waste is encouraged.

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.

<table>
<thead>
<tr>
<th>Business</th>
<th>Potential pollution</th>
<th>Examples of action plans carried out</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices and inspections</td>
<td>• Air conditioning equipment in offices, which may cause refrigerant gas leaks.</td>
<td>• Appropriate maintenance contracts.</td>
</tr>
<tr>
<td></td>
<td>• Use of cars to travel to client premises.</td>
<td>• Recent vehicle fleet with low CO₂ emissions and training in eco-driving.</td>
</tr>
<tr>
<td>Laboratories</td>
<td>• Testing equipment that may generate polluting atmospheric emissions.</td>
<td>• Technical equipment to monitor emissions and procurement of necessary permits, regular emissions checks.</td>
</tr>
<tr>
<td></td>
<td>• Storage of chemical products and hazardous waste.</td>
<td>• Dedicated storage areas equipped with appropriate retention tanks and necessary control procedures.</td>
</tr>
</tbody>
</table>

The nature of Bureau Veritas’ activities means that its main waste product in terms of volume is paper. In order to limit its consumption and reduce the waste generated, several initiatives have been set up within various Group entities regarding the generation of electronic reports, as well as electronic printing and archiving when permitted by clients and applicable regulations. Bureau Veritas is working towards its paperless goal for the Consumer Products Services business (reduction of paper consumption, storage and shipment).

Other types of waste such as cardboard, plastic, glass, batteries and 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.
The Group’s laboratory waste reporting has been improved in order to better measure the information reported and ensure its reliability. However, Bureau Veritas did not previously require specific reporting on recyclable waste, and the tool was therefore enhanced in 2019 to allow more detailed waste reporting.

Water
Water is a multi-faceted challenge for the Group. The aim is to be able to collect reliable information on water consumption covering all entities concerned. Water consumption in absolute terms increased by 15% versus the previous year (936,000 cu.m in 2019, versus 1,074,000 cu.m in 2020). However, since the scope covered actually increased last year – by approximately 9,000 employees – the volume of water consumed per employee was in fact flat (14.8 cu.m in 2019, versus 14.9 cu.m in 2020).

Action for biodiversity

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

2.3.4 DEVELOP GREEN SERVICES AND SOLUTIONS

2.3.4.1 Adapt to market changes

Background

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

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

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

By nature, most Bureau Veritas services contribute to CSR. They help companies reduce their risks and improve their performance in terms of quality, health, safety and security, environment and Corporate Social Responsibility.

Policy

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

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

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

Marine & Offshore

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

The Group also helps to minimize the environmental impact of marine and offshore activities, supporting compliance with regulations and industry standards with a strong focus on energy transition to low-carbon shipping. Thanks to its recognized expertise in smart shipping and cybersecurity, and to its advanced solutions throughout the asset lifecycle, Bureau Veritas provides comprehensive support for achieving more sustainable Marine & Offshore practices.
Examples of services:
- classification of low-noise underwater vessels powered by cleaner fuels (liquefied natural gas – LNG/liquefied petroleum gas – LPG) or hybrid electric systems;
- future-proof assessment of technological innovations linked to the energy transition (zero-emissions hydrogen- or ammonia-powered vessels, wind propulsion, floating windfarms);
- verification of CO₂ emissions and review of energy efficiency plans for vessels;
- environmental inspection services (e.g., water ballast management and SOx/NOx emissions treatment);
- ship recycling/offshore platform decommissioning control, looking out for hazardous materials.

**Agri-Food**

Bureau Veritas promotes transparency in product origin and quality, and increasingly provides support for sustainable production.

Bureau Veritas builds transparency by proposing full farm-to-fork traceability, thanks to its global, end-to-end expertise covering inspection, audit, certification, and testing services. The Group ensures the reliability of complex supply chains, enabling end consumers to make informed decisions. Bureau Veritas contributes to increasing traceability and transparency throughout the food industry, for the benefit of society.

Examples of services:
- precision farming and crop monitoring solutions;
- sustainable agriculture certification programs;
- organic food certification;
- supply chain risk management and digital traceability.

**Commodities**

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

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

Examples of services:
- consumer product origin and traceability, e.g., cotton supply chain;
- responsible metal sourcing;
- quality assessment for biofuels, natural gas and hydrogen production;
- support on plastic recyclability (plastic to oil).

**Industry**

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

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

Examples of services:
- industrial facilities/infrastructure safety inspection and quality certification;
- environmental audit of decommissioned aging assets;
- equipment inspection for renewable power generation and LNG facilities;
- cybersecurity-related services, digital inspections (predictive analytics, robotics and AI);
- monitoring fugitive emissions of chemical compounds to reduce impact on health and environment;
- services related to assessing the risks of supply chain disruption;
- environmental impact assessment (EIA) for environmental installations;
- design review, assessment of compliance with environmental regulations;
- services related to decommissioning of industrial assets;
- measurement of noise pollution, air pollution, etc.

**Buildings & Infrastructure**

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

Bureau Veritas brings its technical expertise and in-depth knowledge of local regulations to help its clients design, develop, and manage smart, sustainable cities and infrastructure. The Group is present at every stage, from feasibility studies through to construction and operations, offering inspection and certification services for new and existing assets, to support the energy transition. Bureau Veritas provides people with the assurance that they can safely use buildings and infrastructure on a global basis.
Examples of services:
- energy performance, carbon footprint, water consumption and waste treatment audits;
- air and water quality control;
- monitoring of noise and light pollution;
- safety inspection (electrical, fire, elevator maintenance, disabled access);
- asset efficiency and performance via digital solutions such as Building Information Modeling (BIM);
- monitoring of building material consumption (BIM);
- environmental impact assessments, certification of green buildings;
- health and safety coordination at construction sites;
- maintenance management/asset lifespan optimization.

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

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

Examples of services:
- supplier audits and risk mapping analysis;
- responsible sourcing assessment (biofuel, agri-food, forestry, metals, minerals, etc.);
- environmental and energy management systems certification;
- validation and verification of targets on reduction, offsetting and elimination of greenhouse gas emissions;
- assessment of management systems dedicated to circular economy (Circular+);
- social responsibility audits and assessment of performance throughout the value chain;
- audit of climate change obligations and Socially Responsible Investments (SRI);
- assurance of CSR and sustainability reporting.

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

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

Examples of services:
- quality control tests for materials and components;
- social and ethical audits of supply chains;
- testing of connectivity (new mobility, devices, connected cars, 5G, etc.);
- supply chain quality improvement program;
- regulatory compliance and verification of product performance.

Action plan
Bureau Veritas has developed its BV Green Line of services and solutions dedicated to sustainability to address the growing needs of public and private organizations in this field.

The action plan to develop the CSR offer includes the following objectives:
- develop service offerings that meet market needs for environmental, energy and social transitions;
- provide training about the Group’s CSR services to client-facing employees;
- present the CSR offering to the Group’s main clients;
- set up a reporting system for determining and monitoring the proportion of revenue generated by these services.

Indicators
The performance indicator used to monitor this activity is revenue and revenue growth.

In 2020, Sustainability services represented 12% of revenue generated by the Certification business, with negative organic growth of 4.3%. Revenue for the Certification business as a whole declined by 6.2% as a result of the health crisis, which prevented many audits from being performed.

In general, Certification activities had an impact on the environment, social issues, safety and quality. Social (up 1.8%) and Environmental certifications (down 1.6%) outperformed the Certification business on average, unlike Quality (down 8.1%) and Safety certifications (down 10.1%).
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The four pillars of the roadmap to building trust

2.3.4.2 The Green Line of services & solutions

Sustainability – and topics related to CSR or ESG – have become key growth drivers and a catalyst of trust for all economic players. Beyond their financial performance and ability to innovate, companies are now valued for and judged on their positive impact on people and the planet.

Bureau Veritas helps its clients meet the challenges of product and service quality, health and safety, environmental protection and social responsibility, all along the value chain, in their selection of resources and during production. Bureau Veritas offers its expertise throughout the supply chain, from raw materials sourcing to product use, ensuring fair, responsible sourcing with full traceability. Bureau Veritas provides full support for its Building & Infrastructure clients throughout all project phases: planning, design, construction, operation, and refurbishment. Bureau Veritas plays a vital support role in the field of New Mobility, by providing battery testing services, as well as a comprehensive range of services for electric vehicle charging stations.

Bureau Veritas strives to accompany all clients in delivering their sustainability strategy, and meet the expectations of their employees and stakeholders.

Through its Green Line of services and solutions, Bureau Veritas empowers organizations – both private and public – to implement, measure and achieve their sustainability objectives, reliably and transparently.

Bureau Veritas helps its clients make their ESG initiatives traceable, visible and reliable, so that their impact can be measurably demonstrated. By promoting transparency, Bureau Veritas helps them protect their brands and their reputations.

Resources and production

Bureau Veritas supports all types of organizations in their endeavors to shrink their carbon footprint, providing encouragement along all the paths toward a carbon-free future: verification, measurement, certification, emissions offsetting, etc.

Bureau Veritas recognize the importance of using the planet’s natural resources responsibly. The Group’s experts help organizations overcome the obstacles along the way and promote the sustainable use of natural resources.

Bureau Veritas is also a front-line player in the energy transition, covering key stages in the production chain of renewable and alternative energies. It helps its clients design, build and operate their assets sustainably.
Consumption and traceability

While consumers, citizens and investors demand increasing transparency and authenticity, supply chains have become exceedingly complex, chiefly owing to globalization. Managing these chains is therefore becoming increasingly difficult. Supply chain disruption can have critical impacts on a company’s operations. Whatever the situation, supply chain management requires agility and responsiveness to protect the business. For companies in the energy, retail, automotive and agro-food sectors, supply-chain risk management has become an absolute priority.

Bureau Veritas expertise spans all value-chain phases, helping companies in all business sectors fulfill their aims of ensuring fair, responsible sourcing and end-to-end product traceability, from point of origin to consumption.

As part of its strong commitment to a more responsible business model, Bureau Veritas offers its clients services and solutions for promoting circular-economy models to their end clients.

Buildings and Infrastructure

All buildings and infrastructure companies are confronted with the dual challenge of addressing the growing needs of urban populations while ensuring that their buildings and infrastructure are of high quality, profitable, and compliant with environmental and safety regulations.

Bureau Veritas is present at every stage, from feasibility studies to operation. It offers inspection and certification services for new and aging assets, and helps clients in the transition toward reduced energy consumption.

With its technical expertise and in-depth knowledge of local regulations, Bureau Veritas is ideally placed to help clients design, develop and manage cities and infrastructure. Bureau Veritas contributes both to the development of sustainable and intelligent cities, and to achieving significantly prolonging building and infrastructure lifespans through refurbishment.

New mobility

The transportation industry (airline, railway, land vehicle, maritime freight companies, etc.) accounts for some 25% of CO₂ emissions worldwide.(1)

The maritime sector is leading the energy transition, with its developments in sustainable fuels, use of alternative propulsion systems and support for construction and operation of offshore wind farms.

Electrification is a key point in the energy transition, and the development of electric mobility calls for readily accessible charging solutions.

Bureau Veritas has a history of nearly 200 years in providing maritime industry expertise to help clients in the development of new energies. As LNG fuel takes on increasing importance in maritime transport, the Group helps shipowners optimize vessel design in the light of requirements of current and future regulations on atmospheric emissions.

The transport industry’s environmental footprint is gradually being reduced through a combination of advances in technologies, alternative fuels and energy sources. Bureau Veritas harnesses its expertise in New Mobility and works closely with industry players to pave the way to a new era in sustainable development.

For electric vehicle charging stations (EVCS), Bureau Veritas has developed a comprehensive portfolio of services across the whole system lifecycle, from design and manufacture to setup and operation.

Social, Ethics and Governance

Both people and the planet are cornerstones in the sustainability of companies and public life.

Citizens and consumers increasingly demand verified and verifiable information on the way in which companies develop, produce and supply their goods and services. At the same time, companies are now judged for their impact, as well as their financial performance and capacity for innovation. Decision-makers in all organizations are therefore eager to prove their CSR commitment in order to stay competitive and sustainable, and to demonstrate their dedication to improved commercial practices.

Bureau Veritas plays an increasingly important role as an independent third party in the chain of actions in favor of a more transparent and more responsible economy with regard to the planet and its inhabitants. It helps clients reduce risks and improve their performance in terms of health, safety and security.

It has developed a full range of solutions for assessing diversity and inclusion policies and measuring key indicators in the field. Bureau Veritas also helps its clients strengthen their governance through dedicated services on ethics and integrity.

(1) Source: International Energy Agency.
2.4 CLIMATE PLAN

The Bureau Veritas climate plan covers both the impacts of Bureau Veritas on the climate and those of the climate on Bureau Veritas.

The impacts of Bureau Veritas on the climate correspond to its environmental and social materiality. These impacts and the measures taken to reduce them are set out in sub-section 2.3.3.1 – Fighting climate change and adapting to a new paradigm.

The impacts of the climate on Bureau Veritas correspond to the financial materiality of the climate, and are outlined in this section.

2.4.1 TCFD METHODOLOGY

Bureau Veritas follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The climate plan covers all of Bureau Veritas’ operations, and those of its subsidiaries and facilities in different countries.

2.4.2 GOVERNANCE

Bureau Veritas has set up a Climate and Sustainability Task Force to put together and monitor implementation of a climate plan. This task force includes the heads of the Environment, Strategy, Risk Management and CSR departments. It meets whenever necessary, and at least once per year, to examine progress on action plans.

It reports to the Chief Executive Officer of Bureau Veritas and submits annual progress reports under the CSR management review. It keeps the Executive Committee informed on its work and liaises with it on the definition and implementation of action plans.

At least once per year, it presents its work to the Board of Directors through the Strategy Committee.

2.4.3 STRATEGY

Work on developing the climate plan involves all Group divisions and businesses. This ensures that they understand the impact of climate change on their respective operations.

Transition and physical risks are assessed with the market leaders, and, if necessary, with the regional managers.

Product and service opportunities are assessed with their respective market leaders, with the participation of the Strategy department.

Resource and energy opportunities are assessed with the participation of the Environment department.

The table below shows the risks and opportunities map.

<table>
<thead>
<tr>
<th>RISKS</th>
<th>OPPORTUNITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy &amp; Legal</td>
<td>Transition Risks</td>
</tr>
<tr>
<td>Technology</td>
<td>Acute</td>
</tr>
<tr>
<td>Market</td>
<td></td>
</tr>
<tr>
<td>Reputation</td>
<td></td>
</tr>
<tr>
<td>Corporate</td>
<td></td>
</tr>
<tr>
<td>Marine &amp; Offshore</td>
<td></td>
</tr>
<tr>
<td>Agri-Food &amp; Commodities</td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td></td>
</tr>
<tr>
<td>Buildings &amp; Infrastructure</td>
<td></td>
</tr>
<tr>
<td>Certification</td>
<td></td>
</tr>
<tr>
<td>Consumer Products</td>
<td></td>
</tr>
</tbody>
</table>

- Very High
- High
- Medium
- Low
2.4.3.1 Transition and physical risks

The main transition risks are as follows:

- **Political and legal risks:**
  - rising carbon and insurance prices, making carbon offsetting more expensive;
  - growing exposure to image and eco-citizen responsibility risks.

