

SHAREHOLDERS' LETTER

DECEMBER 2019

EDITORIAL

Discover with François Chabas, Chief Financial Officer of the Group, how Bureau Veritas improves its cash generation and allocates its capital.

François Chabas,
Chief Financial Officer for Bureau Veritas

1.27 billion
revenue in Q3 2019

+3.9%

+6.2%
compared to the previous financial year

organic growth in Q3 2019

5 HIGHLIGHTS NOT TO BE MISSED



CONSUMER GOODS
First OmniAir certification for BV wireless systems testing lab in Asia

The Bureau Veritas laboratory in South Korea, which specialises in the testing of wireless systems, has been certified as an **Authorised Test Laboratory** by OmniAir Consortium. It is the first laboratory in Asia to be certified to test the compliance of dedicated short-range communications systems (DSRC) and embedded wireless communication technologies between vehicles (V2V).



INFRASTRUCTURE
The Grand Paris tunnels: a very connected construction site

With 180 km of tunnels, the Grand Paris project is **the largest underground construction site in Europe**, involving 20 tunnel boring machines, all of which are connected to the Cloud, and using artificial intelligence to optimise the work sites. Bureau Veritas Construction is supporting the underground progress, particularly through its geotechnical reconnaissance programmes and by examining the performance conditions for this work.



INDUSTRY
A new way of inspecting wind turbine blades

Bureau Veritas has signed a cooperation agreement with **Cornis**, an experienced provider of technology and IT solutions for the inspection of wind turbine blades. The partnership focuses on advanced blade inspection (ABI) services, based on site data collection and digital image processing. This method of blade inspection is safer, faster and provides more accurate results.



AGRI-FOOD
Organic certification: Bureau Veritas acquires Q Certificazioni

Bureau Veritas acquired **QCertificazioni**, an independent body specialising in organic certification services for food products in Italy. Q Certificazioni has a client base of farmers, food producers and retailers. This targeted acquisition is the Group's third transaction in the food industry since the beginning of the year.



INFRASTRUCTURE
Seine-Nord Europe canal project: a river highway is born

Imminent launch of the Seine-North-Europe canal project, **which will link Paris with Rotterdam via Antwerp by 2030**. This project will help to reduce some of the 18,000 container lorries that use France's A1 highway to travel to and from the capital each day. Bureau Veritas has been involved in this emblematic construction site since its conception. Work is expected to start at the end of 2019!

WE READ / WATCHED

We read:
Sapiens: A Brief History of Humankind, by Yuval Noah Harari. A bold, erudite and provocative book that challenges everything we thought we knew about mankind.
→ [Learn about Sapiens here](#)

We watched:
One Breath Around the World, a breath-taking plea from a world champion freediver for the preservation of the oceans.
→ [Discover One Breath around the World](#)

SPOTLIGHT

FIELD TRIP TO THE PARIS LA DÉFENSE ARENA

On last 24 September, a delegation of analysts and institutional investors were invited by Bureau Veritas to the Paris La Défense Arena, which has 40,000 seats in its concert configuration. The Group took the opportunity to put a spotlight on recent developments in its "Buildings & Infrastructure" business activity.



Bureau Veritas "has been involved in the Paris La Défense Arena project since its creation, from the architect's competition, throughout the construction phase, to its current phase of operation with periodic inspections," says Laurent Brunelle, Vice-President of Investor Relations at Bureau Veritas. "This illustrates our ability to work with our customers in both the CAPEX and OPEX phases, and to become more resilient and less exposed to economic cycles."

Before visiting this unique location, the participants immersed themselves in the activities of the "Buildings & Infrastructure" activity through multiple case studies. These included a technical inspection of the "New Roland Garros" in France; conformity

assessment of a motorway in Mexico; conformity assessment of a data center in the United States and project management assistance in the construction of airport and metro infrastructures in China.

"We have focused on the impressive development of our business activity in Asia and the United States over the last five years. In China, we are concentrating on infrastructure projects – a market supported by the country's rapid urbanisation – through a series of acquisitions. Between 2014 and 2018, we increased our revenue from around 40 million euros to more than 190 million euros," explains Laurent Brunelle. Bureau Veritas also recently acquired two US companies (Primary Integration Solutions and EMG), opening up new growth prospects for these two entities.

"Primary Integration, for example, is reaching new markets in Asia and Europe thanks to its integration into our Group, with a first project in Singapore," continues Laurent Brunelle.

The field trip to the Paris La Défense Arena also highlighted the added value of the digital solutions offered by Bureau Veritas on the B&I market. "Today, we have the ability to set up a shared BIM digital platform for all project stakeholders: architects, builders, contractors, etc. Each party can, in real time, verify the compliance of their proposals/solutions with the standards in force and identify the risks in advance." In this way we can position ourselves as both a partner and a facilitator!

3 QUESTIONS FOR NICOLAS KARAM,

Vice President Food Service Line, on animal welfare

Are we heading towards defining an international standard for animal welfare?

Globally, animal welfare is a growing concern for consumers, food manufacturers and distributors alike. However, no international standard exists and the differences between local customs and regulations hinder the creation of one. The World Organisation for Animal Health (OIE) has made recommendations, but without specific compliance criteria. The European Union also has regulations^[1], which are more or less well respected depending on the country. These texts are based on the five fundamental freedoms^[2] of animals, as set out in 1992 by the Farm Animal Welfare Committee. Finally, some labels (such as Organic or certain appellation labels) include a component devoted to animal welfare. In this context, I believe that, in the medium-term, it would be better to develop certifications for similar economic groups (Europe, North America, etc.) rather than an international standard.