- **Technological risks:**
  - recruitment and training of employees to work on new services;
  - digitalization of services and remote inspections, requiring R&D investment;
  - rising R&D expenses, to develop new services and solutions.

- **Market risks:**
  - reduction in operations that are insufficiently eco-responsible;
  - shift in clients' needs for CSR-type services;
  - increase in energy prices.

- **Reputational risks:**
  - stigmatization of operations on carbon and oil markets;
  - stakeholder expectations on participation in the responsible economy.

- **Physical risks:**
  - increase in frequency and intensity of climate events likely to affect productivity;
  - general increase in temperatures, likely to impact company efficiency.

2.4.3.2 Opportunities

- More efficient use of resources:
  - fewer long-distance journeys, because of remote assessment capabilities;
  - use of less energy-intensive buildings and laboratory equipment.

- Energy sources:
  - fall in use of fossil energies, with positive impact on production costs.

- Markets and services:
  - development of new, more eco-responsible services (see sub-section 2.3.4.1 – Adapt to market changes);
  - development of solutions to mitigate and adapt to climate change (see sub-section 2.3.4.2 – The Green Line of services & solutions);
  - development of renewable energy markets.

2.4.3.3 Financial impact

The financial impact on Bureau Veritas has been estimated to 2025, 2030 and 2050.

Estimates of the financial impact of climate-change risks and opportunities on Bureau Veritas were made by applying the IEA's (International Energy Agency) SDS (Sustainable Development Scenario) and STEPS (Stated Policy Scenario) scenarios. The SDS scenario aims to ensure universal access to affordable, reliable and modern energy, to reduce air pollution and mitigate climate change. It meets the objectives of the Paris agreement on climate change, and significantly reduces air pollution. The STEPS scenario is based on present-day policies and recent energy and climate commitments. It provides a basis for comparisons to gage the impacts of recent political developments on energy and the climate.

Financial impact projections are included in the Group’s strategy under the responsibility of the Strategy department, after approval by Executive Management and submission to the Board of Directors.
The table below presents the main projections which show that the risks related to climate change are low and the opportunities are substantial. These findings were taken into account when drawing up the Bureau Veritas strategic plan.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>2030</th>
<th>IEA STEPS 2050</th>
<th>IEA SDS 2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial impact</td>
<td>478</td>
<td>1,669</td>
<td>1,548</td>
</tr>
<tr>
<td>Risk</td>
<td>1,287</td>
<td>2,810</td>
<td>2,560</td>
</tr>
<tr>
<td>Transition risks: political and legal risks</td>
<td>17</td>
<td>26</td>
<td>40</td>
</tr>
<tr>
<td>Transition risks: technological</td>
<td>1,185</td>
<td>2,614</td>
<td>2,433</td>
</tr>
<tr>
<td>Transition risks: reputational</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Physical risks: serious and chronic</td>
<td>86</td>
<td>170</td>
<td>88</td>
</tr>
<tr>
<td>Opportunities</td>
<td>2,241</td>
<td>4,956</td>
<td>4,585</td>
</tr>
<tr>
<td>Opportunities: more efficient use of resources</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Opportunities: energy sources</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Opportunities: markets and services</td>
<td>2,236</td>
<td>4,950</td>
<td>4,579</td>
</tr>
<tr>
<td>Certification</td>
<td>277</td>
<td>502</td>
<td>464</td>
</tr>
<tr>
<td>Consumer Products</td>
<td>676</td>
<td>1,389</td>
<td>1,284</td>
</tr>
<tr>
<td>Marine &amp; Offshore</td>
<td>47</td>
<td>114</td>
<td>105</td>
</tr>
<tr>
<td>Buildings &amp; Infrastructure</td>
<td>391</td>
<td>705</td>
<td>653</td>
</tr>
<tr>
<td>Energy</td>
<td>844</td>
<td>2,240</td>
<td>2,072</td>
</tr>
</tbody>
</table>

### 2.4.4 RISK MANAGEMENT

Climate-related risks are analyzed and tracked by the Climate and Sustainability Task Force. They are reviewed by the External CSR Focus Committee, which includes a climatology expert from Paris-Saclay University.

Decisions to reduce, transfer and control risks are taken by the Bureau Veritas Executive Management on proposals by the Climate and Sustainability Task Force at annual CSR department reviews.

### 2.4.5 INDICATORS AND RESULTS

The key indicators in the climate plan are:

- carbon price per ton;
- sales on markets exposed to climate risk (carbon and oil);
- sales of services that contribute to the mitigation of climate change or the adaptation to climate change, and generally contribute to meeting the six environmental goals of the taxonomy (see section 2.5 – Taxonomy);
- Group carbon emissions in Scopes 1, 2 and 3.

Action plans are drawn up and implemented for each climate-related risk and opportunity identified.

Climate-related risks are included in the Group risk map. They are monitored by the Risk department, with support from the Climate and Sustainability Task Force. They are included in the Bureau Veritas environmental management system (ISO 14001) and reviewed annually at QHSE and CSR department reviews.

Carbon emissions figures are published each year in absolute value and per employee (carbon intensity). Further details on this information appear in sub-section 2.3.3.1 – Fighting climate change and adapting to a new paradigm.

The climate plan sets the following targets for carbon emissions:

- short-term: reduce CO₂ emissions by 10% versus 2015;
- medium-term (2025):
  - reduce CO₂ emissions by 50% versus 2019;
  - reduce annual emissions per employee to 2 tons;
  - increase the percentage of the global headcount belonging to ISO 14001-certified entities to 85%;
- long-term (2030): achieve carbon neutrality.

An economic activity qualifies as environmentally sustainable where it:

- contributes substantially to one or more of the environmental objectives set out below:
  1. climate change mitigation,
  2. climate change adaptation,
  3. the sustainable use and protection of water and marine resources,
  4. the transition to circular economy,
  5. pollution prevention and control,
  6. the protection and restoration of biodiversity and ecosystems;
- does not significantly harm any of the environmental objectives;
- is carried out in compliance with the minimum safeguards of:
  1. the OECD Guidelines for Multinational Companies,
  2. the UN Guiding Principles on Business and Human Rights,
  3. the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights;
- complies with technical screening criteria that have been established by the Commission.

Many Bureau Veritas activities make substantial contributions to one or more of the six environmental objectives, by facilitating work on activities that address them directly.

The Group’s services inherently contribute toward sustainable development. An analysis of some 65% of Bureau Veritas operations in 2020 showed that approximately two-thirds contributed toward sustainable development objectives, in the following proportions:

- quality: 17%;
- safety and security: 36%;
- environment: 8%;
- social issues: 3%.

As the technical screening criteria have not yet been finalized, Bureau Veritas cannot disclose the proportion of revenue corresponding to the taxonomy criteria. The Group will be able to disclose this information in 2022 for 2021. However, it is estimated to be between 10% and 15%. This takes account of services that:

1. contribute directly to one of the six environmental objectives; or
2. facilitate the activities of companies contributing to one of the six environmental objectives.

In addition, Bureau Veritas does not significantly hinder progress toward any of the environmental objectives, and carries out its activities in compliance with minimum safeguards on human rights.
2.6 2025 CSR STRATEGY

2.6.1 GOVERNANCE

The Bureau Veritas CSR strategy was drawn up by the Group CSR department with active participation from the CSR Steering Committee representing each of the support functions in charge of one or more ESG (Environment, Social, Governance) topics. Liaison with the Group Strategy department ensured that the CSR strategy was consistent with Bureau Veritas’ overall strategy. The CSR strategy was submitted first to the Bureau Veritas Chief Executive Officer, then to the Strategy Committee of the Board of Directors, and finally to the Group Executive Committee.

Presentation and rollout to the operating groups went ahead in January 2021. Action plans were drawn up with each operating group and for each region, wherever necessary. The action plans were determined on the basis of three key factors:

- the degree of maturity of the local CSR management system. This is determined by a self-assessment carried out by each entity based on a sustainability index covering all Bureau Veritas CSR policies;
- the performance of the local CSR management system. This is expressed by 17 key indicators used by the Group to monitor the CSR strategy and the achievement of objectives;
- local CSR cultural and regulatory characteristics.

Implementation of the CSR strategy is monitored as follows:

- monthly by each manager, using the Clarity solution to track the 17 key indicators and progress on the action plans;
- quarterly, under the Operating Reviews carried out by each operating group;
- annually, by the Chief Executive Officer at the CSR management review held during the first quarter.

At least once a year, the Board of Directors is informed of the implementation of the CSR strategy and the Group Strategic Committee receives information more regularly. They monitor the implementation of the strategy and determine whether it needs to be adjusted to new regulatory requirements and stakeholder (investors, shareholders, clients, employees, partners, etc.) expectations, if any.

2.6.2 PRIORITIES

Bureau Veritas’ sustainable development strategy is built on two key pillars:

- the ESG offer, which reflects a shift in the Bureau Veritas services offering in response to new needs of its clients and society on environmental and social transitions. This pillar is described in sub-section 2.3.4.1 – Adapt to market changes, and reflects the Group’s business strategy;
- corporate social and environmental responsibility, which is reflected in the Bureau Veritas commitment to sustainable policies to meet stakeholder expectations. This pillar is outlined in sub-sections 2.3.1.1 – Ethics, an “absolute” to 2.3.3.2 – Reducing environmental impact and protecting biodiversity, and detailed in the Group CSR strategy.

Through its mission and its businesses, Bureau Veritas is “Shaping a World of Trust”. The Group’s CSR strategy is fully integrated into this objective, with the aim of “Shaping a Better World”. It is built upon three strategic axes:

- "Shaping a better workplace”;
- "Shaping a better environment”;
- "Shaping better business practices”.

The strategy focuses on five of the UN’s Sustainable Development Goals (SDGs) and is based on three sustainability pillars: "Social & Human Capital", "Environment" and "Governance". The CSR strategy addresses 20 priority subjects, as presented below.
2.6.3 KEY INDICATORS AND TARGETS THROUGH 2025

Bureau Veritas aims to be the CSR leader in its business sector. The targets set for 2025 are consistent with this ambition. They have been approved by the Strategy Committee of the Board of Directors and by the Chief Executive Officer of Bureau Veritas. They were submitted to the members of the Executive Committee and rolled out in each operating group.

Indicators are monitored by the Audit & Risks Committee, which reports to the Board of Directors. They are analyzed monthly by managers, using the Clarity solution, and quarterly at Operating Reviews. They are audited annually by an independent third party and appear in annual external communication in the form of this Non-Financial Statement.

Five indicator values are disclosed quarterly:
- Total Accident Rate (TAR);
- Proportion of women in leadership positions;
- Number of training hours per employee (per year);
- CO₂ emissions per employee (tons per year);
- Proportion of employees trained to the Code of Ethics.

Detailed data sheets are produced for each indicator, setting out the definition of the indicator, the calculation methodology, the related targets in the medium term (2021-2024), and the action plan in place to meet these targets.

2019 was taken as the reference year, because of highly atypical business patterns in 2020. The drop in activity caused by the Covid-19 pandemic would likely distort some indicators (such as providing overly optimistic CO₂ emissions figures).
The Group’s non-financial ambitions through 2025 are as follows:

<table>
<thead>
<tr>
<th>Key performance indicators</th>
<th>2019</th>
<th>2020</th>
<th>2025 ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Accident Rate (TAR)</td>
<td>0.38</td>
<td>0.26</td>
<td>0.26</td>
</tr>
<tr>
<td>Proportion of women in leadership positions (senior/executive management roles from the Executive Committee to Band III)</td>
<td>19.5%</td>
<td>19.8%</td>
<td>35%</td>
</tr>
<tr>
<td>Number of training hours per employee (per year)</td>
<td>19.0</td>
<td>23.9</td>
<td>35.0</td>
</tr>
<tr>
<td>CO$_2$ emissions per employee (tons per year)</td>
<td>2.85</td>
<td>2.44</td>
<td>2.00</td>
</tr>
<tr>
<td>Proportion of employees trained to the Code of Ethics</td>
<td>97.1%</td>
<td>98.5%</td>
<td>99%</td>
</tr>
</tbody>
</table>

### 2.6.4 FOLLOW-UP INDICATORS

CSR indicators are monitored using the Clarity solution, from a digital platform accessible to all Group managers at all times. Indicators are updated monthly. They can be viewed globally, for each operating group, and by region, country, business and legal entity. Indicators and their respective action plans are monitored quarterly by Executive Management during Operating Reviews.

### 2.6.5 MANAGEMENT

The strategy is managed jointly by the Group’s CSR department, for global policies, and by the CSR departments of the operating groups, for the implementation of CSR policies in operations. All of the CSR policies put in place under this strategy are covered by the CSR management system, which is audited regularly by the Internal Audit teams and by internal audits of the QHSE department on quality, environment, and health and safety. The CSR management system is reviewed annually by Executive Management and the main support functions concerned.
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. The existing duty of care plan covers all of Bureau Veritas’ businesses and all of its subsidiaries, as well as those of its subcontractors and suppliers with which it has long-standing business relationships.

The plan includes measures to identify and prevent risks of serious infringements in the following five areas:
- ethics and the fight against corruption;
- human rights and fundamental freedoms;
- individual health and safety;
- protecting the environment and biodiversity;
- personal data protection.

2.7.1 GOVERNANCE AND POLICIES

The team of CSR experts helps draft the duty of care plan and monitor its application.

Applicable policies under the duty of care plan are:
- the Business Partner Code of Conduct (BPCC), for suppliers, subcontractors, sales agents and co-contractors.
- The Code covers requirements in terms of ethical conduct, human rights, safety and security, environment, and data protection. At all levels of its organization, and for all of its operations and host countries, Bureau Veritas seeks to be a responsible corporate citizen and endeavors to act in accordance with the principles of human and labor rights, health and safety at work, environmental protection and anti-corruption.

The BPCC derives from Bureau Veritas’ Code of Ethics and human rights policy. It defines the requirements for all of the Group’s business partners, which apply in addition to:
- the relevant local, national and international standards and regulations;
- the Bureau Veritas Code of Ethics;
- contractual provisions.

The Group’s general purchasing terms and conditions and standard contracts have been revised in order to reference BPCC requirements.

Group policies, for Bureau Veritas and its subsidiaries. These policies include the Code of Ethics, the human rights policy, the health, safety and security policies and procedures, the environment policy, the cybersecurity policy and the personal data protection policy.

2.7.2 RISK MAPPING

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

The Group’s main risks were identified using a three-phase approach:
- a risk map of the areas covered by the duty of care plan was drawn up by the Group in 2017 and revised in 2018;
- a specific analysis was performed in-house to assess the most significant risks for the Group:
  - major human rights risks were identified using the UN’s Human Development Index published in March 2018 and taking into account the map on children’s rights worldwide published by Humanium. For suppliers, this approach was supplemented by a detailed analysis of risk for each category of purchases;
  - major environmental risks were identified based on an environmental impact assessment of the business activities carried out by the Group and its subcontractors. Owing to the low environmental risk associated with most of its businesses, the major risks only concern laboratories for their treatment of waste;
  - major safety and security risks were identified in all countries reporting a significant number of serious accidents in 2018, both within Bureau Veritas and at its subcontractors;
- an external review was performed by a specialist independent firm to identify priority issues. This review was carried out through audits, reviews of documentation, interviews with the departments concerned and cross-checks with external statistical databases, including the Social Hotspots DataBase (SHDB).
The table below shows the map of the most significant risks.

<table>
<thead>
<tr>
<th>SIGNIFICANT RISKS</th>
<th>BUREAU VERITAS</th>
<th>JV PARTNERS</th>
<th>SUBCONTRACTORS</th>
<th>SUPPLIERS</th>
<th>INTERMEDIARIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>FREEDOM OF ASSOCIATION</td>
<td>Asia - USA</td>
<td>Middle East</td>
<td>UAE - China - USA</td>
<td>China - USA</td>
<td>Office services</td>
</tr>
<tr>
<td>WORKING HOURS</td>
<td>China - South Korea</td>
<td>Japan - UAE</td>
<td>China</td>
<td>Office services</td>
<td></td>
</tr>
<tr>
<td>SOCIAL BENEFITS</td>
<td>USA</td>
<td></td>
<td>USA</td>
<td>Office services</td>
<td></td>
</tr>
<tr>
<td>WASTE MANAGEMENT</td>
<td>Laboratories</td>
<td>Laboratories</td>
<td>Chemicals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOIL POLLUTION</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENVIRONMENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WORK ACCIDENTS</td>
<td>India - Vietnam</td>
<td>Brazil - Argentina</td>
<td>China</td>
<td>France - Brazil</td>
<td>Office services</td>
</tr>
</tbody>
</table>

RISK LEVELS:
- Low risk
- Moderate risk
- Medium risk
- High risk

Source: Social Hotspot Data Base.

The SHDB grades risks on a scale of 1 to 4. The average risk score was calculated for each category, and only risks graded 3 or higher with associated purchase volumes of over €10 million in 2018 are shown.

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

**2.7.3 ACTION PLANS**

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

**Action plan for Bureau Veritas and its subsidiaries**

The action plan for Bureau Veritas and its subsidiaries is described in the relevant sub-sections (on human rights, safety and security, and environment) of section 2.3 – The four pillars of the roadmap to building trust, of this Non-Financial Statement.

**Action plan for subcontractors and suppliers**

In 2014, Bureau Veritas launched a continuous purchasing improvement program from a CSR perspective. The actions undertaken in this area are detailed in sub-section 2.3.1.3 – Supply chain management, of this Non-Financial Statement.

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

1. Circulation of the BPCC to all partners signing new contracts with Bureau Veritas, irrespective of their size, business and place of work;
2. Signing by each partner of the BPCC, confirming their agreement;
3. Monitoring of partner compliance with the BPCC. Bureau Veritas ordering parties are responsible for this process;
4. Evaluation of partners representing a significant BPCC non-compliance risk.
Particular attention is paid to safety and security issues. The Group ensures that subcontractors comply with its health and safety rules and has set up an action plan in this respect. This plan includes the following initiatives:

- subcontractors are systematically informed of applicable safety and security requirements for all Group assignments, including when these incorporate additional requirements imposed by the client or site of work;
- all serious accidents with subcontractors involved in Bureau Veritas assignments are reported and followed up through a root cause analysis;
- safety and security instructions and safety campaigns prepared by Bureau Veritas for its employees are communicated to the subcontractors concerned.

Concerning the environment, subcontractors operating in environmental analysis laboratories are closely monitored in terms of waste treatment, airborne emissions and liquid discharge. An especially close eye is kept on suppliers of chemical products for the Group’s laboratories and waste collection companies.

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

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

2.7.4 INDICATORS AND RESULTS

Indicators are detailed in each of the corresponding sections of the Non-Financial Statement (NFS) concerning safety and security (see sub-section 2.3.2.4 – Health and safety), the environment (sub-section 2.3.3 – Protect the environment) and human rights (sub-section 2.3.2.3 – Respect for human rights).

From late 2019 to April 2020, Bureau Veritas assessed the deployment of its Business Partner Code of Conduct (BPCC) by the partners of each of its operating entities and support functions. Taking the form of a self-assessment, this process also allowed it to identify those partners prone to risk of non-compliance with the BPCC.

The main outcomes are:

- the BPCC is now mentioned in the terms and conditions of all new contracts;
- the BPCC is deployed with most of Bureau Veritas’ business partners, as detailed below;
- percentage of entities referring to the BPCC in contracts signed with business partners: subcontractors (67%), providers (41%), joint venture partners (95%) and intermediaries (92%);
- a limited number of partners proposed to refer to their own code of conduct, including leasing companies, telecom and internet providers, public authorities and government departments, standards organizations and large international companies;
- certain business partners did not accept the BPCC and have yet to provide their own code of conduct. This concerns oil and gas companies, car rental companies, telecom providers and government departments;
- no cases of business partners suspected of not complying with the BPCC were reported.

2.7.5 WHISTLEBLOWING SYSTEM

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

The whistleblowing system put in place as part of the Group’s Compliance Program has gradually been extended to all of the areas covered by duty of care legislation in France and now also encompasses suppliers and subcontractors.
2.8 INDICATORS AND CROSS-REFERENCES

2.8.1 NON-FINANCIAL INDICATORS

The indicators below concern the Group’s reporting scope, unless otherwise specified.

<table>
<thead>
<tr>
<th>Labor-related impacts</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>74,930</td>
<td>78,395</td>
</tr>
<tr>
<td>New hires</td>
<td>10,880</td>
<td>14,954</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>460</td>
<td>1,541</td>
</tr>
<tr>
<td>Voluntary departures</td>
<td>7,373</td>
<td>9,368</td>
</tr>
<tr>
<td>Layoffs</td>
<td>4,153</td>
<td>3,369</td>
</tr>
<tr>
<td>Attrition rate</td>
<td>15.3%</td>
<td>15.8%</td>
</tr>
<tr>
<td>Voluntary attrition rate</td>
<td>9.8%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Absenteeism rate</td>
<td>1.4%</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

Breakdown of employees by geographical region

<table>
<thead>
<tr>
<th>Region</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>16,951</td>
<td>17,783</td>
</tr>
<tr>
<td>Africa and Middle East</td>
<td>7,007</td>
<td>7,373</td>
</tr>
<tr>
<td>Americas</td>
<td>20,981</td>
<td>22,655</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>29,991</td>
<td>30,584</td>
</tr>
</tbody>
</table>

Breakdown of employees by major country

<table>
<thead>
<tr>
<th>Country</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>15,878</td>
<td>16,461</td>
</tr>
<tr>
<td>France</td>
<td>7,843</td>
<td>7,870</td>
</tr>
<tr>
<td>India</td>
<td>5,046</td>
<td>5,371</td>
</tr>
<tr>
<td>Brazil</td>
<td>5,089</td>
<td>5,316</td>
</tr>
<tr>
<td>United States</td>
<td>3,975</td>
<td>4,246</td>
</tr>
</tbody>
</table>

Breakdown of employees by gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>70%</td>
<td>70%</td>
</tr>
<tr>
<td>Women</td>
<td>30%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Breakdown of employees by age

<table>
<thead>
<tr>
<th>Age</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>26-30</td>
<td>17%</td>
<td>18%</td>
</tr>
<tr>
<td>31-35</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>36-40</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>41-45</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>46-50</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>51-55</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>56-60</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>60+</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Average age</td>
<td>38</td>
<td>38</td>
</tr>
</tbody>
</table>

Breakdown of employees by seniority

<table>
<thead>
<tr>
<th>Seniority</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>60.1%</td>
<td>63.0%</td>
</tr>
<tr>
<td>5 to 14 years</td>
<td>30.2%</td>
<td>28.2%</td>
</tr>
<tr>
<td>15 to 24 years</td>
<td>7.6%</td>
<td>6.8%</td>
</tr>
<tr>
<td>25 to 34 years</td>
<td>1.8%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Over 34 years</td>
<td>0.3%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>
## Breakdown of employees by function

<table>
<thead>
<tr>
<th>Function</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing &amp; sales</td>
<td>4.2%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Production</td>
<td>80.2%</td>
<td>80.1%</td>
</tr>
<tr>
<td>Management</td>
<td>7.3%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Support</td>
<td>8.3%</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

## Breakdown by seniority

<table>
<thead>
<tr>
<th>Category</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>73,355</td>
<td>76,791</td>
</tr>
<tr>
<td>Number of junior managers</td>
<td>1,084</td>
<td>1,106</td>
</tr>
<tr>
<td>Number of senior managers</td>
<td>491</td>
<td>498</td>
</tr>
<tr>
<td>Number of high-performing employees identified</td>
<td>101</td>
<td>64</td>
</tr>
<tr>
<td>Number of management succession plans</td>
<td>121</td>
<td>122</td>
</tr>
</tbody>
</table>

## Training

<table>
<thead>
<tr>
<th>Category</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of employees having taken at least one training course</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Number of training hours</td>
<td>1,793,928</td>
<td>1,477,602</td>
</tr>
<tr>
<td>Number of training hours per employee</td>
<td>23.9</td>
<td>19.0</td>
</tr>
<tr>
<td>Proportion of employees receiving a performance and career development assessment</td>
<td>N/A</td>
<td>31.4%</td>
</tr>
</tbody>
</table>

## Gender balance

<table>
<thead>
<tr>
<th>Category</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total employees</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Women in management roles</td>
<td>23%</td>
<td>22%</td>
</tr>
<tr>
<td>Women in junior management positions</td>
<td>24%</td>
<td>22.7%</td>
</tr>
<tr>
<td>Women in senior management/leadership positions (EC – III)</td>
<td>19.8%</td>
<td>19.5%</td>
</tr>
<tr>
<td>Women on the Executive Committee</td>
<td>36%</td>
<td>20%</td>
</tr>
<tr>
<td>Women on the Board of Directors</td>
<td>42%</td>
<td>42%</td>
</tr>
<tr>
<td>Female/male pay equity ratio (excluding leadership positions)</td>
<td>1.00</td>
<td>1.02</td>
</tr>
</tbody>
</table>

## Employee engagement

<table>
<thead>
<tr>
<th>Category</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take-up rate of employees consulted</td>
<td>73%</td>
<td>59%</td>
</tr>
<tr>
<td>Employee engagement rate</td>
<td>69/100</td>
<td>64/100</td>
</tr>
</tbody>
</table>

## Employment contracts

<table>
<thead>
<tr>
<th>Category</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>94.3%</td>
<td>94.6%</td>
</tr>
<tr>
<td>Part-time</td>
<td>5.7%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Permanent</td>
<td>80.1%</td>
<td>81.6%</td>
</tr>
<tr>
<td>Fixed-term</td>
<td>19.9%</td>
<td>18.4%</td>
</tr>
</tbody>
</table>

## Safety indicators

<table>
<thead>
<tr>
<th>Category</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of accidents</td>
<td>189</td>
<td>278</td>
</tr>
<tr>
<td>Number of accidents without lost time</td>
<td>65</td>
<td>110</td>
</tr>
<tr>
<td>Number of lost time accidents</td>
<td>119</td>
<td>168</td>
</tr>
<tr>
<td>Number of fatal accidents</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Number of accidents at subcontractors</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>Number of fatal accidents at subcontractors</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>Total Accident Rate (TAR)</td>
<td>0.26</td>
<td>0.38</td>
</tr>
<tr>
<td>Lost Time Rate (LTR)</td>
<td>0.17</td>
<td>0.23</td>
</tr>
<tr>
<td>Accident Severity Rate (ASR)</td>
<td>0.022</td>
<td>0.029</td>
</tr>
<tr>
<td>Number of days lost</td>
<td>3,220</td>
<td>4,378</td>
</tr>
<tr>
<td>Change in TAR vs. 2014</td>
<td>(66)%</td>
<td>(51)%</td>
</tr>
<tr>
<td>Change in LTR vs. 2014</td>
<td>(60)%</td>
<td>(47)%</td>
</tr>
<tr>
<td>Change in ASR vs. 2014</td>
<td>(27)%</td>
<td>(6)%</td>
</tr>
<tr>
<td>Proportion of the global headcount belonging to ISO 45001-certified entities</td>
<td>87%</td>
<td>86%</td>
</tr>
<tr>
<td>Environmental indicators</td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>Proportion of the global headcount belonging to ISO 14001-certified entities</td>
<td>83%</td>
<td>76%</td>
</tr>
<tr>
<td>Energy consumption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total energy consumed (MWh)</td>
<td>252,559</td>
<td>293,219</td>
</tr>
<tr>
<td>Energy consumed by laboratories (%)</td>
<td>83%</td>
<td>88%</td>
</tr>
<tr>
<td>Energy consumed by offices (%)</td>
<td>17%</td>
<td>12%</td>
</tr>
<tr>
<td>Green energy consumed (MWh)</td>
<td>6,526</td>
<td>4,726</td>
</tr>
<tr>
<td>Green energy as a proportion of total energy consumed (%)</td>
<td>2.6%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Increase in the use of renewable energies (vs. 2015)</td>
<td>71%</td>
<td>24%</td>
</tr>
<tr>
<td>Energy consumed per employee (MWh)</td>
<td>6.48</td>
<td>7.85</td>
</tr>
<tr>
<td>CO₂ emissions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of participating sites</td>
<td>174</td>
<td>157</td>
</tr>
<tr>
<td>Headcount at participating sites</td>
<td>71,869</td>
<td>62,949</td>
</tr>
<tr>
<td>Coverage rate</td>
<td>96%</td>
<td>81%</td>
</tr>
<tr>
<td>CO₂ emissions – Scope 1 (t)</td>
<td>58,694</td>
<td>66,700</td>
</tr>
<tr>
<td>CO₂ emissions – Scope 2 (t)</td>
<td>77,399</td>
<td>63,315</td>
</tr>
<tr>
<td>CO₂ emissions – Scope 3 (t)[a]</td>
<td>39,543</td>
<td>49,682</td>
</tr>
<tr>
<td>CO₂ emissions (t)</td>
<td>175,636</td>
<td>179,697</td>
</tr>
<tr>
<td>CO₂ emissions offset (t)</td>
<td>428</td>
<td>1,075</td>
</tr>
<tr>
<td>Net CO₂ emissions (t)</td>
<td>175,208</td>
<td>178,622</td>
</tr>
<tr>
<td>CO₂ emissions per employee (t)</td>
<td>2.44</td>
<td>2.85</td>
</tr>
<tr>
<td>Decrease in CO₂ emissions per employee (vs. 2015)</td>
<td>24%</td>
<td>11%</td>
</tr>
<tr>
<td>Water consumed (cu.m)</td>
<td>1,074,000</td>
<td>936,000</td>
</tr>
<tr>
<td>Water consumed/employee (cu.m)</td>
<td>14.9</td>
<td>14.8</td>
</tr>
<tr>
<td>CO₂ emissions from energy consumption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CO₂ emissions from laboratories (t)</td>
<td>76,533</td>
<td>79,505</td>
</tr>
<tr>
<td>CO₂ emissions from offices (t)</td>
<td>13,649</td>
<td>12,480</td>
</tr>
<tr>
<td>Total emissions (t)</td>
<td>90,182</td>
<td>91,985</td>
</tr>
<tr>
<td>As a proportion of total emissions</td>
<td>51.3%</td>
<td>51.2%</td>
</tr>
<tr>
<td>CO₂ emissions from laboratories per employee (t)</td>
<td>4.23</td>
<td>4.97</td>
</tr>
<tr>
<td>CO₂ emissions from offices per employee (t)</td>
<td>0.65</td>
<td>0.58</td>
</tr>
<tr>
<td>Total CO₂ emissions per employee (t)</td>
<td>2.31</td>
<td>2.46</td>
</tr>
<tr>
<td>CO₂ emissions from work-related travel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CO₂ emissions from laboratories (t)</td>
<td>13,846</td>
<td>16,632</td>
</tr>
<tr>
<td>CO₂ emissions from offices (t)</td>
<td>68,590</td>
<td>68,003</td>
</tr>
<tr>
<td>Total emissions (t)</td>
<td>82,436</td>
<td>84,635</td>
</tr>
<tr>
<td>As a proportion of total emissions</td>
<td>46.9%</td>
<td>47.4%</td>
</tr>
<tr>
<td>CO₂ emissions from laboratories per employee (t)</td>
<td>0.65</td>
<td>0.83</td>
</tr>
<tr>
<td>CO₂ emissions from offices per employee (t)</td>
<td>1.59</td>
<td>1.69</td>
</tr>
<tr>
<td>Total CO₂ emissions per employee (t)</td>
<td>1.27</td>
<td>1.40</td>
</tr>
</tbody>
</table>