How does Bureau Veritas intervene on behalf of animal welfare in its auditing and certification business?

Bureau Veritas both designs standards and audits compliance with them. We help private clients, NGOs and veterinary groups to define reference frameworks that go beyond current regulations. These frameworks are structured around several dozen criteria and are adapted to the animal species concerned. For example, we carried out a project in Spain for the pork industry in which we helped to structure an audit framework. We also audit and certify our clients according to predefined standards.

By the end of 2019, we will have performed around 80 audits in the abattoirs providing Carrefour France's flagship brands. The evaluation framework was developed by the OABA association (Euvre d'assistance aux bêtes d'abattoir, a French association promoting the welfare of animals in abattoirs), which also trained our auditors. In France, we also support several milk manufacturers by auditing the conditions under which milk is produced as well as the animal behaviour indicators.

What are the possibilities for digital solutions for animal welfare?

Digital solutions offer new opportunities to ensure compliance with good practices. We form partnerships with companies that design equipment to better track certain aspects of animal welfare, and we add third-party inspections to increase the level of confidence. We have, for example, developed a partnership with a company which provides geolocation data from a smart collar worn by cattle, which increases confidence in a "grazing milk" label by determining the actual number of days that the cow spent at pasture. As part of our global partnership with Microsoft, we are also working on artificial intelligence solutions that facilitate the detection of risk behaviours (human and animal) based on images recorded by video control systems.

^[1] Directive 98/58/EC outlining minimum standards concerning the protection of animals kept for farming purposes

^[2] Freedom from hunger and thirst, freedom from discomfort, freedom from pain, injury and disease, freedom to express normal behaviour and freedom from fear or distress.

INNOVATION

CIRCULAR+: REDESIGNING LINEAR BUSINESS MODELS TO BECOME MORE CIRCULAR ONES

Bureau Veritas Certification has launched **its new innovative approach to corporate sustainability: Circular+**. This holistic approach to the portfolio offers a transformational pathway for organizations to follow.



After having focused on their environmental impacts these last few years, companies have to take it to the next level. Today, they have to meet regulatory requirements and anticipate customers' expectations. The challenge now is to move to a circular economy: a renewable model in which resources are continuously reused and recycled and companies are reducing their environmental footprint.

Why now?
"We can no longer ignore these urgent issues! The kids are on climate strikes every Friday to protest against our lack of progress. The issue is becoming more and more serious. Reengineering and redesigning the economy of the planet is going

to be the major challenge for the future. It will happen one organization at a time, one supply chain at a time. This is a massive objective and undertaking, which we have to start now!", warns Mark Fraser, Innovation and Sustainability Business Development Manager. Hence the innovative global approach taken with Circular+, which compiles the range of existing certification services for responsible sourcing such as for the food, forestry, metals and biofuels sectors, as well as for manufacturing systems training and certification to address energy, environmental and social impacts...

How does it work?
Circular+ provides organizations with a range of products to tackle both individual processes and entire business models within a circular economy

framework. "Companies are looking for ways to improve their environmental impact but are struggling with how to do it. We believe Circular+ is the solution to help companies at every step on the way," explains Sebastian Fox, VP and General Manager of Bureau Veritas Certification. The real value of this innovative bundled offering is Circular+'s end-to-end approach: from raw materials, through production to consumption to reuse and recycling to avoid waste at the end of a products' life cycle.

eDNA tests provide an accurate and cost-effective tool for public authorities and the scientific community to help mitigate changes to ecosystems caused by resource extraction, development and global warming.

Environmental DNA, or "eDNA", refers to recent techniques used to detect species living in a specific natural environment. In fact, organisms release genetic material into their environment, such as dead skin, plant cells, excrement and bodily fluids, which are easy to collect in water, sediment or soil. For Aron Weir, Manager of Special Projects at **Bureau Veritas Laboratories**, "This technique is on the verge of revolutionising ecological and environmental assessment methods."

Bureau Veritas Laboratories, the first Canadian laboratory to be accredited to perform eDNA tests in June 2019, contributed laboratory testing for an ecological survey conducted by Jared Hobbs and the University of Victoria to assess the Rocky Mountain tailed frog, an endangered species living in British Columbia, Canada. Frog species are considered bioindicators of their environment. When the environment is polluted (e.g. by mining activities or developments), these very sensitive small amphibians are often the first to disappear. "The problem is that these frogs are very difficult for biologists to spot. They live in specific habitats, emit no sound, and lay their eggs discreetly under rocks," explains Aron Weir. Analysing the eDNA present in samples taken from mountain streams identified the areas in which this species of frog lives. "Mapping their presence helps government and environmental protection stakeholders to identify the habitats which need to be protected in order to preserve this species."

eDNA tests provide an accurate and cost-effective tool for public authorities and the scientific community to help mitigate changes to ecosystems caused by resource extraction, development and global warming.

Being able to reliably detect species has many advantages for scientists. "If a species can be easily seen or photographed, testing eDNA is pointless. However, it is very difficult to detect and observe declining or rare species. To protect them, biologists now just have to access the environment in question, take a sample of water or soil and analyse it to find the eDNA."

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KEY FIGURES

DJSI 2019
In the 2019 Dow Jones Sustainability Index (DJSI) World and Europe rankings, Bureau Veritas has been distinguished, among 33 other companies.

2nd
most responsible company worldwide in the Professional Services industry.

75/100
is the score achieved by Bureau Veritas, compared to an industry average of 38/100.