Laboratories

| Energy consumed (MWh)                                                 | 210,347    | 259,215    |
| Energy consumed per employee (MWh)                                    | 11.6       | 16.2       |
| Total CO₂ emissions (t)                                               | 97,295     | 100,933    |
| Total CO₂ emissions per employee (t)                                  | 4.20       | 4.80       |
| Water consumed (cu.m)                                                 | 913,632    | 778,772    |
| Water consumed per employee (cu.m)                                    | 44         | 51         |
## Corporate Social Responsibility
### Indicators and cross-references

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Offices</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy consumed (MWh)</td>
<td>42,213</td>
<td>34,004</td>
</tr>
<tr>
<td>Energy consumed per employee (MWh)</td>
<td>2.02</td>
<td>1.97</td>
</tr>
<tr>
<td>Total CO(_2) emissions (t)</td>
<td>84,524</td>
<td>82,016</td>
</tr>
<tr>
<td>Total CO(_2) emissions per employee (t)</td>
<td>1.74</td>
<td>1.97</td>
</tr>
<tr>
<td>Water consumed (cu.m)</td>
<td>160,263</td>
<td>159,753</td>
</tr>
<tr>
<td>Water consumed per employee (cu.m)</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td><strong>Operating indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue (€ millions)</td>
<td>4,601.0</td>
<td>5,099.7</td>
</tr>
<tr>
<td><strong>Quality indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of the global headcount belonging to ISO 9001-certified entities</td>
<td>91%</td>
<td>87%</td>
</tr>
<tr>
<td>Client satisfaction index</td>
<td>86/100</td>
<td>95/100</td>
</tr>
<tr>
<td>Net Promoter Score (NPS)((b))</td>
<td>48.3%</td>
<td>43.9%</td>
</tr>
<tr>
<td><strong>Philanthropy indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations – Total (€)</td>
<td>401,000</td>
<td>620,000</td>
</tr>
<tr>
<td>Donations – Education (€)</td>
<td>119,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Donations – Healthcare (€)</td>
<td>195,000</td>
<td>211,000</td>
</tr>
<tr>
<td>Other donations (€)</td>
<td>87,000</td>
<td>159,000</td>
</tr>
<tr>
<td>Number of hours donated</td>
<td>1,407</td>
<td>2,277</td>
</tr>
<tr>
<td><strong>CSR services indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from CSR services – Certification (Environment and Sustainability) (€ thousands)</td>
<td>42,184</td>
<td>44,887</td>
</tr>
<tr>
<td>CSR as a % of revenue – Certification (Environment and Sustainability)</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Revenue growth of CSR services – Certification (4.3)%</td>
<td>3.6%</td>
<td></td>
</tr>
<tr>
<td><strong>Ethics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Code of Ethics infringements</td>
<td>57</td>
<td>N/A</td>
</tr>
<tr>
<td>Proportion of employees trained to the Code of Ethics</td>
<td>98.5%</td>
<td>97.1%</td>
</tr>
<tr>
<td>Number of human rights policy infringements</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of partners having accepted the BPCC</td>
<td>19,042</td>
<td>N/A</td>
</tr>
<tr>
<td>Percentage of acceptance of the BPCC</td>
<td>53%</td>
<td>N/A</td>
</tr>
<tr>
<td>Proportion of entities compliant with the human rights policy</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Data security</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of training initiatives (cyber, phishing simulation, GDPR)</td>
<td>50,000</td>
<td>12,000</td>
</tr>
<tr>
<td>Number of cybersecurity audits performed</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Number of vulnerability scans performed</td>
<td>50</td>
<td>42</td>
</tr>
<tr>
<td>Number of penetration tests performed</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Number of security incidents reported((c))</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Number of incidents involving client data</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Number of clients impacted by a security incident</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of fines/penalties related to a security incident and imposed by an authority</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Data privacy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of “Privacy by Design” audits performed (GDPR)</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>Number of claims received from clients and third parties</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of complaints to data privacy authorities</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

(a) Emissions from business travel.
(b) France, Spain, Canada and Consumer Products division.
(c) Excluding incidents related to personal computers and with no data loss (e.g., detection of malware).
2.8.2 APPLICABLE LAWS AND REGULATIONS

The laws and regulations taken into account in preparing this chapter include:

- European Directive 2014/95/EU of October 22, 2014 as regards the disclosure of non-financial information;
- the implementing decree transposing European Directive 2017-1265 of August 9, 2017 into French law;
- French law no. 2017-399 of March 27, 2017 on the duty of care of parent companies and subcontracting companies;
- the French law on transparency, the fight against corruption and the modernization of the economy ("Sapin II");
- French law no. 2018-898 of October 23, 2018 (anti-fraud law);
- French law no. 2018-938 of October 30, 2018 on preventing food insecurity.

The requirements of articles L. 22-10-36 and R. 225-104 to R. 225-105-2 of the French Commercial Code (Code de commerce) implementing the European Directive on the disclosure of non-financial information into French law and forming the basis of the Company’s Non-Financial Statement are addressed in the following chapters:

- the business model is presented in the introduction (starting on page 2) and in sections 1.1 to 1.8 of this Non-Financial Statement;
- the analysis of major risks facing the Group is included in chapter 3 – Risk factors, while section 2.2 describes risks and opportunities of a non-financial nature;
- the policies, action plans and follow-up indicators are presented in the sub-sections discussing non-financial risks.
### CROSS-REFERENCE TABLE FOR INFORMATION CONTAINED IN THE NON-FINANCIAL STATEMENT (NFS)

To facilitate the reading of this Non-Financial Statement, the cross-reference tables below identify information contained in the Non-Financial Statement pursuant to articles L. 22-10-36, R. 225-104 et seq. and R. 225-105 of the French Commercial Code:

<table>
<thead>
<tr>
<th>Cross-reference table for the Non-Financial Statement (NFS) – Articles L. 22-10-36, R. 225-104 et seq. and R. 225-105 of the French Commercial Code</th>
<th>Section(s)/Sub-section(s)</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Business model</td>
<td>Introduction, 1.1 to 1.8</td>
<td>2, 25, 28-74</td>
</tr>
<tr>
<td>II. Risk analysis</td>
<td>2.2, 3.1 to 3.3</td>
<td>92-94, 168-178</td>
</tr>
<tr>
<td>III. Statement of relevant information regarding major risks/measures mentioned in II</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Labor-related information</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Total headcount and breakdown of employees by gender, age and geographic area</td>
<td>2.3.2.1, 2.3.2.2</td>
<td>108, 118-120</td>
</tr>
<tr>
<td>• Hirings and layoffs</td>
<td>2.3.2.1</td>
<td>107, 115</td>
</tr>
<tr>
<td>• Remuneration and changes in remuneration</td>
<td>2.3.2.1</td>
<td>116</td>
</tr>
<tr>
<td>b) Work organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Organization of working time</td>
<td>2.3.2.1</td>
<td>115-116</td>
</tr>
<tr>
<td>• Absenteeism</td>
<td>2.3.2.1</td>
<td>115</td>
</tr>
<tr>
<td>c) Health and safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Health and safety conditions in the workplace</td>
<td>2.3.2.4</td>
<td>122-128</td>
</tr>
<tr>
<td>• Accidents at work, in particular, their frequency and severity, and work-related illnesses</td>
<td>2.3.2.4</td>
<td>122-128</td>
</tr>
<tr>
<td>d) Labor relations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• The organization of labor relations, notably procedures for informing, consulting and negotiating with employees</td>
<td>2.3.2.2</td>
<td>121</td>
</tr>
<tr>
<td>• The status of collective agreements, particularly as regards health and safety in the workplace</td>
<td>2.3.2.2</td>
<td>121</td>
</tr>
<tr>
<td>e) Training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Training policies put in place, particularly in terms of environmental protection</td>
<td>2.3.2.1, 2.3.2.4, 2.3.3</td>
<td>110-114, 125-126, 130-134</td>
</tr>
<tr>
<td>• Total number of training hours</td>
<td>2.3.2.1</td>
<td>112</td>
</tr>
<tr>
<td>f) Equal treatment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Measures to promote gender equality</td>
<td>2.3.2.2</td>
<td>117-119</td>
</tr>
<tr>
<td>• Measures to promote the employment and inclusion of people with disabilities</td>
<td>2.3.2.2</td>
<td>117, 120</td>
</tr>
<tr>
<td>• Anti-discrimination policy</td>
<td>2.3.2.2</td>
<td>117-121</td>
</tr>
<tr>
<td>2. Environmental information</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) General environment policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Organization of the Company to take into account environmental issues, and if applicable, environmental assessment or certification approaches</td>
<td>2.3.3, 2.4</td>
<td>130-134, 139-141</td>
</tr>
<tr>
<td>• Resources allocated to the prevention of environmental risks and pollution</td>
<td>2.3.2.4, 2.3.3</td>
<td>126, 130-134</td>
</tr>
<tr>
<td>• Provisions and guarantees for environmental risks, provided that this information does not cause serious harm to the Company in an ongoing dispute</td>
<td>2.3.3</td>
<td>130-134</td>
</tr>
<tr>
<td>b) Pollution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Measures to prevent, reduce or address air, water or soil pollution having a serious impact on the environment</td>
<td>2.3.3.1, 2.3.3.2</td>
<td>130, 133-134</td>
</tr>
<tr>
<td>• Consideration of all forms of pollution specific to an activity, particularly noise and light pollution</td>
<td>2.3.3</td>
<td>130-134</td>
</tr>
<tr>
<td>c) Circular economy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Waste management and prevention</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Measures to prevent, recycle, reuse, recover and remove waste</td>
<td>2.3.3.1, 2.3.3.2</td>
<td>130, 133-134</td>
</tr>
<tr>
<td>• Measures to fight against food waste</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
### CORPORATE SOCIAL RESPONSIBILITY

Indicators and cross-references

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<table>
<thead>
<tr>
<th>Section(s)/ Sub-section(s)</th>
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</tr>
</thead>
<tbody>
<tr>
<td>ii) Sustainable use of resources</td>
<td></td>
</tr>
<tr>
<td>• Water consumption and water supply in accordance with local restrictions</td>
<td>2.3.3.2</td>
</tr>
<tr>
<td>• Consumption of commodities and measures taken to use them more efficiently</td>
<td>N/A</td>
</tr>
<tr>
<td>• Consumption of energy and measures taken to improve energy efficiency and increase the use of renewable energies</td>
<td>2.3.3</td>
</tr>
<tr>
<td>• Land use</td>
<td>N/A</td>
</tr>
<tr>
<td>d) Climate change</td>
<td></td>
</tr>
<tr>
<td>• 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</td>
<td>2.3.3.1</td>
</tr>
<tr>
<td>• Measures taken to adapt to the consequences of climate change</td>
<td>2.3.3.1, 2.4</td>
</tr>
<tr>
<td>• Voluntary mid- and long-term reduction targets set to cut greenhouse gas emissions and the resources put in place to achieve this</td>
<td>2.3.3.1, 2.4, 2.6.3</td>
</tr>
<tr>
<td>e) Protection of biodiversity</td>
<td></td>
</tr>
<tr>
<td>• Measures taken to preserve or develop biodiversity</td>
<td>2.3.3.2</td>
</tr>
</tbody>
</table>

### 3. Societal information

**a) Corporate social commitments for sustainable development**

<table>
<thead>
<tr>
<th>Section(s)/ Sub-section(s)</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Impact of the Company’s business in terms of employment and regional development</td>
<td>2.1, 2.3.2.1</td>
</tr>
<tr>
<td>• Impact of the Company’s business in terms of local or neighboring communities</td>
<td>2.1, 2.3.2.2, 2.3.2.5, 2.3.4</td>
</tr>
<tr>
<td>• Relations with Company stakeholders and conditions for dialogue with these persons/organizations</td>
<td>2.1.7, 2.3.2.2, 2.3.2.5</td>
</tr>
<tr>
<td>• Partnership or sponsorship initiatives</td>
<td>2.3.2.5</td>
</tr>
</tbody>
</table>

**b) Subcontractors and suppliers**

<table>
<thead>
<tr>
<th>Section(s)/ Sub-section(s)</th>
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</tr>
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<tbody>
<tr>
<td>• The inclusion of social and environmental issues in purchasing policies</td>
<td>2.3.1.3, 2.7</td>
</tr>
<tr>
<td>• The inclusion of corporate social and environmental responsibility in dealings with suppliers and subcontractors</td>
<td>2.3.1.3, 2.7</td>
</tr>
</tbody>
</table>

**c) Fair practices: measures to protect the health and safety of consumers**

1. Information on the fight against corruption: measures taken to prevent corruption: 2.3.1.1 | 95-99 |

### 2. Information on human rights initiatives

**a) Promotion and compliance with the fundamental conventions of the International Labour Organization in relation to:**

<table>
<thead>
<tr>
<th>Section(s)/ Sub-section(s)</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Respect for freedom of association and the right to collective bargaining</td>
<td>2.3.2.2, 2.3.2.3</td>
</tr>
<tr>
<td>• Elimination of discrimination in respect of employment and occupation</td>
<td>2.3.2.2, 2.3.2.3</td>
</tr>
<tr>
<td>• Elimination of forced labor</td>
<td>2.3.2.2, 2.3.2.3</td>
</tr>
<tr>
<td>• Abolition of child labor</td>
<td>2.3.2.2, 2.3.2.3</td>
</tr>
</tbody>
</table>

**b) Other measures implemented in respect of human rights**

<table>
<thead>
<tr>
<th>Section(s)/ Sub-section(s)</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.3.2.2, 2.3.2.3</td>
</tr>
</tbody>
</table>
### CROSS-REFERENCE TABLE FOR THE GLOBAL REPORTING INITIATIVE (GRI)

<table>
<thead>
<tr>
<th>GRI</th>
<th>Section(s)/Sub-section(s)</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI-101</td>
<td>Foundation</td>
<td>N/A</td>
</tr>
<tr>
<td>GRI-102</td>
<td>General Disclosures</td>
<td>N/A</td>
</tr>
<tr>
<td>GRI-103</td>
<td>Management Approach</td>
<td>2.2</td>
</tr>
<tr>
<td>GRI-201</td>
<td>Economic Performance</td>
<td>5 of the 2020 URD</td>
</tr>
<tr>
<td>GRI-202</td>
<td>Market Presence</td>
<td>1</td>
</tr>
<tr>
<td>GRI-203</td>
<td>Indirect Economic Impacts</td>
<td>2.3.2.5</td>
</tr>
<tr>
<td>GRI-204</td>
<td>Procurement Practices</td>
<td>2.3.1.3</td>
</tr>
<tr>
<td>GRI-205</td>
<td>Anti-corruption</td>
<td>2.3.1.1</td>
</tr>
<tr>
<td>GRI-206</td>
<td>Anti-competitive Behavior</td>
<td>2.3.1.1</td>
</tr>
<tr>
<td>GRI-207</td>
<td>Tax</td>
<td>2.2.3.3, 5.6.3 of the 2020 URD</td>
</tr>
<tr>
<td>GRI-301</td>
<td>Materials</td>
<td>2.3.3.2</td>
</tr>
<tr>
<td>GRI-302</td>
<td>Energy</td>
<td>2.3.3.1</td>
</tr>
<tr>
<td>GRI-303</td>
<td>Water and Effluents</td>
<td>2.3.2.2</td>
</tr>
<tr>
<td>GRI-304</td>
<td>Biodiversity</td>
<td>2.3.3.2</td>
</tr>
<tr>
<td>GRI-305</td>
<td>Emissions</td>
<td>2.3.3.1</td>
</tr>
<tr>
<td>GRI-306</td>
<td>Effluents and Waste</td>
<td>2.3.3.2</td>
</tr>
<tr>
<td>GRI-307</td>
<td>Environmental Compliance</td>
<td>2.3.3.1</td>
</tr>
<tr>
<td>GRI-308</td>
<td>Supplier Environmental Assessment</td>
<td>2.3.1.3</td>
</tr>
<tr>
<td>GRI-401</td>
<td>Employment</td>
<td>2.3.2</td>
</tr>
<tr>
<td>GRI-402</td>
<td>Labor/Management Relations</td>
<td>2.3.2</td>
</tr>
<tr>
<td>GRI-403</td>
<td>Occupational Health and Safety</td>
<td>2.3.2.4</td>
</tr>
<tr>
<td>GRI-404</td>
<td>Training and Education</td>
<td>2.3.2.1</td>
</tr>
<tr>
<td>GRI-405</td>
<td>Diversity and Equal Opportunity</td>
<td>2.3.2.2</td>
</tr>
<tr>
<td>GRI-406</td>
<td>Non-discrimination</td>
<td>2.3.2.2</td>
</tr>
<tr>
<td>GRI-407</td>
<td>Freedom of Association and Collective Bargaining</td>
<td>2.3.2.2, 2.3.2.3</td>
</tr>
<tr>
<td>GRI-408</td>
<td>Child Labor</td>
<td>2.3.2.3</td>
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<tr>
<td>GRI-409</td>
<td>Forced or Compulsory Labor</td>
<td>2.3.2.3</td>
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<td>GRI-410</td>
<td>Security Practices</td>
<td>2.3.2.4</td>
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<td>GRI-411</td>
<td>Rights of Indigenous Peoples</td>
<td>2.3.2.3</td>
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<tr>
<td>GRI-412</td>
<td>Human Rights Assessment</td>
<td>2.3.2.3</td>
</tr>
<tr>
<td>GRI-413</td>
<td>Local Communities</td>
<td>2.3.2.5</td>
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<tr>
<td>GRI-414</td>
<td>Supplier Social Assessment</td>
<td>2.3.1.3</td>
</tr>
<tr>
<td>GRI-415</td>
<td>Public Policy</td>
<td>2.3.1.1</td>
</tr>
<tr>
<td>GRI-416</td>
<td>Customer Health and Safety</td>
<td>2.3.1.2</td>
</tr>
<tr>
<td>GRI-417</td>
<td>Marketing and Labeling</td>
<td>2.3.1.2</td>
</tr>
<tr>
<td>GRI-418</td>
<td>Customer Privacy</td>
<td>2.3.1.4</td>
</tr>
<tr>
<td>GRI-419</td>
<td>Socioeconomic Compliance</td>
<td>4.4 – 6.6 (Note 27) of the 2020 URD</td>
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Note: URD = Universal Reporting Guidelines.
2.8.5 CROSS-REFERENCE TABLE FOR THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

<table>
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<th>TCFD Recommendations</th>
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<td>1.1 Board oversight</td>
<td>2.4.2</td>
<td>139</td>
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<td>1.2 Management role</td>
<td>2.4.2</td>
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<td>2. Strategy</td>
<td>2.4.3</td>
<td>139-141</td>
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<td>2.1 Climate related risks</td>
<td>2.4.3</td>
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</tr>
<tr>
<td>2.1.1 Transition Risks</td>
<td>2.4.3.1</td>
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</tr>
<tr>
<td>2.1.1.1 Policy and Legal</td>
<td>2.4.3.1</td>
<td>140</td>
</tr>
<tr>
<td>2.1.1.2 Technology</td>
<td>2.4.3.1</td>
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</tr>
<tr>
<td>2.1.1.3 Market</td>
<td>2.4.3.1</td>
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</tr>
<tr>
<td>2.1.1.4 Reputation</td>
<td>2.4.3.1</td>
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</tr>
<tr>
<td>2.1.2 Physical Risks</td>
<td>2.4.3.1</td>
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<tr>
<td>2.1.2.1 Acute</td>
<td>2.4.3.1</td>
<td>140</td>
</tr>
<tr>
<td>2.1.2.2 Chronic</td>
<td>2.4.3.1</td>
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</tr>
<tr>
<td>2.2 Climate related opportunities</td>
<td>2.4.3.2</td>
<td>140</td>
</tr>
<tr>
<td>2.2.1 Resource Efficiency</td>
<td>2.4.3.2</td>
<td>140</td>
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<tr>
<td>2.2.2 Energy Source</td>
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<tr>
<td>2.2.3 Products/Services</td>
<td>2.4.3.2</td>
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<tr>
<td>2.2.4 Markets</td>
<td>2.4.3.2</td>
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<tr>
<td>2.3 Impacts on the organization</td>
<td>2.4.3.3</td>
<td>140-141</td>
</tr>
<tr>
<td>2.4 Resilience of the organization</td>
<td>2.4.3.3</td>
<td>140-141</td>
</tr>
<tr>
<td>3. Risk Management</td>
<td>2.4.4</td>
<td>141</td>
</tr>
<tr>
<td>3.1 Organization for assessing risks</td>
<td>2.4.4</td>
<td>141</td>
</tr>
<tr>
<td>3.2 Organization &amp; processes for managing risks</td>
<td>2.4.4</td>
<td>141</td>
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<tr>
<td>3.3 Integration in overall risk management</td>
<td>2.4.4</td>
<td>141</td>
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<tr>
<td>4. Metrics and targets</td>
<td>2.4.5</td>
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</tr>
<tr>
<td>4.1 Metrics used</td>
<td>2.4.5</td>
<td>141</td>
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<tr>
<td>4.2 Scopes 1, 2 and 3 GHG emissions</td>
<td>2.3.3.1, 2.4.5</td>
<td>130-133, 141</td>
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<tr>
<td>4.3 GHG emission targets</td>
<td>2.4.5</td>
<td>141</td>
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## 2.8.6 CROSS-REFERENCE TABLE FOR SUSTAINABILITY ACCOUNTING STANDARD BOARD (SASB) DISCLOSURES

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<tr>
<th>Code</th>
<th>SASB – Sustainability Disclosure Topics</th>
<th>Section(s)/Sub-section(s)</th>
<th>Page(s)</th>
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<tbody>
<tr>
<td><strong>Data Security</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SV-PS-230a.1</td>
<td>Description of approach to identifying and addressing data security risks</td>
<td>2.3.1.4</td>
<td>103-105</td>
</tr>
<tr>
<td>SV-PS-230a.2</td>
<td>Description of policies and practices relating to collection, usage, and retention of client information</td>
<td>2.3.1.4 (paragraph a)</td>
<td>103</td>
</tr>
<tr>
<td>SV-PS-230a.3</td>
<td>Number of data breaches</td>
<td>2.3.1.4</td>
<td>103-105</td>
</tr>
<tr>
<td>SV-PS-230a.3</td>
<td>Percentage involving clients’ confidential business information (CBI) or personally identifiable information (PII)</td>
<td>2.3.1.4</td>
<td>103-105</td>
</tr>
<tr>
<td>SV-PS-230a.3</td>
<td>Number of clients affected</td>
<td>2.3.1.4</td>
<td>103-105</td>
</tr>
<tr>
<td><strong>Workforce Diversity &amp; Engagement</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SV-PS-330a.1</td>
<td>Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees</td>
<td>2.3.2.2</td>
<td>118-119</td>
</tr>
<tr>
<td>SV-PS-330a.2</td>
<td>(1) Voluntary and (2) involuntary turnover rate for employees</td>
<td>2.3.2.1</td>
<td>115</td>
</tr>
<tr>
<td>SV-PS-330a.3</td>
<td>Employee engagement as a percentage</td>
<td>2.3.2.1</td>
<td>114-115</td>
</tr>
<tr>
<td><strong>Professional Integrity</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>SV-PS-510a.1</td>
<td>Description of approach to ensuring professional integrity</td>
<td>2.3.1.1</td>
<td>95-99</td>
</tr>
<tr>
<td>SV-PS-510a.2</td>
<td>Total amount of monetary losses as a result of legal proceedings associated with professional integrity</td>
<td>4.4 - 6.6 (Note 27) of the 2020 URD</td>
<td>261 and 331-332 of the 2020 URD</td>
</tr>
<tr>
<td>SV-PS-000.A</td>
<td>Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract</td>
<td>2.3.2.1, 2.8.1</td>
<td>108, 150</td>
</tr>
<tr>
<td>SV-PS-000.B</td>
<td>Employee hours worked, percentage billable</td>
<td>-</td>
<td>-</td>
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</tbody>
</table>
## 2.8.7 CROSS-REFERENCE TABLE FOR THE UN’S SUSTAINABLE DEVELOPMENT GOALS (SDGs)

<table>
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<tr>
<th>SDG</th>
<th>Priority SDG for Bureau Veritas</th>
<th>Goals</th>
<th>CSR program</th>
<th>Sustainable Services (Green Line)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>End poverty in all its forms everywhere.</td>
<td>2.3.2.5</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>End hunger, achieve food security and improved nutrition and promote sustainable agriculture.</td>
<td>2.3.4 (Agri-Food)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Ensure healthy lives and promote well-being for all at all ages.</td>
<td>2.3.2.3, 2.3.2.4, 2.3.2.5</td>
<td>2.3.4</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Achieve gender equality and empower all women and girls.</td>
<td>2.3.2.2</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>Ensure availability and sustainable management of water and sanitation for all.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>Ensure access to affordable reliable, sustainable and modern energy for all.</td>
<td>2.3.4</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</td>
<td>2.3.2.1, 2.3.2.2</td>
<td>2.3.4</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</td>
<td></td>
<td>2.3.4</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td>Reduce inequality within and among countries.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>Make cities and human settlements inclusive, safe, resilient and sustainable.</td>
<td>2.3.4</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td>Ensure sustainable consumption and production patterns.</td>
<td>2.3.4</td>
<td></td>
</tr>
</tbody>
</table>
### Priority SDG for Bureau Veritas

<table>
<thead>
<tr>
<th>SDG</th>
<th>Goal</th>
<th>CSR program</th>
<th>Sustainable Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Take urgent action to combat climate change and its impacts.</td>
<td>2.3.3</td>
<td>★</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.4</td>
<td>★</td>
</tr>
<tr>
<td>14</td>
<td>Conserve and sustainably use oceans, seas and marine resources for sustainable development.</td>
<td>2.3.4</td>
<td>(Marine &amp; Offshore)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.4</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.</td>
<td>2.3.4</td>
<td>(Agri-Food)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.4</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</td>
<td>2.3.1</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Strengthen the means of implementation and revitalize the global sustainable partnership for sustainable development.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 2.9 INFORMATION COMPILATION METHODOLOGY

#### LABOR-RELATED INFORMATION

The information published in this document is mainly taken from the Group’s HR reporting system. It is published and submitted on a monthly basis to Executive Committee members and to the HR departments of the various operating groups. Within the Group HR department, a reporting team is in charge of verifying and publishing data in conjunction with the local managers. An annual survey is also conducted among the HR Directors of the operating groups to compile the relevant qualitative information presented in section 2.3.2 – Grow human capital, of this Non-Financial Statement.

#### 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 headcount.

The data on profit-sharing agreements extend beyond Bureau Veritas SA and cover the Company’s six French subsidiaries: Bureau Veritas Services, Bureau Veritas Services France, Bureau Veritas Exploitation, Bureau Veritas Construction, Bureau Veritas GSIT and Bureau Veritas Marine & Offshore.

#### Documentation and training for users

Detailed, regularly updated documentation is available in the Group’s IT systems. Each new user and/or contributor to HR reporting must complete training on how to collect and enter data, as well as on the online consultation of indicators. This training is provided by the Group HR department.
HEALTH & SAFETY, SECURITY AND ENVIRONMENT (HSSE)

In the absence of recognized public standards for inspection operations, Bureau Veritas has defined its own set of HSSE indicators including specific definitions, scopes and methods of consolidation, responsibilities, and information verification. These indicators are described in the manuals for the areas in question (HSSE). They are regularly updated in order to take into account the introduction of additional programs and any changes in the scope (program extended to existing entities, integration of new acquisitions).

Information gathering

HSSE indicators fall under the responsibility of the HSSE department, which relies on the data provided by the network and the IT systems.

The indicators are input by Group entities using an online tool.

Data on accidents are registered in real time. Details about the registration methodology can be found in sub-section 2.3.2.4 – Health and safety, of this Non-Financial Statement.

Environmental indicators are input through a single reporting process known as Environmental and Carbon Reporting (see below for more details).

Scope and methods of consolidation

HSSE indicators are consolidated at Group level or within specific programs. The indicated exclusions concern entities for which data for the previous year are not available or are not reliable, as well as entities acquired in the previous year. Moreover, to ensure that the data collected are consistent, the indicators are only consolidated from the second year of data reporting.

Energy consumption includes the consumption of electricity used in buildings and processes.

The number of employees used in the calculation of Health, Safety and Environment indicators is based on the quarterly average number of employees.

By default, the number of hours used to calculate frequency and severity rates is set at 160 per month and per employee.

Since 2014, in order to facilitate and improve reporting on the main environmental impacts and CO₂ emissions, Bureau Veritas has used a single Environmental and Carbon Reporting tool. A note on methodology has also been prepared to serve as guidance for persons reporting information.

Each entity must report annually on energy, paper and water consumption, waste generation and work-related travel, and every other year on ozone-depleting substances. Exceptions are provided for in the reporting procedure in the following cases:

- data cannot be obtained because they are included in the overall rental charge, there is no meter installed, and it would be too costly to put one in place;
- newly acquired entities have two years to improve their data reporting, so that they can begin with pilot sites and then roll out the reporting process to the entire entity. In order to ensure that data reported by newly acquired entities are consistent with the Group’s processes, the first reporting year is documented but the data are not included in the Group’s consolidated results.

In this report:

- the health and safety data cover 2020 in its entirety (from January 1 to December 31, 2020). The number of employees used in the calculation of health and safety indicators is based on employees in November 2020;
- the environmental data are those for 2020 (from October 1, 2019 to September 30, 2020);
- the quality data are those for 2020 (from January 1 to December 31, 2020).

Any entity whose annual data cannot be reliably verified is excluded from the Group’s consolidated results in accordance with the internal control process.

Indicators that are not relevant to Bureau Veritas’ businesses

Bureau Veritas’ operations are not affected by the adaptation to the consequences of climate change and measures for protecting or increasing biodiversity, and are carried out in compliance with the relevant local regulations. With respect to the Group’s portfolio of services, these areas have business potential. For example, the Group has carried out a project to define a framework for preparing business continuity plans in accordance with ISO 22301, as required by regulations in certain countries.

The business activities of Bureau Veritas do not involve the use of soil or land, apart from the use of buildings, which are usually leased. No raw materials are consumed except fuel, more details of which are provided in sub-section 2.3.3.1 – Fighting climate change and adapting to a new paradigm, along with the measures taken to improve fuel efficiency.

The Group’s business activities do not involve the use of water, except water consumed by employees and during certain testing processes in laboratories. Its business activities are carried out in compliance with the relevant local standards and regulations on water consumption and discharge. As part of ISO 14001 certification, water consumption is monitored in those businesses in which it is considered significant, and measures are adopted to reduce and optimize consumption.

Lastly, the Group’s business activities do not generate any significant food waste.
2.10 OPINION OF THE INDEPENDENT THIRD PARTY

INDEPENDENT THIRD PARTY’S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PRESENTED IN THE MANAGEMENT REPORT

This is a free translation into English of the original report issued in the French language and is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended December 31, 2020
To the Shareholders’ Meeting,

In our capacity as independent verifier, accredited by the COFRAC under the number 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the Statutory Auditors of your entity (hereafter “entity”), we present our report on the consolidated non-financial statement established for the year ended December 31, 2020 (hereafter referred to as the “Statement”), included in the management report pursuant to the requirements of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

The entity’s responsibility

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity’s procedures (hereinafter the “Guidelines”), the main elements of which are presented in the Statement (or which are available online).

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the independent third party

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

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the “Information”).

However, it is not our responsibility to comment on the entity’s compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

Nature and scope of the work

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

- we obtained an understanding of all the consolidated entities’ activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code as well as information set out in the second paragraph of article L. 22-10-36 regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities’ activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (ethics, cybersecurity, personal data protection, human rights), our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities: IF India, CIF Spain, CIF United Kingdom, CIF France;
- we verified that the Statement covers the scope of consolidation, i.e., all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement.

(1) ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information
we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;

- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers 16% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (16% of the headcount);

- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our verification work mobilized the skills of five people and took place between September 2020 and March 2021 for a total duration of intervention of about eleven weeks.

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

Conclusion

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

Paris-La Défense, March 15, 2021
French original signed by:

Independent third party

ERNST & YOUNG et Associés

Jean-François Bélorgey
Partner

Éric Duvaud
Partner, Sustainable Development
# APPENDIX 1: THE MOST IMPORTANT INFORMATION

## Social Information

<table>
<thead>
<tr>
<th>Quantitative Information (including key performance indicators)</th>
<th>Qualitative Information (actions or results)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total headcount and gender distribution</td>
<td>HR local policies’ results</td>
</tr>
<tr>
<td>Global and voluntary attrition rate (%)</td>
<td>Talent management policy’s results</td>
</tr>
<tr>
<td>Hirings, lay-offs and voluntary leave</td>
<td>Actions in favor of inclusion and diversity</td>
</tr>
<tr>
<td>Share of women in the Group’s Senior Management team (%)</td>
<td></td>
</tr>
<tr>
<td>Gender pay gap</td>
<td></td>
</tr>
<tr>
<td>Hirings, lay-offs and voluntary leave</td>
<td></td>
</tr>
<tr>
<td>Number of training hours per employee</td>
<td></td>
</tr>
<tr>
<td>Results of the employee engagement questionnaire</td>
<td></td>
</tr>
</tbody>
</table>

## Environmental Information

<table>
<thead>
<tr>
<th>Quantitative Information (including key performance indicators)</th>
<th>Qualitative Information (actions or results)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTR: Lost time Rate (frequency of lost time work accidents)</td>
<td>Health and Safety action plan deployment, particularly in relation to Covid-19</td>
</tr>
<tr>
<td>ASR: Accident Severity Rate</td>
<td>Work accident identification and reporting process</td>
</tr>
<tr>
<td>TAR: Total Accident Rate</td>
<td>CO₂ emissions reporting process</td>
</tr>
<tr>
<td>Share of employees belonging to ISO 45001-certified entities (%)</td>
<td></td>
</tr>
<tr>
<td>Share of employees belonging to ISO 14001-certified entities (%)</td>
<td></td>
</tr>
<tr>
<td>Total CO₂ emissions per employee resulting from building energy consumption</td>
<td></td>
</tr>
<tr>
<td>Total CO₂ emissions per employee resulting from business travel</td>
<td></td>
</tr>
<tr>
<td>Scope 1 CO₂ emissions</td>
<td></td>
</tr>
<tr>
<td>Scope 2 CO₂ emissions</td>
<td></td>
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<tr>
<td>Scope 3 CO₂ emissions</td>
<td></td>
</tr>
</tbody>
</table>

## Societal Information

<table>
<thead>
<tr>
<th>Quantitative Information (including key performance indicators)</th>
<th>Qualitative Information (actions or results)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of employees trained to the Code of Conduct (%)</td>
<td>Organization of information systems security</td>
</tr>
<tr>
<td>Number of breaches to the Code of Conduct</td>
<td>Actions related to personal data protection</td>
</tr>
<tr>
<td>Number of breaches to the human rights policy</td>
<td>Compliance program</td>
</tr>
<tr>
<td>Net Promoter Score in France (NPS)</td>
<td>Purchasing governance</td>
</tr>
<tr>
<td>Share of employees belonging to ISO 9001-certified sites (%)</td>
<td>&quot;Flex&quot; purchasing tool deployment</td>
</tr>
<tr>
<td>Number of partners having accepted the Business Partner Code of Conduct</td>
<td>Deployment of the Business Partner Code of Conduct</td>
</tr>
<tr>
<td></td>
<td>Evaluation of the impact of products and services offers on society</td>
</tr>
<tr>
<td></td>
<td>Actions in favor of human rights, in particular the respect of ILO fundamental conventions</td>
</tr>
<tr>
<td></td>
<td>Actions taken to prevent corruption and tax evasion</td>
</tr>
</tbody>
</table>
In 2020, as part of the work to update the Group’s risk map, all groupwide processes for preparing the map were reviewed. This task involved all operating groups and support functions. A total of 40 key risks were identified, including risks specific to the Bureau Veritas’ businesses.

8 risk factors identified in the 2020 Universal Registration Document, including Cybersecurity risk (new in 2020)
## 3 RISK FACTORS

### 3.1 RISKS RELATED TO THE GROUP’S OPERATIONS AND ACTIVITIES

<table>
<thead>
<tr>
<th>Risk</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cybersecurity risk</td>
<td>169</td>
</tr>
<tr>
<td>Legal risk related to changing regulations</td>
<td>171</td>
</tr>
<tr>
<td>Risk related to the non-renewal, suspension or loss of certain authorizations</td>
<td>172</td>
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<tr>
<td>Ethics risk</td>
<td>173</td>
</tr>
<tr>
<td>Risk related to the production of forged certificates</td>
<td>174</td>
</tr>
<tr>
<td>Risk related to litigation or pre-litigation proceedings to which the Group is a party</td>
<td>175</td>
</tr>
</tbody>
</table>

### 3.2 HUMAN RISKS

<table>
<thead>
<tr>
<th>Risk</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Risks related to human capital</td>
<td>176</td>
</tr>
</tbody>
</table>

### 3.3 RISKS RELATED TO ACQUISITIONS

<table>
<thead>
<tr>
<th>Risk</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk of impairment of intangible assets resulting from acquisitions</td>
<td>178</td>
</tr>
</tbody>
</table>
Investors are advised to carefully read the financial and non-financial risks described in this section, as well as the other information contained in the 2020 Universal Registration Document, before taking any investment decisions.

In accordance with Regulation (EU) No. 2017/1129 ("Prospectus III"), which entered into force on July 21, 2019, and in compliance with the ESMA Guidelines applicable to France as from December 4, 2019, at the date the 2020 Universal Registration Document was filed, the risks presented below are the main risks considered specific to the Bureau Veritas Group and/or to its securities that Bureau Veritas believes could have a significant net impact on the Group, its businesses, its financial position, its earnings and/or its outlook should they materialize. The occurrence of one or more of these risks could result in a decrease in the value of the Company’s shares, and investors could lose all or part of their investment.

The Group’s various operating departments, as well as support functions both in and outside France, identify and assess risk along with the related risk management procedures on an ongoing basis. Reports are regularly submitted to the Executive Committee and to the Board of Directors’ Audit & Risk Committee. They help to prepare and update the risk map described in section 4.2 – Internal control and risk management procedures, of the 2020 Universal Registration Document.

The Group has also taken out various insurance policies, as described in further detail in section 4.3 – Insurance, of the 2020 Universal Registration Document. The Group’s insurance strategy is to best protect the Group’s employees and assets against the occurrence of identified major insurable risks that may affect it.

In any event, other risks that Bureau Veritas does not consider to be specific to its businesses as they generally also concern other issuers in varying degrees, regardless of their activities, such as risks related to the climate, international economic sanctions or exchange rate fluctuations, could also have an adverse impact on the Group, its businesses, its financial position, its earnings and/or its outlook. Other risks may exist or may come to exist that are not known by Bureau Veritas at the date of the 2020 Universal Registration Document or that are presented in other sections of the Universal Registration Document and considered at that date unlikely to have a significant adverse impact on the Group, its businesses, its financial position, its earnings and/or its outlook should they materialize.

In 2020, as part of the work to update the Group’s risk map, all groupwide processes for preparing the map were reviewed. This task involved all operating groups and support functions (see section 4.2.1 – Organization and general approach to internal control and risk management, of the 2020 Universal Registration Document). A total of 40 key risks were identified, including risks specific to the Group’s businesses.

As a result of the update to the Group’s 2020 risk map:

- cybersecurity risk is now included in the risk factors, in the “Risks related to the Group’s operations and activities” category;
- the seven risks discussed in the 2019 Universal Registration Document published in March 2020 correspond to other risks specific to the Group and are described below;
- the classification of risk factors into the different categories has changed: the net impact of the risk factor related to litigation or pre-litigation proceedings has changed (from ● to ●●●). This change, identified following the risk review carried out as part of the update to the Group’s 2020 risk map, led to a modification in the ranking of risk factors within the category concerned (see section 3.1 – Risks related to the Group’s operations and activities).

The risk factors shown below are sorted into the following three categories:

- risks related to the Group’s operations and activities;
- risks related to human capital;
- risks related to acquisitions.

Risks are classified within their respective category in decreasing order of importance as determined by the Company based on the probability that the risks will materialize and the estimated extent of their impact on the Group, its businesses, its financial position, its earnings and/or its outlook, and after applying any risk mitigation measures. The order of importance as determined by Bureau Veritas could change at any time, in light of new external facts or circumstances, developments in the Group’s businesses, or changes in the impact of measures to manage and mitigate risks.

For certain risks, references are made to specific chapters or sections of this Non-Financial Statement and the 2020 Universal Registration Document in which they are discussed in more detail. Internal control and risk management procedures in place within the Group are described in section 4.2 – Internal control and risk management procedures, of the 2020 Universal Registration Document.

Risk factors are assessed in terms of (i) frequency or probability of occurrence, and (ii) gross impact, taking into account (iii) the level of control. The table below shows the results of this net impact risk assessment. Each of the risk factors shown is ranked “low”, “medium”, or “high” on the risk scale.

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3 RISK FACTORS

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3.1 RISKS RELATED TO THE GROUP’S OPERATIONS AND ACTIVITIES

CYBERSECURITY RISK

Description
The Covid-19 pandemic had social, societal, commercial and operating impacts for Bureau Veritas. The Group was forced to introduce remote working for the majority of its employees, with client services and assignments carried out remotely or through new digital tools and solutions.

The type of threat and the frequency with which risks occur are evolving rapidly. This new modus operandi will be in place for some time.

In this context, Bureau Veritas has identified an increase in cybersecurity risks and has accelerated the Group’s transformation, stepping up measures to protect its business-critical systems and infrastructures:
- the expectations and requirements of the Group’s clients in terms of IT security are also constantly growing. Maturity and leadership in cybersecurity and in data protection are therefore directly correlated with clients’ trust in the Group and its growth trajectory;
- the Group’s activities and processes increasingly rely on technical infrastructure and IT applications to deliver services;
- the Group’s international presence 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, financial and strategic information, to lost or leaked information, delays and/or additional costs representing a risk for Bureau Veritas’ strategy and business continuity. If these databases and the related back-ups were destroyed or damaged for any reason whatsoever, the Group’s business could be disrupted.

As part of its business, the Group collects and processes personal data. 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 and introduces stricter rules for managing personal data within the European Economic Area (EEA). The Regulation requires more transparency, particularly with regard to the data subjects, and increases corporate accountability (elimination of upstream controls of processing tasks, obligation to document any decision made with regard to processing [accountability principle], obligation to report any breach to the competent supervisory authorities, etc.) and the amount of criminal penalties applicable in cases of non-compliance. Similar regulations protecting data privacy also apply in other regions (e.g., Canada, Singapore and Australia) and concern all Bureau Veritas operating groups.
Risk control and mitigation measures

Bureau Veritas has a groupwide policy based on ISO 27001 that ensures it is aligned with market expectations in the context of a standardized, auditable framework. A series of operating policies have been established in this regard, which roll down into applicable organizational, process and technical measures and take into account constant and fast-paced changes in the nature of the threats. All work carried out by the technical teams follows detailed, documented procedures applicable to the Group’s data centers and cloud. 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 risk control and mitigation measures implemented by Bureau Veritas with respect to cybersecurity include the following:

- protection against malicious acts: central security systems have been devised and put in place, offering protection against software attacks (viruses, phishing, 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.
- new technologies have been introduced to improve Bureau Veritas’ protection, detection and response capabilities, in particular PCs, servers and mobile devices.
- a Security Operations Center (“SOC”) was set up in 2020, covering the Bureau Veritas network, critical infrastructures, back-up systems and the cloud. The SOC has advanced capabilities for managing threats or responding to incidents.
- a partnership has been put in place with an application security specialist to perform vulnerability scans and penetration testing, including via ongoing cooperation with the Operating Groups and the central IT teams.
- a Disaster Recovery Plan (DRP) has been developed for the Group’s main data centers and its cloud, enabling them to migrate their critical software and infrastructure to an alternative data center in the event of a major disaster, with minimal loss of data.
- a charter defining the rights and responsibilities of Group information system users in terms of cybersecurity has been introduced.
- training and awareness-raising sessions have been organized for all Group users since 2019, helping to reduce vulnerability to hacking and the risk that viruses and other threats will spread.
- collaborative messaging and advanced security solutions designed to reinforce multi-factor authentication and increase protection against phishing have been rolled out across the Group.
- 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. Data protection risk control and mitigation measures implemented by Bureau Veritas include:
  - training and awareness-raising sessions are organized for the Group’s employees (senior management, headquarters staff, IT and HR teams, etc.);
  - legal and technical measures have been put in place to serve as a framework for ensuring that all processing of personal data within Bureau Veritas complies with the applicable laws and regulations;
  - all employees and all external users are briefed on the Group’s applicable data protection policies;
  - procedures are in place to allow individuals to exercise their rights to privacy and to enable a record of processing activities to be kept and any data breaches to be reported and notified to the competent supervisory authority;
  - contracts with external service providers now include stricter requirements: besides the provisions regarding the processor’s obligations under the Regulation, the Group’s contracts now also contain the security measures that must be implemented by the service provider.

Potential impacts on the Group

Cybersecurity risk could have:

- financial consequences (loss of client contracts, operating losses, penalties, etc.);
- consequences on the Group’s reputation (unlawful disclosure of confidential and personal data, loss of accreditations and/or approvals to provide certain services); and/or
- legal consequences (liability with regard to legal entities and/or individuals on which the Group holds information).

Failure to comply with such regulations could result in criminal and/or financial penalties for the Group and harm its reputation.

Changes in the risk in 2020

The Group continues to upgrade its protection by installing cutting-edge systems enabling it to better shield itself from new types of attack.

Two key initiatives were launched and rolled out in 2020:

- creation of a Security Operations Center: the SOC improves the Group’s incident detection and response capabilities. The Group’s chosen partner has extensive expertise and long-standing experience in this field;
- implementation of an operational excellence approach synonymous with value creation for Bureau Veritas clients, with ISO 27001 solutions designed to promote certification amongst the Group’s businesses and subsidiaries. A pilot certification scheme was launched in 2020 and should lead to certification during the first half of 2021.

In 2021, three major initiatives will enhance the management of cybersecurity and data protection risks:

- phishing simulations will be widely rolled out and performed for all users, along with associated training sessions;
- application controls will be stepped up (vulnerability scans, penetration tests, privacy audits and security by design);
- workstation security will be improved, along with identity management and system access rights.

However, despite the measures in place, there is no such thing as zero risk. The Group cannot guarantee that it will not fall victim to incidents and hacking to which it must be able to respond.
LEGAL RISK 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. Most of Bureau Veritas’ business activities involve inspecting, testing or certifying its clients’ compliance with all types of benchmarks and standards (derived from regulations or contracts), and this often requires it to obtain the necessary licenses and authorizations from the relevant public or private bodies.

These regulatory frameworks are therefore at the heart of most of the Group’s operating activities and directly determine its capacity to exercise its TIC activities (see section 3.2 – Human risks) as well as the operating conditions in which it conducts them.

Amid the economic downturn triggered by the Covid-19 pandemic, clients affected by a possible reversal in their business cycle could be inclined to relax or push back the introduction of new mandatory standards and regulations, with a resulting reduction in international trade between these regions and countries.

Furthermore, increased competitive pressure on testing, inspection and certification activities could drive an acceleration in efforts to harmonize international or cross-industry benchmarks and standards with which Bureau Veritas clients regularly need to demonstrate their compliance in order to act in accordance with applicable laws and regulations. This would lead to the trivialization and commoditization of the services sold by the Group.

A relaxation in requirements or harmonization of laws, regulations, benchmarks and standards which form the basis of Bureau Veritas’ testing, inspection and certification services, would potentially have a negative impact on revenue. This would also be the case if its clients relaxed the requirements imposed on their supply chains (standards, regulations and contractual requirements controlled by the Group). A decoupling of the Chinese, US or European economies would impact operating profit due to a potential increase in compliance costs or in the costs incurred to adapt Group facilities in different countries for certain laboratories.

Risk control and mitigation measures
The Group endeavors to monitor all of these changes through its regulatory intelligence in order to anticipate, monitor and give its input to the competent authorities when new regulations are being drafted.

As a member of national and international associations of the TIC profession, including the TIC Council (formerly 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.

Potential impacts on the Group
It follows that changes in regulations applicable to the Group’s businesses may be either favorable or unfavorable. Stricter regulations or stricter enforcement of existing regulations, while creating new business opportunities in some cases, may also result in new conditions for the Group’s activities that increase its operating costs, limit the scope of its businesses (for example, in connection with real or perceived conflicts of interest) or more generally slow Bureau Veritas’ development.

In particular, important changes in regulations or legislation applicable to the Group’s businesses in the principal countries where it operates may lead to frequent, or even systematic, claims against the professional liability of employees, the Company or its subsidiaries. The Group could face multiple lawsuits and may be ordered to pay substantial damages, despite the fact its services were provided in the jurisdiction prior to any regulatory changes.

In extreme cases, such changes in the regulatory environment could lead Bureau Veritas to exit certain markets where it considers the level of regulation to be overly restrictive.

A relaxation in requirements or harmonization of laws, regulations, benchmarks and standards which form the basis of Bureau Veritas’ testing, inspection and certification services, would potentially have a negative impact on revenue. This would also be the case if its clients relaxed the requirements imposed on their supply chains (standards, regulations and contractual requirements controlled by the Group). A decoupling of the Chinese, US or European economies would impact operating profit due to a potential increase in compliance costs or in the costs incurred to adapt Group facilities in different countries for certain laboratories.

Changes in the risk in 2020
In 2020, there was an escalation in this type of risk, despite it being inherent to the Group’s TIC activities. This has prompted Bureau Veritas to consider:

(i) the impact of a global pandemic on the financial health of its clients, potentially leading to pressure on the regulator to:
   - relax or push back the introduction of new mandatory standards and regulations,
   - reduce the number of tests, inspections and certifications usually carried out by the Group on behalf of its clients (when they are not required by law or regulations);

(ii) the impact of increased competitive pressure (via the trivialization and commoditization of the services sold by the Group) resulting from an acceleration in efforts to harmonize international or cross-industry standards, rules and regulations with which its clients have to comply;

(iii) lastly, changes in the geopolitical situation leading to increased protectionism and a decoupling of the Chinese, US and European economies, with a resulting reduction in international trade between these regions and countries.
RISK RELATED TO THE NON-RENEWAL, SUSPENSION OR LOSS OF CERTAIN AUTHORIZATIONS

Description
Much of the Group’s business requires it to obtain and maintain accreditations, approvals, permits, delegations of authority, official recognition and authorizations more generally (hereafter referred to as “Authorizations”) at local, regional or global level, issued by public authorities or by professional organizations following long and often complex review procedures.

Most Authorizations are granted for limited periods of time and are subject to periodic renewal by the authority concerned. For some of its businesses (in particular Government services in the Agri-Food & Commodities business and Marine & Offshore), the Group (or division concerned) must be an active member of certain professional organizations in order to be eligible for select projects.

Although the Group closely monitors the quality of services provided under these Authorizations, as well as the renewal and stability of its Authorizations portfolio, any failure to meet its professional obligations or conflicts of interest (real or perceived as such), could cause Bureau Veritas to lose one or more of its Authorizations either temporarily or on a permanent basis. A public authority or professional organization which has granted one or more Authorizations to the Group could also unilaterally decide to withdraw such Authorizations.

Government services (included within the Agri-Food & Commodities business), and in particular Pre-Shipment Inspection (PSI), Verification of Conformity (VOC) and Single Window (SW) solutions, involve a relatively limited number of programs, contracts and accreditations (hereafter referred to as “Contracts”) signed with or granted by governments or public authorities (“Authorities”).

These Contracts, awarded within the scope of international calls for tender, have terms of between three and five years (sometimes ten years for Single Windows). Since the ultimate purpose of these Contracts is to transfer expertise to the Authorities, they are often not renewed and the related operations are often discontinued once the expertise has been transferred to said Authorities. This could cause revenues in the country concerned to suddenly dry up. However, certain Contracts that are not renewed may be supported by local teams in the form of technical assistance provided to the Authorities, allowing operations to continue in that country.

Risk control and mitigation measures
For each of its businesses, Bureau Veritas has put in place a specific organization for managing and monitoring Authorizations. The management of Authorizations used in several countries was reinforced in 2017, particularly in the Agri-Food & Commodities, Certification, Industry and Marine & Offshore businesses, through optimum organization and implementation of control tools (especially employee qualification management and supervision, Internal Audit management, shared service centers to monitor execution, and Commitment Committees to analyze and prevent conflicts of interest). These tools and systems are regularly reviewed and enhanced by the Group.

Centralized management of international Authorizations has been stepped up and their geographic footprint streamlined in order to limit the Group’s exposure to the risk of losses. Internal initiatives aimed at raising awareness of potential conflicts of interest and accreditation requirements have also been rolled out so that the risks associated with Authorizations can be better understood and addressed.

To reduce its exposure, Bureau Veritas endeavors to diversify the geographic footprint of its portfolio of Government services businesses and to structure its programs so that services are paid for by the operators and not by the relevant governments. By engaging in ongoing intensive diplomatic and commercial efforts, the Group is also better able to anticipate crises and manage such risks if they were to arise.

Lastly, Bureau Veritas seeks to secure its contracts as far as possible with the help of its internal and external counsel. Additional information on these Authorizations and their management is provided in section 1.6 – Accreditations, approvals and authorizations of this Non-Financial Statement and section 4.2 – Internal control and risk management procedures of the 2020 Universal Registration Document.

Potential impacts on the Group
The non-renewal, suspension or loss of any of these Authorizations and Contracts, or of its position as member of certain professional organizations, could have a significant adverse effect on the Group’s business, financial position, earnings or outlook.

For example, in Government services, the Group has around 50 Contracts of the type described above, most of which involve services for countries in Africa, the Middle East and Asia. These Contracts, which represent aggregate revenue of around €100 million, are generally for a period of one to three years (or ten years for Single Window). Many of them are subject to local administrative law and may be unilaterally terminated at short notice at the discretion of the government or authority concerned. They are also subject to the uncertainties inherent in conducting business in emerging countries, some of which have been or could be subject to political or economic instability, sudden and frequent changes in regulations, civil war, violent conflict, social unrest or actions of terrorist groups. The suspension, cancellation or non-renewal of even a small number of these Contracts could have a significant adverse effect on the Group’s business, financial position, earnings or outlook.

In addition, in performing 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 Bureau Veritas’ business, financial position, earnings or outlook.

Changes in the risk in 2020
The risk related to the non-renewal, suspension or loss of certain authorizations is declining overall thanks to prevention measures rolled out by the Group. The Covid-19 pandemic had no impact on this risk in 2020.
RISK FACTORS

Risks related to the Group’s operations and activities

ETHICS RISK

Description
The Bureau Veritas brand is that of a recognized world leader operating with unparalleled know-how, independence, objectivity and integrity for almost two centuries. Independence, objectivity and integrity are the foundation of trust, and trust is at the heart of Bureau Veritas’ relations with its clients. The Group’s communications are a tangible demonstration of its commitment to “shaping a world of trust”. Ethics has long been an “absolute” for Bureau Veritas, which strives to enforce strict ethical values and principles in conducting its business (principles of transparency, honesty and integrity, fight against corruption, fair employment, health and safety). However, the risk of isolated acts in breach of these values and principles by Group employees, agents or partners cannot be ruled out. These may include employee actions or failures to act in the face of corruption in order to secure personal gain, facilitate business development, avoid or settle disputes or fast track administrative decisions, as well as fraudulent acts, conflicts of interest, anti-competitive practices, violation of international economic sanctions, and more.

In terms of ethical conduct, Bureau Veritas believes its main risk exposure to be the passive corruption of a Group employee during an audit carried out at a client’s premises or at the premises of one of the client’s suppliers on behalf of that client. This risk increases when (i) the company audited by a Group employee is located in a jurisdiction where corruption is considered to be endemic, culturally accepted or commonly attempted, or when (ii) the audited entity’s business or the development of that business depends on the delivery of a favorable report by the Group. Failure to comply with independence or objectivity rules (which may or may not result from an act of passive corruption) is also considered a major risk for the Group.

Risk control and mitigation measures
Thanks to the deep-seated and broadly publicized commitment of its Executive Management team, the Group set up a Compliance Program. This includes a Code of Ethics and a manual of internal rules and procedures applicable to all employees, a dedicated central and regional internal organization, a whistleblowing hotline, specific training courses, and a corruption risk map, as well as third-party due diligence and audit procedures, which fall under the responsibility of the Group’s Ethics Committee. Any incidents of identified non-compliance with the Group’s ethical standards are subject to disciplinary measures. These risk management procedures are audited every year.

The Group’s Compliance Program is described in further detail in section 4.2 – Internal control and risk management procedures of the 2020 Universal Registration Document and in section 2.3.1.1 – Ethics, an “absolute” of this Non-Financial Statement.

Potential impacts on the Group
Group employees, executives or companies may be held liable for any failure to comply with ethical principles and standards. This risk is heightened by the number and variety of the commercial partners working with Bureau Veritas (intermediaries, partners and subcontractors) and by the fact that the Group does business in certain countries that are particularly well known for corruption risk. This situation could therefore lead to penalties – particularly financial penalties – and/or affect Bureau Veritas’ reputation and image, and adversely impact its businesses, financial position, earnings and/or outlook.

As well as legal and administrative penalties and reputational harm, failure to comply with the Group’s ethical principles and standards could render stakeholders liable as well as result in the loss of accreditations, approvals, delegations of authority, official recognition and more generally, of authorizations issued by public authorities or professional organizations.

Changes in the risk in 2020
Ethics risk remains intrinsically the same from one year to the next. However, we can assume that it increased in the context of the Covid-19 pandemic. This temporary increase in the Group’s exposure to ethics risk is nevertheless likely to have been offset by a gradual improvement in its risk management as ever stricter new procedures are put in place.
RISK FACTORS
Risks related to the Group’s operations and activities

RISK RELATED TO THE PRODUCTION OF FORGED CERTIFICATES

Description
The Group’s main mission is to ensure that products, assets and systems comply with a given framework (mainly standards and regulations in terms of quality, safety, environmental protection and social responsibility). Bureau Veritas acts as an independent body and issues reports and certificates stating that products, assets and systems conform to applicable standards and regulations. Certification enables companies to conduct their business activities (e.g., place products on the market), access new markets or strengthen their reputation.

Since obtaining certification is often vital for companies, Bureau Veritas is exposed to the risk that its reports or certificates are falsified or tampered with, or that counterfeit reports or certificates are issued, infringing Bureau Veritas’ trademarks and/or copyright. The production of forged or counterfeit reports can result from employee conduct or, more commonly, external sources (fraudulent behavior by a client or third party in order to meet regulatory requirements).

Risk control and mitigation measures
A policy aimed at preventing counterfeit certificates and reports has been in place in the Group since 2015. Whenever there is a suspected case of forged or counterfeit certificates, the Group conducts an investigation to rapidly identify the source and authors of the forgeries/counterfeits. Where applicable, it informs clients, accreditation bodies and, if necessary, government and customs authorities in accordance with applicable legal and regulatory requirements. Legal and criminal proceedings are also initiated to put a stop to the fraud and seek damages for the harm suffered by the Group. Penalties may be adopted against those responsible.

For example, an employee was suspended and subsequently dismissed after it was discovered he had tampered with the results of analyses. Clients and the relevant legal authorities were immediately notified of the discovery.

The Group’s Compliance Program, described in further detail in section 4.2 – Internal control and risk management procedures of the 2020 Universal Registration Document and in section 2.3.1.1 – Ethics, an “absolute” of this Non-Financial Statement, helps to prevent and, where necessary, detect any fraud resulting from inappropriate employee conduct.

To address external counterfeit risks, the Group has developed technologies using timestamping, electronic signatures and QR codes for certificates or reports in a bid to reduce the risk of forged or counterfeit certificates and improve the traceability of the reports and certificates issued by Bureau Veritas.

Potential impacts on the Group
This situation could lead to legal proceedings (civil and criminal), jeopardize the Group’s ability to maintain or renew the Authorizations it needs to pursue certain activities, result in the withdrawal of certain products from the market and/or damage the reputation of the Group and the TIC industry in general. It could also adversely and significantly impact Bureau Veritas’ businesses, reputation, image, financial position, earnings and/or outlook.

Changes in the risk in 2020
The risk of forged certificates or reports remains stable, even though developments in information technologies could make such counterfeits either easier to produce and/or harder to detect or identify.

Accordingly, the Group stepped up the deployment of technologies aimed at protecting against forgery and improving the traceability of reports and certificates in order to provide protection for all of its businesses. These technologies notably allow end users to verify document authenticity and content accuracy online.

The Covid-19 pandemic had no impact on this risk in 2020.
RISK RELATED TO LITIGATION OR PRE-LITIGATION PROCEEDINGS TO WHICH THE GROUP IS A PARTY

Description
As for any TIC company, the nature of Bureau Veritas’ testing, inspection and certification activities is such that there is an inherent risk of the quality and pertinence of its work and findings being called into question in the event that flaws are subsequently identified or should major incidents occur.

What makes these types of claims different is that inspection companies can be held liable for sums that are often disproportionate in light of the amounts actually paid for the services provided.

In the normal course of business, the Group is therefore involved in a large number of litigation or pre-litigation proceedings seeking to establish its professional liability on a contractual or extra-contractual basis in connection with services provided.

Bureau Veritas is particularly exposed in terms of (i) frequency of occurrence: due to France’s Spinetta law of January 4, 1978, which establishes a presumption of joint and several liability for technical inspectors, the Group’s Construction business in France sees significant, recurring claims and the Group’s creditworthiness could also encourage third parties to make claims against it; (ii) timing: there may be a substantial delay between the date services are provided and the date a legal claim is filed or a legal decision is handed down (certain proceedings can last between 10 and 20 years); and (iii) financial penalties: services provided for hundreds or thousands of euros can give rise to claims seeking several millions of euros in damages.

To put pressure on Bureau Veritas, as well as litigation, some claimants readily bring administrative or even criminal proceedings that are unfounded but can harm the Group’s image, for example proceedings seeking to call into question licenses granted to the Group.

Accordingly, we cannot rule out that new claims may be made against a Group company in the future leading to substantial liability for the Group and thus having a significant adverse effect on the Group’s business, financial position, reputation, earnings or outlook. A detailed description of major legal proceedings to which the Group is a party is provided in section 4.4 – Legal, administrative and arbitration procedures and investigations, of the 2020 Universal Registration Document.

Risk control and mitigation measures
Bureau Veritas has implemented procedures aimed at preventing, monitoring and managing litigation. These procedures are described in section 4.2 – Internal control and risk management procedures, of the 2020 Universal Registration Document.

The Group’s legal experts work closely alongside its lawyers across the globe to manage this risk as effectively as possible. The Group also seeks to significantly insure itself against all financial consequences of claims asserting professional liability.

Provisions may be set aside to cover expenses resulting from such proceedings. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Details of total provisions for contract-related disputes are provided in section 6.6 – Notes to the consolidated financial statements, Note 27 – Provisions for liabilities and charges, of the 2020 Universal Registration Document.

Potential impacts on the Group
Substantial fines or damages handed down by a court in respect of an incident not insured by a pertinent insurance policy and not adequately provisioned could have a significant adverse impact on the Group’s consolidated financial statements.

Moreover, multiple awards leading to substantial payouts from insurers under the Group’s insurance policies could result in a sharp rise in insurance premiums on account of the negative claims history.

Changes in the risk in 2020
The Group’s efforts to manage this risk as effectively as possible by fine-tuning internal processes and extending insurance coverage are paying off. The Group’s civil liability claims history has improved, although there is no guarantee this trend will continue owing to the global commercial, political and legal environment in which the Group operates, as well as the health situation.
3.2 HUMAN RISKS

RISKS RELATED TO HUMAN CAPITAL

Description
The Group employs more than 75,000 people in technical fields requiring expert and specialist expertise. On account of its global reach, Bureau Veritas has to attract and retain these talented employees in most of the countries in which it does business. Risks related to human capital concern the Group’s ability to attract, retain, develop and motivate its staff, and particularly its high-performing employees on a global scale.

Given the tight labor market, recruiting the best talent has become more difficult despite an improved employer brand image. Bureau Veritas is therefore exposed to the following critical human resources risks:

- a high attrition rate, which would jeopardize the quality of its services and its ability to meet its growth targets;
- inadequate diversity of current and prospective employees, which could hamper innovation as well as employee creativity and engagement;
- low and/or insufficient knowledge about employee engagement levels, which could lead to sub-optimal productivity and less effective talent recruitment and development;
- an inadequate sense of well-being, which could have a negative impact on productivity, growth and the Group’s employer brand image.

Risk control and mitigation measures
Bureau Veritas has formally set down its HR strategy in the form of an “HR Compass”. This focuses efforts on attracting, engaging and developing employees. Its initiatives are designed to offer employees rewarding career and development opportunities. Bureau Veritas looks to foster loyalty among its teams as part of an inclusive development and performance-driven culture, in which the well-being of its employees is essential. This culture is also designed to reward and recognize employees’ contributions in a fair, consistent and transparent manner.

Maintaining and developing pertinent professional and technical skills among all employees is another critical component of the HR Compass. This is in addition to the Group’s investment in developing managerial and leadership skills for its current and future managers.

The HR Compass ensures that a robust annual review process is in place within the Group so that it can identify then develop high-potential employees who it believes have the ability to fill various managerial and other senior roles in the short to medium term. The Group also prepares succession plans for key positions. It prioritizes and closely monitors the development of potential succession candidates.

Other key HR Compass programs include initiatives focusing on:

- employer brand image: continued development of the LEAVE YOUR MARK employer brand; roll-out of the BV Values and Leadership Expectations, a new, enhanced corporate culture program; and targeted efforts to identify and nurture priority skills, including those needed to equip employees for key roles going forward;
- attrition: evaluation of employee engagement through the “BVocal” questionnaire; follow-up on the employee responses given in the questionnaire, including the initiatives designed and rolled out by each manager for his/her team based on the feedback given by that team;
- diversity: development and launch of new/revamped Group HR policies in areas such as inclusion, well-being, flexible work, learning, career and talent development and anti-harassment;
- engagement: the scope of the BVocal pilot project rolled out in 2019 to evaluate employee engagement was extended in 2020, and will continue to be increased going forward. Measures have also been taken in response to the findings of the 2019 questionnaire, which helped increase engagement from 64% to 69% between 2019 and 2020;
- well-being: initiatives are being designed and rolled out across some Group divisions. They will be reviewed centrally and potentially rolled out to other Bureau Veritas divisions. The Group’s well-being policy and other relevant initiatives such as the flexible work policy serve as a basis for these reviews.

Talent management, inclusiveness and diversity are discussed in further detail in the Non-Financial Statement, in section 2.3.2 – Grow human capital, of this Non-Financial Statement.
Potential impacts on the Group

An under-capitalized and not fully recognized employer brand could limit Bureau Veritas’ ability to attract the talent it needs to successfully pursue and meet the growth targets set out in its corporate strategy. Such talent is often highly sought after in the labor market, owing to the highly specialized professional and technical fields in which the Group operates and to strong demand for global talent and executives with key emerging skills (particularly in terms of sustainability, digital technology and supply chain risk mitigation).

A high attrition rate could jeopardize the quality and resilience of its services, affect its ability to meet client expectations, and influence its capacity to meet the growth targets set by the Company.

Insufficient diversity among employees and prospective employees could impact the Group’s ability to give tangible form to its values and affect the added value that diversity brings to its strategy, which is itself based on diverse employee profiles.

Low or insufficient knowledge about employee engagement levels could prevent the Group from achieving a satisfactory and sustainable level of productivity and growth.

An inadequate sense of well-being among employees could lead to accidents, a rise in absenteeism, lower productivity and a decline in employee engagement.

Changes in the risk in 2020

The risk related to the strength of the employer brand has decreased following social media campaigns and efforts to enhance the Group’s corporate culture. These efforts resulted in Bureau Veritas receiving several awards for its employer brand image in 2020 (see section 2.3.2.1 – Talent management, of this Non-Financial Statement).

Given the Group’s stable attrition rate over the last several years along with the cultural, development and performance management priorities underpinning the HR Compass initiative, the Group considers that the risk of a higher attrition rate is low.

The risk related to insufficient employee diversity is seen as a moderate risk with a more significant impact on the long-term execution of the Group’s strategy. This risk diminishes over time, as the Group’s four values – including “Openmindedness and Inclusion” – and its Leadership Expectations are promoted and put into practice.

Based on the results of the pilot employee engagement project carried out in 2019 and the extended scope of the 2020 engagement questionnaire, the risk related to low or insufficiently known employee engagement levels remains moderate.

Given increased exposure among all population groups to the Covid-19 virus, employee well-being represents a moderate risk.
3.3 RISKS RELATED TO ACQUISITIONS

RISK OF IMPAIRMENT OF INTANGIBLE ASSETS RESULTING FROM ACQUISITIONS

Description
A significant proportion of the assets recorded on the Company’s statement of financial position corresponds to intangible assets resulting from business combinations. Goodwill as reported in the statement of financial position at December 31, 2020 amounts to €1,942.9 million, or 29.6% of total assets (€6,566.1 million).

Risk control and mitigation measures
In accordance with current IFRS standards, the Group tests the fair value of its indefinite-lived intangible assets each year, based on which it decides whether or not to recognize impairment against these assets.

The testing approach used is detailed in section 6.6 – Notes to the consolidated financial statements, Note 11 – Goodwill, of the 2020 Universal Registration Document.

Potential impacts on the Group
The value of intangible assets depends on the future operating profit of the companies acquired and the discount rates used, which themselves are dependent on the current and future economic and financial environment.

Changes in the assumptions underpinning their valuation can lead the Group to write down certain intangible assets. In accordance with current IFRS standards, impairment taken against certain intangible assets cannot be reversed.

Any such impairment would reduce attributable net profit and equity. However, there would be no impact on cash flow for the period.

Changes in the risk in 2020
No significant changes in this risk were identified in 2020. The impacts of the Covid-19 pandemic had no impact on this risk during the year.